



A Meeting of the
**BOARD OF DIRECTORS
OF THE
CENTRAL COAST WATER AUTHORITY**

will be held at 9:00 a.m., on Thursday, February 22, 2024
at 255 Industrial Way, Buellton, California 93427

Members of the public may participate by video call or telephone via
URL: <https://meetings.ringcentral.com/j/1440921689>
or by dialing (623)404-9000 and entering access Code/Meeting ID: #144 092 1689

Please note: public participation by video call or telephone is for convenience only and is not required by law. If technical interruptions to the video call/telephone occur, the chair has the discretion to continue the meeting and participants are invited to take advantage of the other participation options above.

Public Comment on agenda items may occur via video call or telephonically, or by submission to the Board Secretary via email at lfw@ccwa.com no later than 8:00 a.m. on the day of the meeting. In your email, please specify (1) the meeting date and agenda item (number and title) on which you are providing a comment and (2) that you would like your comment read into the record during the meeting. If you would like your comment read into the record during the meeting (as either general public comment or on a specific agenda item), please limit your comments to no more than 250 words.

Every effort will be made to read comments into the record, but some comments may not be read due to time limitations. Please also note that if you submit a written comment and do not specify that you would like this comment read into the record during the meeting, your comment will be forwarded to Board members for their consideration.

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available on the CCWA internet web site, accessible at <https://www.ccwa.com>.

Eric Friedman
Chairman

Jeff Clay
Vice Chairman

Ray A. Stokes
Executive Director

Brownstein Hyatt
Farber Schreck
General Counsel

Member Agencies

City of Buellton

Carpinteria Valley
Water District

City of Guadalupe

City of Santa Barbara

City of Santa Maria

Goleta Water District

Montecito Water District

Santa Ynez River Water
Conservation District,
Improvement District #1

Associate Member

La Cumbre Mutual
Water Company

I. Call to Order and Roll Call

II. Closed Session

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Initiation of litigation pursuant to Government Code section 54956.9(d) (4): 1 case
- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code section 54956.9(d) (1)
Name of case: Central Coast Water Authority, et al. v. Santa Barbara County Flood Control and Water Conservation District, et al. (Case No. 21CV02432)

III. Return to Open Session

IV. Public Comment – (Any member of the public may address the Board relating to any matter within the Board’s jurisdiction. Individual Speakers may be limited to five minutes; all speakers to a total of fifteen minutes.)

V. Consent Calendar

- * A. Minutes of the January 25, 2024 Regular Meeting
 - * B. Bills
 - * C. Controller’s Report
 - * D. Operations Report
- Staff Recommendation: Approve the Consent Calendar*

255 Industrial Way
Buellton, CA 93427
(805) 688-2292
Fax (805) 686-4700
www.ccwa.com

Continued

* Indicates attachment of document to original agenda packet.

#51577_1

VI. Executive Director's Report

- A. Water Supply Situation Report
Staff Recommendation: Informational item only.
- * B. Preliminary DRAFT Administrative Rules for the Transfer and Exchange of Water
Staff Recommendation: Informational item only.
- * C. State Water Contractors Science Program Overview and Presentation
Staff Recommendation: Informational item only.
- D. Update on CCWA Statement of Charges Protest Items
Staff Recommendation: Informational item only.
- E. DRAFT FY 2024/25 CCWA Objectives
Staff Recommendation: Informational item only.
- F. State Water Contractors Report
Staff Recommendation: Informational item only.
- * G. Legislative Report
Staff Recommendation: Informational item only.

VII. Reports from Board Members for Information Only

VIII. Items for Next Regular Meeting Agenda

IX. Date of Next Regular Meeting: March 28, 2024

X. Adjournment

**MINUTES OF THE
CENTRAL COAST WATER AUTHORITY
BOARD OF DIRECTORS**

January 25, 2024

I. Call to Order and Roll Call

Chairman Friedman called the January 25, 2024 Central Coast Water Authority (CCWA) Board of Directors meeting to order at 9:00 AM.

CCWA member agencies with voting privileges were represented by:

<u>Representative</u>	<u>Agency/City</u>	<u>Voting %</u>
Farfalla Borah	Goleta Water District	17.20%
Jeff Clay	Santa Ynez River Water Conservation District, ID #1	7.64%
Ken Coates	Montecito Water District	9.50%
Mike Cordero	City of Santa Maria	43.19%
Eric Friedman	City of Santa Barbara	11.47%
Shirley Johnson	Carpinteria Valley Water District	7.64%
John Sanchez	City of Buellton	2.21%

II. Closed Session

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Initiation of litigation pursuant to Government Code section 54956.9(d) (4): 1 case
- B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code section 54956.9(d) (1)
Name of case: Central Coast Water Authority, et al. v. Santa Barbara County Flood Control and Water Conservation District, et al. (Case No. 21CV02432)
- C. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Initiation of litigation pursuant to Government Code section 54956.(a): 1 case
- D. CONFERENCE WITH LABOR NEGOTIATOR Pursuant to Government Code section 54957.6
CCWA negotiator: Jeffrey Dinkin
Unrepresented employees: All employees except management and confidential

The Board went to closed session at 9:02 AM.

III. Return to Open Session

The Board returned to open session at 9:47 AM.

Ms. Hastings stated there were no reportable actions as a result of closed session.

IV. Public Comment

There was no public comment related to items not on the agenda.

V. Consent Calendar

- A. Minutes of the October 23, 2023 Regular Meeting
- B. Minutes of the November 27, 2023 Special Meeting
- C. Bills

- D. Controller's Report
- E. Operations Report

Upon a motion by Director Borah, seconded by Director Coates and carried with Directors, Borah, Clay, Coates, Cordero, Friedman, Johnson, and Sanchez in favor and none opposed the Board approved the Consent Calendar.

