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 3, 2024, 8:30 a.m.

Teleconference Site: 25652 Paseo De La Paz, San Juan Capistrano, CA 92675 17420 Walnut Street, Fountain Valley, CA 92708

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). 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.

Computer Audio: You can join the Zoom meeting by clicking on the following link: https://zoom.us/i/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. 2149

PRESENTATION/DISCUSSION ITEMS

1. MWDOC MEMBER AGENCY PANEL DISCUSSION ON METROPOLITAN'S BUSINESS MODEL

Recommendation: Review and discuss the information presented.

2. LEGISLATIVE ACTIVITIES

- a. Federal Legislative Report (NRR)
- b. State Legislative Report (SDA)
- 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. H.R. 8682 (HUFFMAN, D-CA) – WATER CONSERVATION REBATE TAX PARITY ACT

Recommendation: Vote to adopt a support position on H.R. 8682 (Huffman, D-CA).

5. SB 1255 (DURAZO) - PUBLIC WATER SYSTEMS: WATER RATE ASSISTANCE PROGRAM

Recommendation: Vote to adopt an Oppose Unless Amended position on Senate Bill

1255 (Durazo).

INFORMATION ITEMS

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

Recommendation: Review and discuss the information presented.

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

- a. Summary regarding June MET Board Meetings
- b. 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 3, 2024

TO: Board of Directors

FROM: Harvey De La Torre, General Manager

Staff Contact: Melissa Baum-Haley

Alex Heide

SUBJECT: MWDOC MEMBER AGENCY PANEL DISCUSSION ON

METROPOLITAN'S BUSINESS MODEL

STAFF RECOMMENDATION

It is recommended that the Board of Directors discuss and file this information.

SUMMARY

Metropolitan's Climate Adaptation Master Plan for Water (CAMP4W) seeks to increase Metropolitan's understanding of the climate risks to water supplies, water quality, infrastructure, operations, workforce, public health, and financial sustainability. Additionally, CAMP4W will develop decision-making tools and long-term planning guidance for Metropolitan's adaptation to climate change. It also seeks to integrate water resources, climate, and financial planning.

The Business Model discussion, as a two-directional process, holds the potential to significantly enhance our operations and service to Member Agencies in the face of a changing climate and the necessary future investments.

"Metropolitan will be discussing the purpose, desired outcome, and components of the Business Model with the Board and Member Agencies in 2024. This is intended to involve reviewing Metropolitan's current Business Model, identifying the problem statement, evaluating the role Metropolitan may take moving forward, and determining how the existing Business Model should be updated and revised to address Metropolitan's problem statement and goals." – CAMP4W Year One Progress Report

As outlined in Section 4.2 of the CAMP4W Year One Progress Report, this next phase of the process commences with:

Reviewing Metropolitan's current Business Model

Budgeted: ☐ Yes ☒ No	Budgeted amount:	None	Core: ⊠	Choice: □
Action item amount: N/A		Movement between fu	nds: ☐ Yes	⊠ No

- Identifying the problem statement
- Evaluating the role Metropolitan may take moving forward
- Determining how the existing Business Model should be updated and revised to address Metropolitan's problem statement and goals

Establishing a comprehensive and transparent understanding of the current Business Model is imperative. This shared knowledge will be a solid starting point for Metropolitan and Member Agencies to initiate the refinement process. The next step should be a clear understanding of deficiencies and challenges Metropolitan's Business Model is expected to face in the future, categorized as factors of Metropolitan's role and core function, rate structure, and/or new revenue opportunities.

On June 5, MWDOC hosted a panel discussion that included individual perspectives from a spectrum of Metropolitan Member Agencies. This panel discussion provided diverse insights and perspectives on the challenges and opportunities facing Metropolitan and its Member Agencies.

Due to the gravity of the impact Metropolitan's Business Model has on all regional water agencies, and as a result of the healthy discussion that occurred through that panel forum, to yield to individual perspectives across water agencies within Orange County, MWDOC will similarly host the following local agency panel:

- Alvin Papa, City of Huntington Beach
- Fernando Paludi, Trabucco Canyon Water District
- John Kennedy, Orange County Water District
- Paul Cook, Irvine Ranch Water District

Again, this facilitated panel discussion will aid the dialogue on productive and mutually beneficial considerations for understanding the Business Model and potential refinements. The expected outcomes include a deeper understanding of the challenges and opportunities facing Metropolitan and local water agencies and possible strategies for refining the Business Model.

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

	Clarifying MWDOC's mission and role; defining		Work with member agencies to develop water
	functions and actions.		supply and demand objectives.
\boxtimes	Balance support for Metropolitan's regional mission and Orange County values and interests.	\boxtimes	Solicit input and feedback from member
	,		agencies.
	Strengthen communications and coordination of		Invest in workforce development and succession
	messaging.		planning.

Additional Comments: MWDOC staff is committed to keeping the Board informed and involved and will continue to bring regular updates to MWDOC's Member Agencies through the Joint Board Workshop and the MWDOC Member Agency Managers Meetings.

List of Attachments/Links:

Link 1: Metropolitan Presentation on Business Model Refinement – June 26, 2024



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

From: Natural Resource Results

RE: Monthly Board Report – July 2024

Salinity Control Legislation

On June 12th, the House Natural Resources unanimously passed Rep. John Curtis' (R-UT) Colorado River Salinity Control Fix Act (H.R. 7872) and can now be taken up by the full House of Representatives.

As a reminder, the proposed legislation includes provisions to raise the federal cost-share for initiatives aimed at desalinating the Colorado River.

Tax Parity for Water Conservation Rebates

On June 10th, Congressman Huffman (D-CA) and Congressman Curtis (R-UT) introduced H.R. 8682, the Tax Parity for Water Conservation Rebates Act of 2024. This legislation would amend Section 136 of the Internal Revenue Code to exclude the value of any rebate provided by a public utility for the purchase or installation of any water conservation measure or stormwater management measure, creating parity with energy efficiency rebates.

Director Dick was quote in Congressman Huffman's press release, which can be found here.

Colorado River System Conservation Extension Act

On June 18th, Senators Bennet (D-CO), Hickenlooper (D-CO), Barrasso (R-WY), Lummis (R-WY), and Romney (R-UT) introduced the Colorado River System Conservation Extension Act. This legislation would reauthorize, through 2026, an existing pilot program to compensate landowners for voluntary water conservation measures in the Colorado River Basin.

Water Resources Development Act

On June 23, the House Transportation and Infrastructure Committee (T&I), introduced the Water Resources Development Act of 2024. The bill will get marked up in Committee on June 26th. Included in the bill is a provision to make water supply as a primary mission of the Army Corps of Engineers (Corps). The Corps' current primary mission areas include flood control, navigation, and ecosystem restoration. The addition of water supply as a primary mission will allow the Corp to better account for drought during the planning and development of projects and prioritize water supply at new projects.



То:	MWDOC Workshop	
From:	Syrus Devers	
Date:	July 3rd, 2024	
Re:	Re: State Legislative Report	

The Legislature is marching towards what is arguably the most important deadline of the legislative session. By July 3rd, all bills must be passed out of all assigned policy committees of either house. This report has previously detailed the myriad ways that legislators can get around legislative deadlines, but there is no getting around this one. Bills that survive will be sent to either the fiscal committees or the Floors for a vote in August. The Legislature will then be on recess from July 4th through August 5th.

Here are the highlights leading up to the deadline:

<u>SB 366 (Caballero)</u> – This started as the "Solve the Water Crisis" almost two years ago and is now the "Water for All" bill, which stalled last year in the Assembly Water, Parks and Wildlife Committee. After a year of work, and a new committee Chair, SB 366 was on track for a successful committee vote at the time this report was being prepared.

Recent amendments to address opposition include consideration of environmental needs, specifically the restoration plan for the Bay Delta, and a larger role for the Department of Water Resources. The bill sets a lofty interim goal of 10 million acre feet of new water resources to be developed by 2040 from all possible sources.

<u>SB 1255 (Durazo)</u> – this bill is a late "gut and amend" in the Assembly to mandate statewide low-income rate assistance (LIRA) programs for all water agencies with more than 3,300 connections. To get around the Prop 218 prohibition on funding LIRA through rates, the bill sets up voluntary contributions to raise the necessary funds. The logistics of doing so, however, are daunting. The bill directs water agencies to calculate a contribution amount which will raise enough to offer a 20% reduction to qualified ratepayers, and to assume that 60% of customers will contribute. Here is a partial list of the problems raised by ACWA and CMUA:

- Unclear how to fairly address bills that combine water and sewage.
- Opt in vs. opt out: to get maximum participation, the sponsors of the bill want water agencies to automatically add the "voluntary" contribution to the water bill, and then require the customer to take some action to have the charge removed. The word "voluntary" is in quotes because some agencies argue that it is not voluntary to add a charge to a bill without prior consent from the customer.

Syrus Devers Advocacy

- What to do with master meters? How can rate assistance be offered to someone who does not receive a bill?
- What about agencies that contract for billing services? Some smaller agencies do not have a billing department and contract with other municipal agencies to handle billing. Will these water agencies have to create a billing department just to comply with this bill?
- The bill limits administrative costs to 10% of collected funds. If the costs of implementing the program exceed 10%, will that constitute a Prop 218 violation?

And this is only a partial list of issues that have been raised in discussions within ACWA and CMUA. Of concern is that the bill may only receive one policy committee hearing unless the Senate follows its own rules and sends it back to the Senate policy committee that heard the prior version of bill, which had nothing to do with providing water service. While there was not time to bring the bill to the Board for a formal position before being heard in committee, MWDOC staff directed SDA to participate in the ACWA and CMUA workgroups to raise the issues identified by member agencies. SDA will report on the outcome of the hearing during oral presentation.

<u>Budget</u>: Legislators and the Governor agreed on a budget last week. The \$297.5 billion budget bill closed a \$46.8 billion deficit by imposing an 8% across-the-board cut to all state agencies (-\$2.2B), eliminating funding for unfilled vacancies (-\$1.5B), borrowing from special funds and delaying business tax credits (+\$13.6B), defer/delay planned spending (+\$6B), and over \$1B in cuts to affordable housing. Newsom's proposed cuts to affordable housing programs angered progressive legislators who—it has been alleged—retaliated by cutting \$500 million in funding for the Voluntary Agreements, among other actions. ACWA organized a coalition to lobby for restoration of the funding, which was included in the final budget agreement.

<u>Climate Bond</u> (SB 867-Allen): First, yes, it will be the Allen bill (Senate) and not the Garcia bill in the Assembly. Beyond that, there is little information available, which itself is concerning. Last month's report covered leaked details of funding amounts based on differing sized bonds, but no new information has surfaced. Negotiations continue unabated behind closed doors, but there are no known water interests represented in the room, not even ACWA. The growing concern is that water infrastructure will be an afterthought. It has been widely reported that a bond bill must be passed by June 27th in order to be on the November ballot. This is not strictly accurate. The Legislature has various ways to manipulate that deadline.

ACKERMAN CONSULTING

Legal and Regulatory

July 3, 2024

- 1. Salt Battery: Osmotic energy may be something that we will be hearing more about in the future. Osmotic energy is electrical energy created by the difference in salt concentration in salt water when it meets up with fresh water. The situation is common throughout the world where freshwater rivers meet the ocean. Seawater contains positively charged ions such as sodium. When a membrane is placed between the sea water and the fresh water, an ion exchange is created which produces electricity. This process which I tried to understand is more complicated than I can comprehend. However, a salt battery system is created which produces measurable electricity. While this concept is being is being studied, it is not at a stage for commercial viability. However, with the increased interest in batteries and increase use of electricity this concept may be more valuable in the future.
- 2. Surcharge Elimination: Public water agencies are subject to prop 218 and other rules relating to their rates and billing procedures. By contrast private water agencies are controlled by the state's Public Utilities Commission. Recently a debate has ensued as to one of the decisions made by the PUC regarding water rates. Prior law allowed private water agencies to charge surcharges to make up for shortfalls in revenue due to conservation efforts of customers. A recent decision, as part of a lengthy rulemaking procedure by the PUC, was made to eliminate the ability of private utilities to use surcharges. The two major private water agencies, Golden State Water Company and California American Water Company have filed suit with the Supreme Court to challenge the elimination of these surcharges. They indicated that there was no discussion or evidence to justify this decision. Several the Supreme Court justices have challenged the PUC's thinking in this matter. Stay tuned.
- 3. **Mexico City Is Running Out of Water:** Mexico City, the largest city in North America (22 million residents), may run out of water by the end of June. Mexico City has been experiencing worst drought conditions than California for the past number of years. It is now starting to depend more on water from its underground aquifers which is causing other issues. The city sits on top of a large aquifer but the continued use of the aquifer without replenishment is causing the ground to sink almost 5 inches per year. Mexico City which was founded by Spanish colonists hundreds of years ago was established by draining a lake to form the city. Many experts have blamed Mexico City's situation on factors other than the drought such as poor governance, mismanagement, poor planning, and natural and human conditions. We have reported that many other large cities such as Bogota Colombia and Cape Town South Africa are going through similar problems. It is anticipated that many of them will be adopting solutions that California has pioneered in helping to solve their water crisis.
- 4. **Wildfires and Soil Conditions:** Stanford University and Colorado State University have recently released a study examining the impact of California's wildfires on soil conditions. These fires, particularly the more severe ones, are

having a significant impact on the soil ranging from the type of landscape to molecular changes. These changes also have direct impact on air quality and plant growth. Their study has shown that we need to improve our responses to these facts to help us improve drinking water conditions, better reforestation efforts and to protect people against various toxins during the cleanup operation. The length of the fire season which seems to continue each year is also a factor in higher fire concentration areas.

- 5. California Lakes Full: The USDA as announced that Lake Tahoe, the 6th largest lake in the United States, will be full for the first-time since 2019. The above average snowfall in the area for the 2nd year has made a significant difference. There are 63 tributaries that feed into the lake. This cold water is lowering the temperature of the lake and improving the lakes ecosystem. Algae blooms are less frequent with cold water and the overall health of the lake is improved. The slow melt and access to the lake is the best of all worlds. It does not create any erosion and cold water is clean. Also, Big Bear lake is almost completely full marking a new high in more than 10 years. Two years ago, the lake was at its lowest level ever, but a few rains make a significant difference. They also expect less algae bloom because of the cool water. Lake Arrowhead in the same area is to the rim and is overflowing to the walkways.
- 6. Water Harvesting: Abdullah University in Saudi Arabia is working on a new concept to harvest water from the air. They have discovered covering a surface with oil can create a condition where water is absorbed from the air. Finding a correct surface which has certain transfer abilities is critical to the water harvesting application. The water condenses on the oil and is drawn toward other water droplets. This condition continues to expand with larger droplets being created from the smaller droplets. This simple method of enabling water condensation is relatively inexpensive and is easy to duplicate. These types of methodologies are particularly useful in very dry areas such as Africa and the Middle East.
- 7. **Dry Farming Success:** Farmers in the San Luis Obispo area are showing that dry apple farming can be highly successful. These farmers rely solely on rainfall and any moisture absorbed in the ground. The apple production rate is good and the taste according to these farmers is super. They also grow pears, apricots, plums, and peaches in a similar fashion. This methodology has been proven to be good in areas such as the Central Coast. The microclimate and local conditions are extremely important.
- 8. Water Filters Challenged: Berkey water filters are one of the most successful water filters throughout the world. They have a solid reputation and they have generally been sold without issue. The EPA has recently classified the water filter as a pesticide and proclaimed that they cannot be sold unless they are properly registered. This is a quantum change in the EPA's position over decades. The questionable element is the silver used in the filter. Silver is on the list of pesticides. However, it is not used to filter the water but to protect the filter itself. The EPA position is particularly troublesome in that hundreds of other products such as the Berkey water filter are marketed and produced the same but not classified as a pesticide A comparison made by Berkey is that Lysol claims to kill 99% of viruses and bacteria but it is not classified as a pesticide. Berkey as you might have guessed has sued the EPA for arbitrary and arguable irrational decisions. It is interesting to note that Berkey is not sold in California directly although many people in California have Berkey filters. Berkey has given up on California due to its restrictive and litigious business environment.

- 9. **Plasticulture:** Plasticulture is a generally used term to describe all the various plastic products used in agriculture in the United States and around the world. It all began in 1948 when a horticulturist at the University of Kentucky was trying to discover how to build a cheap greenhouse. Mr. E M Emmett came up with the idea of using plastic sheets instead of glass siding around a wooden frame to make a greenhouse to grow agricultural products. As we all now know this process is used worldwide and is very successful and important to the agricultural industry. It also started the use of other plastic products such as blankets, plastic mulch, tubing, and other related products made from plastic. While these developments have been especially important to the agricultural industry, we have likewise discovered that the plastic degrades overtime. While not totally decomposing, it eventually turns itself into invisible nano plastics. It is projected that the soil has more microplastic pieces than the ocean at this time. Microplastics can greatly change the structure of soil affecting moisture content and changing the chemical makeup of the soil itself. There is no current remediation for this condition, but an effort is being made to reduce the amount of plastics used in ag.
- 10. **Tulare County Agencies Break off:** We have previously reported on other districts in the Central Valley trying to withdraw from the groundwater management plans which have been submitted to the state. The latest action is two districts, Teapot Dome and Vandalia Water Districts, wanting to withdraw from the Eastern Tule GSA. Their claim is that their decision making and evidence gathering procedures were inadequate and did not take care of the needs of these two districts. These two districts have access to surface water in addition to groundwater. Many of the districts in the GSA are solely reliant on groundwater and so their situation differs. This will most likely end up in litigation with other suits challenging the groundwater act and the authority of the State.





