

LAS VIRGENES TRIUNFO JOINT POWERS AUTHORITY
Las Virgenes Municipal Water District Board Room, 4232 Las Virgenes Road,
Calabasas, CA 91302

AGENDA
JOINT POWERS AUTHORITY - REGULAR MEETING
MONDAY, MAY 1, 2023 – 5:00 PM

PUBLIC PARTICIPATION: The public may join this meeting virtually or attend in person in the Board Room. Teleconference participants will be muted until recognized at the appropriate time by the Chair. To join via teleconference, please use the following Webinar ID:

Webinar ID: <https://us06web.zoom.us/j/81627611621>

To join by telephone, please dial (669) 900-6833 or (346) 248-7799 and enter Webinar ID:
816 2761 1621

For members of the public wishing to address the Board during Public Comment or during a specific agenda item, please press "Raise Hand" if you are joining via computer; or press *9 if you are joining via phone; or inform the Executive Assistant/Clerk of the Board if attending in person.

Members of the public can also access and request to speak at meetings live on-line, with audio and limited video, at www.lvmwd.com/livestream. To ensure distribution of the agenda, please submit comments 24 hours prior to the day of the meeting. Those comments, as well as any comments received during the meeting, will be distributed to the members of the Board of Directors and will be made part of the official public record of the meeting. Contact Josie Guzman, Executive Assistance/Clerk of the Board, at (818) 251-2123 or jguzman@lvmwd.com with any questions.

ACCESSIBILITY: If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in the implementation thereof. Any person who requires a disability-related modification or accommodation, in order to attend or participate in a meeting, including auxiliary aids or services, may request such reasonable modification or accommodation by contacting the Executive Assistant/Clerk of the Board by telephone at (818) 251-2123 or via email to jguzman@lvmwd.com at least 48 hours prior to the meeting.

Members of the public wishing to address the Board of Directors are advised that a statement of Public Comment Protocols is available from the Clerk of the Board. Prior to speaking, each speaker is asked to review these protocols, complete a speakers' card, and hand it to the Clerk of the Board. Speakers will be recognized in the order the cards are received. A live webcast of the meeting will be available at LVMWD.com. Also, a web-based version of the speaker card is available for those who would like to submit written comments electronically or request to make public comment by telephone during the meeting.

PLEDGE OF ALLEGIANCE

1. CALL TO ORDER AND ROLL CALL

2. APPROVAL OF AGENDA

3. PUBLIC COMMENTS

*Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2*

4. CONSENT CALENDAR

Matters listed under the Consent Calendar are considered to be routine, non-controversial and normally approved with one motion. If discussion is requested by a member of the Board on any Consent Calendar item, or if a member of the public wishes to comment on an item, that item will be removed from the Consent Calendar for separate action.

4.A Minutes: Regular Meeting of April 3, 2023 (Pg. 4)

Approve.

4.B Statement of Revenues, Expenses and Changes in Net Position: March 2023 (Pg. 10)

Receive and file the Statement of Revenues, Expenses and Changes in Net Position for the period ending on March 31, 2023.

4.C Heal the Bay's "Bring Back the Beach" Event: Attendance (Pg. 13)

Authorize one Board Member from each agency and the Administering Agent/General Manager to attend the Heal the Bay "Bring Back the Beach" Event at a cost of \$750 per person.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION OF AGENDA ITEMS

5.A State and Federal Legislative Update (Pg. 18)

5.B Pure Water Project Las Virgenes-Triunfo: Update (Pg. 44)

6. ACTION ITEMS

6.A **JPA Fiscal Year 2023-24 Draft Budget Review (Pg. 48)**

Review and provide feedback on the JPA Fiscal Year 2023-24 Draft Budget.

6.B **Indicative Credit Rating for Financing of Pure Water Project Las Virgenes-Triunfo (Pg. 59)**

Authorize the Administering Agent/General Manager to execute an agreement with Kroll Bond Rating Agency, LLC, in the amount of \$48,000, for an indicative credit rating required for the planned financing of the Pure Water Project Las Virgenes-Triunfo.

6.C **Proposed Formation of Las Virgenes-Triunfo Joint Powers Financing Authority (Pg. 63)**

Authorize staff and legal counsel to prepare the documentation required to form the Las Virgenes-Triunfo Joint Powers Financing Authority to facilitate the joint financing of the Pure Water Project Las Virgenes-Triunfo.

7. **BOARD COMMENTS**

8. **ADMINISTERING AGENT/GENERAL MANAGER REPORT**

9. **FUTURE AGENDA ITEMS**

10. **PUBLIC COMMENTS**

*Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2*

11. **ADJOURNMENT**

Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Executive Assistant/Clerk of the Board in advance of the meeting to ensure availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.

**LAS VIRGENES – TRIUNFO
JOINT POWERS AUTHORITY
MINUTES
REGULAR MEETING**

5:00 PM

April 3, 2023

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Janna Orkney.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **5:00 p.m.** by Chair Jane Nye in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas, CA 91302. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Burns, Caspary, Coradeschi, Lewitt, Nye, Orkney, Polan, Tjulander, and Wall
Absent: Director Shapiro

2. APPROVAL OF AGENDA

Director Polan moved to approve the agenda. Motion seconded by Director Orkney. Motion carried by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Nye, Orkney, Polan, Tjulander, Wall
NOES: None
ABSTAIN: None
ABSENT: Shapiro

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A Minutes: Regular Meeting of February 6, 2023: Approve

B Statement of Revenues, Expenses, and Changes in Net Position:

February 2023

Receive and file the Statement of Revenues, Expenses, and Changes in Net Position for the period ending on February 28, 2023.

C Budget Planning Calendar for Fiscal Year 2023-24

Receive and file the Budget Planning Calendar for Fiscal Year 2023-24.

Director Caspary moved to approve the Consent Calendar. Motion seconded by Director Lewitt. Motion carried by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Nye, Orkney, Polan, Tjulander, Wall

NOES: None

ABSTAIN: None

ABSENT: Shapiro

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A State and Federal Legislative Update

Ana Schwab, federal lobbyist for the JPA with Best Best & Krieger LLP (BBK), reported that Congress passed a resolution of disapproval under the Congressional Review Act for the waters of the United States (WOTUS) rule and the Senate was expected to vote on the resolution; however, President Joe Biden indicated that he would veto the resolution if passed by the Senate. She also reported that BBK was monitoring negotiations to increase the debt limit. She also reported that BBK prepared a legal alert regarding the EPA's proposed maximum contaminant levels (MCLs) for six of the most common per- and polyfluoroalkyl substances (PFAS). She noted that BBK would prepare comments to the EPA by the May 30th deadline.

Lowry Crook, federal lobbyist for the JPA with BBK, stated that the EPA's proposed regulations for MCLs for PFAS were lower than California's proposed notification levels. He expressed concern that proposed MCLs for two types of PFAS had not had analysis conducted, which were required before issuing regulations.

Ms. Schwab responded to a question regarding discussions of water and wastewater as passive receivers of PFAS from wastewater treatment. She noted that there were outstanding questions regarding PFAS levels once the wastewater is treated and what could be done with PFAS remnants. She also noted that the Science Advisory Board would be holding public meetings to discuss biosolids.

Syrus Devers, state lobbyist for the JPA with BBK, provided an update regarding AB 1572 (Friedman), which would prohibit watering of non-functional turf with potable water. He noted that the California Municipal Utilities Association (CMUA)

and the Association of California Water Agencies (ACWA) were seeking amendments to this proposed bill. He also noted that all policy bills would need to clear their committees by April 28th. He also reported that AB 460 (Bauer-Kahan), State Water Resources Control Board: Water Rights and Usage Interim Relief Procedures, was proposing to modernize water rights bills and was referred to two committees. He stated that he was working with ACWA and CMUA to oppose this and other water rights bills.

B Pure Water Project Las Virgenes-Triunfo: Project Update and Presentation on Procurement and Delivery

Oliver Slosser, Engineering Program Manager, presented the report.

Administering Agent/General Manager David Pedersen responded to a question regarding the amount of the MWD Local Resources Program (LRP) application by stating that there was no amount as MWD would pay for water produced over time as the project is operating, which could be between \$350 to \$400 per acre-foot and which could equate to \$15 to \$20 million over the term of the contract.

Mr. Slosser provided a PowerPoint presentation regarding the project procurement and delivery. He responded to questions regarding design bid build, the types of agencies that utilize design bid build, and working with legal counsel on contractual documents and the Request for Qualifications.

A discussion ensued regarding consideration to form a JPA Board subcommittee for the selection process of design bid build; reasons why it was not recommended to form a JPA Board subcommittee so that the Board could remain unbiased in case of a potential bid protest and to ensure that the bidding processes was carried out correctly; and the delivery methods for the AWPf, conveyance, and ancillary projects.

6. ACTION ITEMS

A Tapia Secondary Clarifier Rehabilitation Project: Condition Assessment, Engineering Design, Bidding, and Construction Services

Accept the proposal from Pacific Advanced Civil Engineering, Inc., and authorize the Administering Agent/General Manager to execute a professional services agreement, in the amount of \$96,880, for the condition assessment, engineering design, bidding, and construction services for the Tapia Water Reclamation Facility Secondary Clarifier Rehabilitation Project.

Alex Leu, Senior Engineer, presented the report. He responded to a question regarding the other proposals received, which included additional testing that was deemed unnecessary; the rehabilitation needed to extend the life of the secondary clarifiers; and the scope of work to assess the condition of the concrete.

Director Polan moved to approve Item 6A. Motion seconded by Director Tjulander. Motion carried by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Nye, Orkney, Polan, Tjulander, Wall
NOES: None
ABSTAIN: None
ABSENT: Shapiro

B Tapia Selector Channel Wall Infill Project: Award

Award a construction contract to Taylor Jane Construction, LP, in the amount of \$258,035; reject all remaining bids upon receipt of duly executed contract documents; and re-appropriate funding, in the amount of \$396,219.19, from CIP No. 10745 – 003 Discharge Point Rehabilitation Project to CIP No. 10809 – Tapia Selector Channel Wall Infill Project.

Alex Leu, Senior Engineer, presented the report.

Director Coradeschi moved to approve Item 6B. Motion seconded by Director Caspary. Motion carried by the following vote:

AYES: Burns, Caspary, Coradeschi, Lewitt, Nye, Orkney, Polan, Tjulander, Wall
NOES: None
ABSTAIN: None
ABSENT: Shapiro

7. BOARD COMMENTS

Director Polan addressed negative comments that were posted on NextDoor regarding the Pure Water Project Las Virgenes-Triunfo, and he suggested that the Board Members communicate with the public that the JPA was taking their best interests into consideration.

Chair Nye noted that Triunfo Water & Sanitation District would place an information booth at the reopening of the Oak Park Lagoon event where staff would have an opportunity to conduct public outreach regarding the Pure Water Project Las Virgenes-Triunfo.

Director Caspary noted that the EPA mandated the cleanup of discharge from Malibu Creek, and it would have cost the JPA hundreds of millions of dollars to meet the EPA's mandate. He also noted that the JPA opposed the EPA's mandate and entered into litigation; however, the JPA was unable to obtain relief from the court. He stated that there was a community process to seek alternatives, which led to the Pure Water Project Las Virgenes-Triunfo. He suggested educating the public regarding the history of the EPA's mandate and the project.

8. ADMINISTERING AGENT/GENERAL MANAGER REPORT

Administering Agent/General Manager David Pedersen reported that the Fiscal Year 2023-24 JPA Preliminary Budget and Capital Improvement Program would be presented at the May 1st JPA Board Meeting. He noted that a tour of Pure Water Soquel would be provided on May 8th, which would coincide with ACWA Spring Conference, and he extended an invitation to the JPA Board. He also reported that the avoidance period for discharge to Malibu Creek would begin on April 15th, and staff would begin to operate the Sprayfields and 005 Discharge to the Los Angeles River system. He noted that staff would notify the Regional Water Quality Control Board for authorization to discharge to the creek during a rain event. He also reported that a recommendation would be provided to the LVMWD Board at the April 18th Board Meeting to deactivate the Water Shortage Contingency Plan due to improved water supply conditions. He also reported that demand for compost had increased. He noted that the Tapia Water Reclamation Facility experienced a failure to one of the effluent pumps, which was in the shop to have the motor rewind. He also reported that following recent rain the flow in Malibu Creek measured 1,559 cubic feet per second (CFS) and peak flow into the Tapia Water Reclamation Facility was 9.5 million gallons per day (MGD). He noted that two groundwater wells in Westlake Village were in an artesian flowing condition, and water was diverted to keep it from flowing into the sidewalk and street.

9. FUTURE AGENDA ITEMS

Director Orkney requested a future agenda item regarding public outreach for the Pure Water Project Las Virgenes-Triunfo as an action item.

10. PUBLIC COMMENTS

None.

11. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:16 p.m.**

Jane Nye, Chair

ATTEST:

Jay Lewitt, Vice Chair

DATE: May 1, 2023
TO: JPA Board of Directors
FROM: Finance and Administration

SUBJECT: Statement of Revenues, Expenses and Changes in Net Position: March 2023

SUMMARY:

To ensure effective utilization of the public’s assets and money, a monthly Statement of Revenues, Expenses and Changes in Net Position (Statement) is provided to the Board for review. The report is a high-level overview that summarizes the JPA’s financial status through the end of the referenced month. The report is formatted to mirror the presentation in the JPA’s Annual Financial Statements and consists of an operating financial section, non-operating financial section and year-to-date changes in net position. The report is unaudited and preliminary due to the timing of its preparation versus month-end closing for the reported month.

RECOMMENDATION(S):

Receive and file the Statement of Revenues, Expenses and Changes in Net Position for the period ending on March 31, 2023.

FINANCIAL IMPACT:

There is no financial impact associated with the report.

DISCUSSION:

JPA operating revenues year-to-date through March 2023 of Fiscal Year 2022-23 were \$2.6 million, a decrease of \$2.0 million as compared to prior year revenues of \$4.6 million. The decrease in revenues for the JPA as compared to the prior year and budget was due to a one-time "indifference payment" received in the prior year from Southern California Edison for \$2.8 million. The indifference payment compensated the JPA for the effects of the "peak hour shift" costs that were approved by the California Public Utilities Commission and resulted in a decrease to the projected cost-savings associated with the Rancho Phase 2 Solar Generation Project. Partially offsetting the year-over-year decrease in revenues was a one-time insurance claim payment of \$0.6 million received by the JPA in the current fiscal year. The payment reimbursed the JPA for building damage repair costs at the Rancho Las Virgenes Composting Facility that resulted from the Woolsey Fire in 2018.

