



Meeting Agenda Announcement

Assembly Bill (“AB”) 361, signed into law on September 16, 2021, amends Government Code section 54953 to provide authority and specific requirements for public agencies to hold virtual meetings during a proclaimed state of emergency and remain in compliance with the Brown Act (Gov. Code §§ 54950 et seq.).

Consistent with mandates of AB 361, some, or all, SEWC Board Members may attend this meeting virtually. 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=NERgbkJuTnpjNjRuZDZ1R1Z3TUowQT09>

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, MAY 19, 2022

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 MARCH 17, 2022
REGULAR MEETING**

Recommendation: Approve minutes as submitted.

**b. MAKE FINDINGS PURSUANT TO GOVERNMENT CODE SECTION
54953(e)(3) ESTABLISHED BY ASSEMBLY BILL 361 - NEW
LEGISLATION REGARDING PUBLIC MEETINGS AND
TELECONFERENCING**

Recommendation: That the Administrative Entity take the following actions:

1) Make the following findings pursuant to Government Code Section 54953(e)(3):

a) the Board has reconsidered the circumstances of the COVID-19 state of emergency; and

b) state and local officials continue to recommend measures to promote social distancing.

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

4. SEWC AUDIT FOR FY 2020 / 2021

Gina Nila, AE Chair, City of Commerce
Kevin Sales, KJServices Environmental Consulting

Recommendation: That the Administrative Entity take the following action:

1. Accept the Southeast Water Coalition (SEWC) Draft Financial Statements for Fiscal Year 2020/2021 with Report on Audit; and
2. Prepare a Management Letter for the final audit report; and
3. Recommend the Board of Directors approve the SEWC Draft Financial Statements for Fiscal Year 2020/2021 with Report on Audit, to authorize the draft audit report to be finalized and filed with the County.

5. APPROVAL OF FISCAL YEAR 2022-2023 SEWC DRAFT BUDGET

Gina Nila, AE Chair, City of Commerce

Recommendation: That the Administrative Entity take the following action:

Approve and recommend adoption of Fiscal Year 2022-2023 SEWC Draft Budget to the Board of Directors at their next Regular Meeting.

6. LEAD AGENCY TRANSITION

Gina Nila, AE Chair, City of Commerce
Kevin Sales, KJServices Environmental Consulting

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the status of the Lead Agency transition between outgoing Commerce and incoming Lead Agency, City of Vernon and incoming Vice-Chair, City of Norwalk.

7. LEGISLATIVE UPDATE

Gina Nila, AE Chair, City of Commerce
Kevin Sales, KJServices Environmental Consulting

Recommendation: That the Administrative Entity take the following actions:

Receive and file an update on the status of water-related legislation in the State Legislature.

8. MWD DROUGHT WATER RESTRICTIONS

Gina Nila, AE Chair, City of Commerce

Kevin Sales, KJServices Environmental Consulting

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the recently announced drought restrictions from the Metropolitan Water District (MWD).

9. JUNE 2, 2022 BOARD OF DIRECTORS AGENDA

Kevin Sales, KJServices Environmental Consulting

Recommendation: Consider Draft SEWC JPA Board of Directors Agenda

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, July 21, 2022, 3:00pm, at Vernon City Hall, 4305 South Santa Fe Ave., Vernon, CA 90058.

I, Roxana Lara, 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:

Roxana Lara
Office Specialist
City of Commerce

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

**THURSDAY MARCH 17, 2022
3:00 PM**

The Regular Meeting of the Southeast Water Coalition Joint Powers Authority Administrative Entity, conducted telephonically via Zoom, was called to order at 3:02 p.m. by AE Chair Gina Nila (Commerce). At the time the meeting was called to order a quorum of members were present. Kevin 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
Gina Nila, AE Chair	City of Commerce
Adriana Figueroa	City of Paramount
Chris Castillo	City of South Gate
Joanna Moreno	City of Vernon
Ray Cordero	City of Whittier
Others in Attendance	
Sarah Ho	City of Paramount
S. Morales	City of Santa Fe Springs
Mark Aumentado	City of Vernon
Kevin Sales	KJServices Environmental Consulting

2. PUBLIC COMMENTS

No Public Comments were received.

3. CONSENT CALENDAR

Joanna Moreno (Vernon) made a motion to approve the Consent Calendar. The motion was seconded by Chris Castillo (South Gate). The motion was approved by a unanimous roll call vote of the Administrative Entity members.

4. SEWC AUDIT FOR FY 2020 / 2021

Chair Nila provided the AE members an update on the FY 20/21 audit.

On February 25, 2022, SEWC received a letter from the California State Controller's Office (SCO) stating that the Controller's office had not received SEWC's Financial Transactions Report (FTR) for the fiscal year ending June 30, 2021. This was because the annual audit for FY 20/21 had not yet been conducted. The FTR was due to the SCO by March 17, 2022.

Because the audit had not yet been conducted and SEWC would not be able to file the FTR by the March 17th due date, Mr. Nick Ghirelli prepared and submitted a letter to the SCO requesting an extension of the filing deadline to June 17, 2022.

Simultaneously to the submittal of the extension request to the SCO, SEWC, through its current lead agency, contacted the DavisFarr, certified public accounts to request a quote to conduct the FY 2020 / 2021 audit. DavisFarr is the CPA firm currently used by the City of Commerce and, because of the immediacy of the audit requirement and their existing relationship with the City of Commerce's accounting system and staff, it was deemed the most efficient way to have the work done quickly and efficiently. A quote was received from DavisFarr based on the scope of work conducted for past SEWC audits. DavisFarr's quote for the work was \$5550, which included the preparation and submittal of the Financial Transaction Report to the State Controller's office.

A motion to approve the DavisFarr proposal and begin the FY 20/21 audit was made by Adrianna Figueroa (Paramount) and was seconded by Ray Cordero (Whittier). The motion was approved unanimously by the AE members.

5. WRD AND CBMWD REDISTRICTING UPDATES

The Administrative Entity heard an update on the status of both the Water Replenishment District (WRD) and the Central Basin Municipal Water District's redistricting efforts. Both entities have approved redistricting plans; the WRD has redrawn their district map in accordance with the requirements of the redistricting process and maintains five (5) Districts. The Central Basin MWD Board, in compliance with the requirements of AB 1794, approved their redistricting plan which will reduce the number of elected Districts from five (5) to four (4).

AE member Castillo asked if, at the next meeting, Mr. Ghirelli could provide an explanation of exactly how the District will be reducing the number of Districts over the next year or so.

AE approved a motion to receive and file the report.

6. SEWC ASSESSMENT BILLING FOR FY 2021 / 2022

This information item was presented by Kevin Sales of KJServices Environmental Consulting. The AE members were reminded that the annual Assessment Billing for FY 2021 / 2022 had been sent out from the City of Commerce. Members were provided with a copy of what the billing looked like and asked to make their Accounting Departments aware that these invoices would be arriving soon. The

billing date for the Assessment invoices is 2/28/22 and the amount owed per SEWC member city is \$3,000.

The AE approved a motion to receive and file the report.

7. SEWC CONFLICT OF INTEREST CODE – POTENTIAL UPDATE

Mr. Sales of KJServices presented this informational item to the AE.

There are several Designated Positions listed on Exhibit “B” of the Southeast Water Coalition’s Conflict of Interest Code which are not currently being used. In a conversation with Mr. Don Garcia of the LA County Board of Supervisor’s conflict of interest office, Mr. Garcia asked if all the Designated Positions listed in SEWC’s COI code were being used. He went on to say that if some of the positions are no longer necessary, SEWC should consider updating the list during the COI review period.

The AE members recommended that Mr. Sales discuss the issue with Mr. Ghirelli for his advice on the issue.

The AE approved a motion to receive and file the report.

8. FORM 700 REMINDERS

Mr. Sales reminded the AE members that their Form 700s and those of the SEWC Board members were due April 1, 2022. The Form 700s for the SEWC Board members must be filed directly with the LA County Board of Supervisor’ office (original copies), and the Form 700s for the SAE members must be submitted to Kevin Sales of KJServices, as the filing officer for the Southeast Water Coalition.

The AE approved a motion to receive and file this report.

9. APRIL 7, 2022 BOARD OF DIRECTORS AGENDA

Kevin Sales, KJServices Environmental Consulting

Recommendation: Because of a lack of items that needed consideration by the SEWC Board, the AE members recommended that the April 7, 2022 Regular Meeting of the SEWC Board be cancelled. Notice of the cancellation was sent to all members and was posted.

10. WRITTEN COMMUNICATIONS

Kevin Sales stated that he had received written correspondence from RW&G.

11. ADMINISTRATIVE ENTITY MEMBER COMMENTS

Gina Nila stated that she had been contacted by the Central Basin Water Association to see if SEWC would be interested in holding a seat on their Board and attending their meeting on a regular basis, perhaps with the attendance rotating between AE members? The general comments by the AE members were that, since some AE members already

attended that CBWA meeting representing their individual cities, a SEWC representative is probably not really needed.

Joanna Moreno asked about when the transition process would begin for the hand-off of the lead agency role from Commerce and Vernon. Both Gina Nila and Kevin Sales recommended that the Cities meet in early May to begin that process.

Mr. Sales stated that he would forward some information about the newly approved Replenishment Assessment (RA) cost set by the Water Replenishment District.

12. ADJOURNMENT

AE Chair Gina Nila adjourned the meeting at 3.56 p.m.

CHAIR

ATTEST:

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

Date: May 19, 2022
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce
Subject: **Fiscal Year (FY) 2020/2021 Southeast Water Coalition (SEWC) Draft Audit**

Recommendation: That the Administrative Entity take the following actions:

- 1) Accept the Southeast Water Coalition (SEWC) Draft Financial Statements for Fiscal Year 2020-2021 with Report on Audit; and
- 2) Prepare a Management Letter for the final audit report; and
- 3) Recommend the Board of Directors approve the SEWC Draft Financial Statements for Fiscal Year 2020-2021 with Report on Audit, received May 12, 2022, and to authorize the draft audit report to be finalized and filed with the County.

Discussion

Sections 7.i. and 14.b. of the Southeast Water Coalition (SEWC) Joint Powers Agreement (Agreement), dated June 28, 2005, outline SEWC's budget policies. According to the Agreement, an independent annual audit of SEWC's financial statements shall be conducted by a certified public accountant in compliance with Government Code Section 26909. Additionally, the report of said audit shall be filed as a public record with each agency and the County Auditor.

The SEWC Administrative Entity authorized the City of Commerce's Director of Finance, servicing as SEWC Treasurer and Controller, to award a sole source contract to DavisFarr, LLP to administer the annual audit of SEWC financial documents for Fiscal Year (FY) 2020/2021 and prepare the Financial Transactions Report and Supplement for the total cost of \$5,550.

SEWC received the Draft Financial Statements from DavisFarr on May 13, 2022. The audit finds that SEWC's financial statements were presented in conformity and in accordance with accounting principles generally accepted in the United States of America.

If the draft audit report is accepted by the Administrative Entity, the next steps are:

1) for current Lead Agency, the City of Commerce prepare a joint Management Letter for the final audit report; and

2) bring the report to the SEWC Board of Directors at their June 2, 2022 meeting for approval and to direct DavisFarr to submit the Finalized Audit Report.

Attachment(s):

1. Draft SEWC Financial Statements from DavisFarr.
2. SEWC audit communications.

SOUTHEAST WATER COALITION
BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021

SOUTHEAST WATER COALITION

Basic Financial Statements

Year ended June 30, 2021

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Independent Auditor's Report

Board of Directors
Southeast Water Coalition
Commerce, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Southeast Water Coalition (the "Authority"), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis information that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements are not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May XX, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Irvine, California
May XX, 2022

BASIC FINANCIAL STATEMENTS

SOUTHEAST WATER COALITION

Statement of Net Position and Governmental Fund Balance Sheet

June 30, 2021

	General Fund	Adjustments (Note 1D)	Statement of Net Position
ASSETS:			
Cash	\$ 230,999	\$ -	\$ 230,999
Due from member agencies	6,000	-	6,000
Total Assets	<u>236,999</u>	<u>-</u>	<u>236,999</u>
LIABILITIES:			
Accounts payable	<u>4,778</u>	<u>-</u>	<u>4,778</u>
Total Liabilities	<u>4,778</u>	<u>-</u>	<u>4,778</u>
FUND BALANCE/NET POSITION			
FUND BALANCE			
Unassigned	<u>232,221</u>	<u>(232,221)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 232,221</u>		
NET POSITION			
Unrestricted		<u>\$ 232,221</u>	<u>\$ 232,221</u>

See accompanying notes to the basic financial statements.

SOUTHEAST WATER COALITION

**Statement of Activities and Statement Revenue, Expenditures, and Changes in
Fund Balance - Governmental Funds**

Year ended June 30, 2021

	<u>General Fund</u>	<u>Adjustments (Note 1D)</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES:			
Contract services	\$ 16,640	\$ -	\$ 16,640
Professional services	15,452	-	15,452
Policy Board compensation	<u>9,000</u>	<u>-</u>	<u>9,000</u>
TOTAL EXPENDITURES/EXPENSES	<u>41,092</u>	<u>-</u>	<u>41,092</u>
 PROGRAM REVENUES:			
Member contributions	35,000	-	35,000
Investment income	<u>408</u>	<u>-</u>	<u>408</u>
TOTAL PROGRAM REVENUES	<u>35,408</u>	<u>-</u>	<u>35,408</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES/ CHANGE IN NET POSITION	 <u>(5,684)</u>	 <u>-</u>	 <u>(5,684)</u>
 FUND BALANCE/NET POSITION:			
BEGINNING OF YEAR	<u>237,905</u>	<u>-</u>	<u>237,905</u>
 END OF YEAR	 <u>\$ 232,221</u>	 <u>\$ -</u>	 <u>\$ 232,221</u>

See accompanying notes to the basic financial statements.