July 3, 2024

TO: MWDOC Board of Directors

FROM: Peter Whittingham

SUBJECT: July 2024 Report

The month of June was highlighted by shoreline replenishment efforts, management changes, and other noteworthy events in Orange County. Following is a few of the more notable developments and issues of the month:

- The Metropolitan Water District Board of Directors voted to place General Manager Adel Hagekhalil on administrative leave while the agency investigates accusations of harassment against him by the Met's chief financial officer. Assistant General Manager Deven Upadhyay was appointed as interim general manager.
- Robb Grantham returned to Santa Margarita Water District, taking over as the agency's new General Manager on June 17. Grantham has been the GM at Rancho California since 2021; this is his second stint at SMWD, having previously served as Assistant GM there for four years.
- The SMWD Board also announced its unanimous approval of a 50-year take or pay agreement with Cadiz for the delivery of water through the company's Northern Pipeline through the Mojave Desert. Under the agreement, Cadiz is expected to deliver 5,000 acre-feet per year to groundwater banks located along the 220-mile pipeline in the High Desert in exchange for water that can be delivered to SMWD by State Water Contractors with local water suppliers. In accordance with the agreement the price per acre-foot of water from Cadiz, inclusive of all capital, operating and maintenance costs, will not exceed \$1,650 per AFY.
- South Coast Water District announced it had successfully secured an additional \$7,749,500 in funding for the Doheny Ocean Desalination Project through the Bureau of Reclamation's WaterSMART Grants for Desalination Construction Projects, part of the Bipartisan Infrastructure Law. The grant is a portion of \$30 million in total federal project grant money for the project, which when combined with state funding, brings the overall project grant funding to \$40 million, easing the financial impact for SCWD ratepayers.

- The San Clemente City Council voted to spend \$1.7 million to bolster North Beach with 30,000 cubic yards of sand, declaring an emergency to expedite efforts. The sand will be brought from the Santa Ana River in mid-July. The county needs to rid the channel of sand coming down from the mountains as part of its flood maintenance program. The area covers a portion of beach that is in the Orange County Transportation Authority's area of concern, with the agency also proposing plans to add rocks and sand in its efforts to protect the rail line that passes through there.
- The Orange County Grand Jury released a report entitled, "Emerging Opportunities in South County Water/Wastewater Systems," which focused on SMWD's assumption of water and wastewater services for the City of San Juan Capistrano and the interagency dialogue at South Orange County Wastewater Authority (SOCWA). The Grand Jury recommended that LAFCO research the implementation of post-consolidation reviews 24 months after agency reorganizations and the formation of a task force to study the formation of SOCWA.
- The Orange County Board of Supervisors continues to interview candidates to replace current Chief Executive Officer Frank Kim, whose last day in the position is July 11. The next CEO will take the helm of the County, overseeing 16,000 employees and a \$9.3 billion budget.
- ClaimGuard.org, a Florida-based nonprofit that tracks insurance-related issues, ranked Los Angeles as the most "disaster vulnerable" county in the nation, with three other counties in the region Riverside (No. 3), San Bernardino (No. 4) and Orange (No. 8) also ranked in the national top 10.
- Finally, the accounting firm hired to audit Central Basin Municipal Water District's fiscal records walked away from the contract, claiming it could not finish the job because missing records and "ongoing mismanagement" had undermined the review's integrity. Central Basin hired the firm in late 2022 to complete a routine end-of-the-year audit of the district's finances for fiscal year 2021-22, but the review is still incomplete and now may need to be started over. The accounting firm "encountered significant internal control deficiencies that demand immediate attention" at the agency, a water wholesaler that serves 1.6 million people from 24 cities and unincorporated areas in Southeast Los Angeles County.

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

Sincerely,

Peter Whittingham

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MWDOC Workshop

Bill Matrix – July, 2024

Prepared by SDA Government Relations

Priority: A. High

AB 460 (Bauer-Kahan, D) State Water Resources Control Board: water rights and usage: civil penalties.

Calendar: 06/25/24 S-JUDICIARY 9:30 a.m. - State Capitol, Room 112 UMBERG, THOMAS, Chair

Location: 06/11/2024 - Senate Judiciary

Summary: Under current 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 require the State Water Resources Control Board to adjust for inflation, by January 1 of each year, beginning in 2025, the amounts of civil and administrative liabilities or penalties imposed by the board in water right actions, as specified. (Based on 06/12/2024 text)

Position	Priority
B. Watch	A. High

Notes - Amended to only address fines

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

Location: 07/14/2023 - Senate 2 YEAR

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. (Based on 05/18/2023 text)

Position	Priority
watch	A. High

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.

Location: 05/22/2024 - Senate Natural Resources and Water

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. (Based on 05/26/2023 text)

Position	Priority
watch	A. High

AB 1573 (Friedman, D) Water conservation: landscape design: model ordinance.

Location: 09/14/2023 - Senate 2 YEAR

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 a culturally specific project, as defined, 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, among other changes, prohibit the use of traditional overhead sprinklers on all new and rehabilitated

landscapes and require that new and rehabilitated landscapes use only water efficient irrigation devices. (Based on 09/01/2023 text)

Position	Priority
watch	A. High

AB 1820 (Schiavo, D) Housing development projects: applications: fees and exactions.

Calendar: 07/02/24 S-HOUSING 1:30 p.m. - 1021 O Street, Room 1200 SKINNER, NANCY, Chair

Location: 06/11/2024 - Senate Housing

Summary: Current law requires a city or county to deem an applicant for a housing development project to have submitted a preliminary application upon providing specified information about the proposed project to the city or county from which approval for the project is being sought. Current law requires a housing development project be subject only to the ordinances, policies, and standards adopted and in effect when the preliminary application was submitted. This bill would authorize a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate, as defined, and would require a city, county, or city and county to provide the estimate within 30 business days of the submission of the preliminary application. For development fees imposed by an agency other than a city, county, or city and county, the bill would require the development proponent to request the fee schedule from the agency that imposes the fee without delay. (Based on 06/05/2024 text)

Position	Priority
watch	A. High

Notes - Flagged by CSDA

AB 1827 (Papan, D) Local government: fees and charges: water: higher consumptive water parcels.

Calendar: 06/26/24 S-LOCAL GOVERNMENT 1:30 p.m. - State Capitol, Room 112 DURAZO, MARIA ELENA, Chair Location: 05/29/2024 - Senate Local Government

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing. Current law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. Current law defines, among other terms, the term "water" for these purposes to mean any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source. This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. (Based on 04/04/2024 text)

Position	Priority
support	A. High

Notes - Support position adopted on May 1st

AB 2257 (Wilson, D) Local government: property-related water and sewer fees and assessments: remedies.

Calendar: 07/03/24 S-LOCAL GOVERNMENT 9:30 a.m. or upon adjournment of Session - 1021 O Street, Room 2200 DURAZO, MARIA ELENA, Chair

Location: 06/18/2024 - Senate Local Government

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including notice, hearing, and protest procedures, depending on the character of the assessment, fee, or charge. Current law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements. This bill would prohibit, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions for any new, increased, or extended fee or assessment, as defined, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance, as specified. This bill would provide that local agency responses to the timely submitted written objections shall go to the weight of the evidence supporting the agency's compliance with the substantive limitations on fees and assessments imposed by the constitutional provisions. (Based on 06/20/2024 text)

Position	Priority
support	A. High

Notes - ACWA sponsored. Support position adopted May 1st.

AB 2409 (Papan, D) Office of Planning and Research: permitting accountability transparency dashboard.

Location: 05/16/2024 - Assembly DEAD

Summary: Would require the Office of Planning and Research, on or before January 1, 2026, to create and maintain, as specified, a permitting accountability transparency internet website (dashboard). The bill would require the dashboard to include a display for each permit to be issued by specified state agencies for all covered projects. The bill would define various terms for these purposes. The bill would also require the dashboard to include, but not be limited to, information for each permit to be issued by a state agency that is required for the completion of the project, including, among other requirements, the permit application submission date. The bill would require each state agency with a responsibility for issuing a permit for a covered project to provide information in the appropriate time and manner as determined by the office. The bill would also make related findings and declarations. (Based on 04/11/2024 text)

Position	Priority
support	A. High

Notes - CMUA sponsored bill. Support position adopted on March 6th.

AB 3219 (Sanchez, R) Advanced Clean Fleets Regulation: local governments.

Location: 05/02/2024 - Assembly DEAD

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases and requires the state board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions from those sources. Pursuant to its authority, the state board has adopted the Advanced Clean Fleets Regulation, which imposes various requirements for transitioning local, state, and federal government fleets of medium- and heavy-duty trucks, other high-priority fleets of medium- and heavy-duty trucks, and drayage trucks to zero-emission vehicles. The Advanced Clean Fleets Regulation authorizes entities subject to the regulation to apply for exemptions from its requirements under certain circumstances. This bill would provide that the requirements of the Advanced Clean Fleets Regulation do not apply to the purchase by a local government of vehicles with a gross vehicle weight rating greater than 8,500 pounds if the price of the zero-emission version of a vehicle is more than an unspecified percentage of the price of a comparable internal combustion engine version of that vehicle. (Based on 03/11/2024 text)

Position	Priority
watch	A. High

Notes - Possible support

SB 366 (Caballero, D) The California Water Plan: long-term supply targets.

Calendar: 06/25/24 A-WATER, PARKS AND WILDLIFE 9 a.m. - State Capitol, Room 444 PAPAN, DIANE, Chair Location: 06/08/2023 - Assembly Water, Parks and Wildlife

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 to coordinate 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. The bill would require the plan to provide recommendations and strategies to ensure enough water supply for all designated beneficial uses. (Based on 06/13/2024 text)

Position	Priority
support	A. High

Notes - CMUA sponsored bill from 2023

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.

Location: 06/20/2023 - Assembly Natural Resources

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. (Based on 06/22/2023 text)

Position	Priority
watch	A. High

SB 1072 (Padilla, D) Local government: Proposition 218: remedies.

Calendar: 06/26/24 A-LOCAL GOVERNMENT 9:30 a.m. - State Capitol, Room 447 CARRILLO, JUAN, Chair

Location: 06/03/2024 - Assembly Local Government

Summary: The California Constitution sets forth various requirements for the imposition of local taxes. The California Constitution excludes from classification as a tax assessments and property-related fees imposed in accordance with provisions of the California Constitution that establish requirements for those assessments and property-related fees. Under these requirements, an assessment is prohibited from being imposed on any parcel if it exceeds the reasonable cost of the proportional special benefit conferred on that parcel, and a fee or charge imposed on any parcel or person as an incident of property ownership is prohibited from exceeding the proportional cost of the service attributable to the parcel. The Proposition 218 Omnibus Implementation Act prescribes specific procedures and parameters for local compliance with the requirements of the California Constitution for assessments and property-related fees. This bill would require a local agency, if a court determines that a fee or charge for a property-related service, as specified, violates the above-described provisions of the California Constitution relating to fees and charges, to credit the amount of the fee or charge attributable to the violation against the amount of the revenues required to provide the property-related service, unless a refund is explicitly provided for by statute. (Based on 06/17/2024 text)

Position	Priority
watch	A. High

SB 1164 (Newman, D) Property taxation: new construction exclusion: accessory dwelling units.

Location: 06/03/2024 - Assembly Revenue and Taxation

Summary: The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. This bill would exclude from classification as "newly constructed" and "new construction" the construction of an accessory dwelling unit, as defined, if construction on the unit is completed on or after January 1, 2025, and before January 1, 2030, until one of specified events occurs. The bill would require the property owner to, among other things, notify the assessor that the property owner intends to claim the exclusion for an accessory dwelling unit and submit an affidavit stating that the owner shall make a good faith effort to ensure the unit will be used as residential housing for the duration the owner receives the exclusion. (Based on 05/16/2024 text)

Position	Priority
watch	A. High

Notes - Brought up on 4/3. Keep watch position pending feedback from agencies.

SB 1210 (Skinner, D) New housing construction: electrical, gas, sewer, and water service: service connection information.

Calendar: 06/26/24 A-LOCAL GOVERNMENT 9:30 a.m. - State Capitol, Room 447 CARRILLO, JUAN, Chair Location: 06/19/2024 - Assembly Local Government

Summary: Current law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations, gas corporations, sewer system corporations, and water corporations, while local publicly owned utilities, including municipal utility districts, public utility districts, and irrigation districts, are under the direction of their governing boards. This bill would, for new housing construction, require the above-described utilities, on or before January 1, 2026, to publicly post on their internet websites (1) the schedule of estimated fees for typical service connections for each housing development type, including, but not limited to, accessory dwelling unit, mixed-use, multifamily, and single-family

developments, except as specified, and (2) the estimated timeframes for completing typical service connections needed for

each housing development type, as specified. The bill would exempt from its provisions a utility with fewer than 4,000 service connections that does not establish or maintain an internet website due to a hardship and would authorize the utility to establish that a hardship exists by annually adopting a resolution that includes detailed findings, as provided. (Based on 06/24/2024 text)

PositionPrioritywatchA. High

Notes - OUA adopted on 4/3. Amendments removed impacts to special districts. Moved to "watch."

SB 1218 (Newman, D) Water: emergency water supplies.

Calendar: 06/25/24 A-WATER, PARKS AND WILDLIFE 9 a.m. - State Capitol, Room 444 PAPAN, DIANE, Chair

Location: 06/03/2024 - Assembly Water, Parks and Wildlife

Summary: The Urban Water Management Planning Act requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. The act requires an urban water management plan to include a water shortage contingency plan, as provided. This bill would declare that it is the established policy of the state to encourage, but not mandate, the development of emergency water supplies, and to support their use during times of drought or unplanned service or supply disruption, as provided. (Based on 06/18/2024 text)

PositionPrioritysupportA. High

Notes - IRWD sponsored. Support position adopted on March 6th.

SB 1255 (Durazo, D) Public water systems: needs analysis: water rate assistance program.

Calendar: 06/25/24 A-ENVIRONMENTAL SAFETY AND TOXIC MATERIALS 1:30 p.m. - State Capitol, Room 444

GARCIA, EDUARDO, Chair

Location: 06/03/2024 - Assembly Environmental Safety and Toxic Materials

Summary: Current law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Current law requires the state board to annually adopt a fund expenditure plan, as provided, and requires expenditures from the fund to be consistent with the fund expenditure plan. Current law requires the state board to base the fund expenditure plan on data and analysis drawn from a specified drinking water needs assessment. This bill would require the state board to update a needs analysis of the state's public water systems to include an assessment, as specified, of the funds necessary to provide a 20% bill credit for low-income households served by community water systems with fewer than 3,300 service connections and for community water systems with fewer than 3,300 service connections to meet a specified affordability threshold on or before July 1, 2026, and on or before July 1 of every 3 years thereafter. (Based on 06/19/2024 text)

Position Priority
Oppose Unless Amended A. High

Priority: B. Watch

AB 2579 (Quirk-Silva, D) Inspections: exterior elevated elements.

Location: 05/15/2024 - Senate Housing

Summary: Current law provides authority for an enforcement agency to enter and inspect any buildings or premises whenever necessary to secure compliance with or prevent a violation of the building standards published in the California Building Standards Code and other rules and regulations that the enforcement agency has the power to enforce. Current law requires an inspection, by January 1, 2025, and by January 1 every 6 years thereafter, of exterior elevated elements and associated waterproofing elements, as defined, including decks and balconies, for buildings with 3 or more multifamily dwelling units, as specified. Current law that provides that, if the property was inspected within 3 years prior to January 1, 2019, as specified, no new inspection is required until January 1, 2025. This bill would extend the deadline for initial inspection until July 1, 2025. (Based on 04/09/2024 text)

Position	Priority
watch	B. Watch

AB 2626 (Dixon, R) Advanced Clean Fleets regulations: local governments.

Location: 04/25/2024 - Assembly DEAD

Summary: Current law requires the State Air Resources Board to adopt and implement motor vehicle emission standards, in-use performance standards, and motor vehicle fuel specifications for the control of air contaminants and sources of air pollution that the state board has found necessary, cost effective, and technologically feasible. Pursuant to its authority, the state board has adopted the Advanced Clean Fleets Regulation, which imposes various requirements for transitioning local, state, and federal government fleets of medium- and heavy-duty trucks, other high-priority fleets of medium- and heavy-duty trucks, and drayage trucks to zero-emission vehicles. The Advanced Clean Fleets Regulation authorizes entities subject to the regulation to apply for exemptions from its requirements under certain circumstances. This bill would extend the compliance dates for local government set forth in the Advanced Clean Fleets Regulation by 10 years. The bill would prohibit the state board from taking enforcement action against a local government for violating the Advanced Clean Fleets Regulation if the alleged violation occurs before January 1, 2025. (Based on 02/14/2024 text)

PositionPriorityB. WatchB. Watch

Notes - Possible support

AB 2911 (McKinnor, D) Campaign contributions: agency officers.

Calendar: 07/02/24 S-ELECTIONS AND CONSTITUTIONAL AMENDMENTS 9:30 a.m. - 1021 O Street, Room 2100 BLAKESPEAR, CATHERINE, Chair

Location: 05/29/2024 - Senate Elections and Constitutional Amendments

Summary: The Political Reform Act of 1974 prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than \$250 from any party, participant, or a party or participant's agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding, if the officer knows or has reason to know that the participant has a financial interest, as defined. Current law permits an officer who violates this prohibition to cure the violation by returning the contribution, or portion of the contribution in excess of \$250, within 14 days of accepting, soliciting, or directing the contribution, as specified. Current law also prohibits a party or party's agent from making a contribution of more than \$250 to any officer of an agency while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered by the agency in that proceeding. This bill would raise the threshold for contributions regulated by these provisions to \$1,500, as specified. (Based on 04/16/2024 text)

PositionPrioritywatchB. Watch

AB 2933 (Low, D) Multiunit residential structures and mixed-use residential and commercial structures: water conservation.

Location: 05/16/2024 - Assembly DEAD

Summary: Current law establishes the Building Standards Administration Special Revolving Fund, and makes the moneys in the fund available, upon appropriation, to state entities to carry out various related provisions, as specified. Current law requires the Department of Housing and Community Development to propose the adoption, amendment, or repeal of building standards to the California Building Standards Commission, and the department to adopt, amend, and repeal other rules and regulations for the protection of the public health, safety, and general welfare of the occupant and the public governing the erection, construction, enlargement, conversion, alteration, repair, moving, removal, demolition, occupancy, use, height, court, area, sanitation, ventilation, and maintenance of all hotels, motels, lodging houses, apartment houses, and dwellings, and buildings and structures accessory thereto, as specified. Current law authorizes those standards to include voluntary best practice and mandatory requirements related to environmentally preferable water using devices and measures. Current law requires the department and the commission to research, develop, and propose building standards to reduce potable water use in new residential and nonresidential buildings, including consideration of requiring installation of water reuse systems and consideration of requiring preplumbing of buildings to allow future use of recycled water, onsite treated graywater, or other alternative water sources. This bill would enact the California Multiunit Residential Structure and Mixed-Use Residential and Commercial Structure Water Conservation Act. The bill would state findings and declarations of the Legislature relating to wasted water due to plumbing leaks. The bill would require the department to investigate whether additional water conservation and efficiency measures are warranted for existing and new multifamily residential construction and mixed use commercial structures, including, but not limited to, point-of-use systems, as defined. The bill would authorize the department, if it determines that changes to the California Green Building Standards are warranted, to develop voluntary or mandatory proposals to be submitted to the commission for consideration. (Based on 04/18/2024 text)

Position Priority

B. Watch B. Watch

Notes - Possible support. Update building standards to conserve water.