Wholesale recycled water sales of \$2.0 million were favorable as compared to prior year sales by \$0.2 million (or 13.2%) through March 2023. Recycled water sales through March 2023

encompassed 75% of the budget, which was in line with expectations through this point in the fiscal year.

JPA operating expenses year-to-date through March 2023 were \$17.1 million, which were \$2.5 million (or 17.1%) above the prior year's operating expenses of \$14.6 million. Current year expenses through March 2023 comprised 76.2% of the \$22.4 million annual operating budget, in-line with expectations through this point in the fiscal year.

Increases in operating expenses versus the prior year were primarily due to higher general and administrative (G&A) costs, which were up \$1.4 million year-to-date through March 31, 2023. G&A costs of \$9.1 million equate to 73.6% of the \$12.3 million budgeted for Fiscal Year 2022-23, materially in line with projections through this point in the fiscal year.

Expenses of \$2.5 million at the Rancho Las Virgenes Composting Facility were up \$0.5 million year-over-year through March 31, 2023. The increase was driven mainly by deferred maintenance and building repairs initiated during the current year, coupled with a one-time cost of \$110,000 for the purchase and replacement of biofilter media. Approximately 77% of the budget was expended at the Rancho Las Virgenes Composting Facility through March 2023, which is materially in line with budget expectations for this point in the fiscal year.

Expenses of \$3.3 million at the Tapia Water Reclamation Facility comprised 78.3% of the annual budget through nine months of the fiscal year and were up 10.8% versus prior year expenses of \$3.0 million. Much of the increase was due to escalating chemical costs including sodium hypochlorite and sodium bisulfite as compared to the prior year. Recycled water transmission and distribution costs of \$1.7 million year-to-date were up \$0.2 million (or 13.1%) versus prior year expenses for the same period of \$1.5 million. Continuing revenue and expense trends will be monitored and reported as part of the on-going financial reviews presented throughout the fiscal year.

Within the attached report, the "Current Budget" column pertains to the current fiscal year budget that was adopted and/or amended by the Board. The "Actual Year-to-Date" columns presents the cumulative year-to-date revenues and expenses for both the current fiscal year and prior fiscal year. Lastly, the "Variance with Prior Year" column calculates the net difference between the current fiscal year-to-date balance and the prior fiscal year-to-date balance.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Brian Richie, Finance Manager

ATTACHMENTS:

[Statement of Revenues, Expenses and Changes in Net Position: March 2023](#)

LAS VIRGENES-TRIUNFO JOINT POWERS AUTHORITY
Statement of Revenues, Expenses, and Changes in Net Position
For the Month ended March 31, 2023 (Preliminary) and 2022
(dollars in thousands)



	Current Budget	Through 75% of fiscal year		Variance with Prior Year Positive (Negative)
		Actual Year-to-Date		
	2022/23	2022/23	2021/22	2022/23 to 2021/22
OPERATING REVENUES:				
Wholesale recycled water sales	\$ 2,691	\$ 2,027	\$ 1,791	\$ 236
Other income	65	620	2,878	(2,258)
Total operating revenues	2,756	2,647	4,669	(2,022)
OPERATING EXPENSES:				
Treatment Plant	4,267	3,342	3,017	325
Recycled water transmission and distribution	2,103	1,732	1,532	200
Compost Plant	3,302	2,541	2,018	523
Sewer	171	121	142	(21)
General and administrative	12,337	9,080	7,702	1,378
Other operating expenses	261	277	184	93
Total operating expenses	22,441	17,093	14,595	2,498
OPERATING INCOME (LOSS) BEFORE BILLING TO PARTICIPANTS	(19,685)	(14,446)	(9,926)	(4,520)
Billing to Participants	19,685	14,189	9,870	4,319
OPERATING INCOME (LOSS)	-	(257)	(56)	(201)
NONOPERATING REVENUES (EXPENSES):				
Interest income (expense)	-	156	45	111
Other revenues (expenses)	-	9	7	2
Total nonoperating revenues (expenses)	-	165	52	113
CHANGES IN NET POSITION	-	(92)	(4)	(88)
NET POSITION:				
Beginning of fiscal year	101,134	101,134	98,362	2,772
Ending Net Position	\$ 101,134	\$ 101,042	\$ 98,358	\$ 2,684

DATE: May 1, 2023
TO: JPA Board of Directors
FROM: General Manager

SUBJECT: Heal the Bay's "Bring Back the Beach" Event: Attendance

SUMMARY:

Each year, the environmental group Heal the Bay holds its "Bring Back the Beach" event in Santa Monica as one of its key fundraising activities. This year the event will be held on Thursday, May 18, 2023, at the Jonathan Club in Santa Monica. Over the years, JPA Directors have attended the event to build relationships, not only with Heal the Bay, but also with other environmental group representatives attending the function. Previously, the JPA reserved a 10-seat table, but when the costs rose from \$3,000 to \$5,000 and currently at \$10,000, it was decided to only send the Chairs of each Board, or their designees. Individual seats for the event are \$750.

RECOMMENDATION(S):

Authorize one Board Member from each agency and the Administering Agent/General Manager to attend the Heal the Bay "Bring Back the Beach" Event at a cost of \$750 per person.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

Sufficient funds for the event are available in the adopted Fiscal Year 2022-23 JPA Budget. Historically, the expenses have been charged to the "Watershed Programs" portion of the JPA Administration Budget, which is allocated 70.6 percent to LVMWD and 29.4 percent to Triunfo Water & Sanitation District.

Prepared by: David Pedersen, General Manager

ATTACHMENTS:

[Bring Back the Beach Gala 2023 - Heal the Bay](#)

Heal the Bay Bring Back the Beach Gala 2023

May 18 @ 5:30 pm - 10:00 pm

Get your tickets to our biggest event of the year!



**BRING BACK
THE BEACH
GALA**

SUPPORTING HEAL THE BAY

MAY 18, 2023 • 5:30PM

COCKTAILS, DINNER, AUCTION
AWARDS CEREMONY & ENTERTAINMENT

JONATHAN CLUB
850 PALISADES BEACH RD., SANTA MONICA

HONORING

**JAN LIVINGSTON-MOKHTARI
AND MARSH MOKHTARI,
CO-FOUNDERS
GRAY WHALE GIN**
WALK THE TALK AWARD RECIPIENTS

ASSEMBLYWOMAN LUZ RIVAS
DOROTHY GREEN AWARD RECIPIENT

TOWER 28
WAVE AWARD RECIPIENT

GALA COMMITTEE
LUCIANA BRAFMAN
BOB KANE
SHARON LAWRENCE
CAMELA OTT, M.D.
MIKE SULLIVAN
JEFF WILLIAMS


Heal the Bay

FOR ADDITIONAL INFORMATION AND TO BOOK YOUR RESERVATION
PLEASE VISIT HEALTHEBAY.ORG/GALA OR EMAIL GALAGUEST@HEALTHEBAY.ORG

You are cordially invited to our **Bring Back the Beach Gala** on **May 18, 2023**. As a fundraising benefit for Heal the Bay, this exclusive West Coast event welcomes hundreds of leaders from the business, political, entertainment, and environmental communities

GET TICKETS

Sipping on fruity cocktails, enjoying a beautiful sunset with the salty breeze, digging your toes in the sand, and winning an amazing getaway—does life get any better? Yes, when it all benefits healthy, safe, and clean coastal waters and watersheds. Our Bring Back the Beach Gala sells out every year. So, please reserve your seat soon. We look forward to celebrating with you on the sand!

Event Details:

Bring Back the Beach Annual Gala

Thursday, May 18, 2023 @ 5:30pm – 10pm

Jonathan Club Santa Monica

MORE WAYS TO GET INVOLVED:

BECOME A SPONSOR

SEE THE 2022 GALA ALBUM

DETAILS

Date:

May 18 (2023-05-18)

Time:

5:30 pm - 10:00 pm

Event Category:

Special Events

Website:

<https://donate.healthebay.org/event/heal-the-bay-bring-the-beach-back-gala-2022/e389762>





VENUE

Jonathan Club in Santa Monica

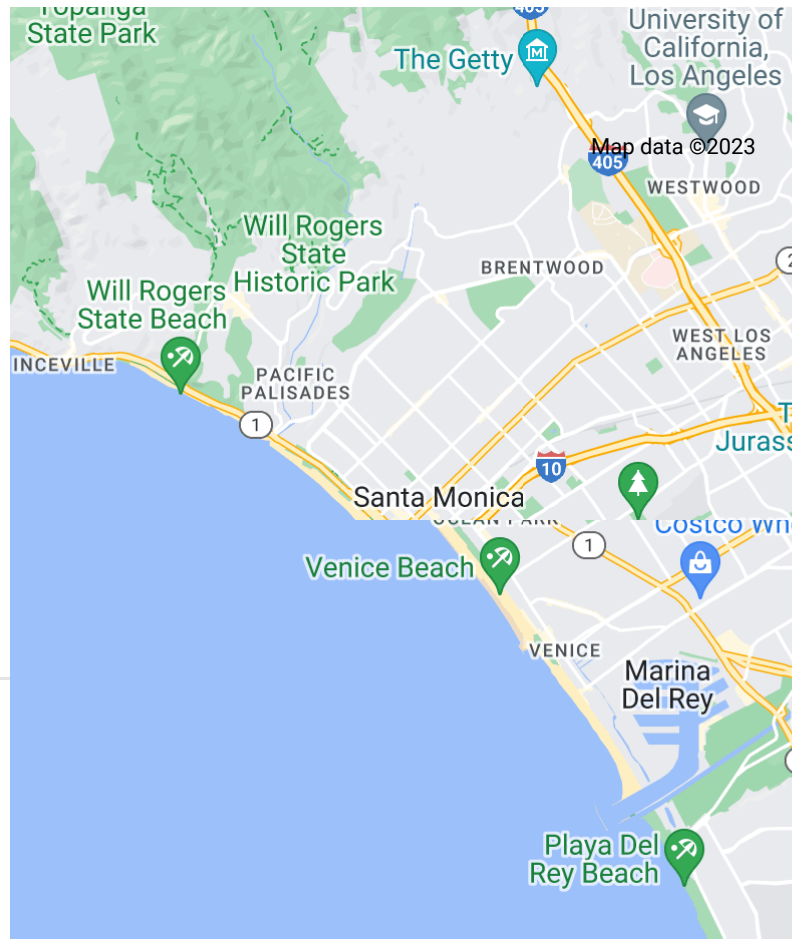
850 Palisades Beach Rd.

Santa Monica, CA (California) 90403 United States

Phone:

310-393-9245

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Heal the Bay is a 501(c)3 nonprofit organization. All gifts are tax deductible to the fullest extent of the law.

Heal the Bay's Tax ID number is 95-4031055.

Federal Report: Las Virgenes Water District

April 24, 2023

John Freshman, Ana Schwab, Lowry Crook, and Samantha Sabol

CONGRESS

House Natural Resources Subcommittee Holds Field Hearing on Legislative Priorities

On April 11th, 2023, the House Natural Resources Subcommittee on Water, Wildlife, and Fisheries held a legislative field hearing on H.R. 215 “WATER for California Act” and H.R. 872 “FISH Act”. The field hearing was located at the World Ag Expo, in Tulare, CA. Congressman Valadao and Congressman Costa, although not members of the Natural Resources Committee, were granted permission to participate in the hearing. Subcommittee Chairman Cliff Bentz (OR-02) and Ranking Member Jared Huffman (CA-02) heard testimony from the following witnesses: Tony DeGroot from DG Bar Ranches, Aaron Fukuda from Tulare Irrigation District, Jason Phillips from Friant Water Authority, Jeff Sutton from Tehama-Colusa Canal Authority, Chris White from San Joaquin River Exchange Contractors Water Authority, and William Bourdeau from Westlands Water District.

Members of Congress discussed impacts of the drought in the Western United States, and the impact on agriculture. Members acknowledged challenges farmers face during drought conditions and a lacking water supply, which further reduces available produce, food, and the nation’s economic development. Congressman Valdao highlighted that while the Central Valley encompasses less than 1% of farmland in the U.S., it produces 25% of the food in this country. Discussions also emphasized the dire need to make water supply more reliable and available by increasing water storage and the capacity of storage. Committee Chairman Bruce Westerman (AR-04) highlighted the need to update important infrastructure, such as dams and levees, and expressed frustration at the “bureaucratic blocks” from changing regulations that are causing halts and delays on projects.

Background:

H.R. 215 Working to Advance Tangible and Effective Reforms (WATER) for California Act

Congressman Valadao introduced this legislation in September of 2022, and is re-introducing it in the 118th Congress. Last congress it was cosponsored by the entire California Republican delegation.

The bill would:

- ✓ Require the central valley project and state water project operate under 2019 regulations, which allowed the projects to be independently peer-reviewed.
- ✓ Ensures CVP and SWP users receive the water they are allotted.
- ✓ Fund the Shasta Enlargement Project
- ✓ Reauthorizes elements of the WIIN act, including a surface water storage project program and CVP and SWP coordination.

H.R. 872 Federally Integrated Species Health (FISH) Act

Congressman Ken Calvert introduced this legislation on February 8th 2023. The bill has bipartisan support from five Republicans, Rep. Tom McClintock (CA-5), Rep. Michelle Steel (CA-45), Rep. Jay Obernolte (CA-23), Rep. Darrell Issa (CA-48), Rep. Doug LaMalfa (CA-1), and Rep. Michael Simpson (ID-2). Democratic member Jim Costa (CA-21) is also cosponsoring the bill.

This legislation would make the U.S. Fish and Wildlife Service the sole authority over endangered species regulation. Currently, the authority is shared with the National Marine Fisheries Service.

Natural Resources Subcommittee Holds Hearing on the 50th Anniversary of the Endangered Species Act

On April 18th, 2023, the House Natural Resources Subcommittee on Water, Wildlife, and Fisheries held a hearing to discuss the 50th anniversary of the Endangered Species Act becoming law, and to consider multiple pieces of legislation, including H.J. Res. 29, H.J. Res. 46, H.J. Res. 49 and H.R. 1213.