SOUTHEAST WATER COALITION

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund**

Year ended June 30, 2021

	Budgeted Amounts		Actual	Variance- Positive (Negative)
	Original	Final		
Revenues:				
Member contributions	\$ 33,000	\$ 33,000	\$ 35,000	\$ 2,000
Investment income	1,000	1,000	408	(592)
Total Revenues	<u>34,000</u>	<u>34,000</u>	<u>35,408</u>	<u>1,408</u>
Expenditures:				
Contract services	40,000	40,000	16,640	(23,360)
Professional services	76,000	76,000	15,452	(60,548)
Travel, supplies, and meetings	4,100	4,100	-	(4,100)
Policy Board compensation	9,900	9,900	9,000	(900)
Administration	1,000	1,000	-	(1,000)
Total Expenditures	<u>131,000</u>	<u>131,000</u>	<u>41,092</u>	<u>(89,908)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97,000)</u>	<u>(97,000)</u>	<u>(5,684)</u>	<u>(88,500)</u>
Net changes in fund balance	(97,000)	(97,000)	(5,684)	(88,500)
Fund Balance at Beginning of Year	<u>237,905</u>	<u>237,905</u>	<u>237,905</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 140,905</u>	<u>\$ 140,905</u>	<u>\$ 232,221</u>	<u>\$ (88,500)</u>

See accompanying notes to the basic financial statements.

SOUTHEAST WATER COALITION
Notes to the Basic Financial Statements
Year ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

On July 1, 1991, certain public agencies entered into a joint powers agreement to form the Southeast Water Coalition (the Coalition). Each member has one representative on the Policy Board and on the Administrative Entity. The purpose of the Coalition is to jointly exercise its powers for the purpose of improving the quality and quantity of potable water in the southeast area of Los Angeles County. The Coalition members are the cities of Downey, Whittier, Paramount, Pico Rivera, Lakewood, Norwalk, Commerce, Vernon, Cerritos, South Gate, and Santa Fe Springs.

It is the firm position of the Coalition that both the containment at Commerce Narrows and cleanup of the San Gabriel Basin are essential to the protection of the Central Basin. The containment program is the Coalition's primary short-term focus because the Commerce Narrows containment program serves primarily to protect the Central Basin.

In addition, the Coalition will work with communities and agencies in the San Gabriel Basin to expedite the cleanup of the San Gabriel Basin as a no less important, but longer term, focus. In addition, it is the goal of the Coalition to return the decision-making authority, both in terms of alternatives chosen and lead agency status with respect to the implementation of the containment program at Commerce Narrows and the cleanup of the San Gabriel Basin, to agencies at the local or state level while pursuing funds at the federal, state, and local levels.

B. Financial Statement Presentation

Governmental entities are required to report information on a government-wide basis and on a fund basis (with emphasis placed on major funds of the entity). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. The governmental fund financial statements (i.e., the balance sheet and the statement of revenues, expenditures, and changes in fund balance) report information on individual funds of the government. A fund is considered to be a separate accounting entity with a self-balancing set of accounts.

Since the Coalition is engaged in a single governmental activity and has no component units, the government-wide and governmental fund financial statements have been combined on the same statement with a reconciliation of the individual line items in a separate column titled "Adjustments." The government-wide financial statements are reported in the "Statement of Net Position" and the "Statement of Activities" columns. The governmental fund financial statements are reported in the "General Fund" column.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows

SOUTHEAST WATER COALITION

Notes to the Basic Financial Statements

Year ended June 30, 2021

of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. The statement of activities presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance is considered to be a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Under the modified accrual basis of accounting, revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Coalition considers revenues to be available if they are collected within a 60-day period to pay current liabilities at the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Amounts reported as program revenues are charges to member cities for goods, services, or privileges provided and related investment income.

D. Reconciliation of Government-wide and Fund Financial Statements

Certain line items in the basic financial statements may require adjustments to convert from the fund financial statements, which are reported using the current financial resources measurement focus and modified accrual basis of accounting, to the government-wide financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting. For the year ended June 30, 2021, the Coalition did not have any adjustments to make.

E. Budgetary Data

The Coalition adopts an annual budget at the beginning of each fiscal year. The budget is prepared by the Budget Adhoc Committee and submitted to the Administrative Entity. The Administrative Entity reviews the budget, makes adjustments, and prepares the budget report for presentation to the Policy Board. The budget is legally enacted by a majority vote of the Policy Board at a noticed meeting. Any amendments must be approved by the Policy Board in accordance with prescribed procedures.

F. Net Position and Fund Balances

Classification of Net Position

Net position in the government-wide financial statements is reported as follows:

SOUTHEAST WATER COALITION

Notes to the Basic Financial Statements

Year ended June 30, 2021

Unrestricted Net Position - This category represents the net position of the Coalition that is not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Coalition's policy is to apply restricted net position first. The Coalition did not have restricted net position during the current year.

Governmental Fund Balance Classifications

Fund balance is reported on the fund statements as follows:

Unassigned Fund Balance - This classification includes the residual balance for the Coalition's general fund and includes all spendable amounts that have not been restricted, committed, or assigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Coalition's policy is to apply the restricted fund balance first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the Coalition's policy is to apply the committed fund balance first, then the assigned fund balance, and finally the unassigned fund balance. The Coalition did not have restricted, committed, or assigned fund balances during the current year.

G. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

The Coalition's cash was maintained in a deposit and investment pool managed by the City of Commerce during the year ended June 30, 2021. This pool is governed by and under the regulatory oversight of the investment policy adopted by the City Council of the City of Commerce. The Coalition has not adopted a deposit and investment policy separate from that of the City of Commerce.

Information regarding the City of Commerce's deposit and investment pool, including interest rate, credit, and custodial credit risks, can be found in the City of Commerce's Annual Comprehensive Financial Report for the year ended June 30, 2021, located at City Hall and on the City of Commerce's website

Southeast Water Coalition

Audit Communications

Year ended June 30, 2021

Southeast Water Coalition
Audit Communications
Year ended June 30, 2021

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REQUIRED AUDIT COMMUNICATIONS

Board of Directors
Southeast Water Coalition
Commerce, California

We have audited the financial statements of the governmental activities and each major fund of the Southeast Water Coalition for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 14, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Southeast Water Coalition are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Southeast Water Coalition during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial

statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May XX, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Southeast Water Coalition ’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Southeast Water Coalition’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the Southeast Water Coalition and is not intended to be, and should not be, used by anyone other than these specified parties.

Irvine, California
May XX, 2022

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
Southeast Water Coalition
Commerce, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Southeast Water Coalition, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Southeast Water Coalition's basic financial statements, and have issued our report thereon dated May XX, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southeast Water Coalition's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southeast Water Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of Southeast Water Coalition's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southeast Water Coalition's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of

noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Irvine, California
May XX, 2022

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

Date: May 19, 2022
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce
Subject: **Approval of Fiscal Year 2022-2023 SEWC Draft Budget**

Recommendation: That the Administrative Entity take the following action:

Approve and recommend adoption of Fiscal Year 2022-2023 SEWC Draft Budget to the Board of Directors at their next Regular Meeting.

Background:

Each year, SEWC approves the Fiscal Year (FY) budget for the year that follows. Budgets commonly include revenue from memberships and anticipated expenditures for services such as program management, legal services, legislative advocacy services, financial audit, and Policy Board compensation.

The Fiscal Year 2022-2023 SEWC Draft Budget (attached) assumes a credit of \$7,000 off of \$10,000 member agency annual dues, resulting in total annual dues of \$3,000. This is the same as the previous fiscal years' dues amount.

The FY 2022-2023 Draft Budget keeps all expenditure amounts the same as previous year's budget. The FY 21/22 Budget would result in a projected total expenditure of \$39,275 and an ending balance of \$194,934.

The SEWC Budget for FY 2022-2023 should be approved prior to the beginning of the new Fiscal Year. As such, it is recommended that the AE review the draft budget and recommend to the Board of Directors to approve the Fiscal Year 2021-2022 SEWC Draft Budget at their June 2, 2021 meeting.

Attachment(s): _____

1. SEWC Fiscal Year 2022-2023 Draft Budget

**SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY
FISCAL YEAR 2021-2022 DRAFT BUDGET - May 19, 2022 AE Mtg**

	FY 2021-2022		FY 2022-2023
	Approved Budget	Total Projected / To-Date Expenditures	Draft Budget
Carryover Balance		\$200.209	\$194.934
Revenues:			
Annual Assessments for Member Agencies	\$110.000	\$110.000	\$110.000
Less Credits to Member Agencies	(\$77.000)	(\$77.000)	(\$77.000)
Interest Income	\$1.000	\$1.000	\$1.000
Total Revenues	\$34.000	\$34.000	\$34.000
Available Funds	\$34.000	\$234.209	\$228.934
Expenditures:			
Program Management Services	\$20.000	\$16.525	\$20.000
As Needed Government Relations	\$20.000	\$0	\$20.000
Legal Services	\$10.000	\$10.000	\$10.000
Board/Staff Travel/Meeting Expense	\$1.000	\$0	\$1.000
Financial Audit	\$7.000	\$5.550	\$7.000
Policy Board Compensation	\$9.900	\$7.200	\$9.900
Office Supplies	\$100	\$0	\$100
Policy Board Meetings	\$3.000	\$0	\$3.000
Administrative Entity Meetings	\$1.000	\$0	\$1.000
Consultant Services	\$60.000	\$0	\$60.000
Consultant Services Contingencies	\$0	\$0	\$0
Total Expenditures	\$132.000	\$39.275	\$132.000
Ending Balance	(\$98.000)	\$194.934	\$96.934

Notes:

1. Credits to Member Agencies - Assumes credit of \$7,000 off of \$10,000 member agency annual dues resulting in total annual dues of \$3,000

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

Date: May 19, 2022
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce

Subject: Update on Lead Agency Transition

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the status of the Lead Agency transition between outgoing Commerce and incoming Lead Agency, City of Vernon and incoming Vice-Chair, City of Norwalk.

Background

Commerce's tenure as SEWC Lead Agency ends on June 30, 2022. As of July 1, 2022, the City of Vernon begins its Lead Agency tenure, which runs for a two-year period, until June 30, 2024. While Vernon is the SEWC Lead Agency, its Vice-Chair shall be the City of Norwalk. Norwalk will succeed Vernon as Lead Agency on July 1, 2024.

The incoming Lead Agency is responsible for determining the location of AE and Board Meetings in their City, including coordinating meeting room and equipment set-up, parking, and catering. The Lead City must also publicly post meeting agendas in three designated locations in the City, and online on the City's website.

Typically, AE meetings are held on the 3rd Thursday of each odd-numbered month (January, March, May, July, September, November), and Board of Directors meetings are held on the 1st Thursday of even-numbered months (February, April, June, August, October, December). The AE meeting time has typically been 3pm, and the Board meeting time is currently 6:30pm. The SEWC Joint Powers Agreement requires the Policy Board to meet at least once a year.

Due to the COVID-19 pandemic both the AE meetings and the SEWC Board meetings have been held remotely. The AE should discuss if they want to resume meeting in person or continue with remote meetings. The SEWC Board should also, at a future meeting, consider if they want to resume in-person meetings.

Attachment(s):

1. Lead Agency Transition History
2. SEWC Meeting Agenda FY 22/23
3. SEWC Transition Meeting Agenda

Lead Agency Transition History

- Norwalk 1991--1994
- Pico Rivera 1994--1996
- Whittier 1996--1998
- Downey 1998--2000
- South Gate 2000--2002
- Norwalk 2002--2004
- Cerritos July 2004 -- June 2006
- Paramount July 2006 -- June 2008
- Lakewood July 2008 -- June 2010
- Santa Fe Springs July 2010 -- June 2012
- Pico Rivera July 2012 -- June 2014
- South Gate July 2014 -- June 2016
- Downey July 2016 -- June 2018

- Commerce Unknown
- Vernon Unknown

Proposed Fixed Succession of Lead Agency going forward:

- Whittier July 2018 -- June 2020
- Commerce July 2020 -- June 2022
- Vernon July 2022 -- June 2024

Commerce is currently the SEWC Chair. Vernon is slated to be SEWC Lead Agency next after Commerce. Following current procedure, the Vice-Chair will be adopted at the same time as the Chair.

After the Chair's two-year term, the Vice-Chair will then become the Chair. (ex. when Vernon becomes Lead Agency in July 2022, Norwalk will become Vice-Chair.)

Beginning in July 2024, Lead Agency schedule repeats: Norwalk, Cerritos, Paramount, Lakewood, Santa Fe Springs, Pico Rivera, South Gate, Downey, Whittier, Commerce, Vernon, etc.

**Southeast Water Coalition
Joint Powers Authority
Meeting Calendar
Fiscal Year 2022 - 2023**

Board of Directors (1st Thursday)

August 4, 2022
October 6, 2022
December 1, 2022
February 2, 2023
April 6, 2023
June 1, 2023

Vernon City Hall
4305 S. Santa Fe Ave.
Vernon, CA 90058

Dinner served at 6:00 p.m.*
Meeting begins at 6:30 p.m.

*No dinner service while meetings remain remote.

