



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

Meeting Agenda Announcement

On March 12, 2020, Governor Newsom issued Executive Order No. N-25-20, which allows SEWC Members to attend meetings telephonically. Please be advised that some, or all, SEWC Members may attend this meeting telephonically.

Consistent with mandates of Executive Order No. N-29-20, a physical location from which members of the public may observe the meeting or offer public comment will not be made available. Commerce City Hall will not be open to the public for this meeting; however viewing and public comment options are provided below.

View live open session meeting remotely via Zoom:

Join Zoom Meeting:

<https://zoom.us/j/94883144982?pwd=NERqbkJuTnpjNjRuZDZ1R1Z3TUowQT09>

Meeting ID: 948 8314 4982

Password: 440871

Public Comment/Question options:

- Email: kjservicesenviro@gmail.com
- Voicemail: (323) 722-4805 ext. 2812

Please submit email and voicemail public comments by at least 2:30 p.m. on the date of the meeting to ensure SEWC Members receive and have time to review them. All email and voicemails received by 2:30 p.m. are forwarded to SEWC Members. Email and voicemails received after 2:30 p.m. but before the conclusion of the public comment portion will be entered into the record.

AGENDA

SOUTHEAST WATER COALITION

REGULAR MEETING OF THE ADMINISTRATIVE ENTITY

THURSDAY, JULY 15, 2021

3:00 PM

- 1. ROLL CALL**
- 2. PUBLIC COMMENTS**
- 3. CONSENT CALENDAR**

*****Consent Calendar items will be considered and approved in one motion unless removed by an Administrative Entity Member for discussion.*****

- a. **SEWC ADMINISTRATIVE ENTITY MINUTES OF MAY 20, 2021 SPECIAL MEETING**

Recommendation: Approve minutes as submitted.

*****End of Consent Calendar*****

- 4. UPDATE ON MWD'S REGIONAL RECYCLED WATER PROGRAM**

Gina Nila, AE Chair, City of Commerce

Recommendation: That the Administrative Entity take the following action:

Receive and file a presentation on MWD's Regional Recycled Water Program.

- 5. UPDATE ON ORANGE COUNTY WATER DISTRICT'S PFAS TREATMENT TESTING STUDY AND FINAL REPORT**

Gina Nila, AE Chair, City of Commerce

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on OCWD's PFAS Treatment Testing Study and Final Report.

6. UPDATE ON PROP 1 GROUNDWATER GRANT PROGRAM (GWGP) FUNDING

Gina Nila, AE Chair, City of Commerce

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the latest round of available Prop 1 GWGP funding.

7. UPDATE ON WRD

Gina Nila, AE Chair, City of Commerce

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the latest from the Water Replenishment District.

8. UPDATE ON CENTRAL BASIN MUNICIPAL WATER DISTRICT

Gina Nila, AE Chair, City of Commerce

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the latest from the Central Basin Municipal Water District.

9. LEGISLATIVE UPDATE

Gina Nila, AE Chair, City of Commerce

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on current water-related bills under consideration in State Legislature.

10. WRITTEN COMMUNICATIONS

11. ADMINISTRATIVE ENTITY MEMBER COMMENTS

Disability-related services are available to enable persons with a disability to participate in this meeting, consistent with the Federal Americans with Disabilities Act of 1990. Spanish interpreters are also available. For information or to request services, please contact the City of Commerce Public Works Department at least 24 hours in advance of the meeting at (323) 722-4805 ext. 2812.

The next meeting of the Southeast Water Coalition Administrative Entity will be on Thursday, September 16, 2021, 3:00pm, at Commerce City Hall, 2535 Commerce Way, Commerce, CA, 90040.

I, Michelle Keshishian, City of Commerce, do hereby certify, under penalty of perjury under the laws of the State of California that the foregoing notice was posted pursuant to Government Code Section 54950 Et. Seq. and City of Commerce Ordinance at the following locations: Commerce City Hall, Rosewood Neighborhood Library, and the Commerce Senior Center.

Dated: July 9, 2021

Michelle Keshishian
Environmental Coordinator
City of Commerce

**MINUTES OF THE
SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
SPECIAL MEETING OF THE ADMINISTRATIVE ENTITY**

**THURSDAY, MAY 20, 2021
3:00 PM**

The Special Meeting of the Southeast Water Coalition Joint Powers Authority Administrative Entity, conducted telephonically via Zoom, was called to order at 3:07 p.m. by AE Chair Gina Nila. At the time the meeting was called to order a quorum of members were present. Kristen Sales (KJServices Environmental Consulting) called for a voice vote of the roll call and the following Administrative Entity members were present:

1. ROLL CALL

Javier Martinez	City of Cerritos
Kanna Vancheswaran	City of Cerritos
Gina Nila, AE Chair	City of Commerce
Michelle Keshishian	City of Commerce
Dan Mueller	City of Downey
Derwin Dy	City of Lakewood
Adriana Figueroa	City of Paramount (left at 3:42 p.m.)
Jesse Sira	City of Santa Fe Springs
Chris Castillo	City of South Gate
Joanna Moreno	City of Vernon
Ray Cordero	City of Whittier (arrived at 3:32 p.m.)
Others in Attendance	
Daniel Hernandez	Director of Public Works, City of Commerce
Kristen Sales	KJServices Environmental Consulting
Nick Ghirelli	Richards Watson & Gershon

2. PUBLIC COMMENTS

No Public Comments were received.

3. CONSENT CALENDAR

Administrative Entity (AE) Chair Gina Nila (Commerce) called for a motion to approve the Consent Calendar.

Dan Mueller (Downey) made a motion to approve the Consent Calendar. The motion was seconded by Adriana Figueroa (Paramount). With abstentions from Derwin Dy (Lakewood) and Chris Castillo (South Gate), the motion was approved by a unanimous roll call vote of the Administrative Entity members.

4. APPROVAL OF FISCAL YEAR 2021-2022 SEWC DRAFT BUDGET

AE Chair Gina Nila summarized the item. Adriana Figueroa (Paramount) stated that the membership credit was the same as the previous fiscal year, and that the audit cost had increased \$1,000 over the previous year. She then asked if SEWC would have enough funds to pay for catering and other meeting costs if meetings resumed in person during the FY 2021-2022. Kristen Sales (KJServices Environmental Consulting) answered that the budget still included money for those costs, even though the funds were not spent during FY 20-21 due to meeting remotely.

AE Chair Nila called for a motion to approve the draft budget and bring it to the Board of Directors for approval at their June 3, 2021 Meeting. The motion was made by Adriana Figueroa (Paramount), and seconded by Dan Mueller (Downey). The motion was approved by a unanimous roll call vote of the Administrative Entity members.

5. ADOPT RESOLUTION 2021-02 TO CHANGE THE TIME OF REGULAR ADMINISTRATIVE ENTITY MEETINGS AND APPROVE FISCAL YEAR 2021-2022 SEWC MEETING CALENDAR

AE Chair Nila provided a summary of this item, explaining that since the last few AE meetings have been moved from 11am to 3pm, Resolution 2021-02 would officially move AE meetings to 3pm. AE Chair Nila asked the AE members if 3pm worked for them. Adriana Figueroa asked, if the group were to meet in person, would there still be food and drink provided? AE Chair Nila asked if any other AE members had any concerns with the meeting schedule. Dan Mueller (Downey) and Derwin Dy (Lakewood) stated they were okay with the proposed schedule.

AE Chair Nila called for a motion to bring Resolution 2021-02 and FY 21/22 Meeting Calendar to the Board of Directors for approval at their June 3, 2021 Board Meeting. The motion was made by Adriana Figueroa (Paramount), and seconded by Joanna Moreno (Vernon). The motion was approved by a unanimous roll call vote of the Administrative Entity members.

6. UPDATE ON WRD

AE Chair Gina Nila provided an update on the item. AE Chair Nila stated that the last she had heard, WRD is going to continue with the approved agreement with the pumpers for the PFAS remediation program. AE Chair Nila encouraged each member city to reach out to WRD individually to determine if WRD will provide any additional funding above the set limit. AE Chair Nila continued that Commerce has already met with WRD to discuss this possibility, and that the City of Pico Rivera has also.

Dan Mueller (Downey) stated that Downey had just started their design plans, and that WRD's site visit to their project site is pending after further development of the design process.

Derwin Dy (Lakewood) added that Lakewood had no issues with WRD funding, so there was no need for site visits.

Chris Castillo (South Gate) stated that South Gate is looking for alternatives to remediation, and hasn't committed to treatment with WRD as of yet. Mr. Castillo added that South Gate doesn't have the ability to blend water, but they are trying to meet demand with just one non-PFAS impacted well.

AE Chair Nila stated that WRD will ask for information to assess their remediation projects, including scheduling, design, backup documentation, etc. She added that it seems like a favorable process for acquiring additional funds on top of the limit of 1,000/af per city. AE Chair Nila added that Commerce and Pico Rivera have already ordered vessels for cleanup, and that Pico Rivera is farther along in the process.

Adriana Figueroa (Paramount) asked if anyone knows when the MCL for PFAS will be developed, and what the Federal regulatory timeline is. Dan Mueller (Downey) answered that, while the MCL may be Federal, the State is trying to develop one as well. He added that the timeline is 2023-2024, and that the PHG comes before the MCL, so the PHG could be coming soon.

Chris Castillo asked Adriana Figueroa if Paramount had shut down a well and switched to imported water, and whether the City was looking into remediation. Ms. Figueroa answered that they had shut down a well, but the City is looking into other options besides remediation. Mr. Castillo added that they don't want to use imported water to supplement supply, due to cost.

The item was received and filed by the Administrative Entity.

7. CENTRAL BASIN UPDATE

AE Chair Gina Nila stated that she has not been able to attend Central Basin Meetings because of a scheduling conflict, but that SEWC legal counsel Nick Ghirelli has been able to attend and will provide the update.

Nick Ghirelli (RWG) stated that the last CB Board Meeting took place on April 27th, and that the legal team was monitoring for Brown Act compliance. During the meeting, there was confusion on whether the meeting was a Regular or Special Meeting because the public noticing was unclear. It was determined that an adjourned Regular Meeting is still a Regular Meeting, even though it was not announced in its own memo or resolution. Mr. Ghirelli also stated that the CB Board was set to approve the settlement agreement with the pumpers, but several of the appointed Board Members did not vote on this item, because of a potential conflict of interest. Dave Aleshire expressed an opinion that they could vote on it, but ultimately, the item was continued. Mr. Ghirelli continued that, in his opinion, there is

no conflict for the appointed Board Members. At the next CB Board Meeting in May, the settlement agreement approval will again be on the agenda for a vote.

AE Vice-Chair Joanna Moreno (Vernon) stated that Vernon was told the vote was not a conflict of interest.

Mr. Ghirelli also addressed the issue of the sale of the Central Basin building. The Board was presented with a resolution to approve the sale of the building, but the supporting documents did not include the agreement to the resolution. Typically, Mr. Ghirelli continued, if you approve a Sale Agreement in Closed Session, you don't need to approve it again in Open Session. However, the CB Board tabled the item and will bring it back at their May meeting.

AE Chair Nila said that she was concerned that the appointed Board Members delayed their vote on the settlement agreement. If the Central Basin Board does not approve it at the May meeting, AE Chair Nila continued, SEWC should pursue the issue rather quickly.

The item was received and filed by the Administrative Entity.

8. LEGISLATIVE UPDATE

A summary of this item was provided by Kristen Sales (KJServices Environmental Consulting). Ms. Sales provided an update on AB 1195 and the Governor's May Revisions to the FY 21-22 State Budget. The AE members discussed the status of SB 222 and SB 223. Ms. Sales added that all bills received a 'do pass' out of their chamber of origin. Ms. Sales stated that the AE will continue to closely monitor the status of these bills, and contact SEWC's legislative consultant to provide the latest information at the SEWC Board of Directors meeting on June 3, 2021.

The item was received and filed by the Administrative Entity.

9. CONSIDERATION OF JUNE 3, 2021 BOARD OF DIRECTORS MEETING

Ms. Kristen Sales (KJServices) provided an overview of the following items to present at the next Policy Board Regular Meeting on June 3, 2021:

1. WRD Update
2. Central Basin Update
3. Legislative Update
4. Approve Budget FY 21/22
5. Adoption of New Meeting Time/FY Schedule

AE Chair Gina Nila asked if any AE members had additional items they'd like to discuss at the Board Meeting. Hearing none, AE Chair Nila closed the item.

10. WRITTEN COMMUNICATIONS

Ms. Kristen Sales (KJServices) stated that she had received email communications from Nick Ghirelli regarding the Central Basin Update agenda item.

11. ADMINISTRATIVE ENTITY MEMBER COMMENTS

AE Chair Gina Nila (Commerce) stated that she will not be able to attend the next Board Meeting, adding that Board Chair Rebollo will be present to conduct the meeting. AE Chair Nila suggested the AE divvy up the Board agenda items -- Nick for CB; Kristen Sales for Legislative; Kristen Sales & Board Chair Rebollo for Budget. Joanna Moreno (Vernon) added that she can serve as AE Chair in Gina's stead.

Chris Castillo (South Gate) asked the AE members if they had received an email from Mark Grajeda regarding CB overcharging for the readiness to serve fee. Mr. Castillo asked if any AE members had received a follow-up? AE Chair Nila answered that she thought Mr. Grajeda was trying to schedule a meeting, but she hadn't heard anything back yet. Dan Mueller (Downey) also stated he had not received a follow-up. AE Vice-Chair Joanna Moreno (Vernon) stated that Mr. Grajeda hadn't received responses from anyone yet, but she did reach out to Central Basin for their RTS charge and got documentation from CBMWD. Chris Castillo (South Gate) stated that their RTS charge from Central Basin was the same. AE Vice-Chair Moreno stated that she will forward Central Basin's response to the group.

12. ADJOURNMENT

AE Chair Gina Nila adjourned the meeting at 3:54 p.m.

CHAIR

ATTEST:



A joint powers authority to protect the Central Groundwater Basin

**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: July 15, 2021
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce

Subject: Update on MWD's Regional Recycled Water Program

Recommendation: That the Administrative Entity take the following action:

Receive and file a presentation on MWD's Regional Recycled Water Program.

Background

The Regional Recycled Water Program (RRWP) is a partnership between the Metropolitan Water District of Southern California (MWD) and the Sanitation Districts of Los Angeles County (LACSD) to purify and reuse wastewater that is currently being discharged to the Pacific Ocean.

Cleaned wastewater from the Sanitation Districts' Joint Water Pollution Control Plant in Carson is sent to the RRWP Advanced Purification Center (APC), where it is further purified through a series of membrane bioreactors, reverse osmosis, and UV/advanced oxidation processes. The APC is a 500,000 gallons/day demonstration facility, built at a construction cost of \$17 million, and will be used to test the water purification process and monitor results. The water at the APC is not reused.

The second phase of the plan is the building and operation of a full-scale Advanced Water Treatment Plant that would produce up to 150 million gallons/day (168,000 af/year), or enough to serve more than 500,000 homes. The purified water could then be delivered through 60+ miles of new pipelines to groundwater basins, industrial facilities, and even potentially two MWD water treatment plans. The cost of the Advanced Water Treatment Plant is \$3.4 billion to build plus \$129 million to operate annually, which would result in a water cost of \$1,826/af. The project is currently in the environmental planning stage from 2021 to 2024. Once approved, design and construction will take an estimated eight years. (See Attachment #1)

On June 22, 2021, the City of Commerce received an introductory presentation on the status of the RRWP (see Attachment #2). It is recommended the AE receive and file this

SEWC AE STAFF REPORT - REGULAR MTG. OF 7/15/21 RRWP

Page 2 of 2

report and present an update to the Board of Directors at their meeting on August 5, 2021.

Attachments:

1. RRWP Program Brochure
2. RRWP Presentation to City of Commerce

A NEW SOURCE OF WATER FOR SOUTHERN CALIFORNIA

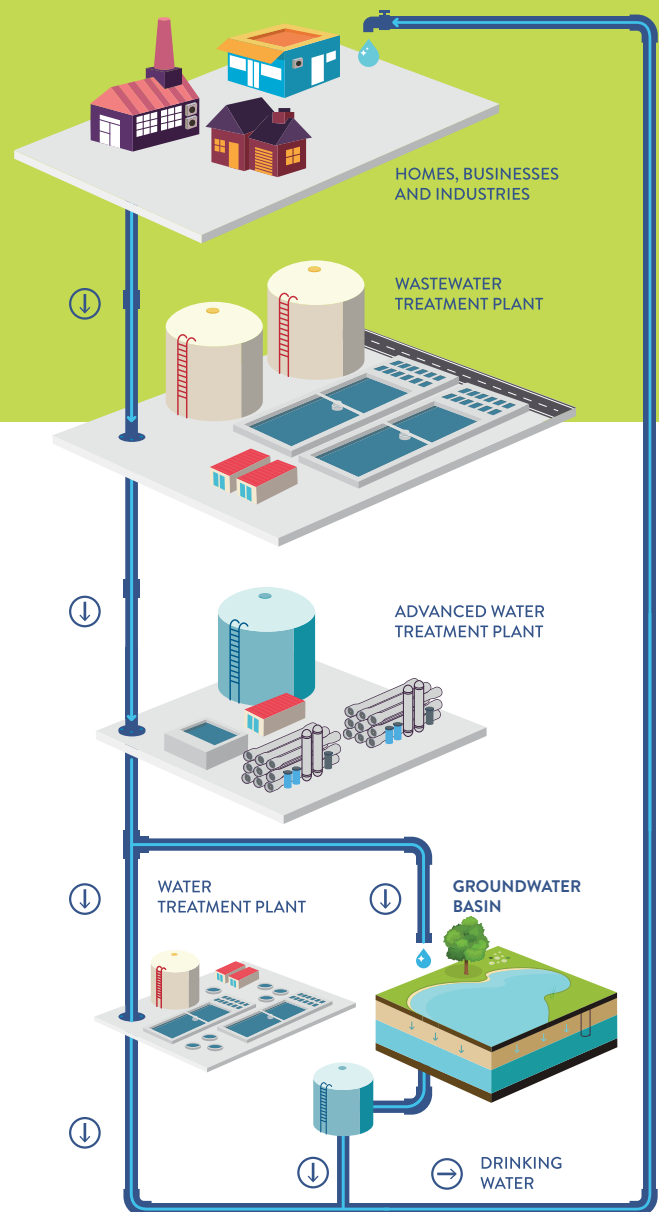
Water is too precious to use just once. So the Metropolitan Water District of Southern California is making a major investment in a potential water recycling project that will reuse water currently sent to the ocean. The Regional Recycled Water Program, a partnership with the Sanitation Districts of Los Angeles County, will purify wastewater to produce high quality water that can be used again. The program starts with a demonstration facility and could eventually become one of the largest advanced water treatment plants in the world.

How it works

The process begins with wastewater discharged from homes, businesses and industries. After the wastewater has been cleaned, it flows to an advanced water treatment plant where it is further purified. The water then replenishes groundwater basins, where it may be pumped up and used again. It could also be delivered to industrial facilities and potentially to Metropolitan's water treatment plants and delivery system.

Why it works

- Uses the region's largest untapped source of cleaned wastewater, currently sent to the ocean.
- Produces a drought-proof source of water, readily available rain or shine.
- Prepares the Southland in the event of a catastrophic earthquake by increasing local water supplies.
- Replenishes groundwater basins, which provide 30% of Southern California's water supply and have seen levels drop to historic lows in recent years.
- Considers and accommodates future regulations that could allow the water to flow to Metropolitan's water treatment plants and distribution system.
- Helps meet the needs of the region's growing economy and population at a cost comparable to other local water resources.
- Helps ensure regional water reliability through diversifying sources, in addition to conservation, local supply development and imported water.



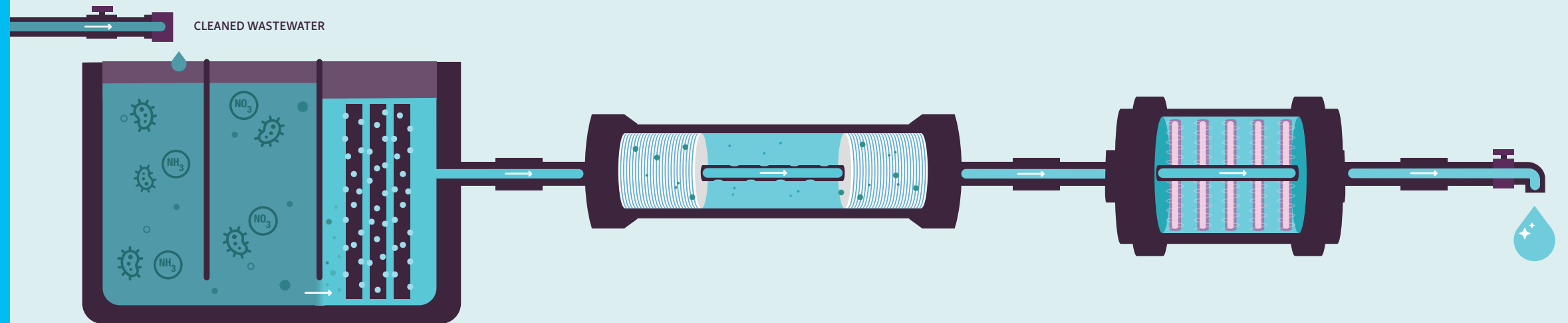
INTRODUCING THE REGIONAL RECYCLED WATER ADVANCED PURIFICATION CENTER

The new Regional Recycled Water Advanced Purification Center is a demonstration facility that takes cleaned wastewater from the Sanitation Districts' Joint Water Pollution Control Plant in Carson and applies a rigorous purification process to ensure the water is safe to reuse. The facility uses both tried and tested water treatment technologies employed across the world for decades and innovative processes to remove contaminants such as pharmaceuticals, pesticides, viruses, bacteria and potentially harmful chemicals down to the microscopic level, leaving only clean water.

THE PURIFICATION PROCESS

After wastewater is cleaned through multiple processes, it flows to the Regional Recycled Water Advanced Purification Center where it goes through a three-step purification process.

The end result is high quality, purified water that is safe to use again.



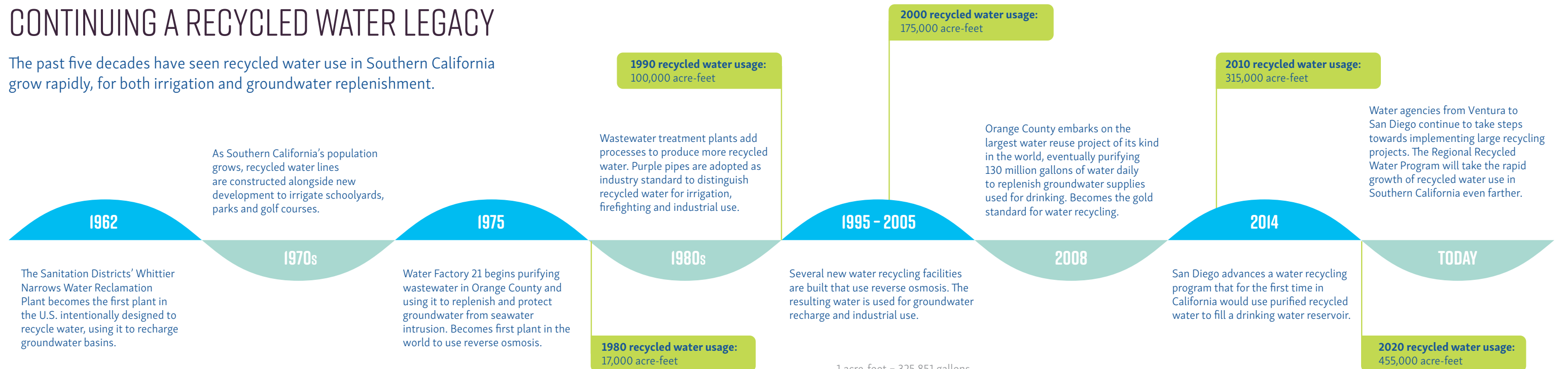
1 Membrane Bioreactors: Microorganisms remove ammonia and other nitrogen compounds, while membranes filter tiny particles, including microorganisms smaller than 1/100 of a grain of sand.

2 Reverse Osmosis: Pressurized membranes further remove microscopic materials, such as bacteria, pharmaceuticals and salts, eliminating more than 99% of all impurities.

3 Ultraviolet/Advanced Oxidation Process: Ultraviolet light and a powerful oxidant inactivate any remaining viruses and remove trace chemical compounds.

CONTINUING A RECYCLED WATER LEGACY

The past five decades have seen recycled water use in Southern California grow rapidly, for both irrigation and groundwater replenishment.



STARTING SMALL AND SCALING UP

The Advanced Purification Center is a demonstration facility that will generate information needed for the potential future construction of a full-scale advanced water treatment plant. It uses a unique application of membrane bioreactors designed to increase efficiency in the water recycling process. Scientists and engineers will test the process to ensure the resulting purified water meets the highest water quality standards. Once approved by regulators, the innovative process could be used in California and applied around the globe.

ADVANCED PURIFICATION CENTER:

A 500,000 gallon/day demonstration facility. Tours of the site are now available.

Cost: \$17 million for construction

Timeline: Operation began in fall 2019

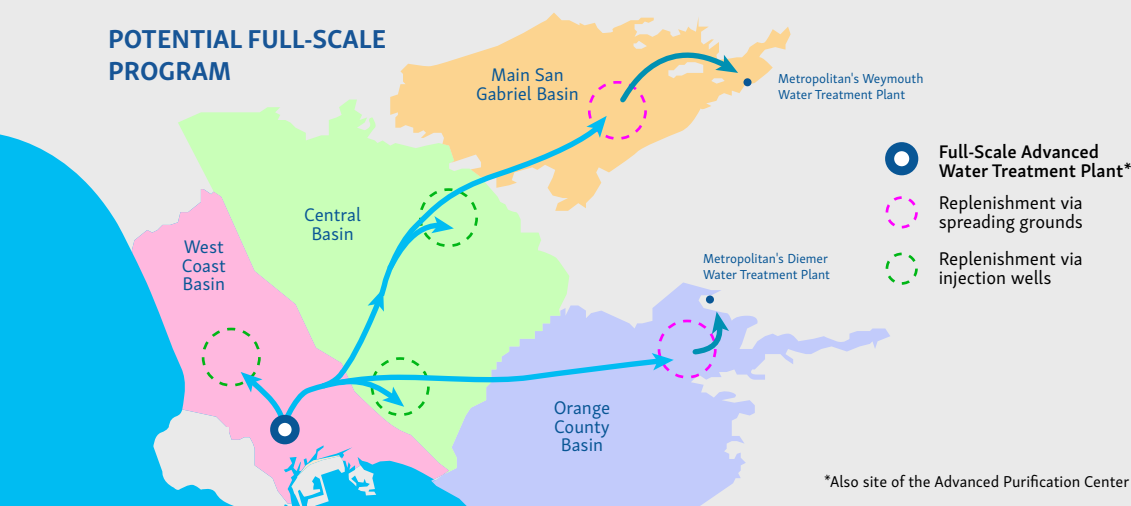
FULL-SCALE ADVANCED WATER TREATMENT PLANT:

A full-scale facility would produce up to 150 million gallons daily or 168,000 acre-feet annually, enough to serve more than 500,000 homes. Purified water could be delivered through over 60 miles of new pipelines to the region's groundwater basins, industrial facilities and potentially two of Metropolitan's water treatment plants.

Cost: \$3.4 billion to build, \$129 million annually to operate, resulting in a water cost of \$1,826/acre-foot

Timeline: Environmental planning in progress from 2021-24. Once approved, design and construction will follow for an estimated eight years.

POTENTIAL FULL-SCALE PROGRAM



THE PARTNERS

The Metropolitan Water District of Southern California is a state-established cooperative of 26 cities and water agencies serving nearly 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.