VI. Executive Director's Report

- A. Water Supply Situation Report

Ray Stokes, CCWA Executive Director, reviewed graphs showing precipitation and noted that there has been a recent steady increase, moving precipitation levels closer to average amounts. He reviewed storage levels at Oroville and San Luis Reservoirs and current snow pack levels.

The water delivered in 2023, as well as current water delivery amounts for 2024 were reviewed. A provision of the SWC allows for only 50% of water to carryover from a 100% allocation year was explained, and Mr. Stokes reported that CCWA is currently working on an analysis of this provision, which may result in as much as 15,000 AF of carryover water being lost. Allocation of the 15,000 AF to CCWA Project participants is being reviewed.

There will be no increase in the current year allocation until DWR has been able to pump enough water from San Luis Reservoir to meet its carryover obligation to State Water Contractors.

- B. Draft CCWA Water Transfer Administrative Policies

When the water management amendment was adopted two years ago, CCWA was aware that policies related to transfer of water would need to be developed, and staff have begun to develop those policies, with the intent to solicit input from project participants. Mr. Stokes reviewed the existing policy for internal or external transfers of water, and the general framework for the new policies, including the requirements related to compliance with CCWA Resolution No. 21-01 and how the process to fulfill right of first refusal (ROFR) requirements would be met.

The types of water (Article 56, Table A, Article 14) allowed for transfer and the limits on amounts of different classifications were reviewed, and Mr. Stokes provided a timeline for Board and Operating Committee review of a draft policy and a goal for adoption timing for the policy.

General discussion of the proposed policy took place and staff were given some direction related to ROFR timing and other details of the policies.

- C. Santa Ynez II Long-Term Project Overview

A portion of the CCWA pipeline from the Santa Ynez Pumping Plant and Lake Cachuma was constructed in the 1960's within the Santa Ynez Riverbed (Reach SYII). Prior to CCWA purchasing this portion of the pipeline in the mid-1990's, an assessment of the pipeline's remaining service life was completed and the assessment suggested a remaining service life of approximately 20 years. CCWA

staff have been closely monitoring the condition of the pipeline and have not observed any significant issues with the pipeline. However, there have been historical incidents of exposure of the pipeline due to its location within the riverbed, and the pipeline is beginning to show some exposure.

Another consideration for the long-term plan for reach SYII is the current use of a high-density polyethylene (HDPE) pipeline that was installed to specifically by-pass the Bradbury Dam Penstock, which is the original delivery point for CCWA water. The US Bureau of Reclamation plans to install a pipeline across the Stilling Basin. CCWA may be able to combine efforts with the Bureau to build a CCWA pipeline alongside the Bureau's pipeline across the Stilling Basin.

Due to the pipeline exceeding the 20-year service life that was estimated prior to acquisition of the pipeline, a long-term plan is needed for Reach SYII. This project would include planning for replacing this temporary pipeline with a permanent bypass pipeline as the first of multiple phases of the Reach SYII replacement project. Any project to replace this section of the pipeline will involve significant time and effort to fund, permit, design and construct.

The Board was requested to provide direction and feedback regarding exploring feasibility of the project.

Upon a motion by Director Coates, seconded by Director Borah and carried with Directors Borah, Coates, Cordero, Friedman, Johnson, and Sanchez in favor, Director Clay absent for the vote, and none opposed, the Board approved development of a long-term plan to replace the pipeline in the most cost-effective manner and allow time to arrange for financing, environmental review, design and permitting. Staff were also instructed to investigate bifurcating the project timing to consider allowing coordination with the USBR phase of construction across the stilling basin.

D. Water Treatment Plant Main Gate Erosion Repair Project, Proposed Budget: \$45,000

Mr. John Brady, CCWA Deputy Director Operations and Engineering, provided a description of the recent erosion at the Polonio Pass Water Treatment Plant and stated the erosion is now in close proximity to the access road and may threaten the integrity of the access road if the erosion propagates closer to the road.

Staff have been soliciting bids from contractors over the last several months with little to no response. The project was considered too small and remote by contractors during a time of high demand for contractors. However, recently, staff received two bids to perform the required work (one verbal and one written), with the lowest responsive and responsible bid from Raminha Construction Inc. at \$36,789.

Mr. Brady requested Board approval to fund the proposed project through the use of the appropriated contingencies budget and to award the repair contract to Raminha Construction Inc.

Upon a motion by Director Borah, seconded by Director Sanchez and carried with Directors, Borah, Clay, Coates, Cordero, Friedman, Johnson, and Sanchez in favor

and none opposed the Board approved and adopted Resolution No. 24-01 approving a Contract with Raminha Construction, Inc. for the Water Treatment Plant Main Gate Erosion Repair Project in an Amount Not-to-Exceed \$45,000; and found that since the activity is categorically exempt pursuant to CEQA Guidelines Section 15304 (minor alterations of land), the Board's approval of Resolution No. 24-01 does not have a potential for causing a significant effect on the environment.

E. CCWA Deputy Director Pay Classification and Recruitment Services from the Widroe Group, Inc.

Mr. Stokes reported that John Brady has announced he will be retiring from his position as Deputy Director with CCWA effective July 1, 2024. The search for his replacement has already been initiated, with the hope of bringing on his replacement to allow for cross training prior to Mr. Brady's retirement.