Subcommittee Chairman Cliff Bentz (OR-02) and Ranking Member Jared Huffman (CA-02) divided the hearing into multiple panels to review the legislation. They heard testimony from over 10 witnesses, some of which included Mr. Stephen Guertin from the U.S. Fish and Wildlife Service, Mr. Rick Horton from the Minnesota Forest Industries, Mr. Fred

Flippance from the Oregon Rural Electric Cooperative Association, and Mr. Sam Rauch from the National Marine Fisheries Service.

Members of congress discussed the Endangered Species Act and associated regulations, and the impact the act has had on those in rural locations. How to protect species of animals that are endangered or recovering from endangered status, and the conflicting regulations that cause delays and burdens for many. Members on both sides of the aisle agreed for the need to protect endangered species while ensuring land is available for use as needed for the well-being for our country.

Chairman Bentz highlighted the billions of dollars spent to recover even one species of animals, and the need to find a regulatory solution that is more fiscally responsible. He shared that his resolution would rescind the Biden administration rule and leave the management plans established by the U.S. Forest Service or the Bureau of Land Management.

Ranking Member Huffman discussed legislation put forward to keep certain species on the Endangered Species Act, and the need to keep current regulations. Rep. Huffman believes the Chairman's legislation would go too far to narrow the definition of endangered species, make regulations unclear, and threaten the existence of certain animals without habitat protection.

Background:

H.J. Res. 29, Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the United States Fish and Wildlife Service relating to "Endangered and Threatened Wildlife and Plants; Lesser Prairie-Chicken; Threatened Status With Section 4(d) Rule for the Northern Distinct Population Segment and Endangered Status for the Southern Distinct Population Segment"

This legislation was introduced by Rep. Tracey Mann (KS-01). This joint resolution nullifies the final rule issued by the U.S. Fish and Wildlife Service that adds the Northern Distinct Population Segment of lesser prairie-chicken to the list of threatened species and the Southern District Population Segment of lesser prairie-chicken to the list of endangered species.

H.J. Res. 46, Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the National Marine Fisheries Service relating to "Endangered and Threatened Wildlife and Plants; Regulations for Listing Endangered and Threatened Species and Designating Critical Habitat"

This legislation was introduced by Subcommittee Chairman Cliff Bentz. This legislation would nullify regulations put in place by the Biden Administration regarding determinations

for endangered species, and would default back to the rules under the Trump Administration.

H.J. Res. 49, Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the United States Fish and Wildlife Service relating to "Endangered and Threatened Wildlife and Plants; Endangered Species Status for Northern Long-Eared Bat"

This legislation was introduced by Rep. Pete Stauber (MN-08). This joint resolution nullifies the final rule issued by the U.S. Fish and Wildlife Service that adds the Northern Long-Eared Bat Segment to the list of endangered species.

H.R. 1213 (Rep. Grijalva), "Restoring Effective Science-based Conservation Under Environmental laws protecting Whales Act of 2023" or the "RESCUE Whales Act of 2023".

This legislation was introduced by Congressman Raul Grijalva (AZ-07). H.R. 1213 would repeal language passed in the FY23 omnibus that poses a threat to the North Atlantic right whale by allowing "lethal entanglement" materials to be used as fishing gear.

Congress Votes to Override President Biden's Veto of WOTUS Jurisdiction Legislation

On Tuesday, April 18th, 2023, the House of Representatives voted to override the President's veto of H.J.Res 27, Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of the Army, Corps of Engineers, Department of Defense and the Environmental Protection Agency relating to "Revised Definition of 'Waters of the United States'".

Although the legislation initially passed in both the House and the Senate with a simple majority, both chambers of Congress would need $\frac{2}{3}$ majority, also known as a super majority, to override the veto. This measure failed with a vote of 227-196.

Background:

H.J.Res 27, Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of the Army, Corps of Engineers,

Department of Defense and the Environmental Protection Agency relating to "Revised Definition of 'Waters of the United States'".

This legislation was introduced by Rep. Sam Graves (MO-6) on February 2, 2023, and received 170 Republican cosponsors. Eight cosponsors are from California, and include Rep. Tom McClintock (CA-5), Rep. David G. Valadao (CA-22), Rep. Doug LaMalfa (CA-1), Rep. Mike Garcia (CA-27), Rep. Darrell Issa (CA-48), Rep. Kevin Kiley (CA-3), Rep. John Duarte (CA-13), Rep. Ken Calvert (CA-41).

H.J.Res 27 nullifies the rule published by the U.S. Army Corps of Engineers and the Environmental Protection Agency, submitted on January 18, 2023, and took effect on March 20, 2023. However, due to ongoing litigation at the Supreme Court of the United States (SCOTUS), the new implementation has been paused, and agencies are interpreting the rule consistent with pre-2015 regulatory standing.

The rule published by the Army Corps and EPA broadened the definition of “navigable waters” to include protections of waters that flow intermittently, while the joint resolution would return the regulations to include a narrower definition.

On March 9th, 2023, the resolution passed the Senate in a 53-43 vote. The bill received bipartisan support in both the House and the Senate. President Biden vetoed the measure on April 18th, expressing concerns over the impact a narrower rule will have on farmers and agricultural workers across the country. The President’s statement released in conjunction with the veto stated that nullifying the rule passed would reduce clarity and remove “regulatory certainty”.

House Republicans Introduce a Bill to Raise the Debt Ceiling

On April 19th, 2023, Speaker of the House Kevin McCarthy introduced legislation to raise the debt ceiling, a proposal that will cut federal spending and repeal many of the Administration’s priorities. While this bill is the first concrete action to be taken in addressing the debt limit, there are many negotiations, and likely changes to the bill, that will need to take place before both chambers of Congress and the President agree to a solution. McCarthy is bringing this bill to a vote as early as next week. With the Republican’s slim majority in the House, the Speaker can’t afford to lose more than four votes from his party.

Speaker McCarthy’s debt limit bill includes many provisions to decrease federal spending and make cuts to certain federal programs. The plan would ultimately either suspend the debt limit until March 31, 2024, or raise the debt ceiling by \$1.5 trillion. It reduces federal spending by \$130 billion, but does not specify agencies and departments that would be cut, leaving these determinations to the congressional appropriations process. The bill does, however, cap any increase to agency budgets at 1%.

The plan changes work requirements for adults without children to receive Supplemental Nutrition Assistance Program (SNAP) benefits, increases work requirements for those receiving Medicaid, with exceptions for pregnant women or those with children, and blocks the President’s plan to cancel student debt. The proposal would also cut certain provisions from the Inflation Reduction Act by repealing funds dedicated to the IRS and tax credits for

energy programs and electric vehicles. The bill would also take back any unspent funding provided from previous coronavirus aid packages.

Lastly, it would include H.R. 277, the Regulations From the Executive in Need of Scrutiny (REINS) Act introduced by Rep. Kat Cammack (FL-3). This bill would amend and broaden the Congressional Review Act, mandating congressional approval of major agency regulations before they are implemented.

Administration/Regulatory

U.S. Bureau of Reclamation Releases Draft Supplemental Environmental Impact Statement (SEIS)

On Tuesday, April 11th, 2023, the Bureau of Reclamation (USBR) released a draft SEIS to address water shortages in the Colorado River. The guideline will amend the current operational strategy of Glen Canyon and Hoover Dams. The draft proposes a framework for alternatives to current operational levels, namely, revising the 2007 Record of Decision for Colorado River Guidelines, which provided a framework for the operation of Lake Powell and Lake Mead.

The public comment period is open for 45 days, ending on May 30th, with a final Record of Decision predicted in the summer of 2023. Plans are estimated to go into effect in 2024.

A summary of alternatives is as follows:

1. No Action Alternative: No changes are made to current operations. An assessment is provided regarding consequences of no action taken.
2. Action Alternative 1: Reduction in releases from Glen Canyon Dam, with larger additional shortages, and an analysis of the consequences and the priority of water rights.
3. Action Alternative 2: Reduction in releases from Glen Canyon Dam, and Lower Colorado River Basin reductions distributed evenly across basin states, with larger additional shortages.

EPA's Science Advisory Board to Review EPA's Biosolids Risk Assessment Framework

On April 5, the EPA's Science Advisory Board (SAB) will hold the first of three public meetings in which it will review EPA's draft "Standardized Framework for Sewage Sludge Chemical Risk Assessment." Of particular note, this framework could have implication for the disposal of sludge contaminated with PFAS, which would have an impact on wastewater agencies. In the framework, EPA proposes a three-step process:

- (1) Utilizing the EPA's biennial review and sewage sludge survey, categorize the chemicals detected;
- (2) Prioritize the risk assessment of chemical pollutants found in biosolids using the peer-reviewed Public Information Curation and Synthesis (PICS) process;
- (3) Utilize EPA's Biosolids Tool (BST) to conduct a deterministic screening-level assessment for the chemicals identified of greatest concern in the PICS process;
- (4) Where chemical exposures exceed levels of concern, there will be a refined risk assessment.

Ahead of the meeting, NACWA sent a letter to the SAB questioning the appropriateness of the framework and the subsequent charge questions directed to the SAB. Further, NACWA requested the SAB review four specific items:

- (1) To review the PICS process in a refined manner specific for biosolids, as it currently stands, it is too broad;
- (2) Encouraged the SAB to use exposure values specific for biosolids as it relates to the human hazard-to-exposure ratio;
- (3) Include an uncertainty analysis, particularly for second-tier toxicity criteria; and
- (4) the SAB should consider the background levels of contaminants – particularly where the contaminant has different requirements (i.e. MCLs for PFOA and PFOS in drinking water are more stringent than background levels in surface waters).

EPA Seeks Comment on Regulating Additional PFAS Chains Under CERCLA

On April 13, EPA issues an Advanced Notice of Proposed Rulemaking (ANPRM) requesting comment on the potential for additional PFAS Chains to be designated as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), also known as the “Superfund” law. The request for public input on this consideration, follows EPA’s fall 2022 proposed rule to designate PFOA and PFOS as hazardous substances under CERCLA.

Under this ANPRM, EPA is considering proposing seven additional chains under CERCLA: PFBS, PFHxS, PFNS, HFPO-DA (GenX), PFBA, PFHxA, PFDA. Additionally, EPA is seeking comment on the designation of the precursors to PFOA, PFOS, and the seven chains above, as well as categories of PFAS as hazardous substances under CERCLA.

Comments are due by June 12, 2023.

Funding Opportunities

Department of Energy

The Department of Energy opened the application period for \$430 million in Energy Efficiency and Conservation Block Grant (EECBG) Program formula grant funding from the BIL for clean energy projects and programs in local communities. Applications will be accepted on a rolling basis, and DOE will prioritize its review based on the order in which applications are received. All applicants should fill out a Pre-Award Information Sheet by

April 28th, and local government applications are due before **January 31, 2024**. More information can be found [here](#).

Bureau of Reclamation

The status of WaterSMART program funding opportunities can be found [here](#). Many opportunities are predicted to open in May and June of 2023.



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April 2023 Bill Tracking Matrix

Legislation	Summary	Status	Cosponsors	# of Cosponsors
H.R. 1 Lower Energy Costs Act	To lower energy costs by increasing American energy production, exports, infrastructure, and critical minerals processing, by promoting transparency, accountability, permitting, and production of American resources, and by improving water quality certification and energy projects, and for other purposes.	03/14/2023 Introduced by Rep. Steve Scalise (R-LA-1) 03/15/2023 Referred to the Subcommittee on Coast Guard and Maritime Transportation.	Rep. Tom McClintock (R-CA-4) ; Rep. Robert Aderholt (R-AL-4); Rep. Rick Allen (R-GA-12); Rep. Kelly Armstrong (R-ND-1); Rep. Troy Balderson (R-OH-12); Rep. Lauren Boebert (R-CO-3);	49
H.R. 215 WATER for California Act	To provide long-term water supply and regulatory reliability to drought-stricken California, and for other purposes.	1/09/2023 Introduced by Rep. David Valadao (R-CA-21) 2/21/2023 Referred to the Subcommittee on Water, Wildlife, and Fisheries.	Rep. Ken Calvert (R-CA-42) ; Rep. John Duarte (R-CA-13) ; Rep. Mike Garcia (R-CA-25) ; Rep. Darrell Issa (R-CA-50) ; Rep. Kevin Kiley (R-CA-3) ; Rep. Young Kim (R-CA-39) ; Rep. Doug LaMalfa (R-CA-1) ;	11
H.R. 186 Water Supply Permitting Coordination Act	To authorize the Secretary of the Interior to coordinate Federal and State permitting processes related to the construction of new surface water storage projects on lands under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture and to designate the Bureau of Reclamation as the lead agency for permit processing, and for other purposes.	01/09/2023 Introduced by Rep. Tom McClintock (R-CA-4) 2/21/2023 Referred to the Subcommittee on Water, Wildlife, and Fisheries.	Rep. Cliff Bentz (R-OR-2); Rep. Doug LaMalfa (R-CA-1) ; Rep. Burgess Owens (R-UT-4); Rep. Pete Stauber (R-MN-8); Rep. David Valadao (R-CA-21)	5
H.R. 873 Water Quality and Environmental Innovation Act	To authorize the Administrator of the Environmental Protection Agency to award grants and contracts for projects that use emerging technologies to address threats to water quality, and for other purposes.	2/8/2023 Introduced by Rep. Byron Donalds (R-FL-19) Referred to the Committee on Transportation and Infrastructure, and in addition to the Committees on Energy and Commerce, and Science, Space, and Technology.	Rep. Josh Gottheimer (D-NJ-5)	1
S. 820 A bill to add the Consumer Product Safety Commission to the list of agencies required to be represented on the PFAS interagency working group.	This bill would require the Consumer Product Safety Commission (CPSC) to be added to the Administration interagency work group that coordinates federally funded PFAS research and development.	03/15/2023 Introduced by Sen. Gary Peters (D-MI) Referred to the Committee on Homeland Security and Governmental Affairs.	Burgess (R-TX-26) Re Sen. Susan Collins (-ME); Sen. Cynthia Lummis (R-WY); Sen. Peter Welch (D-VT)	3
H.R. 1049 Protecting Airport Communities from Particle Emissions Act	To direct the Administrator of the Federal Aviation Administration to conduct a study relating to ultrafine particles, and for other purposes.	02/14/2023 Introduced by Rep. Adam Smith (D-WA-9) Referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Energy and Commerce.	Rep. Pramila Jayapal (D-WA-7); Rep. Grace Meng (D-NY-6); Rep. Eleanor Norton (D-DC-1)	3
H.R. 1556 Define WOTUS Act	To amend the Federal Water Pollution Control Act to modify the definition of navigable waters, and for other purposes.	03/10/2023 Introduced by Rep. Mary Miller (R-IL-15)		0
S.J. Res. 7 A joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of the Army, Corps of Engineers, Department of Defense and the Environmental Protection Agency relating to 'Revised Definition of 'Waters of the United States'.	This joint resolution nullifies the rule titled Revised Definition of "Waters of the United States," which was submitted by the U.S. Army Corps of Engineers and the Environmental Protection Agency on January 18, 2023. The rule specifies which bodies of water fall under the scope of the Clean Water Act and are thereby under federal jurisdiction. The 2023 rule replaced a 2020 rule that included a narrower definition of waters of the United States.	02/02/2023 Introduced By Senator Shelley Moore Capito (R-WV). 02/02/2023 Referred to the Committee on Environment and Public Works.	Sen. John Barrasso (R-WY); Sen. Marsha Blackburn (R-TN); Sen. John Boozman (R-AR); Sen. Mike Braun (R-IN); Sen. Katie Britt (R-AL); Sen. Ted Budd (R-NC); Sen. Bill Cassidy (R-LA); Sen. Susan Collins (R-ME); Sen. John Cornyn (R-TX); Sen. Thomas Cotton (R-AR); Sen. Kevin Cramer (R-ND); Sen. Mike Crapo (R-ID); Sen. Ted Cruz (R-TX); Sen. Steve Daines (R-MT); Sen. Joni Ernst (R-IA); Sen. Deb Fischer (R-NE); Sen. Lindsey Graham (R-SC); Sen. Chuck Grassley (R-IA); Sen. Bill Hagerty (R-TN); Sen. Josh	49