The Sanitation Districts of Los Angeles County is a regional public agency consisting of 24 independent special districts serving over 5.6 million people in 78 cities and the unincorporated territory within Los Angeles County. The Sanitation Districts protect public health and the environment through innovative and cost-effective wastewater and solid waste management and, in doing so, convert waste into resources such as recycled water, energy and recycled materials.

www.lacsd.org

The Metropolitan Water District of Southern California

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Los Angeles, CA 90012

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Los Angeles, CA 90054-0153

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BE INFORMED, BE INVOLVED

www.mwdh2o.com



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THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA



LOS ANGELES COUNTY
SANITATION DISTRICTS

Converting Waste Into Resources

Learn more and find out about tours at www.mwdh2o.com/rrwp

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Jan 2021/1000



An Introduction to the **REGIONAL RECYCLED WATER PROGRAM**

A New Source of Water for Southern California

A Virtual Presentation
City of Commerce
6-22-21

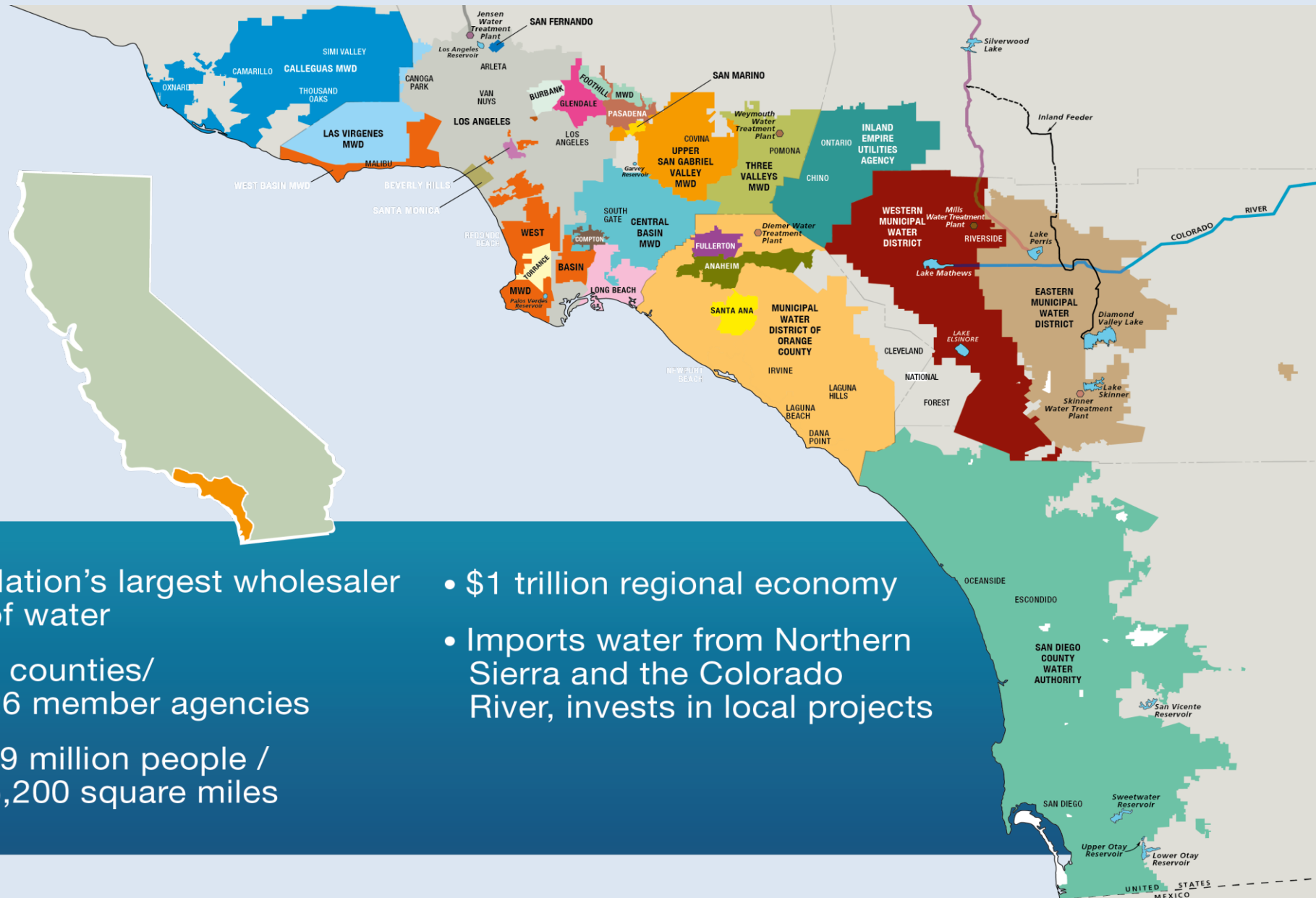
AGENDA

- Introductions
- Background on Metropolitan and Regional Recycled Water Program
- Conveyance System Alignments
- Program Next Steps
- Q&A/Discussion

The Metropolitan Water District of Southern California

BACKGROUND INFORMATION

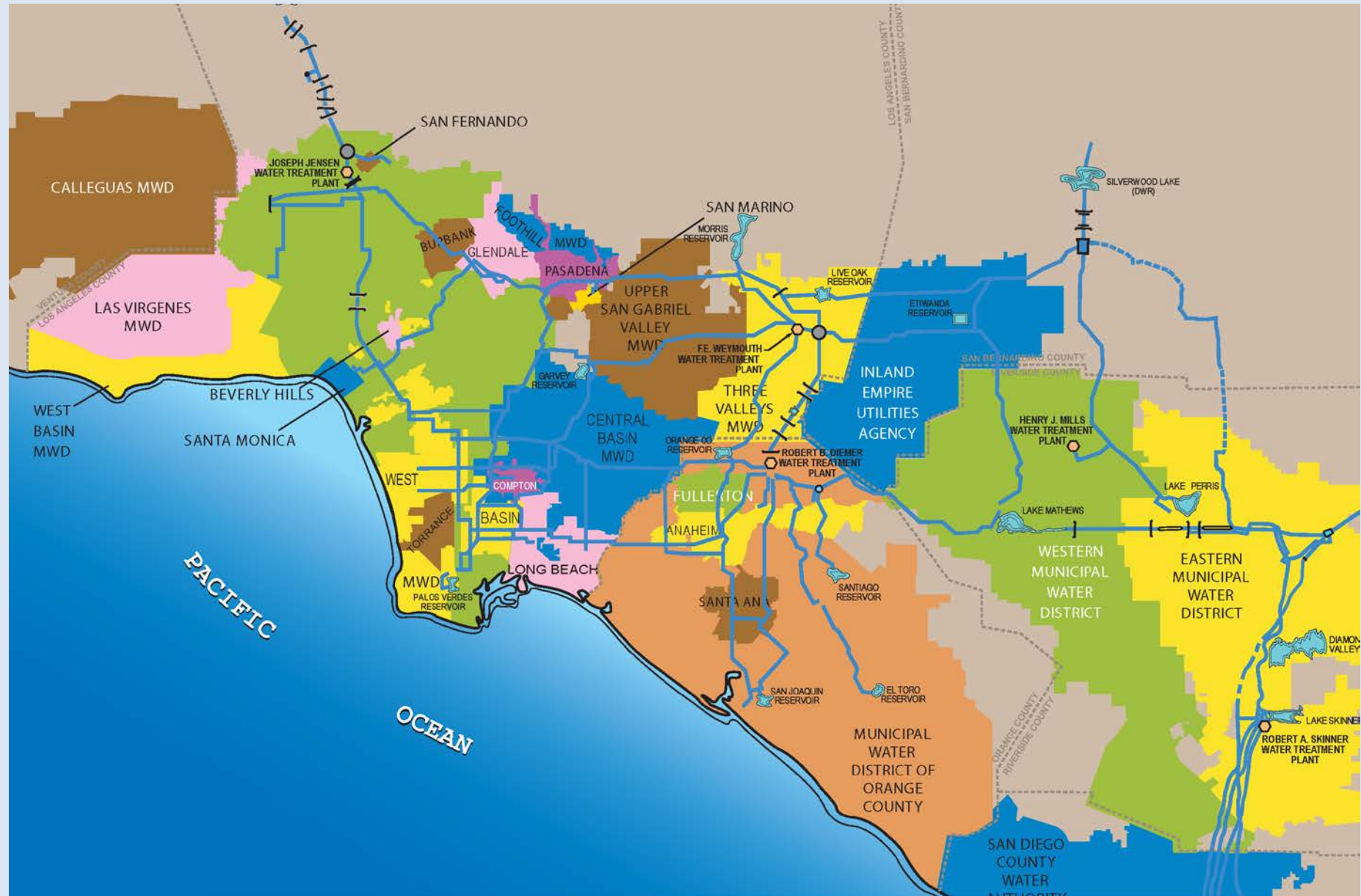
METROPOLITAN OVERVIEW



- Nation's largest wholesaler of water
- 6 counties/ 26 member agencies
- 19 million people / 5,200 square miles
- \$1 trillion regional economy
- Imports water from Northern Sierra and the Colorado River, invests in local projects

EXTENSIVE WATER DELIVERY SYSTEM

Metropolitan's distribution system consists of **830** miles of large diameter pipeline and tunnels and about **400** connections to member agencies



LEADERS IN DEVELOPING WATER SUPPLIES



1930s:
Colorado River
Aqueduct



1970s:
State Water
Project



Today:
Local Supplies &
Conservation



Future:
Regional
Recycled Water
Program



A New Source of Water for Southern California

REGIONAL RECYCLED WATER PROGRAM

REGIONAL RECYCLED WATER PROGRAM

A \$3.4 billion investment



①

Wastewater from homes, businesses, and industries in LA County

②

Treated at Sanitation Districts' Joint Water Pollution Control Plant

③

Purified at Metropolitan's advanced water treatment plant

④

Conveyed through over 60 miles of pipeline to groundwater basins, industries, or Metropolitan's treatment plants

⑤

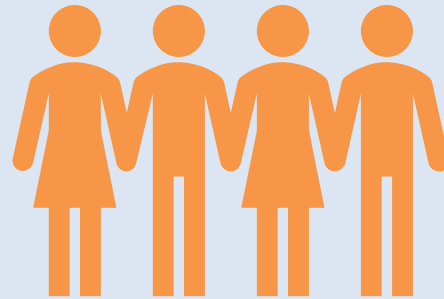
A new purified source of water for Southern California

REGIONAL RECYCLED WATER PROGRAM

In numbers



Up to 150 million
gallons per day or
168,000 acre-feet
per year



Enough water
for over
1.5 million
people



One of the
largest programs
of its kind in
world

PROGRAM BENEFITS

Benefits of the Regional Recycled Water Program



Earthquake

Prepares the Southland for the event of a catastrophic earthquake by increasing local water supplies.



Drought

Produces a drought-proof source of water, readily available rain or shine.



Groundwater

Replenishes groundwater basins, which provide 30% of Southern CA's water supply and have seen levels drop to historic lows in recent years.



Economy

Helps meet needs of region's growing economy and population at a cost comparable to other local water resources. Could provide 50,000 jobs.

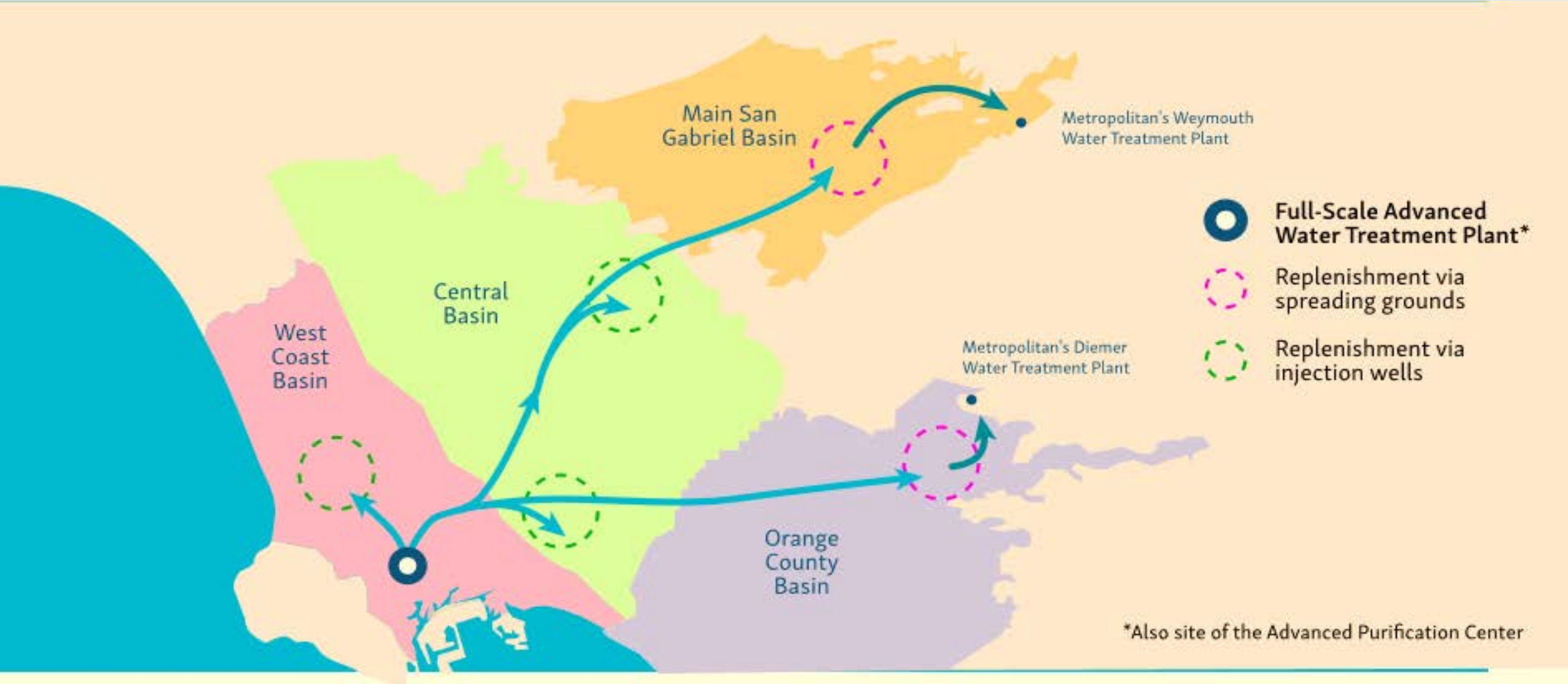


Wastewater

Uses region's largest untapped source of wastewater, currently sent to the ocean.

POTENTIAL FULL-SCALE PROGRAM

Up to 150 million gallons per day



WASTEWATER PARTNER

Los Angeles County Sanitation Districts

Joint Water Pollution Control Plant

- Average flow of ~260 MGD
- Primary and secondary treatment
- Currently discharges to the ocean
- Largest untapped source of treated wastewater



— A FULL-SCALE ADVANCED WATER TREATMENT PLANT —



Three-step purification process featuring membrane bioreactors, reverse osmosis and ultraviolet light/advanced oxidation



Rendering of full-scale facility

PROGRAM PARTNERS

Wastewater Partner



**LOS ANGELES COUNTY
SANITATION DISTRICTS**
Converting Waste Into Resources

Groundwater Basin Managers



**Main San Gabriel Basin
WATERMASTER**

Metropolitan Member Agencies



Central Basin
Municipal Water District



Colorado River Partners



**SOUTHERN NEVADA
WATER AUTHORITY**



Other Key Partners



**US Army Corps
of Engineers**



**SOUTHERN CALIFORNIA
EDISON**
Energy for What's Ahead™



Public Works
LOS ANGELES COUNTY

PROGRAM HISTORY

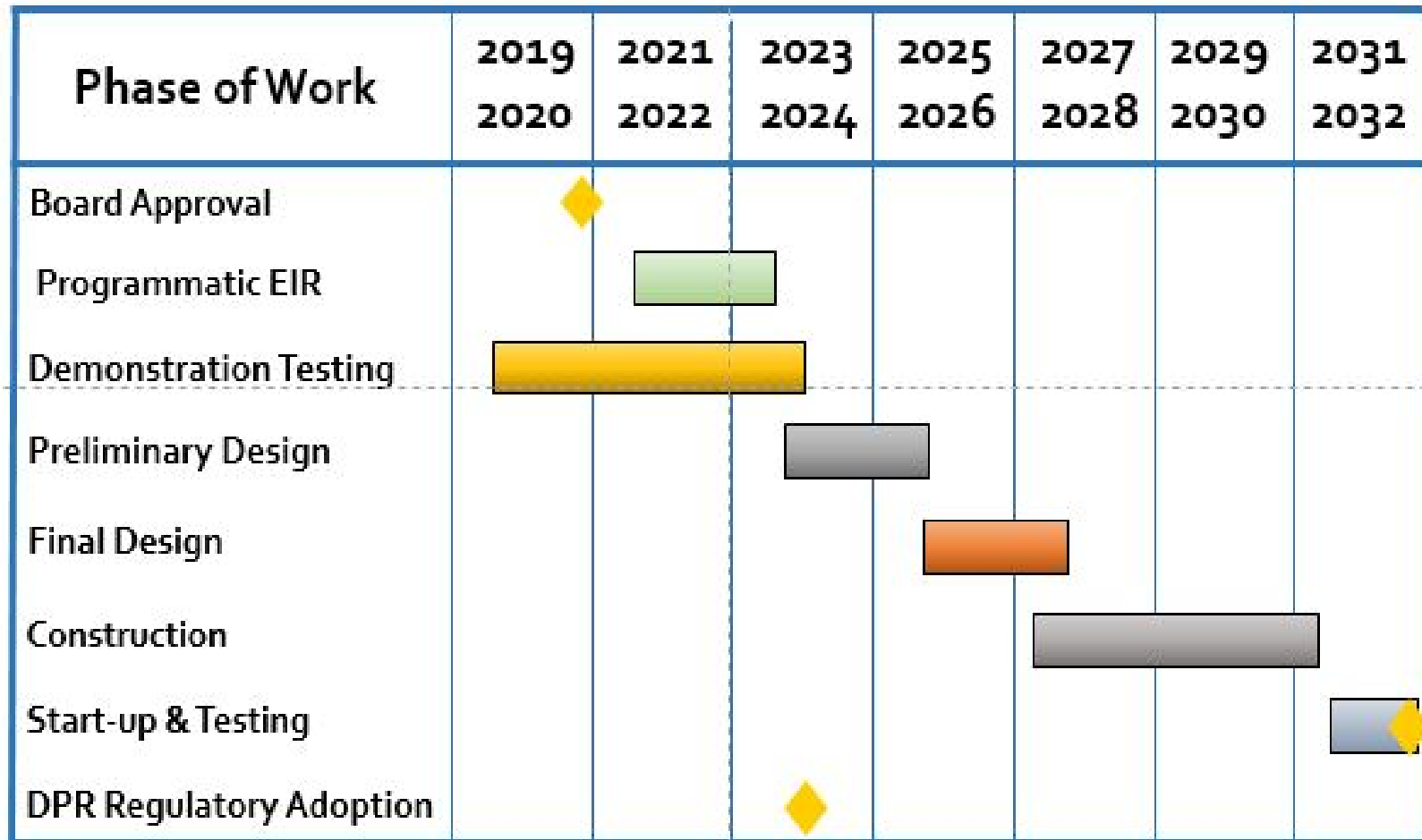
Major progress to date

- Technical Studies – 2009
- Bench Scale Testing – 2012
- Feasibility Study – 2016
- Demonstration Plant – 2019-present
- Conceptual Study – 2019
- Environmental planning phase – approved Nov. 2020
 - Engineering and Technical Studies
 - Program Environmental Impact Report
 - Public Outreach support



Demonstration Facility

SCHEDULE



◆ Milestone

Note: Assumes Late 2020 Board Approval

PROGRAM COSTS (2018 COSTS)

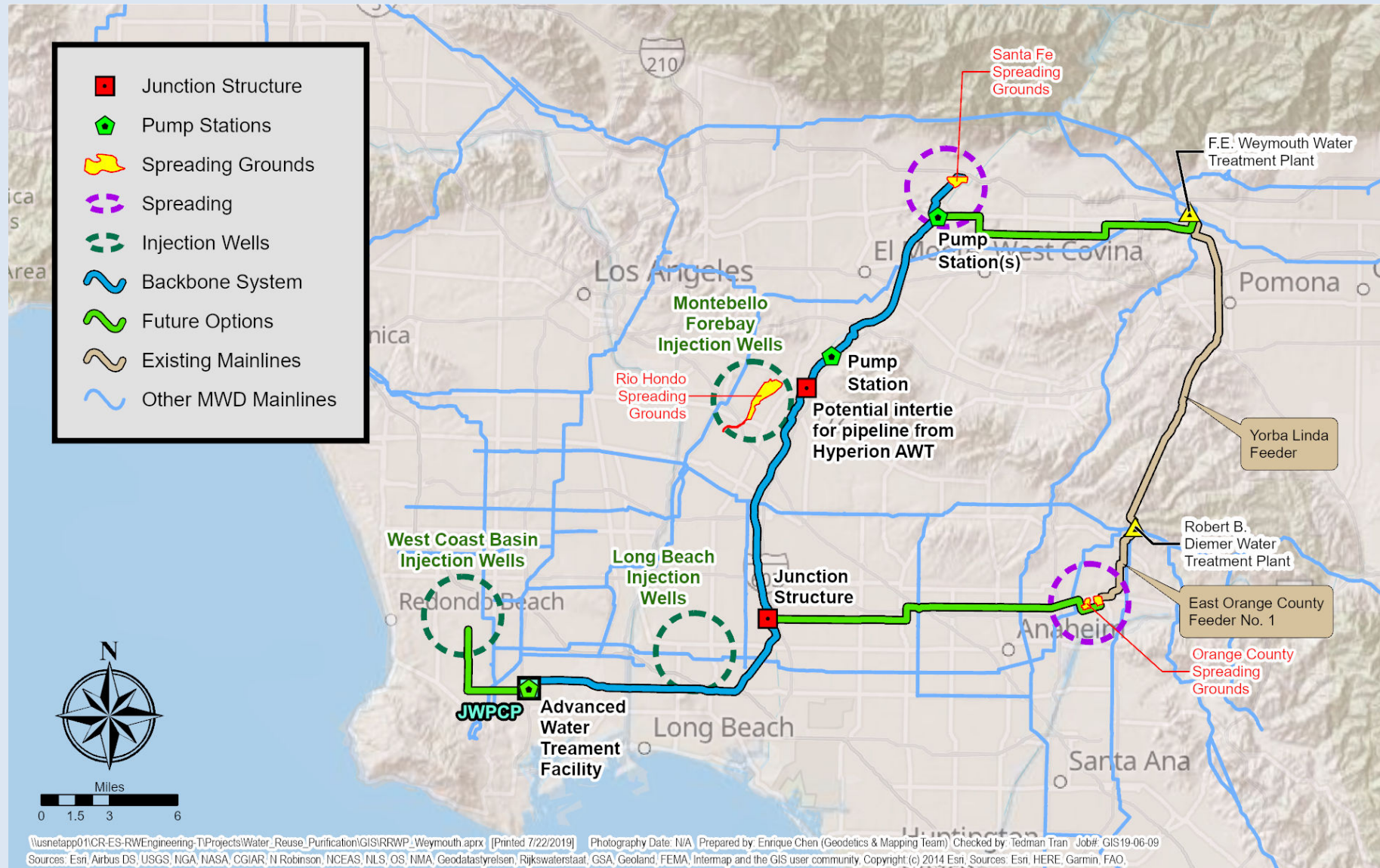
Cost Description	Backbone System (2018 Dollars)	Full Program (2018 Dollars)
Production Capacity (mgd)	100	150
Capital Program Cost ¹	\$2.6 billion	\$3.4 billion
Annual O&M Cost (\$/year)	\$69 million	\$129 million
Program Unit Cost of Yield		
Capital Unit Cost	\$1,181/AF	\$1,054/AF
<u>O&M Unit Cost</u>	<u>\$631/AF</u>	<u>\$772/AF</u>
Total Program Unit Cost	\$1,813/AF	\$1,826/AF

1. Costs are from the Conceptual Planning Studies Report (2018 dollars). Costs will be updated during the PEIR phase, if approved by the Board. Does not include cost of DPR

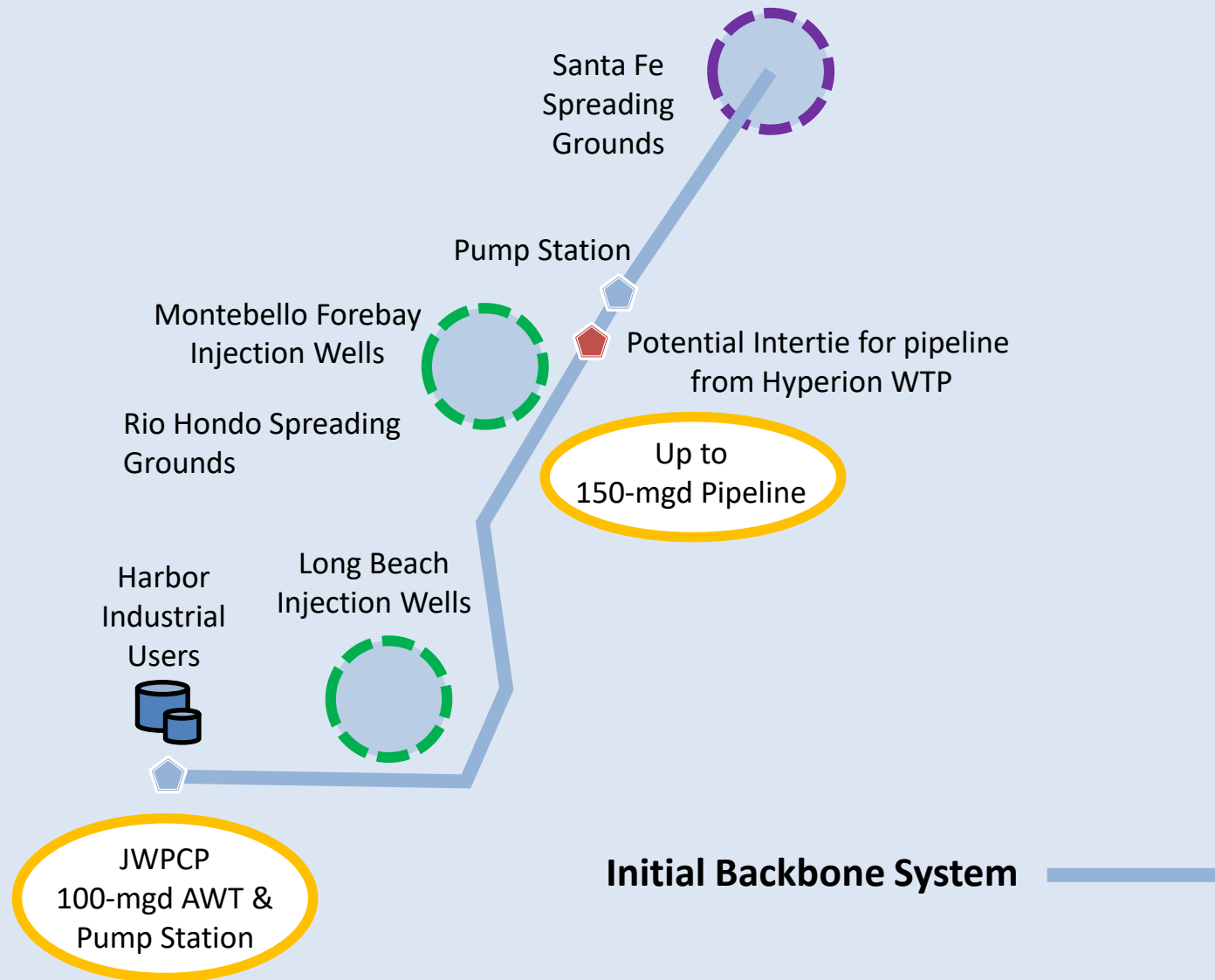


CONVEYANCE SYSTEM ALIGNMENTS

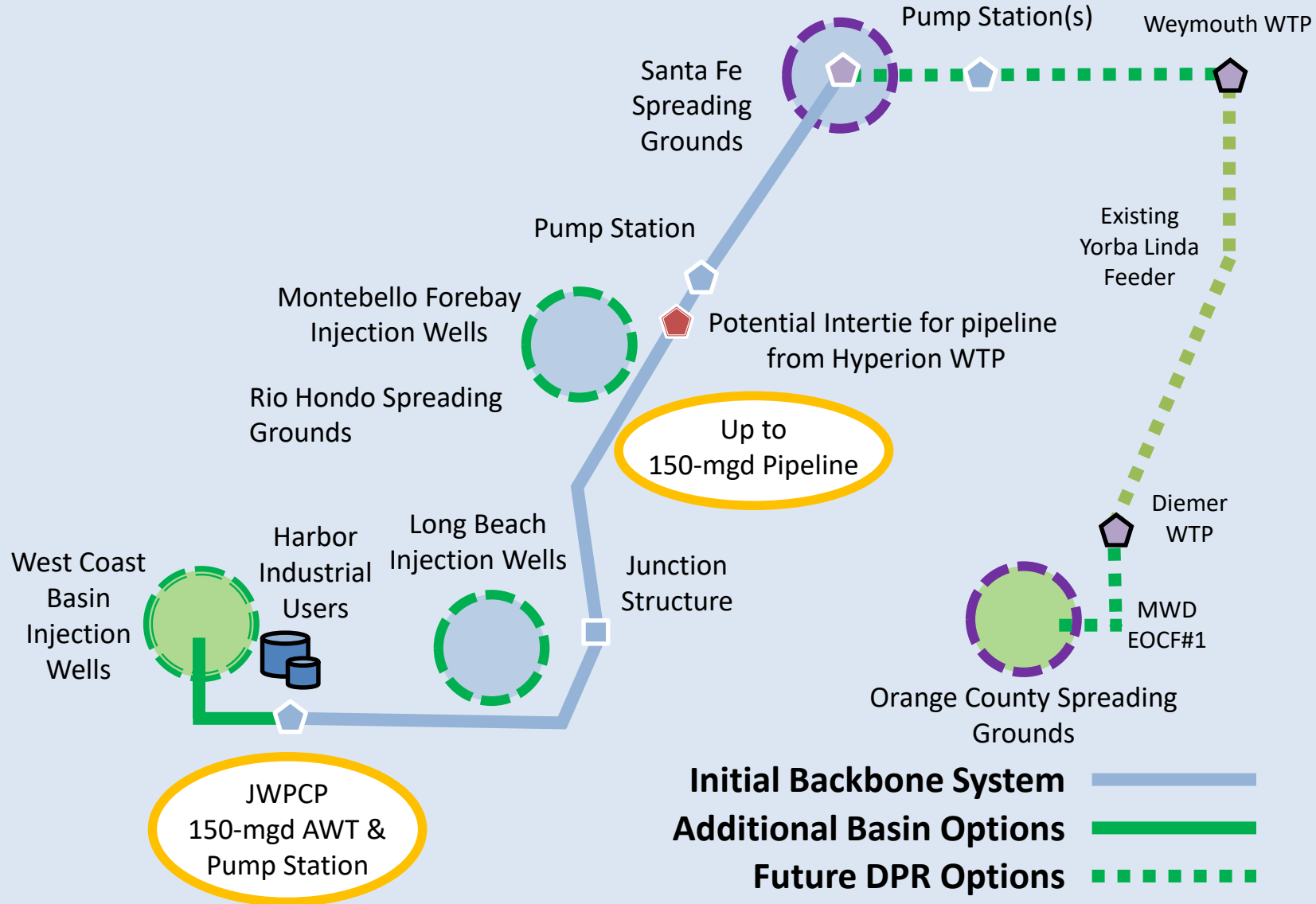
PROJECT COMPONENTS



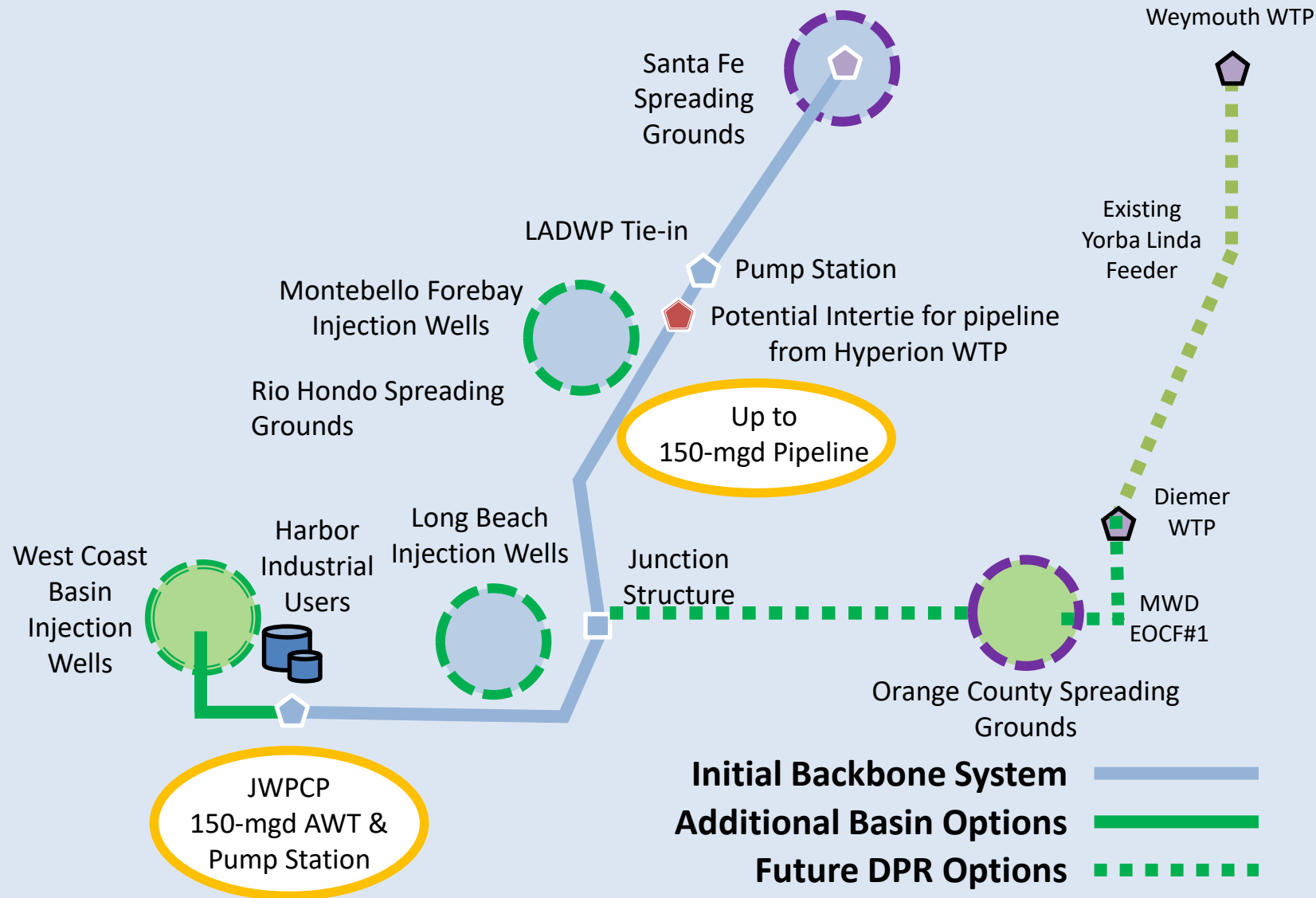
PHASE 1: BACKBONE SYSTEM



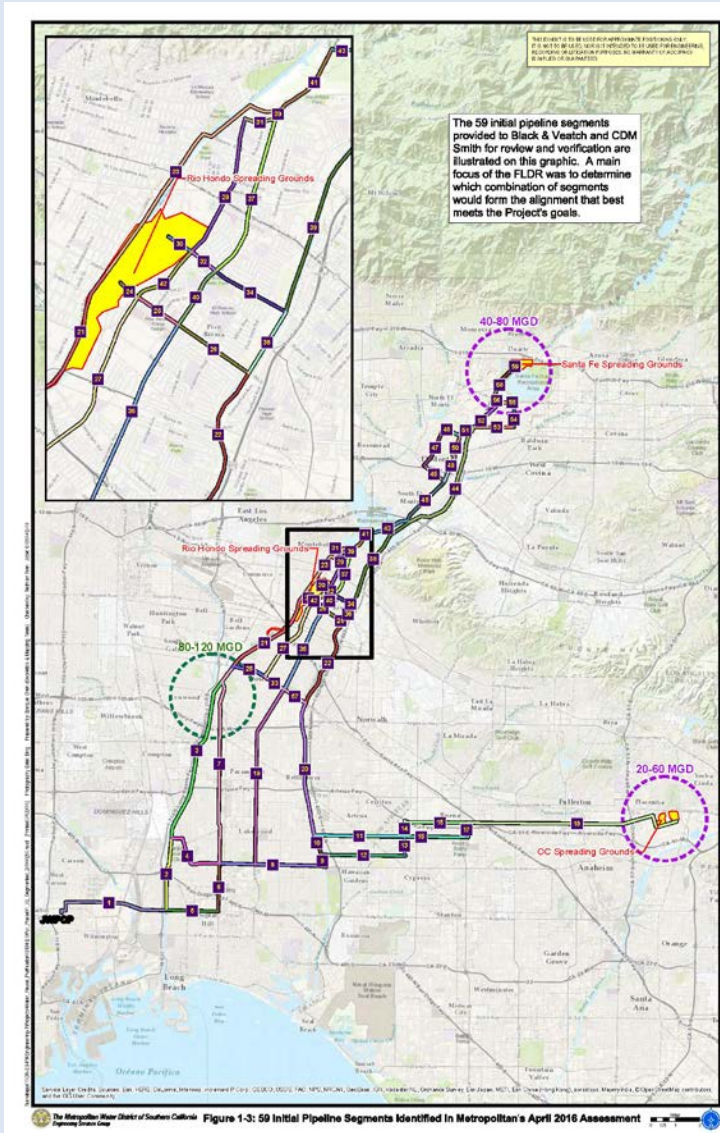
DPR OPTIONS: NORTHERN ROUTE



DPR OPTIONS: SOUTHERN ROUTE



WORK COMPLETED TO DATE



- Internal MWD conveyance alignment study completed in 2016
 - Identified feasible pipeline alignments
- *Backbone Conveyance Feasibility Level Design* study completed in June 2020
 - Identified a base-case alignment used for Program analysis in the Feasibility Study Report and Conceptual Planning Studies Report
 - Furthered alternative studies and identified 3 potential backbone conveyance pipeline options
- On-going coordination with these entities:
 - Southern California Edison
 - Los Angeles County Flood Control District
 - U.S. Army Corps of Engineers
 - Los Angeles Department of Water & Power (Operation NEXT)
 - Cities & Municipalities