Administrative Entity (3rd Thursday)

July 21, 2022
September 15, 2022
November 17, 2022
January 19, 2023
March 16, 2023
May 18, 2023

Vernon City Hall
4305 S. Santa Fe Ave.
Vernon, CA 90058

Meeting begins at 3:00 p.m.



**SOUTHEAST WATER COALITION JOINT POWERS AUTHORITY
LEAD AGENCY TRANSFER MEETING
MONDAY, MAY 9, 2022
9:30 AM**

AGENDA

- **What is SEWC?**
 - Agency History
 - JPA documents
 - Schedule of Lead Agency Succession
 - Administrative Entity Chair and Vice-Chair
 - SEWC Strategic Plan

- **Financial**
 - Transfer of Monies
 - Annual Invoicing
 - Routine Payments
 - Board Stipends / W9s
 - \$150 per mtg
 - Warrant Register
 - *See example Attached*
 - FY 22/23 Budget
 - *See Attached*
 - Reporting

- **Administrative**
 - Transfer of files - hardcopies and electronic
 - Roster
 - Access on Google Drive
 - E-mail Distribution Lists
 - Form 700 Compliance
 - Conflict of Interest Code and Disclosure Categories
 - Assuming Office
 - Leaving Office
 - Annual Filings in April
 - JPA filings
 - Government Code Section 53051
 - SEWC website hosting

- **Administrative Entity & Board Meetings**

- Meeting Schedule
 - FY 22/23 – *See Attached*
- Preparation of Reports - Cloud-based document review
 - Google Drive
 - Agenda Posting/Dissemination
 - Brown Act requirements
 - Catering (AE/Board Meetings)
 - Meetings / parking / location map / room set-up

- **Coordination**

- Member Agencies
 - Cerritos
 - Commerce
 - Downey
 - Lakewood
 - Norwalk
 - Paramount
 - Pico Rivera
 - Santa Fe Springs
 - South Gate
 - Vernon
 - Whittier
- KJServices – Program Management Services
- Richards, Watson & Gershon – Legal Counsel
- DavisFarr – Audit Firm (current)
- Others
 - Consultant Services
 - i.e., Strategic Plan grants/projects
 - As-Needed Government Relations
 - Jason Gonsalves, Joe A. Gonsalves & Son
 - Local water agencies
 - Water Replenishment District (WRD)
 - Central Basin Municipal Water District (CBMWD)
 - Central Basin Water Association (CBWA)
 - Etc.

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

Date: May 19, 2022
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.

SEWC Legislative Summary – May 2022

The Legislative Summary was prepared by Joe A. Gonsalves and Son, and lists a number of water related legislation that is currently under consideration in Sacramento that may be of interest to the SEWC member cities.

SB 1124 (Archuleta) - primary drinking water standard: manganese.

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties relating to the regulation of drinking water to protect public health. Existing law requires the state board to adopt primary drinking water standards for contaminants in drinking water that are based upon specified criteria, as provided. Existing law requires the Office of Environmental Health Hazard Assessment (OEHHA) to prepare and publish an assessment of the risks to public health posed by each contaminant for which the state board proposes a primary drinking water standard, as provided. Existing law requires the risk assessment to contain an estimate of the level of the contaminant in drinking water that is not anticipated to cause or contribute to adverse health effects, or that does not pose any significant risk to public health, also known as the public health goal for the contaminant. Existing law requires the state board to consider specified criteria when it adopts a primary drinking water standard, including the public health goal for the contaminant published by OEHHA.

This bill would require, on or before July 1, 2023, OEHHA to prepare a public health goal for manganese, as provided. The bill would require the state board, after OEHHA publishes a public health goal for manganese, to adopt a primary drinking water standard for manganese and to establish monitoring requirements for manganese, as specified. The bill would require, on or before January 31, 2024, the state board to consider

establishing a notification or response level for manganese that would remain in place until the state board adopts a primary drinking water standard for manganese. The bill would authorize the state board, prior to adopting a primary drinking water standard for manganese, to continue to provide funding for treatment, source protection, and alternative water supplies, as provided, and to require community water systems to monitor manganese in their source water.

Status:

This bill was placed on the Suspense File by the Senate Appropriations Committee on April 25, 22.

Discussion:

It is recommended the AE members discuss any other current water-related legislation that may be of interest to SEWC. It is further recommended the AE determine if they should recommend the Board of Directors approve sending position letters on any current water-relation legislation.

Attachment(s):_____

1. SEWC Legislative Summary May 2022
2. SB 1124 – primary drinking water standard: manganese



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 Anthony D. Gonsalves
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SEWC Legislative Summary May 2022

AB 1642

(Salas D) California Environmental Quality Act: water system well and domestic well projects: exemption.

Current Text: Amended: 3/24/2022 [html](#) [pdf](#)

Introduced: 1/12/2022

Status: 5/5/2022-Read third time. Passed. Ordered to the Senate. (Ayes 55. Noes 2.) In Senate. Read first time. To Com. on RLS. for assignment.

Location: Senate Rules

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, until January 1, 2028, exempt from The California Environmental Quality Act (CEQA) a well project, as defined, that meets specified conditions, including that the domestic well or the water system to which the well is connected has been designated by the State Water Resources Control Board as high risk or medium risk in the state board's drinking water needs assessment. The bill would require a lead agency, before determining that a well project is exempt from CEQA pursuant to these provisions, to contact the state board to determine whether claiming the exemption will affect the ability of the well project to receive federal financial assistance or federally capitalized financial assistance. The bill would require a lead agency that determines that a well project is exempt from CEQA pursuant to these provisions to file a notice of exemption with the Office of Planning and Research and the county clerk, as provided.

AB 1757

(Haney D) Groundwater sustainability agency.

Current Text: Amended: 5/10/2022 [html](#) [pdf](#)

Introduced: 2/2/2022

Status: 5/10/2022-From committee chair, with author's amendments: Amend, and re-refer to Com. on APPR. Read second time and amended.

Location: Assembly Appropriations

Calendar: 5/11/2022 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, HOLDEN, Chair

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin. Current law governs the formation of a groundwater sustainability agency. This bill would authorize a conservation district overlying a groundwater basin in this state to decide to become a groundwater sustainability agency for that basin and would make the law governing the formation of a groundwater sustainability agency applicable to that district.

AB 1817

(Ting D) Product safety: textile articles: perfluoroalkyl and polyfluoroalkyl substances (PFAS).

Current Text: Amended: 5/9/2022 [html](#) [pdf](#)

Introduced: 2/7/2022

Status: 5/9/2022-Read third time and amended. Ordered to third reading.

Location: Assembly Third Reading

Calendar: 5/12/2022 #6 ASSEMBLY THIRD READING FILE - ASSEMBLY BILLS

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would prohibit, beginning January 1, 2025, any person from manufacturing, distributing, selling, or offering for sale in the state any textile articles that contain regulated perfluoroalkyl and polyfluoroalkyl substances or PFAS, and requires a manufacturer to use the least toxic alternative when removing regulated PFAS in textile articles to comply with these provisions. The bill would require a manufacturer of a textile article that contains regulated PFAS to provide persons that offer the product for sale or distribution in the state with a certificate of compliance stating that the textile article is in compliance with these provisions and does not contain any regulated PFAS.

[AB 2113](#)

(Rivas, Robert D) State Water Pollution Cleanup and Abatement Account: annual proceed transfers.

Current Text: Amended: 3/15/2022 [html](#) [pdf](#)

Introduced: 2/14/2022

Status: 5/4/2022-In committee: Set, first hearing. Referred to suspense file.

Location: Assembly Appropriations Suspense File

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptured
1st House				2nd House							

Summary: Would create within the Waste Discharge Permit Fund the Waterway Recovery Account, the Citizen Monitoring Account, the Community Capacity Building Account, and the Stormwater Innovation Account, and, subject to future legislation, would annually transfer from the annual proceeds of the State Water Pollution Cleanup and Abatement Account, subject to a future legislative act, the following amounts: 30% to the Waterway Recovery Account; 5% to the Citizen Monitoring Account, but in no instance less than \$250,000; 10% to the Community Capacity Building Account, but in no instance less than \$500,000; and 5% to the Stormwater Innovation Account. The bill would require moneys in the Waterway Recovery Account to be distributed by the State Water Resources Control Board, upon appropriation by the Legislature, to each regional board on a pro rata basis to expend on specified purposes, including, among others, restoration projects that improve water quality.

[AB 2142](#)

(Gabriel D) Income taxes: exclusion: turf replacement water conservation program.

Current Text: Amended: 4/6/2022 [html](#) [pdf](#)

Introduced: 2/15/2022

Status: 5/5/2022-From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 0.) (May 5). Re-referred to Com. on APPR.

Location: Assembly Appropriations

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptured
1st House				2nd House							

Summary: Current law provides an exclusion from gross income for any amount received as a rebate or voucher from a local water or energy agency or supplier for the purchase or installation of a water conservation water closet, energy efficient clothes washers, and plumbing devices, as specified. This bill would, for taxable years beginning on or after January 1, 2022, and before January 1, 2027, under the Personal Income Tax Law and the Corporation Tax Law, provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a public water system, as defined, local government, or state agency for participation in a turf replacement water conservation program.

[AB 2163](#)

(Rubio, Blanca D) San Gabriel Basin Water Quality Authority Act.

Current Text: Introduced: 2/15/2022 [html](#) [pdf](#)

Introduced: 2/15/2022

Status: 5/10/2022-In Senate. Read first time. To Com. on RLS. for assignment.

Location: Senate Rules

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptured
1st House				2nd House							

Summary: The San Gabriel Basin Water Quality Authority Act establishes the San Gabriel Basin Water Quality Authority and provides for its powers and duties. Current law repeals the act on July 1, 2030. Upon the act's repeal, existing law prescribes various requirements for the administration of the authority's debts and assets. This bill would extend the July 1, 2030, date of repeal of the act to July 1, 2050, thereby imposing a state-mandated local program by extending the period of time in which the authority and other local public entities are required to carry out various duties under the act.

[AB 2421](#)

(Rubio, Blanca D) Water: unlicensed cannabis cultivation.

Current Text: Amended: 4/20/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Status: 5/4/2022-In committee: Set, first hearing. Referred to suspense file.

Location: Assembly Appropriations Suspense File

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law makes it unlawful to deposit, permit to pass, or place where it can pass, specified pollutants into the waters of this state, including any substance or material deleterious to fish, plant life, mammals, or bird life. A violation of this provision is a crime under the Fish and Game Code. Current law also subjects a violation of that provision to a civil penalty of no more than \$25,000 for each violation and an additional civil penalty of no more than \$10 for each gallon or pound of material discharged, and requires the civil action to be brought by the Attorney General upon complaint by the Department of Fish and Wildlife or by the district attorney or city attorney in the name of the people of the State of California. Current law provides that a specified affirmative defense to a violation of the criminal provision does not apply to an action for civil penalties or injunctive relief pursuant to that civil provision. This bill would provide that the specified affirmative defense to a violation of the criminal provision also does not apply in any other civil action that alleges a violation resulting from unlicensed cannabis cultivation.

[AB 2447](#)

(Quirk D) Oil and gas wastewater: unlined ponds: prohibition.

Current Text: Amended: 4/7/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Status: 5/4/2022-In committee: Set, first hearing. Referred to suspense file.

Location: Assembly Appropriations Suspense File

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law establishes the Geologic Energy Management Division in the Department of Conservation under the direction of the State Oil and Gas Supervisor, who is required to supervise the drilling, operation, maintenance, and abandonment of oil and gas wells. Current law requires the owner of any well to file with the supervisor a monthly statement that provides certain information relating to the well, including the source, volume, treatment, and disposition of water produced in oil and gas activities. Under current law, a person who fails to comply with this and other requirements relating to the regulation of oil or gas operations is guilty of a misdemeanor. Beginning January 1, 2023, and until January 1, 2025, this bill would prohibit the disposal of produced wastewater, as defined, into unlined ponds and the construction of new unlined ponds, except as conducted pursuant to a permit or other authorization lawfully issued before that date, and would also prohibit the issuance or renewal of a permit or other authorization for those activities. Beginning January 1, 2025, the bill would prohibit all disposal of produced wastewater into unlined ponds and the construction of new unlined ponds. The bill would exclude from these prohibitions the discharge of produced wastewater into unlined ponds under specified conditions.

[AB 2505](#)

(Gray D) Water theft: irrigation districts.

Current Text: Amended: 3/24/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Status: 5/5/2022-Read second time. Ordered to Consent Calendar.

Location: Assembly Consent Calendar

Calendar: 5/12/2022 #89 ASSEMBLY CONSENT CALENDAR 2ND DAY-ASSEMBLY BILLS

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law authorizes the legislative body of a local agency, as defined, that provides water services to adopt an ordinance that prohibits water theft, as defined, subject to an administrative fine or penalty, as specified. Current law requires the local agency to adopt an ordinance that sets forth the administrative procedures governing the imposition, enforcement, collection, and administrative review of the administrative fines or penalties for water theft and to establish a process for granting a hardship waiver to reduce the amount of the fine, as specified. This bill would authorize irrigation districts, as defined, to impose fines or penalties for water theft in accordance with both of the above-described provisions, and would provide that the above-specified provisions do not cap or limit the fines that an irrigation district may impose in accordance with the Irrigation District Law.

[SB 230](#)

(Portantino D) State Water Resources Control Board: Constituents of Emerging Concern in Drinking Water Program.

Current Text: Amended: 1/20/2022 [html](#) [pdf](#)

Introduced: 1/19/2021

Status: 5/5/2022-Referred to Com. on E.S. & T.M.