S. 188 Wildfire Emergency Act of 2023	A bill to direct the Secretary of Agriculture to select and implement landscape-scale forest restoration projects, to assist communities in increasing their resilience to wildfire, and for other purposes.	01/31/2023 Introduced by Senator Dianne Feinstein (D-CA) 01/31/2023 Referred to the Committee on Energy and Natural Resources.	Sen. Steve Daines (R-MT); Sen. Alex Padilla (D-CA) ; Sen. Ron Wyden (D-OR)	3
S. 64 Water Rights Protection Act of 2023	A bill to prohibit the conditioning of any permit, lease, or other use agreement on the transfer of any water right to the United States by the Secretary of the Interior and the Secretary of Agriculture, and for other purposes.	01/25/2023 Introduced by Senator John Barrasso (R-WY). 01/25/2023 Referred to the Committee on Energy and Natural Resources.	Sen. Mike Crapo (R-ID); Sen. James Risch (R-ID)	2
H.R. 369 NIST Wildland Fire Communications and Information Dissemination Act	To require the National Institute of Standards and Technology to conduct research on public safety communication coordination standards among wildland firefighters and fire management response officials.	01/17/2023 Introduced by Rep .Young Kim (R-CA-40). 01/17/2023 Referred to the House Committee on Science, Space, and Technology.	Rep. Teresa Leger Fernandez (D-NM-3); Rep. Mike Garcia (R-CA-25) ; Rep. Joe Neguse (D-CO-2); Rep. Melanie Ann Stansbury (D-NM-1)	4
H.J.Res 27 Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of the Army, Corps of Engineers, Department of Defense and the Environmental Protection Agency relating to 'Revised Definition of 'Waters of the United States'.	This joint resolution nullifies the rule titled Revised Definition of "Waters of the United States," which was submitted by the U.S. Army Corps of Engineers and the Environmental Protection Agency on January 18, 2023. The rule specifies which bodies of water fall under the scope of the Clean Water Act and are thereby under federal jurisdiction and protected. For example, the definition in the 2023 rule includes certain wetlands and ephemeral waters (e.g., waters that flow intermittently). The 2023 rule replaced the 2020 Navigable Waters Protection Rule that included a narrower definition of waters of the United States.	02/02/2023 Introduced by Rep. Sam Graves (R-MO-06). 04/18/2023 The Chair directed the Clerk to notify the Senate of the action of the House.	Rep. Ken Calvert (R-CA-42); Rep. John Duarte (R-CA-13); Rep. Mike Garcia (R-CA-25); Rep. Darrell Issa (R-CA-50); Rep. Kevin Kiley (R-CA-3); Rep. Doug LaMalfa (R-CA-1); Rep. Tom McClintock (R-CA-4); Rep. David Valadao (R-CA-21) ; Rep. Robert Aderholt (R-AL-4); Rep. Mark Alford (R-MO-4); Rep. Rick Allen (R-GA-12); Rep. Mark Amodei (R-NV-2); Rep. Kelly Armstrong (R-ND-1); Rep. Jodey Arrington (R-TX-19); Rep. Brian Babin (R-TX-36); Rep. Don Bacon (R-NE-2);	170
H.R. 1740 To amend the Water Infrastructure Finance and Innovation Act of 2014 to establish payment and performance security requirements for projects, and for other purposes.	To amend the Water Infrastructure Finance and Innovation Act of 2014 to establish payment and performance security requirements for projects, and for other purposes.	3/23/2023 Introduced by Rep. Mike Bost (R-IL-12). 03/24/2023 Referred to the Subcommittee on Water Resources and Environment.	Rep. Troy Balderson (R-OH-12); Rep. Stephen Lynch (D-MA-8); Rep. Chris Pappas (D-NH-1)	3

To:	Las Virgenes - Triunfo JPA
From:	Syrus Devers, Best Best & Krieger
Date:	May 1st, 2023
Re:	State Government Affairs Monthly Report

The Legislature

The final week of April is one of the busiest of the year. The policy bill deadline of April 28th meant that nearly every bill tracked by water agencies was heard in one committee or another over the previous 14 days. Here are the major highlights:

AB 1337 (Wicks): As introduced this bill would have made SWRCB’s emergency powers its regular powers. The bill was completely rewritten to address the “Curtailed Cases” where the SWRCB was prohibited from curtailing water diversions of junior pre-1914 water right holders to protect the rights of more senior diverters. Except in a drought emergency or a streamwide adjudication, the court held that the SWRCB did not have the authority it tried to exercise. But the court also said it was for the Legislature to decide if water rights should be so loosely regulated in modern times: as amended AB 1337 would answer that call. In brief, the bill now says SWRCB may order a curtailment where there is insufficient water to satisfy a diverter’s priority of right regardless of the basis of that right. In other words, even a pre-1914 water right. ACWA held an emergency State Legislative Committee meeting but delayed changing its position until proposed amendments could be reviewed.

AB 460 (Bauer-Kahan): This report was prepared the day before AB 460 was due to be heard in the Assembly Judiciary Committee; however, the dismissive tone of the Judiciary Committee analysis suggests that few of the water industry’s concerns will be addressed. In response to opposition arguments that SWRCB will have no judicial oversight, the committee amendments recommend requiring the SWRCB to adopt regulations before the bill takes effect: as if the SWRCB cannot adopt biased regulations.

SB 366 (Caballero): As with the previous bills, SB 366 will be heard the day after this report is being prepared. This is the “Solve the Water Crisis” bill which began as a public relations effort last year, of which LVMWD was a participant. The whole point of the bill is to focus attention on increasing the water supply and setting tangible targets by certain dates. Based on the committee analysis, SB 366 is not being well received. Most of the criticism in the analysis focuses on the fact that the bill fails to address “demand management.” (Sometimes called “conservation.”) Of course, hundreds of bills have

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addressed every aspect of conservation over the last 30 years. The sponsors of SB 366 are not against conservation, but the reason for the bill is that there has not been enough focus on increasing California's water supply. Despite the sweeping breadth of the bill, it may have to be larger still to address, yet again, some other aspect of conservation.

This year is one of the most substantive years for water policy legislation in the last decade. As such, there are several bills that have not received enough attention due to the "modernizing water rights" bills demanding every available moment from legislative advocates for the last several weeks. As the surviving bills move to the other house, BB&K looks forward to bringing other relevant legislation to the attention of the JPA.

Las Virgenes-Triunfo JPA

Bill Matrix – April 24th, 2023

A. Priority Support/Oppose

[AB 234](#)

(Bauer-Kahan D) Microparticles.

Status: 4/3/2023-Re-referred to Com. on NAT. RES.

Location: 3/23/2023-A. NAT. RES.

Summary: Would enact the Synthetic Polymer Microparticles in Cosmetic and Cleaning Products Prevention Act. The bill would prohibit a synthetic polymer microparticle from being placed on the market in this state as a substance on its own or, where the synthetic polymer microparticles are present to confer a sought-after characteristic, in mixtures in a concentration equal to or greater than 0.01% by weight. The restriction would apply on and after specified dates depending on the type of product, as described, except as otherwise provided. The bill would specify the screening tests and pass criteria to be used for purposes of determining compliance with this prohibition. The bill would make a person who violates this prohibition liable for a civil penalty not to exceed \$5,000 per day for each violation, in addition to any other penalty established by law. The bill would authorize the civil penalty to be assessed and recovered in a civil action brought by a city attorney, a district attorney, a county counsel, or the Attorney General in any court of competent jurisdiction.

Position	Priority
Out for Analysis	A. Priority Support/Oppose

[AB 249](#)

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

Status: 4/3/2023-Re-referred to Com. on APPR.

Location: 3/30/2023-A. APPR.

Calendar: 5/3/2023 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, HOLDEN, CHRIS, Chair

Summary: Would require a community water system that serves a schoolsite, as defined, to test for lead in the potable water system outlets of the schoolsite before January 1, 2027, except for potable water system outlets in buildings that were either constructed after January 1, 2010, or modernized after January 1, 2010, and all faucets and other end point devices used for providing potable water were replaced as part of the modernization. The bill would require the community water system to report its findings to the applicable school or local educational agency and to the state board. The bill would require the local educational agency or school, if the lead level exceeds a specified level at a schoolsite, to notify the parents and guardians of the pupils who attend the schoolsite, take immediate steps to make inoperable and shut down from use all fountains and faucets where the excess lead levels may exist, and work with the schoolsites under its jurisdiction to ensure that a potable source of drinking water is provided for pupils, as specified. The bill would require a community water system to prepare a sampling plan for each schoolsite where lead sampling is required under these provisions. The bill would require the state board to make the results of schoolsite lead sampling publicly available by posting the results on its internet website. By imposing additional duties on local agencies, this bill would impose a state-mandated local program.

Position	Priority
Watch	A. Priority Support/Oppose

[AB 460](#)

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

Status: 4/19/2023-From committee: Do pass and re-refer to Com. on JUD. (Ayes 9. Noes 4.) (April 18). Re-referred to Com. on JUD.

Location: 4/19/2023-A. JUD.

Calendar: 4/25/2023 9 a.m. - State Capitol, Room 437 ASSEMBLY JUDICIARY, MAIENSCHIN, BRIAN, Chair

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

Position	Priority
Opposition	A. Priority Support/Oppose

AB 838 **(Connolly D) California Water Affordability and Infrastructure Transparency Act of 2023.**

Status: 4/19/2023-In committee: Set, first hearing. Referred to suspense file.

Location: 4/19/2023-A. APPR. SUSPENSE FILE

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. The act prohibits a person from operating a public water system unless the person first submits an application to the state board and receives a permit to operate the system, as specified. The act requires a public water system to submit a technical report to the state board as a part of the permit application or when otherwise required by the state board, as specified, and to submit the report in the form and format and at intervals specified by the state board. This bill would require, beginning January 1, 2025, and thereafter at intervals determined by the state board, public water systems to provide specified information and data related to customer water bills and efforts to replace aging infrastructure to the state board.

Position	Priority
Out for Analysis	A. Priority Support/Oppose

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

Status: 4/20/2023-Read second time and amended.

Location: 4/19/2023-A. JUD.

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

Position	Priority
Out for Analysis	A. Priority Support/Oppose

Notes 1: Recent amendments

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

Status: 4/20/2023-Read second time and amended.

Location: 4/19/2023-A. APPR.

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

Position	Priority
Out for Analysis	A. Priority Support/Oppose

Notes 1: Author working on amendments with MWD.

SB 23 **(Caballero D) Water supply and flood risk reduction projects: expedited permitting.**

Status: 4/18/2023-Set for hearing April 26.

Location: 4/11/2023-S. E.Q.

Calendar: 4/26/2023 9 a.m. - 1021 O Street, Room 1200 SENATE ENVIRONMENTAL QUALITY, ALLEN, BENJAMIN, Chair

Summary: Current law prohibits an entity from substantially diverting or obstructing the natural flow of, or substantially

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

Position	Priority
Support	A. Priority Support/Oppose

SB 48 **(Becker D) Building Energy Savings Act.**

Status: 4/21/2023-Set for hearing May 1.

Location: 4/19/2023-S. APPR.

Calendar: 5/1/2023 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, PORTANTINO, ANTHONY, Chair

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

Position	Priority
Watch	A. Priority Support/Oppose

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

Status: 4/11/2023-Set for hearing April 25.

Location: 3/29/2023-S. N.R. & W.

Calendar: 4/25/2023 Upon adjournment of Public Safety Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as the California Water Plan. Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would require the department to instead establish a stakeholder advisory committee, to expand the membership of the committee to include tribes and environmental justice interests, to prohibit a member of the committee from serving longer than the development of 2 updates, and to require the committee to meet a minimum of 4 times annually. The bill would require the department, in coordination with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state’s water needs and meeting specified water supply targets established by the bill for purposes of “The California Water Plan.”

Position	Priority
Support	A. Priority Support/Oppose

SB 389 **(Allen D) State Water Resources Control Board: determination of water right.**

Status: 4/11/2023-Set for hearing April 25.

Location: 2/22/2023-S. N.R. & W.

Calendar: 4/25/2023 Upon adjournment of Public Safety Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Current law provides that it is the intent of the Legislature that the state take vigorous action to enforce the

terms and conditions of permits, licenses, certifications, and registrations to appropriate water, to enforce state board orders and decisions, and to prevent the unlawful diversion of water. This bill would authorize the State Water Resources Control Board to investigate the diversion and use of water from a stream system to determine whether the diversion and use are based upon appropriation, riparian right, or other basis of right, as specified.

Position	Priority
Out for Analysis	A. Priority Support/Oppose

SB 687 (**Eggman D**) **Water Quality Control Plan: Delta Conveyance Project.**

Status: 4/18/2023-Set for hearing April 26.

Location: 4/11/2023-S. E.Q.