AB 2947 (Lackey, R) Water: turfgrass conversion.

Location: 05/16/2024 - Assembly DEAD

Summary: Would prohibit the Department of Water Resources, when it allocates funding for turf replacement programs, from excluding urban water suppliers' turfgrass conversion rebate programs if the rebate program requires the recipient of a rebate to achieve a net water savings and to use the most efficient turfgrass irrigation equipment, as provided. The bill would require an urban water supplier that offers a turfgrass conversion rebate program using funds awarded by the department after January 1, 2025, to report annually to the department on the number of turfgrass conversions that are funded through the program and the estimated water savings from the program until the funds are exhausted. (Based on 04/08/2024 text)

Position	Priority
watch	B. Watch

<u>AB 3121</u> (<u>Hart, D</u>) Urban retail water suppliers: informational order: written notice: conservation order: water use efficiency standards and water use reporting: dates.

Calendar: 06/26/24 #44 S-ASSEMBLY BILLS - SECOND READING FILE

Location: 06/24/2024 - Senate CONSENT CALENDAR

Summary: Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective. Current law authorizes the board, on and after January 1, 2025, to issue a written notice to an urban retail water supplier that does not meet its urban water use objective. Current law authorizes the board, on and after January 1, 2026, to issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. This bill would instead provide that the date the board is authorized to issue informational orders is on or after January 1, 2026, the date to issue a written notice is on or after January 1, 2027, and the date to issue a conservation order is on or after January 1, 2028, respectively. (Based on 06/12/2024 text)

Position	Priority
watch	B. Watch

SB 903 (Skinner, D) Environmental health: product safety: perfluoroalkyl and polyfluoroalkyl substances.

Location: 05/16/2024 - Senate DEAD

Summary: Would, beginning January 1, 2032, prohibit a person from distributing, selling, or offering for sale a product that contains intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS), as defined, unless the Department of Toxic Substances Control has made a determination that the use of PFAS in the product is a currently unavoidable use, the prohibition is preempted by federal law, or the product is previously used. The bill would specify the criteria and procedures for determining whether the use of PFAS in a product is a currently unavoidable use, for renewing that determination, and for revoking that determination. The bill would require the department to maintain on its internet website a list of each determination of currently unavoidable use, when each determination expires, and the products and uses that are exempt from the prohibition. The bill would impose an administrative penalty for a violation of the prohibition, as specified. The bill would establish the PFAS Penalty Account and require all administrative penalties received to be deposited into that account and, upon appropriation by the Legislature, to be used for the administration and enforcement of these provisions, as specified. (Based on 04/11/2024 text)

Position	Priority
watch	B. Watch

SB 937 (Wiener, D) Development projects: permits and other entitlements: fees and charges.

Calendar: 06/26/24 A-HOUSING AND COMMUNITY DEVELOPMENT 9 a.m. - State Capitol, Room 437 WARD,

CHRISTOPHER, Chair

Location: 06/12/2024 - Assembly Housing and Community Development

Summary: The Planning and Zoning Law requires each county and each city to adopt a comprehensive, long-term general plan for its physical development, and the development of specified land outside its boundaries, that includes, among other mandatory elements, a housing element. The Permit Streamlining Act, among other things, requires a public agency that is the lead agency for a development project to approve or disapprove that project within specified time periods. Current law extended by 18 months the period for the expiration, effectuation, or utilization of a housing entitlement, as defined, that was issued before, and was in effect on, March 4, 2020, and that would expire before December 31, 2021, except as specified. Current law provides that if the state or a local agency extended the otherwise applicable time for the expiration, effectuation, or utilization of a housing entitlement for not less than 18 months, as specified, that housing entitlement would not be extended an additional 18 months pursuant to these provisions. This bill would extend by 24 months the period for the expiration, effectuation, or utilization of a housing entitlement for a priority residential development project, as those terms are defined, that was issued before January 1, 2024, and that will expire before December 31, 2025, except as

specified. The bill would toll this 24-month extension during any time that the housing entitlement is the subject of a legal challenge. (Based on 06/17/2024 text)

PositionPrioritywatchB. Watch

Notes - OUA position adopted on 4/3. Amendments removed opposed provisions. Move to "watch."

SB 1110 (Ashby, D) Water reports: urban retail water suppliers: informational order: conservation order.

Calendar: 06/25/24 A-WATER, PARKS AND WILDLIFE 9 a.m. - State Capitol, Room 444 PAPAN, DIANE, Chair Location: 05/28/2024 - Assembly Water, Parks and Wildlife

Summary: Current law establishes the Department of Water Resources in the Natural Resources Agency and prescribes the powers and responsibilities for the department. Current law establishes the State Water Resources Control Board and the California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. This bill would authorize the department and board to update regulations adopted for sustainable water use and demand reduction to address changes in statutory reporting requirements. The bill would authorize the board to adopt an enforcement policy to guide its enforcement of those adopted regulations, as provided. (Based on 06/18/2024 text)

PositionPrioritywatchB. Watch

SB 1121 (Grove, R) Recycled water: onsite treated nonpotable water systems: local jurisdiction permitting.

Location: 05/02/2024 - Senate DEAD

Summary: Current law requires the State Water Resources Control Board, in consultation with the California Building Standards Commission and the Department of Housing and Community Development, to adopt regulations for risk-based water quality standards for the onsite treatment and reuse of nonpotable water, and requires a local jurisdiction that elects to establish a program for onsite treated nonpotable water systems to establish design criteria, permitting, cross-connection control, and enforcement procedures, as provided. This bill would require those local jurisdictions to ensure their permitting procedures require the approval of a permit for an onsite treated nonpotable water system within 60 days from the date the permit application is submitted if the application demonstrates that the project meets or exceeds the state board's water quality standards for the onsite treatment and reuse of nonpotable water for nonpotable uses in multifamily residential, commercial, and mixed-use buildings. (Based on 02/13/2024 text)

Position	Priority
watch	B. Watch

SB 1181 (Glazer, D) Campaign contributions: agency officers.

Calendar: 06/26/24 A-ELECTIONS 9 a.m. - State Capitol, Room 444 PELLERIN, GAIL, Chair

Location: 06/03/2024 - Assembly ELECTIONS

Summary: The Political Reform Act of 1974 prohibits certain contributions of more than \$250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding, as specified. The act requires disclosure on the record of the proceeding, as specified, of certain contributions of more than \$250 within the preceding 12 months to an officer from a party or participant, or party's agent. This bill would clarify both when a proceeding is pending for purposes of these provisions, and when a person is considered to be an agent of a party to, or participant in, a pending proceeding. The bill would specify that certain types of contracts, including the periodic review or renewal of development agreements, contracts between 2 or more agencies, contracts where neither party receives financial compensation, and other types of contracts, as specified, are not considered a license, permit, or other entitlement for these purposes. (Based on 06/19/2024 text)

Position	Priority
watch	B. Watch

SB 1185 (Niello, R) Water conservation: water use objectives.

Location: 04/25/2024 - Senate DEAD

Summary: Existing law requires all water suppliers to increase the efficient use of water. Existing law establishes various water use objectives and restrictions, including urban water use objectives. Existing law requires the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water, including standards for, among other things, a volume for water loss, and requires the board, when adopting the standards, to consider policies relating to urban water use objectives and proposed efficiency standards' effects on local wastewater management, developed and natural parklands, and urban tree health. This bill would delete the

requirement that the board adopt standards, for purposes of urban water use objectives, for water loss and would instead require the board to consider the policies relating to urban water use objectives and proposed efficiency standards' effects on water loss. The bill would also set forth standards, policies, and procedures relating to water use objectives, generally, including, among other things, a prohibition against any water use objective established by the board that causes a reduction of more than 20% when compared to a water supplier's actual water use in 2023 or that exceeds a water use standard recommended by the department. (Based on 03/18/2024 text)

Position Priority

B. Watch

SB 1243 (Dodd, D) Campaign contributions: agency officers.

Calendar: 06/26/24 A-ELECTIONS 9 a.m. - State Capitol, Room 444 PELLERIN, GAIL, Chair

Location: 05/28/2024 - Assembly ELECTIONS

Summary: The Political Reform Act of 1974 prohibits certain contributions of more than \$250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding, as specified. The act requires disclosure on the record of the proceeding, as specified, of certain contributions of more than \$250 within the preceding 12 months to an officer from a party or participant, or party's agent. The act disqualifies an officer from participating in a decision in a proceeding if the officer has willfully or knowingly received a contribution of more than \$250 from a party or a party's agent, or a participant or a participant's agent, as specified. The act allows an officer to cure certain violations of these provisions by returning a contribution, or the portion of the contribution of in excess of \$250, within 14 days of accepting, soliciting, or receiving the contribution, whichever comes latest. This bill would raise the threshold for contributions regulated by these provisions to \$1,000, as specified. The bill would extend the period during which an officer may cure a violation to within 30 days of accepting, soliciting, or directing the contribution, whichever is latest. The bill would specify that a person is not a "participant" for the purposes of these provisions if their financial interest in a decision results solely from an increase or decrease in membership dues. (Based on 06/19/2024 text)

Position	Priority
watch	B. Watch

SB 1330 (Archuleta, D) Urban retail water supplier: water use.

Calendar: 06/25/24 A-WATER, PARKS AND WILDLIFE 9 a.m. - State Capitol, Room 444 PAPAN, DIANE, Chair

Location: 05/28/2024 - Assembly Water, Parks and Wildlife

Summary: The Urban Water Management Planning Act requires every urban water supplier to prepare and adopt an urban water management plan, as specified. Current law requires an urban wholesale water supplier to include in the urban water management plans an assessment of their present and proposed future measures, programs, and policies to help achieve water use reductions. Current law requires urban water retail suppliers to report to the department on their progress in meeting their urban water use targets as part of their urban water management plans. This bill would repeal the above-described requirements relating to urban wholesale water suppliers and urban water retail suppliers under an urban water management plan. (Based on 06/13/2024 text)

Position	Priority
watch	B. Watch

SB 1390 (Caballero, D) Groundwater recharge: floodflows: diversion.

Calendar: 06/25/24 A-WATER, PARKS AND WILDLIFE 9 a.m. - State Capitol, Room 444 PAPAN, DIANE, Chair

Location: 06/03/2024 - Assembly Water, Parks and Wildlife

Summary: Current law declares that all water within the state is the property of the people of the state, but the right to the use of the water may be acquired by appropriation in the manner provided by law. Current law requires the appropriation to be for some useful or beneficial purpose. Current law provides, however, that the diversion of floodflows for groundwater recharge does not require an appropriative water right if certain conditions are met, including that a local or regional agency that has adopted a local plan of flood control or has considered flood risks as part of its most recently adopted general plan has given notice, as provided, of imminent risk of flooding and inundation of lands, roads, or structures. Current law defines "floodflow" for these purposes, to include circumstances in which flows would inundate ordinarily dry areas in the bed of a terminal lake to a depth that floods dairies and other ongoing agricultural activities, or areas with substantial residential, commercial, or industrial development. Current law defines "imminent" for these purposes to mean a high degree of confidence that a condition will begin in the immediate future. Current law also requires the person or entity making the diversion for groundwater recharge purposes to file with the State Water Resources Control Board and any applicable groundwater sustainability agency for the basin, a notice containing specified information no later than 48 hours after initially commencing diversion of floodflows for groundwater recharge, a preliminary report no later than 14 days after initially commencing that diversion, and a final report no later than 15 days after the diversions cease. These requirements apply to

diversions commenced before January 1, 2029. This bill would extend the operation of these requirements to diversions commenced before June 1, 2032. The bill would, among other things, expand the conditions that are required to be met for the diversion of floodwaters for groundwater recharge that do not require an appropriative water right. The bill would expand the definition of "floodflow" to include flows that are projected by the local or regional agency to inundate ordinarily dry areas in the bed of a terminal lake, as described above. The bill would revise the definition of "imminent" to mean a high degree of confidence that a condition will begin or is projected to begin within the next 72 hours. (Based on 06/17/2024 text)

Position	Priority
watch	B. Watch

Total Measures: 31 Total Tracking Forms: 31

Metropolitan Water District of Southern California State Legislative Matrix June 10, 2024 – Second 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 –	Chaptered	Local agency design-build projects: authorization.	Support	Metropolitan's current authority to use design-build under AB 1845 (Calderon, CH. 275, 2022) will sunset
Baldwin Park)		This measure would extend the existing sunset	Based on October 2021	on January 1, 2028. The provisions of this bill allow Metropolitan to use design-build for future projects
Sponsors:	Signed by	date to January 1, 2031, for the use of design-	Board Action	through January 1, 2031.
California State Association of	Governor Chapter 201, Statutes of	build as a delivery method for public works contracts.		
Counties, League of California Cities	2023			
AB 460 Bauer- Kahan (D –	Amended 6/3/2024	State Water Resources Control Board: water rights and usage: civil negalties.	Watch	The latest amendment strikes all provisions expanding the State Water Resources Control Board authority to
Orinda)			Based on	issue temporary restraining orders or preliminary
	Two-year bill	This bill would require the State Water Resources Control Board to adjust for inflation,	Metropolitan Policy Principles	injunctions. The bill now would provide for enhanced civil penalties for violations of any State Board
	Senate Natural	by January 1 of each year, beginning in 2025,	for	regulation or curtailment order.
	Resources and	the amounts of civil and administrative liabilities	Modernization	
	Water Committee	or penalties imposed by the board in water right	of Water Rights	
		actions, as specified.	Administration,	
			2023	
AB 1337 Wicks (D – Oakland)	Amended 5/18/23	State Water Resources Control Board: water diversion curtailment.	Oppose	Regardless of whether there is a drought emergency, this bill would allow the State Board, by regulation, to
`	Two-year bill		Based on	permanently reduce permit rights (including SWP,
		This bill would authorize SWRCB to adopt	Metropolitan	Colorado River pre-1914 rights, or Delta Island
	Senate Natural	regulations for various water conservation	Policy Principles	license, pre-1914 or riparian right diversions) upon a
Pag	Kesources and Water Committee	purposes and implement these regulations through orders curtailing the diversion or use of	Ior Modernization	unreasonable use of water or that they harm public
ge 2		water under any claim of right.	of Water Rights	trust (fish and wildlife) resources. This would be a
4 of			Administration,	new broad power to the State Board that could
85			adopted April 2023	permanently reallocate any water rights under any water year conditions without the protection or
				process of individual adjudications.

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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
AB 1567	Amended	Safe Drinking Water, Wildfire Prevention,	Support, if	This measure is consistent with Metropolitan's
Garcia (D-	5/26/2023	Drought Preparation, Flood Protection,	Amended	current policy priorities and supports the objectives of
Coachella)		Extreme Heat Mitigation, Clean Energy, and		Metropolitan's Climate Adaptation Master Plan.
	Two-year bill	Workforce Development Bond Act of 2024.	Based on June	•
	•	•	2023 Board	Metropolitan is seeking amendments to increase
	Senate Natural	This measure would authorize a \$15.995 billion	Action	funding for recycled water, dam safety, regional
	Resources and	general obligation bond for the March 5, 2024,		conveyance, drought and conservation projects.
	Water Committee	ballot to fund a broad range of resource-based		
		programs that will assist California to improve		
		its climate resiliency.		
AB 1572	Chaptered	Potable water: nonfunctional turf.	Co-sponsor	Based on input from the Board and member agencies,
Friedman (D -	ı		1	Metropolitan secured amendments to exclude multi-
Glendale)		This measure prohibits the use of potable water	Based on	family residential buildings and protect the authority
	Signed by	for the irrigation of non-functional turf located	April 2023	and local control of public water systems.
Co-sponsors:	Governor Chapter	on commercial, industrial, institutional. This	Board action	Metropolitan is a co-sponsor of this measure.
Metropolitan,	849, Statutes of	measure provides the State Water Resources		
Heal the Bay,	2023	Control Board with the authority to postpone		
National Resources		compliance dates as prescribed.		
Defense Council				
AB 1573 Friedman	Amended on	Water conservation: landscape design: model	Support	This measure is consistent with Metropolitan's effort
(D - Glendale)	9/1/2023	ordinance.	Decodos	to reduce nonfunctional turf within its service area.
Sponsor:	Two Year Bill	This measure would update the model water	Based on 2023 Legislative	
Earth Advocacy		efficient landscape ordinance for new or	Priorities and	
and California	Senate Floor –	renovated nonresidential areas to require at least	Principles,	
Native Plant	Inactive File	25% local native plants beginning January 1,	adopted	
Society		2026. This measure would also prohibit the use	December 2022	
Ρ		of nonfunctional turf in nonresidential landscape		
ag		projects after January 1, 2026.		
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Metropolitan Water District of Southern California State Legislative Matrix June 10, 2024 – Second Year of Legislative Session

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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
AB 1648	Amended	Water: Colorado River Conservation	Oppose	This measure would impair Metropolitan's flexibility
Bains (D -	3/16/2023			with its entire water portfolio, including the Integrated
Bakersfield)		This measure would specifically prohibit	Based on 2023	Water Resources Plan and the Annual Operating Plan.
		Metropolitan and LADWP to offset federally	Legislative	Metropolitan's reliability and its ability to meet
	Dead	required reductions on Colorado River resources	Priorities and	demands would also be impaired by restrictions on
		with increased water deliveries from other	Principles,	partnerships with its State Water Project and
		regions of California, including the Delta,	adopted	Colorado River Basin stakeholders.
		retroactively as of January 1, 2023.	December 2022	
SB 122	Chaptered	Flood Flow Streamlining	Seek	The no-permit authorization poses a significant
Senate Committee	1		Amendments	concern to Metropolitan's State Water Project
on Budget and		Provisions in this trailer bill provide that		supplies. There is no protest process, no requirement
Fiscal Review	Signed by the	diversion of flood flows for groundwater	Based on	that diverters avoid harm to other legal water users
	Governor	recharge do not require an appropriative water	Metropolitan	with water rights senior to the flood flow diverter, and
	Chapter 51,	right if specified conditions regarding the	Policy Principles	no protection of SWP and CVP rights to divert
	Statutes of 2023	diversion are met. These provisions exempt from	for	"excess flows" when they exist in the system up to the
		the California Environmental Quality Act	Modernization	full capacity of the projects.
		(CEQA) specified actions related to the	of Water Rights	
		implementation of Colorado River water	Administration	
		conservation agreements with the US Bureau of	2023 Water	Metropolitan will work with the Administration to
		Reclamation.	Rights	address these issues as the program is implemented.
			Principles,	
			adopted April	
SB 124	Chaptered	Green Financing Programs for Federal IRA	Support	For the State Water Project, DWR's direct investment
Senate Committee	•	Funding	•	in qualifying projects could lower its capital costs,
on Budget and			Based on	which would ultimately be passed on to Metropolitan
Fiscal Review	Signed by the	This measure contains various provisions to	2023 Legislative	and other SWP contractors.
	Governor	implement the 2023 State Budget Act, which	Priorities and	
P	Chapter 53,	includes authorizing the State Infrastructure and	Principles,	
age	Statutes of 2023	Economic Development Bank and the	adopted	
e 26		Department of Water Resources (DWR) to	December 2022	
of		access and utilize federal funding in the Inflation		
85		Reduction Act to finance projects that reduce		
		greenhouse emissions.		