Location: Assembly Environmental Safety and Toxic Materials

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the State Water Resources Control Board to establish, maintain, and direct a

dedicated program called the Constituents of Emerging Concern in Drinking Water Program for 5 years to assess the state of information and recommend areas for further study on, among other things, the occurrence of constituents of emerging concern (CEC) in drinking water sources and treated drinking water. The bill would require the state board to convene, by an unspecified date, the Science Advisory Panel for 3 years to review and provide recommendations to the state board on CECs for further action, among other duties. The bill would require the state board to provide a final report to the Legislature by June 1, 2026, on the work conducted by the panel.

[SB 656](#)

(Eggman D) Stockton-East Water District: water rates.

Current Text: Amended: 4/13/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Status: 5/5/2022-Referred to Com. on L. GOV.

Location: Assembly Local Government

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

Summary: The Water Conservation District Law of 1931 generally governs the formation of water conservation districts and specifies the powers and purposes of those districts. Current law establishes the Stockton-East Water District as a water conservation district and authorizes the district to charge water rates for stream-delivered water and for domestic, agricultural, and municipal groundwater. Current law establishes the district's water rates for the 1979 calendar year and prohibits the rates for stream-delivered water and for domestic and agricultural groundwater assessments after 1979 from exceeding the 1979 rates by more than 20% plus an inflation factor. Current law makes those specified maximum amounts inapplicable on and after the date of any election in which a majority of those electors voting approve a contract by the district for new supplemental water or approve bonds for financing a distribution system for new supplemental water. This bill would delete the provision making those specified maximum amounts inapplicable and would provide that water rates that exceed those specified maximum amounts may be adopted in accordance with law.

[SB 891](#)

(Hertzberg D) Business licenses: stormwater discharge compliance.

Current Text: Amended: 3/9/2022 [html](#) [pdf](#)

Introduced: 1/31/2022

Status: 5/6/2022-Set for hearing May 16.

Location: Senate Appropriations

Calendar: 5/16/2022 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, PORTANTINO, Chair

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

Summary: Current law requires, when applying to a city or a county for an initial business license or business license renewal, a person who conducts a business operation that is a regulated industry, as defined, to demonstrate enrollment with the National Pollutant Discharge Elimination System (NPDES) permit program by providing specified information, under penalty of perjury, on the application, including, among other things, the Standard Industrial Classification Code for the business. Current law requires the city or county to determine, as specified, the applicability of any Standard Industrial Classification Code and, if applicable, to confirm that the information submitted to demonstrate enrollment corresponds to the business requesting the initial business license or business license renewal, and requires the city or county to transfer that information to the State Water Resources Control Board upon request. Current law requires the State Water Resources Control Board, on or before April 1, 2020, to post on its internet website a list of applicable Standard Industrial Classification Codes applicable to a specified permit, known as the Industrial General Permit, for the purpose of the determinations made by cities or counties, and requires the state board to update that list, as specified. This bill would prohibit a city or county from developing its own processes for determining whether a business is appropriately covered by the Industrial General Permit.

[SB 1144](#)

(Wiener D) Water efficiency and quality assessment reports: state buildings and public school buildings.

Current Text: Amended: 4/18/2022 [html](#) [pdf](#)

Introduced: 2/16/2022

Status: 5/9/2022-May 9 hearing: Placed on APPR suspense file.

Location: Senate Appropriations Suspense File

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board (state board) to administer provisions relating to the regulation of drinking water to protect public health. In this regard, existing law prohibits a person from using any pipe, pipe or plumbing fitting or fixture, solder, or flux that is not lead free in the installation or repair of any public water system or any plumbing in a facility

providing water for human consumption, except as provided. This bill would require, no later than January 1, 2024, except as provided, an operating agency, as defined, to complete a water efficiency and quality assessment report, as specified, for each covered building. The bill would define a "covered building" to mean a building owned and occupied, or leased and occupied, by a state agency, or a public school building, as described. If the report identifies noncompliant plumbing fixtures and appliances, or determines that a building contains lead pipe, or pipe of an unknown material that was installed prior to 1986, the bill would require the operating agency to replace those materials or take other specified action, as described.

SB 1157

(Hertzberg D) Urban water use objectives: indoor residential water use.

Current Text: Introduced: 2/17/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Status: 5/5/2022-Referred to Com. on W.,P., & W.

Location: Assembly Water, Parks and Wildlife

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the Department of Water Resources, in coordination with the State Water Resources Control Board, and including collaboration with and input from stakeholders, to conduct necessary studies and investigations and authorizes the department and the board to jointly recommend to the Legislature a standard for indoor residential water use. Current law, until January 1, 2025, establishes 55 gallons per capita daily as the standard for indoor residential water use. Existing law establishes, beginning January 1, 2025, the greater of 52.5 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use, and beginning January 1, 2030, establishes the greater of 50 gallons per capita daily or a standard recommended by the department and the board as the standard for indoor residential water use. This bill would eliminate the option of using the greater of 52.5 gallons per capita daily and the greater of 50 gallons per capita daily, as applicable, or a standard recommended by the department and the board as the standard for indoor residential water use.

SB 1205

(Allen D) Water rights: appropriation.

Current Text: Amended: 4/27/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Status: 5/9/2022-May 9 hearing: Placed on APPR suspense file.

Location: Senate Appropriations Suspense File

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the State Water Resources Control Board to develop and adopt regulations to provide greater specificity as to the methods and practices for determining water availability in the issuance and administration of water right permits and licenses, including consideration of the effects of climate change, as specified, upon watershed hydrology as part of the preparation of water availability analyses. The bill would require the board to consult with the Department of Water Resources, the Department of Fish and Wildlife, and qualified hydrologists and climate change scientists, among others, in preparing the regulations.

SB 1219

(Hurtado D) 21st century water laws and agencies: committee.

Current Text: Amended: 4/6/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Status: 5/9/2022-May 9 hearing: Placed on APPR suspense file.

Location: Senate Appropriations Suspense File

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the Secretary of the Natural Resources Agency and the Secretary for Environmental Protection to convene a committee to develop and submit, on or before December 31, 2024, to the Governor and to the Legislature a strategic vision, proposed statutes, and recommendations for a modern 21st century set of water laws and regulations and state and local water agencies for the state, as provided. The committee would consist of 5 specified heads of state agencies, 2 members appointed by the Senate Committee on Rules, and 2 members appointed by the Speaker of the Assembly. The bill would require the Governor or the committee to appoint a "blue ribbon" citizen commission or taskforce, a stakeholder advisory committee, and any other group that the Governor or the committee deems necessary or desirable to assist in carrying out these provisions. The bill would require all relevant state agencies, at the request of the committee, to make available staff and resources to assist in the preparation of the strategic vision and proposed statutes.

SB 1224

(Bates R) Watersheds: wildlife habitat: Counties of Orange and San Diego.

Current Text: Introduced: 2/17/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Status: 5/9/2022-May 9 hearing: Placed on APPR suspense file.

Location: Senate Appropriations Suspense File

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Wildlife Conservation Law of 1947 establishes the Wildlife Conservation Board in the Department of Fish and Wildlife and requires the board to determine the areas in the state that are most essential and suitable for certain wildlife-related purposes. Under that law, the board may authorize the department to acquire real property, rights in real property, water, or water rights for the benefit of wildlife. This bill would appropriate \$37,000,000 from the General Fund to the Wildlife Conservation Board for grants to acquire fee title or conservation easements or to perform restoration, or a combination thereof, in watersheds with habitats for sensitive wildlife populations in specified regions in the Counties of Orange and San Diego, as provided. This bill contains other related provisions.

[SB 1254](#)

(Hertzberg D) Drinking water: administrator: managerial and other services.

Current Text: Amended: 4/28/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Status: 5/6/2022-Set for hearing May 16.

Location: Senate Appropriations

Calendar: 5/16/2022 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, PORTANTINO, Chair

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Safe Drinking Water Act authorizes the state board to contract with, or provide a grant to, an administrator to provide administrative, technical, operational, legal, or managerial services, or any combination of those services, to a designated water system to assist with the provision of an adequate supply of affordable, safe drinking water. Current law prescribes the processes and procedures pursuant to which the state board may identify a designated water system in need of services, order a designated water system to accept services from an administrator, and work with the administrator of a designated water system to develop adequate technical, managerial, and financial capacity to deliver an adequate supply of affordable, safe drinking water so that administrator services are no longer necessary. This bill would, among other things, expand the definition of "designated water system" and limit the liability of an administrator when the state board appoints an administrator to a designated water system, as prescribed.

[SB 1372](#)

(Stern D) Sustainable Groundwater Management Act: groundwater sustainability plans: groundwater rights.

Current Text: Amended: 3/16/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Status: 5/5/2022-Referred to Com. on W.,P., & W.

Location: Assembly Water, Parks and Wildlife

Calendar:

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. This bill would provide that the approval of a groundwater sustainability plan by the department shall not be construed to be a determination by or otherwise an opinion of the department that the allocation of groundwater pumping rights in the plan are consistent with groundwater rights law.

[SB 1373](#)

(Kamlager D) Surplus land disposal.

Current Text: Amended: 4/28/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Status: 5/9/2022-Read second time. Ordered to third reading.

Location: Senate Third Reading

Calendar: 5/12/2022 #51 SENATE SENATE BILLS -THIRD READING FILE

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law prescribes requirements for the disposal of surplus land by a local agency, as defined. Current law provides that certain dispositions of real property by local agencies are subject to surplus land disposal procedures as they existed on December 31, 2019, without regard to specified amendments that took effect on January 1, 2020, if those dispositions comply with specified requirements

and the disposition is completed not later than December 31, 2022. Current law extends the date that the disposition must be completed by to December 31, 2024, for specified properties, including properties related to the Metro North Hollywood Joint Development Project. Current law further extends the dates by which the disposition of property must be completed, as specified, if the disposition of property, the local agency's right or ability to dispose of the property, or a development project for which the property is proposed to be transferred, is the subject of judicial challenge. This bill would extend the date by which the disposition of property must be completed to December 31, 2024, if the property is located in a local agency with a population of over 2,000,000 persons and the local agency has either an option agreement duly authorized by the local agency's governing body to purchase the property from the former redevelopment agency, or an exclusive negotiation agreement with a private entity to develop the subject property for economic development or housing purposes.

[SB 1426](#)

(Caballero D) Cannabis: water pollution crimes.

Current Text: Amended: 5/2/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Status: 5/6/2022-Set for hearing May 16.

Location: Senate Appropriations

Calendar: 5/16/2022 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, PORTANTINO, Chair

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would amend the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA) by making it a misdemeanor or felony to plant, cultivate, harvest, dry, or process more than 50 living cannabis plants, or any part thereof, and where that activity involves unauthorized tapping into a water conveyance or storage infrastructure or digging or extracting groundwater from an unpermitted well. The bill would also clarify that causing substantial environmental harm to public resources includes groundwater. By expanding the scope of a crime, this bill would impose a state-mandated local program.

[SB 1469](#)

(Bradford D) Water corporations: rates.

Current Text: Amended: 4/25/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Status: 5/10/2022-Read second time. Ordered to third reading.

Location: Senate Third Reading

Calendar: 5/12/2022 #69 SENATE SENATE BILLS -THIRD READING FILE

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, upon application by a water corporation, authorize the Public Utilities Commission to authorize the implementation of a mechanism that separates the water corporation's revenues and its water sales, as provided. This bill would provide that no reimbursement is required by this act for a specified reason.

[SB 1476](#)

(Bradford D) Water replenishment districts: contracts.

Current Text: Amended: 5/9/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Status: 5/9/2022-Read second time and amended. Ordered to third reading.

Location: Senate Third Reading

Calendar: 5/12/2022 #52 SENATE SENATE BILLS -THIRD READING FILE

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Water Replenishment District Act provides for the formation of water replenishment districts with prescribed powers for the purposes of replenishing the groundwater supplies within the district. The act requires a district to advertise for bids before making any contract totaling \$25,000 or more within any 12-month period and, when work is to be done, to give notice calling for bids by publication, as prescribed. The act requires contracts and other documents executed by a district that require or authorize the district to expend \$10,000 or more to be authorized by the board of directors and signed by the president and the secretary, except as specified. This bill would revise and recast the provisions establishing the competitive bidding and related public notice procedures for water replenishment districts, including, among other revisions, only until January 1, 2028, deleting the requirement that a district advertise for bids before making any contract totaling \$25,000 or more within any 12-month period, and instead requiring a district expenditure for the erection, construction, alteration, repair, or improvement of a public structure or building of \$25,000 or more be let by contract by formal bidding procedure.

Total Measures: 23

Total Tracking Forms: 23

SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

SB 1124 (Archuleta) - Public health goal: primary drinking water standard: manganese

Version: March 29, 2022
Urgency: No
Hearing Date: April 25, 2022

Policy Vote: E.Q. 5 - 0
Mandate: No
Consultant: Ashley Ames

Bill Summary: This bill would require the Office of Environmental Health Hazard Assessment (OEHHA) to prepare a public health goal for manganese as well as require the State Water Resources Control Board (SWRCB) to adopt a primary drinking water standard for manganese and to establish monitoring requirements for manganese.

Fiscal Impact:

- OEHHA estimates ongoing costs of \$203,000 per year for three years and \$65,000 annually thereafter (General Fund or special fund) for staffing resources to develop the manganese public health goal (PHG) and to subsequently review and update the goal. OEHHA states that it is not feasible to develop a PHG by the deadline in the bill, July 1, 2023, and this estimate is based on development of a PHG by July 1, 2025.
- SWRCB estimates ongoing costs of \$1.125 million per year (General Fund or special fund) for regulation development, development of monitoring orders and implementation guidance, support of ongoing compliance and enforcement activities, and data management. In addition, SWRCB estimates one-time costs of \$100,000 (General Fund or special fund) for contract costs in order to implement the provisions of this bill.