Constructability

**Use of Existing
Infrastructure**

**Alignment
Development
Criteria**

**Environmental
Considerations**

**Real Property
Considerations**

CONSIDERATIONS



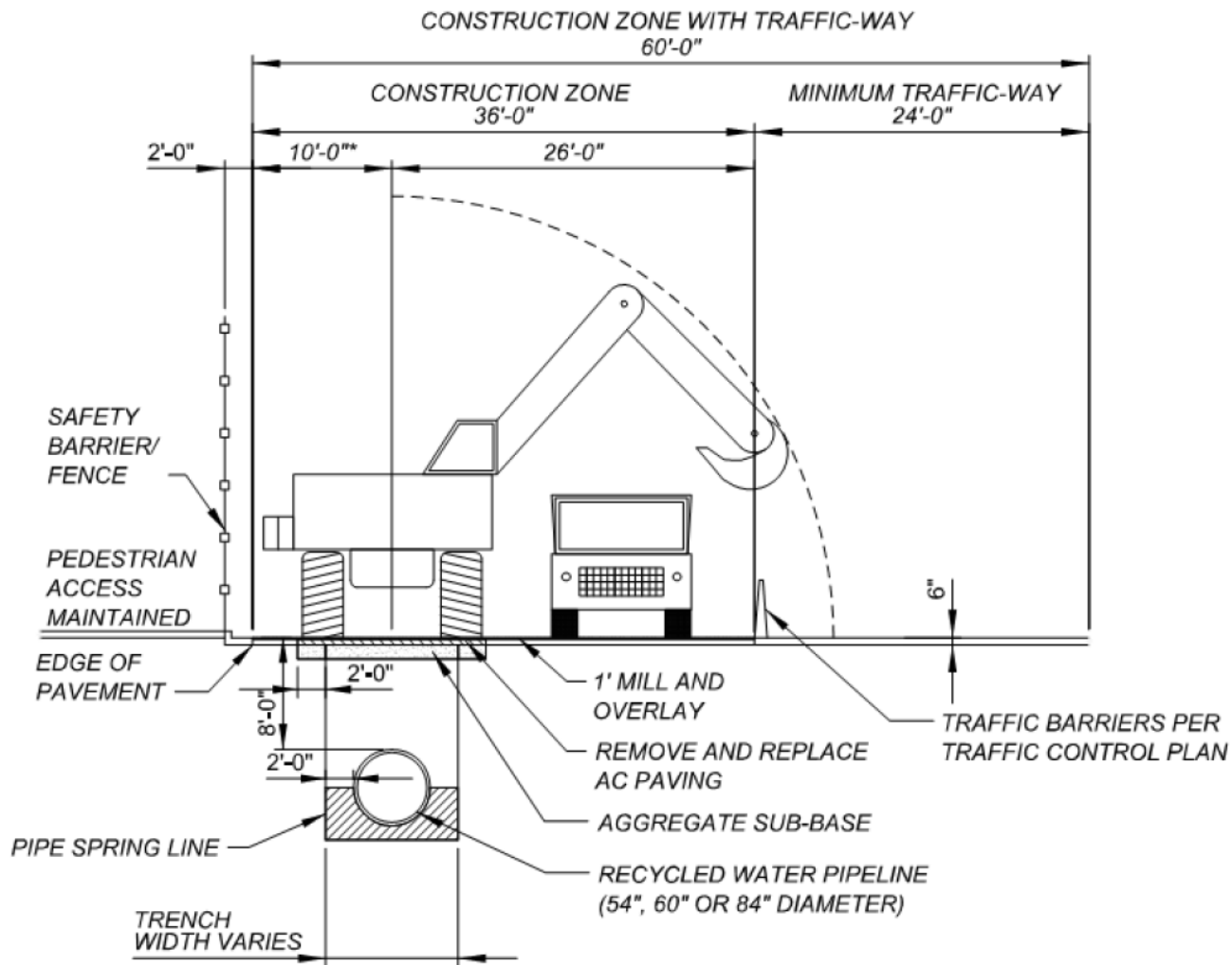
Pipeline alignment development within dense urban areas and utility corridors

Pipeline alignment development across rivers, freeways, intersections, and other challenging features



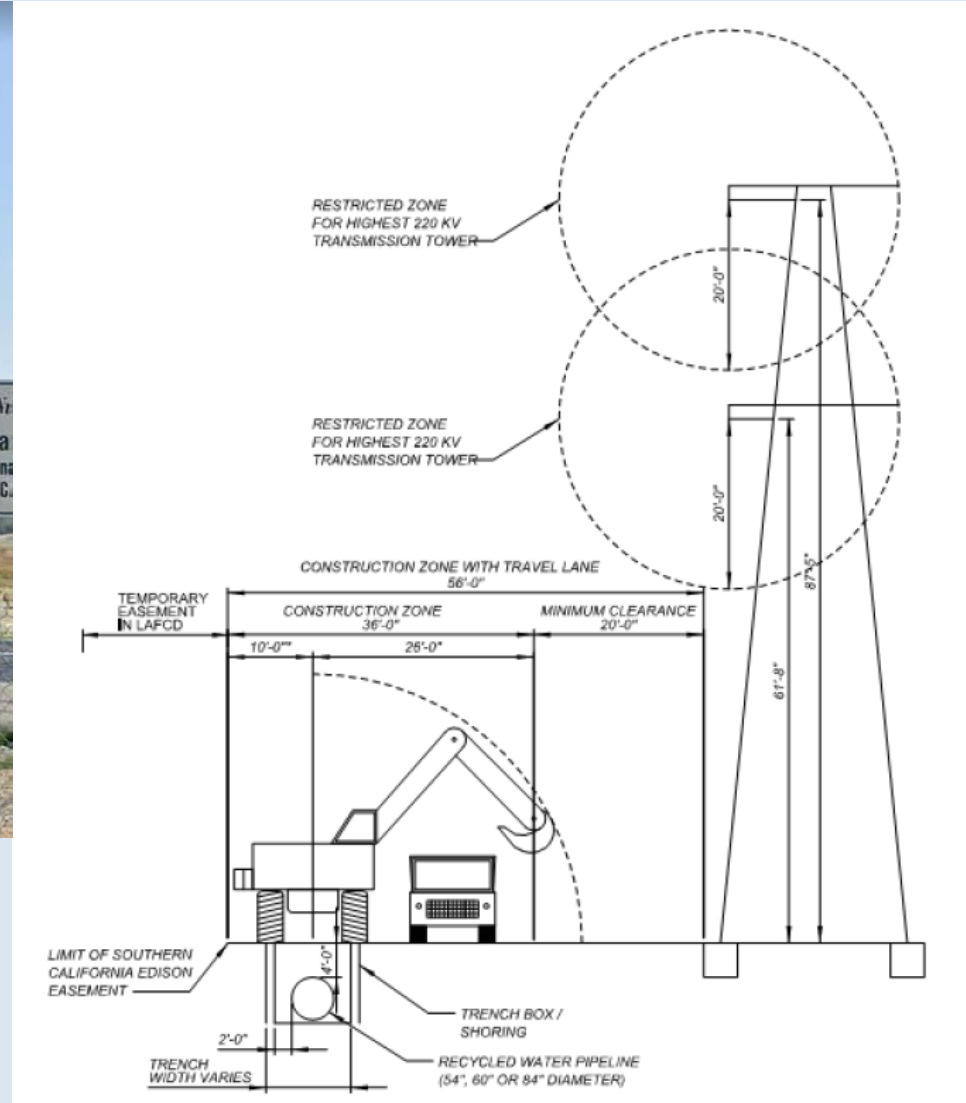
CONSTRUCTION METHODS: CUT & COVER

Street ROW



CONSTRUCTION METHODS: CUT & COVER

SCE ROW



ALIGNMENT DEVELOPMENT: GEOLOGIC FEATURES



Note: Approximate ground elevations. Not all features may be shown on these GIS map exhibits.

SCOPE OF WORK: CONSULTANT

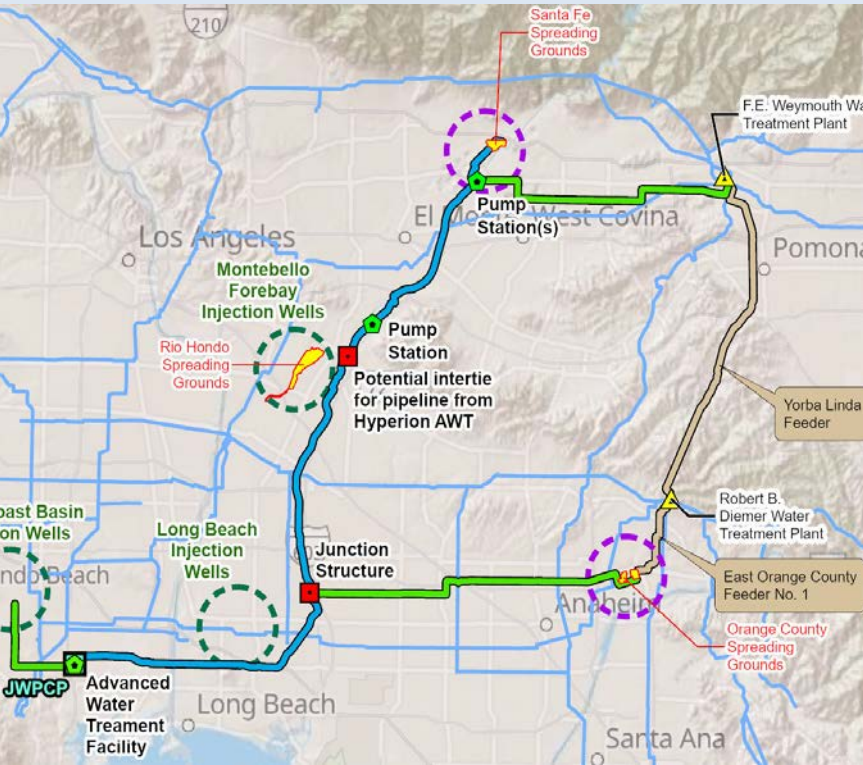
Task No.	Tasks/Subtasks
1	Environmental Planning Support Program-Level Environmental Clearances Project-Level Environmental Clearances
2	Validate Studies Completed To-Date
3	Conceptual Facilities Plan of Conveyance & Recharge Facilities Geotechnical Report Jurisdictional Permits Utility Research Pump Stations & Flow Control Facilities Recharge Facilities Direct Potable Reuse Applications
4	Real Property and Right-of-Way Coordination
5	Construction Cost Estimate
6	Construction Schedule
7	Public Outreach Support Services
8	Project Funding Support
9	Project Management



PROGRAM NEXT STEPS

WHAT'S NEXT

Working together with your city



Conceptual Engineering



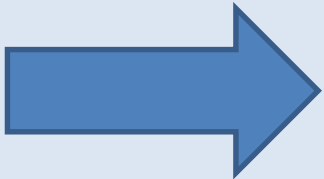
Environmental Planning



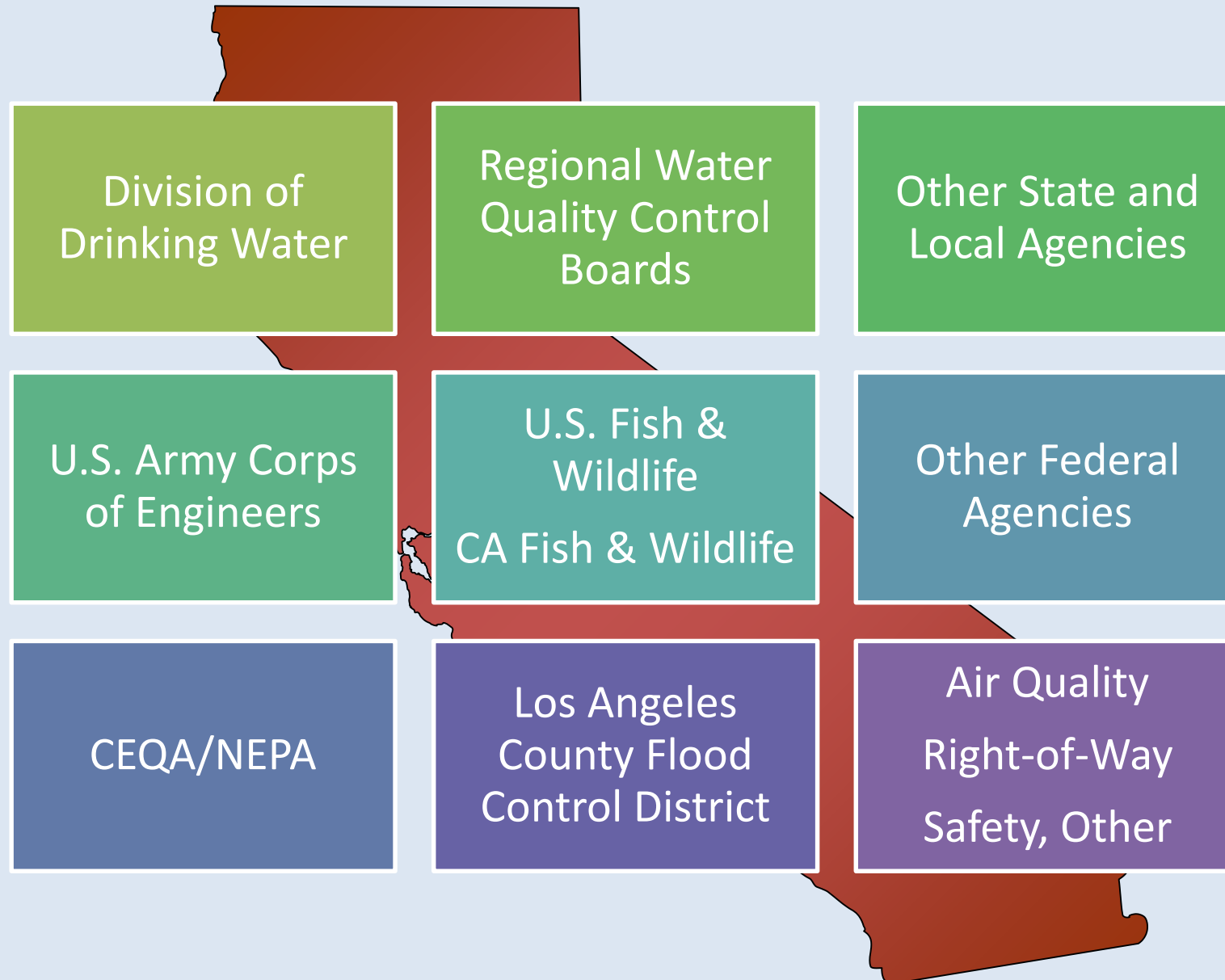
Community Outreach

CONCEPTUAL ENGINEERING

- Final Feasibility-Level Design Report for the Conveyance System completed in June 2020
 - 38 mile backbone system from AWT in Carson to Santa Fe Spreading Grounds in Irwindale
 - 84" ID Pipeline, 2 Pump Stations
 - Potential for connections to Metropolitan's existing water treatment plants when direct potable reuse regulations emerge
 - 3 potential alignments identified: 1 in street ROW, 1 along the Los Angeles River, 1 along the San Gabriel River
 - Portions of alignments within SCE's ROW
- Continued refinement in the next phase with a recommendation of a preferred alignment corridor for environmental permitting and conceptual engineering purposes



ENVIRONMENTAL PLANNING/PERMITTING



COMMUNITY OUTREACH

Starting environmental planning and associated public outreach

- Raise awareness of program and new water supply
- Reach out to communities affected by project



DISCUSSION/Q&A

Ivonne Castillo

Community Relations, icastillo@mwdh2o.com

Jay Arabshahi and Hedieh Esfahani

Conveyance Engineering, jarabshahi@mwdh2o.com and heesfahani@mwdh2o.com

Bruce Chalmers

Regional Recycled Water Program Manager, rchalmers@mwdh2o.com

Ana Reyes and Brenda Marines

Env. Planning, areyes@mwdh2o.com and bmarines@mwdh2o.com

mwdh2o.com/rrwp



@mwdh2o



METROPOLITAN RECYCLED WATER WEBSITE



The image shows a screenshot of a website header and main content area. The header is a dark blue bar with the logo on the left and a navigation menu on the right. The main content area has a light blue background with a large logo on the left and text on the right. The text includes the title 'Regional Recycled Water Advanced Purification Center', a subtitle 'A NEW SOURCE OF WATER FOR SOUTHERN CALIFORNIA', and a paragraph of text.

Regional Recycled Water
Advanced Purification Center

INTRODUCTION HOW IT WORKS PROCESS BENEFITS STRATEGY MILESTONES RESOURCES PARTNERSHIP

Regional Recycled Water
Advanced Purification Center

A NEW SOURCE OF WATER FOR SOUTHERN CALIFORNIA

Water is too precious to use just once. So the Metropolitan Water District of Southern California is making a major investment in a potential water recycling project that will reuse water currently sent to the ocean.

www.mwdh2o.com/RRWP



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: July 15, 2021
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce

Subject: Update on Orange County Water District's PFAS Treatment Testing Study and Final Report

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on OCWD's PFAS Treatment Testing Study and Final Report.

Background

On June 22, 2021, the Orange County Water District (OCWD) held a public webinar to discuss the results of their PFAS Treatment Study, conducted in partnership with Jacobs (see Attachment #1).

In the OCWD service area, 11 of 19 water retailers (pumpers) have PFOA at or above the 10 ng/L Reponse Level. This has caused approximately 1/3rd of the groundwater basin production (100,000 af/year) to be unfit to serve. OCWD is spending about \$50 million/year on imported water to make up for that unusable groundwater.

To remediate affected wells, OCWD is funding 100% of capital costs and 50% of O&M costs for 11 pumpers, with the goal of bringing the remaining systems online within 2 years. Currently, 11 PFAS treatment systems are under construction for 5 different pumpers, with design ongoing for 6 additional pumpers.

The goal of OCWD's Treatment Study was to understand which absorbents would work best to remove PFAS. They tested 3 types of media: granular activated carbon (GAC), ion exchange (IX) resin, and alternative/novel absorbents.

Pilot Testing

OCWD conducted a pilot test at a non-potable well in Anaheim. In testing, ion exchange resins showed a later breakthrough relative to GACs. Overall, an alternate absorbent, CETO FLUORO-SORB 200, performed best against long-chain PFOA, PFOS, and

SEWC AE STAFF REPORT - REGULAR MTG. OF 7/15/21 OCWD PFAS Treatment Study

Page 2 of 2

PFHxS. Most OCWD sites chose ion exchange due to performance, but also due to pricing and limited space on site.

Lab Testing

In lab testing, water from 9 different production wells plus the pilot influent water was tested, totalling 10 different water sources. All absorbents tested can successfully remove PFAS to meet California water quality guidelines. Testing revealed that the dependency of GAC life was strongly correlated to the DOC concentration and character of the water.

Cost Evaluation

The two best value GACs (Calgon F400 and Evoqua UC1240LD) were similar across sites. In total unit water cost (capital + O&M), GACs were more expensive than ion exchange, which was more expensive than the alternative absorbent (CETO FLUORO-SORB 200) = **GAC > IX >> FS200**.

Conclusions

- PFOS and short-chain PFAS: from pilot, all 4 IX products showed later breakthrough of sulfonates (PFOS, PFHxS) and short-chain PFAS (PFBS) relative to all 8 GACs
- Alternate absorbents: encouraging results, though varies by product; could be very promising for low-footprint (like IX)
- Performance (lifetime between media change-outs) varied dramatically amongst media. Longer-lived media can save annual O&M costs.

Future

OCWD is underway on Phase II Pilot program, which is expected to last through the end of 2022.

Discussion:

It is recommended the Administrative Members receive and file this report.

Attachments:

1. PFAS: Encouraging Results from OCWD Treatment Study - Update on Completed Project and Next Steps

**THANK YOU FOR JOINING US
THE WEBINAR WILL BEGIN SHORTLY**



PFAS: Encouraging Results from OCWD Treatment Study – *Update on Completed Project and Next Steps*

June 22, 2021



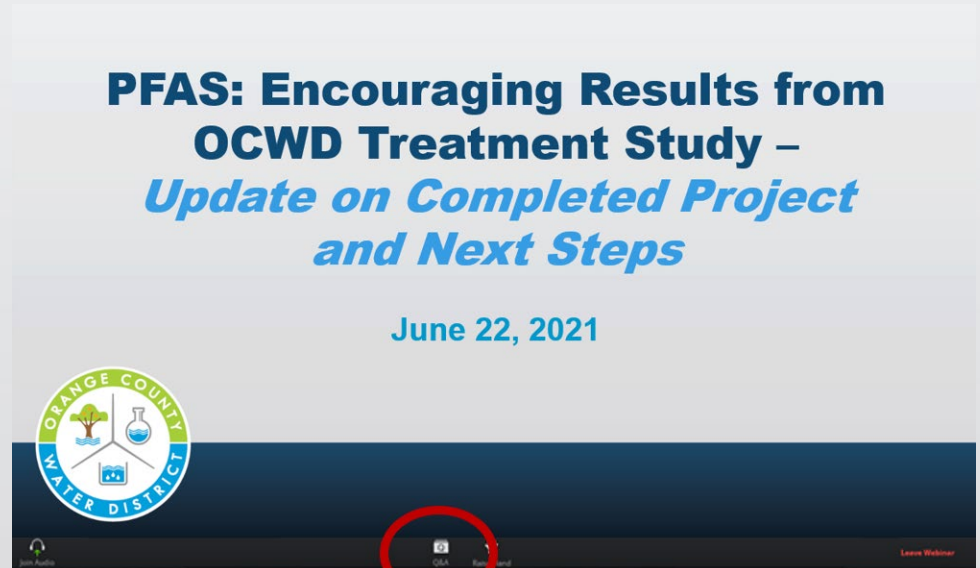
Agenda & Housekeeping

Agenda

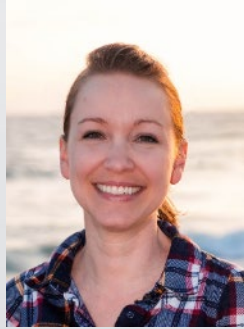
- Introduction of speakers
- Program presentation
- Q&A

Housekeeping

- Attendees are muted
- Use the Q&A box to submit questions
- This webinar is being recorded



Speakers



Megan H. Plumlee, Ph.D, P.E.

Director of Research

Orange County Water District



Scott A. Grieco, Ph.D, P.E.

Global Technology Leader

Jacobs



PFAS: Encouraging Results from OCWD Treatment Study – *Update on Completed Project and Next Steps*



OCWD Webinar June 22, 2021

Outline

- Introduction to PFAS and OCWD
- Project objectives
- Pilot-scale results (GAC, IX, alternative adsorbents)
- Bench-scale results (GAC, alternative adsorbents across sites)
- Scale-up considerations: Lead-lag modeling
- Cost evaluation
- Summary and next steps



Acknowledgements



- OCWD research team
 - Meeta Pannu, Christine Pham, Ricardo Medina, Andrew Huang, Jana Safarik
- OCWD Water Quality Department
- OCWD Laboratory Department
- Jacobs team including Mike Hwang, Joseph Chang, Jim Lozier
- Battelle team including Kavitha Dasu, Vivek Lal

And our technology partners:

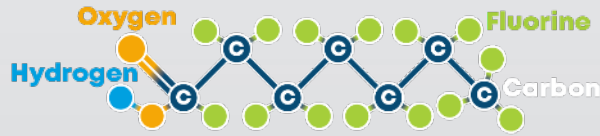


Introduction to PFAS and OCWD

What Are PFAS?

- PFAS = Per- and Polyfluoroalkyl Substances (family of 1000s of chemicals)

PFAS



- PFOA = Perfluorooctanoic Acid ($C_8HF_{15}O_2$)
- PFOS = Perfluorooctane Sulfonate ($C_8HF_{17}O_3S$)



THE OCR 'Forever chemicals' in Orange County...

NEWS · ENVIRONMENT

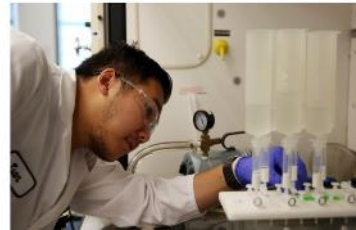
'Forever chemicals' in Orange County drinking water to force widespread well closures

Treatment plans are underway, but more costly imported water will be used in the interim.



Los Angeles Times

California finds widespread water contamination of 'forever chemicals'



NEWS · ENVIRONMENT · News

OC water districts file massive lawsuit over PFAS contaminants

11 agencies seek hundreds of millions of dollars from DuPont, 3M, others.



Ricardo Medina, an Orange County Water District research associate, loads ion exchange resins into a treatment system to filter out PFAS toxins. The district is testing 14 different products to determine the best to remove the carcinogenic chemicals from dozens of Orange County groundwater wells. (File photo courtesy of the Orange County Water District.)

THE OCR PFAS toxins found in drinking water throughout...

NEWS · ENVIRONMENT

PFAS toxins found in drinking water throughout Southern California

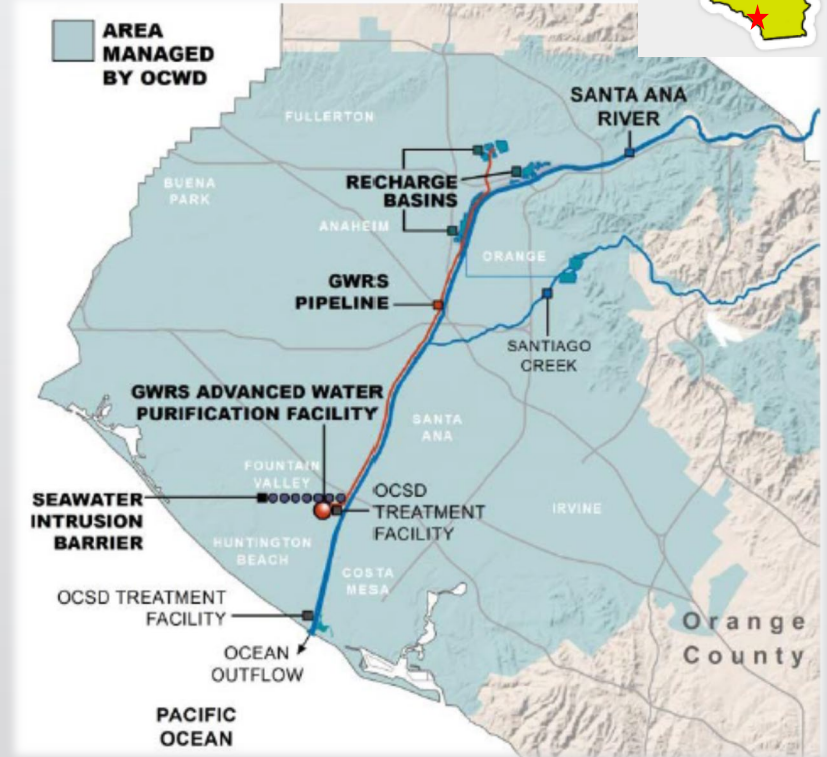
'Forever chemicals' rapidly emerging as a potential health threat.