Metropolitan Water District of Southern California State Legislative Matrix June 10, 2024 – Second Year of Legislative Session

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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
SB 146	Chaptered	Public resources: infrastructure: contracting.	Support	By utilizing PDB and awarding a project contract
Gonzalez (D-Long				prior to the completion of all design work, DWR can
Beach)	Signed by the	This measure is part of the negotiated	Based on	potentially reduce overall costs and execute shorter
	Governor	infrastructure trailer bill package and authorizes	October 2021	project delivery schedules. This could lead to reduced
	Chapter 58,	DWR to use the progressive design-build (PDB)	Board Action	costs for SWP-related projects-resulting in cost
	Statutes of 2023	project delivery method for up to eight public		savings being passed on to Metropolitan.
		works projects that exceed \$25 million. The		
		Delta conveyance facilities and seawater		
		desalination are expressly prohibited under this		
		measure.		
SB 147	Chaptered	Fully protected species: California	Support and	While this alternative may have benefits over current
Ashby (D-		Endangered Species Act: authorized take	Amend	FPS regulations, the requirements are extensive and
Sacramento)				may make permit terms infeasible or cost prohibitive
	Signed by the	This measure is part of the negotiated	Based on	and could create other litigation risks for permittees.
	Governor	infrastructure trailer bill package and authorizes	2023 Legislative	
	Chapter 59,	the take of fully protected species for certain	Priorities and	
	Statutes of 2023	infrastructure projects if specified conditions are	Principles,	
		met. Eligible projects include the maintenance,	adopted	
		repair and improvement of the State Water	December 2022	
		Project, as well as critical regional and local		
		water infrastructure.		
SB 149	Chaptered	California Environmental Quality Act:	Support and	Administrative Records Streamlining: Overall, the
Caballero (D-		administrative and judicial procedures:	Amend	provisions would be beneficial to Metropolitan as
Merced)		record of proceedings: judicial streamlining.		they could lower CEQA litigation costs and shorten
	Signed by the		Based on	litigation timelines.
	Governor	This measure is part of the negotiated	2023 Legislative	
	Chapter 60,	infrastructure trailer bill package and makes	Priorities and	Expedited Judicial Review: The process for preparing
	Statutes of 2023	various changes to CEQA. This bill provides	Principles,	the administrative record for any governor-certified
Pá		clarification for what is considered as part of the	adopted	infrastructure project must follow certain extensive
age		administrative record, as well as allowing a	December 2022	and potentially costly specifications. While expedited
e 27		public agency to deny a request to prepare the		judicial review is beneficial in concept, unless
7 of		record of proceedings. This bill also provides for		amended, the prerequisites may be infeasible or costly
85		expedited judicial review for specified energy		to implement.
		and transportation projects.		

June 10, 2024 – Second Year of Legislative Sess	ession
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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan	
Author	Location				
SB 150	Chaptered	Construction: workforce development: public	Support	This bill is intended to help develop procurement	
Durazo (D-Los		contracts.		models to enhance the state's training and access	
Angeles)			Based on	pipeline for jobs while ensuring community benefits	
	Signed by the	This measure is part of the negotiated	2023 Legislative	on infrastructure and manufacturing investments.	
	Governor	infrastructure trailer bill package and focuses on	Priorities and		
	Chapter 61,	strengthening the state's workforce and	Principles,	This bill is consistent with Metropolitan's policy	
	Statutes of 2023	community benefits with infrastructure	adopted	and practice and could benefit the district by helping	
		investments through California's share of federal	December 2022	build the next generation of the state's construction	
		funds.		workforce.	
SB 366	Amended	The California Water Plan: long-term supply	Support, if	The intent of this bill is to help modernize	
Caballero (D -	4/8/24	targets.	Amended	California's water management practices and provide	
Merced)				long-term reliable supplies in response to the current	
		This measure would revise the California Water		climate challenges.	
Sponsors:		Plan to require the DWR to update the California	Based on		
California	Two-year bill	Water Plan by December 31, 2028, and every	2023 Legislative	Metropolitan is seeking amendments that include, but	
Municipal Utilities		five years after, to include a long-term water	Priorities and	are not limited to, ensuring the 2050 target reflects	
Association,	Assembly Water,	supply target for 2050 and discussion on the	Principles,	statewide, regional, and local planning efforts and	
California Council	Parks, and	development of specified water supply sources	adopted	clarifying that the CA Water Plan should not establish	_
for Environmental	Wildlife	to meet demand.	December 2022	a separate plan for complying with the Delta Plan, but	د_
and Economic	Committee			should be complimentary and focus on supporting the	
Balance, California				co-equal goals of the Delta.	
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Counties					
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Metropolitan Water District of Southern California State Legislative Matrix June 10, 2024 – Second Year of Legislative Session

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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
SB 659	Chaptered	California Water Supply Solutions Act of	Support, if	This bill intends to elevate the importance of
Ashby (D –		2023.	Amended	groundwater in the state's planning efforts. Additional
Sacramento)	•		•	recharge capacities developed through
	Signed by the	This bill would require DWR to develop a	Based on 2023	implementation of this bill could potentially help in
Sponsors:	Governor	groundwater recharge plan by January 1, 2026,	Legislative	the successful implementation of projects such as
Sacramento	Chapter 624,	to create additional groundwater recharge	Priorities and	Metropolitan's Pure Water project, LADWP's
Regional Water	Statutes of 2023	capacity and include the plan as part of the 2028	Principles	Operation Next project, and the Pure Water San
Authority		update to the California Water Plan.	adopted	Diego, potentially helping to maximize stormwater
			December 2022.	capture and increase sustainability of groundwater
				basins within Metropolitan's service area.
SB 687	Amended	Water Quality Control Plan: Delta	Oppose	Metropolitan supports updating the Water Quality
Eggman (D -	5/2/2023	Conveyance Project.	•	Control Plan to protect beneficial uses in the Delta.
Stockton)		•	Based on	This bill would result in halting or delaying planning
`		This measure will require the State Water	2023 Legislative	efforts on the Delta Conveyance Project and
	Dead	Resources Control Board to adopt a final undate	Priorities and	notentially prevent the project from operating if
		of the Bav-Delta Water Ouality Control Plan	Principles.	annroved.
		hefore the Board considers a change in the noint	adonted	
		of diversion on our office with a country	Degember 2022	
		of diversion of any other water rights permit of	December 2022	
		order for the Delta Conveyance Project.		
SB 706	Chaptered	Public contracts: progressive design-build:	Support	Currently, PDB-eligible projects are limited to
Caballero (D-		local agencies.	,	wastewater treatment facilities, park and recreational
Merced)			Based on	facilities, solid waste management facilities and water
		This bill would provide additional authority,	2023 Legislative	recycling facilities. This bill now authorizes cities,
Sponsors:	Signed by the	until January 1, 2023, for cities, counties, and	Priorities and	counties and special districts, including Metropolitan,
CA State	Governor	special districts to use progressive design-build	Principles,	to use PDB for public works projects. This supports
Association of	Chapter 500,	(PDB) authority for up to 10 public works	adopted	Metropolitan's priority of ensuring reliable water
Counties; County of	Statutes of 2023	projects that are in excess of \$5 million. In	December 2022	supply deliveries throughout its service area.
San Diego; Design		addition, any local agency that uses this		
Exild Institute of		authorized progressive-design build process		
America Western		must submit a report to the Legislature.		
Facific Chapter;				
League of				
California Cities				

June 10, 2024 – Second Year of Legislative Session	
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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
SB 867	Amended	Drought, Flood and Water Resilience,	Support, if	This measure is consistent with Metropolitan's
Allen (D-Santa	6/22/2023	Wildfire and Forest Resilience, Coastal	Amended	current policy priorities and supports the objectives of
Monica)		Resilience, Extreme Heat Mitigation,		Metropolitan's Climate Adaptation Master Plan.
	Two-Year Bill	Biodiversity and Nature-Based Climate		
		Solutions, Climate Smart Agriculture, Park	Based on June	Metropolitan is seeking amendments to increase
	Assembly Natural	Creation and Outdoor Access, and Clean	2023 Board	funding for recycled water, dam safety, regional
	Resources	Energy Bond Act of 2024.	Action	conveyance, drought, and conservation projects.
	Committee			
		This measure would authorize a \$15.5 billion		
		general obligation bond for a range of resource-		
		based programs that will improve California's		
		climate resiliency. If approved, this measure		
		would be on the March 5, 2024 statewide ballot.		

Metropolitan Water District of Southern California State Legislative Matrix June 10, 2024 – Second Year of Legislative Session

Bill Number	Amended Date	Title-Summary	MWD Pocition	Fffects on Metropolitan
Author	Location			
AB 2610	Amended	Protected species: authorized take: Salton Sea	Support	This bill will help to advance conservation
E. Garcia (D –	4/10/2024	Management Program: System Conservation		agreements and collective conservation goals related
Coachella)		Implementation Agreement.		to reducing reliance of the Colorado River in order to
				account for changes in climate and low water supplies
	Senate Natural	Current law authorizes the Department of Fish	Based on	by allowing IID to advance their short-term
	Resources and	and Wildlife, if certain conditions are fulfilled,	2024 Legislative	conservation goals between $2024 - 2026$.
	Water Committee	to authorize the take of species, including fully	Priorities and	
		protected species, resulting from impacts	Principles,	
		attributable to implementation of the	adopted January	
		Quantification Settlement Agreement on	2024	
		specified lands and bodies of water, including		
		the Salton Sea. This bill would additionally		
		authorize the department, if certain conditions		
		are fulfilled, to authorize the take of species		
		resulting from impacts attributable to the		
		implementation of the Salton Sea Management		
		Program or implementation of any System		
		Conservation Implementation Agreement		
		between the United States Bureau of		
		Reclamation and the Imperial Irrigation District		
		to implement the Lower Colorado River Basin		
		System Conservation and Efficiency Program, as		
		provided, on the specified lands and bodies of		
		water.		

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Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1827 D. Papan	Amended	Local government: fees and charges: water:	Support	Metropolitan's wholesale water service rates to its co-
(D – San Mateo)	4/4/2024	higher-consumptive water parcels.	1	op members are not subject to Proposition 218 and
			Based on	therefore, the bill does not have an effect on
		The Legislature passed the Proposition 218	2024 Legislative	Metropolitan. It will, however, provide clearer
	Senate Local	Omnibus Implementation Act in 1997 to provide	Priorities and	guidance for its member agencies that provide retail
	Government	guidance for implementation of the new	Principles,	water service and any retail water service provider
	Committee	constitutional provisions. AB 1827 (Papan)	adopted January	within Metropolitan service area.
		proposes to add Government Code section	2024.	
		53750.6 to the Act to clarify that the costs that		
		may be recovered through retail water service		
		fees may include the incrementally higher costs		
		of water service due to (1) the higher water		
		usage demand of parcels, (2) the maximum		
		potential water use of parcels, or (3) projected		
		peak water usage.		
AB 2257 L. Wilson	Amended	Local government: property-related water	Support	Metropolitan does not currently collect any fee or
(D – Suisun City)	4/23/2024	and sewer fees and assessments: remedies.		assessment on properties within its service area that is
			Based on	subject to Article XIII D. It does, however, have the
		AB 2257 establishes a process for objections to	2024 Legislative	authority to do so. Should it decide to adopt such a fee
	Senate Judiciary	be submitted by any party objecting to the	Priorities and	or assessment, it would be required to follow these
	Committee	proposed fee or assessment, notice to the public	Principles,	proposed additional procedural requirements. Any
		of the requirements, and prerequisites for suing	adopted January	litigation challenging such a fee or assessment would
		an agency on the basis of the validity of the fee	2024	also be subject to the administrative remedy
		or assessment. The bill requires exhaustion of		exhaustion and evidence limitation provided for by
		the administrative procedures provided therein		AB2257.
		before a plaintiff may file suit and it limits the		
		administrative record that may be reviewed in		
		that litigation to evidence presented to or		
Pa		available to the agency prior to the adoption of		
age		the fee or assessment.		
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Bill Number Amended Date Author Location AB 2409 Amended D. Papan (D – San 4/11/2024 Mateo) Dead	ate Title-Summary Office of Planning and Recearch: normitting	MWD Position	Effects on Metropolitan
ı (D – San			
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		Support	AB 2409 requires the Governor's Office of Planning
	accountability transparency dashboard.	ı	and Research (OPR) to create and maintain a
Dead			permitting transparency website with a project
Dead	Would require the Office of Planning and		dashboard showing the status of each state permit for
	Research, on or before January 1, 2026, to create	Based on	specific projects with an estimated cost of \$100
	and maintain, as specified, a permitting	2024 Legislative	million or more. AB 2409 would be beneficial to
	accountability transparency internet website	Priorities and	Metropolitan by making environmental permitting
	(dashboard). The bill would require the	Principles,	more transparent and would help the public
	dashboard to include a display for each permit to	adopted January	understand why large projects take years to permit
	be issued by specified state agencies for all	2024	(e.g., Pure Water Southern California or Delta
	covered projects. The bill would define various		Conveyance).
	terms for these purposes. The bill would also		
	require the dashboard to include, but not be		
	limited to, information for each permit to be		
	issued by a state agency that is required for the		
	completion of the project, including, among		
	other requirements, the permit application		
	submission date. The bill would require each		
	state agency with a responsibility for issuing a		
	permit for a covered project to provide		
	information in the appropriate time and manner		
	as determined by the office. The bill would also		
	make related findings and declarations.		

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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
AB 2060	Amended	Lake and streambed alteration agreements:	Support if	This bill was amended to ensure the temporary permit
E. Soria (D –	5/16/2024	exemptions.	Amended	authorization is consistent with existing law on
Fresno)				diversion authorizations for current water rights
		This bill would exempt qualifying temporary		holders. Metropolitan is seeking additional
	Senate Natural	permit diversions of water from streams at or	Based on	amendments to ensure the inclusion of fish screens on
	Resources and	near flood stage to groundwater storage from the	Metropolitan	all intakes, not just "temporary pump" intakes, and
	Water Committee	requirements of Fish & Game Code section	Policy Principles	that the screens minimize both entrainment and
		1602. Section 1602 requires anyone proposing	for	impingement, since impingement is just as deadly as
		to substantially alter the bed, banks or natural	Modernization	entrainment.
		flows of a stream, river or lake to notify the	of Water Rights	
		California Department of Fish and Wildlife	Administration	
		(CDFW). If CDFW determines the proposed	2023 Water	
		activity may have a significant adverse impact	Rights	
		on fish or wildlife, it will require a Lake or	Principles,	
		Stream Alteration Agreement (LSAA) that	adopted April	
		functions as a permit for the activity, and which	2023 and 2024	
		always requires mitigation, monitoring and	Legislative	
		reporting to CDFW. It is designed to prevent	Priorities and	
		harm to fish and wildlife from covered activities.	Principles,	
		AB 2060 would exempt qualifying diversions	adopted January	
		from this requirement. The only "mitigation"	2024	
		required to qualify is installation of basic fish		
		screens, with no requirement that they meet any		
		standards, including those adopted by CDFW		
		and the federal fish services.		

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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
SB 903 N. Skinner	Amended	Environmental health: product safety:	Support	From a source water protection standpoint, the bill
(D – Berkeley)	4/11/2024	perfluoroalkyl and polyfluoroalkyl		creates provisions to reduce PFAS contamination and
		substances.	Based on	enhance protection of water quality and public health.
			2024 Legislative	By limiting PFAS in consumer products, the bill
	Dead	Starting January 1, 2025, certain substances	Priorities and	indirectly aims to reduce PFAS contamination in
		called perfluoroalkyl and polyfluoroalkyl	Principles,	water sources, potentially decreasing treatment costs
		substances (PFAS) will be prohibited in new	adopted January	and complexity for water providers. The bill
		textiles, cosmetics, food packaging, and juvenile	2024	encourages the development and adoption of PFAS
		products in the state. This means that		alternatives, potentially impacting the types of
		manufacturers and sellers cannot add PFAS to		materials and products used within the water industry
		these products. A new bill, starting January 1,		and by consumers, promoting safer water handling
		2032, will also require the Department of Toxic		and packaging materials.
		Substances Control to determine if using PFAS		
		in a product is necessary and unavoidable before		
		it can be offered for sale. The department will		
		keep a list of these determinations on its website		
		and use any penalties collected for administering		
		and enforcing these laws. By January 1, 2027,		
		the department will adopt regulations to carry		
		out this bill, including setting an application fee		
		and creating an appeal process for penalties and		
		decisions made under this law. A PFAS		
		Oversight Fund will be created from the		
		application fees to cover the department's		
		expenses for administering this act, with funds		
		allocated by the legislature.		