CCWA has used the recruitment services of The Widroe Group, Inc. in the past, and most recently engaged the firm to assist in recruiting for the recently approved position of Operations Manager. We are proposing to pause the recruitment efforts on the Operations Manager position and instead focus the efforts in recruiting for the Deputy Director position. Once the new Deputy Director position has been filled, we will evaluate the Operations Manager position once again to determine if that position is still needed.

The Widroe Group, Inc. proposes to provide recruitment services for a fee of 18.50% of the annualized salary for the Deputy Director position, which would equate to \$46,250 based on an annualized salary of \$250,000. The actual fee will depend on the successful candidates actual annualized salary.

Upon a motion by Director Coates, seconded by Director Borah and carried with Directors, Borah, Clay, Coates, Cordero, Friedman, Johnson, and Sanchez in favor and none opposed the Board approved the pay grade classification of 62 for the CCWA Deputy Director position with a salary range of \$209,565 to \$255,669 and approved the contract with The Widroe Group, Inc. for services in recruiting for the Deputy Director position based on a fee of 18.50% of the annualized salary, estimated to be around \$46,250 based on a \$250,000 annualized salary.

F. FY 2023/24 Second Quarter Investment Report

Ms. Dessilava Mladenova, CCWA Controller, reported as of December 31, 2023 the investment portfolio totaled \$53 million and had an effective rate of return of 5.38% on an average daily balance for the month of December 2023 of about \$53.8 million. The investments were comprised of Montecito Bank & Trust money market accounts \$1.6 million, Charles Schwab market funds of \$29.4 million and Treasuries of \$22 million.

All investments during the quarter complied with the CCWA investment policy provisions and current pro forma projections indicate that the Authority will have sufficient cash with which to operate for the next six months.

Upon a motion by Director Johnson, seconded by Director Sanchez and carried with Directors Borah, Clay, Coates, Cordero, Friedman, Johnson, and Sanchez in

favor and none opposed, the Board approved the FY 2023/24 Second Quarter Investment Report.

G. FY Ended June 30, 2023 and 2022 Annual Comprehensive Financial Report

The CCWA Annual Comprehensive Financial Report (ACFR) for the fiscal years ended June 30, 2023 and 2022 was included in the meeting materials and is available on the CCWA website. An overview and summary of the ACFR is provided in Management's Discussion and Analysis in the report. CCWA's auditor, Glenn Burdette, expressed an unqualified opinion, and Ms. Erin Nagel, of Glenn Burdette was present and provided an overview of the audit process.

Upon a motion by Director Sanchez, seconded by Director Coates and carried with Directors Borah, Clay, Coates, Cordero, Friedman, Johnson, and Sanchez in favor and none opposed, the Board approved the FY Ended June 30, 2023 and 2022 Annual Comprehensive Financial Report.

H. FY 2024/25 Budget Preparation Schedule

CCWA staff have begun planning for the upcoming 2024/25 Fiscal Year budget, and the preparation schedule was included in the meeting materials for the information of the Board. The preliminary budget will be provided to the Operating Committee and Board in March.

Additional detail was requested in the presentation of the budget in regard to capital improvement projects and allocation of expenses.

I. The Economy of the State Water Project

The economic study was included in the meeting materials for the information of the Board and will be added to the CCWA website.

J. State Water Contractors Report

Mr. Stokes reported the State Water Contractors have been focused on financial issues, building a database for water transfers and sales and the Voluntary Agreements.

K. Voluntary Agreements Support Letter from the State Water Contractors

Mr. Stokes requested approval to join the support letter for the Voluntary Agreements from the State Water Contractors which have been in development and discussion for many years. He stated the Voluntary Agreements are intended to bring together a broad coalition of water diverters to jointly contribute to flow requirements in the delta to meet regulatory requirements in the delta. This is in contrast to the State Water Resources Control Board's unimpaired flow option which is estimated to negatively impact the long-term reliability of the State Water Project by 28%.

Upon a motion by Director Clay, seconded by Director Sanchez and carried with Directors Borah, Clay, Coates, Cordero, Friedman, Johnson, and Sanchez in favor

and none opposed, the Board approved allowing Mr. Stokes to sign and use CCWA's logo on the letter of support for the Voluntary Agreements.

L. **Legislative Report**

The report was included in the meeting materials for the information of the Board.

M. **JPIA President's Special Recognition Award**

CCWA has received recognition from its insurer, JPIA, for its low loss ratios in workers compensation, property and liability claims for 2023.

No action was requested.

VII. Reports from Board Members for Information Only

There were no reports from Board members.

VIII. Items for Next Regular Meeting Agenda

Mr. Stokes stated the SWC Science Officer will make a presentation to the Board in February.

IX. Date of Next Regular Meeting: February 22, 2024

X. Adjournment

The meeting was adjourned at 11:50 AM.