Calendar: 4/26/2023 9 a.m. - 1021 O Street, Room 1200 SENATE ENVIRONMENTAL QUALITY, ALLEN, BENJAMIN, Chair

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

Position	Priority
Watch	A. Priority Support/Oppose

B. Watch

AB 30 (**Ward D**) **Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.**

Status: 3/14/2023-Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (March 14). Re-referred to Com. on APPR.

Location: 3/14/2023-A. APPR.

Calendar: 4/26/2023 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, HOLDEN, CHRIS, Chair

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

Position	Priority
Watch	B. Watch

AB 62 (**Mathis R**) **Statewide water storage: expansion.**

Status: 4/20/2023-Read second time and amended.

Location: 4/19/2023-A. APPR.

Summary: Current law establishes within the Natural Resources Agency the State Water Resources Control Board and the California regional water quality control boards. Current law requires the work of the state board to be divided into at least 2 divisions, known as the Division of Water Rights and the Division of Water Quality. This bill would establish a statewide goal to increase above- and below-ground water storage capacity by a total of 3,700,000 acre-feet by the year 2030 and a total of 4,000,000 acre-feet by the year 2040. The bill would require the Department of Water Resources, in consultation with the state board, to take reasonable actions to promote or assist efforts to achieve the statewide goal, as provided. The bill would require the department, beginning July 1, 2027, and on or before July 1 every 2 years thereafter until January 1, 2043, in consultation with the state board, to prepare and submit a report to the Legislature on the progress made to achieve the statewide goal.

Position	Priority
Watch	B. Watch

[AB 66](#)

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

Status: 4/19/2023-In committee: Set, first hearing. Referred to suspense file.

Location: 4/19/2023-A. APPR. SUSPENSE FILE

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

Position	Priority
	B. Watch

[AB 277](#)

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

Status: 4/19/2023-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 15. Noes 0.) (April 18). Re-referred to Com. on APPR.

Location: 4/19/2023-A. APPR.

Calendar: 5/3/2023 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, HOLDEN, CHRIS, Chair

Summary: Current law establishes the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program within the Department of Water Resources to, upon appropriation of special fund moneys, research climate forecasting and the causes and impacts that climate change has on atmospheric rivers, to operate reservoirs in a manner that improves flood protection in the state, and to reoperate flood control and water storage facilities to capture water generated by atmospheric rivers. This bill would establish the State-Federal Flood Operations Center within the Department of Water Resources and would authorize the department to administer the center in the department’s divisions, offices, or programs. The bill would provide that the purpose of the center is to function as the focal point for gathering, analyzing, and disseminating flood and water-related information to stakeholders and would authorize the center to take specified actions for that purpose, including to function during emergency situations to enable the department to centrally coordinate statewide emergency responses. This bill would require the center and the Office of Emergency Services, in consultation with cooperating agencies, to develop and submit a report to the Legislature, as specified, on or before June 1, 2025, that outlines necessary technological advancements for agile forecasting and identifies regions that are and were underserved, gaps in data that would improve flood response, and strategies for improving communication and emergency response to identified regions. This bill would, upon appropriation by the Legislature, authorize the Office of Emergency Services to expend federal emergency preparedness and hazard mitigation funds to fill any technological, operational, or preparedness gap identified in the report.

Position	Priority
Watch	B. Watch

[AB 305](#)

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

Status: 4/18/2023-Re-referred to Com. on W., P., & W.

Location: 3/23/2023-A. W.,P. & W.

Calendar: 4/24/2023 9:30 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, BAUER-KAHAN, REBECCA, Chair

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

Position Priority
Watch B. Watch

[AB 338](#)

(Aguiar-Curry D) Public works: definition.

Status: 4/19/2023-In committee: Set, first hearing. Referred to suspense file.

Location: 4/19/2023-A. APPR. SUSPENSE FILE

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

Position Priority
Watch B. Watch

[AB 340](#)

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

Status: 3/27/2023-In committee: Set, first hearing. Hearing canceled at the request of author.

Location: 2/9/2023-A. NAT. RES.

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

Position Priority
Watch B. Watch

[AB 557](#)

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

Status: 2/17/2023-Referred to Com. on L. GOV.

Location: 2/17/2023-A. L. GOV.

Calendar: 4/26/2023 10 a.m. - State Capitol, Room 127 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, CECILIA, Chair

Summary: Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health, as specified. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, existing law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures. Current law requires a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option. Current law prohibits a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. This bill would extend the above-described abbreviated teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely.

Position Priority
Watch B. Watch

[AB 676](#)

(Bennett D) Water: general state policy.

Status: 3/27/2023-In committee: Hearing postponed by committee.

Location: 2/23/2023-A. W.,P. & W.

Calendar: 5/2/2023 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, BAUER-KAHAN, REBECCA, Chair

Summary: Current law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water and that the next highest use is for irrigation. This bill would provide specific examples of the use of water for domestic purposes, including, but not limited to, sustenance of human beings and household conveniences. The bill would provide that all water rights remain subject to specified laws.

Position	Priority
Watch	B. Watch

[AB 755](#)

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

Status: 3/20/2023-Re-referred to Com. on W., P., & W.

Location: 3/16/2023-A. W.,P. & W.

Calendar: 4/24/2023 9:30 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, BAUER-KAHAN, REBECCA, Chair

Summary: would require a public entity, as defined, that conducts a cost-of-service analysis, as defined, to identify the incremental costs incurred by the major water users, as described, in the single-family residential class and the incremental costs that would be avoided if major water users met a specified efficiency goal. The bill would also require the incremental costs incurred by the major water users to be made publicly available by posting the information on the public entity's internet website. By requiring a higher level of service of public entities, the bill would impose a state-mandated local program.

Position	Priority
Watch	B. Watch

[AB 759](#)

(Grayson D) Sanitary districts.

Status: 4/20/2023-Read third time. Passed. Ordered to the Senate. (Ayes 77. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.

Location: 4/20/2023-S. RLS.

Summary: Current law authorizes the formation of a sanitary district, pursuant to specified requirements. Current law authorizes a sanitary district to acquire, plan, construct, reconstruct, alter, enlarge, lay, renew, replace, maintain, and operate garbage dumpsites and garbage collection and disposal systems, sewers, drains, septic tanks, and sewerage collection, outfall, treatment works and other sanitary disposal systems, and storm water drains and storm water collection, outfall and disposal systems, and water recycling and distribution systems, as the deemed necessary and proper by the governing board of the district. Current law generally authorizes the district to expend money only upon written order of the board. Current law also authorizes a district board, as an alternative to the functions of the treasurer, to elect to disburse district funds upon resolution of the board and the filing of a certified copy with the treasurer. Under current law, the treasurer is then required to deliver all district funds to the district, which can only be withdrawn by written order of the district boards, signed by the president and secretary. Current law requires the district board to appoint a treasurer responsible for the deposit and withdrawal of district funds. This bill would instead authorize funds to be withdrawn by a district treasurer or expended by a treasurer upon approval by the board, signed by the president and secretary.

Position	Priority
Watch	B. Watch

[AB 1072](#)

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

Status: 3/27/2023-Re-referred to Com. on W., P., & W.

Location: 3/23/2023-A. W.,P. & W.

Calendar: 4/24/2023 9:30 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, BAUER-KAHAN, REBECCA, Chair

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

Position	Priority
Watch	B. Watch

AB 1205

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

Status: 3/27/2023-Re-referred to Com. on W., P., & W.

Location: 3/23/2023-A. W.,P. & W.

Calendar: 5/2/2023 9 a.m. - State Capitol, Room 444 ASSEMBLY WATER, PARKS AND WILDLIFE, BAUER-KAHAN, REBECCA, Chair

Summary: Would declare that the sale, transfer, or lease of an interest in any water right for profit, on or below agricultural lands within the state by an investment fund, shall not be considered a reasonable or beneficial use of water.

Position Priority
Watch B. Watch

AB 1563

(Bennett D) Groundwater sustainability agency: groundwater extraction permit: verification.

Status: 4/19/2023-In committee: Set, first hearing. Referred to suspense file.

Location: 4/19/2023-A. APPR. SUSPENSE FILE

Summary: Existing law authorizes a groundwater sustainability agency to request of the county, and requires a county to consider, that the county forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the agency before permit approval. This bill would instead require a county to forward permit requests for the construction of new groundwater wells, the enlarging of existing groundwater wells, and the reactivation of abandoned groundwater wells to the groundwater sustainability agency before permit approval. This bill contains other related provisions and other existing laws.

Position Priority
Watch B. Watch

AB 1567

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

Status: 4/19/2023-From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 10. Noes 2.) (April 18). Re-referred to Com. on NAT. RES.

Location: 4/19/2023-A. NAT. RES.

Calendar: 4/24/2023 2:30 p.m. - State Capitol, Room 447 ASSEMBLY NATURAL RESOURCES, RIVAS, LUZ, Chair

Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,105,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs.

Position Priority
Watch B. Watch

AB 1594

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

Status: 3/14/2023-Re-referred to Com. on TRANS.

Location: 3/9/2023-A. TRANS.

Calendar: 4/24/2023 2:30 p.m. - 1021 O Street, Room 1100 ASSEMBLY TRANSPORTATION, FRIEDMAN, LAURA, Chair

Summary: Current law establishes the Air Quality Improvement Program that is administered by the State Air Resources Board for purposes of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality, and establishes the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the Air Quality Improvement Program to make financing tools and nonfinancial supports available to operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles. This bill would require any state regulation that seeks to require, or otherwise compel, the procurement of medium- and heavy-duty zero-emission vehicles by a public agency utility to ensure that those vehicles can support a public agency utility’s ability to maintain reliable water and electric services, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide, among other requirements. The bill would define a public agency utility to include a local publicly owned electric utility, a community water system, and a wastewater treatment provider, as specified.

Position Priority
Watch B. Watch

Notes 1: Might be used as a clean fleets bill by CMUA

[AB 1637](#)

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

Status: 4/20/2023-From committee: Do pass and re-refer to Com. on P. & C.P. (Ayes 6. Noes 0.) (April 19). Re-referred to Com. on P. & C.P.

Location: 4/17/2023-A. P. & C.P.

Calendar: 4/25/2023 1:30 p.m. - State Capitol, Room 126 ASSEMBLY PRIVACY AND CONSUMER PROTECTION, GABRIEL, JESSE, Chair

Summary: The California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its internet website and directing a member of the public to the internet website, as specified. This bill, no later than January 1, 2025, would require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a “.gov” top-level domain or a “.ca.gov” second-level domain, and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a “.gov” or “.ca.gov” domain. This bill, no later than January 1, 2025, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a “.gov” domain name or a “.ca.gov” domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program.

Position Priority
Watch B. Watch

[AB 1648](#)

(Bains D) Water: Colorado River conservation.

Status: 3/20/2023-Re-referred to Com. on W., P., & W.

Location: 3/16/2023-A. W.,P. & W.

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

Position Priority
Watch B. Watch

[ACA 2](#)

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

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

Location: 4/20/2023-A. W.,P. & W.

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

Position Priority
Out for Analysis B. Watch

[SB 3](#)

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

Status: 4/17/2023-April 17 hearing: Placed on APPR suspense file.

Location: 4/17/2023-S. APPR. SUSPENSE FILE

Summary: The Water Shutoff Protection Act prohibits an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, from discontinuing residential service for nonpayment, as specified, and requires specified procedures before it can discontinue residential service for nonpayment. Current law defines a community water system as a public water system that serves at least 15 service connections used by yearlong residents or regularly serves at least 25 yearlong residents of the area served by the system. Current law requires an urban and community water system to have a written policy on discontinuation of residential service for nonpayment available in English, the specified languages in the Civil Code, and any other language spoken by at least 10% of the people residing in its service area. This bill would expand the scope of the Water Shutoff Protection Act by requiring that it instead apply to a community water system, defined to have the same meaning as existing law. The bill would require a community water system that supplies water to 200 service connections or fewer to comply with the act’s provisions on and after August 1, 2024.

Position Priority

SB 57

(Gonzalez D) Utilities: disconnection of residential service.

Status: 4/17/2023-April 18 set for first hearing canceled at the request of author.

Location: 3/22/2023-S. E. U., & C.

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

Position	Priority
Watch	B. Watch

SB 66

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

Status: 3/29/2023-Re-referred to Com. on E.Q.

Location: 3/29/2023-S. E.Q.

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

Position	Priority
Watch	B. Watch

SB 69

(Cortese D) California Environmental Quality Act: judicial and administrative proceedings: limitations.

Status: 4/14/2023-Set for hearing April 24.

Location: 4/12/2023-S. APPR.

Calendar: 4/24/2023 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, PORTANTINO, ANTHONY, Chair

Summary: The California Environmental Quality Act (CEQA) authorizes a state agency or a local agency that determines that a project is not subject to CEQA to file a notice of exemption with the office or the county clerk of each county in which the project will be located, as provided. CEQA requires the county clerk to make the notice available for public inspection and post the notice within 24 hours of receipt in the office or on the internet website of the county clerk, as specified. If a person has made a written request to a public agency for a copy of a notice of determination or notice of exemption for a project before the date on which the public agency approves or determines to carry out the project, CEQA requires the public agency, no later than 5 days from the date of the public agency’s action, to deposit a copy of the written notice addressed to that person in the United States mail, first-class postage prepaid. CEQA provides that the date upon which the notice is mailed does not affect the limitations periods applicable to specified actions or proceedings to attack, review, set aside, void, or annul specified acts or decisions of a public agency on the grounds of noncompliance with CEQA. The bill would require the county clerk to post the notice both in the office and on the internet website of the county clerk within 24 hours of receipt. The bill would require a public agency to provide both the notice and any subsequent amended, corrected, or revised notice, as specified, in response to a written request for the notice, regardless of the delivery method. The bill would toll, except as provided, the limitations periods applicable to specified actions or proceedings to attack, review, set aside, void, or annul specified acts or decisions of a public agency until the date on which the public agency deposits in the mail or sends by email to the requestor a copy of the notice, including any subsequent amended, corrected, or revised notice, or the date on which the public agency submits the notice to a specified state entity, as described.

Position Priority
Watch B. Watch

SB 231

(Hurtado D) Water measurement.

Status: 4/20/2023-Read second time and amended. Re-referred to Com. on APPR.

Location: 4/18/2023-S. APPR.