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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
SB 1072 S. Padilla	Amended	Local government: Proposition 218: remedies.	Support	Metropolitan does not currently collect any revenue
(D – San Diego)	4/24/2024			from any property related fees or assessments subject
		The California Constitution has rules for	Based on	to Articles XIII C or D. However, Metropolitan does
		imposing taxes at a local level. It excludes	2024 Legislative	have statutory authority to collect such fees. If
	Assembly Desk	certain fees and assessments if they meet certain	Priorities and	Metropolitan were to adopt such a fee or assessment
		criteria, such as not exceeding the benefit given	Principles,	in the future, the revenues from those fees or
		to a property or the cost of the service provided.	adopted January	assessment would be subject to the limitation added
		There is also a law known as the Proposition 218	2024	by SB 1072.
		Omnibus Implementation Act that outlines how		
		local agencies must comply with these		
		requirements. This bill, if passed, would require		
		local agencies to correct any fees or charges for		
		property-related services that violate these		
		constitutional provisions and credit the amount		
		of the violation against the revenues needed for		
		the service. This bill supports the purposes and		
		intent of Proposition 218 and the Omnibus		
		Implementation Act.		

Metropolitan Water District of Southern California State Legislative Matrix June 10, 2024 – Second Year of Legislative Session

		danc 10, 2024 Decoma I car of Ecgistanie Session		
Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
SB 1169	Amended	Los Angeles County Flood Control District:	Support	Support for this bill will help with Los Angeles
H. Stern (D – Los	3/18/2024	finances.		County's flood control program and is consistent with
Angeles)				the Board's policy to support development of local
		This law, known as the Los Angeles County	Based on	resources and conservation efforts.
	Assembly Desk	Flood Control Act, sets up a district responsible	2024 Legislative	
		for managing and preserving flood and	Priorities and	
		wastewaters in the county. It permits the district	Principles,	
		to borrow money from certain sources to fund	adopted January	
		flood control work and repay the loan within 20	2024	
		years with a maximum interest rate of 4.25%		
		annually. The district must also collect enough		
		taxes from property owners each year to cover		
		the loan payments. Currently, the district is		
		limited to borrowing a maximum of \$4.5 million		
		and issuing bonds up to the same amount. This		
		proposed bill would extend the loan repayment		
		period to 35 years with a maximum interest rate		
		of 5.5% annually. It would also remove the		
		borrowing and bond limits for the district. The		
		bill justifies these changes by stating the need for		
		a special law for the Los Angeles County Flood		
		Control District.		

Metropolitan Water District of Southern California State Legislative Matrix

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Bill Number	Amended Date	Title-Summary	MWD Position	Effects on Metropolitan
Author	Location			
SB 1390 A.	Amended	Groundwater recharge: floodflows: diversion.	Support if	SB 1390 could adversely impact Metropolitan's SWP
Caballero (D –	4/24/2024		Amended	supplies by increasing the amount of diversions
Merced)		Under current law, all water in the state belongs		authorized under SB 122. SB 122 could harm State
		to the people, but individuals can gain the right	Based on	Water Project supplies directly and indirectly. When
	Assembly Desk	to use it through a legal process. This process	Metropolitan	the Delta is in "excess conditions," the State Water
		requires the water to be used for a purpose that is	Policy Principles	Project may divert inflows that are not releases of
		helpful or beneficial. However, if certain	for	stored water (known as unregulated water). If enough
		conditions are met, using floodwater for	Modernization	diverters in the Delta watershed take advantage of SB
		groundwater recharge does not require a specific	of Water Rights	122 and this proposed exemption, it could cost
		legal right. These conditions include receiving	Administration	Metropolitan some of its SWP supplies. It could also
		notice from a local or regional agency that there	2023 Water	indirectly affect supplies because such diversions
		is a risk of flooding, and filing a report with the	Rights	could adversely impact listed fish species, thereby
		State Water Resources Control Board once the	Principles,	triggering restrictions on SWP operations more
		diversion is finished. This applies to diversions	adopted April	frequently or for longer periods. Metropolitan is
		that began before January 1, 2029. This bill	2023 and 2024	requesting amendments to ensure that these
		would extend these requirements to diversions	Legislative	unpermitted diversions can only take place when the
		that began before June 1, 2032. It would also add	Priorities and	delta is in excess conditions without restrictions, and
		additional conditions that must be met for the	Principles,	ensure that the appropriate guardrails are in place as
		diversion to be allowed, such as the local agency	adopted January	this new authority is being implemented.
		declaring that the diversion is in line with	2024	
		specific plans or emergency operations plans.		
		The diversion must also stop within 90 days		
		unless it is renewed, and the final report must		
		include information about the methods used to		
		predict and prevent flooding. Finally, the		
		diversion must not harm any prior water rights		
		holders in the area.		



ACTION ITEM July 3, 2024

TO: Board of Directors

FROM: Harvey De La Torre Staff Contact: Heather Baez

General Manager

SUBJECT: H.R. 8682 (HUFFMAN, D-CA) – WATER CONSERVATION REBATE TAX

PARITY ACT

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to adopt a support position on H.R. 8682 (Huffman, D-CA).

BILL SUMMARY

H.R. 8682 would expand the tax exclusion for energy conservation subsidies provided by public utilities to include certain subsidies for water conservation or efficiency measures and storm water management measures.

The bill excludes from gross income subsidies provided (directly or indirectly) by a public utility to a customer, or by a state or local government to a resident for the purchase or installation of any water conservation or efficiency measure. In addition, it also excludes subsidies provided by a storm water management provider for the purchase or installation of any storm water management measure.

This measure is sponsored by Representative Jared Huffman (D-CA) and co-sponsored by Representatives Curtis (R-UT), Chu (D-CA), and LaMalfa (R-CA).

BACKGROUND

Congressman Huffman has introduced this measure for the past few years, each with nearly identical language. In 2019, he introduced H.R. 2313, in 2016, he introduced H.R. 4615; in 2017, he introduced H.R.448. To date, none of these bills has moved past introduction.

Budgeted: ☐ Yes ☐ No	Budgeted amount:	:	Core: ⊠	Choice: □		
Action item amount:		Movement between funds: ☐ Yes ☐ No				

The Water Conservation Rebate Tax Parity Act clarifies that these rebates, which are growing in number and size across the nation, are not taxable income, but rather an effort to defray upfront consumer costs for a public benefit.

This would ensure that the IRS treats water conservation rebates in the same manner as they treat energy conservation rebates, including insulation, Energy Star-certified windows and doors, and energy efficient appliances, which are not considered taxable income.

ARGUMENTS IN SUPPORT

According to the author, "Water scarcity has always been a challenge in the West, but year after year of climate change-driven drought has brought unfathomable shortages that gravely threaten people and ecosystems across the country. Bold, innovative solutions across the board are necessary to tackle this crisis. One of the simplest and fastest things Congress can do is ensure the federal government is not an obstacle to local and state efforts to conserve water and build more drought-resilient communities. The Water Conservation Rebate Tax Parity Act is a logical solution to ensure our constituents are not taxed for making smart water use improvements and will make it easier for property owners to switch to water-saving technologies."

"This legislation is crucial for Utah, ensuring that incentives for water efficiency are accessible without the burden of federal taxes," **said Rep. Curtis.** "This measure aligns with our commitment to preserving Utah's precious water resources, encouraging residents to adopt sustainable practices that benefit both our environment and economy."

"As climate change brings more frequent and severe droughts to states like California, it is crucial that Americans get support making home improvements that reduce their water use. As a Member of the Ways and Means Committee, I believe our federal tax code should encourage, not penalize, these investments. I'm joining Reps. Huffman, Curtis, and LaMalfa in reintroducing the Water Conservation Rebate Tax Parity Act to remove the federal tax burden on water conservation rebates, which will help more Americans reduce their water use and help states like California preserve our precious water resources," said Rep. Chu.

ARGUMENTS IN OPPOSITION

None on file

ALIGNMENT WITH BOARD STRATEGIC PRIORITIES

\boxtimes	Clarifying MWDOC's mission and role; defining functions and actions.	Work with member agencies to develop water supply and demand objectives.
\boxtimes	Balance support for Metropolitan's regional	Solicit input and feedback from member
	mission and Orange County values and interests.	agencies.
	Strengthen communications and coordination of	Invest in workforce development and succession
	messaging.	planning.

BOARD OPTIONS

Option #1

• Adopt a support position on H.R. 8682 and send a letter to the sponsor and the Orange County delegation

Option #2

• Take no action

List of Attachments/Links:	
Attachment 1: H.R 8682 Full Text	

		(Original Signature of Member)
118TH CONGRESS 2D SESSION	H.R.	(

To amend the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures, storm water management measures, and wastewater management measures.

IN THE HOUSE OF REPRESENTATIVES

Mr.	HUFFMAN intr	oduced the	e following	bill;	which	was	referred	to	the
	Committ	tee on							

A BILL

To amend the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures, storm water management measures, and wastewater management measures.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Water Conservation
- 5 Rebate Tax Parity Act".

1	SEC. 2. MODIFICATIONS TO INCOME EXCLUSION FOR CON-
2	SERVATION SUBSIDIES.
3	(a) In General.—Subsection (a) of section 136 of
4	the Internal Revenue Code of 1986 is amended—
5	(1) by striking "any subsidy provided" and in-
6	serting "any subsidy—
7	"(1) provided",
8	(2) by striking the period at the end and insert-
9	ing a comma, and
10	(3) by adding at the end the following new
11	paragraphs:
12	"(2) provided (directly or indirectly) by a public
13	utility to a customer, or by a State or local govern-
14	ment to a resident of such State or locality, for the
15	purchase or installation of any water conservation or
16	efficiency measure,
17	"(3) provided (directly or indirectly) by a storm
18	water management provider to a customer, or by a
19	State or local government to a resident of such State
20	or locality, for the purchase or installation of any
21	storm water management measure, or
22	"(4) provided (directly or indirectly) by a State
23	or local government to a resident of such State or
24	locality for the purchase or installation of any waste-
25	water management measure, but only if such meas-

1	ure is with respect to the taxpayer's principal resi-
2	dence.".
3	(b) Conforming Amendments.—
4	(1) Definition of water conservation or
5	EFFICIENCY MEASURE AND STORM WATER MANAGE-
6	MENT MEASURE.—Section 136(c) of the Internal
7	Revenue Code of 1986 is amended—
8	(A) by striking "Energy Conservation
9	MEASURE" in the heading thereof and inserting
10	"Definitions",
11	(B) by striking "In General" in the
12	heading of paragraph (1) and inserting "EN-
13	ERGY CONSERVATION MEASURE", and
14	(C) by redesignating paragraph (2) as
15	paragraph (5) and by inserting after paragraph
16	(1) the following:
17	"(2) Water conservation or efficiency
18	MEASURE.—For purposes of this section, the term
19	'water conservation or efficiency measure' means any
20	evaluation of water use, or any installation or modi-
21	fication of property, the primary purpose of which is
22	to reduce consumption of water or to improve the
23	management of water demand with respect to one or
24	more dwelling units.

1	"(3) Storm water management measure.—
2	For purposes of this section, the term 'storm water
3	management measure' means any installation or
4	modification of property primarily designed to re-
5	duce or manage amounts of storm water with re-
6	spect to one or more dwelling units, including an in-
7	stallation or modification to prevent or reduce the
8	impacts of storm water-caused flooding to such
9	property.
10	"(4) Wastewater management measure.—
11	For purposes of this section, the term 'wastewater
12	management measure' means any installation or
13	modification of property primarily designed to man-
14	age wastewater (including septic tanks and cess-
15	pools) with respect to one or more dwelling units.".
16	(2) Definition of Public Utility.—Section
17	136(c)(5) of such Code (as redesignated by para-
18	graph (1)(C)) is amended by striking subparagraph
19	(B) and inserting the following:
20	"(B) Public utility.—The term 'public
21	utility' means a person engaged in the sale of
22	electricity, natural gas, or water to residential,
23	commercial, or industrial customers for use by
24	such customers.

1	"(C) Storm water management pro-
2	VIDER.—The term 'storm water management
3	provider' means a person engaged in the provi-
4	sion of storm water management measures to
5	the public.
6	"(D) Person.—For purposes of subpara-
7	graphs (B) and (C), the term 'person' includes
8	the Federal Government, a State or local gov-
9	ernment or any political subdivision thereof, or
10	any instrumentality of any of the foregoing.".
11	(3) CLERICAL AMENDMENTS.—
12	(A) The heading of section 136 of such
13	Code is amended—
14	(i) by inserting "AND WATER" after
15	"ENERGY", and
16	(ii) by striking "PROVIDED BY PUB-
17	LIC UTILITIES".
18	(B) The item relating to section 136 in the
19	table of sections of part III of subchapter B of
20	chapter 1 of such Code is amended—
21	(i) by inserting "and water" after
22	"energy", and
23	(ii) by striking "provided by public
24	utilities".

- 1 (c) Effective Date.—The amendments made by
- 2 this section shall apply to amounts received after Decem-
- 3 ber 31, 2021.
- 4 (d) No Inference.—Nothing in this Act or the
- 5 amendments made by this Act shall be construed to create
- 6 any inference with respect to the proper tax treatment of
- 7 any subsidy received directly or indirectly from a public
- 8 utility, a storm water management provider, or a State
- 9 or local government for any water conservation or effi-
- 10 ciency measure, storm water management measure, or
- 11 wastewaster management measure before January 1,
- 12 2022.

Staff Contact: Heather Baez



ACTION ITEM July 3, 2024

TO: Board of Directors

FROM: Harvey De La Torre

General Manager

SUBJECT: SB 1255 (DURAZO) - PUBLIC WATER SYSTEMS: WATER RATE

ASSISTANCE PROGRAM

STAFF RECOMMENDATION

It is recommended that the Board of Directors vote to adopt an Oppose Unless Amended position on Senate Bill 1255 (Durazo).

BILL SUMMARY

SB 1255 would require, on or before July 1, 2027, retail water suppliers that serve over 3,300 residential connections to establish a water rate assistance program (WRAP), as specified, to provide assistance to eligible ratepayers for their water and wastewater bills.

The funding source for the WRAP would be through "voluntary contributions" collected by each retail water supplier using an "opt-out" collection process via the customer's water bill.

ARGUMENTS IN SUPPORT

According to a coalition of more than 30 environmental justice, environmental, and community organizations:

Access to safe and affordable drinking water and sanitation is a human right. (AB 685, 2012). However, water rates have continued to rise, outpacing inflation with a 45% increase between 2007 and 2015. During the pandemic, water arrearages grew to over

Budgeted: ☐ Yes ☐ No	Budgeted amount:		Core: ⊠	Choice: □	
Action item amount:		Movement between funds: ☐ Yes ☐ No			

\$1 billion, prompting legislators to create the California Water and Wastewater Arrearages Payment Program, through which the [State] Water Board is on track to successfully provide over \$800 million in assistance to California families. The 2023 SAFER Needs Assessment found that almost 450 water systems in California have either a medium or high affordability burden. In 2020, the Water Board finalized a report on a pathway and cost assessment for a Low-Income Water Rate Assistance Program, pursuant to AB 401 from 2015.

Recent amendments to SB 1255 will fill a large portion of the needed assistance for low-income Californians by requiring systems that can fund a [low-income rate assistance] program with voluntary ratepayer contributions to do so. Ratepayers served by these systems will be able to choose not to pay this contribution at any time and any contribution would be capped at 5% of their bill. These funds should allow most systems over 3,300 service connections to provide a 20% bill credit for customers and expand access to assistance by automatically enrolling customers who are already enrolled in the CARES program. This means that eligible ratepayers will receive assistance quickly without having to submit a new application demonstrating their eligibility if they have already done so for another program with similar eligibility criteria.

Many provisions of SB 1255 are also designed to assist water systems in complying with the law, including balancing accounts to address any uncertainty and exemptions for systems where voluntary contributions may not provide for a 20% bill credit. Water systems that already have a water affordability program can keep their program, provided it meets or exceeds the minimum requirements of SB 1255. In the event collections are insufficient to fund a bill credit, the funding may be used to establish a crisis assistance program.

ARGUMENTS IN OPPOSITION

MWDOC staff and our Sacramento advocate have been actively engaged and working closely with both ACWA and CMUA on this bill proposal, which was significantly amended to the version we see here on June 3. At the June 25 Assembly Environmental Safety and Toxic Materials Committee, ACWA provided the lead opposition testimony and CMUA the secondary. The concerns shared in ACWA's letter reflect many of the concerns of MWDOC's member agencies as well as ACWA and CMUA members at large. In ACWA's letter they highlight several concerns:

There can be a workable and efficient State water [low-income rate assistance] program in California. However, ACWA has serious concerns about the workability of this brand-new proposal.

On June 19 the Author amended SB 1255 to include many of [ACWA's] suggested amendments, addressing ACWA's concerns regarding the proposed program timeline, application of bill credits as it pertains to water use efficiency and flexibility for qualified systems to determine to which element or elements of water charges it applies the credit, and eligibility verification.

Unfortunately, the June 19 amendments did not address the other concerns and suggested amendments. Following is an overview of some of ACWA's remaining concerns that would be addressed through amendments.

<u>Voluntary Contributions - Opt-Out Approach</u> – The proposed "opt-out" approach would lack transparency and would create damaging distrust. The bill should instead propose an "opt-in" approach. The bill would require notice of the voluntary contribution, but many ratepayers would not see the notice (e.g., customers on automatic payments) and would be charged for the "voluntary" contribution on their water bill. They could later opt out and seek refunds, as specified, but this would create funding instability and a negative public perception of the program. It is also important to note that many ratepayers will be at income levels not far above the eligibility cut-off for this program.

<u>Application of Bill Credit – Drinking Water Not Wastewater</u> – The bill should be limited to a credit for drinking water charges and not apply to wastewater charges. There is an equity issue if some customers receive a credit for wastewater charges and some customers (who are billed only for drinking water on the water bill) do not receive that additional credit.

<u>Administrative Costs</u> - The proposal to restrict administrative costs to less than or equal to 10 percent of the amount of voluntary contributions is not realistic or prudent because no one knows what the level of voluntary contributions would be. This section should be deleted.

<u>Participation-Level Assumption</u> - The proposed required 60%-participation-level assumption needs to be reconsidered given the diverse circumstances for systems across California.

<u>Self-Certification</u> - Self-Certification should not be an allowed method of establishing eligibility. This option is too susceptible to fraud.

<u>Existing Programs</u> - Discussion is needed regarding how the bill should address existing [low-income rate assistance] programs.