Background: The federal Safe Drinking Water Act (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 States 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 SWRCB regulates 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.) The state does not regulate water systems with less than 15 connections; county health officers oversee those systems. 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 SWRCB to regulate systems with between 15 and 200 connections within their jurisdiction. For investor-owned water utilities under the jurisdiction of California Public

Utilities Commission (CPUC), the SWRCB or LPAs share water quality regulatory authority with CPUC.

The SWRCB regulates approximately 7,500 water systems. About one-third of these systems have between 15 and 200 service connections. The number of smaller systems- specifically, those with 14 or fewer connections- is unknown but estimated to be in the thousands.

The Safe and Affordable Funding for Equity and Resilience (SAFER) program. SB 200 (Monning, Chapter 120, Statutes of 2019) created SAFER and the Safe and Affordable Drinking Water Fund (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 Fund was established to address funding gaps and provide solutions to water systems, especially those serving DACs, 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 Fund until June 30, 2030. Money transferred into the Fund is continuously appropriated and must be expended consistent with the Expenditure Plan (Plan), which is adopted annually by the SWRCB. The 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.

Manganese pollution in water. A 2012 USGS report characterized manganese and iron pollution in the Central and West Coast Groundwater Basins. Iron and manganese are secondary pollutants that are naturally present at high concentrations in about 19% of the primary aquifer systems. These secondary pollutants are a significant problem in drinking water wells in both groundwater basins. Secondary pollutants have aesthetic problems. Manganese in particular is a natural mineral in groundwater that makes drinking water look brown or red.

EPA issued an advisory standard that states: “adverse human health effects from manganese in drinking water are not expected to occur below the advisory notification level of 50 parts per billion.” The SWRCB requires testing for manganese at the water source every three years for systems where testing shows that it exists. A cursory review of the ten-year database revealed several water systems in the WRD where there have been very high exceedances of the advisory notification level (NL) recorded at wells between 2010 and 2020, raising potential health concerns. The SWRCB requires water systems to report these exceedances to the local government as well as the customer. However, since the water quality standard is advisory, there is no requirement for treatment.

Most median-income water systems with manganese voluntarily install treatment at the water source, whereas disadvantaged water systems cannot afford this without grants.

Untreated manganese can accumulate in the pipe distribution system. Preventing the accumulated pollutants from moving from the distribution system to customers' taps takes expert, certified water systems operators to properly flush the pipeline system regularly and replace dead-end pipes. The poorest systems have difficulty paying for water system operators that have this expertise.

Proposed Law: This bill would require OEHHA to prepare a public health goal for manganese as well as require SWRCB to adopt a primary drinking water standard for manganese and to establish monitoring requirements for manganese. Specifically, this bill would:

1. Require the Office of Environmental Health Hazard Assessment to prepare a public health goal (PHG) for manganese by July 1, 2023;
2. Once a PHG is established, require the SWRCB to adopt a primary drinking water standard for manganese and establish appropriate monitoring requirements in both source water and the distribution system;
3. During the period prior to the adoption of the primary drinking water standard for manganese:
 - a. Direct the SWRCB to consider establishing a notification level and response level for manganese;
 - b. Authorize the SWRCB to require community water systems to monitor for manganese in their source water and within their distribution system;
 - c. Authorize the SWRCB to continue to provide funding for treatment, source protection, and alternative supplies;
 - d. Allow the SWRCB to use exceedances of the secondary standard for manganese in the source water or within the distribution system of a community water system as a basis for funding prioritization.

Related Legislation:

AB 1195 (C. Garcia, 2021) would create the Southern Los Angeles County Human Right to Water Collaboration Act, and would require the State Water Resources Control Board (SWRCB) to appoint a Commissioner to implement the Safe and Affordable Funding for Equity and Resilience (SAFER) Program in southern Los Angeles County.

SB 200 (Monning, Chapter 120, Statutes of 2019). Created SAFER and the Safe and Affordable Drinking Water Fund to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long-term. Requires the SWRCB to develop a fund expenditure plan and provide funding according to that expenditure plan to identify failing water systems and provide safe and affordable drinking water in the short- and long-term to those who rely on drinking water from those failing water systems.

AB 217 (E. Garcia, 2019). Would have created the Safe Drinking Water for All Act (Act), which would have established the Safe and Affordable Drinking Water Fund (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 provide the source of revenue to the Fund. This bill was subsequently amended into another subject.

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 the 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 on Suspense in this committee.

SB 623 (Monning, 2017). Would have created the Safe and Affordable Drinking Water Fund, administered by the SWRCB, and would have imposed water, fertilizer, and dairy fees to fund safe drinking water programs. This bill was held in the Assembly Rules Committee.

-- END --

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

Date: May 19, 2022
To: Southeast Water Coalition Administrative Entity
From: Gina Nila, AE Chair, City of Commerce
Kevin Sales, KJServices Environmental Consulting

Subject: MWD WATER CONSERVATION PROGRAMS

Recommendation: That the Administrative Entity take the following action:

Receive and file an update on the Metropolitan Water District's declaration of Water Shortage Emergency Condition and Emergency Water Conservation Program and its potential impact on SEWC members.

Background

At their April 26, 2022 Board meeting, the Metropolitan Water District (MWD) approved a Water Shortage Emergency Condition and established an Emergency Water Conservation Program. These actions were taken considering the continuing drought in California and the concern that the MWD will be unable to meet the water needs of agencies that depend largely or exclusively on water from the State Water Project (SWP).

Secondly the MWD established an Emergency Water Conservation program which requires member agencies that receive water deliveries from the State Water Project must comply with the water restrictions through one of two mechanisms:

1. Compliance with Outdoor Use Limits; or
2. Compliance with Volumetric Allocation Limits.

The Conservation Program includes volumetric penalties of \$2,000 per acre-foot of use above certain volumetric limits. These penalties will begin to accrue on June 1st.

Attachments:

1. MWD 4/26/22 Board Action memo.



- Board of Directors
Board of Directors

4/26/2022 Board Meeting

7-1

Subject

Conduct a public hearing and adopt a resolution to (1) declare a Water Shortage Emergency Condition; (2) adopt the framework of an Emergency Water Conservation Program and authorize the General Manager to finalize the Program consistent with the framework; and (3) express support for the Governor's Executive Order N-7-22; the General Manager has determined the proposed actions are exempt or otherwise not subject to CEQA

Executive Summary

As a result of record drought and limited State Water Project (SWP) allocations, insufficient supply exists this year to meet normal Member Agency demand in the SWP Dependent Area. The SWP Dependent Area represents the current portion of Metropolitan's service area that can only receive the district's supplies from the SWP system. If Metropolitan mandates robust conservation measures in the SWP Dependent Area, the California Department of Water Resources (DWR) will provide additional supplies to meet human health and safety (HH&S) needs. Metropolitan staff has coordinated closely with the affected Member Agencies as the drought worsened, meeting with them more than 17 times since August 2021. Metropolitan has received extensive feedback on alternative approaches to increase supply or constrain demand.

As a result, staff proposes that the Board adopt the Resolution in **Attachment 1**, which authorizes the following actions to reduce demands and preserve supplies in the SWP Dependent Area:

1. Declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area.
2. Adopt a framework for an Emergency Water Conservation Program to reduce non-essential water use and preserve available supply for the greatest public benefit in the SWP Dependent Area. The framework includes two paths for affected Member Agencies to reduce the use of Metropolitan's SWP supplies and achieve compliance with the program.
 - a. The first path allows a Member Agency to restrict outdoor irrigation to one day per week (or its equivalent) beginning June 1, 2022. However, the General Manager is authorized to modify this restriction to ban all non-essential outdoor irrigation or enforce volumetric limits should conditions warrant as the year develops. Member Agencies that document enforcement of these restrictions will be deemed compliant with the Emergency Water Conservation Program. Non-compliant Member Agencies will face volumetric penalties of \$2,000 per acre-foot on any water supplied by Metropolitan from the SWP system that exceeds certain monthly allocation limits.
 - b. The second path allows a Member Agency to comply with monthly allocation limits directly. As described more fully below, the specific limit for each agency is based on an allocated share of the HH&S water provided by DWR and certain additional SWP supplies delivered through the SWP system. Member Agencies that meet these limits will be deemed compliant with the Emergency Water Conservation Program; non-compliant Member Agencies will face the same volumetric penalties as under the first path.

Importantly, under this framework, penalties will only be applied to Metropolitan supplies delivered from the SWP system. As such, if an affected Member Agency fully shifts its demands to other local supplies or Metropolitan's Colorado River connections, it will not face penalties in a given month.

The General Manager would be authorized to finalize terms of the Emergency Water Conservation Program consistent with this framework and the Board's authorization, and in conformance with DWR's requirements to access SWP water for HH&S purposes. The General Manager would be required to finalize these terms within 30 days of Board adoption.

As a final element of the framework, the General Manager would be required to report regularly to the Board on the Emergency Water Conservation Program's effectiveness and to notify the Board and Member Agencies of any need to implement more stringent conservation requirements.

3. Express support for the Governor's Executive Order N-7-22 on March 28, 2022, set forth in **Attachment 2**, calling for all urban water suppliers to implement actions to reduce water use by 20-30 percent, depending on local conditions.

Staff will actively monitor and report on water usage by each Member Agency within the SWP Dependent Area. Regardless of the method of compliance chosen by each affected Member Agency, staff will report to the Board on water usage metrics in both volumes delivered and per capita for each agency.

The Board will consider these actions at a public hearing and Special Board Meeting on April 26, 2022. These actions would be taken pursuant to Water Code section 350 et seq., Water Code section 375 et seq., and other applicable authorities, and in accordance with Metropolitan's Urban Water Management Plan (UWMP) and Water Shortage Contingency Plan (WSCP), the Governor's Executive Orders related to the drought, and recent directives from DWR concerning the use of SWP supplies.

Details

Need to Access Human Health and Safety Supply from the SWP

For decades, Metropolitan has worked to improve its conveyance and distribution system to ensure flexibility in delivering SWP and Colorado River water throughout much of its service area. **However, due to the depth and duration of the current drought, Metropolitan cannot meet normal demands in the SWP Dependent Area with existing resources.** Despite best efforts to maximize available resources and operational flexibility this year, and to provide the greatest public benefit, Metropolitan must seek additional HH&S water allocated from DWR.

Beginning in water year 2020 (October 2019 through September 2020), watersheds supplying the SWP received well-below-average precipitation. Despite substantial precipitation in October and December 2021, precipitation in Northern California from January through March 2022 fell to the driest levels on record. In addition, California's warming climate is shifting the historical relationships between temperature, precipitation, and runoff. In 2021, DWR's snowmelt runoff forecast overestimated actual runoff by 68 percent. In 2022, the runoff forecast has already dropped by 42 percent.

Deteriorating hydrologic conditions led DWR to reduce the SWP Table A allocation for 2022 from 15 to five percent of contract amounts on March 18, 2022. This follows a five percent SWP Table A allocation in 2021. Coming in the third year of drought, this extremely low Table A allocation cannot meet minimum HH&S needs in the SWP Dependent Area. Accordingly, DWR will exercise a never-before-invoked provision of the SWP contract (Article 18a) that allows SWP water to be allocated on some other basis than Table A to meet minimum demands for domestic supply, fire protection, or sanitation. To that end, in October 2021, Metropolitan submitted a letter to DWR requesting delivery of certain HH&S supplies to the SWP Dependent Area. DWR accepted, in modified form, Metropolitan's request for these deliveries on April 15, 2022.

DWR expects SWP contractors receiving these HH&S supplies to mandate substantial reductions in water use consistent with these emergency drought circumstances. Further, DWR requires any water taken in 2022 for HH&S purposes to be returned within five years, thus creating a water supply debt that effectively trims future Table A allocations and slows any storage recovery once the drought eases. DWR based these guidelines on curtailment regulations previously adopted by the California State Water Resources Control Board (SWRCB). These guidelines could be further modified.

It should be noted that the boundaries of the SWP Dependent Area have not been fixed and other Metropolitan supplies (such as previously stored SWP supplies from groundwater banking, carryover, flexible storage in Castaic Lake or Perris Lake, or north-of-Delta transfers) are also delivered through this system. Metropolitan's

drought-mitigation actions have shrunk the SWP Dependent Area in recent years with a new ability to supply the Mills Water Treatment Plant from Diamond Valley Lake (May 2021) and through new water management programs such as the Operational Shift Cost Offset Program (May 2021) and the Reverse Cyclic Storage Program (February 2022).

Need for Demand Management in the SWP Dependent Area

In 2014, the Board adopted an updated Water Supply Allocation Plan (WSAP) for use when regional shortages exist. The WSAP established baseline usage for each Member Agency, regional shortage levels, and a surcharge for a Member Agency's aggregate water use above a predetermined allotment. The WSAP included provisions, based on the *Water Conservation Act of 2009* (Senate Bill X7-7), setting a minimum water use threshold of 100 gallons per capita per day (gpcd) for total water use.

However, the WSAP was designed and intended only for use during regionwide water shortages and requires a more extended period to implement. Staff has determined that the current WSAP cannot effectively or efficiently alleviate the circumstances of the current emergency in the SWP Dependent Area. Rather than reconstructing the WSAP for this rapidly developing emergency condition, a more expedient manner to preserve existing water supplies in the SWP Dependent Area is to reduce or eliminate non-essential uses in the directly affected areas. These non-essential uses of potable water (e.g., water for outdoor landscapes, filling swimming pools or fountains, or washing cars) could be curtailed through either price or non-price mechanisms.