Orange County Water District



- OCWD was formed in 1933 to
 - Manage the OC Groundwater Basin
 - Protect rights to Santa Ana River water
- Provide groundwater to
 - 19 municipal and special water districts
 - 2.5 million residents
- Basin provides 77% of the water supply for north & central OC



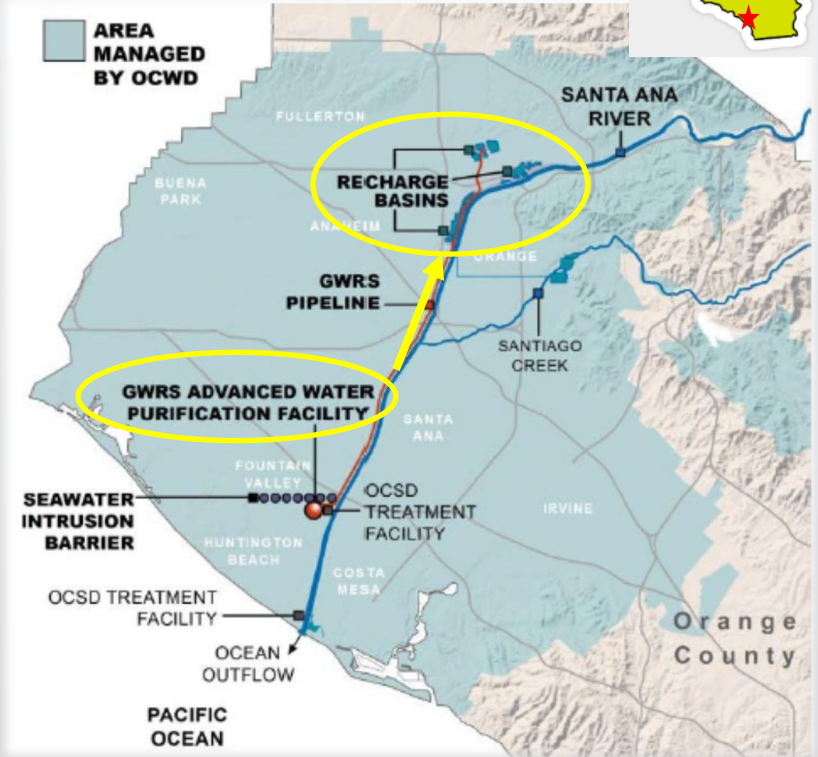
PFAS is not present in advanced treated, recycled water from OCWD's GWRS



G W R S
GROUNDWATER REPLENISHMENT SYSTEM



- GWRS generates purified water for groundwater augmentation ('indirect potable reuse' or IPR)
- Removal of PFAS by reverse osmosis (RO) is known to be highly effective



Potential Local PFAS Sources to Groundwater

- Three Military Bases (*all in PA/SI phase of PFAS investigation*)
- Municipal Airports (*initial state investigations completed*)
- Chrome Plating (*investigation orders sent by state*)
- Landfills (*no indications of PFAS release from County landfill monitoring*)
- Industrial Discharge/Release
- Fire Training Areas
- Product Usage that Enters Sewer Collection System → Treated Wastewater → Santa Ana River → Influences Groundwater Quality via Aquifer Recharge (*POTWs statewide carrying out investigation orders*)



Extent of PFAS Impact in OCWD Service Area

Current California DDW NL/RLs:

Notification Levels:

PFOA = 5.1 ng/L

PFOS = 6.5 ng/L

PFBS = 500 ng/L

Response Levels:

PFOA = 10 ng/L

PFOS = 40 ng/L

PFBS = 5,000 ng/L

*Public Health Goal (PHG) process has begun, as required initial step to develop Maximum Contaminant Level (MCL)

- **11 water retailers** (i.e., groundwater “Producers”) in the OCWD service area impacted by 10 ng/L PFOA Response Level
- **Up to ~ 1/3 of groundwater basin** production (100,000 afy) unable to be served
- **~ >\$50 million/year** additional alternative water supply cost for treated *imported* surface water

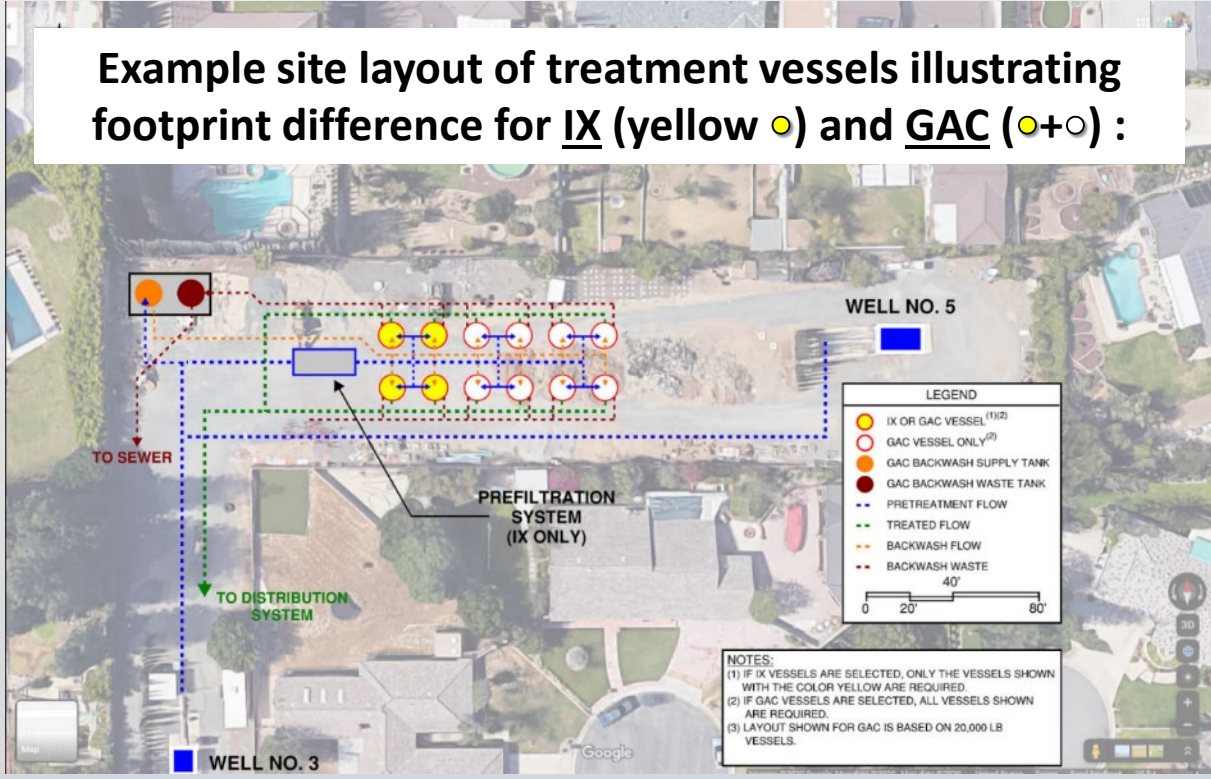


To Restore our Drinking Water Source – Design and Construction of Groundwater Treatment Systems is Underway

- 11 water retailers
- OCWD funding 100% capital costs and 50% of O&M
- Goal: bring remaining systems online within 2 years (1 already online)



Example site layout of treatment vessels illustrating footprint difference for IX (yellow ●) and GAC (●+○) :



PFAS Treatment Study - Objectives

PFAS Treatment Study at OCWD



- What adsorbent should be used in the treatment vessels to best remove PFAS, and for the best value?
- Treatment Study: Test various products at *lab* and *pilot* scale; began Dec 2019



Granular Activated Carbon (GAC)



Ion Exchange (IX) Resin



Alternative Adsorbents

Jacobs

BATTELLE



GAC



IX

Alternative

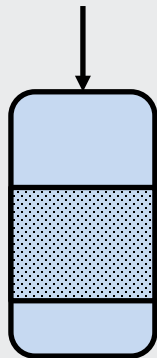


GAC



influent water

PFAS



effluent water



Alternative



Pilot Test – Approach and Findings

OCWD Pilot Program

- Pilot ★ water supplied by OCWD-owned non-potable well in Anaheim
- PFAS in pilot influent:

PFAS (EPA 537.1)	Mean (ng/L)
PFOA (<i>long-chain</i>)	16
PFOS (<i>long-chain</i>)	23
PFHxS (<i>long-chain</i>)	11
PFBS (<i>short-chain</i>)	15
PFHxA (<i>short-chain</i>)	3



Adsorbents Tested in OCWD Phase I Program

Pilot Adsorbents	No. Products Tested	Empty Bed Contact Time (EBCT)	Supplier(s)/ Manufacturers	Lab (RSSCT)	Pilot	React./ Regen.?
GAC	8	10 min	Cabot Norit, Calgon, Evoqua, Jacobi	✓	✓	Yes
IX	4	2 min	Calgon, ECT2, Evoqua, Purolite		✓	No
Alternative Adsorbent Cyclodextrin-based media (DEXSORB+®)	1	5 min	Cyclopure	✓	✓	Yes
Alternative Adsorbent Surface-modified bentonite (FLUORO-SORB® 200)	1	2 min	CETCO	✓	✓	No



¹RSSCT = Rapid small-scale column testing

OCWD Pilot Program

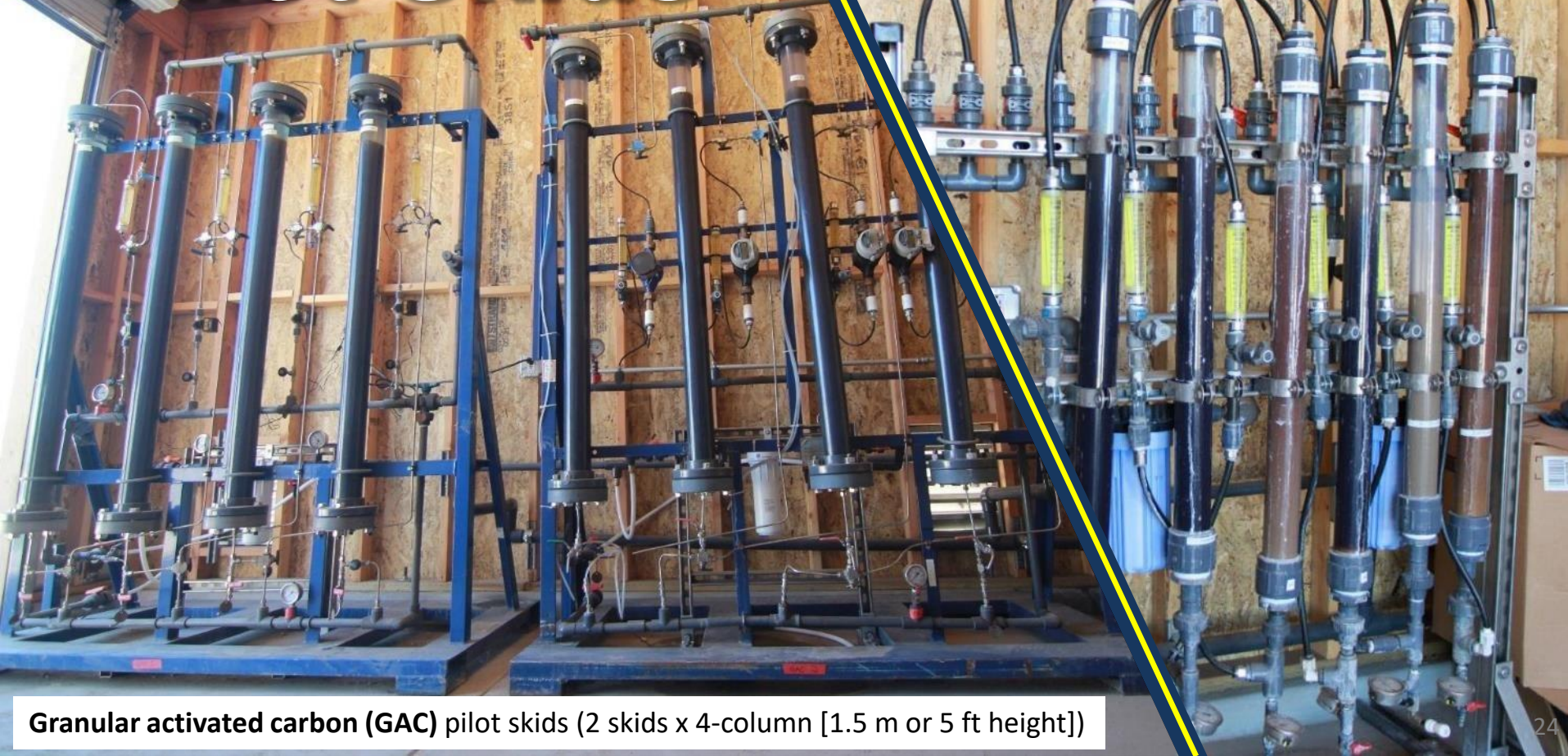
Installed pre-fab building to house pilot



Phase I: 8 GAC (10-min EBCT) + 4 IX (2-min EBCT) + 2 alternative adsorbents

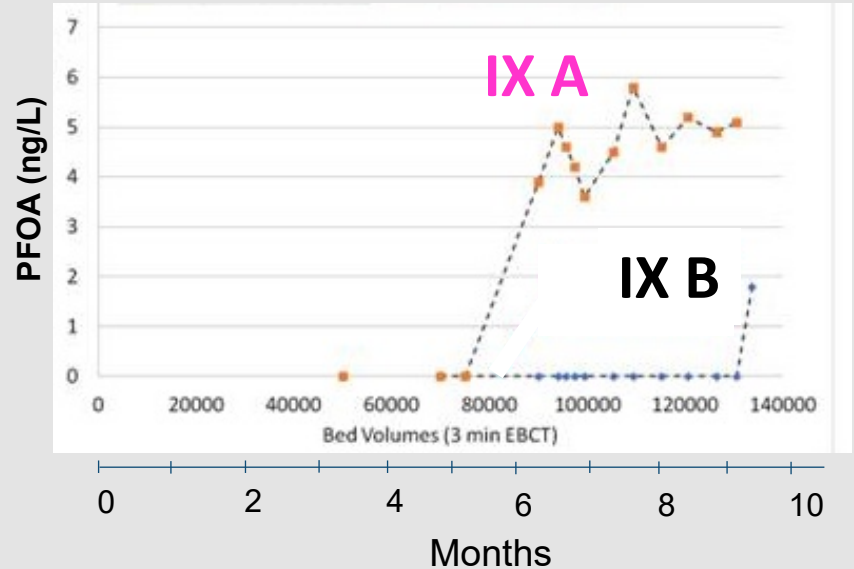
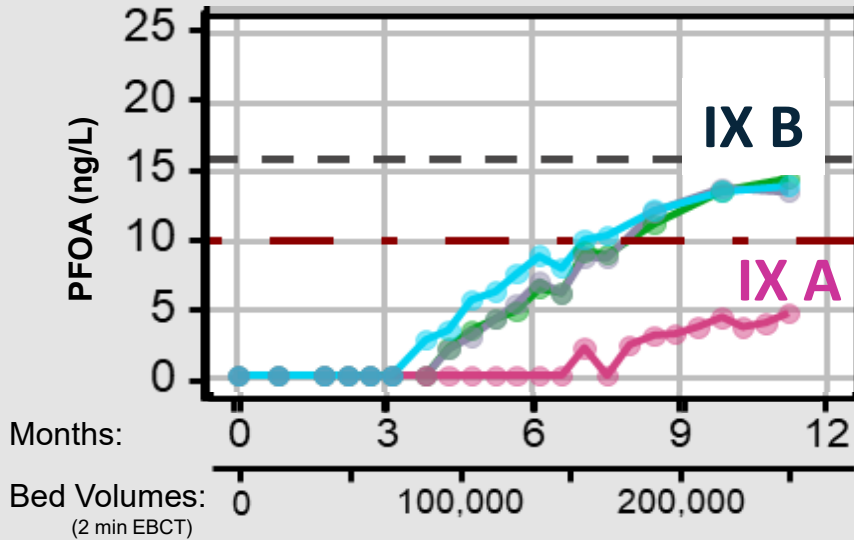
Pilot Skids

Ion Exchange (IX) pilot skid (1 skid x 6-column)
[0.9 m or 2 ft h]



Granular activated carbon (GAC) pilot skids (2 skids x 4-column [1.5 m or 5 ft height])

Disclaimer: Different pilots for other utilities / water sources can show different results

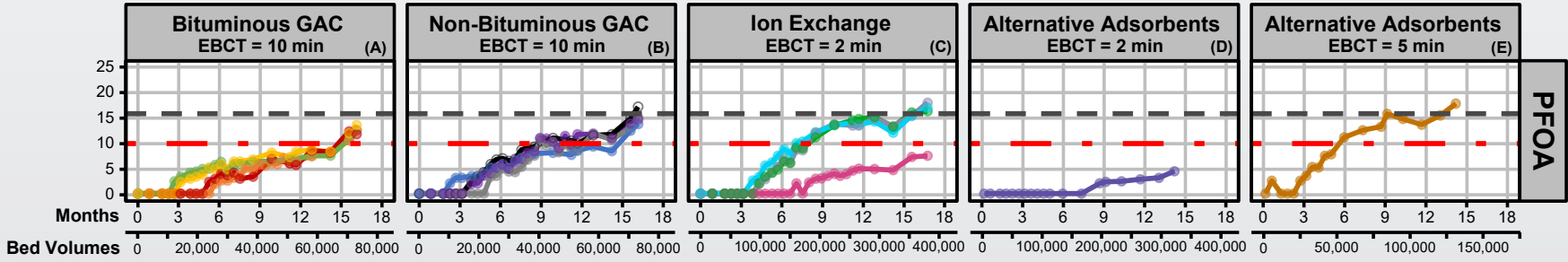


....due to different background water quality, e.g., DOC concentration / character

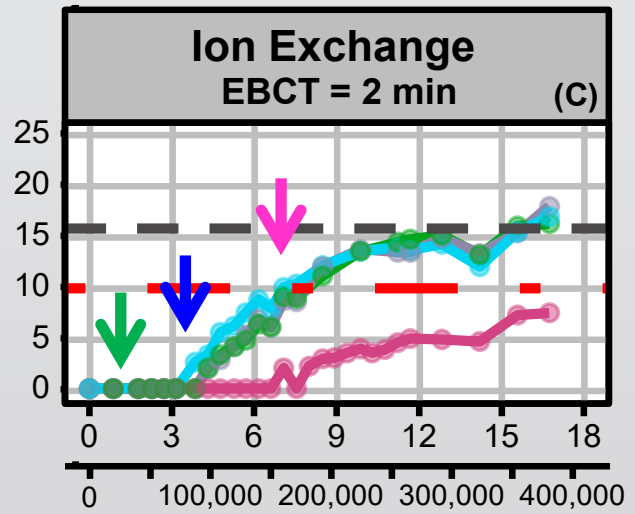
PFAS Breakthrough (OCWD Pilot Study)

— — — Average Influent Concentration - - - CA DDW PFOA Response Level = 10 ng/L

PFAS Concentration (ng/L) in Treated Water



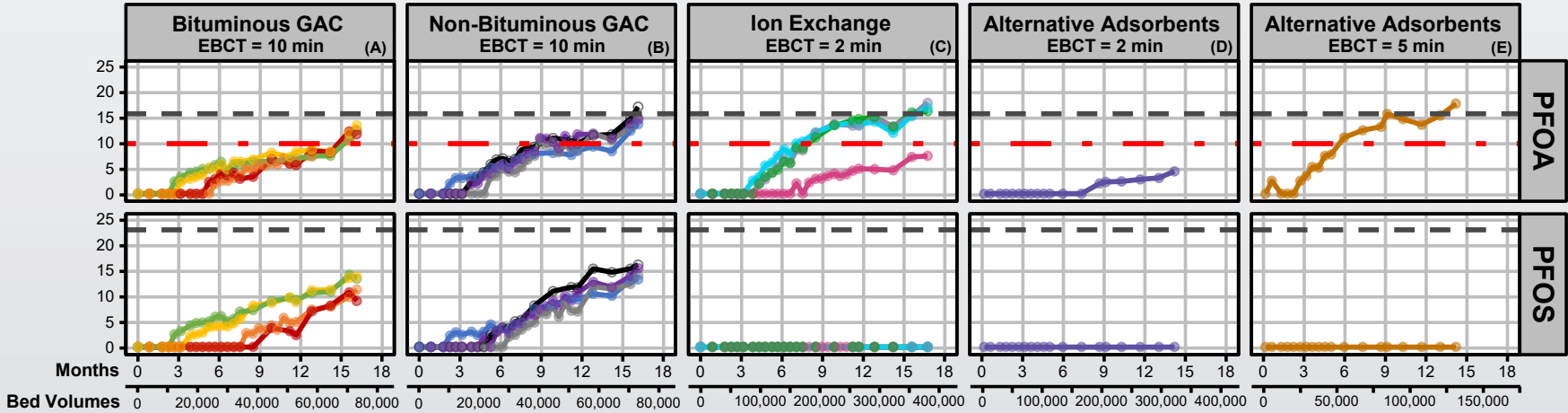
- Effluent PFAS is initially **non-detectable**
- Two ways to assess breakthrough:
 - Time to **initial breakthrough** (> non-detect)
 - Time to **more significant breakthrough** (e.g., ~60% breakthrough)



PFAS Breakthrough (OCWD Pilot Study)

— — · Average Influent Concentration - - - CA DDW PFOA Response Level = 10 ng/L

PFAS Concentration (ng/L) in Treated Water



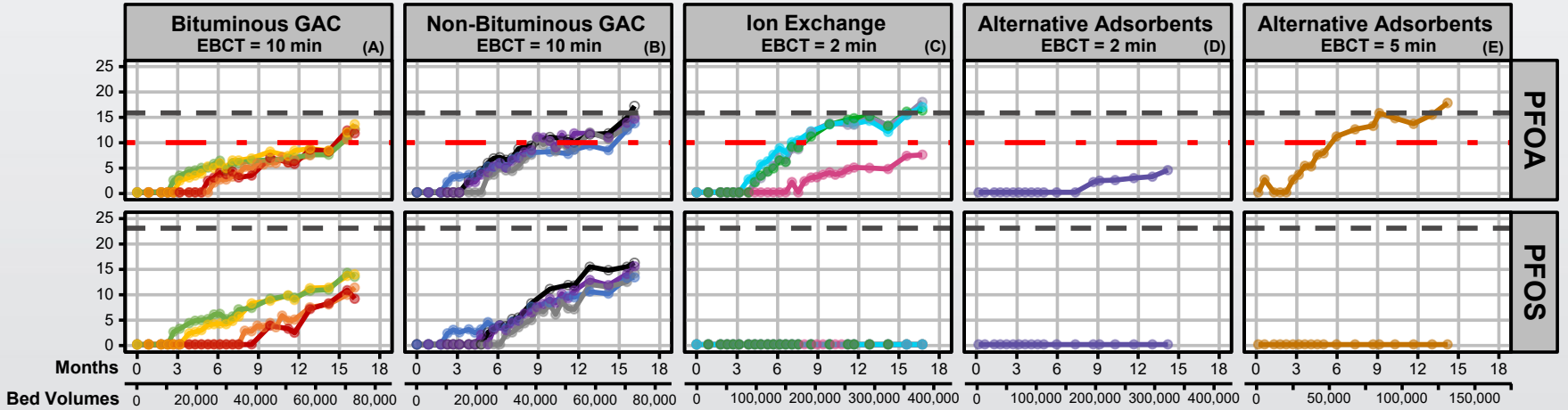
- GACs: Bituminous GACs (e.g., Calgon F400) performed better than non-bituminous or blended products. Overall, Calgon F400 superior performance (taking into account PFOA + PFOS).



PFAS Breakthrough (OCWD Pilot Study)

— Average Influent Concentration - - - CA DDW PFOA Response Level = 10 ng/L

PFAS Concentration (ng/L) in Treated Water



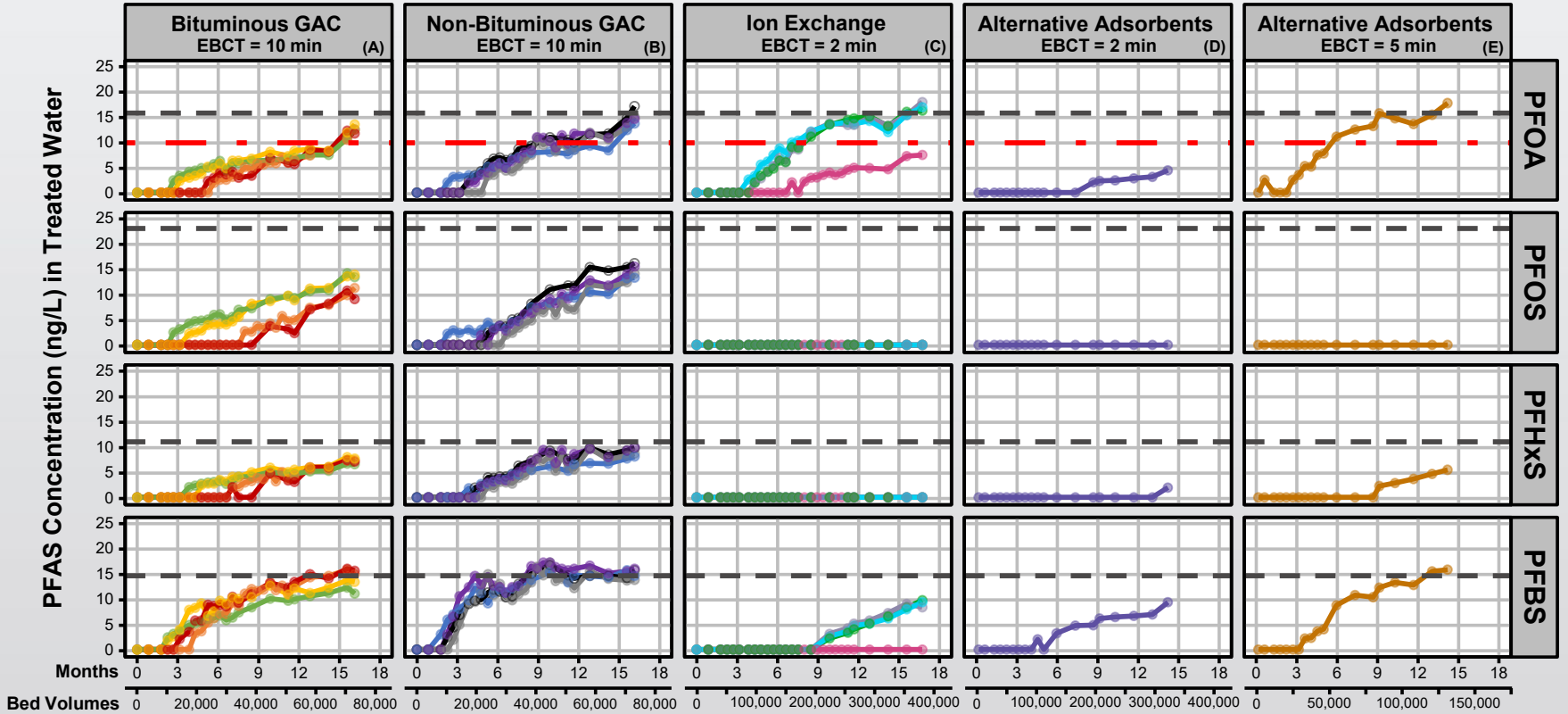
- IX resins:**

- Evoqua PSR2+ superior PFOA performance (late / limited breakthrough) relative to other IXs
- All 4 IXs showed later breakthrough of sulfonates (PFOS, PFHxS) and short-chain PFAS (PFBS) relative to all 8 GACs



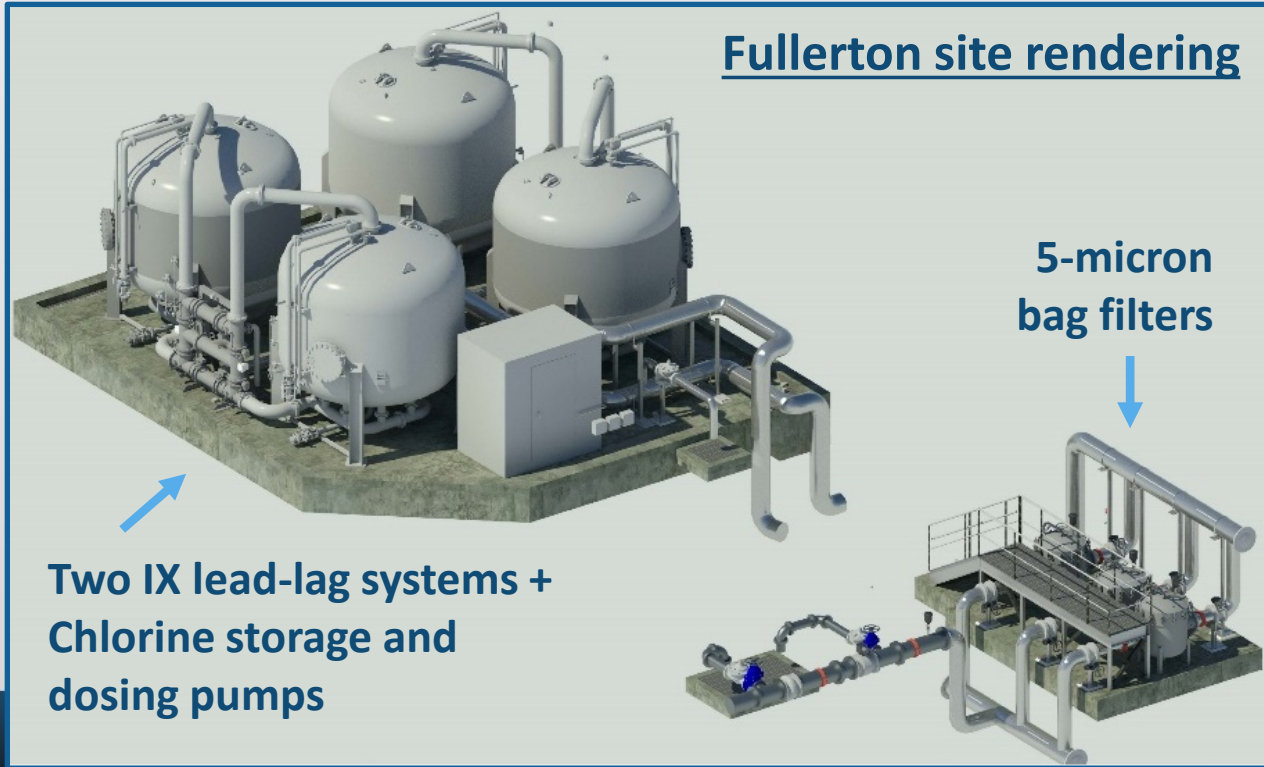
PFAS Breakthrough (OCWD Pilot Study)

— Average Influent Concentration - - - CA DDW PFOA Response Level = 10 ng/L



Alternative adsorbents: Encouraging results for CETCO FLUORO-SORB® 200

How is Pilot Data Being Used? Supporting Initial IX Media Procurements & System Permits



- IX selected for majority of the Orange County PFAS treatment systems thus far
- Based on bid pricing and pilot performance, Evoqua PSR2+ IX resin predominantly selected for the first 3 systems coming online

Lab-Scale Testing – Approach and Findings

Rapid Small Scale Column Testing (RSSCT) in Lab

- RSSCT was performed at bench (lab) scale with GAC and alternative adsorbents
- Large scope – 8 adsorbents tested in parallel (typical project ≤ 4 products/columns)
- RSSCT – Advantage (over pilot) is the ability to **quickly** screen **multiple** waters – tested water from 9 different Producers (production wells in Orange County) plus OCWD pilot influent water (10 total waters)
- RSSCT data can predict full-scale product performance



0.7 cm diameter
1.0 - 3.4 cm bed depth



BUENA PARK

FULLERTON

PLACENTIA

YORBA LINDA



Production Wells in Orange County Used for Small-Scale (Laboratory) Column Testing for PFAS (GAC)