Respectfully submitted,

Elizabeth Watkins
Secretary to the Board



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification -January 2024

VENDOR	INVOICE AMOUNT	DESCRIPTION
GENERAL & ADMINISTRATIVE EXPENSES		
Bank of America Business Card	324.00	Publications, subscriptions, postage
Bank of America Business Card	1,172.13	Travel and Meetings
Bank of America Business Card	675.00	Advertising
Cardmember Service	16.00	Publications, subscriptions, postage
Cardmember Service	1,630.69	Travel and Meetings
Federal Express	180.07	Express shipping
Mid-Coast Fire Protections	126.00	Training
United Parcel Service	44.26	Express shipping
US Bank	39.98	Training
US Bank	690.90	Travel and Meetings
US Bank	760.01	Dues and Memberships
Valley Oaks Printing	32.63	Budget Report Covers
	\$ 5,691.67	Total General & Administrative
MONITORING EXPENSES		
Grainger Inc.	163.46	Lab supplies
Hach Company	1,097.01	Lab supplies
IDEXX Distribution Corp.	945.62	Lab supplies
Kern Co. Water Agency	3,010.00	Laboratory Analysis
USA Blue Book	235.24	Lab supplies
VWR International	1,246.34	Lab supplies
Weck Laboratories	1,968.75	Lab testing
	\$ 8,666.42	Total Monitoring Expenses
OFFICE EXPENSES		
Bank of America Business Card	485.27	Office and kitchen supplies
Office Depot	211.06	Office, janitorial & kitchen supplies
Solvang Bakery	76.40	Board and Committee meeting pastries
US Bank	328.93	Office and kitchen supplies
	\$ 1,101.66	Total Office Expenses
OTHER EXPENSES		
Brownstein Hyatt Farber	841.50	Legal Services
Comcast	364.63	Internet Service
CompuVision	945.00	Semi Annual Spam Filtering
CompuVision	995.00	Datto Cloud Backup
CompuVision	2,164.75	EndPoint Detection
CompuVision	5,685.00	Managed Service Agreement
De Lage Landen Financial Services	482.89	Copier Lease - BAO and WTP
Marborg Industries	178.47	Tank 5/Tank 7/Tank 2/ EDV
Nicklaus Joseph Schwaller	4,125.00	Carpet Replacement-Suite B BAO & Santa Ynez Pumping Plant
Quinn Company	477.14	Equipment Rental
Thompson, James	210.00	Internet Reimbursement - 6 Months
US Bank	1,171.87	Miscellaneous Computer Equipment
Wilson Creek Communications	155.00	Internet Service
	\$ 17,796.25	Total Other Expenses
OTHER MISCELLANEOUS EXPENSES		
Comb-Warren Act Trust Fund	9,804.00	Warren Act Oct'23-Dec'23
Department of Water Resources	14,075,301.00	Variable OMP&R, Delta Water & Transport Charge
	\$ 14,085,105.00	Total Other Miscellaneous Expenses



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification -January 2024

VENDOR	INVOICE AMOUNT	DESCRIPTION
PERSONNEL EXPENSES		
ACWA/JPIA	16,586.91	Workers Compensation Insurance
CalPERS Health	49,726.72	Health Insurance
CalPERS Retirement	42,419.58	Pension Contributions
CCWA Payroll Wages/Taxes	302,873.82	Gross Payroll Wages/Taxes
Dental/Vision Payments	1,128.30	Dental/Vision Benefits
MetLife SBC Insurance	1,995.39	Life Insurance
Other Misc Employee Benefits	12,205.51	Vehicle, Uniform, Deferred Comp & Cafeteria Plan Benefits
US Bank	46.60	Employee Achievement Awards Program
Standard Insurance Company	1,391.03	Disability Insurance
	\$ 428,373.86	Total Personnel Expenses
PROFESSIONAL SERVICES		
Aerial and Crane Experts, Inc.	1,465.00	Annual Inspection & Testing
Brownstein Hyatt Farber	116,209.92	Legal Services
CADA-SAVE/EAP	1,333.00	Annual Employee Assistance Program
Elecsys International LLC	150.00	Monitor Rectifiers
HDR Engineering Inc	17,374.25	Engineering Services
Mid-Coast Fire Protection Inc.	1,797.31	Safety, Annual fire extinguisher service
Quinn Company	1,335.00	Fuel Sample Analysis
State Water Resources Control	24,501.24	Annual Permit Fee 2023-2024
Stradling Yocca Carlson Rauth	2,254.00	Legal - Employee Matters/General Matters
Underground Service Alert	34.50	New USA tickets
	\$ 166,454.22	Total Professional Services
CIP PROJECTS - MATERIALS & OVERHEAD		
HDR Engineering Inc	2,148.00	OSHA Staircase Support for Tank 2/Tank 5/WTP
Tri County Office Furniture	2,658.11	Boardroom Furnishing and Carpet
Patriot Trailer Sales	13,780.38	Trailer for Tractor
	\$ 18,586.49	Total CIP Project - Materials and Overhead
REPAIRS & MAINTENANCE		
Aschle, Jason	10.86	Parts, repair and maintenance
Bank of America Business Card	158.14	Parts, repair and maintenance
Battery Systems Inc	282.35	Parts, repair and maintenance
Big Brand Tire & Service	1,370.33	Vehicle maintenance
City of Buellton	96.89	Landscape maintenance - water
Coverall North America, Inc	1,402.00	Janitorial service - BAO/SYPS
D&H Water Systems Inc.	4,215.71	Equipment repairs and maintenance
Grainger Inc.	929.88	Parts, repairs and maintenance
Harrison Hardware	34.21	Parts, repairs and maintenance
Home Depot	272.61	Parts, repairs and maintenance
Lowe's	56.42	Equipment repairs and maintenance
Office Depot	156.22	Janitorial supplies
Procure Janitorial Supply	385.64	Janitorial supplies - WTP
Rio Vista Chevrolet	525.83	Vehicle repairs and maintenance
Securitas Technology Corp.	336.25	Equipment repairs and maintenance
Star Janitorial	1,550.00	Janitorial Service - WTP
Ultrex Business Products	403.17	Copier maintenance