Summary: Current law requires the Department of Water Resources, the State Water Resources Control Board, and the State Department of Public Health to coordinate the collection, management, and use of agricultural and urban water measurement information provided to each agency. Current law requires the board, in collaboration with the Department of Water Resources, the California Bay-Delta Authority or its successor agency, and the State Department of Public Health, to prepare and submit a report to the Legislature by January 1, 2009, evaluating the feasibility, estimated costs, and potential means of financing a coordinated water measurement database. This bill would require the board, in collaboration with the Department of Water Resources and the Delta Stewardship Council or its successor agency, to prepare and submit an update to the report to the Legislature by January 1, 2025, evaluating the feasibility, estimated costs, and potential means of financing a coordinated water measurement database, as specified.

Position Priority
Watch B. Watch

SB 272

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

Status: 4/13/2023-Set for hearing April 26.

Location: 3/28/2023-S. GOV. & F.

Calendar: 4/26/2023 9 a.m. - 1021 O Street, Room 2100 SENATE GOVERNANCE AND FINANCE, CABALLERO, ANNA, Chair

Summary: Would require a local government, as defined, lying, in whole or in part, within the coastal zone, as defined, or within the jurisdiction of the San Francisco Bay Conservation and Development Commission, as defined, to implement sea level rise planning and adaptation through either submitting, and receiving approval for, a local coastal program, as defined, to the California Coastal Commission or submitting, and receiving approval for, a subregional San Francisco Bay shoreline resiliency plan to the San Francisco Bay Conservation and Development Commission, as applicable, on or before January 1, 2034. By imposing additional requirements on local governments, the bill would impose a state-mandated local program. The bill would require local governments that receive approval for sea level rise planning and adaptation on or before January 1, 2029, to be prioritized for sea level rise funding, upon appropriation by the Legislature, for the implementation of projects in the local government's approved sea level rise adaptation plan. The bill would require, on or before December 31, 2024, the California Coastal Commission and the San Francisco Bay Conservation and Development Commission, in close coordination with the Ocean Protection Council and the California Sea Level Rise State and Regional Support Collaborative, to establish guidelines for the preparation of that planning and adaptation. The bill would make the operation of its provisions contingent upon an appropriation for its purposes by the Legislature in the annual Budget Act or another statute.

Position Priority
Watch B. Watch

SB 315

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

Status: 4/20/2023-Read second time and amended. Re-referred to Com. on APPR.

Location: 4/18/2023-S. APPR.

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

Position Priority
Watch B. Watch

SB 414

(Allen D) Climate change: applications using hydrogen: assessment.

Status: 4/14/2023-Set for hearing April 26.

Location: 3/29/2023-S. E.Q.

Calendar: 4/26/2023 9 a.m. - 1021 O Street, Room 1200 SENATE ENVIRONMENTAL QUALITY, ALLEN, BENJAMIN, Chair

Summary: Would, on or before December 31, 2025, require the State Air Resources Board, in consultation with the State Energy Resources Conservation and Development Commission (Energy Commission) and the Public Utilities Commission (PUC), upon appropriation by the Legislature, to complete an assessment of the use of hydrogen in certain applications, as specified. The bill would require the state board, the Energy Commission, and the PUC to consider the findings in the assessment in their plans, rulemakings, reports, or other process related to the planning, implementation, or regulation of hydrogen production, distribution, storage, or usage in the state.

Position Priority
Watch B. Watch

SB 504

(Dodd D) Wildfires: defensible space: grant programs: local governments.

Status: 4/20/2023-Read second time and amended. Re-referred to Com. on APPR.

Location: 4/18/2023-S. APPR.

Summary: Current law requires the Director of Forestry and Fire Protection to establish a common reporting platform that allows defensible space and home hardening assessment data, collected by the qualified entities, to be reported to the department. Current law requires the department to establish a local assistance grant program for fire prevention and home hardening education activities and provides that local agencies, among others, are eligible for these grants. Current law requires the State Fire Marshal to identify areas of the state as moderate, high, and very high fire hazard severity zones based on specified criteria. Current law requires a local agency to designate, by ordinance, moderate, high, and very high fire hazard severity zones in its jurisdiction within 120 days of receiving recommendations from the State Fire Marshal, and authorizes a local agency, at its discretion, to include areas within the jurisdiction of the local agency, not identified as moderate, high, and very high fire hazard severity zones by the State Fire Marshal, as moderate, high, and very high fire hazard severity zones, respectively. This bill would require the department, when reviewing applications for the local assistance grant program, to give priority to any local governmental entity that is qualified to perform defensible space assessments in very high and high fire hazard severity zones who reports that information using the common reporting platform, as provided.

Position Priority
Watch B. Watch

SB 867

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

Status: 4/19/2023-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.

Location: 3/28/2023-S. GOV. & F.

Calendar: 4/26/2023 9 a.m. - 1021 O Street, Room 2100 SENATE GOVERNANCE AND FINANCE, CABALLERO, ANNA, Chair

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

Position Priority
Watch B. Watch

C. Spot Bill

AB 422

(Alanis R) Natural Resources Agency: statewide water storage: tracking.

Status: 2/9/2023-Referred to Com. on W., P., & W.

Location: 2/9/2023-A. W.,P. & W.

Summary: Would require the Natural Resources Agency, on or before June 1, 2024, to post on its publicly available internet website information tracking the progress to increase statewide water storage, and to keep that information updated.

Position	Priority
Watch	C. Spot Bill

AB 1573

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

Status: 4/19/2023-From committee: Do pass and re-refer to Com. on APPR. (Ayes 9. Noes 4.) (April 18). Re-referred to Com. on APPR.

Location: 4/19/2023-A. APPR.

Calendar: 5/3/2023 9 a.m. - 1021 O Street, Room 1100 ASSEMBLY APPROPRIATIONS, HOLDEN, CHRIS, Chair

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

Position	Priority
Watch	C. Spot Bill

Total Measures: 42

Total Tracking Forms: 42

DATE: May 1, 2023
TO: JPA Board of Directors
FROM: Engineering and External Affairs

SUBJECT: Pure Water Project Las Virgenes-Triunfo: Update

SUMMARY:

On August 1, 2016, the JPA Board selected Scenario No. 4, use of Las Virgenes Reservoir for indirect potable reuse, as the preferred alternative for the Recycled Water Seasonal Storage Basis of Design Report. The selected alternative was subsequently renamed the Pure Water Project Las Virgenes-Triunfo. Staff was also directed to report back to the Board on the next steps for implementation of the project.

Staff released a request for proposals (RFP) for Owner's Advisor/Program Manager services for the Pure Water Project Las Virgenes-Triunfo on May 8, 2020. The selection of an Owner's Advisor/Program Manager to support the effort was an important next step to begin implementation of the Pure Water Program. Utilization of an Owner's Advisor/Program Manager is consistent with the approach taken by other public agencies pursuing potable reuse projects of similar scope and complexity. Among the critical elements of the proposed scope are completion of the preliminary design and environmental documentation in support of the Pure Water Program. The scope of work under the contract includes program management, preparation of preliminary design and/or alternative delivery bridging documents, preparation of all environmental studies and documentation for compliance with the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA), preparation of studies and documents necessary to secure all required regulatory permits, and support of efforts to secure grant funding or low-interest loans.

On September 8, 2020, the JPA Board accepted a proposal from Jacobs Engineering Group, Inc., and authorized the Administering Agent/General Manager to execute a professional services agreement for Owner's Advisor/Program Manager services for the Pure Water Project Las Virgenes-Triunfo. This report serves to provide a summary of the progress to-date on the work performed by Jacobs Engineering Group, Inc., including major monthly milestones, key program accomplishments, key considerations and a look-ahead of upcoming activities.

Prepared by: Eric Schlageter, Principal Engineer

ATTACHMENTS:

[Monthly Update on Pure Water Project Las Virgenes-Triunfo](#)

To: Las Virgenes-Triunfo JPA Board of Directors
From: Jennifer Phillips, Jacobs
Date: April 25, 2023
Re: Pure Water Project JPA Board Monthly Update

Pure Water Project Overview

The Pure Water Project (PWP) is an opportunity to proactively address three major challenges facing the Las Virgenes-Triunfo JPA:

- comply with more stringent regulatory requirements for discharging to Malibu Creek,
- balance seasonal variation of recycled water demand, and
- create a valuable resource to supplement the region's water supplies, enabled by California's reservoir water augmentation program.

By 2030, the plan is to have an operational advanced water purification facility (AWPF) to treat tertiary effluent from the Tapia Water Reclamation Facility for indirect potable reuse, and convey the product water to the Las Virgenes Reservoir, where it will be blended with Metropolitan Water District (MWD) supply. The current phase (Phase 1) of the project provides the programmatic process to manage such a large, complicated project, focusing on the technical, regulatory, environmental, financial, and procurement strategies to provide a foundation with more cost and project delivery clarity. Each month the Project team will provide a status report to communicate major milestones, accomplishments for the previous month, planned work for the next month, and potential challenges.

Monthly Major Milestones

- Finalized and issued the Request for Qualifications (RFQ) for the Progressive Design-Build procurement of the new AWPF and Reverse Osmosis Concentrate (ROC) pipeline on April 4. Statement of Qualifications (SOQ) are due on May 16.
- Submitted the California Clean Water State Revolving Fund (CWSRF) application on April 17.

Key Program Accomplishments Last Month

Following is a summary of the key April 2023 program accomplishments. Many PWP team meetings occurred in April to plan, coordinate and implement the following activities:

April Accomplishments:

Programmatic:

- Coordinated technical, procurement, financial, regulatory and environmental efforts.

Technical:

- Continued support for the Demonstration Facility with biweekly meetings to review performance data trends, share insights, and provide recommendations on the sampling plan to increase source water quality characterization for the AWPf design. Implemented preformed monochloramine dosing prior to membrane filtration.
- Continued support for the RO concentrate pipe run pilot at the Demonstration Facility to simulate the ≈14-mile pipeline and identify the potential for scaling based on anticipated detention time and velocity. Reviewed daily data and created weekly data trends.
- Conducted a ROC scale deposit testing with AWC to compare potential scale deposits with and without an air gap.
- Continued development of an Enhanced Source Control Plan, which augments existing water reclamation facility pretreatment programs with the goal of protecting human health in potable reuse projects.
- Met with Director Polan on April 20 to receive his comments on the architectural theme for the AWPf to share with the design-builder during design development.
- Initiated reservoir tracer test plan development.

Regulatory/Environmental:

- Continued discussions with the National Water Research Institute (NWRI) to re-engage the Independent Advisory Panel (IAP) to review the reservoir tracer test plan in the near term, and general engagement through commissioning of the AWPf.
- Conducted a quarterly meeting with the Division of Drinking Water (DDW) on April 20 to discuss the reengagement plan with the IAP and the updates to the tracer test and modeling effort.
- Conducted a quarterly meeting with the Los Angeles Regional Water Quality Control Board (RWQCB) on April 24 to discuss project updates and approach to permitting and CTR requirements.
- Continued development and fine tuning of the 1211 petition application for Tapia WRF with supplemental historical data of the Malibu creek, based on feedback from CDFW and RWQCB consultations.

Financial:

- Submitted the financial, technical and environmental packages for the California Clean Water State Revolving Fund (CWSRF) application on April 17. Participated in coordination meetings with LVMWD, TWSD, Piper Sandler and Jacobs.
- Continued the MWD Local Resources Program (LRP) application development.
- Continued tracking of funding options and supporting LVMWD staff, as needed.

Procurement:

- Released the Request for Qualifications (RFQ) for the Progressive Design-Build procurement of the new AWPf and ROC on April 4.
- Received initial questions on the RFQ and prepared a draft addendum.
- Continued development of the Request for Proposals (RFP) as part of the Progressive Design-Build (PDB) process.
- Met with the JPA’s legal counsel to review the draft procurement documents biweekly.

Look Ahead

The Project Team is finalizing the procurement documents, meeting with regulators to review details of the project, supporting the development of funding applications, and proceeding with the strategies outlined in the Program Implementation Plan. The Project Team is focused on the following activities for May.

- Monitor preformed monochloramine injection and support performance trending for the Demonstration Facility and review source water quality data to compare to the data shared in the Conceptual Design Report and the Performance Report.
- Submit 1211 petition application for LVMWD review.
- Progress the MWD LRP application.
- Progress the Enhanced Source Control Plan, ROC Scalant Report, and Preformed Monochloramine feasibility at Tapia WRF.

DATE: May 1, 2023
TO: JPA Board of Directors
FROM: Finance and Administration

SUBJECT: JPA Fiscal Year 2023-24 Draft Budget Review

SUMMARY:

The JPA prepares a biennial budget to support long-range strategic planning and aims to minimize mid-cycle changes to operating, capital improvement and staffing expenditures. On June 2, 2022, the JPA Board approved a two-year JPA Budget Plan for Fiscal Years 2022-24. The JPA Board adopted the budget for the first year and approved the budget plan for the second year. Prior to commencement of the second year of the budget, the JPA Board is presented with an update on the second year budget and any recommended mid-cycle adjustments.

RECOMMENDATION(S):

Review and provide feedback on the JPA Fiscal Year 2023-24 Draft Budget.

FINANCIAL IMPACT:

There is no financial impact associated with this action.

DISCUSSION:

The JPA prepares a biennial budget to improve long-range strategic planning and aims to minimize mid-cycle changes to operating, capital improvement and staffing expenditures. As a result, the Fiscal Year 2023-24 draft budget represents a continuation of essentially the same levels of staffing and service with minimal changes to the operating budget.

Operating Revenues:

Fiscal Year 2023-24 revenues reflect an increase over those budgeted for the current fiscal year, primarily due to increased projections for recycled water sales to the JPA's two customers: Las Virgenes Municipal Water District and Triunfo Water & Sanitation District.

The wholesale rate for recycled water is based on the operating costs for recycled water reservoirs, system operations and pump stations; administrative overhead costs for recycled water operations; and a depreciation expense for recycled water capital assets. For Fiscal Year 2023-24, the wholesale rate for recycled water is proposed to increase from the current amount of \$570.32 per acre-foot to \$579.44 per acre-foot. For comparison purposes, the

approved Fiscal Year 2022-24 Budget Plan projected a rate of \$574.31 per acre-foot for Fiscal Year 2023-24.

Operating Expenses:

The Fiscal Year 2023-24 operating budget includes a \$348,060, or 1.53%, increase in expenditures over the approved plan as a result of increases the JPA's insurance premiums.