<u>Needs Assessment</u> - Arrearages are not a good basis for estimating the funding needed for [low-income rate assistance]. Arrearages for nonpayment exist for multiple reasons. For example, some ratepayers with high incomes may have not paid their bills, ratepayers with low incomes will have paid their water bills and not have arrearages, etc. ACWA suggests that the State use existing income information that the State holds and estimate how many low-income ratepayers there are for these systems.

SUPPORT & OPPOSITION ON FILE

SUPPORT

350 Humboldt
California Coastal Protection Network

California Coastkeeper Alliance

California Environmental Justice Alliance Grace - End Child Poverty in California (CEJA) Action Heal the Bay California Environmental Voters LA Waterkeeper California State Council of Service Leadership Counsel for Justice & **Employees International Union (SEIU** Accountability California) Leadership Counsel for Justice and California Water Association Accountability Los Angeles Alliance for A New Economy California Water Research Lutheran Office of Public Policy -Central California Environmental Justice Network California Mono Lake Committee Clean Water Action Cleanearth4kids.org National Parks Conservation Association Climate Resolve Natural Resources Defense Council **Community Water Center** Physicians for Social Responsibility - Los Courage California Angeles Defenders of Wildlife Planning and Conservation League **Environmental Working Group** San Francisco Baykeeper Facts: Families Advocating for Chemical Sierra Club California & Toxics Safety UFCW - Western States Council Friends Committee on Legislation of Union of Concerned Scientists California Voices for Progress Friends of The River **OPPOSITION Amador Water Agency** Inland Empire Utilities Agency Association of California Water Agencies Irvine Ranch Water District Mesa Water District (ACWA) California Municipal Utilities Association Monte Vista Water District City of Chino Mountain Counties Water Resources City of Chino Hills Association City of Montclair Ontario Municipal Utilities Company Cucamonga Valley Water District Padre Dam Municipal Water District **Desert Water Agency** Rancho California Water District Eastern Municipal Water District Southern California Water Coalition Elsinore Valley Municipal Water District Valley Center Municipal Water District Helix Water District Vista Irrigation District **ALIGNMENT WITH BOARD STRATEGIC PRIORITIES** Work with member agencies to develop water supply and demand objectives. functions and actions. ☐ Balance support for Metropolitan's regional ☐ Solicit input and feedback from member mission and Orange County values and interests. aaencies.

☐ Strengthen communications and coordination of

messaging.

Invest in workforce development and succession

planning.

BOARD OPTIONS

Option #1: Adopt an Oppose Unless Amended position on SB 1255 (Durazo)

Fiscal Impact: None

Option #2: Take no action

Fiscal Impact: None

List of Attachments/Links:	
Attachment 1: SB 1255 Full Text	

AMENDED IN ASSEMBLY JUNE 3, 2024 AMENDED IN SENATE APRIL 1, 2024

SENATE BILL

No. 1255

Introduced by Senator Durazo (Coauthor: Senator Dodd)

February 15, 2024

An act to amend Section 116772—of of, and to add Chapter 6.5 (commencing with Section 116930) to Part 12 of Division 104 of, the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1255, as amended, Durazo. Public water systems: needs analysis. analysis: water rate assistance program.

-The

(1) The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties relating to the regulation of drinking water to protect public health. Existing law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Existing law requires the state board to annually adopt a fund expenditure plan, as provided, and requires expenditures from the fund to be consistent with the fund expenditure plan. Existing law requires the state board to base the fund expenditure plan on data and analysis drawn from a specified drinking water needs assessment.

This bill would require the state board to update a needs analysis of the state's public water systems to include an assessment, as specified, of the funds necessary to provide a 20%—discount bill credit for

SB 1255 -2-

low-income households served by community water systems with fewer than 3,300 service connections and for community water systems with fewer than 3,300 service connections to meet a specified affordability threshold on or before July 1, 2026, and on or before July 1 of every 3 years thereafter.

(2) Existing law requires the state board, by January 1, 2018, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program. Existing law requires the plan to include, among other things, a description of the method for collecting moneys to support and implement the program and a description of the method for determining the amount of moneys that may need to be collected from water ratepayers to fund the program.

This bill would require qualified systems, defined as any retail water supplier that serves over 3,300 residential connections, to begin providing water rate assistance to eligible ratepayers, defined to mean a low-income residential ratepayer with an annual household income that is no greater than 200% of the federal poverty guideline level, on or before April 1, 2027. The bill would require a qualified system to automatically enroll an eligible ratepayer in the water rate assistance program if available information, which includes, among other things, authorizing a ratepayer to confirm eligibility by self-certification made under penalty of perjury, indicates that they are qualified to receive assistance and provide a water bill credit, as specified. By expanding the crime of perjury, the bill would impose a state-mandated local program.

The bill would require a qualified system, on or before July 1, 2026, to provide an opportunity for each ratepayer to provide a voluntary contribution as part of the ratepayer's water bill to provide funding for the qualified system's water rate assistance program. The bill would require a qualified system to recommend a voluntary contribution amount on the bill of each ratepayer, other than an eligible ratepayer, at a level that will raise sufficient funding to provide a discount to eligible ratepayers, pay for the qualified system's administrative costs to implement the program, and establish a balancing account if the qualified system chooses to do so. The bill would require a qualified system to notify ratepayers of the voluntary contribution on the water bill and provide each ratepayer the option and method of opting out of the voluntary contribution, as specified. The bill would also prohibit a qualified system from sanctioning or holding liable a ratepayer in any manner for not paying the voluntary contribution. The bill would

-3- SB 1255

authorize a qualified system to use any state or federal funds that are available to support a ratepayer assistance program by offsetting or supplementing the funds collected from voluntary contributions. The bill would authorize the Attorney General to bring an action in state court to restrain the use of any method, act, or practice in violation of these provisions, except as provided.

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

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

- 1 SECTION 1. The Legislature finds and declares all of the 2 following:
 - (a) Existing state law declares that it is 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.
 - (b) In 2015, the Legislature passed Assembly Bill 401 (Chapter 662 of Statutes of 2015) that required the State Water Resources Control Board to develop a plan, informed by the public and the State Board of Equalization, for a statewide low-income rate assistance for water.
- 12 (c) In 2020, the state board released a report pursuant to Assembly Bill 401, which is entitled "Recommendations for Implementation of a Statewide Low-Income Water Rate Assistance Program," that found that it would take over \$140,000,000 annually to create a low-income water rate assistance program.
- 17 (d) However, the cost of water has continued to rise, outpacing 18 the rate of inflation and putting too many California families at 19 risk of water shutoffs.
- 20 (e) Many larger systems in California could provide ratepayer 21 assistance, but are limited by Proposition 218. The Legislature 22 should develop tools for larger water systems to provide more 23 assistance to ratepayers without violating Proposition 218.

SB 1255 —4—

1 (e)

(f) Further, the options available to aid small water systems vary from those available to larger water systems, and include ongoing operations and maintenance assistance for some systems that serve all or nearly all low-income households.

(f)

- (g) Therefore, to inform future legislation, the state board should develop regularly updated data on resources needed to support small water systems to guide the creation of a future program to fulfill the right of customers of these systems to affordable drinking water and wastewater.
- SEC. 2. Section 116772 of the Health and Safety Code is amended to read:
- 116772. (a) (1) By January 1, 2021, the board, in consultation with local health officers and other relevant stakeholders, shall use available data to make available a map of aquifers that are at high risk of containing contaminants that exceed safe drinking water standards that are used or likely to be used as a source of drinking water for a state small water system or a domestic well. The board shall update the map annually based on new and relevant data.
- (2) The board shall make the map of high-risk areas, as well as the data used to make the map, publicly accessible on its internet website in a manner that complies with the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code). The board shall notify local health officers and county planning agencies of high-risk areas within their jurisdictions.
- (b) (1) By January 1, 2021, a local health officer or other relevant local agency shall provide to the board all results of, and data associated with, water quality testing performed by a laboratory that has accreditation or certification pursuant to Article 3 (commencing with Section 100825) of Chapter 4 of Part 1 of Division 101 for a state small water system or domestic well that was collected after January 1, 2014, and that is in the possession of the local health officer or other relevant local agency.
- (2) By January 1, 2022, and by January 1 of each year thereafter, all results of, and data associated with, water quality testing performed by a laboratory that has accreditation or certification pursuant to Article 3 (commencing with Section 100825) of Chapter 4 of Part 1 of Division 101 for a state small water system

5 SB 1255

or domestic well that is submitted to a local health officer or other relevant local agency shall also be submitted directly to the board in electronic format.

- (c) (1) On or before July 1, 2026, and on or before July 1 of each three years thereafter, the board, in consultation with the advisory group established pursuant to Section 116768.5 and appropriate stakeholders, shall update the needs analysis of the state's public water systems to include an assessment of the funds necessary to provide a 20-percent—discount bill credit for low-income households served by community water systems with fewer than 3,000 3,300 service connections and for community water systems with fewer than 3,000 3,300 service connections to meet the affordability threshold established pursuant to Section 116769.
- (2) To develop this assessment, the board shall do all of the following:
- (A) Collect arrearage data from water systems not regulated by the Public Utilities Commission and request data from the Public Utilities Commission on those systems they regulate.
- (B) Estimate the number of households in need of assistance using arrearage data as well as information provided by the United States Census or other comparable data source.
- (C) Identify available data on water rates charged by community water systems with fewer than 3,000 service connections.
- (D) Where data is unavailable for a water system, use an average of existing data to estimate the level of need for that system.
- SEC. 3. Chapter 6.5 (commencing with Section 116930) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6.5. WATER RATE ASSISTANCE PROGRAMS

1 2

116930. For purposes of this chapter, the following definitions apply:

- (a) "Affordability programs" means any of the following programs:
 - (1) CalWORKs.
- 38 (2) *CalFresh*.
- 39 (3) General assistance.
- 40 (4) Medi-Cal.

SB 1255 -6-

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1 (5) Supplemental Security Income or the State Supplementary 2 Payment Program.

- (6) California Special Supplemental Nutrition Program for Women, Infants, and Children.
 - (7) California Alternate Rates for Energy program.
 - (8) Family Electric Rate Assistance program.
 - (b) "Available information" means any of the following:
- (1) Information provided pursuant to an agreement entered into pursuant to Section 116933 for the purposes of documenting the residential ratepayer's participation in an affordability program.
- (2) A benefits award letter provided by the residential ratepayer documenting that the customer is an enrollee in, or is a recipient of, an affordability program.
- (3) Self-certification of eligibility, under penalty of perjury, by the residential ratepayer.
- (c) "Balancing account" means a reserved amount of sufficient funding to address fluctuations in voluntary contributions received or changes in eligible ratepayers, not to exceed 25 percent of the annual expenditures of the program.
- (d) "Crisis assistance" means direct bill credits to accounts of eligible ratepayers to reduce accrued arrearages.
- (e) "Eligible ratepayer" means a low-income residential ratepayer with an annual household income that is no greater than 200 percent of the federal poverty guideline level.
- (f) "Program" means a water rate assistance program established pursuant to this chapter.
- (g) "Qualified system" means any retail water supplier that serves over 3,300 residential connections.
- 29 (h) "Residential ratepayer" means an accountholder of a 30 qualified system who resides in a single-family or multifamily 31 residence and who receives a bill from a qualified system for water 32 service.
- 33 (i) "State board" means the State Water Resources Control 34 Board.
 - (j) "Voluntary contributions" means funds voluntarily remitted by ratepayers to qualified systems that are not derived from fees or assessments pursuant to Section 4 or 6 of Article XIII D of the California Constitution.
- 39 116931. (a) On or before April 1, 2027, a qualified system, 40 other than a system meeting the requirements of subdivision (f),

-7- SB 1255

shall establish a program meeting the minimum requirements of subdivision (b) and begin providing water rate assistance to eligible ratepayers in compliance with this chapter.

- (b) A program offered pursuant to this chapter shall, at a minimum, include both of the following:
- (1) Automatic enrollment of eligible ratepayers if available information indicates that they are qualified to receive assistance.
- (2) Provision of a bill credit for eligible ratepayers of no less than 20 percent of the water charges, and, if present on the bill, wastewater charges. In the event there is not sufficient funding, including any balancing account funds, to support a 20-percent bill credit, the program shall provide the maximum bill credit available that funding is able to support.
- (c) (1) Beginning July 1, 2026, for the reasonable costs associated with the administration of this chapter and to establish initial program funding, a qualified system may begin collecting voluntary contributions. Reasonable costs include administrative costs associated with this chapter and for providing notice to customers.
- (2) Beginning April 1, 2027, the reasonable costs associated with the administration of this chapter shall not exceed 10 percent of voluntary contributions collected pursuant to this section.
- (d) In establishing a program pursuant to this section, a qualified system may establish a balancing account to manage fluctuations in voluntary contributions and the granting of bill credits to eligible ratepayers.
- (e) This section does not require a qualified system to use other funds to provide rate assistance to eligible ratepayers or to pay for associated administrative costs. Only voluntary contributions collected pursuant to Section 116932 shall be used to implement this program, unless the qualified system has other funds available for this purpose that are not derived from fees or assessments pursuant to Section 4 or 6 of Article XIII D of the California Constitution.
- (f) Any qualified system that offers an existing water rate assistance program on or before July 1, 2026, that meets the minimum enrollment and bill credit requirements specified in subdivision (b) shall not be required to comply with this chapter, but may collect voluntary contributions pursuant to Section 116932

SB 1255 —8—

1 to supplement or expand the existing program or to provide crisis 2 assistance.

- (g) Any public water system that is not a qualified system may collect voluntary contributions to fund a water affordability program, but is not required to comply with this chapter.
- (h) A qualified system may require verification of eligibility from a sample of up to 5 percent of enrolled eligible ratepayers on an annual basis to verify the ratepayer's low-income status and eligibility for assistance.
- (i) A qualified system shall continue to have a program pursuant to this chapter as long as there is sufficient funding available pursuant to Section 116932 to provide water rate assistance or crisis assistance, pay for the qualified system's reasonable costs for administration of the program, and establish a balancing account if the qualified system chooses to do so.
- (j) (1) If, after three months of accepting voluntary contributions, the qualified system can demonstrate there will not be sufficient funds to support a program at a minimum of a 10-percent discount or five dollars (\$5) per month, whichever amount is greater and adjusted for the consumer price index after July 1, 2027, the system shall use the collected contributions to provide ongoing crisis assistance. Crisis assistance shall be offered to eligible ratepayers, at a minimum, when a qualified system provides notice pursuant to Section 116908 or when the eligible customer contacts the qualified system about a delinquent account.
- (2) Crisis assistance shall only be provided to an eligible ratepayer once per year and limited to an amount determined by the qualified system, taking into account the overall past due amount and available funding. To the extent the amount of crisis assistance provided does not eliminate an eligible ratepayer's arrearages, the ratepayer shall enter into an amortization agreement, alternative payment schedule, or plan for deferred or reduced payment, pursuant to Section 116910, to be eligible for crisis assistance.
- 116932. (a) On or before July 1, 2026, a qualified system shall provide an opportunity for each ratepayer of the system to provide a voluntary contribution as part of the ratepayer's water bill to provide funding for the qualified system's program.
- (b) A qualified system shall establish a recommended voluntary contribution amount on the bill of each ratepayer other than an

-9- SB 1255

eligible ratepayer based on available information as of March 1, 2026, at a level designed to raise sufficient funding to provide a discount to eligible ratepayers pursuant to paragraph (2) of subdivision (b) of Section 116931, pay for the qualified system's administrative costs to implement this chapter, and establish a balancing account if the qualified system chooses to do so. When setting the initial level of the voluntary contribution, a qualified system shall assume that 60 percent of ratepayers other than eligible ratepayers will provide the contribution. After March 1, 2027, a qualified system may adjust the voluntary contribution, as necessary, considering the previous year's actual participation rate. The voluntary contribution shall not exceed 5 percent of the charges for water and wastewater for any residential ratepayer.

- (c) A bill from a qualified system shall label the voluntary contribution in a way that describes the purpose of the funds. The qualified system shall notify their ratepayers of the voluntary contribution and, in a visually accessible manner and using clear and unambiguous language, shall provide each ratepayer the option and method of opting out of providing the voluntary contribution at least three months prior to beginning collection of the voluntary contribution, and thereafter on at least an annual basis. Voluntary contributions shall commence on the qualified system's subsequent billing cycle from the notice. The qualified system may choose to include alternative amounts for contributions. A qualified system shall also provide this information on its internet website in English, the other languages listed in Section 1632 of the Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area.
- (d) A ratepayer may opt out of the voluntary contribution at any time in a manner that may be specified by the qualified system and shall be included in the notice in subdivision (c), with voluntary contributions terminating on the qualified system's subsequent normal billing cycle.
- (e) A ratepayer may only request a refund for contributions made since the last notice of opportunity to opt out of the program was provided or for the period of the last billing cycle prior to the date the ratepayer opts out, whichever time period is greater. Qualified systems may provide refunds in the form of a bill credit.
- (f) (1) A qualified system shall not sanction, take any enforcement or collection action against, impose any late charge

SB 1255 -10-

or penalty against, or otherwise hold liable a ratepayer in any manner for exercising the option of not paying a voluntary contribution described in this section.

- (2) Nothing in this chapter shall prohibit a qualified system from offering assistance to residential ratepayers that do either, or both, of the following:
 - (A) Provides a greater bill credit benefit.
- (B) Exceeds the definition of low income as specified in this chapter for ratepayer eligibility.
- (g) The voluntary contribution shall be used only to provide rate assistance to eligible ratepayers, pay for associated administrative costs to implement the program, and establish a balancing account. Administrative costs of establishing the program may be reimbursed from initial voluntary contributions.
- (h) A qualified system may coordinate with a third party to receive the voluntary contributions and comply with this section.
- (i) Any partial payment made by a ratepayer that is insufficient to pay for charges on the bill shall be used to pay the qualified system's fees shown on the ratepayer's bill before being attributed to a voluntary contribution.
- (j) No penalty or late fee may be assessed by a qualified system for the failure of a ratepayer to make timely payment of a voluntary contribution described in this section, regardless of whether the ratepayer has exercised the option of not paying a voluntary contribution.
- (k) A qualified system may use any state or federal funds that are available to support a program by offsetting or supplementing the funds collected from voluntary contributions.
- 116933. (a) On or before January 1, 2026, the Public Utilities Commission shall establish a mechanism for electrical corporations and gas corporations to regularly provide data to all qualified systems regarding ratepayers enrolled in, or eligible to be enrolled in, the California Alternate Rates for Energy (CARE) program established pursuant to Section 739.1 of the Public Utilities Code and the Family Electric Rate Assistance (FERA) program established pursuant to Section 739.12 of the Public Utilities Code.
- (b) All qualified systems may enter into agreements with local publicly owned electric utilities and local publicly owned gas utilities, including, but not limited to, municipal utility districts

—11— SB 1255

and irrigation districts, for the purpose of regularly receiving data regarding ratepayers enrolled in, or eligible to be enrolled in, affordability programs benefiting eligible ratepayers.