To that end, on November 9, 2021, Metropolitan's Board adopted a resolution recognizing the statewide drought emergency, declaring specified emergency conditions to exist within portions of its service area, and calling on Member Agencies to take various actions to preserve Metropolitan's supply from the SWP. Among other things, Member Agencies were urged to make all reasonably practicable changes in their operations and to implement mandatory conservation and efficiency measures to reduce the use of SWP supplies. That resolution further stated, "*should drought conditions persist or worsen in the coming months, Metropolitan's Board of Directors will consider declaring a water shortage emergency condition and imposing appropriate regulations, restrictions, and penalties pursuant to California Water Code section 350 et seq., so as to conserve Metropolitan's water supplies for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.*" Unfortunately, current hydrologic conditions require this emergency action.

Framework for the Emergency Water Conservation Program

The Emergency Water Conservation Program is intended to adaptively preserve supplies by reducing non-essential uses of water delivered through the SWP system¹. Based on continued feedback from the Member Agencies, the framework outlined in the April 12, 2022, Board Information Letter 9-2 was modified to incorporate another more flexible alternative for agencies to achieve compliance based on monthly volumetric limits of SWP water available to Metropolitan.

The Emergency Water Conservation Program now includes two paths for affected Member Agencies to reduce use of Metropolitan's supplies delivered from the SWP system. A penalty of \$2,000 per acre-foot for all usage above certain limits would be enforced on Member Agencies for non-compliance. Penalties would be enforced monthly beginning in June.

Compliance with Outdoor Use Limits

Under the first compliance path, a Member Agency must adopt restrictions (via an ordinance or other appropriate means) that limit outdoor watering to one day per week (or its equivalent). Metropolitan will not specify the day of the week or any method of even/odd house numbering rotation to moderate distribution system impacts. Metropolitan will, however, require that Member Agencies limit watering times to prevent substitution of water use from newly banned days to permitted days. In addition, the Member Agency must adopt a mechanism for

¹ Metropolitan accesses the SWP system to deliver Table A, carryover storage, flexible storage, north-of-Delta transfers, and previously stored Table A supplies pumped or exchanged through water management programs along the California Aqueduct.

banning all outdoor watering in the event the General Manager later determines that such a ban is necessary to preserve SWP supplies.

Of course, it is not sufficient simply to have these restrictions on paper. Member Agencies must be willing and able to impose meaningful penalties for non-compliance. As such, a Member Agency choosing this compliance path also must submit to Metropolitan an enforcement plan with real consequences to the consumer or end user for failing to abide by the one-day-per-week restriction or ban on outdoor water use. This enforcement plan must be auditable, with a clear and transparent way to verify enforcement if expected water use reductions fall short.

Both the watering restrictions and the plans for enforcing them at the retail level must be in place no later than June 1, 2022. If the affected Member Agency is not a retail water supplier, then it must coordinate with the appropriate retail agency(ies) within its service area to ensure that those agencies also adopt the requisite restrictions and enforcement plans prior to the deadline. Non-compliant Member Agencies will face volumetric penalties on water supplied by Metropolitan from the SWP system above certain limits. The volumetric limits are further described as part of the second compliance path below.

There are some important exceptions to these outdoor watering restrictions. The primary exception is to allow hand-watering of trees or other perennials to support their health and ability to recover once the outdoor watering restrictions are lifted. A second exception is to allow drip or other high-efficiency irrigation systems to apply water at a weekly volume consistent with the one-day watering restriction imposed on less efficient irrigation systems. Metropolitan will continue to coordinate with the affected Member Agencies on an appropriate formulation of these types of exemptions if a complete ban on outdoor watering is imposed.

If all water providers within a wholesale Member Agency choose the watering restrictions path, then no volumetric penalties would be assessed. If water providers within a wholesale Member Agency select different compliance paths, then the Member Agency would initially be assessed penalties calculated using the volumetric limits. Metropolitan would then work in good faith with the Member Agency to determine the appropriate volume of water to be assessed for any of the wholesale Member Agency's water providers.

On behalf of the Member Agencies, Metropolitan submitted a request in October 2021 for supplemental HH&S deliveries for water necessary to prevent or suppress wildfires, particularly at the wildland-urban interface. The Department of Water Resources initially excluded these volumes from the HH&S allocation. However, DWR is now developing a mechanism for variances that may supplement the allocated water. Metropolitan will work with the Member Agencies and relevant fire authorities to submit a request for supplemental deliveries for these important public safety uses, if needed.

Because of uncertainty in the drought's persistence and the speed and scale of demand response, the General Manager is authorized to ban all non-essential outdoor irrigation as early as September 1, should conditions warrant. The General Manager is further authorized to impose volumetric limits on all Member Agencies that originally chose this first path if regional demand response continues to lag. Imposition of volumetric limits would not occur prior to December 1.

Compliance with Volumetric Allocation Limits

The second path allows an affected Member Agency to achieve compliance by meeting an agency-specific volumetric delivery limit from Metropolitan every month. The volumetric limit for each agency will be based on their equivalent share of HH&S water available from DWR (roughly based on 55 gallons per person per day offset by available local supplies) plus any additional water Metropolitan is able to provide from the SWP system, allocated to each agency based on proportionate population. Member Agencies using Metropolitan's supplies within these volumetric limits would not pay penalties. Any Member Agency that exceeds its volumetric limit would pay a \$2,000 per acre-foot penalty on any water provided by MWD from the SWP system in excess of the limit for that month. Volumetric penalties would accrue and be billed monthly.

Staff has provided the Member Agencies with an initial estimate of their monthly volumetric limit. The General Manager will finalize this limit, along with all other elements of the Emergency Water Conservation Plan, within 30 days of Board adoption.

Penalty Structure

The same penalty structure applies to both compliance paths. If an affected Member Agency chooses the outdoor use limit path and submits acceptable documentation before June 1, no penalties would be assessed. If the agency does not submit acceptable documentation, then volumetric penalties of \$2,000 per acre-foot of use above certain volumetric limits will accrue beginning June 1.

Penalties will be assessed and billed monthly. If an agency misses the June 1 deadline for compliance, penalties will be charged for that entire month. Once in compliance, penalties stop accruing at the beginning of the following month. Penalties will be charged to the Member Agency independent from all rates and charges for water service, as it is not a charge for service.

These penalty structures are designed to send a strong economic signal to incentivize action. Any penalties collected will be returned to the affected Member Agencies through the Member Agency Administered Program (MAAP) to help defray enforcement or other costs incurred in conjunction with the proposed Emergency Water Conservation Program.

Importantly, this Emergency Water Conservation Program only applies penalties on Metropolitan supplies delivered from the SWP system. As such, any Member Agency that fully shift demands to other local supplies or to Metropolitan's Colorado River connections will not face penalties in a given month. Under no circumstances would a penalty be paid on any Colorado River water delivered to that agency.

The General Manager will establish procedures for reviewing or redetermining any penalties assessed on the Member Agency pursuant to the Emergency Water Conservation Program. The General Manager shall review any appeals submitted in a timely manner. The General Manager shall also establish reasonable procedures for the filing of appeals to the Board from his determination.

Monitoring and Reporting

Staff will report to the Water Planning and Stewardship Committee each month on progress achieved by the Emergency Water Conservation Program. This will include, at a minimum, monthly tracking of Metropolitan water deliveries and remaining available supplies to the SWP Dependent Area. Metropolitan will also inform the Board of the compliance status of the affected Member Agencies and of any penalties assessed.

Through monthly monitoring and regular communication, the General Manager will inform the Member Agencies and the Board in advance of any need to implement a ban on all outdoor watering (for implementation no earlier than September 1) or a need to implement volumetric limits for all affected agencies (for implementation no earlier than December 1).

Termination of the Emergency Water Conservation Program

The Emergency Water Conservation Program shall continue through June 30, 2023, unless the Board of Directors lifts the action before that date.

Assistance Provided to Member Agencies

Metropolitan will assist the Member Agencies in their complying with the watering restrictions and amplifying the serious message to consumers within the SWP-dependent areas. Assistance will take these forms:

- (1) **Member Agency Administered Program.** Metropolitan will make MAAP funds fully available to the affected Member Agencies for enforcement activities in the FY 2020/21 and 2021/22 budget. For the FY 2022/23 and 2023/24 biennial budget, approximately \$4.2 million of funding is available for the affected agencies. These funds would be made immediately available beginning July 1, 2022. In addition, any penalties paid would likewise be made available to agencies for enforcement. A Member Agency wishing to access these funds must submit a proposal for approval by Metropolitan. Uses of MAAP funding could include drought-related actions, messaging, and code enforcement. Upon termination of the Emergency Water Conservation Program, MAAP funding and procedures would revert back to the previously established guidelines.
- (2) **Assistance with Public Messaging for Drought Awareness and Water Conservation.** In March 2022, the Board authorized staff to enter into a three-year contract with a media placement firm. Through

June 30, 2022, up to \$4.5 million is available to develop and purchase advertising. Likewise, up to \$7.4 million is available in the subsequent biennial budget. Metropolitan staff will coordinate closely with the public affairs staff of the affected Member Agencies to send an amplified and unified message to consumers about the one-day-per-week watering restrictions. Metropolitan will stand with the Member Agencies in communicating these emergency conditions. Staff expects many opportunities to amplify the message also through the earned media of press conferences and news media stories.

Support of the Governor's Executive Order N-7-22

The Board is requested to support Governor Newsom's Executive Order N-7-22 of March 28, 2022 (**Attachment 2**). This Executive Order incorporates orders and provisions contained in the Governor's earlier proclamations of April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021. Though Metropolitan will not mandate compliance on a Member Agency's conformance with Executive Order N-7-22, the affected Member Agencies are strongly called upon to do the following:

- Implement at least Level 2 of their Water Shortage Contingency Plans to achieve at least a 20 percent reduction in water use.
- Adopt and enforce the State Water Resources Control Board's (SWRCB) emergency regulations prohibiting wasteful water uses.
- Adopt and enforce the SWRCB's proposed prohibition (once adopted) of the use of potable water for irrigating non-functional turf at commercial, industrial, and institutional sites.

Other Activities Supporting the SWP Dependent Area

Staff regularly reported to the Board and sought authority and funding to address system and supply shortages affecting the SWP Dependent Area. The Emergency Water Conservation Program is intended only as a short-term, stop-gap measure until lasting relief can be provided. A selection of the main operational, physical, and supply actions taken to improve the supply constraints include:

- Adjusted distribution system operations to minimize SWP use and draw heavily on the Colorado River and stored supplies (January 2021).
- Increased pumping on the Colorado River Aqueduct to the total capacity of eight pumps (intermittent operation since April 2021).
- Initiated the Operational Shift Cost Offset Program (May 2021) and Reverse Cyclic Program (February 2022), which removed financial barriers to switching from or deferring SWP deliveries.
- Switched the source water feed to the Mills Water Treatment Plant from SWP to Diamond Valley Lake storage (May 2021).
- Rebuilt and started up the Greg Avenue facility to pump ~100 acre-feet per day of Colorado River and stored supplies into the western portion of the distribution system (June 2021).
- Expanded conservation programs (December 2021).
- Authorized agreements with other water agencies to improve management of SWP supplies (San Bernardino Valley MWD, San Diego County Water Authority, December 2021).
- Amended the capital investment plan to start planning and implementing infrastructure projects for the western portion of the distribution system (February 2022).
- Authorized purchase of transfer supplies (April 2021 and April 2022)

These actions are accelerating with the development of infrastructure and water supply portfolios through the Extreme Drought Assessment, which includes as its design condition three SWP allocations of five percent.

Policy

Metropolitan Water District Administrative Code Section 6410: Powers and Duties

Metropolitan Water District Administrative Code Section 6412: Delegation of Executive and Administrative Powers

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Operating Policy A-06, Emergency Management and Business Continuity

By Minute Item 50824, dated May 9, 2017, the Board adopted a resolution which declared a “Condition 1 –Water Supply Watch.”

By Minute Item 51166, dated April 10, 2018, the Board authorized changes to Member Agency Administered Program.

By Minute Item 52481, dated August 17, 2021, the Board adopted a resolution which declared a “Condition 2 – Water Supply Alert.”

By Minute Item 52581, dated November 9, 2021, the Board adopted a resolution which declared specified emergency conditions within the Metropolitan service area.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are being taken to address a water shortage emergency condition in portions of Metropolitan’s service area and are intended to conserve scarce water supplies in those areas to ensure that near-term human health and safety needs can be met. Accordingly, these actions are necessary to prevent or mitigate an immediate emergency and are not subject to CEQA pursuant to Public Resources Code Section 21080(b)(4) and Section 15269(c) of the State CEQA Guidelines. Furthermore, the proposed actions are being taken in accordance with Executive Order EO N-7-22 issued by the Governor on March 28, 2022, which directs that specific actions be taken in response to the extreme drought conditions in California. Among other things, all urban water suppliers must, at a minimum, implement the actions identified in their Water Shortage Contingency Plans (WSCPs) for a shortage level up to 20 percent. This order expressly suspends the requirements of CEQA and the State CEQA Guidelines with respect to this directive. Likewise, Water Code Section 10652 statutorily exempts implementation of actions listed in and taken pursuant to an agency’s WSCP. Finally, where it can be seen with certainty that there is no possibility that the proposed actions may have a significant impact on the environment, those actions are not subject to CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

Board Options

Option #1

Adopt the Resolution shown in **Attachment 1** and:

- a. Declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area
- b. Adopt the framework of an Emergency Water Conservation Program and authorize the General Manager to finalize the Program consistent with the framework.
- c. Express support for the Governor’s Executive Order N-7-22.