Fiscal Year 2023-24 budgeted expenses are \$24.4 million, reflecting an increase of \$1.72 million, or 7.85%, over the adopted Fiscal Year 2022-23 Budget.

Capital Improvements Project Expenses:

Staff proposes the reallocation of funds based on updated project priorities with no proposed changes to the overall approved plan of \$26.9 million.

At the Board meeting, staff will provide the Board with an overview of all of the proposed capital improvement projects for Fiscal Year 2023-24, including those with recommendations for reallocation of funds, in response to a request by JPA Director Janna Orkney.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Debbie Rosales, Financial Analyst II

ATTACHMENTS:

[Proposed Mid-cycle Adjustments for Fiscal Year 2023-24](#)
[JPA-CIP Detail FY 22-24](#)

TWO-YEAR BUDGET FY 2023/24 DRAFT BUDGET ADDENDUM

Joint Powers Authority
May 1, 2023



FY 2023/24 Budget

- Second of a two-year budget
- Minimal changes from approved Fiscal Year 2022-24 Budget Plan



FY 2023-24 Allocated Net Expense

Las Virgenes - Triunfo
Joint Powers Authority
Allocated Net Expense Summary
(Dollars in Thousands)

	FY 22-23 Approved Plan	FY 23-24 Draft Budget	Net Increase
JPA Revenues	2,775	2,799	24
JPA Expenses	24,059	24,407	348
Net Operating Expense	<u>21,284</u>	<u>21,608</u>	<u>324</u>
Las Virgenes Municipal Water District	14,462	14,691	229
Triunfo Water & Sanitation District	6,822	6,917	95
Total Allocated Expenses	<u>21,284</u>	<u>21,608</u>	<u>324</u>



Recycled Water Wholesale Rates

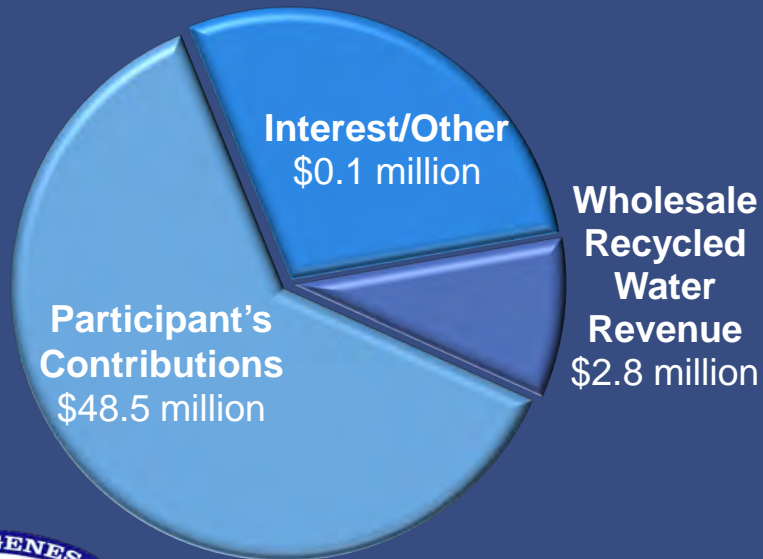
Approved Plan FY 2023-24 - \$574.31

Proposed FY 2023-24 - \$579.44

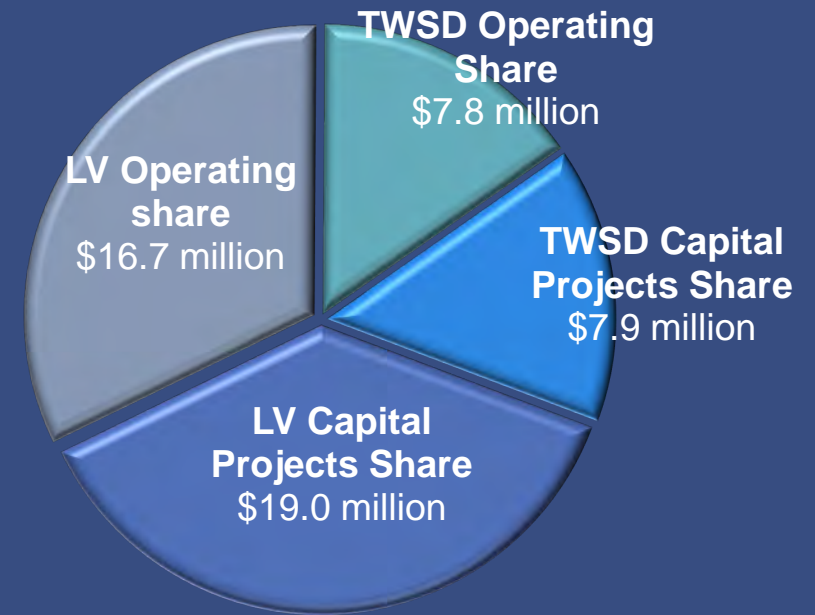


FY 2023-24 Sources / Uses

SOURCES OF FUNDS \$51.4 million



USES OF FUNDS \$51.4 million



CIP Adjustments

	<u>Budget Plan</u>	<u>Proposed</u>	<u>Adjustments</u>
Malibou Lake Siphon	\$ 1,337,000	\$ 3,002,000	\$ 1,665,000
Tapia Flood Wall Improvements	\$ -	\$ 198,000	\$ 198,000
Hach Equipment Replacement	\$ -	\$ 832,500	\$ 832,500
Centrifuge Rebuild	\$ -	\$ 235,042	\$ 235,042
RW Reservoir #2 Storm Repairs and Inflow Problems	\$ -	\$ 105,600	\$ 105,600
RW Pump Station Battery Energy Storage	\$ 1,381,950	\$ -	\$ (1,381,950)
RW Pump Station Offset	\$ (1,170,000)	\$ -	\$ 1,170,000
Tapia Air Line Repair	\$ 330,000	\$ 330,000	\$ -
Tapia Effluent Pump Station Rehab	\$ 5,522,500	\$ 3,626,370	\$ (1,896,130)
Tapia Aluminum Sulfate Tank Replacement	\$ 1,212,000	\$ 283,938	\$ (928,062)
			\$ -
	\$ 8,613,450	\$ 8,613,450	\$ -



Recommendation

- Provide feedback on Fiscal Year 2023-24 draft budget.



**Capital Improvement Projects
FY 2023/24**

Project No.	Project Title	FY 2022/23	FY2022/23	Estimated	FY 2023/24	FY 2023/24
		Budget	Estimated Actual	Carryforward June 30, 2023	Approved Appropriation	Proposed Budget
CIP10520	SCADA SYS COMM UPGRADES Migration of the existing communication system from a serial radio network to an ethernet based radio network. Provide redundant data paths for uninterrupted communication. Eliminate need to rely on telephone company equipment.	24,750	-	-	644,000	644,000
CIP10567	TAPIA PGMBLE LOGIC CONTROLLER This project replaces programmable logic controllers (PLC's) with newer PLCs and provides necessary equipment upgrades (fiber optics, network switches and programming) to complete the installation. This is a program project which addresses Tapia in the first two years and contrate treatment in the third year. Design will occur in the first year for all facilities.	65,545	35,458	30,087	-	30,087
CIP10635	PURE WATER PROJECT The Pure Water Project relies on indirect potable reuse, a water supply strategy now adopted by many cities and water agencies in California and across the United States to provide local, reliable water. The ultimate, full-scale project will minimize the discharging of usable recycled water into Malibu Creek and instead will convert this resource into a viable source for potable, locally-produced water. The full-scale project involves the construction of several pipelines and an advanced treatment plant that will convert recycled water into pure drinking water. The Pure Water Project creates an affordable and reliable local water supply that will be cost-competitive with imported water, help stabilize water rates, safeguard the local economy, and significantly reduce the uncertainty of supply associated with importing water due to climate change and long-term and reoccurring drought conditions. The project will require public participation and acceptance, regional leadership, and funding to move from concept to reality.	7,199,122	1,808,374	1,186,000	13,251,040	14,437,040
CIP10668	RANCHO LV STORM WATER DIVERSION Replacement of two storm water diversion structures at the Rancho Las Virgenes Composting Facility. Structures have lifted and need to be addressed. The drainae from the V-ditch goes to a discharge point in Las Virgenes Creek. There is a concern that sludge and/or reclaimed water entering into the V-ditch could enter the creek via the drainage from the V-ditch. An open/close valve should be installed at the drainage area so that operators control the contents of the V-ditch. A sump pump system with discharge piping should also be included so that the contents can be pumped either to the field or offsite.	-	-	-	171,900	171,900
CIP10702	TAPIA EFFLUENT P/S FEEDER RELOCATE Remove or abandon in place existing 4160 volt feeders currently suspended from the top slab of the Effluent Pump Station wet well, underneath the existing MCCs. Perform electrical design and replace the overhead 4160 volt feeders. Ensure coordination with 480 volt switch gear improvements.	184,161	3,413	180,748	-	180,748
CIP10703	TAPIA TERTIARY FILTER REHAB Tertiary Filters concrete rehabilitation. Approximately 25 locations that require a 1 square foot patching with rebar repair. Replace 45 metal plates (2' X 4') on the filter deck and fix concrete around the plates with proper joint sealer. Also include the repair of an electrical panel in the Filter gallery. Replace existing electric actuators at filter structure with new electric actuators. Program plant control system to function with both remote PLC control of actuators and local actuator control. Upgrade local controls to replace old filter annunciator panels which are currently located on the top deck of the filter structure.	-	-	-	50,000	50,000
CIP10724	SITE SECURITY ASSESSMNT/IMPROV-JPA Security Assessment of various JPA sites and facilities. This will include access controls and security camera installations and improvements.	105,000	3,617	101,383	343,200	444,583
CIP10737	TAPIA FLOW EQUALIZATION This project consists of the development of a preliminary design report to evaluate the storage and conveyance of Tapia primary effluent to help store and equalize the diurnal peak flows that Tapia sees between dry and wet weather events. This maximizes effluent available for the AWT and also improves and provides consistent water quality for the feed water to the AWT.	450,000	710	449,290	3,330,000	3,779,290
CIP10741	CONCRETE CORROSION REPAIR-TAPIA Repair failing concrete at the Tapia Water Reclamation Facility.	50,000	-	-	264,000	264,000
CIP10743	FIRE HARDENING-JPA FACILITIES Fire hardening strategy for JPA facilities includes preventive measures and protection systems for both internal and external sources of fire. Potential facility improvements include: 1) employing advanced detectors and utilizing a plant fire safety systems; and 2) evaluation and, if feasible, installation of a perimeter fire defense system. Fire Hardening also includes creating larger defensible space around critical structures and providing wider access roads and preventative improvements to facilities.	264,000	-	-	264,000	264,000
CIP10745	003 DISCHARGE POINT REHABILITATION Evaluate and repair failed 003 Discharge point pipeline (into Malibu Creek). Contract for inspection, an engineering study and a design report to determine the most cost effective means to repair failed 24" potable water pipeline from the Tapia Water Reclamation Facility to Malibu Creek. The pipeline will be used to supply potable supplement to the Malibu Creek during low flow periods.Approximately one (1) mile of pipeline needs to be and preventative improvements to facilities.	547,748	22,727	525,021	555,000	1,080,021
CIP10748	CENTRATE TANK INSPECTION/REHAB Tank inspections and recommendations for rehabilitation.	132,000	-	132,000	-	132,000
CIP10752	TAPIA SLUDGE WET WELL PIPING RPLCMT The re-circulation (mixing) piping at the Tapia sludge wet wells is corroded and develops leaks. This project replaces this piping.	-	-	-	50,000	50,000
CIP10753	TAPIA AIR LINE REPAIR The air line which conveys compressed air to the treatment process has leaks which not only allow air to escape, but also allow contaminants to enter into the pipeline and potentially the air diffusers. A large portion of this line was repaired, however a section of the pipeline was not addressed. This section needs to be addressed to stop leakage and protect the diffuser membranes.	330,000	-	330,000	-	330,000
CIP10754	RANCHO VALVING IN STREET REPLACEMENT Replace broken or damaged R.E.W. and Potable Water valving throughout the facility.	396,000	-	396,000	-	396,000
CIP10756	TRUNK SEWER SYSTEM IMPROVEMENTS Replace or rehabilitate trunk sewer system components based on CCTV, condition assessment & SSMP, end of useful life, or obsolescence. Specific projects are identified for each fiscal year.	501,600	1,366	501,600	-	501,600

**Capital Improvement Projects
FY 2023/24**

		FY 2022/23 Estimated Budget	FY2022/23 Estimated Actual	Estimated Carryforward June 30, 2023	FY 2023/24 Approved Appropriation	FY 2023/24 Proposed Budget
CIP10794	TAPIA SECONDARY CLARIFIER REHAB Repair the secondary clarifiers. The current launders are leaking and need to have the wall seal repaired. Replacement on the inlet diffusers and skimming tubes is also necessary as they are corroded and leaking. Recaulking the expansion joints and structural repairs to catwalks are needed as they are separating from the wall.	847,000	26,569	820,431	-	820,431
CIP10795	TAPIA EFFLUENT PUMP STATION REHAB Increase reliability and safety of electrical feed as well as upgrade motor starting capabilities and pumps.	-	-	-	3,626,370	3,626,370
CIP10796	TAPIA CONTROL BUILDING REHAB The control building at Tapia is aging and in need of significant repairs, remodeling, and other improvements.	-	-	-	841,380	841,380
CIP10797	JPA CONDITION ASSESS AND REHAB PLNG Hire engineering firm to assess all electrical systems and make recommendations on necessary rehab or replacement of switch gear, VFD's transformers, switching, etc.	100,000	783	99,217	-	99,217
CIP10798	CENTRIFUGE CONTROLS UPGRADE With the summertime compliance project being constructed next year, the 001 out fall meter will be removed. Additionally, the Tapia groundwater meter has aged out and the 003 meter needs to be replaced. These meters are regulatory required. This project replaces the 001, 003 and the Tapia groundwater effluent meters.	158,400	-	158,400	-	158,400
CIP10799	RANCHO RELIABILITY IMPVMENTS FY22-24 Replace or rehabilitate facilities and equipment at the Rancho facility based on failure, beyond useful life, or obsolescence. Specific projects are identified for each fiscal year.	132,000	92,157	-	132,000	132,000
CIP10800	TAPIA FACILITY IMPROVEMENTS FY22-24 Replace or rehabilitate facilities and equipment at the Rancho facility based on failure, beyond useful life, or obsolescence. Specific projects are identified for each fiscal year.	132,000	-	-	132,000	132,000
CIP10801	TAPIA ALUMINUM SULFATE TANK REPLACE Replace aging sodium bisulfite tank that is leaking. Project includes feed pump and delivery pipeline.	816,000	33,429	(33,734)	317,672	283,938
CIP10803	MALIBOU SIPHON LAKE Repair Malibou Lake Siphon to address inflow and infiltration at the site.	1,337,000	275,316	1,061,684	603,316	1,665,000
CIP10804	RANCHO LAS VIRGENES-NEW FLARE Design and install a new larger flare that can handle all of the digester gas flow (over 100 scfm). The current flare, which has a limited capacity of 75 scfm will remain in place to provide redundancy. The current flare does not have the capacity to dispose of all of the digester gas.	150,000	14,659	135,341	555,000	690,341
CIP10805	GRIT CHAMBER MIXING SYSTEM REPLACE Replace grit chamber mixing system with a more efficient mixing system.	-	-	-	198,000	198,000
CIP10806	RANCHO REPLACE AGITATORS Purchase new compost agitators to replace the existing ones.	1,304,350	411,939	892,411	-	892,411
CIP10807	RANCHO SCADA IMPROVEMENTS Upgrade Process Control and Instrumentatin System (PCIS) at Rancho. Rancho's PLC and HMI systems are inconsistent with current District Standards for Operational Technology.	855,000	-	855,000	264,000	1,119,000
NEW	TAPIA FLOOD WALL IMPROVEMENTS	-	-	-	198,000	198,000
NEW	HACH EQUIPMENT REPLACEMENT	-	-	-	832,500	832,500
NEW	CENTRIFUGE REBUILD	-	-	-	235,042	235,042
NEW	RW RESERVOIR #2 STORM REPAIRS/INFLOW PROBLEMS	-	-	-	105,600	105,600
	TOTAL CIP - JPA	16,081,676	2,730,517	7,820,879	26,964,020	34,784,899