F-3A
F-5

A-42
OCWD-BESS

ANAHEIM

O-9

SWD-5

IRWD-OPA1

EOCW-E

GG-21

SA-38

T-VNGB

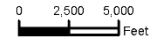
STANTON

GARDEN GROVE

ORANGE

VILLA PARK

UNINCORPORATED



WESTMINSTER

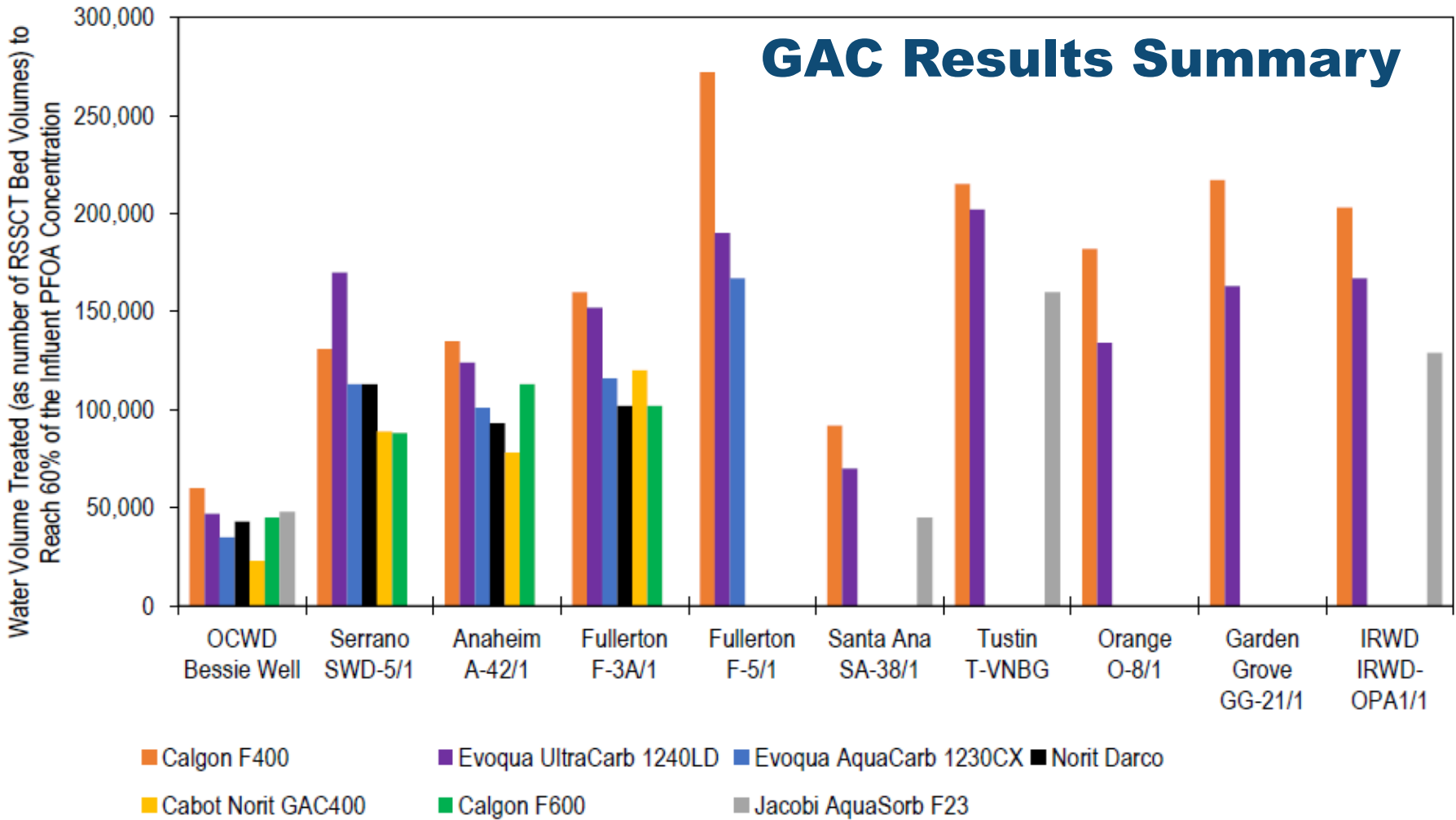
SANTA ANA

TUSTIN

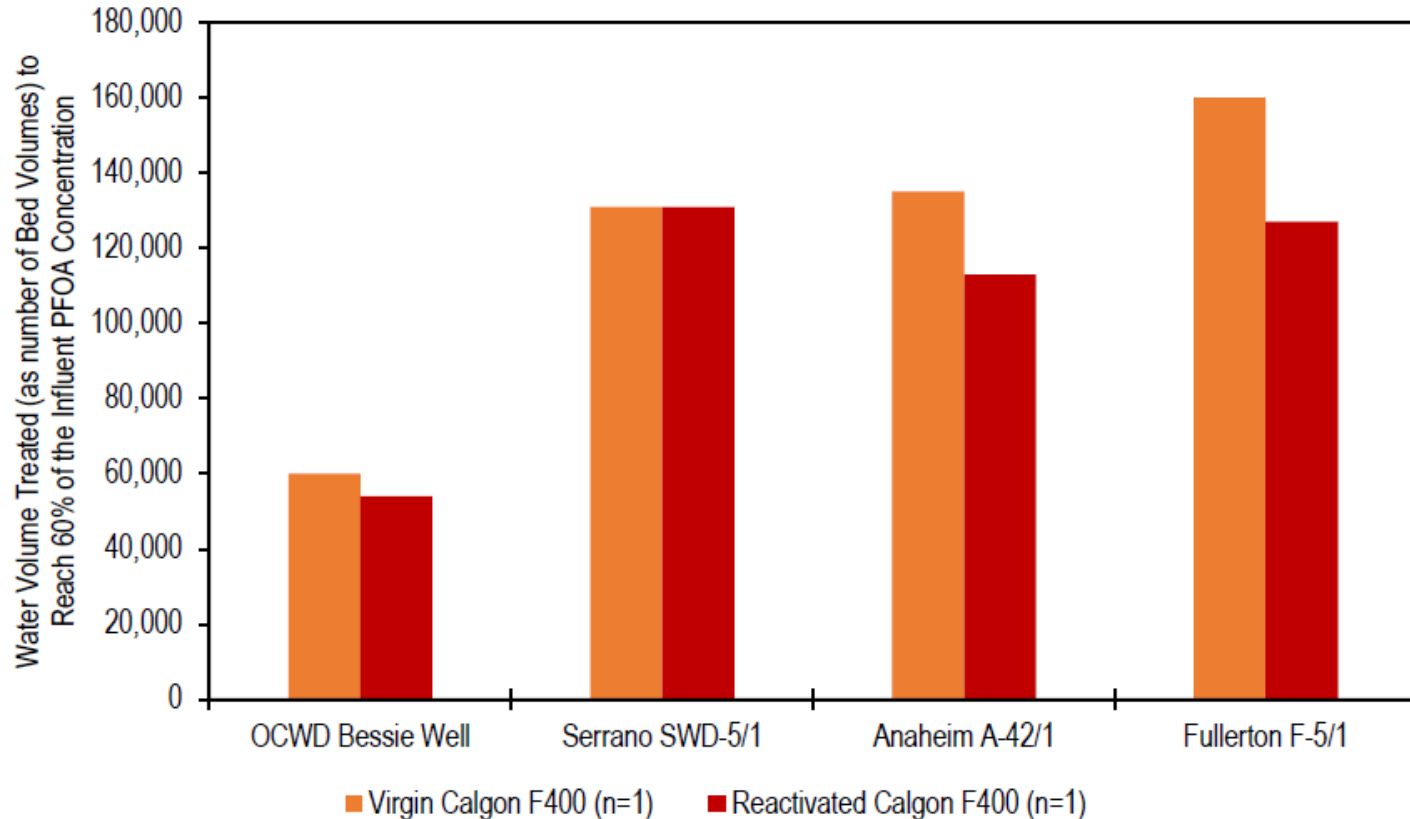
IRVINE

Sources: Esri, USGS, NOAA

GAC Results Summary

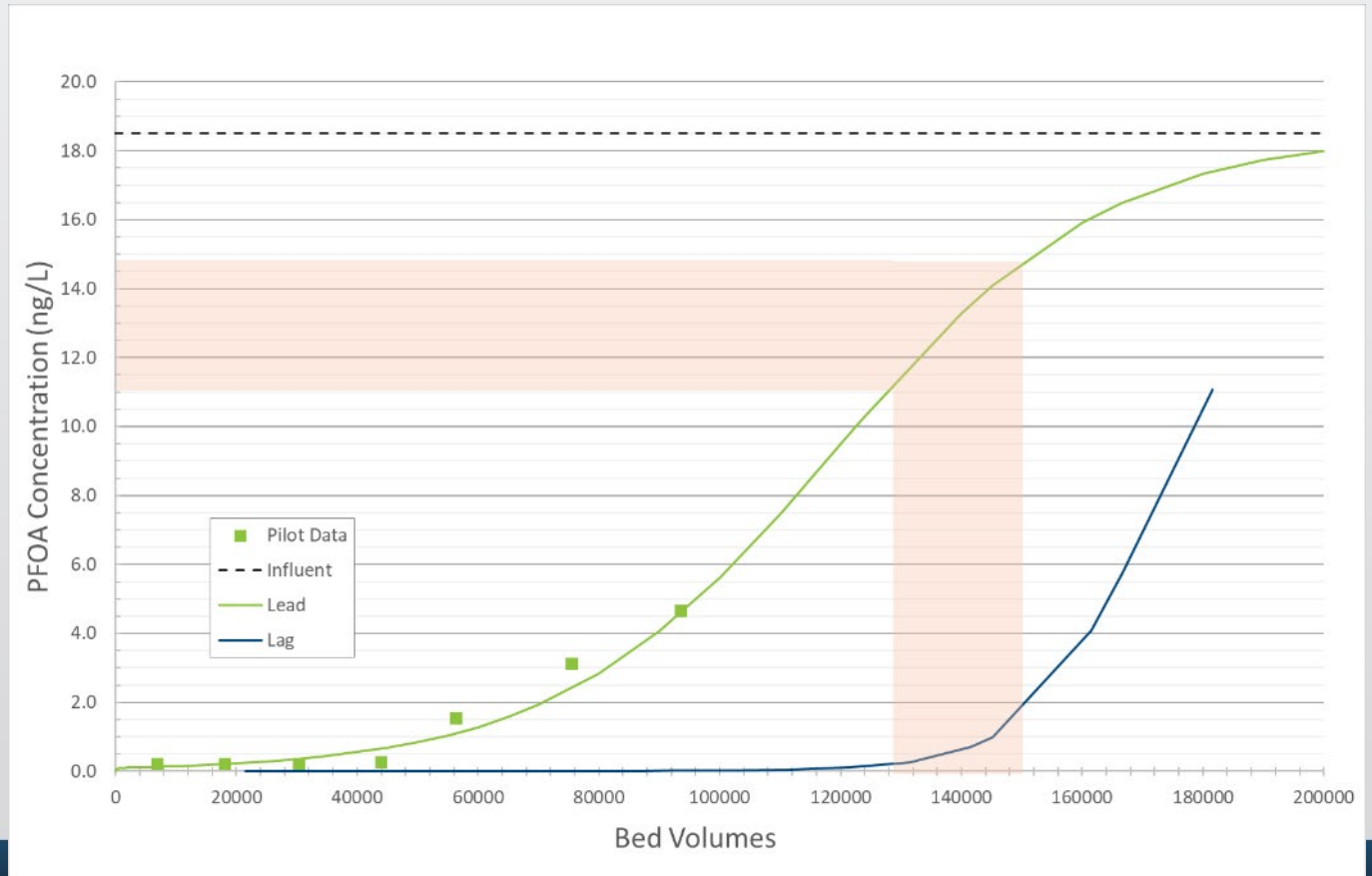
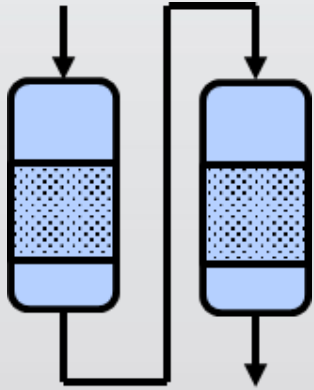


Calgon F400: Virgin & Reactivated

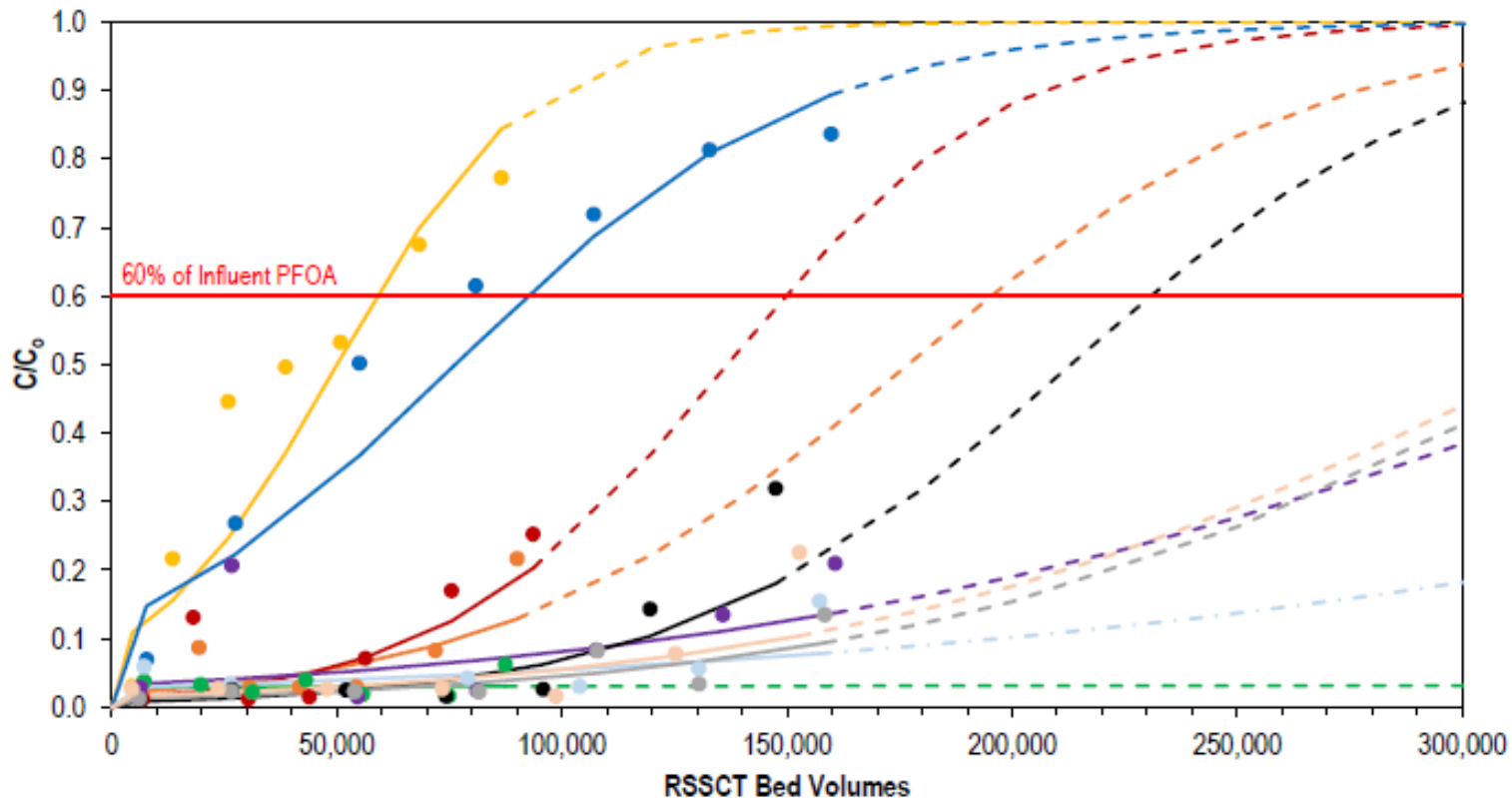


- Generally equivalent at higher DOC
- Virgin GAC may provide longer life with lower DOC
- McNamara, 2018 showed better performance of reactivated at TOC 1.42 mg/L

Lead-Lag System Configuration



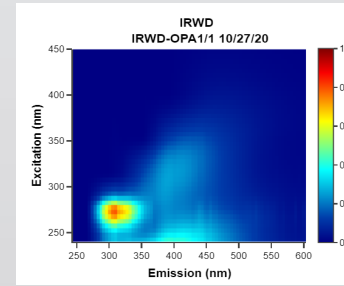
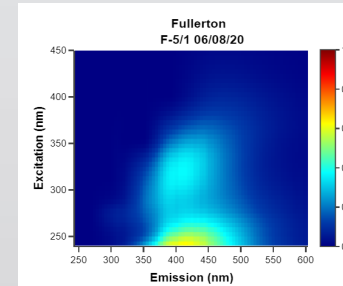
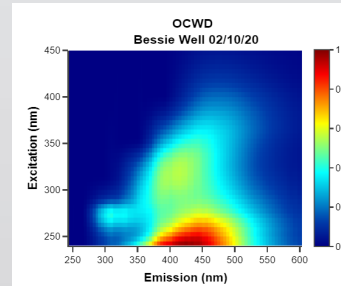
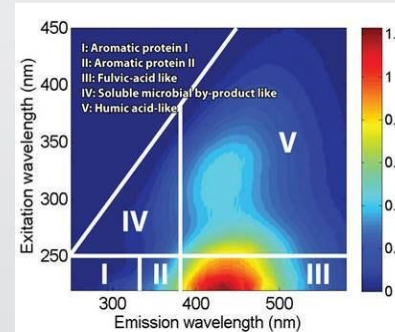
Calgon F400: RSSCT for PFOA



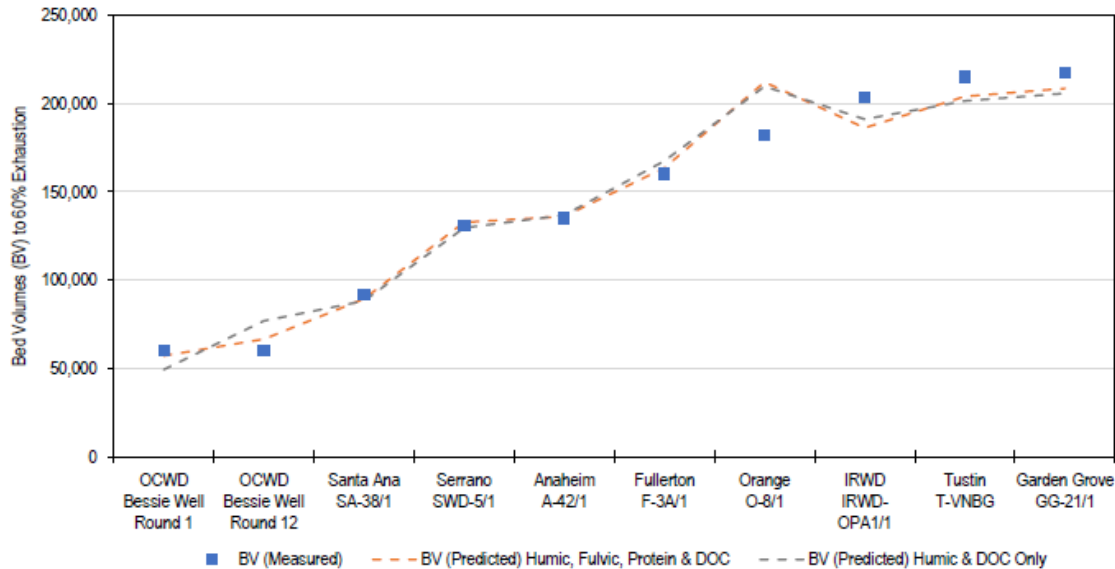
- PFOA generally consistent between waters tested
- Large dependency on DOC present
–0.2 to 1.6 mg/L

Influence of Background Organic Carbon

- Excitation Emission Matrix (EEM) Fluorescence Spectroscopy
- Five excitation–emission regions:
 - Aromatic proteins (two regions)
 - Fulvic acids
 - Humic acids
 - Hydrophilic acids
- Provided in fluorescence units (AFU)



Multi-variable Regression



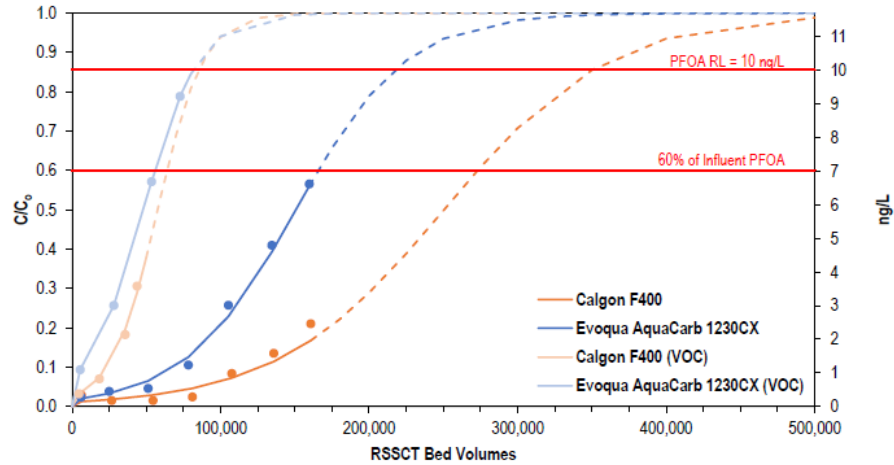
- Evaluated influence of
 - DOC
 - Humic acids
 - Fulvic acids
 - Aromatic proteins
- DOC and Humic acids were statistically significant to represent data ($p < 0.05$)

$$BV_{60\%} = 241748 - 9772(HA: AFU) - 69482(DOC: \frac{mg}{L})$$

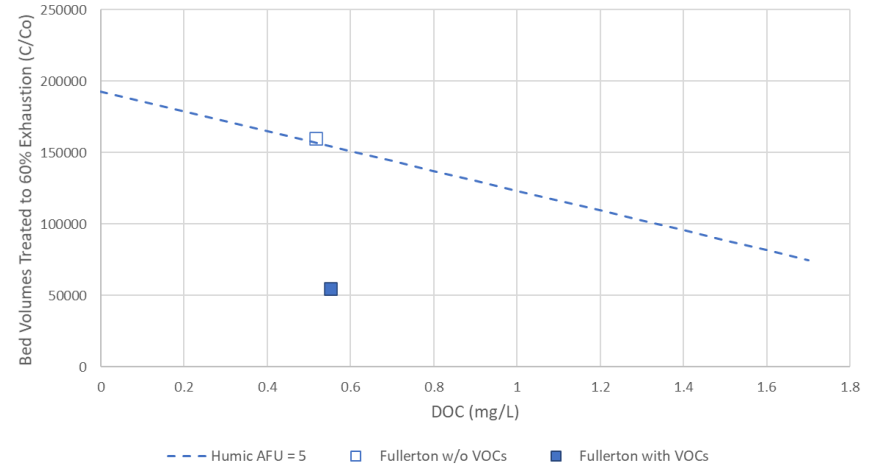


Addition of VOCs

Fullerton F-5/1 - PFOA



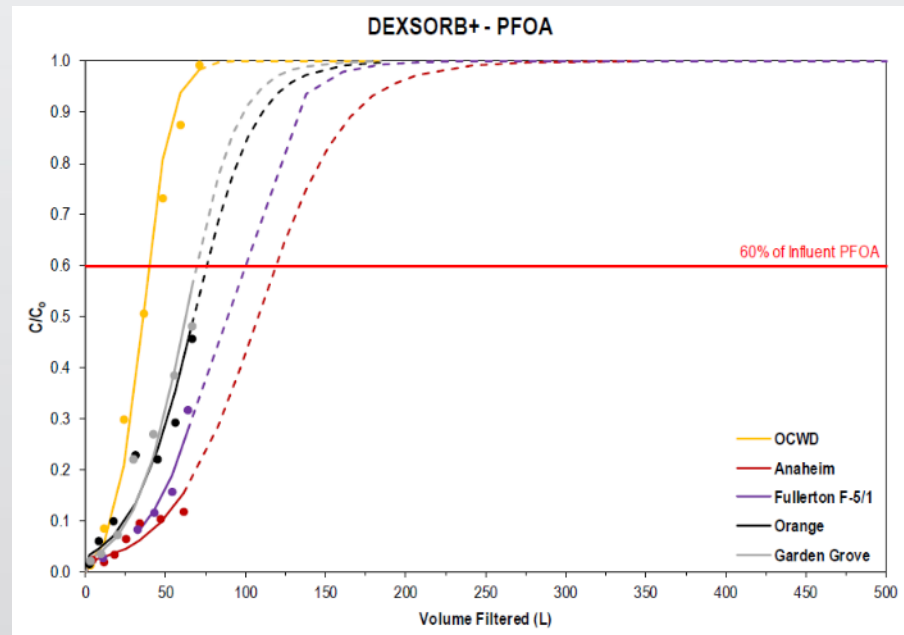
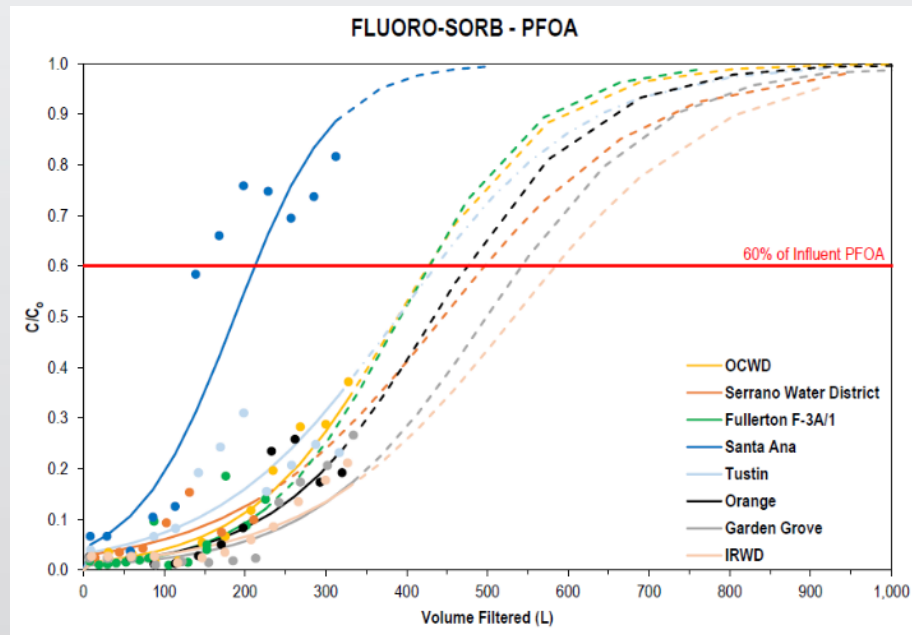
PFOA - Calgon F400



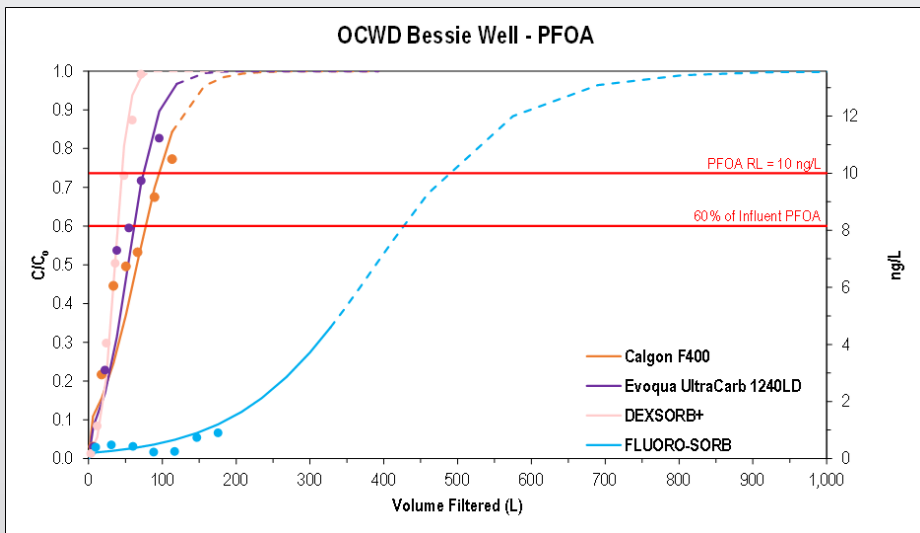
VOC	Historical Avg (µg/)	RSSCT Avg Inf (µg/) (Avg, Range)
1,1,-DCE	<0.5	0.45 (0.39 - 0.62)
PCE	0.7	0.96 (0.75 - 1.3)
TCE	1.7	3.6 (3.4 - 4.0)



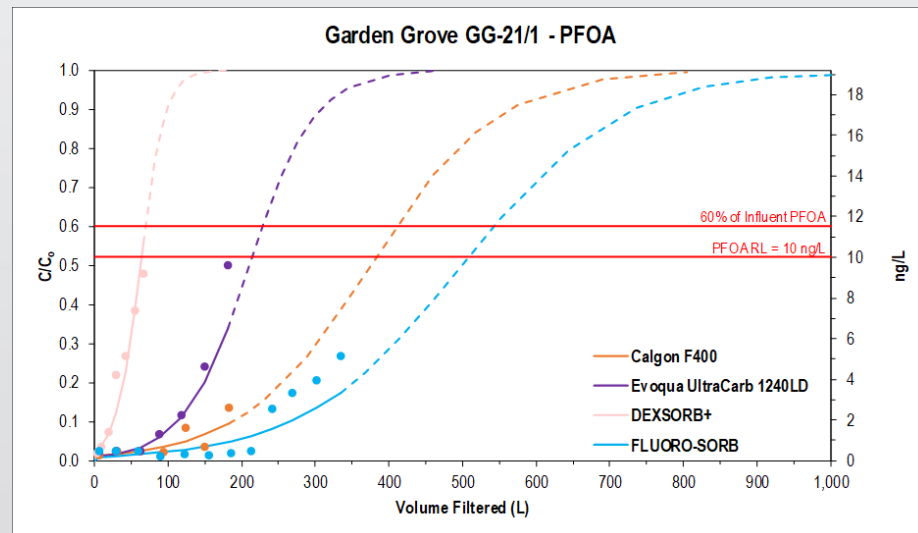
Alternative Adsorbents: FLUORO-SORB 200 & DEXSORB+



Media Comparison: High and Low DOC



DOC=1.6 mg/L



DOC=0.2 mg/L



Alternative Adsorbents: FLUORO-SORB 200 & DEXSORB+

Media	Cumulative Mass Loading (ng/mg)		Specific Volume Loading (L/g)	
	OCWD Bessie Well	Garden Grove GG-21/1	OCWD Bessie Well	Garden Grove GG-21/1
Calgon F400	1.4	9.8	145	683
Evoqua UltraCarb 1240LD	1.2	7.4	113	457
DEXSORB+®	1.7	4.2	182	208
FLUORO-SORB® 200	12.5	27.5	1333	1833



Scale-up Considerations

Using Bench and Pilot Data Together

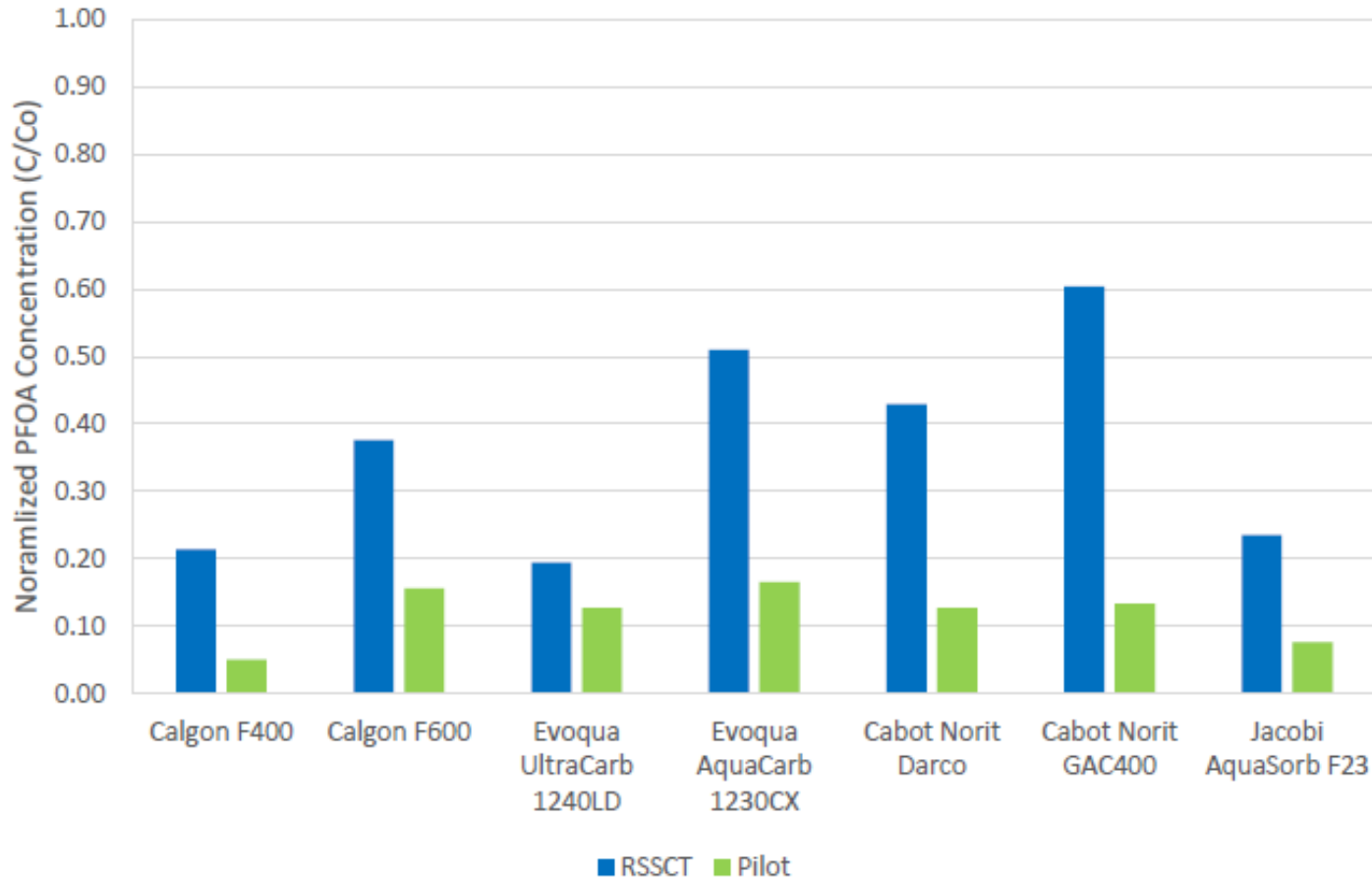


- Use pilot **GAC** and **alternative (novel)** product results to validate the RSSCT-predicted performance at full-scale
- OCWD pilot well water (Bessie well) is the common influent for these comparisons