CENTRAL COAST WATER AUTHORITY

Normal and Recurring Costs

Bills for Ratification -January 2024

VENDOR	INVOICE AMOUNT	DESCRIPTION
US Bank	20.00	Vehicle repairs and maintenance
US Bank	26.93	Building maintenance supplies
US Bank	208.97	Equipment repairs and maintenance
USA Blue Book	(271.96)	Equipment repairs and maintenance
Vreeland Ford	2,032.41	Vehicle repairs and maintenance
Western Exterminator Co	255.35	Pest control spraying - BAO and SYPS
	\$ 14,458.21	Total Repairs & Maintenance
SUPPLIES & EQUIPMENT		
American Industrial Supply	526.77	Safety supplies
Astra Industrial Services Inc	185.00	Annual Backflow Test Kit
Bank of America Business Card	101.25	Minor tools and equipment
Chemtrade Chemicals US, LLC	13,956.65	Chemicals - WTP
Grainger Inc.	376.58	Minor tools, equipment & maintenance supplies, safety supplies
Hill Brothers Chemical Company	7,238.00	Chemicals - WTP
Innovative Industries Inc	2,315.00	Minor tools and equipment
Thatcher Company of Nevada, Inc	17,192.00	Chemicals - WTP
Univar Solutions USA, Inc.	15,246.48	Chemicals - WTP
US Bank	417.04	Maintenance supplies, Minor Tools, Safety Supplies
WEX Bank - Wright Express	5,934.52	Fuel - Autos
	\$ 63,489.29	Total Supplies & Equipment
UTILITIES		
Bank of America Business Card	1,138.34	Satellite phone minutes
City of Buellton	185.84	Water - BAO
Delta Liquid Energy	2,718.65	Propane gas
First Choice Technology	13.42	Phone - Long distance carrier, 800#
Marborg Industries	366.39	Waste Disposal - BAO/Trash roll off
Pacific Gas & Electric	38,614.88	Utilities - BAO/SYPS/WTP
San Miguel Garbage Company	272.71	Waste Disposal - WTP
SoCalGas	360.14	Natural Gas - BAO
Verizon Wireless	870.73	Cell phone charges
	\$ 44,541.10	Total Utilities
Subtotal - Bills for Ratification	\$ 14,854,264.17	



CENTRAL COAST WATER AUTHORITY

Bills for Approval

VENDOR	INVOICE AMOUNT	DESCRIPTION
State of California DWR	\$ 1,383,080.00	Capital Cost and Minimum OMP&R Charges Feb'24
Subtotal - Bills for Approval	\$ 1,383,080.00	
Total Ratification and Approval Bills	<u>\$ 16,237,344.17</u>	



Statements of Net Position

ASSETS

	<u>January 31, 2024</u>	<u>December 31, 2023</u>
Current Assets		
Cash and investments	\$ 11,142,937	\$ 11,969,615
Accounts Receivable (Note 1)	263	263
Accrued interest receivable	94,475	528,871
Other assets	3,719,931	3,728,980
Total Current Assets	<u>14,957,606</u>	<u>16,227,729</u>
Restricted Assets		
Operations and Maintenance Reserve Fund (Note 2)	2,073,323	2,049,013
DWR Reserve Fund (Note 3)	5,884,780	5,984,550
Rate Coverage Reserve Fund (Note 4)	9,836,308	9,720,977
Department of Water Resources (Note 5a)	7,204,006	20,574,065
CCWA and DWR Variable Fund (Note 5b)	3,620,659	3,291,998
Credits Payable (Note 6)	56,859	56,193
Escrow Deposits (Note 7)	535,436	529,158
Total Restricted Assets	<u>29,211,371</u>	<u>42,205,953</u>
Property, Plant and Equipment		
Construction in progress (Note 8)	1,342,702	1,326,477
Fixed assets (net of accumulated depreciation)	84,726,495	84,946,421
Total Property, Plant and Equipment	<u>86,069,197</u>	<u>86,272,898</u>
Total Assets	<u>\$ 130,238,174</u>	<u>\$ 144,706,579</u>



Statements of Net Position

LIABILITIES AND FUND EQUITY

	<u>January 31, 2024</u>	<u>December 31, 2023</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 52,877	\$ 213,844
DWR and Warren Act Charge Deposits (Note 5a)	7,204,006	20,574,065
CCWA & DWR Variable Charge Deposits (Note 5b)	3,620,659	3,291,998
Other liabilities	978,669	989,797
DWR Reserve Fund	5,884,780	5,984,550
Rate Coverage Reserve Fund	9,836,308	9,720,977
Unearned Revenue	129,924	104,805
Credits Payable to Project Participants	599,051	440,429
Total Current Liabilities	<u>28,306,273</u>	<u>41,320,464</u>
<u>Non-Current Liabilities</u>		
OPEB Liability	1,113,716	1,113,716
Escrow Deposits	535,436	529,158
Net Pension Liability	4,744,132	4,744,132
Total Non-Current Liabilities	<u>6,393,284</u>	<u>6,387,006</u>
<u>Commitments and Uncertainties</u>		
<u>Net Assets</u>		
Contributed capital, net (Note 9)	22,562,433	22,562,433
Retained earnings	72,976,183	74,436,676
Total Net Assets	<u>95,538,616</u>	<u>96,999,109</u>
Total Liabilities and Net Assets	<u>\$ 130,238,174</u>	<u>\$ 144,706,579</u>