Fiscal Impact: Upon adopting the Emergency Water Conservation Program, revenues from water transactions will likely decrease as Member Agencies reduce water demands. At the March 22, 2022, budget workshop, staff presented a scenario with 100,000 acre-feet fewer transactions each year. This scenario—realistic in the magnitude of the needed demand management activity—could reduce revenues by approximately \$100 million in fiscal year 2022/23.

Business Analysis: Implementing the Emergency Water Conservation Program would preserve available water supplies for the greatest public benefit and would avoid the potential use of emergency storage from DWR reservoirs

Option #2

Modify the Resolution in **Attachment 1** and the recommended actions to modify actions or penalties to conserve available water supplies for the greatest public benefit.

Fiscal Impact: Unknown fiscal impact of water shortage

Business Analysis: Adjusting the proposed action may accelerate or slow demand management activities initiated by the Emergency Water Conservation Program. Depending on the modification, changes may also preclude Metropolitan from receiving needed human health and safety supplies from DWR

Option #3

Do not adopt the Resolution in **Attachment 1** nor take the recommended actions.

Fiscal Impact: Unknown fiscal impact of water shortage

Business Analysis: Delaying the decision to implement an Emergency Water Conservation Program would reduce the opportunity to conserve scarce supplies available to the region in 2022. Delaying the implementation may also preclude Metropolitan from receiving needed human health and safety supplies from DWR

Staff Recommendation

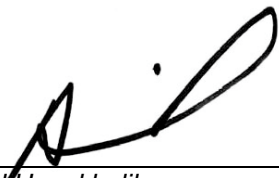
Option # 1



Brad Coffey
Manager, Water Resources Management

4/22/2022

Date



Adel Hagekhalil
General Manager

4/22/2022

Date

Attachment 1 – Resolution of the Board of Directors of the Metropolitan Water District of Southern California Declaring a Water Shortage Emergency Condition and Implementing an Emergency Water Conservation Program in Portions of its Service Area

Attachment 2 – Executive Department State of California Executive Order N-7-22

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**DECLARING A WATER SHORTAGE EMERGENCY CONDITION AND IMPLEMENTING AN
EMERGENCY WATER CONSERVATION PROGRAM IN PORTIONS OF ITS SERVICE AREA**

WHEREAS, Severe Drought Conditions Are Constraining Available Water Supplies from Northern California.

Beginning in water year 2020 (October 1, 2019, to September 30, 2020), the watersheds supplying the California State Water Project (SWP) received below-average precipitation. The California Department of Water Resources (DWR) classified water years 2020 and 2021 as dry and critically dry, respectively. Persistent dry conditions will likely result in a critically dry designation for water year 2022.

The three-year sequence of water years 2020 - 2022 (October 1, 2019, through September 30, 2022) is projected to be the driest on record in California for statewide precipitation. Precipitation in Northern California during the three months from January through March 2022 was the driest on record for that region.

In addition to reduced precipitation since 2020, California's climate is transitioning to a warmer setting in which historical relationships among temperature, precipitation, and runoff are changing. In 2021, the DWR's snowmelt runoff forecast over-estimated the runoff that occurred by 68 percent. In 2022, DWR's median runoff forecast for the Sacramento River dropped from 16.7 to 9.7 million acre-feet, a reduction of 42 percent.

WHEREAS, Governor Newsom Has Declared a State of Emergency to Exist in All California Counties Due to These Severe Drought Conditions.

On October 19, 2021, Governor Gavin Newsom declared a state of emergency to exist in all California counties due to worsening drought conditions. This proclamation follows other increasingly expansive drought declarations and executive orders that have been issued since April 2021.

At that time, Governor Newsom called on Californians to re-double their efforts to reduce water use by 15 percent and for local and regional water agencies to implement their Water Shortage Contingency Plans (WSCPs) "at a level appropriate to local conditions that takes into account the possibility of a third consecutive dry year."

WHEREAS, Governor Newsom Has Issued an Executive Order Calling on Urban Water Suppliers to Activate Their Water Shortage Contingency Plans.

As part of their Urban Water Management Plans (UWMPs), local and regional water providers are required to prepare and adopt WSCPs. These plans identify voluntary and mandatory response actions that will be taken under various water shortage conditions. These actions include mandatory conservation activities to reduce water use by 10 to 50 percent, depending on the severity of the shortage.

Due to worsening drought conditions, including a record-breaking dry period in January and February, Governor Newsom issued Executive Order N-7-22 on March 28, 2022, specifically requiring all urban water suppliers to implement, at a minimum, the response actions identified in their WSCPs for a shortage level of 20 percent (Level 2).

This executive order further encouraged urban water suppliers to conserve more than the minimum required and to voluntarily activate more stringent local requirements based on a shortage level of up to 30 percent (Level 3).

WHEREAS, Metropolitan's State Water Project Supplies Have Been and Are Being Curtailed.

On March 18, 2022, DWR reduced the SWP Table A allocation for 2022 from 15 to only five percent of contract amounts. Table A allocations for 2020 and 2021 were 20 and five percent, respectively. The last three years marks the lowest three-year combined deliveries of allocated water in the history of the SWP.

Three consecutive years of low Table A allocations have strained water supplies for portions of Metropolitan's service area that currently are served primarily through the SWP. Referred to as the "SWP Dependent Area," this area has limited or no access to Colorado River Supplies.

As a result, there will be insufficient SWP supplies this year to meet the minimum human health and safety (HH&S) needs in the SWP Dependent Area. HH&S needs are defined as "the amount of water necessary for prevention of adverse impacts to human health and safety, for which there is no feasible alternative supply." In general, HH&S needs are limited to domestic supply, sanitation, public health and fire protection purposes, and cannot exceed 55 gallons per person per day.

To supplement the low Table A allocation, DWR has agreed to provide additional SWP supplies to SWP contractors if necessary to fulfill their unmet HH&S needs. However, DWR is requiring any SWP contractor receiving such supplies to impose mandatory restrictions on water use within its service area consistent with these emergency circumstances. DWR also is requiring any SWP water accessed for HH&S purposes be returned to the state within five years or as wetter conditions return.

WHEREAS, Metropolitan's SWP Supplies Are Essential to Meet the Total Demands of Its Member Agencies.

Over the past 20 years, the SWP has provided about 30 percent of the region's total water needs and a portion of the supply delivered to each of Metropolitan's 26 Member Agencies.

Diamond Valley Lake, Metropolitan's largest surface water reservoir and source of dry-year and emergency water supplies, has only been replenished with SWP supplies since the discovery of Quagga mussels in Colorado River water in Jan. 2007.

Under a five percent Table A allocation, Metropolitan cannot meet normal demands in the SWP Dependent Area, serve SWP supplies to other Member Agencies, or replenish storage in Diamond Valley Lake.

WHEREAS, Metropolitan, Its Member Agencies, and Others in the Region Have Taken Extraordinary Steps to Reduce Demands and Bolster Supplies.

In conjunction with its Member Agencies, counties, cities, and wholesale and retail water suppliers, Metropolitan decreased potable water demands within the service area by 40 percent, roughly 80 gallons per person per day, since 1990.

Metropolitan has invested \$1.5 billion in conservation, local water recycling, and local groundwater recovery since 1990, resulting in a cumulative savings of nearly 7.6 million acre-feet.

Metropolitan has invested more than \$3 billion in increasing storage capacity with Diamond Valley Lake and conveyance capacity with the Inland Feeder to capture SWP supply when available for later use in dry years.

Local water suppliers and communities have also made multi-billion-dollar strategic and forward-looking investments in water conservation (within and outside the MWD service area), water recycling, stormwater capture and reuse, groundwater storage, and other strategies to improve drought resilience.

Water conserved throughout the service area, among other things, has helped preserve storage in Metropolitan's diverse storage portfolio during these dry conditions.

Continued action by Southern California residents to conserve water and extend local groundwater and surface water supplies will provide greater resilience if the drought continues in future years.

Metropolitan established the Member Agency Administered Program (MAAP) to assist Member Agencies in implementing local conservation activities. A portion of the funded projects can be used when water savings are not readily quantifiable, such as drought messaging and local water-use related code enforcement programs.

WHEREAS, Metropolitan and Its Member Agencies Have Taken Specific Actions to Preserve SWP Supplies.

Metropolitan and its Member Agencies have invested billions of dollars to preserve and enhance the availability and utilization of local supplies and, in turn, to decrease the overall use of Metropolitan's imported supplies.

Metropolitan has established water management programs to increase Member Agency flexibility to shift from or temporarily defer taking Metropolitan's supply from the SWP.

In 2021 and 2022, Metropolitan made targeted investments in its delivery system to reduce Member Agency dependency on SWP supplies. These investments have significantly improved operational flexibility, allowing delivery of water from either of Metropolitan's two imported supply sources to most of the service area.

Metropolitan's Member Agencies have, where feasible, operated their systems to reduce dependency on Metropolitan's supply delivered through service connections fed from the SWP system.

On August 17, 2021, Metropolitan's Board adopted a resolution declaring a "Condition 2 – Water Supply Alert" to preserve Metropolitan's supply for the region.

On November 9, 2021, Metropolitan's Board adopted a resolution recognizing the statewide drought emergency, declaring specified emergency conditions to exist within portions of its service area, and calling on Member Agencies to take various actions to preserve Metropolitan's supply from the SWP. Among other things, Member Agencies were urged to make all reasonably practicable changes in their operations and to implement mandatory conservation and efficiency measures to reduce the use of SWP supplies.

WHEREAS, Metropolitan Has Determined that It Must Take Additional Actions Immediately to Conserve the Remaining Available SWP Supplies.

In December 2014, Metropolitan's Board adopted a revised Water Supply Allocation Plan (WSAP) pursuant to which it may determine that a regional shortage exists, establish a regional shortage level, and impose an Allocation Surcharge on Member Agencies for water use above a predetermined allotment. The WSAP was designed and intended only for use during periods of regionwide water shortages and requires a more extended period to implement. As such, the current WSAP cannot effectively or efficiently address the water shortages anticipated to occur this year in the SWP Dependent Area.

Likewise, while actions being taken pursuant to the November 9, 2021, Board resolution are helpful, they are not sufficient to address in a timely manner the urgent circumstances present in the SWP Dependent Area. That resolution specifically noted that if drought conditions persisted or worsened, Metropolitan's Board would consider declaring a Water Shortage Emergency Condition and imposing appropriate regulations, restrictions and penalties to conserve Metropolitan's water supplies.

Unfortunately, drought conditions have persisted, and the water supply outlook has worsened, particularly with respect to SWP supplies. Accordingly, Metropolitan believes it is necessary, desirable, and in the best interests of Metropolitan and its Member Agencies to declare that a Water Shortage Emergency Condition exists in the SWP Dependent Area, to adopt the framework for an Emergency Water Conservation Program encompassing the SWP Dependent Area, and to take certain other actions as set forth below and described in Board Letter 7-1 dated April 26, 2022, so as to reduce water use and preserve remaining SWP supplies.

Adopting an Emergency Water Conservation Program is consistent with actions taken by our Member Agencies and other retail agencies and will assist Metropolitan and its Member Agencies in public outreach efforts to communicate the severity of the current drought and the need for conservation and collective action.

Metropolitan further believes that it is necessary, desirable, and in the best interest of Metropolitan to work closely with Member Agencies to identify near-term actions to address this drought emergency and to grant the General Manager certain additional powers and authorities to assist in carrying out such activities promptly.

WHEREAS, Metropolitan Is Authorized and Required to Take These Additional Actions.

Article X, Section 2 of the California Constitution requires all water resources in the state to be put to beneficial use and prohibits the waste or unreasonable use of such resources. What constitutes reasonable use is dependent on exigent circumstances, and may change during periods of drought.

Water Code Section 350 *et seq.* requires the distributor of a public water supply to declare that a water shortage emergency condition exists “whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply needed for human consumption, sanitation, and fire protection.” Upon making such a declaration, the water supplier is authorized to adopt such regulations and restrictions as will, in its sound discretion, “conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.”

Water Code Section 375 *et seq.* authorizes retail and wholesale water providers to adopt water and enforce conservation programs, which may include specific water-use limitations. Water providers may impose civil and criminal penalties for violating the requirements of such programs and/or may enforce water-use limitations by imposing “a volumetric penalty in an amount established by the public entity.”

Water Code Section 10620 *et seq.* requires every urban water supplier to prepare and adopt an UWMP, which must include a WSCP to be implemented during times of shortage. Governor Newsom has directed all urban water suppliers to implement, at a minimum, the response actions identified in their WSCPs for a shortage level of 20 percent (Level 2).

DWR is requiring any SWP contractor receiving HH&S supplies to impose mandatory restrictions on water use within its service area consistent with these emergency circumstances.

The Metropolitan District Act and Metropolitan’s Administrative Code authorize and support taking specific actions to address the current drought emergency. In particular, Administrative Code Section 4512 provides that deliveries of water “shall be subject to operational, supply or demand conditions, as determined by the General Manager.”

WHEREAS, Metropolitan Held a Noticed Public Hearing to Receive Input on These Additional Actions.

On April 26, 2022, a public hearing was held to receive input, comments, and/or protests on the proposed declaration of a Water Shortage Emergency Condition and adoption of the framework of an Emergency Water Conservation Program for the SWP Dependent Area, as well as the other actions set forth below and described in Board Letter 7-1 dated April 26, 2022. A copy of Board Letter 7-1 was posted on Metropolitan’s website (<https://mwdh2o.legistar.com/Calendar.aspx>) and was available for review prior to the hearing.