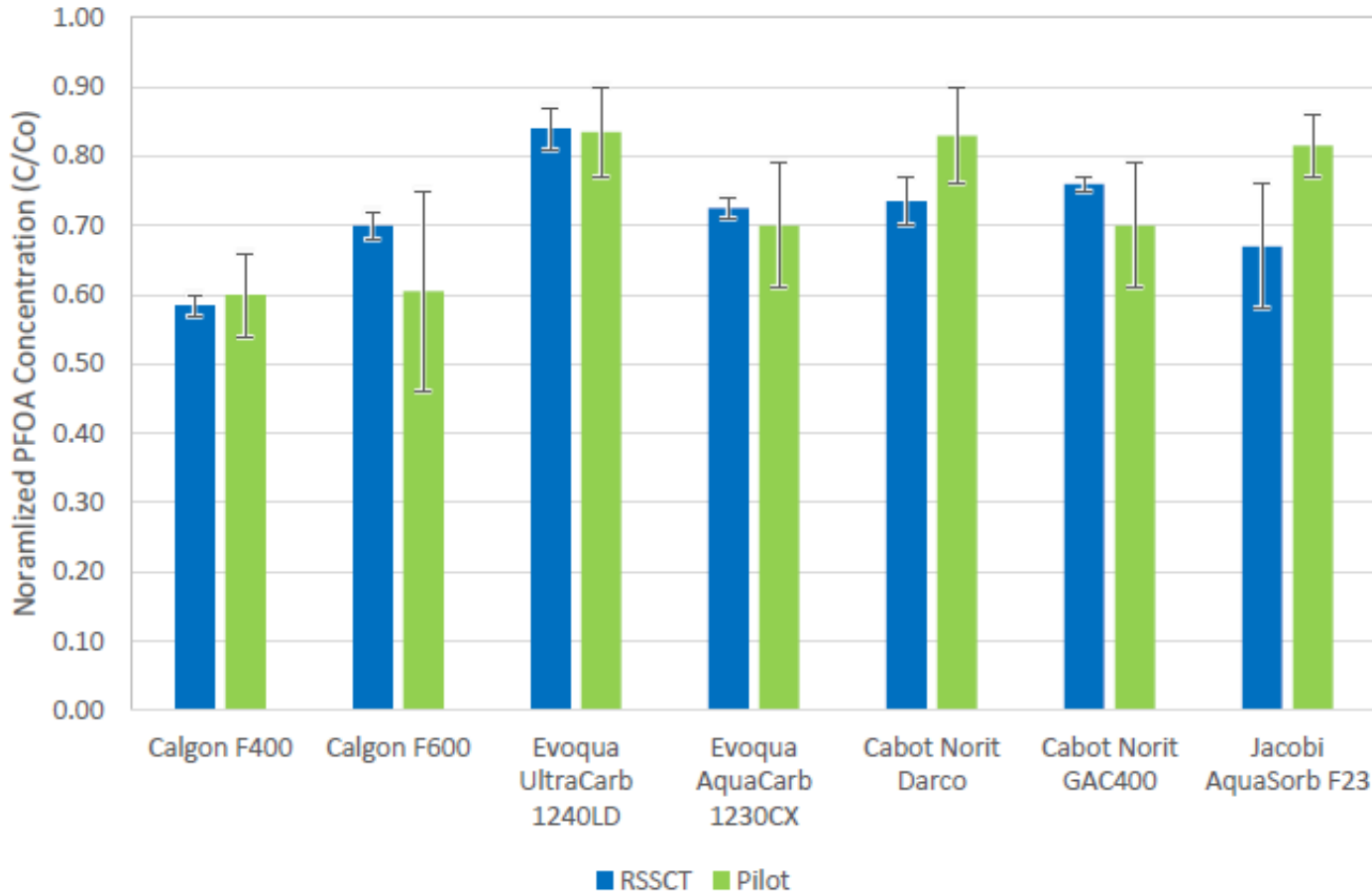
- FLUORO-SORB® 200 pilot still in operation

RSSCT to Field-Scale Comparison



- Systems evaluated at 150 days of operation (~21,600 BV)
- RSSCT exhibits faster breakthrough in every product
 - Conservative when assessing initial breakthrough

RSSCT to Field-Scale Comparison (*cont.*)



- Systems evaluated at 390 days of operation (~56,000 BV)
- RSSCT predictive of full-scale at typical lead bed changeout exhaustion
- F600, GAC400 greater C/C_0 for RSSCT
 - Within estimated margin of error of testing

Cost Evaluation

Generalized Cost Evaluation

- +50%/-30% Class IV-level estimate
- Total Unit Water Cost = \$/acre-ft
 - Includes Capital + O&M
- Developed for OCWD service area using lab/pilot findings; however, these generalized cost estimates are not site-specific (to well / water retailer)
- Compare GAC, IX, alternative adsorbents, and membrane treatment (nanofiltration) costs



Generalized Cost Evaluation (*cont.*)

- For 8 GACs evaluated, total unit costs for the 2 best-value GACs (per lifecycle analysis – Calgon F400 and Evoqua UC1240LD) were similar across sites (local water retailers) within ~10% (per RSSCT)
 - Longer media life for lower DOC water
 - Use of reactivated GAC more cost effective over virgin GAC
- For our study, Class IV estimates indicate total unit water cost GAC > IX >> FS200
- Nanofiltration projected to have the highest total unit water costs compared to all media technologies



Summary / Conclusions

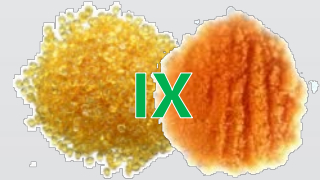
Conclusions

- All adsorbents tested can **successfully remove PFAS** to meet California water quality guidelines to ensure water quality and promote public health
- **Bench- and pilot-scale testing useful** to select adsorbents: we saw certain GAC, IX, and alternative adsorbents emerge as superior (longer life removing PFOA) for our water
- Bench-scale testing revealed strong **dependency of GAC life on DOC** concentration and character, thus for GAC, RSSCT is used to project GAC life for OCWD water retailers
 - Pilot agreement (OCWD well) validates these projections: RSSCT predictive of full-scale at typical lead bed changeout exhaustion



Conclusions (*cont.*)

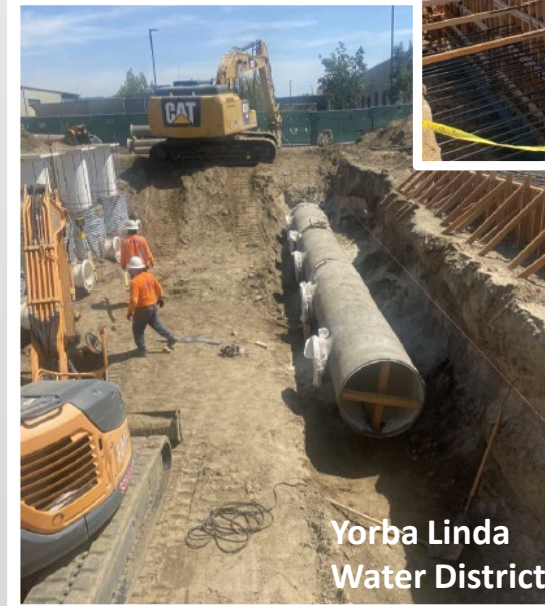
- PFOS and short-chain PFAS: from pilot, all 4 **IX products showed later breakthrough of sulfonates (PFOS, PFHxS) and short-chain PFAS (PFBS)** relative to all 8 GACs
- **Alternative adsorbents:** Encouraging results though varies by product; could be very **promising for low-footprint** (like IX)
- While all media removed PFAS from water, performance (i.e., **lifetime** between media change-outs) **varied dramatically**. A few months longer life = \$\$\$ annual O&M savings.
- In our study, Class IV estimates (+50%/-30%) indicate total unit water cost (capital + O&M) as follows: GAC > IX >> FS200



Next Steps

Next Steps

- 11 PFAS treatment systems currently under construction for 5 water retailers
- Design ongoing for 6 additional water retailers
- OCWD commissioned second phase of piloting to evaluate more types of adsorbents



Phase II Pilot Underway

- Installed and commissioned a new IX skid (Evoqua) to test new products (May 2021); same location as Phase I
 - Loaded 4 IX and 2 alternative
- Additional absorbents can be considered for Phase II on an ongoing basis
- Expected Phase II pilot duration through ~end of 2022



Pilot Building at Warner Basin



Questions?

Thank you!

www.ocwd.com

www.jacobs.com

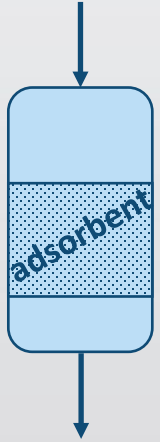


Additional Slides

Breakthrough Curve - Definition

influent water

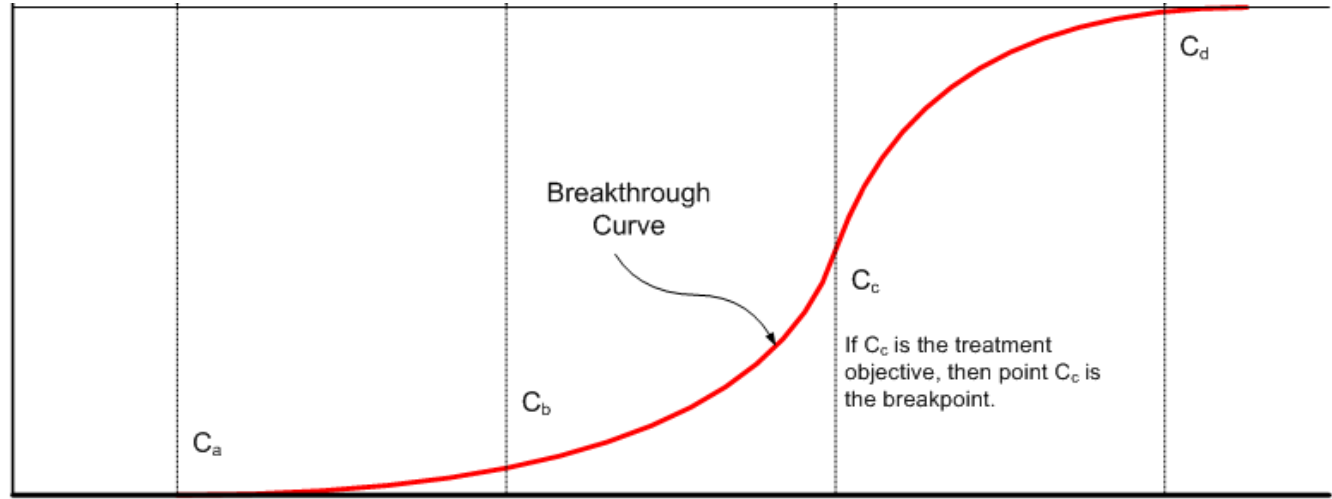
PFAS



effluent water



PFAS (ng/L) in Treated Effluent



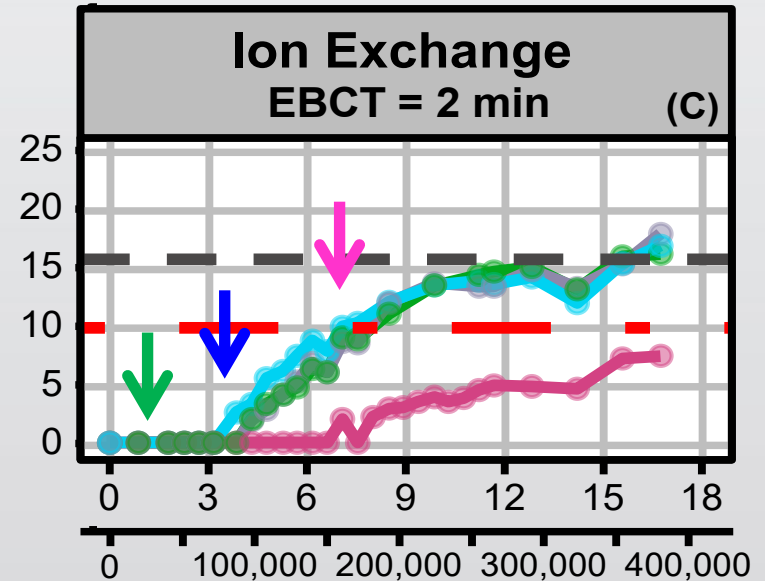
Cumulative volume treated *or* elapsed time

Use breakthrough curves (lab or pilot) to predict full-scale breakthrough, including in a lead-lag configuration (i.e., two adsorbent beds in series)



Phase I Pilot Take-Aways

- All adsorbents tested can successfully remove PFAS
 - Initially **non-detect**
 - Over time, breakthrough occurs
- Two ways to assess breakthrough:
 - Time to **initial breakthrough** (> non-detect)
 - Time to **more significant breakthrough** (e.g., ~60% breakthrough)



**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: July 15, 2021
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce

Subject: Update on Prop 1 Groundwater Grant Program (GWGP) Funding

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the latest round of available Prop 1 GWGP funding.

Background

Prop 1, passed in 2014, allocated \$670 million for prevention and cleanup of contaminated groundwater that serves or has served as a source of drinking water. The State Water Board's Groundwater Grant Program (GWGP) is now in its third round of funding. The most recent iteration of Prop 1 Amended Guidelines were adopted by the State Water Board in February, 2021. Grant applications will be submitted and administered via the Financial Assistance Application Submittal Tool (FAAST) website.

For Round 3, there is \$144 million for DACs, of which \$72 million is for SDACs. For non-DACs, there is approximately \$50 million in funds remaining.

Eligible implementation projects will prevent or clean up contamination of groundwater that services (or has served) as a source of drinking water. Typical projects funded during Round 1 & 2 include: wellhead treatment, groundwater well destruction, source area cleanup, and seawater intrusion prevention.

Round 3 is for implementation projects only. Planning projects are not accepted. Public agencies, mutual water companies and public utilities are all eligible to apply. The grant minimum is \$500,000 and maximum is \$50,000,000, and projects require a 50% match (however, DACs/SDACs can get potentially reduced matching requirements). Round 3 projects must be completed by March 2024, and applicants can assume a Concept Proposal start date of July 1, 2022. Any eligible costs incurred after November 4, 2014 may be claimed for Match.

Solicitation for Concept Proposals opened on July 6 and closes on September 7, 2021. After review, the State Water Board will contact applicants with Invitation for Full

Proposals in November, 2021. Grant Agreement Execution is slated for a late 2022 or early 2023 timeline.

Contact info, Groundwater Funding Inbox: gwquality.funding@waterboards.ca.gov or 1(800) 813-3863.

Discussion:

It is recommended the AE members receive and file this report, and discuss whether SEWC should pursue applying for Prop 1 funding.

Attachment(s):

1. "Helpful Hints" GWGP Round 3
2. Implementation Concept Proposal

“Helpful Hints” for Proposition 1 (Prop 1) Groundwater Grant Program (GWGP) Round 3 Solicitation for Implementation Projects

General Information

This document is intended to provide a snapshot of useful information, but is not all encompassing. Applicants are expected to review the [Prop 1 GWGP Guidelines](#) before submitting a Concept Proposal through the [Financial Assistance Application Submittal Tool \(FAAST\)](#).

If you do not already have the Concept Proposal attachments, please send an email request to gwquality.funding@waterboards.ca.gov and include “Prop 1 Concept Proposal (Attachments and Templates) Request” in the email subject line.

Applicants are also advised to sign up for [email notifications](#) to receive program updates.

Eligibility

In general, projects that will cleanup or prevent contamination of groundwater that serves or has served as a source of drinking water are eligible for Prop 1 GWGP funds. Please note the following, and refer to the section of the [Prop 1 GWGP Guidelines](#) noted in parentheses for more information:

- Eligible applicants include public agencies, non-profit organizations, public utilities, tribes, and mutual water companies (Section 4).
- Contamination in groundwater is defined, and is typically tied to exceedances of a primary Maximum Contaminant Level or notification level (Appendix A).
- Costs that identified responsible parties are able and willing to pay are not eligible (Section 9).
- Typical match is 50% of the total project cost, with reductions considered for disadvantaged communities (Section 5).

For Round 3, DFA staff is not accepting applications for planning projects. Implementation proposals should demonstrate positive, quantifiable environmental outcomes, and consistency with the Prop 1 GWGP Guidelines. Full design is not necessarily required for the award of implementation funds but the intent, scope, and budget for the project should be reasonably well developed, at least at a conceptual level.

Examples of Eligible Projects Funded in Round 1 and 2

Implementation projects awarded funds during Rounds 1 and 2 include primarily extraction and treatment systems, as well as seawater intrusion prevention projects, and well abandonment projects. Applicants are encouraged to review the [list of awarded projects](#) for more information.

Project Timelines

In completing Concept Proposals, applicants should assume that Round 3 projects must be completed by March 2024. As needed, DFA will provide further direction to applicants in the invitation for Full Proposals.

Cost Eligibility

Eligible costs incurred after November 4, 2014 may be claimed for match. Reimbursement of eligible costs will not occur until after agreement execution. The grant agreement will indicate the eligible start date, after which eligible reimbursable costs may be incurred. For the purposes of the Concept

Proposal, applicants can assume an eligible start date of July 1, 2022. Keep in mind that indirect costs, overhead, contingency, as well as operations and maintenance costs are not eligible expenses. See more on ineligible costs in Section 10 of the Prop 1 GWGP Guidelines.

Coordination with Regulatory Agencies

Division of Financial Assistance staff will coordinate with regulatory agencies in reviewing proposals to ensure that proposed projects are considered a high priority. In developing projects, potential applicants are encouraged to coordinate with local regulatory staff, including the Division of Drinking Water, Regional Water Quality Control Board, Department of Toxic Substances Control, etc.

Other Related Funding Sources

Site Cleanup Subaccount Program (SCAP)

The Prop 1 GWGP is closely coordinated with the [SCAP](#). SCAP funds can also be utilized to remediate groundwater contamination, but for human-made contaminants only. Typically work must be implemented consistent with a regulatory agency issued directive, and projects are only SCAP-eligible if the responsible party lacks financial resources to complete the work. Eligible recipients differ from the Prop 1 GWGP, and may include individuals or businesses.

Drinking Water State Revolving Fund (DWSRF)

Prop 1 GWGP eligibility is largely focused on funding projects that will cleanup or prevent contamination in the aquifer, but additionally allows for grants to eligible disadvantaged communities for implementation projects that treat groundwater for direct potable use, with no cleanup or remediation of the aquifer. Typically this is only considered if the nature and extent of contamination is not conducive to cleanup in the aquifer. These projects are considered “drinking water treatment” projects, and may also be eligible for grants and loans through the DWSRF. Applicants for these projects should not complete the Prop 1 GWGP solicitation and should instead apply to the [DWSRF Program](#). DFA staff will coordinate on Prop 1 GWGP eligibility and joint funding opportunities.

Clean Water State Revolving Fund (CWSRF)

The Prop 1 GWGP can also provide grants to disadvantaged communities for wastewater projects, including septic-to-sewer projects that will prevent or reduce contamination of groundwater. These projects may also be eligible for grants and loans through the CWSRF. Applicants for these projects should not complete the Prop 1 GWGP solicitation and should instead apply to the [CWSRF Program](#). DFA staff will coordinate on Prop 1 GWGP eligibility and joint funding opportunities.

Proposition 1 Groundwater Grant Program (GWGP) Round 3 Concept Proposal Solicitation

REQUIRED ATTACHMENT – IMPLEMENTATION PROJECT CONCEPT PROPOSAL

Maximum 5 pages – not including data, figures, or other attachments

Implementation grant applicants must include a Concept Proposal Attachment that consists of the following information. This Concept Proposal Attachment should be completed with information (data, figures, reports, etc.) that is readily available to the applicant.

1. Project Background – Include the following information:
 - a. Description and Background: Locate the Project site relative to major features within the surrounding area (including any applicable domestic, municipal, and/or monitoring wells). Describe the various types of historical operations that have occurred at or near the Project site, including any known or suspected releases of contamination. Describe/list any efforts to address groundwater (and/or soil) contamination at the Project site.
 - b. Groundwater Basin and Beneficial Uses: Describe the groundwater basin and beneficial uses of the basin. Describe the specific beneficial uses of groundwater in the Project area, and how the Project would protect or enhance beneficial uses.
 - c. Coordination with Cooperating Agencies: Discuss any regulatory agency(ies) that have been involved with the proposed Project. Discuss how any comments received from the regulatory agency(ies) were addressed and if the regulatory agency(ies) concur with the scope of the proposed Project (relevant documentation such as comment letters may be attached). Describe the role of other cooperating entities (e.g., watermaster, Regional Board, Division of Drinking Water, Integrated Regional Water Management group, etc.).

2. Project Objectives –
 - a. Describe the objective(s) of the proposed Project and indicate how the Project will prevent and/or cleanup contamination of groundwater that serves (or has served) as a source of drinking water.
 - b. Provide an estimate(s) for one or more of the following metrics of success:
 1. Annual volume of clean drinking water provided or annual volume (acre-feet) of water that is prevented from becoming contaminated (e.g. by recharge, source area cleanup)
 2. Number of people or residential connections directly benefiting from the Project
 3. Population and percentage of disadvantaged community, economically distressed area, or severely disadvantaged community directly benefiting from the Project
 4. Average annual mass of contaminant and total mass of contaminant removed (or prevented from contaminating the drinking water source) over the projected useful life of the Project
 5. Number or percentage of previously contaminated or threatened municipal or domestic wells, and cumulative capacity (volume/time) of those wells, that will no longer be contaminated or threatened after the end of the useful life of the Project
 6. Percent reduction in concentration of the contaminant (or percent increase in concentration prevented) over the projected useful life of the Project

3. Grant Amount and Match Requirements –

- a. Include a short narrative of where match funds will be coming from, and the estimated total match funds available.
- b. If the applicant is requesting a match reduction, provide a short description of the Project benefit area and the basis for the match reduction request.
- c. Complete the attached “Concept Proposal Budget Summary” spreadsheet.

4. Scope of Work –

- a. Description of the Technology and Practices: Provide a detailed description of the technology, practices, and infrastructure that will be used to achieve the Project goals.
- b. Work Tasks: Describe the tasks and subtasks of the proposed Project, consistent with the items included in the Concept Proposal Budget Summary.
- c. Schedule: Outline tasks, subtasks, and estimated completion dates. Specify which tasks are already complete, are in progress, or are planned. Tasks and subtasks should match those found in the Work Task Section above, and the Concept Proposal Budget Summary.
- d. Consistency with Next Phase of the Project (if applicable): Provide a discussion on whether the Project is part of a phased project, or otherwise part of a larger effort.
- e. Permitting and Environmental Review: Provide a list of all required permits, environmental documentation, any landowner/access agreements required, and the status of each document.
- f. Land Acquisition: Indicate whether the applicant owns the Project site and/or has established access, as necessary to implement the Project. If access is still being negotiated, provide an update on the status and anticipated timeline for completion.
- g. Other Agreements Necessary for the Project: Indicate whether other entities will be involved in the construction or operations and maintenance of the Project. For example, will the project depend on receiving recycled water from another entity, will another entity receive and distribute treated water, will all or part of construction work or operations and maintenance be the responsibility of another entity, etc.
- h. Plans and Specifications: If applicable, provide the status of plans and specifications and a copy of the current design plans or engineer’s concept drawings.
- i. Figures: Provide all relevant figures for the Project – include the following, if available:
 1. A Regional map, showing the location of the Project within the respective groundwater basin and the location of other cleanup efforts in the Project area.
 2. A Project site location map that depicts the location of the proposed Project and nearby production, domestic and/or monitoring wells. Wells impacted by contamination should be noted. The location(s) of any industrial and/or agricultural supply wells should also be provided if relevant to the Project.
 3. A groundwater elevation contour map that depicts trends in groundwater elevations and groundwater flow direction in the Project area.
 4. Groundwater concentration contours depicting both the lateral and vertical extent of contamination. If contaminated soil has been identified in the Project area, provide sample locations and a soil contamination concentration contour map.
 5. Time-series data for any impacted production, domestic and/or monitoring wells identified.
 6. Hydrogeologic cross-sections describing geologic formations, aquifers, and the vertical and lateral extent of contamination.



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: July 15, 2021
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce

Subject: Update on WRD

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the latest from the Water Replenishment District.

Background

At the June 17, 2021 WRD Board of Directors Meeting, the Board officially approved Stephan Tucker to serve as the new General Manager of the Water Replenishment District. Mr. Tucker was approved with a unanimous vote. Mr. Tucker had previously been appointed to the role of WRD Interim General Manager in April 2021.

The WRD Board of Directors met earlier today, at 11:00 a.m. and will meet again on Thursday, August 5th at 11:00 a.m.

Discussion

It is recommended the AE members discuss any other WRD issues not included in this staff report.



A joint powers authority to protect the Central Groundwater Basin

**SOUTHEAST WATER COALITION
JOINT POWERS AUTHORITY
AGENDA REPORT**

Date: July 15, 2021
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce

Subject: Update on Central Basin Municipal Water District

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the latest from the Central Basin Municipal Water District.

Background

For several months, SEWC has been monitoring the situation at the Central Basin Municipal Water District (CBMWD). The SEWC Board of Directors has requested that a Central Basin Update be included as a standing item on meeting agendas going forward.

Discussion:

At the May 24, 2021 Regular Board meeting, Central Basin voted to approve the Signal Hill (Fixed Meter Charge) Settlement Agreement, with a vote of 5-2 (Directors Vasquez-Wilson and Camacho voting no). CB Board also voted to authorize the sale of the District Building, approve a Resolution of Censure of Director Leticia Vasquez-Wilson, and a number of other significant items (FY 21/22 Budget, Water Rates, Standby Charge). The meeting was contentious.

At the last Regular Board meeting on June 28, 2021, legal counsel did not identify any significant legal issues, other than the usual lack of decorum.

There is a Special Meeting scheduled for Monday, July 19, 2021 at 5:30pm to discuss the process of redistricting. The next scheduled Regular Board meeting is Monday, July 26, 2021.

It is recommended the Administrative Entity members also discuss any issues related to Central Basin not summarized in this staff report.

Attachments:

None



Southeast Water Coalition

A joint powers authority to protect the Central Groundwater Basin

SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY AGENDA REPORT

Date: July 15, 2021
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce
Subject: Legislative Update

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on current water-related bills under consideration in State Legislature.

Background

June 14, 2021 was the deadline to approve the California state budget. The Legislature will be on Summer Recess from July 16 - August 16, 2021. September 10, 2021 is the last day for each house to pass bills.

Governor's FY 2021-2022 State Budget

On June 14th, the California Legislature approved a tentative \$267 billion state budget.

AB 129 (Ting) Budget Act of 2021 passed out of the Senate Budget and Fiscal Review Committee on June 28th and was ordered to a third reading. The bill would appropriate, for the Water and Drought Resilience Package, \$2.4 billion General Fund and \$11 million special funds in FY 21/22 as follows:

- \$1.3 billion General Fund one-time to the SWRCB, \$650 million of which will be for drinking water projects, \$650 million for wastewater, and \$85 million for groundwater cleanup and water recycling projects.
- \$60 million General Fund to DWR for the Sustainable Groundwater Management Act

Additionally, AB 129 appropriates \$1 billion Coronavirus Fiscal Recovery Fund of 2021 to SWRCB for local assistance to forgive residential and commercial water debt. Details for the remainder of the budget package are to be finalized in an agreement among the Senate, Assembly and Governor.

From June 15th to July 15th, the Governor and Legislature will work to refine policy. Budget trailer bills can still be negotiated until September 10th, 2021.

AB 1195 (C. Garcia) - Drinking Water

AB 1195 would create the Southern Los Angeles County Human Right to Water Collaboration Act and requires the State Water Board to appoint a Commissioner to implement the Safe and Affordable Funding for Equity and Resilience (SAFER) Program in southern Los Angeles County.

The Commissioner would be responsible for the following:

- Develop and submit a plan (Plan) for the long-term sustainability of public water systems in southern Los Angeles County to the State Water Board by December 31, 2024.
- Oversee the operations of the Central Basin Municipal Water District (Central Basin) in selling drinking water and recycled water to public water systems in its jurisdiction, including conducting an audit. Central Basin is required to cooperate.
- Oversee, on behalf of the State Water Board, the expenditure of all state funding for groundwater cleanup in the region.
- Work with WRD and LAFCO “regarding effective public water system governance strategies in the region, as specified.”

The bill also requires the Commissioner to be informed and advised by a Technical Advisory Board, consisting of members with at least five years technical expertise in water, plus one member from a non-profit organization “engaging communities in the region of water issues.” The number of TAB members has not yet been determined.

Bill would also prohibit the severance or separation of surface water rights or groundwater rights exercised by an operator of a public water system for the benefit of the public water system from the public water system.

Fiscal Impact:

The State Water Board estimates this bill will result in additional costs of \$4.95 million to \$6.525 million annually in order to implement the SAFER program within the boundaries of the Water Replenishment District of Southern California and to support operation of the 3 technical advisory board which will meet at least twice per month, as required the bill (special fund).

Status:

Bill is active. On June 17, this bill was set to be heard in the Senate Committee on Natural Resources and Water, but the hearing was canceled at the request of the author.

AB 1195 is opposed by ACWA and CBWMD. WRD has taken a 'no position' on AB 1195, and is working with Assemblymember Cristina Garcia's office on shaping the bill. Pumpers in the SEWC region are also meeting with Garcia's office to provide input on the bill. The Metropolitan Water District has taken a position of 'Oppose Unless Amended.'

SB 776 (Gonzalez) - Safe drinking water and water quality

SB 776 would make various changes to the implementation of the Safe and Affordable Drinking Water Act, consolidating the enforcement authority of the State Water Board and exempting the Board from certain state contracting requirements in order to facilitate the timely distribution of funds to SADW recipients. Essentially, SB 776 seeks to solve the same problems as AB 1195, but with a different tact.

"This bill makes changes to the implementation of the Safe and Affordable Drinking Water Act to ensure that funding from the SADW Fund quickly reaches water systems in need and that these funds are used appropriately to bring safe drinking water to the hundreds of thousands of Californians who are served by water systems that fail to meet drinking water standards. This bill provides new means for the State Water Board to quickly provide assistance to water systems including small monetary advances that benefit systems in disadvantaged communities with limited cash resources on hand. This bill also promotes appropriate use of funding by replicating the fraud prevention measures employed by the State Water Board to prevent fraudulent use of the UST Cleanup Fund since 2014. Overall, the measures provided in this bill allow the State Water Board to better assist both state small and public water systems and efficiently and effectively distribute SADW funds."

SB 776 would expand the State Water Board's power instead of creating an additional layer of oversight, like AB 1195 would. It is likely that AB 1195 and SB 776 will "merge" and the details will be hashed out between the two opposing proposals.

Status:

Bill is active. On June 30, this bill was passed in the Assembly Committee on Environmental Safety and Toxic Materials, where it was re-referred to the Assembly Judiciary Committee.

SB 222 (Dodd) - Water Rate Assistance Program

This bill would establish the Water Rate Assistance Program to provide water affordability assistance for both drinking water and wastewater services to low income ratepayers or ratepayers experiencing economic hardship. As part of the Water Affordability Assistance Program established by the bill, the Water Board would make monies available for direct water bill assistance, water bill credits, water crisis assistance, affordability assistance, and short-term assistance to public water systems

to administer program components.

Fiscal Impact:

The California Department of Community Services and Development (CSD) estimates ongoing costs of \$1.9 million in 2021-22 and \$1.5 million annually thereafter (Water Rate Assistance Fund) for program modifications, reporting infrastructure, stakeholder engagement, competitive procurement, and third-party auditing of water service providers. The State Water Resources Control Board (SWRCB) estimates an annual additional cost of \$1.575 million to develop and implement regulations associated with an annual fund expenditure plan, provide full consultative services to CSD that include identifying water systems and their needs, and developing a needs assessment analysis related to water affordability issues.

Status:

Bill is active. SB 222 was passed out of the Assembly Utilities and Energy Committee on June 30th. On July 5th, it was read a second time and amended, then re-referred to the Appropriations Committee. ACWA has taken a position of “oppose unless amended” on SB 222.

SB 223 (Dodd) - Discontinuation of residential water service

This bill would expand the provisions of SB 998 (Dodd) to include very small community water systems, as defined as a public water system that supplies water to 200 or fewer service connections. These provisions include: requiring a water system to have a written policy on discontinuation of residential services for nonpayment; holding off on discontinuation until the customer has been delinquent for at least 60 days; requiring the water system to provide notice of their policy on their website.

Status:

On May 17, this bill was held on suspense file. It could become a two-year bill.

Attachment(s): _____

1. ACWA: Tentative Deal Reached on State Drought and COVID-19 Funding, June 30, 2021
2. AB 129 - Senate Rules Committee Analysis
3. SB 776 - Assembly Analysis
4. SB 222 - Assembly Analysis



TENTATIVE DEAL REACHED ON STATE DROUGHT AND COVID-19 FUNDING

BY ACWA STAFF JUN 30, 2021 WATER NEWS

Gov. Gavin Newsom and legislative leaders reached a tentative agreement to provide more than \$2 billion for drought infrastructure funding and \$1 billion for water bill arrearages that resulted from the COVID-19 pandemic.

The tentative agreement would allocate funding for drought relief, multi-benefit projects, Sustainable Groundwater Management Act (SGMA) implementation, conveyance projects, septic to sewer conversions, recycled water projects, groundwater remediation, and other drinking water and wastewater projects.

The agreement passed out of the Senate Budget and Fiscal Review Committee on June 28 and is now awaiting a vote of the full Senate. If passed by the Senate, it will go to the Assembly for a floor vote. If it passes both houses it will go to the governor for signature.

ACWA staff has been advocating extensively for investments in water infrastructure through state funds (such as the General Fund and/or general obligation bond funds) and federal funds. This advocacy has included strong support for conveyance, SGMA implementation, groundwater remediation, recycled water projects, and other funding categories. ACWA has provided funding recommendations to Newsom Administration officials, Senate and Assembly leadership, testified during budget subcommittees, and advocated to dozens of legislators and their staff.