Statements of Revenues, Expenses and Changes in Net Position

	<u>January 31, 2024</u>	<u>December 31, 2023</u>
<u>Operating Revenues</u>		
Operating reimbursements		
from project participants	\$ 15,818,923	\$ 15,874,324
Other revenues	23,195	21,027
Total Operating Revenues	15,842,118	15,895,351
<u>Operating Expenses</u>		
Personnel expenses	3,341,468	2,922,847
Office expenses	16,369	12,617
General and administrative	129,754	136,674
Professional Services	882,056	715,385
Supplies and equipment	679,805	615,704
Monitoring expenses	66,170	57,504
Repairs and maintenance	185,440	171,264
Utilities	349,639	305,109
Depreciation and amortization	1,551,468	1,331,542
Other expenses	457,752	418,413
Total Operating Expenses	7,659,924	6,687,060
Operating Income	8,182,194	9,208,291
<u>Non-Operating Revenues</u>		
Investment income	1,712,267	1,495,602
Gain on sale of fixed assets	8,540	8,540
Total Non-Operating Revenues	1,720,807	1,504,142
<u>Non-Operating Expenses</u>		
Current year credits payable	1,617,791	966,731
Total Non-Operating Expenses	1,617,791	966,731
Net Income	8,285,209	9,745,702
<u>Retained Earnings</u>		
Retained earnings at beginning of period	64,690,974	64,690,974
Retained earnings at end of period	\$ 72,976,183	\$ 74,436,676



Budget and Actual All Reaches

	January 31, 2024		
	Budget	Actual	Percent Expended ⁽¹⁾
Revenues			
Fixed operating assessments ⁽²⁾	\$ 14,944,972	\$ 14,944,972	
Variable operating assessments	1,787,950	873,951	48.88%
Miscellaneous income	-	23,195	
Investment income	-	353,081	
Total Revenues	16,732,922	16,195,199	96.79%
Expenses ⁽²⁾			
Personnel expenses	6,309,960	3,341,468	52.96%
Office expenses	21,800	16,369	75.09%
General and administrative	298,802	129,754	43.42%
Professional Services	2,126,169	882,056	41.49%
Supplies and equipment	1,622,928	679,805	41.89%
Monitoring expenses	130,332	66,170	50.77%
Repairs and maintenance	326,140	185,440	56.86%
Utilities	640,818	349,639	54.56%
Other expenses	828,377	413,028	49.86%
Capital and Non-Capital Expenditures	2,806,978	1,387,426	49.43%
Total Expenses	15,112,304	7,451,155	49.31%
Operating Income	1,620,618	8,744,044	
Net Income (Loss)	\$ 1,620,618	\$ 8,744,044	

(1) Percent of year expended 58.33%

(2) Includes revenues and expenses for Turnouts and adjusted for carryover revenues from FY 2022/23 to FY 2023/24

Central Coast Water Authority
Notes to Financial Statements
January 31, 2024

Note 1: Accounts Receivable

Accounts receivable consists of amounts payable by the State Water Project contractors and other miscellaneous receivables.

Note 2: O&M Reserve Fund

The O&M reserve fund represents cash reserves for emergency uses. The funding requirement is \$2,000,000 allocated on an entitlement basis for the Santa Barbara County project participants. Investment earnings on O&M reserve fund balances are credited against CCWA O&M assessments.

<u>Project Participant</u>	<u>Amount</u>
City of Guadalupe	\$ 29,151
City of Santa Maria	858,639
Golden State Water Company	26,679
Vandenberg SFB	291,531
City of Buellton	30,635
Santa Ynez ID #1 (Solvang)	79,503
Santa Ynez ID #1	26,501
Goleta Water District	238,511
Morehart Land Co.	10,600
La Cumbre Mutual Water Company	53,352
Raytheon Systems Company	2,650
City of Santa Barbara	160,074
Montecito Water District	159,492
Carpinteria Valley Water District	106,004
TOTAL:	<u>\$ 2,073,323</u>

Central Coast Water Authority
Notes to Financial Statements
 January 31, 2024

Note 3: DWR Reserve Fund

The DWR Reserve Fund was established to provide a funding source for payments to the State of California Department of Water Resources (DWR) when there is a difference between estimates used to prepare the DWR portion of the annual CCWA budget and the actual amounts billed to the Authority by DWR. Contributions to the DWR Reserve Fund are voluntary. Funding of each participating Project Participant's share of the DWR Reserve Fund will come from a combination of (1) CCWA Operating Expense budget surpluses, if any (2) Interest earnings on funds held in all other accounts on behalf of the participating Project Participant and (3) excess amounts, if any, from any of the DWR Statement of Charges cost components until the funding Target Amount is reached. The Target Amount will be equal to the participating Project Participant's proportional share of a \$10 million allocation of DWR Transportation Minimum OMP&R charges. The following schedule shows the current fund balance of the participating Project Participants.

Project Participant	Amount
City of Guadalupe	\$ 146,417
City of Santa Maria	4,368,102
Golden State Water Company	95,373
City of Buellton	128,414
Santa Ynez ID #1 (Solvang)	348,532
Santa Ynez ID #1	130,637
Morehart Land Co.	43,635
La Cumbre Mutual Water Company	177,028
Raytheon Systems Co.	10,463
City of Santa Barbara	436,180
TOTAL:	\$ 5,884,780

Note 4: Rate Coverage Reserve Fund Cash Deposits

The rate coverage reserve fund was established to provide CCWA project participants a mechanism to satisfy a portion of their obligation under Section 20(a) of the Water Supply Agreement to impose rates and charges sufficient to collect 125% of their contract payments. The following schedule shows the current balances plus accrued interest receivable in the rate coverage reserve fund.

Project Participant	Amount
City of Guadalupe	\$ 197,816
City of Santa Maria	5,350,644
City of Buellton	284,645
Santa Ynez ID #1 (Solvang)	654,608
Santa Ynez ID #1	477,355
La Cumbre Mutual Water Company	417,393
Montecito Water District	1,547,172
Carpinteria Valley Water District	890,406
Shandon	16,268
TOTAL:	\$ 9,836,307

Central Coast Water Authority
Notes to Financial Statements
January 31, 2024

Note 5a: Cash and Investments Payment to DWR

Cash deposits for DWR payments.