Notice of this hearing was published on April 14, 2022, in six different newspapers of general circulation encompassing all six counties within Metropolitan’s service area: *Los Angeles Times* (Los Angeles County), *Orange County Register* (Orange County), *Inland Valley Daily Bulletin* (San Bernardino County), *Ventura County Star* (Ventura County), *Press Enterprise* (Riverside County), and *San Diego Union Tribune* (San Diego County).

At this public hearing, Metropolitan’s Board received information, comments, testimony, and other evidence provided by Board members, Member Agency representatives, staff, and the public pertaining to these matters, and all persons present were given an opportunity to be heard.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of The Metropolitan Water District of Southern California hereby declares a **Water Shortage Emergency Condition** to exist in the SWP Dependent Area. Per this declaration, the Board calls on all Member Agencies to:

- (1) Make all possible changes in their operations to reduce their use of Metropolitan's SWP supplies.
- (2) Immediately mandate and implement such conservation requirements, water-use efficiency measures, and drought-related limitations consistent with their WSCPs and substantively conforming to the Emergency Water Conservation Program.

BE IT FURTHER RESOLVED that the General Manager is hereby authorized and directed to finalize and implement an **Emergency Water Conservation Program** in the SWP Dependent Area, subject to the following conditions:

- (1) The Emergency Water Conservation Program shall conform to the framework outlined in Board Letter 7-1, dated April 26, 2022. (A copy of this Board Letter may be accessed through Metropolitan's website at <https://mwdh2o.legistar.com/Calendar.aspx>.) This framework includes volumetric penalties for non-compliance of up to \$2,000 per acre-foot for use exceeding specified allocation limits.
- (2) The Emergency Water Conservation Program shall include a provision for Member Agencies in the SWP Dependent Area to use 100 percent of their MAAP allocations for any conservation-related activities and projects, even where the water savings from such activities and projects are not readily quantifiable. Uses of MAAP funding could include drought-related actions, messaging, and code enforcement. Upon termination of the Emergency Water Conservation Program, the MAAP allocations would revert back to the previously established formula for non-documented water-saving program funding requests.
- (3) The General Manager shall consult with all affected Member Agencies on the final terms of the Emergency Water Conservation Program.
- (4) The General Manager shall finalize the Emergency Water Conservation Program within 30 days of Board adoption of this resolution.
- (5) The Emergency Conservation Program shall continue through Jun. 30, 2023, unless otherwise terminated as described below.

BE IT FURTHER RESOLVED that the General Manager is hereby directed to continue the actions and activities specified in August 17, 2021, and November 9, 2022, Board resolutions, except as expanded or limited herein.

BE IT FURTHER RESOLVED that the Board hereby declares Metropolitan's support for the Governor's Executive Order N-7-22 and directs staff to work with the relevant state agencies to implement the Executive Order.

BE IT FURTHER RESOLVED that, should drought conditions persist in the coming months, or should demand management actions not sufficiently preserve available supplies, the General Manager may impose additional conditions or requirements as part of the Emergency Water Conservation Program described in Board Letter 7-1, which may include a prohibition on all outdoor uses of water or a requirement for affected Member Agencies to conform to specified volumetric limits.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of The Metropolitan Water District of Southern California at its meeting held on Apr. 26, 2022.

Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-7-22

WHEREAS on April 12, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, I proclaimed states of emergency that continue today and exist across all the counties of California, due to extreme and expanding drought conditions; and

WHEREAS climate change continues to intensify the impacts of droughts on our communities, environment, and economy, and California is in a third consecutive year of dry conditions, resulting in continuing drought in all parts of the State; and

WHEREAS the 21st century to date has been characterized by record warmth and predominantly dry conditions, and the 2021 meteorological summer in California and the rest of the western United States was the hottest on record; and

WHEREAS since my October 19, 2021 Proclamation, early rains in October and December 2021 gave way to the driest January and February in recorded history for the watersheds that provide much of California's water supply; and

WHEREAS the ongoing drought will have significant, immediate impacts on communities with vulnerable water supplies, farms that rely on irrigation to grow food and fiber, and fish and wildlife that rely on stream flows and cool water; and

WHEREAS the two largest reservoirs of the Central Valley Project, which supplies water to farms and communities in the Central Valley and the Santa Clara Valley and provides critical cold-water habitat for salmon and other anadromous fish, have water storage levels that are approximately 1.1 million acre-feet below last year's low levels on this date; and

WHEREAS the record-breaking dry period in January and February and the absence of significant rains in March have required the Department of Water Resources to reduce anticipated deliveries from the State Water Project to 5 percent of requested supplies; and

WHEREAS delivery of water by bottle or truck is necessary to protect human safety and public health in those places where water supplies are disrupted; and

WHEREAS groundwater use accounts for 41 percent of the State's total water supply on an average annual basis but as much as 58 percent in a critically dry year, and approximately 85 percent of public water systems rely on groundwater as their primary supply; and

WHEREAS coordination between local entities that approve permits for new groundwater wells and local groundwater sustainability agencies is important to achieving sustainable levels of groundwater in critically overdrafted basins; and

WHEREAS the duration of the drought, especially following a multiyear drought that abated only five years ago, underscores the need for California to redouble near-, medium-, and long-term efforts to adapt its water management and delivery systems to a changing climate, shifting precipitation patterns, and water scarcity; and

WHEREAS the most consequential, immediate action Californians can take to extend available supplies is to voluntarily reduce their water use by 15 percent from their 2020 levels by implementing the commonsense measures identified in operative paragraph 1 of Executive Order N-10-21 (July 8, 2021); and

WHEREAS to protect public health and safety, it is critical the State take certain immediate actions without undue delay to prepare for and mitigate the effects of the drought conditions, and under Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Proclamation would prevent, hinder, or delay the mitigation of the effects of the drought conditions.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021 Proclamations remain in full force and effect, except as modified by those Proclamations and herein. State agencies shall continue to implement all directions from those Proclamations and accelerate implementation where feasible.
2. To help the State achieve its conservation goals and ensure sufficient water for essential indoor and outdoor use, I call on all Californians to strive to limit summertime water use and to use water more efficiently indoors and out. The statewide Save Our Water conservation campaign at SaveOurWater.com provides simple ways for Californians to reduce water use in their everyday lives. Furthermore, I encourage Californians to understand and track the amount of water they use and measure their progress toward their conservation goals.
3. By May 25, 2022, the State Water Resources Control Board (Water Board) shall consider adopting emergency regulations that include all of the following:
 - a. A requirement that each urban water supplier, as defined in section 10617 of the Water Code, shall submit to the Department of Water Resources a preliminary annual water supply and demand assessment consistent with section 10632.1 of the Water Code no later than June 1, 2022, and submit a final annual water

supply and demand assessment to the Department of Water Resources no later than the deadline set by section 10632.1 of the Water Code;

- b. A requirement that each urban water supplier that has submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, the shortage response actions adopted under section 10632 of the Water Code for a shortage level of up to twenty percent (Level 2), by a date to be set by the Water Board; and
- c. A requirement that each urban water supplier that has not submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, shortage response actions established by the Water Board, which shall take into consideration model actions that the Department of Water Resources shall develop for urban water supplier water shortage contingency planning for Level 2, by a date to be set by the Water Board.

To further conserve water and improve drought resiliency if the drought lasts beyond this year, I encourage urban water suppliers to conserve more than required by the emergency regulations described in this paragraph and to voluntarily activate more stringent local requirements based on a shortage level of up to thirty percent (Level 3).

4. To promote water conservation, the Department of Water Resources shall consult with leaders in the commercial, industrial, and institutional sectors to develop strategies for improving water conservation, including direct technical assistance, financial assistance, and other approaches. By May 25, 2022, the Water Board shall consider adopting emergency regulations defining "non-functional turf" (that is, a definition of turf that is ornamental and not otherwise used for human recreation purposes such as school fields, sports fields, and parks) and banning irrigation of non-functional turf in the commercial, industrial, and institutional sectors except as it may be required to ensure the health of trees and other perennial non-turf plantings.
5. In order to maximize the efficient use of water and to preserve water supplies critical to human health and safety and the environment, Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended, with respect to the directives in paragraphs 3 and 4 of this Order and any other projects and activities for the purpose of water conservation to the extent necessary to address the impacts of the drought, and any permits necessary to carry out such projects or activities. Entities that desire to conduct activities under this suspension, other than the directives in paragraphs 3 and 4 of this Order, shall first request that the Secretary of the Natural Resources Agency make a determination that the proposed activities are eligible to be conducted under this suspension. The Secretary shall use sound discretion in applying this Executive Order to ensure that the suspension serves the purpose of accelerating conservation projects that are necessary to address impacts of the drought, while at the same time

protecting public health and the environment. The entities implementing these directives or conducting activities under this suspension shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

6. To support voluntary approaches to improve fish habitat that would require change petitions under Water Code section 1707 and either Water Code sections 1425 through 1432 or Water Code sections 1725 through 1732, and where the primary purpose is to improve conditions for fish, the Water Board shall expeditiously consider petitions that add a fish and wildlife beneficial use or point of diversion and place of storage to improve conditions for anadromous fish. California Code of Regulations, title 23, section 1064, subdivisions (a)(1)(A)(i)-(ii) are suspended with respect to any petition that is subject to this paragraph.
7. To facilitate the hauling of water for domestic use by local communities and domestic water users threatened with the loss of water supply or degraded water quality resulting from drought, any ordinance, regulation, prohibition, policy, or requirement of any kind adopted by a public agency that prohibits the hauling of water out of the water's basin of origin or a public agency's jurisdiction is hereby suspended. The suspension authorized pursuant to this paragraph shall be limited to the hauling of water by truck or bottle to be used for human consumption, cooking, or sanitation in communities or residences threatened with the loss of affordable safe drinking water. Nothing in this paragraph limits any public health or safety requirement to ensure the safety of hauled water.
8. The Water Board shall expand inspections to determine whether illegal diversions or wasteful or unreasonable use of water are occurring and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.
9. To protect health, safety, and the environment during this drought emergency, a county, city, or other public agency shall not:
 - a. Approve a permit for a new groundwater well or for alteration of an existing well in a basin subject to the Sustainable Groundwater Management Act and classified as medium- or high-priority without first obtaining written verification from a Groundwater Sustainability Agency managing the basin or area of the basin where the well is proposed to be located that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in any applicable Groundwater Sustainability Plan adopted by that Groundwater Sustainability

Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by such a plan; or

- b. Issue a permit for a new groundwater well or for alteration of an existing well without first determining that extraction of groundwater from the proposed well is (1) not likely to interfere with the production and functioning of existing nearby wells, and (2) not likely to cause subsidence that would adversely impact or damage nearby infrastructure.

This paragraph shall not apply to permits for wells that will provide less than two acre-feet per year of groundwater for individual domestic users, or that will exclusively provide groundwater to public water supply systems as defined in section 116275 of the Health and Safety Code.

10. To address household or small community drinking water shortages dependent upon groundwater wells that have failed due to drought conditions, the Department of Water Resources shall work with other state agencies to investigate expedited regulatory pathways to modify, repair, or reconstruct failed household or small community or public supply wells, while recognizing the need to ensure the sustainability of such wells as provided for in paragraph 9.
11. State agencies shall collaborate with tribes and federal, regional, and local agencies on actions related to promoting groundwater recharge and increasing storage.
12. To help advance groundwater recharge projects, and to demonstrate the feasibility of projects that can use available high water flows to recharge local groundwater while minimizing flood risks, the Water Board and Regional Water Quality Control Boards shall prioritize water right permits, water quality certifications, waste discharge requirements, and conditional waivers of waste discharge requirements to accelerate approvals for projects that enhance the ability of a local or state agency to capture high precipitation events for local storage or recharge, consistent with water right priorities and protections for fish and wildlife. For the purposes of carrying out this paragraph, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, and Chapter 3 (commencing with section 85225) of Part 3 of Division 35 of the Water Code and regulations adopted pursuant thereto are hereby suspended to the extent necessary to address the impacts of the drought. This suspension applies to (a) any actions taken by state agencies, (b) any actions taken by local agencies where the state agency with primary responsibility for the implementation of the directives concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b). The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.
13. With respect to recharge projects under either Flood-Managed Aquifer Recharge or the Department of Water Resources Sustainable

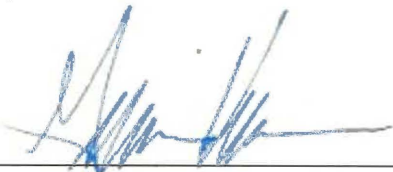
Groundwater Management Grant Program occurring on open and working lands to replenish and store water in groundwater basins that will help mitigate groundwater conditions impacted by drought, for any (a) actions taken by state agencies, (b) actions taken by a local agency where the Department of Water Resources concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b), Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended to the extent necessary to address the impacts of the drought. The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

14. To increase resilience of state water supplies during prolonged drought conditions, the Department of Water Resources shall prepare for the potential creation and implementation of a multi-year transfer program pilot project for the purpose of acquiring water from willing partners and storing and conveying water to areas of need.
15. By April 15, 2022, state agencies shall submit to the Department of Finance for my consideration proposals to mitigate the worsening effects of severe drought, including emergency assistance to communities and households and others facing water shortages as a result of the drought, facilitation of groundwater recharge and wastewater recycling, improvements in water use efficiency, protection of fish and wildlife, mitigation of drought-related economic or water-supply disruption, and other potential investments to support short- and long-term drought response.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 28th day of March 2022.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH.D.
Secretary of State