Some of the funding will go through existing funding programs. The details for some categories may be established through subsequent budget trailer bills.

ACWA has also been advocating extensively for the funding for COVID-19-related arrearages. The details are expected to be outline in a budget trailer bill. ACWA is actively engaged in this work and will keep members informed about program details as they become available.

The budget bill “junior,” AB 129 (Ting D-San Francisco), which went into print June 28, proposes the following categories:

\$663 million to the Department of Water Resources for the following projects and programs that include urban, small community and immediate drought relief, SGMA implementation and conveyance programs.

\$1.385 billion to the State Water Resources Control Board for drinking water projects, with priority given to disadvantaged communities.

\$985 million to the State Water Board for water arrearages due to COVID-19.

This funding, if approved, will help to address some immediate drought-related issues. Additional funding is still needed to increase California's water resilience. ACWA continues to advocate for further investments, particularly in the areas of dam safety, conveyance, PFAS remediation, recycled water, flood protection and other categories.

AB 129 also includes a section that proposed additional funding contingent upon the enactment of future legislation. This contingent proposal would appropriate \$2.5 billion from the General Fund for several categories, including:

\$730.7 million for a water and drought resilience package

\$440 million for a climate resiliency package

\$200 million for an agricultural package

\$258 million for a wildfire prevention and forest resilience package

THIRD READING

Bill No: AB 129
Author: Ting (D)
Amended: 6/25/21 in Senate
Vote: 21

SENATE BUDGET & FISCAL REVIEW COMMITTEE: 13-1, 6/28/21
AYES: Skinner, Caballero, Cortese, Durazo, Eggman, Kamlager, Laird, McGuire,
Min, Newman, Pan, Stern, Wieckowski
NOES: Nielsen
NO VOTE RECORDED: Dahle, Grove, Melendez, Ochoa Bogh

ASSEMBLY FLOOR: Not relevant

SUBJECT: Budget Act of 2021

SOURCE: Author

DIGEST: This is a Budget Bill Junior associated with the Budget Act of 2021. This bill makes technical and substantive changes to the Budget Act.

ANALYSIS: On June 14, 2021, the Legislature passed AB 128 (Ting), which represented the Legislature's budget agreement. This bill makes amendments based off of AB 128 and represents a budget bill agreement between the Legislature and the Administration.

This agreement builds on priorities put forward in the Assembly's "A Budget of Opportunity" blueprint, the Senate's "Build Back Boldly" plan, and the Governor's May Revision to represent a responsible and transformative state budget.

All told this bill, combined with AB 128, reflects a total spending plan of \$262.6 billion, of which \$196.4 billion is from the General Fund, and total General Fund reserves equaling a record \$25.2 billion. Total Proposition 98 spending is a record, \$93.7 billion, including \$66.4 billion from the General Fund.

This bill:

K-12 Education

- 1) Provides \$260 million in ongoing Proposition 98 General Fund for the Special Education Early Intervention Preschool Grant for specified services for 0-5 year olds.
- 2) Aligns state operations workload funding with various education programs included in the 2021-22 budget and specifically programs \$2.5 million in additional funding and associated positions for the implementation of specified programs.
- 3) Provides \$6 million in one-time General Fund for the Department of Education to contract for the implementation of direct deposit for payments to state preschool providers over a two-year period.
- 4) Provides \$10 million in federal funds on one-time basis to provide technical assistance and support to local educational agencies in developing and administering comprehensive Individualized Education Programs, and to develop tools and resources to assess and address learning and service needs for students with disabilities stemming from the COVID-19 pandemic. Makes a variety of other investments in state level activities for special education, including in Family Empowerment Centers.
- 5) Provides \$215 million in federal America Rescue Plan Act funds for after school programs to increase daily rates for the After School Education and Safety Program to \$10.18 in the 2021-22 and 2022-23 fiscal years.
- 6) Provides \$86.4 million in Federal funds to increase daily rates to \$10.18 for the 21st Century Community Learning Center grant program that provides after school care.
- 7) Reduces Non-Proposition 98 General Fund for the non-local educational agency based California State Preschool Program to reflect maintaining reimbursement rates at 2020-21 levels, pending future agreements.
- 8) Provides \$1.5 million in Proposition 98 carryover funding for workload for the California Collaborative for Educational Excellence related to the biweekly instructional surveys.
- 9) Reflects other adjustments and technical changes to a variety of items related to the 2021-22 Budget.

Child Care

- 10) Reflects the transfer of \$3.8 billion in federal America Rescue Plan Act funds for child care from the Department of Education to the Department of Social Services and specifies that of the total, \$1.4 billion is for child care slots through 2023-24, \$100 million is for childcare infrastructure, and \$10 million is provided for child care resource and referral networks. The remaining funds are to be programmed pursuant to pending trailer bill legislation.
- 11) Provides \$9 million in one-time General Fund for the Department of Social Services to contract for the implementation of direct deposit for payments to child care providers over a two-year period.
- 12) Reduces General Fund for all Child Care programs to reflect maintaining reimbursement rates at 2020-21 levels, pending future agreements and reduces General Fund to reflect additional child care slots implemented over a multi-year period.
- 13) Provides \$150 million in one-time General Fund to support the acquisition, construction, development and renovation of child care facilities.
- 14) Provides \$15 million in ongoing General Fund for restoring the Child Care nutrition program state reimbursement rates.

Higher Education

- 15) Removes the University of California Office of the President (UCOP) line item and requires the UC to report on UCOPs actual and planned budget expenditures, and maintains the UC Division of Agriculture and Natural Resources as a separate line item.
- 16) Provides \$45 million one-time to support UC Davis Animal Shelter Grant Program.
- 17) Provides \$433 million one-time to support the transition for Humboldt State University into a polytechnic university.
- 18) Provides \$10 million to San Francisco State University to support the Stop Asian American Pacific Islander Hate website and other resources to support the Stop Anti-Asian Hate collaborative.

- 19) Provides \$100 million Proposition 98 General Fund ongoing to increase full-time faculty hiring at the community colleges, and \$10 million ongoing to support part-time faculty office hours.
- 20) Provides an increase of \$42 million ongoing to support the community college strong workforce program.
- 21) Maintains Calbright College.
- 22) Provides \$200 million to support the Learning Aligned Employment Program, a new state work-study program, to be administered by the California Student Aid Commission.
- 23) Provides \$472.5 million in federal funds and \$27.5 million General Fund to establish and support the Golden State Education and Training Grant Program to be administered by the Student Aid Commission. This grant program will provide education and training grants of up to \$2,500 to workers displaced due to COVID-19.
- 24) Provides \$2 billion to establish the Capacity and Affordable Student Housing fund to support higher education infrastructure and affordable student housing projects.

Resources

- 25) Sets aside \$440 million General Fund one-time, which is a part of a total of \$3.675 billion General Fund over three-years for the Climate Resilience Package. Details of the Climate Resilience Package are to be finalized in an agreement among the Senate, Assembly, and Governor.
- 26) Appropriates \$258 million General Fund and \$75 million Greenhouse Gas Reduction Fund (GGRF) one-time in 2021-22; and \$500 million General Fund in 2022-23 for the Wildfire Prevention and Resilience Package. (The remaining \$125 million GGRF for 2021-22 for purposes of SB 901 (Dodd), Chapter 626, Statutes of 2018, will be part of the Cap-and-Trade Spending Plan, which is to be finalized later this summer.) Details of the wildfire prevention package are to be finalized in an agreement among the Senate, Assembly, and Governor.
- 27) Appropriates, for the Agriculture Package, \$436 million General Fund one-time. Of this amount, the following have been approved for 2021-22:

- a) \$180 million General Fund one-time to the Air Resources Control Board to be granted to the San Joaquin Valley Air Pollution Control District to support incentives for alternatives to agricultural burning in the San Joaquin Valley. Funds may be expended only for non-combustion incentives.
 - b) \$50 million General Fund one-time for Healthy Soils.
 - c) \$5.4 million General fund one-time for technical assistance for Underserved Farmers.
 - d) \$500,000 General Fund one-time for the Senior Farmers Program.
 - e) Details for the remaining \$200 million General Fund, as well as funding from special funds, for the package are to be finalized in an agreement among the Senate, Assembly, and Governor.
- 28) Appropriates, for the Water and Drought Resilience Package, \$2.4 billion General Fund and \$11 million special funds in 2021-22 as follows:
- a) \$1.3 billion General Fund one-time to the State Water Resources Control Board (SWRCB), \$650 million of which will be available for drinking water projects, \$650 million for wastewater projects, \$85 million for groundwater cleanup and water recycling projects.
 - b) \$60 million General Fund to the Department of Water Resources (DWR) for the Sustainable Groundwater Management Act.
 - c) \$100 million General Fund to DWR for water conveyance.
 - d) \$85 million General Fund to SWRCB for groundwater cleanup/water recycling.
 - e) \$6 million General Fund to the California Natural Resources Agency (CNRA) for Clear Lake rehabilitation.
 - f) \$500 million General Fund to DWR for small community drought relief (\$200 million), urban community drought relief (\$100 million), multi benefit projects (\$200 million).
 - g) \$65 million General Fund one-time to the Wildlife Conservation Board for local assistance for drought-related purposes, of which \$12.5 million shall be provided for removal of dams to preserve the federally endangered southern steelhead trout and to restore the natural watershed that is part of a project with Parks with a federal cost share.
 - h) \$10 million (\$3 million General Fund, \$7 million special fund) to DWR for technical assistance for water conservation and water supply reliability.
 - i) \$12 million to SWRCB for drinking water emergencies.

- j) \$5 million to the California Department of Food and Agriculture (CDFA) for agriculture technical assistance.
 - k) For data, research, and communications, appropriates General Fund as follows: \$91 million to DWR; \$1 million to CNRA; \$3 million to SWRCB; and, \$2 million to CDFA.
 - l) \$33 million General Fund to the Department of Fish and Wildlife (DFW) for fisheries and wildlife support.
 - m) For drought permitting compliance and enforcement, appropriates the following: \$18 million (\$16 million General Fund, \$2 million special fund one-time, and \$3 million special fund ongoing) to SWRCB and \$18 million to DFW.
 - n) Includes \$25 million General Fund for the drought control section.
 - o) \$33 million (\$30 million General Fund and \$3 million special fund) one-time, and \$3 million ongoing, to SWRCB for water rights modernization.
 - p) \$10 million General Fund to DWR for salinity barrier.
 - q) Details for the remainder of the package are to be finalized in an agreement among the Senate, Assembly, and Governor.
- 29) Appropriates \$1 billion Coronavirus Fiscal Recovery Fund of 2021 to SWRCB for local assistance to forgive residential and commercial customer arrearages and water enterprise revenue shortfalls due to the pandemic.
- 30) Appropriates \$1 million General Fund one-time to the California Conservation Corps (CCC) for deferred maintenance projects that represent critical infrastructure deficiencies and \$1.3 million General Fund one-time to address critical maintenance projects at the Los Padres facilities.
- 31) Specifies that \$250 million Coronavirus Fiscal Recovery Fund of 2021 one-time to the State Lands Commission shall be allocated to the state's public ports based on their revenue losses due to the pandemic.
- 32) Appropriates \$2 million to DFW to be provided to the Resource Conservation District of the Santa Monica Mountains to assist the recovery of the federally endangered southern steelhead trout with habitat restoration, genetic preservation, and hatcheries.
- 33) Appropriates \$30 million General Fund one-time to the Coastal Commission for grants related to addressing sea level rise.

- 34) Appropriates \$10 million General Fund one-time to the Coastal Commission for the Whale Tail Program.
- 35) Appropriates \$115,000 Environmental License Plate Fund (ELPF) ongoing to the Native American Heritage Commission for a new Governor's Tribal Advisor position.
- 36) Appropriates \$65 million General Fund; \$3.16 million ELPF one-time, \$2.441 million ongoing; and 20 positions to the Department of Parks and Recreation (Parks) for K-12 Expansion to provide disadvantaged youth with digital and physical access to the natural environment. This includes \$45 million to be deposited into the Natural Resources Parks Preservation Fund for future appropriation to address infrastructure improvements.
- 37) Appropriates \$3 million General Fund one-time to Parks, in collaboration with the California State Library for a three-year pilot program to provide state park passes to libraries for check-out.
- 38) Appropriates \$500,000 General Fund one-time to Parks for the CalWORKs Golden Bear Pass Eligibility Outreach Pilot Program.
- 39) Appropriates \$200 million General Fund one-time for local park grants.
- 40) Appropriates \$920,000 General Fund one-time to the Office of Environmental Health Hazard Assessment for a pipeline biogas analysis.
- 41) Appropriates \$2 million General Fund one-time to CDFA for deferred maintenance projects that represent critical infrastructure deficiencies.

Energy

- 42) Includes \$2.7 billion in funding for a variety of programs related to zero-emission vehicles. This includes:
 - a) \$525 million for the Clean Vehicle Rebate Project
 - b) \$500 million for zero-emission vehicle charging and fueling infrastructure
 - c) \$500 million in funding for the Clean Truck, Bus, and Off-Road Vehicle and Equipment Program, including \$25 million for the Clean Off-Road Equipment program.
 - d) \$125 million in ZEV manufacturing grants
 - e) \$475 million for drayage trucks, transit buses, and school buses, and associated infrastructure

- f) \$407 million for zero-emission transit investments
- g) \$150 million in equity investments
- h) \$50 million for near-zero truck replacement

Health

- 43) Adjusts allocations to the Children and Youth Behavioral Health Initiative as follows:
 - a) Allocates \$10 million General Fund to support initial planning for implementation of a behavioral health services and supports platform. These funds had previously been allocated for e-Consult services that would not be available until the platform is implemented.
 - b) Allocates \$205 million (\$100 million Coronavirus Fiscal Recovery Fund and \$105 million Mental Health Services Fund) for the Mental Health Student Services Act to fund grants to school and county mental health partnerships that support the mental health and emotional needs of children and youth as they return to schools and everyday life.
 - c) Restores \$429 million Coronavirus Fiscal Recovery Fund (CFRF) to DHCS for evidence-based behavioral health programs that had previously been allocated to MHSOAC. DHCS will allocate 10 percent of these funds to support programs in collaboration with MHSOAC.
 - d) Restores \$100 million General Fund to OSHPD to support development of a school behavioral health counselor and coach workforce.
- 44) Adjusts allocations for public health programs as follows:
 - a) Delays for one year allocations of funding for local health jurisdictions, health equity and racial justice innovation grants, and public health workforce development programs, with \$300 million General Fund allocated annually to these programs beginning in 2022-23.
 - b) Allocates \$13 million General Fund annually, beginning in 2021-22, to DPH to support programs to prevent HIV/AIDS, hepatitis C, and sexually transmitted infections.
 - c) Maintains \$63.1 million General Fund in 2021-22 to support phase two of the California Reducing Disparities Project.
 - d) Allocates \$13 million in 2021-22 to support the Transgender Wellness and Equity Fund.

- 45) Adjusts allocations for the Behavioral Health Continuum Infrastructure Program as follows:
- a) Allocates \$2.2 billion over three years to support competitive grants to construct, acquire, and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. These funds include an allocation of \$150 million, combined with \$55 million of federal funding, to support mobile crisis support teams to assist youth and adults experiencing a behavioral health crisis.
 - b) Allocates \$250 million to DSH to contract directly with providers or through counties as intermediaries to provide additional capacity to treat patients found incompetent to stand trial (IST) on felony charges or to provide step-down capacity for patients not guilty by reason of insanity or offenders with mental disorders. These allocations are intended to improve the pace of admissions of IST patients to state hospitals and clear the wait list of patients pending placement.
 - c) Allocates \$40 million to support the CalBridge Behavioral Health Navigator program, which provides funding to hospitals for behavioral health navigators in emergency departments.
- 46) Eliminates previously allocated funding for the following programs:
- a) \$2.8 million annually to support fentanyl, HIV, and hepatitis C testing for narcotic treatment providers
 - b) \$1.8 million annually to support continuous coverage for children age zero to five.

Developmental Services

- 47) Includes \$89.9 million General Fund in 2021-22 to begin a five-year phase in of rate models proposed in the 2019 DDS rate study. Funding for implementation would grow to \$1.2 billion General Fund in 2025-26. The process of rate reform implementation will focus on compliance with federal Home and Community-Based Services rules and quality benchmarks, metrics, and outcomes to ensure person-centered service delivery.
- 48) Includes, beginning in 2022-23, \$61.8 million General Fund ongoing to hire additional service coordinators at Regional Centers for enhanced service coordination.

SSI/SSP

- 49) Includes \$225 million in 2021-22 and \$450 million in 2022-23 to restore 50 percent of the remaining 2009 SSI/SSP grant cut, and anticipates the remaining 50 percent of the cut will be restored in the 2023-24 budget year. This restoration (combined with Governor's May Revision proposal) will increase the SSP grant by approximately \$34-\$36 per month for individuals and \$90-\$94 per month for couples.

Foster Care/Child Welfare

- 50) Includes \$222 million one-time to strengthen county prevention efforts to avoid youth entering the foster care system.
- 51) Includes \$138 million one-time to help address the complex needs of foster youth.

Social Services Housing and Homelessness Programs

- 52) Includes \$805 million one-time, to be spent across multiple years, for the development and stabilization of Residential Care Facilities for the Elderly and Adult Residential Facilities across the state.
- 53) Includes \$300 million General Fund one-time for the Home Safe Program over two years to help combat senior homelessness.
- 54) Includes \$380 million one-time for the CalWORKs Housing Support Program over two years to house families in the program, and help them avoid eviction.
- 55) Includes \$185 million General Fund one-time to help aid in family maintenance when a child welfare case is partly due to housing instability.

Food Assistance

- 56) Includes a total of \$262 million General Fund for food bank resources to meet COVID-19 demands, as well as capacity enhancements and climate resiliency efforts.
- 57) Includes \$5 million General Fund in 2021-22 and \$25 million General Fund in 2022-23 for automation changes to begin implementation of a targeted expansion to the California Food Assistance Program to all regardless of immigration status, to begin in 2023-24.

General Government

- 58) Revises Control Section 11.91 to allow Department of Finance to reduce and/or transfer portions of the \$1.7 billion General Fund that is appropriated to nine specific departments for COVID-19 Direct Response expenditures to other departments for COVID-19-specific expenditures after providing a 10-day notification of the Joint Legislative Budget Committee.
- 59) Removes Control Section 11.92, which would have authorized the Department of Finance to make additional expenditures from the Disaster Response-Emergency Operations Account for COVID-19 response activities during the 2021-22 fiscal year.
- 60) Adds Control Section 11.96 to provide the Administration with the flexibility to make adjustments in the allocations of the \$27 billion in federal American Rescue Plan Act Funds budgeted from the Coronavirus State Fiscal Recovery Fund for COVID-19 response activities. Specifically, the Director of Finance, after providing the Joint Legislative Budget Committee with a 30-day notification, is authorized:
 - a) To expend up to \$10 million in interest earned to address workload needs.
 - b) Redirect funds to conduct audits or address audit finding.
 - c) Establish positions and transfer amounts within a program to support the implementation of the program's goals.
 - d) Allocate funds to offset or reduce appropriations in the 2020–21 and 2021-22 fiscal years for eligible COVID-19 activities.
 - e) Reallocate funds not encumbered as of August 1, 2024, to ensure the federal funds are fully expended.
- 61) Provides that, in addition, the director is authorized to transfer up to \$9.2 billion from the Coronavirus Fiscal Recovery Fund of 2021 to the General Fund based on the estimated amount of revenue loss calculated pursuant to federal statute. The director is required to notify the Joint Legislative Budget Committee within 10 days of the transfer.
- 62) Provides \$250 million in General Fund resources for Project Homekey. This augments the \$1.2 billion in federal funds provided in AB 128.
- 63) Includes \$25 million for a Technology Modernization Fund under the Department of Technology, to be used to update legacy systems and other modernization projects that cost less than \$5 million.

- 64) Appropriates \$110 million for organizations that provide victim services and other community services, to support victims and survivors of hate crimes and historically disadvantaged communities.
- 65) Provides \$10 million for Stop AAPI Hate.
- 66) Appropriates \$10 million to provide language support for scientific data surveys in languages spoken by communities that comprise less than 5 percent of the statewide population.
- 67) Includes \$10 million ethnic media grant program, administered by the California State Library.
- 68) Provides \$120 million one-time General Fund to establish the Cal Competes Grant Program.
- 69) Removes \$70 million one-time General Fund to establish the California Investment and Innovation Program and provide grants to community development financial institutions.
- 70) Directs FTB to investigate creating a simplified online portal to help Californians claim tax credits and other benefits.
- 71) Includes \$185 million in federal funds for youth workforce development.
- 72) Includes \$250 million for Regional K-16 Education Collaboratives, \$15 million for Student Success Coaching Grants, and \$3 million for a STEM Teacher Recruitment Program.
- 73) Includes \$45 million for a Californians for All College Volunteers Program.
- 74) Includes significant investments in broadband infrastructure access and affordability. This includes \$3.75 billion in federal funds for investments in middle-mile infrastructure, and \$622 million that is a mix of funds for additional investments.
- 75) Includes Control Sections 19.56 and 19.57 to appropriate funds reflecting various legislative priorities.

Public Safety and Courts

- 76) Provides \$140 million in 2021-22 (\$70 million ongoing) from the General Fund to support programs and practices statewide that reduce pre-trial detention. Trial courts could use the funding to support pre-trial decision

making activities and/or to contract for the provision of services to individuals released pretrial.

- 77) Delivers \$80 million ARPA funds over three years to fund legal aid services for renters and homeowners to avoid eviction and foreclosure.
- 78) Includes \$60 million for allocation by the Judicial Council to trial courts to address backlogs and workload delays resulting from the COVID-19 Pandemic.
- 79) Includes \$42.7 million General Fund in 2021-22 (\$35.9 million ongoing) to standardize staffing levels across all Psychiatric Inpatient Programs operated by CDCR and to increase certain service levels. This proposal preserves psychiatric technician positions in the budget year and adds \$5 million General Fund above the May Revision in accordance with this preservation.
- 80) Includes \$34.8 million one-time General Fund for CDCR to replace existing metal dayroom furniture with more comfortable furniture for positive programming and non-designated program facilities and female institutions.
- 81) Redirects savings of \$49.3 million in 2020-21 and \$40.9 million in 2021-22 and ongoing within CDCR from eliminated civil service positions to augment existing funding for psychiatry registry staff and to support the mental health program.
- 82) Includes \$12.3 million General Fund in 2021-22, \$25.1 million in 2022-23, \$47.0 million in 2023-24, and \$58.4 million annually thereafter for the Judicial Branch to support statewide court operations to allow individuals the ability to adjudicate all infractions online, including processing ability to pay determinations.
- 83) Includes \$12 million General Fund one-time to the CDCR for 60 minutes of telephone calls to each incarcerated person every two weeks at no cost to the incarcerated person or the person receiving the telephone call. This will be in addition to, and will not supplant, the existing 15 minutes every two weeks of no-cost telephone calls currently provided to incarcerated persons or the persons receiving telephone calls. As well, includes 60 electronically transmitted outgoing written messages, equivalent to an email or instant message, per month at no cost to the incarcerated person or the person with whom they are communicating.
- 84) Includes \$1.75 million General Fund for a one-year Board of Parole Hearings pilot to require state-appointed attorneys to provide an additional hour of

counsel to incarcerated persons before they are interviewed for their comprehensive risk assessment and to represent them before the full board if their case is referred to the full board for review at a monthly executive meeting. This shall include at least one hour of counsel, education, and advice on the importance of the comprehensive risk assessment and its role in the parole decision making decision making process.

- 85) Includes \$6.8 million General Fund in 2021-22 for health care facility repairs at the California Rehabilitation Center.
- 86) Includes \$2.8 million General Fund and 5.5 positions in 2021-22, \$1.8 million General Fund in 2022-23, and \$1.2 million General Fund in 2023-24 and ongoing for the CDCR to implement SB 132 (Wiener), Chapter 182, Statutes of 2020.

Transportation

- 87) Includes \$350 million for the first year of a \$400 million transportation adaptation grant program.
- 88) Includes \$328 million for a variety of beautification and improvement projects along the state highway system and local streets and roads.
- 89) Includes \$5.5 million for a statewide organized property crimes task force at the California Highway Patrol.

Labor

- 90) Provides \$600 million in federal funds to establish the Community Economic Resilience Fund.
- 91) Provides \$270 million to increase workforce development programs through highroad training partnerships, Employment Training Panel, Prison to Employment Program, Breaking Barriers Program, SEED program, and other programs administered through the California Workforce Development Board.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Senate Budget and Fiscal Review Committee, this bill, when combined with AB 128, reflects a state spending plan that totals \$262.6 billion, of which \$196.4 is from the General Fund.

SUPPORT: (Verified 6/27/21)

None received

OPPOSITION: (Verified 6/27/21)

None received

Prepared by: Joe Stephenshaw / B. & F.R. / 916-651-4103
6/28/21 13:14:54

**** **END** ****

Date of Hearing: June 30, 2021

ASSEMBLY COMMITTEE ON ENVIRONMENTAL SAFETY AND TOXIC MATERIALS

Bill Quirk, Chair

SB 776 (Gonzalez) – As Amended April 29, 2021

SENATE VOTE: 32-8

SUBJECT: Safe drinking water and water quality

SUMMARY: Makes various statutory changes to the implementation of the Safe and Affordable Drinking Water Act, including consolidating the authority available to the State Water Resources Control Board (State Water Board) to enforce the terms, conditions, and requirements of its financial assistance programs. Specifically, **this bill:**

- 1) Authorizes the State Water Board to apply existing authority over public water systems to "state small water systems" including:
 - a) Requiring state small water systems to provide technical reports and other information to the State Water Board upon request;
 - b) Allowing the State Water Board to petition a court to appoint a receiver to assume possession of and to operate a water system that is unable or unwilling to adequately serve its users, has been actually or effectively abandoned by its owners, or is unresponsive to the rules or orders of the State Water Board; and,
 - c) Authorizing a representative of the State Water Board to inspect the water system and its records, set up monitoring equipment, obtain samples, and photograph the system.
- 2) Authorizes the State Water Board to adopt regulations pursuant to the form and intervals at which a public water system provides water analysis to the State Water Board as emergency regulations under the Administrative Procedure Act and requires the State Water Board to hold a hearing before adopting those emergency regulations.
- 3) Authorizes the State Water Board to award moneys from the Safe and Affordable Drinking Water (SADW) Fund of \$10,000 or less without a written agreement to address a drinking water emergency and exempts contracts entered into pursuant to the SADW Fund provisions from specified existing law.
- 4) Consolidates the administrative enforcement authority available to the State Water Board to enforce the terms, conditions, and requirements of its financial assistance programs, as specified.
- 5) For purposes of the consolidated administrative enforcement authority under the Safe and Affordable Drinking Water Act, defines the following:
 - a) "Agreement" is any agreement or contract for financial assistance from the State Water Board to an eligible recipient, including, but not limited to, a loan, grant, installment sale agreement, contract, or other form of agreement made for the purpose of providing financial assistance; and,

- b) "Recipient" is any person or entity that receives any financial assistance from the State Water Board, including, but not limited to, a recipient's contractors or consultants who perform work for the recipient.
- 6) Authorizes the State Water Board, as part of the consolidation of enforcement authority in this bill, to recover any costs incurred in the enforcement of an agreement, including any criminal, civil, or administrative action related to the agreement, as follows:
- a) The State Water Board may recover any amount of financial assistance provided to a recipient not expended for purposes authorized by the agreement, up to the full amount of the agreement;
 - b) The Attorney General, on the request of the State Water Board, shall bring an action in superior court to recover costs under this section; and,
 - c) The State Water Board may recover costs administratively as civil liability.
- 7) Provides that, in connection with costs recovered, the amount of costs constitutes a lien on any property obtained through, or improved with the proceeds of, an agreement, which shall attach for a period of ten years and may be renewed unless the lien is released or discharged.
- 8) Authorizes the State Water Board to permanently disqualify a person from receiving financial assistance from the State Water Board if that person is criminally convicted or found to be liable for a civil penalty under certain provisions for violations of the Safe and Affordable Drinking Water Act. If the State Water Board determines that the disqualified person is a contractor or consultant, the recipient shall not submit invoices for any work performed or directed.
- 9) Authorizes the State Water Board to permanently disqualify a recipient from further receipt of financial assistance from the State Water Board when:
- a) The recipient has been convicted of, or found liable for a civil penalty for, making misrepresentations in connection with an application for funds under the Safe and Affordable Drinking Water Act; and,
 - b) The State Water Board makes a finding that the alleged violation was knowing, willful, or intentional, taking into account the nature, circumstances, extent, and gravity of the violation, any prior history of misrepresentations, any economic benefits or savings that resulted or would have resulted from the false statement, and any other matters as justice may require.
- 10) Provides that, upon motion and sufficient showing by any party, a superior court or the State Water Board shall join to a court or administrative action a person who may be liable for costs or expenditures of the type recoverable for violation of an agreement.
- 11) Provides that the standard of liability for any costs recoverable is strict liability.

- 12) Provides that an indemnification, hold harmless, conveyance, or similar contract shall not preclude any liability for costs recoverable by the State Water Board, but that such contracts are not barred.
- 13) Provides that the entry of judgment against any party to a recovery action does not bar any future action by the State Water Board against any person who is later discovered to be potentially liable for costs incurred by the State Water Board related to any financial assistance program.
- 14) Makes any person who violates any requirement or term of a financial assistance agreement liable for a civil penalty for not more than \$1,000 per day of the violation, not to exceed 25 percent of the total amount of the financial assistance agreement. Authorizes the penalty to be recovered in a civil action by the Attorney General upon request of the State Water Board, and authorizes the State Water Board to impose the penalty administratively.
- 15) Requires a recipient to furnish, under penalty of perjury, any information relating to funds disbursed or costs claimed for reimbursement related to a financial assistance agreement. States that any person who fails or refuses to furnish such information is subject to civil liability of not more than \$10,000 per violation, where the violation was knowing, willful, or intentional, the recipient received a material economic benefit from the alleged violation, or the alleged violation is chronic and/or the recipient is a repeat violator. Authorizes the penalty to be recovered in a civil action by the Attorney General upon request of the State Water Board and authorizes the State Water Board to impose the penalty administratively.
- 16) Makes a person who makes a misrepresentation in any submittal to the State Water Board for assistance under the Safe and Affordable Drinking Water Act, including, but not limited to, an application or other document submitted in connection with a financial assistance agreement, subject to civil liability of not more than \$500,000 for each violation. Authorizes the penalty to be recovered in a civil action by the Attorney General upon request of the State Water Board and authorizes the State Water Board to impose the penalty administratively.
- 17) Sets punishments for a person convicted of knowingly making or causing to be made any false statement, material misrepresentation, or false certification to the State Water Board relating to an agreement for assistance under the Safe and Affordable Drinking Water Act. The punishments include a criminal fine of not more than \$10,000, imprisonment in a county jail for not more than one year, imprisonment in state prison for 16 months, two years, or three years, or a combination of a fine and imprisonment. Authorizes the Attorney General or a district attorney to, upon request of the State Water Board, bring an action to impose the criminal penalty.
- 18) Clarifies that the remedies set forth in the bill are in addition to, and do not supersede, any other remedies available to the State Water Board by statute or in an agreement, except that civil liability shall not be imposed both administratively and by the superior court for the same action, and requires, in determining the amount of liability for a violation, the court or State Water Board to take into consideration all relevant circumstances, including any corrective action taken by the violator.
- 19) Requires all moneys collected as a result of this bill to be deposited into the SADW Fund (the fund from which the financial assistance agreement that is the subject of the action

originated), unless the State Water Board determines that deposit in another fund would be more effective for providing financial assistance.

EXISTING LAW:

- 1) Establishes as the 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. (Water Code § 106.3)
- 2) Establishes the California Safe Drinking Water Act (SDWA) and requires the State Water Board to maintain a drinking water program. (Health & Safety Code (HSC) § 116270, *et seq.*)
- 3) Provides that the California SDWA does not apply to small state water systems, except as specified. (Government Code § 11352)
- 4) Defines a "state small water system" as a system for the provision of piped water to the public for human consumption that serves at least five, but not more than fourteen, service connections and does not regularly serve drinking water to more than an average of 25 individuals daily for more than 60 days out of the year. (HSC § 116275(n).)
- 5) Requires any person operating a public water system to obtain and provide at that person's expense an analysis of the water to the State Water Board, performed by a state-certified certified laboratory, in any form and containing any information as the State Water Board requires. (HSC § 116385.)
- 6) Establishes the SADW 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. (HSC § 116766)
- 7) Authorizes the State Water Board to provide for the deposit into the SADW Fund of certain moneys and continuously appropriates the moneys in the fund to the State Water Board for grants, loans, contracts, or services to assist eligible recipients. (HSC § 116766)
- 8) Generally authorizes the State Water Board to enforce its programs, and provides that a party may seek relief from a State Water Board order in superior court. (e.g. HSC §§ 25299.78, 116500, 116650, 116700-116701.)