Project Participant	Amount
City of Guadalupe	\$ 80,139
City of Santa Maria	2,392,213
Golden State Water Company	74,144
Vandenberg SFB	2,081,296
City of Buellton	86,303
Santa Ynez ID #1 (Solvang)	218,494
Santa Ynez ID #1	80,884
Goleta Water District	773,823
Morehart Land Co.	29,520
La Cumbre Mutual Water Company	152,696
Raytheon Systems Co.	13,649
City of Santa Barbara	458,104
Montecito Water District	457,773
Carpinteria Valley Water District	304,967
TOTAL:	<u>\$ 7,204,006</u>

Note 5b: Cash Payments for CCWA, Warren Act and DWR Variable Charges

Cash deposits for payments to CCWA, Warren Act and DWR for Variable Assessments.

Project Participant	Amount
City of Guadalupe	\$ 15,545
City of Santa Maria	1,121,967
Golden State Water Company	28,547
Vandenberg SFB	459,517
City of Buellton	32,310
Santa Ynez ID #1 (Solvang)	69,659
Santa Ynez ID #1	96,116
Goleta Water District	680,914
Morehart Land Co.	11,927
La Cumbre Mutual Water Company	3,044
Raytheon Systems Co.	7,196
City of Santa Barbara	352,294
Montecito Water District	480,752
Carpinteria Valley Water District	260,870
TOTAL:	<u>\$ 3,620,659</u>

Central Coast Water Authority
Notes to Financial Statements
January 31, 2024

Note 6: Credits Payable

Credits payable to, or (due from) CCWA project participants for investment earnings and O&M assessment credits.

Project Participant	Amount
City of Guadalupe	\$ 15
City of Santa Maria	43,995
Golden State Water Company	60
Vandenberg SFB	1,709
City of Buellton	33
Santa Ynez ID #1 (Solvang)	32
Santa Ynez ID #1	1,976
Goleta Water District	56
Morehart Land Co.	2
La Cumbre Mutual Water Company	11
Raytheon Systems Co.	0
City of Santa Barbara	8
Montecito Water District	5,610
Carpinteria Valley Water District	3,143
Shandon	43
Lopez Turnout	86
Chorro Turnout	80
TOTAL:	\$ 56,859

Note 7: Escrow Deposits

Cash deposits from certain project participants as required under the Water Supply Agreements.

Project Participant	Amount
Morehart Land Company	\$ 422,589
Raytheon Systems Company	112,847
TOTAL:	\$ 535,436

Central Coast Water Authority
Notes to Financial Statements
 January 31, 2024

Note 8: Construction in Progress

Amounts in construction in progress represent expenditures incurred during FY 2023/24 and amounts retained in construction in progress at January 31, 2024. The following schedule shows the CIP expenditures for CCWA projects.

Financial Reach	Amount
Labor	\$ 22,837
Materials	62,594
Overhead	1,257,271
Project CIP Total:	\$ 1,342,702

Note 9: Contributed Capital

Certain project participants elected to pay their share of CCWA project construction costs in cash. The amounts listed below show the capital contributions by project participant less the cost of local facilities and refunds to the project participants.

Project Participant	Amount
Avila Valley Water Company	\$ 15,979
City of Guadalupe	81,119
San Luis Schools	5,608
San Miguelito Water Company	233,605
Golden State Water Company	866,277
City of Santa Maria	13,498,802
Vandenberg SFB	7,861,043
TOTAL:	\$ 22,562,433

Central Coast Water Authority
Calendar Year 2024 Actual and Requested Deliveries in Acre Feet

Project Participant	Total Available AF Amounts ⁽¹⁾	ACTUALS		REQUESTED												Estimated Annual Delivery Total
		Jan.	Subtotal	Feb	Mar	Apr	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Subtotal	
Guadalupe	307	37	37	19	19	23	26	27	27	21	18	18	8	19	225	262
Santa Maria	10,807	287	287	267	286	368	476	552	571	571	552	571	111	380	4,705	4,992
So. Cal. Water Co.	334	10	10	10	12	24	26	44	45	45	45	24	24	16	315	325
Vandenberg AFB	3,669	180	180	117	126	154	187	206	219	212	225	190	39	76	1,751	1,931
Buellton	386	14	14	10	14	12	17	23	30	25	29	25	4	11	200	214
Solvang (Billed to SY)	910	49	49	31	39	38	56	71	87	91	77	56	8	30	584	633
Santa Ynez ID#1	425	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Goleta	4,518	0	0	0	36	54	72	162	162	171	162	54	0	0	873	873
Morehart Land Co.	133	2	2	3	2	3	5	4	3	5	5	4	1	7	42	44
La Cumbre	667	23	23	25	40	40	40	50	50	50	40	40	30	20	425	448
Raytheon	33	0	0	0	1	2	3	2	1	1	0	0	2	3	15	15
Santa Barbara	2,001	0	0	0	24	36	48	108	108	114	108	36	0	0	582	582
Montecito	1,769	0	0	0	24	36	48	108	108	114	108	36	0	0	582	582
Carpinteria	1,334	0	0	0	16	24	32	172	72	76	72	24	0	0	488	488
Subtotal Santa Barbara:	27,293	602	602	482	639	814	1,036	1,529	1,483	1,496	1,441	1,078	227	562	10,787	11,389
Shandon		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chorro Valley	7500	123	123	174	184	184	184	189	189	189	189	184	174	174	2,014	2,137
Lopez	7500	134	134	179	181	182	182	182	182	183	181	181	180	180	1,993	2,127
Subtotal SLO County:	15,000	257	257	353	365	366	366	371	371	372	370	365	354	354	4,007	4,264
TOTAL ENTITLEMENT DELIVERIES	42,293	859	859	835	1,004	1,180	1,402	1,900	1,854	1,868	1,811	1,443	581	916	14,794	15,653
EXCHANGE DELIVERIES																
Santa Ynez-Exchange		0	0	0	(100)	(150)	(200)	(450)	(450)	(475)	(450)	(150)	0	0	(2,425)	(2,425)
Goleta-Exchange		0	0	0	36	54	72	162	162	171	162	54	0	0	873	873
Santa Barbara-Exchange		0	0	0	24	36	48	108	108	114	108	36	0	0	582	582
Montecito-Exchange		0	0	0	24	36	48	108	108	114	108	36	0	0	582	582
Carpinteria-Exchange		0	0	0	16	24	32	72	72	76	72	24	0	0	388	388
TOTAL EXCHANGE DELIVERIES		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Lake Deliveries only		25		28	143	195	248	606	504	531	495	194	33	30		3,032