- (c) Data provided pursuant to subdivision (a) or (b) is subject to Section 7927.410 of the Government Code and the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).
- (d) Data provided pursuant to subdivision (a) or (b) shall not be considered a disclosure under Section 1798.83 of the Civil Code.
- 116934. The state board shall require qualified systems, in technical reports required by the state board pursuant to Section 116530, to report the following:
- (a) The total amount of voluntary contributions collected, the administrative costs of operating the program, the number of eligible households that were provided rate assistance or crisis assistance, and the total amount of rate assistance or crisis assistance provided to eligible households.
- (b) An evaluation of available relevant information regarding any arrearages that remain after application of bill assistance.
- 116935. (a) The Attorney General may bring an action in state court to restrain, by temporary or permanent injunction, the use of any method, act, or practice in violation of this chapter by a qualified system, other than a system that meets the requirements of subdivision (f) of Section 116931, including nonparticipation by a qualified system pursuant to this chapter.
- (b) The Attorney General shall not bring an action against a qualified system for failing to meet the requirements of subdivision (f) of Section 116931, as long as the qualified system makes a good faith effort to raise sufficient funding pursuant to Section 116932.
- 116936. The provisions of this chapter are severable. If any provision of this article or its application is held invalid due to a conflict with federal requirements, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.
- SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty

— 12 — SB 1255

- for a crime or infraction, within the meaning of Section 17556 of
- the Government Code, or changes the definition of a crime within
 the meaning of Section 6 of Article XIII B of the California
- 4 Constitution.

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DISCUSSION ITEM

July 3, 2024

TO: Board of Directors

FROM: Harvey De La Torre,

General Manager

Staff Contact: Melissa Baum-Haley

Alex Heide Kevin Hostert

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

In April the Board approved the Biennial budget for fiscal years 2024/25 and 2025/26 with overall rate increases of 8.5 percent in CY 2025 and 8.5 percent for CY 2026, which includes the Capital Investment Plan and revenue requirements for fiscal years 2024/25 and 2025/26 and the ten-year financial forecast.

Water Transactions for April 2024 (for water delivered in February 2024) totaled 60.1 thousand acre-feet (TAF), which was 32.6 TAF lower than the budget of 92.7 TAF and translate to \$57.6 million in receipts for April 2024, which was \$33.9 million lower than budget of \$91.5 million.

Year-to-date water transactions through April 2024 (for water delivered in May 2023 through February 2024) were 1,014.9 TAF, which was 302.8 TAF lower than the budget of 1,317.7 TAF. Year-to-date water receipts through April 2024 were \$1,015.4 million, which was \$300.0 million lower than the budget of \$1,315.4 million.

ISSUE BRIEF #B

SUBJECT: MET's Supply Condition Update

RECENT ACTIVITY

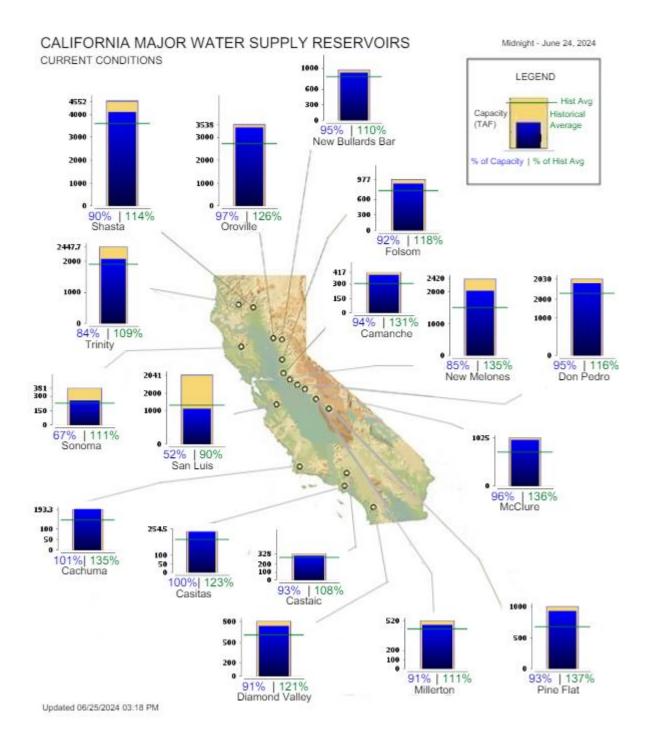
The 2023-24 Water Year (2023-24 WY) officially started on October 1, 2023. Thus far, Northern California accumulated precipitation (8-Station Index) reported **47.2. inches or 97% of normal** as of June 25th. The Northern Sierra Snow Water Equivalent peaked at **35.1 inches on April 2**nd, which is **124% of normal** for that day. The Department of Water Resources (DWR) in April has increased the State Water Project (SWP) initial "**Table A**" **allocation for WY 2023-24 at 40%.**

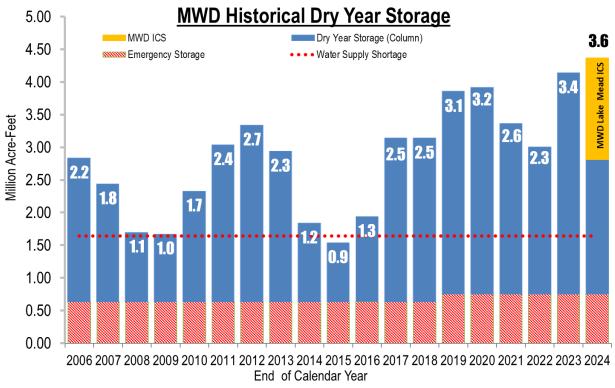
The Upper Colorado River Basin accumulated precipitation is reporting **23.4** inches or **100% of normal as of June 25**th. On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. The Upper Colorado River Basin Snow Water Equivalent peaked at 17.2 inches as of April 9th, which is **86% 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 June 2024, there is a 100% chance of shortage continuing in CY 2024, a 90% chance in CY 2025 and a 80% chance in CY 2026. In addition, there is a 10% chance of a California shortage in 2026.

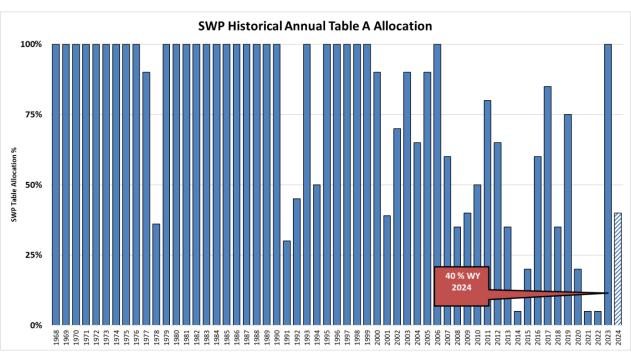
As of June 24th Lake Oroville storage is at **97% of total capacity and 126% of normal.** As of June 24th San Luis Reservoir has a current volume of **52% of the reservoir's total capacity and is 90% of normal.**

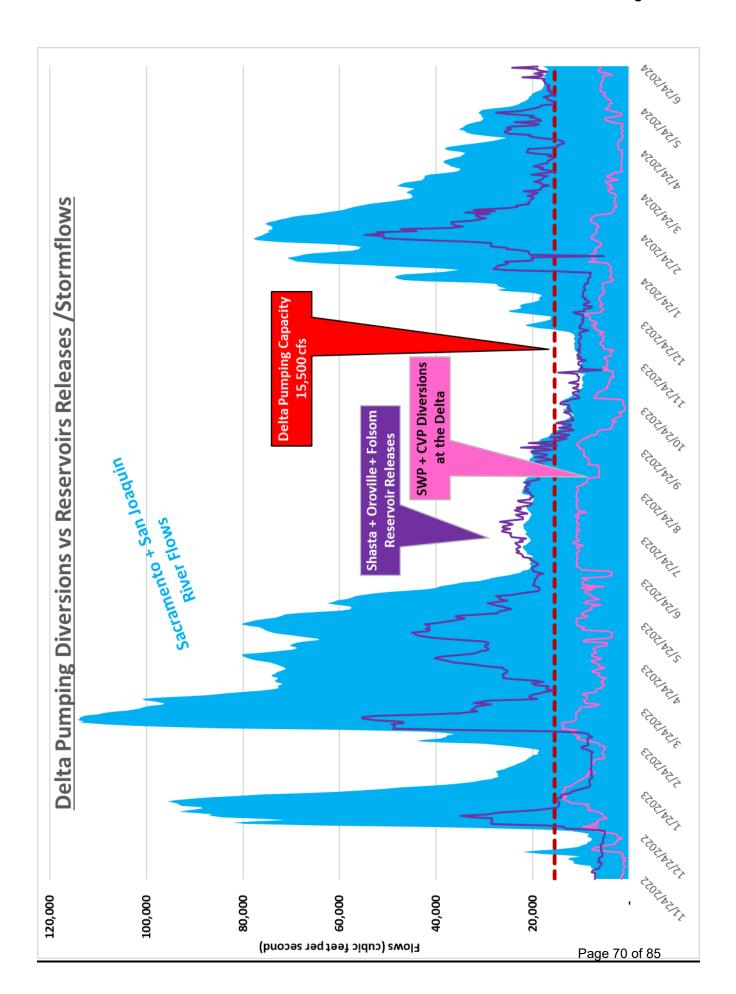
With Calendar Year (CY) 2024 estimated total demands and losses of 1.41 million acre-feet (MAF) and with a 40% SWP Table A Allocation, Metropolitan is projecting that supplies will exceed demands levels in CY 2024. Based on this, estimated total dry-year storage for Metropolitan at the end of CY 2024 will increase to approximately 3.6 MAF.

A projected dry-year storage supply of 3.6 MAF would be approximately 2.6 MAF from a typical level where Metropolitan goes into Water Supply Allocations. A large factor in maintaining a high water storage level are lower than expected water demands. We are seeing regional water demands reaching a 40-year low. However, with a majority of Metropolitan'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.









2024 WSDM Storage Detail

	1/1/2024 Estimated Storage Levels	CY 2024 Put Capacity ¹	2024 Total Storage Capacity
WSDM Storage	4.544.000	70.000	4 557 000
Colorado River Aqueduct Delivery System	1,544,000	78,000	1,657,000
Lake Mead ICS	1,544,000 ²	78,000	1,657,000
State Water Project System	1,033,000	295,000	2,131,000
MWD & DWCV Carryover	297,000	149,000	350,000 ³
MWD Articles 14(b) and 12(e)	28,000 ⁴	0	N/A
Castaic and Perris DWR Flex Storage	219,000	0	219,000
Arvin Edison Storage Program	100,000	0 5	350,000
Semitropic Storage Program	190,000	59,000	350,000
Kern Delta Storage Program	141,000	48,000	250,000
Mojave Storage Program	19,000	0	330,000
AVEK Storage Program	27,000	0	30,000
AVEK High Desert Water Bank Program	11,000	40,000	252,000 ⁶
In-Region Supplies and WSDM Actions	1,016,000	106,000	1,246,000
Diamond Valley Lake	753,000	57,000	810,000
Lake Mathews and Lake Skinner	207,000	19,000	226,000
Conjunctive Use Programs (CUP) 7	56,000	30,000	210,000
Other Programs	586,000	269,000	1,181,000
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	205,000	269,000	800,000
Total	4,180,000	747,000	6,215,000
Emergency	750,000	0	750,000
Total WSDM Storage (AF) 8	3,430,000	747,000	5,465,000

- Put capacity assumed under a 40 percent SWP Table A Allocation. Storage program losses included where applicable.
- ² Reflects USBR's final accounting for 2023, released May 2024. This amount is net of the water Metropolitan stored for IID in Lake Mead in an ICS sub-account.
- Total storage capacity varies year-to-year potentially increasing as the contractual annual storage limit combines with the remaining balance from the previous year. Metropolitan may opt to exceed the 350 TAF storage capacity as shown to enhance drought protection for the service area, however there is a potential risk that Metropolitan's stored water be converted to SWP dontractor water if San Luis Reservoir approaches full capacity.
- 4 Approved carryover supplies under Articles 14 (b) and 12 (e) of the State Water Project Contract for delivery in 2024.
- Puts are limited due to water quality considerations.
- 6 Reflects 90 percent of the AVEK High Desert Water Bank Program's total storage capacity that has been constructed. The total storage capacity for the AVEK High Desert Water Bank is 280 TAF. Full recharge and recovery operation anticipated by 2027.
- ⁷ Total of all CUP programs including IEUA/TVMWD (Chino Basin); Long Beach (Central Basin); Long Beach (Lakewood); Foothill (Raymond and Monk Hill); MWDOC (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. Total may not sum due to rounding.

ISSUE BRIEF #C

SUBJECT: MET's Water Quality Update

RECENT ACTIVITY

Water System Operations

Metropolitan member agency water deliveries were 95,000 acre-feet (AF) for May 2024 with an average of 3,060 AF per day, which was about 400 AF per day higher than in April 2024. As a result of the increased SWP Allocation, Metropolitan has recently started Cyclic and Conjunctive Use Program deliveries. Treated water deliveries were 8,200 AF higher than in April for a total of 52,200 AF, or 55 percent of total deliveries for the month. The Colorado River Aqueduct (CRA) pumped a total of 87,000 AF in May. State Water Project (SWP) imports averaged 980 AF per day, totaling about 30,400 AF for the month. The target SWP blend was 0 percent for Weymouth, Diemer, and Skinner plants for most of the month and increased to 25 percent at the end of the month.

Metropolitan expects to have sufficient SWP and Colorado River supplies to meet demands in 2024. Water continues to be managed according to Water Surplus and Drought Management (WSDM) principles and operational objectives with an emphasis to position SWP supplies to meet future demands in the SWP-dependent area. Metropolitan has resumed deliveries to Desert Water Agency and Coachella Valley Water District because of the improved supply conditions. Metropolitan is prioritizing the use of Table A supplies this year to meet demands and improve reserves and future drought reliability for the SWP-Dependent Area. Some Table A supplies are also available for blending to help manage salinity levels.

Water Treatment and Distribution

The SWP target blend entering the Weymouth and Diemer plants was increased from zero percent to approximately 25 percent on May 28. Coagulant dosages were adjusted accordingly. The SWP blend entering Lake Skinner remained at zero percent, while the blend leaving Lake Skinner continued trending down to below 20 percent.

Flow-weighted running annual averages for total dissolved solids from March 2023 through February 2024 for Metropolitan's treatment plants capable of receiving a blend of supplies from the SWP and the CRA were 345, 430, and 470 mg/L for the Weymouth, Diemer, and Skinner plants, respectively.

Because of the configuration of the Lower Feeder, air entrainment occurs in the source water at Diemer plant. Air entrainment causes several operational challenges. Diemer plant is collaborating with Engineering Services Group to conduct an Air Entrainment Study. Metropolitan staff recently upgraded vacuum relief valves for the ozone contactors. This will allow the plant to conduct full-scale testing of the effectiveness of using the ozone destruct blowers to remove dissolved gas in the source water.

Weekly Water Quality System Status

Thursday, June 20, 2024

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Generated On:6/20/2024 7:04:42 AM

DIAMOND VALLEY LAKE No violations of State or Federal regulations were recorded during the current period. WATER QUALITY INFORMATION LINE: (800) 354-4420 VISIT MWD ON THE WEB AT http://www.mwdh2o.com TOT. Cl₂ < 1.8 (mg/L) 0
COMPLAINTS 0 212 GEOSMIN (ng/L) 9 POS. COLIFORMS COMPLAINTS LAKE SKINNER TDS (mg/L) Tier 4 MILLS PLANT 2-MIB (ng/L) SKINNER 222 GEOSMIN (ng/L) 2 2-MIB (ng/L) ND GEOSMIN (ng/L) ND 2414 **DEVIL CANYON POWER PLANT** SILVER-WOOD LAKE DIAMOND VALLEY LAKE TDS (mg/L) 2 Tiers 8 & 9 2-MIB (ng/L) TDS (mg/L) 5 BROMATE RAA (µg/L) 0.80** 14 3.8 579 9 TURBIDITY (NTU) 0.04 100 241 24~ 7.4* SKINNER PLANT EFFLUENT LAKE TTHMs (µg/L) BROMATE (µg/L) TURBIDITY (NTU) BROMATE RAA (µg/L) % SPW BLEND GEOSMIN (ng/L) 2 TDS /mc/l 555 MILLS PLANT EFFLUENT MILLS TDS (mg/L) SKINNER TURBIDITY (NTU) Tiers 3 & 4 TTHMs (µg/L) BROMATE (µg/L) % SPW BLEND 2-MIB (ng/L) TDS (mg/L) MATHEWS TDS (mg/L) SILVER-WOOD LAKE Ž RESERVOIR ETIWANDA 000 POS. COLIFORMS
TOT. Ct2 < 1.8 (mg/L) COMPLAINTS 000 30∼ ND* 2 869 000 2.48 WEYMOUTH PLANT EFFLUENT SKINNER TTHMS (µg/L)
BROMATE (µg/L)
BROMATERAA(µg/L) BROMATE RAA (µg/L) 0.60** 27~ ND* 0.04 AREA 23 MATHEWS GEOSMIN (ng/L) FINISHED-WATER RESERVOIRS Twr. 2 TURBIDITY (NTU) 2-MIB (ng/L) DETENTION NITRITE % SPW BLEND TDS (mg/L) DIEMER PLANT EFFLUENT TDS (mg/L) (mg/L) 000 800 9 TURBIDITY (NTU) BROMATE (µg/L) % SPW BLEND TTHMs (µg/L) TDS (mg/L) (DAYS) WEYMOUTH TIME 000 800 PLANT LIVE OAK RESERVOIR < 0.005 mg/L ORANGE COUNTY DIEMER PLANT GARVEY POS. COLIFORMS 0 TOT. Cl₂< 1.8 (mg/L) 0 ORANGE COR COMPLAINTS < 0.10 NTU < 500 mg/L CENTRAL < 80 µg/L < 5 ng/L < 5 ng/L MWD WATER QUALITY GOALS NUMBER POS. COLIFORMS NUMBER OF CHLORINE RES <1.8 TTHMs Service Connection RAA TTHMs Service Connection Max PLANT EFFLUENT TURBIDITY TOTAL DISSOLVED SOLIDS RESERVOIR OPERATIONS NUMBER OF COMPLAINTS GARVEY 2-METHYLISOBORNEOL SENTER BROMATE RAA (µg/L) NITRITE - N GEOSMIN "Bromate maximum contaminant level is an RAA of 10 µg/L. RESERVOIR VERDES (2-MIB (ng/L) ND GEOSMIN(ng/L) ND NEPHELOMETRIC TURBIDITY UNITS 2-MIB & GEOSMIN ARE ODOR PRODUCERS 28 'Bromate values are from sample date 5/13/2024 (JENSEN INF) ~THM values are from sample date 5/20/2024. Lwr. Twr. RUNNNG ANNUAL AVERAGE MILLIGRAMS/LITER MICROGRAMS/LITER TDS (mg/L) TDS TOTAL DISSOLVED SOLIDS
TTHMS TOTAL TRIHALOMETHANES TTHMS (µg/L) 16~ BROMATE (µg/L) 2.0* BROMATE RAA (µg/L) 3.1** 0.02 ATDS value is from latest Table D report 90 308 NANOGRAMS/LITER 2-METHYLISOBORNEOL JENSEN PLANT EFFLUENT **EXPLANATION** TURBIDITY (NTU) OUT OF SERVICE % SPWBLEND TDS (mg/L) NOTES AND COMMENTS JENSEN PLANT CASTAIC LAKE RAA mg/L µg/L ng/L 2-MIB 000S

The Metropolitan Water District of Southern California

Weekly Operations Plan for 6/13/2024 - 6/20/2024

For additional information, please contact James Bodnar at (213) 217-6099

- COLORADO RIVER AQUEDUCT: The CRA is at a 7-pump flow.
- EAST BRANCH SPW: Rialto Pipeline will average a flow of 525 AF/day. Santa Ana Valley Pipeline flow will average a flow of 180 AF/day. Inland Feeder flow will average a flow of 950 AF/day.
- WEST BRANCH SPW: The flow from Castaic Lake will be at 580 AF/day. Flow to SCVWA (formerly CLWA) is currently at 180 AF/day.