DATE: May 1, 2023
TO: JPA Board of Directors
FROM: Finance and Administration

SUBJECT: Indicative Credit Rating for Financing of Pure Water Project Las Virgenes-Triunfo

SUMMARY:

The Pure Water Project Las Virgenes-Triunfo is currently estimated to cost approximately \$364 million. The JPA Board has supported a strategy of pursuing joint funding and financing for the project, including authorizing staff to apply for low-interest loans through the Water Infrastructure Finance and Innovation Act (WIFIA) and State Revolving Fund Programs. On December 21, 2022, the JPA was invited to submit a full application for a WIFIA loan, in the amount of \$184.1 million (up to 49 percent of estimated project cost), by December 2023. Submittal of the full application requires an indicative credit rating by one of the four major bond rating agencies. Staff recommends authorization to execute an agreement with Kroll Bond Rating Agency, LLC, in the amount of \$48,000, for an indicative credit rating for the planned financing of the Pure Water Project Las Virgenes-Triunfo.

RECOMMENDATION(S):

Authorize the Administering Agent/General Manager to execute an agreement with Kroll Bond Rating Agency, LLC, in the amount of \$48,000, for an indicative credit rating required for the planned financing of the Pure Water Project Las Virgenes-Triunfo.

FINANCIAL IMPACT:

Sufficient funding for this work is available in the adopted Fiscal Year 2022-23 JPA Budget.

DISCUSSION:

The Pure Water Project Las Virgenes-Triunfo financing team is comprised of representatives from Las Virgenes Municipal Water District (LVMWD), Triunfo Water & Sanitation District (TWSD), Jacobs Engineering, Piper Sandler acting as the JPA's financial advisor and Stradling Yocca Carlson & Rauth acting as the JPA's bond counsel. In recent months, the financing team has focused on applying for grant funding and low-interest loan financing for the Pure Water Project Las Virgenes-Triunfo to minimize the impact of the cost to the JPA's ratepayers.

On December 21, 2022, the JPA received the attached invitation to apply for a low-interest WIFIA loan, in the amount of \$184,092,534 or up to 49 percent of the estimated project cost.

The full loan application is due by December 2023 and requires an indicative credit rating for the JPA as part of the submittal process. An indicative rating is an unpublished, point-in-time opinion of the JPA's potential credit rating for proposed debt to finance the Pure Water Project Las Virgenes-Triunfo. The indicative rating will evaluate the JPA's credit worthiness, including the underlying obligated enterprise funds of LVMWD and TWSD. A formal, public rating by at least one and possibly two rating agencies will be required in the future prior to issuing any debt. The JPA, LVMWD and TWSD do not currently have rated debt.

The JPA's financial advisor solicited quotes from the four major rating agencies to provide the proposed indicative credit rating and a future public rating. Kroll Bond Rating Agency (Kroll) responded with the lowest overall cost for both an indicative rating and future public rating, in the amount of \$93,000, provided that the public rating is issued within 12 months of the indicative rating. Standard & Poor's submitted a proposal with the second lowest total cost, in the amount of \$115,500. As well as having the lowest overall cost, Kroll offers an indicative rating process that typically provides a more detailed and user-friendly format. Staff and the JPA's financial advisor recommend moving forward with the proposed indicative credit rating by Kroll, anticipating a future recommendation to also proceed with the public rating from Kroll. A second public rating from Standard & Poor's may also be recommended in the future.

Attached for reference is a summary of the quotes for the indicative credit rating and future public rating.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Donald Patterson, Director of Finance and Administration

ATTACHMENTS:

[Invitation to Apply for Low-Interest WIFIA Loan](#)
[Summary of Quotes for Credit Rating](#)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

12/21/2022

Mr. David Pedersen
General Manager
Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, CA 91302

Subject: Las Virgenes-Triunfo Joint Powers Authority (JPA) Selection Notification

Dear Mr. Pedersen,

Thank you for submitting your Water Infrastructure Finance and Innovation Act (WIFIA) letter of interest for the FY 2022 Selection Round. We have reviewed these materials and are very pleased to inform you that the Pure Water Project (PWP) Las Virgenes-Triunfo Project has been selected to submit an application.

You are being invited to apply for a loan for up to \$184,092,534 or not to exceed 49 percent of total eligible project costs. We have administratively reserved funding for your project and will hold this funding as long as we receive your application by December 31, 2023. You may request an increase in your loan amount during the application process. Loan increase requests will be reviewed on a case-by-case basis and are subject to the availability of funding.

We will soon be reaching out to you to schedule an initial pre-application meeting to discuss the WIFIA process in greater detail. Amelia Letnes will be your point of contact and is available by e-mail at letnes.amelia@epa.gov or by phone at (202) 564-5627 to answer any immediate questions you may have.

Once we receive your complete application, the WIFIA team will commence underwriting your transaction. Receipt of a WIFIA loan remains subject to negotiation of an agreement on terms and conditions satisfactory to the Agency as well as the project's compliance with Federal requirements, including the National Environmental Protection Act (NEPA) and domestic preference laws.

EPA will be announcing selections on a rolling basis through the year. If you have questions regarding communicating your selection or would like to coordinate your announcement with EPA, please contact Dan Consigli at Consigli.daniel@epa.gov.

We look forward to working with you on this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Joranne Jernberg".

Joranne Jernberg
Director, WIFIA Program

Summary & Considerations

A Targeted Audience / Recipient

Indicative	IBank	Investors	Place	Pub Off	SRF	WIFIA
	Useful	n/a	Useful	n/a	?	Required
Public	IBank	Investors	Place	Pub Off	SRF	WIFIA
	Useful	Essential	Useful	Essential	Useful	Required

B Fees for 1 Indicative Rating ~ Total Project Costs

Funding Source: Cash & Future WIFIA Reimbursement			
	1	S&P	\$34,000
	2	Kroll	\$48,000
	3	Fitch	\$102,750
	4	Moody's	\$116,250

C Fees for 1 Indicative & 1 Public Rating ~ Total Project Costs ~ Within 12 Months of Indicative Rating

Funding Source: Cash & Future WIFIA Reimbursement			
	1	Kroll	\$93,000
	2	S&P	\$115,500
	3	Fitch	\$137,000
	4	Moody's	\$184,063

D Indicative Rating Report ~ Scale of 1/Best to 4/Good

Consideration	Fitch	Kroll	Moody's	S&P
Interaction with Analysts.....	2	1	3	2
Content & Format.....	2	1	3	3
Ability to Circulate.....	2	1	4	4
Overall "Usefulness".....	2	1	3	2
WIFIA Experience & Use.....	2	1	2	2
Prep for Public Rating.....	1	2	2	1

← If Public Rating is within 12 months of Indicative Rating

E Public Rating ~ Public Offering ~ Facilitate Marketing / Investor Outreach

Public Offer.. (1) least likely source, (2) defer public offer as last source, (3) if required, not needed until Nov 1, 2025, (4) unlikely to credit part of indicative rating fee to public rating fee.

Ratings (1) at least 2 ratings/agencies, (2) if public offer exceeds \$50 M, consider 3 ratings/agencies

Marketing / Outreach ~ Combinations of Ratings/Agencies

Best..... S&P + Kroll ~ (1) investors trust S&P, (2) investors like Kroll's detail/format, (3) ratings align

Better..... SP + Fitch ~ (1) investors trust S&P, (2) investors like 2nd opinion from Fitch, (3) ratings align

Good..... Moody's + Fitch or Kroll ~ (1) investors trust Moody's, (2) investors like 2nd opinion, (3) align ? ?

Avoid..... Moody's + S&P ~ (1) investors trust Moody's / S&P, (2) frequently, ratings do **NOT** align

DATE: May 1, 2023
TO: JPA Board of Directors
FROM: Finance and Administration

SUBJECT: Proposed Formation of Las Virgenes-Triunfo Joint Powers Financing Authority

SUMMARY:

Over the past several years, the JPA has evaluated a variety of options to fund and finance the Pure Water Project Las Virgenes–Triunfo (Pure Water Project). Based on input from staff and the Pure Water Project financing team, the JPA Board has authorized joint applications for low-interest loans through the Water Infrastructure Finance and Innovation Act (WIFIA) and State Revolving Fund (SRF) programs to achieve efficiency in work effort, reduce overall administrative costs and increase the competitiveness of the JPA's applications.

In anticipation of the future award of low-interest financing, staff, together with legal counsel and the JPA's financial advisor, explored various options to achieve the desired efficiencies and recommends the formation of a new entity called the *Las Virgenes-Triunfo Joint Powers Financing Authority*. With the Board's authorization, staff and legal counsel would prepare the documentation required to form the new entity, which would be submitted to Las Virgenes Municipal Water District and Triunfo Water & Sanitation District for review and approval.

RECOMMENDATION(S):

Authorize staff and legal counsel to prepare the documentation required to form the Las Virgenes-Triunfo Joint Powers Financing Authority to facilitate the joint financing of the Pure Water Project Las Virgenes-Triunfo.

FISCAL IMPACT:

Yes

FINANCIAL IMPACT:

There is a minimal cost associated with forming the *Las Virgenes-Triunfo Joint Powers Financing Authority*. However, the selected financing structure will have an impact on the overall financing cost for the Pure Water Project. Generally, joint financing will result in lower borrowing and administrative costs.

DISCUSSION:

The JPA has prioritized efforts to secure grant funding and low-interest loans for the Pure Water Project to minimize the impact of the project cost on ratepayers. On October 12, 2022, the JPA Board adopted Resolution No. 21, authorizing the submittal of a Letter of Interest for WIFIA. Additionally, on February 26, 2023, the JPA Board adopted Resolution Nos. 26 through 30, authorizing applications for funding from the Clean Water State Revolving Fund, Drinking Water State Revolving Fund and Water Recycling Funding Program managed by the California State Water Resources Control Board. Jointly financing the project through the JPA will reduce the overall cost to receive financial assistance and originate debt, and it will likely reduce the interest expense for any portion of the Pure Water Project to be financed through a public offering.

The JPA's current Joint Exercise of Powers Agreement (JPA Agreement) was executed on January 26, 2009. Article Two of the JPA Agreement establishes the budget and financing structure of the JPA. In general, the JPA Agreement provides for each member agency to annually deposit funds equal to their anticipated expenditures for the year. However, the current JPA Agreement does include provisions for the JPA to finance capital improvement projects by originating loans or issuing debt. Given the circumstances, staff believes that it is timely to address this issue and provide a means for the JPA to finance major capital improvement projects like the Pure Water Project on behalf of its member agencies, if desired.

Staff, legal counsel and the JPA's financial advisor evaluated options to accomplish the efficiencies of JPA debt financing for the Pure Water Project. Under all options, each member agency would be responsible for its proportional share of the debt (principal, interest and origination/administrative costs) and would stand on its own financial footing. Further, the financing structure would be designed to allow for the origination, issuance and management of funding via multiple methods and sources to achieve the lowest overall cost.

Following is a summary of the various options:

Option No. 1: Formation of a New Joint Powers Financing Authority (Recommended)

The JPA member agencies can establish a new joint powers financing authority called the *Las Virgenes-Triunfo Joint Powers Financing Authority (JPFA)* to enter into financing agreements. This option would involve forming a new JPFA to compliment the existing JPA but with the sole purpose of serving as a financing conduit for major joint capital improvement projects such as the Pure Water Project. The new JPFA could be established and structured distinctly separate from the current JPA, leaving the current JPA structure, roles and responsibilities unchanged. Establishing a new JPFA does result in minor administrative work such as additional or modified Form 700 Statement of Economic Interests filings, a requirement for a regularly scheduled meeting and additional financial reporting. However, staff believes the cost of this work would be minimal. Many other agencies throughout California have formed JPFAs for a similar purpose. Staff recommends this option and proposes that the governance structure of the new JPFA mirror that of the existing JPA.

Option No. 2: Amend Existing JPA Agreement

Since the existing JPA Agreement does not contain provisions for joint financing of capital improvement projects through the JPA, the current agreement would need to be amended. The potential benefit of this option would be to avoid the need for a separate legal entity to jointly finance major JPA projects. The challenge would be to avoid changes to the JPA Agreement that could result in unintended consequences that affect the on-going operation and function of the JPA.

Conclusion:

Staff recommends Option No. 1 to establish a new joint powers financing authority comprised of the two existing member agencies and governed in the same manner as the existing JPA. This strategy provides for the establishment of a new financing entity with a clear and focused purpose, scope and role without modifying or compromising the existing relationships and agreements.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Donald Patterson, Director of Finance and Administration