FISCAL EFFECT: Unknown.

COMMENTS:

Need for the bill: According to the author,

"There are close to 300 low-income communities across California that do not have reliable access to safe, clean, and affordable drinking water, and another 600 that are at-risk of failing. In 2019, however, the Governor signed SB 200 (Monning, Ch. 120, Stats. 2019), which established the Safe and Affordable Drinking Water Fund to help the State Water

Resources Control Board fund its efforts to provide safe drinking water for the hundreds of communities without access to it.

Through its implementation of SB 200, however, the State Water Board has identified a number of clarifying statutory changes that are needed to enable a more effective and efficient implementation of the SB 200 program, the Safe Drinking Water Act, and the goals of the Human Right to Water policy.

SB 776 proposes a number of statutory changes that primarily seek to improve Fund accountability, provide greater administrative oversight, and implement program efficiencies to get help to communities faster. These changes are critically needed to better help suffering communities that need safe drinking water, including those sheltering at home during the COVID-19 pandemic. SB 776 will allow the State Water Board to move quickly and effectively to implement the goals of the Safe and Affordable Drinking Water Fund, while ensuring the state has proper enforcement mechanisms to prevent taxpayer funds from being misused."

Human right to water: In 2012, California became the first state to enact a Human Right to Water law, AB 685 (Eng, Chapter 524, Statutes of 2012). Public policy continues to be focused on the right of every human being to have safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitation. Water supply, contaminants, costs of treatment and distribution systems, the number and nature of small public water systems, especially in disadvantaged communities, and many other factors will continue to challenge progress in addressing the Human Right to Water.

Regulation of drinking water: The federal SDWA was enacted in 1974 to protect public health by regulating drinking water. California has enacted its own SDWA to implement the federal law and establish state standards. The United State Environmental Protection Agency (U.S. EPA) enforces the federal SDWA at the national level. However, most states, including California, have been granted "primacy" by the U.S. EPA, giving them authority to implement and enforce the federal SDWA at the state level.

The State Water Board regulates approximately 7,500 public water systems that provide water for human consumption and have 15 or more service connections, or regularly serve at least 25 individuals daily at least 60 days out of the year. (A "service connection" is usually the point of access between a water system's service pipe and a user's piping.) At the local level, 30 of the 58 county environmental health departments in California have been delegated primacy—known as Local Primacy Agencies (LPAs)—by the State Water Board to regulate systems with between 15 and 200 connections within their jurisdiction.

"State small water systems" serve more than 5 and less than 14 service connections and do not regularly serve drinking water to more than an average of 25 individuals daily for more than 60 days per year. These water systems are not considered public and are not regulated by the State Water Board. Instead, state small water systems are regulated by county health officials, regardless of LPA status. Private domestic wells (systems with 1-4 service connections) are currently not regulated by any entity. The number of smaller systems—specifically, those with 14 or fewer connections—is unknown but estimated to be in the thousands.

Lack of clean, safe drinking water: Although most of the state's residents receive drinking water that meets federal and state drinking water standards, many drinking water systems in the state consistently fail to provide safe drinking water to their customers. Lack of safe drinking water is a problem that disproportionately affects residents of California's disadvantaged communities.

Disadvantaged communities often lack the rate base, as well as the technical, managerial, and financial capacity to afford and effectively manage operations and maintenance costs related to water treatment. Without being able to pay for maintenance, these communities are effectively barred from accessing capital improvement funding. In contrast, larger water systems have the financial capacity both to pay treatment costs and to provide for a well-trained and technically competent workforce of water system operators.

The Safe and Affordable Funding for Equity and Resilience (SAFER) program: SB 200 (Monning, Chapter 120, Statutes of 2019) created SAFER and the SADW Fund. The SAFER program supports permanent and sustainable drinking water solutions that ensure all Californians have access to safe, affordable, and reliable drinking water. The SADW Fund was established to address funding gaps and provide solutions to water systems, especially those serving disadvantaged communities, to address both their short- and long-term drinking water needs. SB 200 requires the annual transfer of 5 percent of the Greenhouse Gas Reduction Fund (GGRF) (up to \$130 million) into the SADW Fund until June 30, 2030. Money transferred into the SADW Fund is continuously appropriated and must be expended consistent with the Expenditure Plan, which is adopted annually by the State Water Board. The Expenditure Plan is based on a drinking water needs assessment and will document past and planned expenditures and prioritize projects for funding. Potential options for funding include consolidation with larger water systems, operations and maintenance costs, building local technical and managerial capacity, providing interim replacement water, and administrators to run the small systems. Additionally, SAFER funds will provide short-term operation and maintenance support as a bridge until long-term sustainable solutions are in place, and providing long-term operation and maintenance support when necessary.

SADW Fund Expenditure Plan (Plan): The Plan is adopted annually by the State Water Board, and directs how money from the SADW Fund can be spent. The Plan will be based on a drinking water needs assessment, documents past and planned expenditures, prioritizes projects for funding, and includes the following elements:

- Identify public water systems, community water systems, state small water systems and regions where domestic wells consistently fail or are at risk of failing to provide adequate safe drinking water, the causes of failure, and appropriate remedies;
- Determine the amounts and sources of funding needed to provide safe drinking water or eliminate the risk of failure to provide safe drinking water; and,
- Identify gaps in supplying safe and affordable drinking water and determine the amounts and potential sources of funding to eliminate those gaps.

Drinking Water Needs Assessment (Needs Assessment): The annual Needs Assessment required to be carried out by the SAFER Program provides foundational information and recommendations to guide the Plan. The Needs Assessment is comprised of Risk Assessment, Affordability Assessment, and Cost Assessment components. Development of the 2021 Needs Assessment consisted of stages between September 2019 and March 2021.

The results from the 2021 Needs Assessment illustrate the breadth and depth of challenges to safe and affordable water supply provision across system types in California for the first time. The Needs Assessment identifies water systems that are failing and those that are at-risk of failing to provide safe and affordable drinking water. The 2021 Risk Assessment was conducted for 2,779 public water systems and evaluated their performance across 19 risk indicators within the following four categories: Water Quality, Accessibility, Affordability, and Technical, Managerial, and Financial (TMF) Capacity. The results identified 326 water systems as failing; 617 water systems at-risk of failing, 552 water systems potentially at-risk of failing, and 1,284 water systems not at-risk of failing. Water systems are deemed to be failing if they consistently fail to meet primary drinking water standards or have *E. coli* violations, treatment technique violations, and/or repeated/unresolved monitoring and reporting violations. Additionally, approximately 610 state small water systems and 80,000 domestic wells were assessed via modelling as having a high risk of exceeding health-based drinking water standards due to their reliance on aquifers with a high risk of groundwater contaminants.

Fraud prevention and recovery of funds: This bill would provide the State Water Board with authority to help prevent fraud in the SADW Fund and help recover monetary losses to the SADW Fund due to fraud and misrepresentation. The bill would accomplish this by authorizing the State Water Board to: 1) impose administrative and civil liability on persons who make fraudulent claims and misrepresentations to the SADW Fund; 2) bar claimants and consultants convicted of fraud against the SADW Fund from further participation in the SADW Fund; and, 3) recover the costs associated with investigating and prosecuting fraud cases against the SADW Fund from persons who were proven to have engaged in fraud. This bill also specifies that making fraudulent statements to the State Water Board can be punished with specified criminal fines, imprisonment, or both (upon conviction).

Current law does not provide the State Water Board with the necessary enforcement tools to effectively prevent fraud in the SADW program or to recover funds in a timely, cost-effective manner from those who defraud the State. The measures enacted in this bill are similar to those enacted by SB 445 (Hill, Chapter 547, Statutes of 2014) to prevent fraudulent claims to the Underground Storage Tank (UST) Cleanup Fund. Prior to the implementation of SB 445, this lack of authority appeared to result in numerous cases of fraudulent claims being submitted to the UST Cleanup Fund by UST owners and operators. Every dollar fraudulently obtained from the SADW Fund is one dollar less that is available for legitimate and necessary claims to protect citizens from unsafe drinking water.

Advance payments: This bill would provide the State Water Board with the authority to make advance payments to entities that are authorized to receive SADW Funds. Under existing procedures, the State Water Board makes payments to grantees on a reimbursement basis, where the grantee submits an invoice for costs incurred and the State Water Board reviews the invoice and makes payment for eligible costs. This process requires grantees to pay vendors up front and can create a significant financial burden for some entities, particularly small disadvantaged communities that have limited cash flow. In some cases, the State Water Board has had to pay costs associated with bridge financing where recipients do not have adequate cash flows to cover the time it takes to get reimbursed. This bill proposes to add limited authority for the State Water Board to authorize advance payments of up to \$10,000 from the SADW Fund to address a drinking water emergency, which would alleviate the financial burden on grant recipients who may not have the funds on hand to address urgent issues.

State small water systems: This bill would apply some of the tools that the State Water Board uses to regulate public water systems to the regulation of state small water systems. This bill would require state small water systems to provide technical and monitoring reports to the State Water Board, allow the State Water Board to inspect these water systems, and allow the State Water Board to petition a court to appoint a receiver to assume possession of and operate state small water systems under certain conditions. These measures will enable the State Water Board to more effectively assist state small water systems that are failing to deliver safe drinking water, which could include the 610 state small water systems that are estimated to have a high risk for exceeding drinking water standards.

Exemption from state contracting requirements: This bill would provide the State Water Board with limited exemptions from certain state contracting requirements to facilitate the timely implementation of the SAFER program. Similar language was included in the 2019-2020 Budget Act, which appropriated \$130 million to the State Water Board to begin implementation of the SAFER program. However, SB 200 did not include exemptions from state contracting requirements and, as a result, the State Water Board will be required to comply with all state contracting requirements without the passage of SB 776. This could slow the Board's ability to implement the SAFER Program and could delay the delivery of safe drinking water for Californians who are currently supplied by failing water systems.

SB 776: This bill makes changes to the implementation of the Safe and Affordable Drinking Water Act to ensure that funding from the SADW Fund quickly reaches water systems in need and that these funds are used appropriately to bring safe drinking water to the hundreds of thousands of Californians who are served by water systems that fail to meet drinking water standards. This bill provides new means for the State Water Board to quickly provide assistance to water systems including small monetary advances that benefit systems in disadvantaged communities with limited cash resources on hand. This bill also promotes appropriate use of funding by replicating the fraud prevention measures employed by the State Water Board to prevent fraudulent use of the UST Cleanup Fund since 2014. Overall, the measures provided in this bill allow the State Water Board to better assist both state small and public water systems and efficiently and effectively distribute SADW funds.

Arguments in Support: According to the sponsor, the State Water Board, "SB 776 will align the State Water Board's drinking water authorities with its existing authorities to enforce water quality laws and better allow the Water Board to move quickly and efficiently to help communities' secure safe and affordable drinking water. This bill will also protect the Safe and Affordable Drinking Water Program Fund and the communities which rely on it from potential fraud by authorizing the State Water Board to recover misused funds, recover the costs of investigating and prosecuting fraud and misuse of funds, and prohibit entities and individuals found to have misused funds from being able to obtain future grants or loans from the State Water Board. These provisions mirror existing authorities currently exercised by the Water Board and are important to protect communities and achieve our shared clean drinking water goals."

Double-Referral: Should this bill pass out of the Assembly Environmental Safety and Toxic Materials Committee, it will be re-referred to the Assembly Judiciary Committee.

Related legislation:

- 1) SB 200 (Monning, Chapter 120, Statutes of 2019). Established the SADW Fund to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long term. Beginning in fiscal year 2020-2021 and until June 30, 2030, transfers 5% of the proceeds from the GGRF to the SADW Fund, up to \$130 million. Requires the State Water Board to adopt a fund implementation plan and requires expenditures of the fund to be consistent with the plan.
- 2) SB 414 (Caballero, 2019). Would have established the Small System Water Authority Act of 2019, which would have authorized the creation of small system water authorities and required consolidation of failing water systems. This bill was held on suspense in the Assembly Appropriations Committee.
- 3) AB 134 (Bloom, 2019). Would have required that the Governor's annual budget show expenditures from SADW Fund and that the Legislative Analyst's Office review the effectiveness of expenditures from the SADW Fund. This bill was held in the Senate Environmental Quality Committee at the request of the author.
- 4) AB 217 (E. Garcia, 2019). Would have created the Safe Drinking Water for All Act, which would have established the SADW Fund to provide a source of funding for safe drinking water for all Californians and long-term sustainability of drinking water systems. Would have imposed several fees on agricultural activities and a charge on retail water systems that together would have provided the source of revenue to the SADW Fund. This bill was subsequently amended into another subject.
- 5) SB 669 (Caballero, 2019). Would have established the Safe Drinking Water Fund to assist community water systems in disadvantaged communities that are chronically noncompliant. Would have created Safe Drinking Water Trust Fund to receive funding from the state and provide the fund source to the Safe Drinking Water Fund. This bill was held in the Senate Appropriations Committee.
- 6) SB 623 (Monning, 2017). Would have created the Safe and Affordable Drinking Water Fund, administered by the State Water Board, and would have imposed water, fertilizer, and dairy fees to fund safe drinking water programs. This bill was held in the Assembly Rules Committee.

REGISTERED SUPPORT / OPPOSITION:**Support**

State Water Resources Control Board (Sponsor)
Clean Water Action
Community Water Center
Leadership Counsel for Justice & Accountability

Opposition

None on file.

Analysis Prepared by: Marika Nell / E.S. & T.M. /

Date of Hearing: June 30, 2021

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Chris Holden, Chair

SB 222 (Dodd) – As Amended June 17, 2021

SENATE VOTE: 31-7

SUBJECT: Water Rate Assistance Program

SUMMARY: Establishes the Water Rate Assistance Program (WRAP) to provide affordability assistance for drinking and wastewater services to low-income ratepayers and ratepayers experiencing economic hardship. Specifically, **this bill:**

- 1) Allows the Water Rate Assistance Fund (hereby referred to as the Fund) to be appropriated for direct water bill assistance; credits to renters or households that pay other fees related to water or wastewater services; and water crisis assistance. Specifies that the Legislation may appropriate no more than 10% of annual deposits into the Fund to cover administration costs.
- 2) Requires the Department of Community Services and Development (CSD) to administer the Fund, including the following:
 - a. Manage the Fund separately from all other revenue;
 - b. Develop and implement a process for disbursing funds to public water systems or third-party providers for payments to community water systems and prevent fraud, waste, and abuse;
 - c. Manage the Fund in conjunction with the Controller, Treasurer, California State Auditor's Office, and the Department of Finance; and
 - d. Expend, upon appropriation by the Legislature, money in the Fund for grants, contracts, direct monetary assistance, or services to assist eligible recipients.
- 3) Requires the CSD to consult with the State Water Resources Control Board (hereby referred to as the Board) to develop guidelines and fund oversight procedures. In doing so, requires the CSD to consult with an advisory group comprised of representatives of:
 - a. Public water systems;
 - b. Technical assistance providers, including organizations that support the federal Low-Income Home Energy Assistance Program;
 - c. Local agencies, including those that manage low-income multifamily housing;
 - d. Nongovernmental organizations serving disadvantaged communities; and
 - e. Members of the public, including, but not limited to, low-income residents, low-income residents in multifamily housing, and those served by tribal water systems.

- 4) Requires the CSD, in consultation with the Board and advisory group, and after a public hearing, to adopt an annual fund expenditure plan that includes:
 - a. A description of how proposed remedies will be identified, evaluated, and prioritized in the plan;
 - b. A report of the expenditures from the prior fiscal year, planned expenditures for the current fiscal year, and an estimate of funding available for the next fiscal year;
 - c. Funding needs of disadvantaged communities and low-income households whose water and wastewater bill charges pose affordability challenges;
 - d. An analysis that evaluates how expenditures from prior fiscal years improved affordability;
 - e. An estimate of the number of eligible households for assistance and those that do not receive a direct bill for water; and
 - f. A section that discusses water and wastewater affordability challenges and proposed solutions for reducing water debt for Californians served by public water systems, sewer systems, state small water systems, local small water systems, and domestic wells.
- 5) Requires the CSD to consider a customer's household enrollment in various state and federal assistance programs or the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs.
- 6) Requires the California Public Utilities Commission (CPUC) to establish a mechanism for the electrical and gas investor-owned utilities (IOUs) that it oversees to regularly share data with the CSD regarding the utility customers enrolled in, or eligible to be enrolled in, the CARE and FERA programs.
- 7) Authorizes the CSD to enter into agreements with local publicly owned utilities, including municipal utility districts and irrigation districts, for the purpose of sharing data regarding utility customers enrolled in, or eligible to be enrolled in, affordability programs benefiting low-income customers for the sole purpose of assisting with the administration of the WRAP.
- 8) Specifies that data shared in this Act is subject to the confidentiality protections of Section 6254.16 of the Government Code and that the CSD shall ensure confidentiality of customer contact information is protected under reasonable security procedures.
- 9) Absolves a local publicly owned utility from liability should there be improper use or inaccuracy of their customers' contact information shared with the CSD.
- 10) Upon appropriation by the Legislature, authorizes the CSD, in consultation with the Board, to, expend those moneys from the Fund to provide water crisis assistance to low-income households, if money is deposited into the Fund before the adoption of an annual

fund expenditure plan. Authorizes the CSD to adopt emergency regulations to provide details on how it will provide water crisis assistance to low-income households.

- 11) Provides WRAP implementation is contingent on an appropriation in the annual Budget Act or another statute.
- 12) Requires the CSD, in administering the program, to do all of the following:
 - a. Coordinate with the CPUC regarding existing rate assistance programs for IOUs;
 - b. For a public water system that is not regulated by the CPUC, to consult with the Board on options to provide oversight of the public water system's implementation of the water rate assistance program;
 - c. In consultation with the Board and the CPUC, develop and publish performance metrics for WRAP;
 - d. Coordinate with other state agencies and resolve disputes as necessary; and,
 - e. Identify alternative entities to distribute and track benefits if a public water system is unwilling to do so or if the CSD has determined a public water system is incapable of administering WRAP.

EXISTING LAW:

- 1) Declares to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking and sanitary purposes. (Water Code § 106.3)
- 2) Defines a "public water system" as a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year. (Health and Safety Code § 116275)
- 3) Defines "state small water system" as a system for the provision of piped water to the public for human consumption that serves at least five, but not more than 14, service connections and does not regularly serve drinking water to more than an average of 25 individuals daily for more than 60 days out of the year. (Health and Safety Code § 116275)
- 4) Defines "community water system" as a public water system that serves at least 15 service connections used by yearlong residents or regularly serves at least 25 yearlong residents of the area served by the system. (Health and Safety Code § 116275(i))
- 5) Defines a "water corporation" to include every corporation or person owning, controlling, operating, or managing any water system for compensation within this state. (Public Utilities Code § 241)

- 6) Requires the CPUC to continue the CARE program to low-income electric and gas customers with annual household incomes less than 200% of the federal poverty guideline levels. (Public Utilities Code § 739.1)
- 7) Requires the CPUC to continue the FERA program to residential customers of the state's three largest IOUs consisting of households of three or more persons with total household annual gross income levels between 200 and 250% of the federal poverty guideline level. (Public Utilities Code § 739.12)
- 8) Establishes the Information Practices Act and declares that the right to privacy is a personal and fundamental right. (Civil Code §§ 1798, 1798.1)
- 9) Requires each agency to establish appropriate and reasonable administrative, technical, and physical safeguards to ensure security and confidentiality of records. (Civil Code § 1798.21)
- 10) Prohibits an agency from disclosing personally identifiable information about an individual except under specified conditions, including with written voluntary consent by the individual and to another agency if the transfer is necessary for the transferee agency to perform its constitutional or statutory duties. (Civil Code § 1798.24)
- 11) Requires an agency to disclose any breach in the security of data to any resident of California whose unencrypted or encrypted personal information was, or is reasonably believed to have been, acquired by unauthorized persons. (Civil Code § 1798.29)
- 12) Authorizes disclosure of customer name, utility usage data, and home address of utility customers of local agencies to specified parties, including an officer or employee of another governmental agency when necessary for performing official duties. (Government Code § 6254.16)

FISCAL EFFECT: According to the Senate Appropriations Committee, implementation of this bill incurs significant costs, upwards of hundreds of millions of dollars. However, amendments in the Senate Appropriations Committee were adopted such that implementation of the bill is contingent on appropriation of funds by the Legislature.

BACKGROUND:

Regulation of California's drinking water systems – The CPUC regulates IOUs to ensure that ratepayers have access to safe and reliable water utility infrastructure and services. Publicly owned water and wastewater utilities are governed by local boards, not the CPUC. Whereas, the State Water Board has regulatory authority over the quality of the state's water resources and drinking water. As such, the state's drinking water systems are not governed by any one body. The following describe the various groups with regulatory oversight of California's drinking water systems:

- *CPUC:* The CPUC Water Division regulates over 100 water and sewer IOUs providing water service to about 16 percent of California's residents. Approximately 95 percent of that total is served by nine large water utilities each serving more than 10,000 connections. The majority of the CPUC-regulated water utilities (92) have service connections of 2,000 or less, and 87 of those have service connections of 500 or less. As

with other IOUs, the CPUC regulates rates of the water utilities under its jurisdiction, as well as, rules regarding discontinuation of service due to nonpayment.

- *Publicly owned water utilities:* The majority of California’s water customers are served by cities, water districts, and mutual water companies, which are governed by local boards. These utilities are not regulated by the CPUC. As established by Proposition 218 (1996), the majority of these utilities are subject to state constitutional and statutory requirements that ensure water rates are directly tied to the cost-of-service. As a result, these utilities are not able to increase rates in order to fund low-income rate relief programs for customers.
- *State Water Resources Control Board:* The State Water Board has general authority with regard to water quality and drinking water functions, and administers provisions relating to public water systems and regulation of drinking water to protect public health. These include establishing drinking water standards, maximum contaminant levels in drinking water, and permitting public water systems. The State Water Board oversees approximately 7,500 public water systems which are also overseen by either the CPUC or local boards.¹

Public water systems – As defined in existing law above, a public water system provides water for human consumption to 15 or more connections, or serves 25 or more people daily for at least 60 days out of the year. These systems include large city or regional water suppliers, small housing communities, businesses, schools, and restaurants. A public water system is not necessarily a public entity, and most are privately owned.² Approximately 92% of public water systems serve less than 1,000 connections.³ The State Water Board has primary responsibility for regulating all public water systems, but other state agencies can also regulate certain aspects of specific classes of water systems: 1) The CPUC for IOUs, 2) the Division of Corporations for mutual water companies, and 3) the Department of Housing and Community Development for mobile home parks.

Financial challenges facing water systems and household water affordability – In a January 2021 survey⁴, the State Water Board found that the COVID-19 pandemic had caused substantial water bill debt for households statewide. The survey indicated that 1.6 million residential water customers, or 12% of all households, have been unable to pay their bills, averaging about \$500 of water debt per household. Many low-income Californians faced higher levels of water bill debt, with over 155,000 households owing over \$1,000. The survey estimated total household debt statewide at \$1 billion. Since some water systems also collect payment for wastewater, stormwater and energy on their water bills, the State Water Board estimated \$600 million of that debt is specifically for drinking water.

The State Water Board also surveyed the financial impacts of COVID-19 on public water systems, and found that prolonged revenue losses during the pandemic exacerbated existing

¹ https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/waterpartnership.html

² *What is a Public Water System?* California Water Boards

³ https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/waterpartnership.html

⁴

financial and operational challenges faced by many small- and medium-sized water systems. Small public water systems are often less resilient to financial and operational challenges such as natural disasters, adjustments to regulatory changes, and may struggle to fund infrastructure maintenance and replacement due to poor economies of scale and lack of staff.

It's likely that the pandemic similarly worsened already existing water affordability challenges for households. According to the State Water Board, while drinking water is a basic human need, California households "find it increasingly difficult to satisfy this need as the retail cost of water has risen substantially over the last decade and is expected to rise significantly over the coming years...adjusting for inflation, the average Californian household paid around 45% more per month for drinking water service in 2015 than in 2007."⁵

Recommendations for a statewide low-income water rate assistance program – AB 401 (Dodd, Chapter 662, Statutes of 2015) required the State Water Board, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for funding and implementing a Low-Income Water Rate Assistance Program (W-LIRA).

The report identifies potential program recipients, different mechanisms for delivering assistance to low-income households, and possible funding sources to implement W-LIRA. For qualifying customers, the program recommended by the State Water Board will support bill discounts, crisis assistance, and a tax credit for renters who pay for their water indirectly through rent. These bill discounts are modeled on the low-income assistance program for customers of CPUC-regulated energy utilities, and the crisis assistance is modeled on the federal energy crisis program known as Low Income Heating and Assistance Program (LIHEAP), administered by CSD in California.

CPUC-regulated water utilities low-income assistance program – The CPUC has authorized the largest nine water utilities to offer low-income rate assistance programs similar in concept to those provided to electricity customers through CARE. However, each program varies in terms of the amount of the assistance provided to low-income customers and the collection of the surcharge from non-participating ratepayers to cover the cost of the program. All nine Class A water utilities, one Class B in a few districts, and one Class C water utility offer discounts on their monthly bills for qualifying low-income customers. Water utilities will be slowly transitioning the unique names of their low-income assistance programs to the uniform name Customer Assistance Program (CAP) pursuant to CPUC Decision D.20-08-047. Discounts and surcharges supporting the programs are reviewed in each utility's general rate cases.

CSD energy assistance programs – CSD works to reduce poverty for Californians by leading the development and coordination of effective and innovative programs for low-income Californians. CSD administers local community services and energy programs through a network of local providers and regional administrators to deliver services to low-income families, individuals, and communities. The services and programs administered by CSD help low-income Californians achieve and maintain economic security, meet their home energy needs, and reduce their utility costs through energy efficiency upgrades and access to clean renewable energy. One of the programs that CSD administers is LIHEAP, a federally funded

⁵ California Water Boards. *Recommendations for Implementation of a Statewide Low-Income Water Rate Assistance Program*, p. 7. February 2020.

program that provides assistance to eligible low-income households with the goal of managing and meeting their energy costs and immediate home heating and/or cooling needs.

Data exchange for low-income water and energy assistance programs – Data on low-income customers have been shared for years between IOUs, CSD, and municipal water districts in order to enhance outreach and enrollment for LIHEAP or low-income water rate assistance programs at the CPUC and CSD. In the case of LIHEAP, local service providers share with the CSD information about households needing energy utilities assistance. CSD then makes direct payments to the IOUs for those accounts belonging to the households identified by the local service providers. The CSD reports that confidentiality and security is ensured through non-disclosure agreements reached between CSD and the IOUs, and through the CPUC’s own privacy and consumer protections regulations applied to the IOUs they oversee.

For the low-income water rate assistance programs overseen by the CPUC, electric and gas IOUs have shared data regarding their CARE and FERA customers to water IOUs in efforts to maximize outreach for their low-income water rate assistance programs. The CPUC adopted mechanisms⁶ to ensure confidentiality and data security when sharing customer personal information between the utilities. These procedures also serve as models for data sharing agreements between some electric and gas IOUs and municipal water districts for similar outreach purposes. The data sharing provision in this bill uses a similar approach, where eligible customers for WRAP can be identified from IOU records on CARE and FERA customer eligibility.

COMMENTS:

- 1) *Author’s Statement.* “Water is the most basic form of PPE, yet millions of Californians face a looming threat of water shutoffs because of water unaffordability and the pandemic-induced economic recession. Currently, Californians are carrying \$1 billion in water debt affecting 1.6 million Californian households and 5 million Californians. Moreover, California has effective affordability programs in place for nearly all other basic utilities, including electricity, heat/gas, and even cell phones — but not for water. Recognizing this gap, in 2015, the California Legislature passed AB 401 (Dodd), which required the State Water Board to create a plan for a statewide water affordability program. That plan was released in early 2020 and helped inform this legislation. SB 222 would establish a long-needed framework for a statewide water affordability assistance program. The pandemic has dramatically increased attention to this lack of a statewide water affordability program and the real urgency to address it. Access to affordable water is a racial justice and equity issue, and we must ensure equitable access for all Californians to realize the Human Right to Water (AB 685, 2012). The need for water affordability assistance will not magically disappear — it has been a major challenge and gap in our utility safety net for decades, and water affordability challenges will only continue to increase due to the rising cost of water. It is appropriate for the Legislature to develop a policy framework and provide directives, including regarding how to implement future sources of water affordability funding, to the relevant state agency (the State Water Board) in order to respond to the important ongoing challenge of access to affordable water.”

⁶ CPUC D. 11-05-020

- 2) *Considerations for safe implementation:* This bill proposes a program to provide water affordability assistance for low-income ratepayers for both drinking water and wastewater. Both proponents and opponents of this bill underscore the need and importance of creating a state-wide water rate assistance program. Rather, much of the concerns around this bill focus on ensuring that the program is implemented efficiently and judiciously so that it helps those most in need. Recent amendments by the author have addressed the majority of concerns by opposition, streamlining administrative processes for greater cost-efficiency in implementing the program.

Remaining concerns center on customer privacy and protections from the data sharing provisions of this bill. As noted above, customer data is already shared between the IOUs, CSD, and municipal utilities to facilitate customer enrollment in low-income assistance programs across those entities. However, these exchanges have strict regulations and/or non-disclosure agreements providing explicit measures to protect customer confidentiality and data security. The framework of data sharing in this bill seems to align with current practice, but lacks the mechanisms required for consumer privacy and data protection. This bill directs the CSD to take “reasonable security procedures” to ensure confidentiality of customer contact information, but fails to address data security or confidentiality measures as they apply to the utilities. This bill also includes a provision absolving local publicly owned utilities of liability should there be an improper use or release of their customer data, which substantially weakens confidentiality and data security protections for their low-income customers.

The Information Practices Act of 1977 (IPA) (California Civil Code § 1798 et seq.) applies to state government and protects resident confidentiality and data security by providing limits on the collection, management, and dissemination of personal information by state agencies. Stating that the data shared in this bill is subject to IPA will ensure that all entities involved in data exchange take specific actions to protect customer data. *As such, the committee may wish to consider amendments that subject the data shared in this program to the same protections afforded by the Information Practices Act. Additionally, the committee may wish to consider striking subdivision (d) in 116391.2 absolving publicly owned utilities of liability in the case of improper data handling.*

- 3) *Related/Prior Legislation.*

SB 998 (Dodd). Requires all public water systems (with more than 200 connections) to have a written policy on discontinuation of residential water service, provide that policy in multiple languages, include provisions for not shutting off water for certain customers that meet specified criteria, prohibit the shutoff of water service until the bill has been delinquent for 60 days, and caps the reconnection fees for restoring water service. Status: Chapter 891, Statutes of 2018

AB 401 (Dodd). Requires the State Water Board, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for funding and implementing a Low-Income Water Rate Assistance Program. Status: Chapter 662, Statutes of 2015

REGISTERED SUPPORT / OPPOSITION:

Support

Avocado Green Brands
Burton Snowboard
California Apartment Association
California Catholic Conference
California Water Association
California Water Service
Dignity Health
Dolores Huerta Foundation
Drug Policy Alliance
Ecos
Gap, INC.
Impossible Foods
League of Women Voters of California
National Association of Social Workers, California Chapter
Numi Organic Tea
Sierra Nevada Brewing Company

Oppose Unless Amended

Amador Water Agency
Association of California Water Agencies (ACWA)
Brooktrails Township Community Services District
California Special Districts Association
City of Oceanside
City of Roseville
City of Shasta Lake
Cucamonga Valley Water District
Desert Water Agency
East Valley Water District
El Dorado Irrigation District
Elsinore Valley Municipal Water District
Hidden Valley Lake Community Services District
Irvine Ranch Water District
Mesa Water District
Mid-peninsula Water District
North Coast County Water District
Padre Dam Municipal Water District
Palmdale Water District
Panoche Water District
Rancho California Water District
Regional Water Authority
Rio Alto Water District
San Juan Water District
Santa Margarita Water District
Scotts Valley Water District

Tahoe City Public Utility District
Tuolumne Utilities District
Valley Center Municipal Water District
Vista Irrigation District
Walnut Valley Water District

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