4. TERMINAL RESERVOIRS:

Reservoir	Current Storage* (AF)	Percent of Capacity
Lake Mathews	130,800	72%
Lake Skinner	37,800	86%
DVL	735,700	91%

^{*}as of 6/12/2024

5. WATER QUALITY:

Plant	Targeted Blend (% SPW)	TDS (mg/L)	TTHMs (μg/L)
	As of 6/12/2024	As of 6/12/2024	As of 5/20/2024
Weymouth	25	558	30
Diemer	25	571	27
Skinner	25	587	17
Jensen	100	309	16
Mills	100	247	24

- WATER DELIVERIES: June deliveries are forecasted to be about 99 TAF. As of June 12, 2024, total system demands are about 4,600 AF/day, a decrease of about 200 AF/day from last week.
- HYDROELECTRIC GENERATION: As of June 12, 2024, the total daily average generation for the week was about 13.6 MW, with 6 of 15 hydroelectric plants in operation.

ISSUE BRIEF #D

SUBJECT: Colorado River Issues

RECENT ACTIVITY

U.S. Bureau of Reclamation Publishes 2023 Water Accounting Report

The U.S. Bureau of Reclamation published the annual Water Accounting Report (Report) for 2023. This is the official accounting record of the Lower Basin States' mainstem Colorado River consumptive use, required by the decree in Arizona v. California. Over the years, the information included in this Report has grown. Now, in addition to the official record of consumptive use of Colorado River water, this Report also contains information on Intentionally Created Surplus (ICS) and all transfers, exchanges, and system water creation in the Lower Basin. It is also used to track Drought Contingency Plan contributions and most recently, Reservoir Protection Conservation volumes that apply towards meeting the goal of 3 million acre-feet (MAF) of additional conservation by the end of 2026 in accordance with the 2024 Near-Term Colorado River Operations Record of Decision.

The Report shows that the Lower Basin's consumptive use was just 5.8 MAF; the lowest consumptive use by the three lower basin states since Lakes Powell and Mead were making flood control releases in the early 1980s. This Report also shows that California's consumptive use was just 3.7 MAF; the lowest consumptive use since the water account Report was first published in 1964. The Report reflects Metropolitan's creation of 450,000 AF of ICS, and that the lower basin states collectively have over 3.3 MAF stored in Lake Mead as ICS. Additionally, the Report shows that over 1.18 MAF of Reservoir Protection Conservation was added to the system, over one third of the goal of the 2024 Near-Term Colorado River Operations Record of Decision.

Tour of the Colorado River Indian Tribes Projects

On Friday, May 17, Board Chair Ortega, Directors Cordero and Ackerman, along with senior Metropolitan staff spent the day with leaders of the Colorado River Indian Tribes, known as CRIT. The CRIT reservation straddles the Colorado River south of Parker Dam, and irrigates over 70,000 acres of land mostly in the state of Arizona with some in California. CRIT tribal leaders hosted a tour for the Metropolitan team highlighting the conservation CRIT has implemented to be more efficient, including the installation of new drip irrigation systems. The tour also included a stop at Headgate Rock Dam, which was constructed to provide water for the CRIT irrigation system and native habitat recovery area, in which invasive salt cedar has been replaced with native willow and cottonwoods. The tour concluded with a visit to the California lands and some impressive wetlands created to provide fish habitat.

Attachment: Update on Colorado River Issues – June 25

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 benefit-cost analysis for the Delta Conveyance Project that finds the infrastructure modernization project would create billions of dollars in benefits for California communities. These benefits include: reliable water supplies, climate change adaptation, earthquake preparedness and improved water quality. According to the report, for every \$1 spent, \$2.20 in benefits would be generated.

The Delta Conveyance Design and Construction Authority (DCA) released a project cost estimate of \$20.1 billion in real 2023 (undiscounted) dollars. A preliminary cost assessment conducted in 2020, early in the design process, showed the project would cost about \$16 billion in undiscounted 2020 dollars. Accounting for inflation to 2023 dollars shows that the 2020 cost assessment estimate and 2024 cost estimate are similar in cost. The cost estimate includes \$200 million for the project's Community Benefits Program for local Delta community projects. Although DWR committed to this program by including it in the project's environmental impact report and project approval, with the release of the cost estimate there is now an identified dollar value.

Value engineering in the cost estimate identified design and construction innovations that present opportunities to cut costs, save time, and reduce risks. These engineering innovations, while not representing changes to the approved project description, demonstrate potential for a cost reduction of about \$1.2 billion. The DCA will continue to research additional innovations as pre-construction design and engineering progress.

Science Activities

Metropolitan staff implemented the Floating Wetland Cage Study. The objective is to leverage the field deployment of Floating Wetlands on Bouldin Island to determine whether increased food production from the floating wetland increases the growth and survival of Delta smelt. Studies supported by Metropolitan staff and funding were showcased at the 2024 Interagency Ecological Program Annual Workshop.

Summary Report for The Metropolitan Water District of Southern California Board Meeting June 11, 2024

CONSENT CALENDAR OTHER ITEMS - ACTION

Approved Committee Assignments. (Agenda Item 6B)

Director Lewitt was appointed as a member of the Legislation and Communications Committee, One Water and Stewardship Committee, and Ad Hoc Committee on Bay-Delta Negotiations.

Director Kurtz was appointed as a member of the Ad Hoc Committee on the San Diego Litigation.

Approved Commendatory Resolution for Director Michael Gualtieri representing Central Basin Municipal Water District (Agenda Item 6C)

Approved Commendatory Resolution for Director Glen Peterson representing Las Virgenes Municipal Water District (Agenda Item 6D)

CONSENT CALENDAR ITEMS – ACTION

Approved General Auditor's Internal Audit Plan for fiscal year 2024/25 by two-thirds vote of the Board. (Agenda Item 7-1)

Authorized on-call agreements with AECOM, Black & Veatch, and Hazen and Sawyer in amounts not to exceed \$3 million each, for a maximum of three years for engineering services. (Agenda Item 7-2)

Awarded an \$897,469 contract to Exaro Technologies Corporation for the construction of a cathodic protection system on the Santa Monica Feeder. (**Agenda Item 7-3**)

Approved up to \$2.257 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 for and maintain the \$25 million self-insured retention for FY 2024/25, and include up to \$225,000 to obtain cyber liability coverage. (Agenda Item 7-4)

Approved the Statement of Investment Policy for fiscal year 2024/25; and delegate authority to the Treasurer to invest Metropolitan's funds for fiscal year 2024/25. (Agenda Item 7-5)

Authorized the General Manager to grant a permanent easement to Las Virgenes Municipal Water District for water pipeline purposes on Metropolitan fee-owned property in the City of Los Angeles within Assessor Parcel Number 2723-009-905. (Agenda Item 7-6)

Authorized amending agreements with Hazen and Sawyer for a new not-to-exceed amount of \$2,000,000 and CDM Smith Inc. for a new not-to-exceed amount of \$500,000, and authorized a new agreement with Arup US, Inc. for a not-to-exceed amount of \$500,000 for a period of three years to provide support services in the development and implementation of the CAMP4W. **Agenda Item 7-7)**

The Board voted to table Agenda Items 7-8 and 7-9 to allow for future consideration.

Approved the nomination and naming of the Wildflower Trail at Diamond Valley Lake in honor of Metropolitan Board Vice Chair Judy Abdo. (Agenda Item 7-10)

OTHER BOARD ITEMS - ACTION

Approved and appropriated an increase of \$25 million to the Capital Investment Plan for FYs 2022/23 and 2023/24 budget for a new biennium amount of \$625 million. (Agenda Item 8-1)

By a two-thirds vote, authorized two payments of up to \$993,600 for support of the CRB, SAC, and Authority for FY 2024/2025 and \$1,023,408 for FY 2025/2026. (**Agenda Item 8-2**)

Authorized entering into a three year-contract with We Are RALLY, LLC for media placement services related to drought awareness and water conservation not to exceed \$10.5 million. (Agenda Item 8-3)

Approved staff recommendation as discussed in closed session. (Agenda Item 8-4)

Authorized the General Manager to enter into an option agreement with AES Corporation, LLC for a long-term lease of up to 6,742 acres in the Palo Verde Mesa for carbon-free energy production and storage uses, subject to the price and terms direction given in closed session. (Agenda Item 8-5)

The Board voted to refer the correspondence to the Ad Hoc Committee. (Agenda Item 8-6)

OTHER MATTERS - REPORT

Inducted Director James Crawford from Central Basin Municipal Water District

Inducted Director Jay Lewitt from Las Virgenes Municipal Water District

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

Summary Report for The Metropolitan Water District of Southern California Special Board Meeting June 13, 2024

OTHER BOARD ITEMS - ACTION

(Agenda Item)

Approved waiving the confidentiality of closed session items discussed at the June 11, 2024, Board Meeting.

Placed the General Manager on administrative leave effective immediately and temporarily appointed Deven Upadhyay as Interim General Manager (**Agenda Item 5C**)

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

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The Metropolitan Water District of Southern California



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 - Final

July 9, 2024

2:30 PM

Tuesday, July 9, 2024 Meeting Schedule

08:30 a.m. FAM 10:30 a.m. EIA 12:30 p.m. Break

01:00 p.m. EOP 02:30 p.m. BOD

03:30 p.m. Sp Exec

Agendas, live streaming, meeting schedules, and other board materials are available here: https://mwdh2o.legistar.com/Calendar.aspx. Written public comments received by 5:00 p.m. (business days) before the meeting is scheduled will be posted under the Submitted Items and Responses tab available here:

https://mwdh2o.legistar.com/Legislation.aspx. If you have technical difficulties with the live streaming page, 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 Stephen J. Faessel, City of Anaheim
- b. Pledge of Allegiance: Director Barry D. Pressman, City of Beverly Hills

2. Roll Call

- 3. Determination of a Quorum
- 4. 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))

5. OTHER MATTERS AND REPORTS

A. Report on Directors' Events Attended at Metropolitan's Expense 21-3514

B. Chair's Monthly Activity Report 21-3515

Board of Directors July 9, 2024 Page 2 C. General Manager's summary of activities 21-3516 D. General Counsel's summary of activities 21-3517 E. General Auditor's summary of activities 21-3518 F. Ethics Officer's summary of activities 21-3519 G. Presentation of Commendatory Resolution for Director Michael Gualtieri representing Central Basin Municipal Water District Η. Presentation of Commendatory Resolution for Director Glen Peterson representing Las Virgenes Municipal Water District ** CONSENT CALENDAR ITEMS -- ACTION ** 6. CONSENT CALENDAR OTHER ITEMS - ACTION A. Approval of the Minutes of the Board of Directors Meeting for June 21-3520 11, 2024 and Special Board Meeting for June 13, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions) В. **Approve Committee Assignments** 7. **CONSENT CALENDAR ITEMS - ACTION** 7-1 Award a \$2,197,460 contract to J.F. Shea Construction Inc. for the 21-3523 replacement of a section of steel pipe on the Rialto Pipeline and rehabilitation of Service Connection CB-11; and authorize an increase of \$150,000 to an existing agreement with Brown and Caldwell for a new not-to-exceed amount of \$395,000 to provide technical support during construction; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (EOT) **Attachments:** <u>07092024 EOT 7-1 B-L</u> 7-2 Authorize an agreement with Arcadis, U.S. Inc., in an amount not 21-3525 to exceed \$1.525 million for Data Management and Data Analytics Consulting & Implementation Services to implement Phase 1 of the

> Data Analytics project; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

(EOT)

7-3	Authorize entering into a funding agreement with Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Identifying and Removing PFAS Used in Well Drilling Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS)	<u>21-3528</u>
7-4	Authorize entering into a funding agreement with Inland Empire Utilities Agency under the Future Supply Actions Funding Program for the Chino Basin Advanced Water Purification Demonstration Facility; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS)	21-3529
7-5	Authorize entering into a funding agreement with the San Diego County Water Authority under the Future Supply Actions Funding Program for the Lake Henshaw Oxygenation Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS)	21-3530
7-6	Authorize entering into a funding agreement with Long Beach Utilities under the Future Supply Actions Funding Program for the Groundwater Augmentation, Groundwater Collection System, and New Wells Site Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS)	<u>21-3531</u>
7-7	Authorize entering into a funding agreement with Los Angeles Water and Power under the Future Supply Actions Funding Program for the Headworks Reservoir Complex Direct Potable Reuse Pilot; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS)	21-3532
7-8	Authorize entering into a funding agreement with Las Virgenes Municipal Water District under the Future Supply Actions Funding Program for the Ocean Well Pilot Study; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (OWS)	<u>21-3533</u>
7-9	Authorize the General Manager to grant a Permanent Easement to San Diego Gas & Electric for natural gas pipeline purposes on Metropolitan fee-owned property in the County of San Diego and identified as Assessor Parel Number 102-650-065; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA (FAM)	<u>21-3534</u>

Board of Directors July 9, 2024

Page 4

Authorize the execution of an amendment to an existing lease with **21-3535** Nish Noroian Farms to increase the size of the leased premises from 759 acres to 1,760 acres of Metropolitan's fee-owned land in the Palo Verde Valley in Riverside County, California, and to make necessary associated changes. The additional proposed leasehold parcels are commonly known as Riverside County Assessor Numbers 833-060-004; Parcels 833-060-008; 833-060-018; 833-100-005: 833-100-007: 833-100-011: 833-100-012: 833-100-016; 833-100-017; 833-060-001; 833-060-024; 827-190-004; 833-060-025; 827-190-003: 827-190-005; 827-190-007; 827-190-006; 827-190-009; 827-190-010; 827-190-012; 833-060-026; 006-090-008; 006-090-009; 006-090-010; 006-090-011; 006-090-012; 006-090-013; 006-120-089; 006-150-065: 006-090-029: 006-120-082: 006-220-057. The General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA [Conference with real property negotiators; agency negotiators: Kevin Webb and Kieran Callanan; negotiating parties: Linda D. Noroian dba Nish Noroian Farms; under negotiation: price and terms; to be heard in closed session pursuant to Government Code Section 54956.8] (FAM)

8. OTHER BOARD ITEMS - ACTION

- 8-1 Authorize a \$600,000 increase to an existing agreement with J.F. Shea Construction Inc. for a new not to exceed amount of \$10.4 million to purchase long-lead equipment for the Sepulveda Feeder Pump Stations Project; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA (This action is part of a series of projects that are being undertaken to improve the supply reliability for State Water Project dependent areas) (EOT)
- 8-2 By a two-thirds vote, authorize payments of up to \$4.18 million for participation in the State Water Contractors for fiscal year 2024/25 and up to \$4.30 million for fiscal year 2025/26; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA (OWS)

21-3524

Board of Directors July 9, 2024

Page 5

8-3 Report on Baker Electric, Inc. v. Metropolitan Water District of Southern California, et al., (Los Angeles Superior Court Case No. 21STCV15612) regarding Metropolitan's CRA 6.9 kV Power Cables Replacement Project, Contract No. 1915; authorize an increase in the maximum amount payable under contract with Musick, Peeler & Garrett LLP, for legal services by \$TBD to an amount not-to-exceed \$TBD; and authorize an increase in the maximum amount payable under contract with Exponent, Inc. for consulting services by \$TBD to an amount not-to-exceed \$TBD; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA. [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)] (LC)

** END OF CONSENT CALENDAR ITEMS **

9. BOARD INFORMATION ITEMS

9-1 Conservation Report <u>21-3522</u>

Attachments: 07092024 BOD 9-1 Report

- **9-2** Colorado River Housing Community Planning Update (EOT) 21-3536
- 9-3 Report on SB 1255 (Durazo, D Los Angeles): Public water systems: needs analysis: water rate assistance program (June 3, 2024) (Leg)

10. OTHER MATTERS

NONE

11. FOLLOW-UP ITEMS

NONE

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

Board of Directors July 9, 2024

Page 6

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.