(1) Total AF of Table A allocation, carryover amounts, and water transfers



CENTRAL COAST WATER AUTHORITY

MEMORANDUM

February 15, 2024

TO: CCWA Board of Directors
FROM: Ray A. Stokes, Executive Director
SUBJECT: Preliminary DRAFT Administrative Rules for the Transfer and Exchange of Water

SUMMARY

To implement the Water Management Amendment of the State Water Supply Contract, and standardize CCWA's procedures for all transfers and exchanges, Staff has developed a preliminary draft of Administrative Rules for the Transfer and Exchange of Water (Transfer Rules) for discussion.

The attached draft Transfer Rules are preliminary and subject to change. Staff requests feedback from the Board and all CCWA Participants.

RECOMMENDATION

This item is for discussion only. No action is requested at this time.

DISCUSSION

CCWA staff proposes updating and supplementing CCWA's current Policies and Procedures for Water Transfers (adopted in 2013) to implement the Water Management Amendment and standardize CCWA's procedures for all transfers and exchanges. If the Board of Directors elects to adopt the proposed Administrative Rules for the Transfer and Exchange of Water (Transfer Rules), they would replace the existing policies and procedures.

CCWA staff presented a conceptual overview of the proposed Transfer Rules at the January meetings of the Board of Directors and Operations Committee.

This is the first introduction of CCWA staff's preliminary draft Transfer Rules. CCWA staff is still in the process of conferring with DWR regarding the schedule and timing for processing of requests for transfers and exchanges throughout the year. As these details are developed, CCWA staff anticipates revising the preliminary draft Transfer Rules to include any required internal deadlines required to ensure compliance with the Water Management Amendment and implementation of a requested transfer/exchange transaction.

CCWA staff proposes the following schedule for review, discussion and consideration of the proposed Transfer Rules:

February 22, 2024 – CCWA Board Meeting

- Discussion re. draft updated CCWA Transfer Rules

March 14, 2024 – CCWA Ops Committee Meeting

- Discussion re. draft updated CCWA Transfer Rules

March 21, 2024 – CCWA Board Agenda Packet

- Final updated CCWA Transfer Rules available for review

March 28, 2024 – CCWA Board Meeting

- CCWA Board considers updated CCWA Transfer Rules

ENVIRONMENTAL REVIEW

N/A

Attachments:

Preliminary DRAFT Administrative Rules for the Transfer and Exchange of Water

Central Coast Water Authority

**ADMINISTRATIVE RULES FOR THE
TRANSFER OR EXCHANGE OF WATER**

Adopted _____, 2024

TABLE OF CONTENTS

	PAGE
I. INTRODUCTION AND BACKGROUND.....	1
II. GENERAL.....	3
A. Application and Interpretation.....	3
B. Prioritize Needs of Participants.....	3
C. Compliance With All Obligations and Laws.....	3
D. Standardized Notices, Forms and Contracts.....	3
III. TRANSFERS AND EXCHANGES BETWEEN PARTICIPANTS.....	4
A. Project Water Freely Transferrable Within CCWA.....	4
B. Procedures for Internal Transfers.....	4
IV. TRANSFERS AND EXCHANGES OUTSIDE CCWA’S SERVICE AREA.....	5
A. Exchanges.....	5
1. Balanced And Unbalanced Exchanges in Favor of The Participant.....	5
2. Unbalanced Exchanges in Favor of a Third Party.....	5
B. Supplemental Water Purchases.....	5
1. CCWA’s Supplemental Water Purchase Program.....	5
2. Participant Purchases Outside the Purchase Program.....	6
C. Surplus Water Transfers.....	6
1. CCWA’s Surplus Water Transfer Program.....	6
2. Participant Transfers Outside of Transfer Program.....	6
3. Procedure for Compliance with Resolution No. 21-01.....	7
D. Temporary Delivery to a Storage Program or Facility Outside Santa Barbara County....	7
E. SBCFCWCD Execution of DWR Agreements.....	8
V. SPECIAL WATER TYPES.....	9
A. Article 56 Carryover Water.....	9
B. Article 21 Water.....	9
VI. DELIVERY OF TRANSFERRED/EXCHANGED WATER TO CCWA SERVICE AREA.....	11
1. Procedure.....	11
2. Allocation of Supply Between/Among Multiple Participants.....	11

TABLE OF DEFINED TERMS

AF	Acre-foot/acre-feet
CCWA	Central Coast Water Authority
CCWA Facilities	All water supply conveyance and treatment facilities owned by CCWA
Day(s)	Calendar day(s)
DWR	California Department of Water Resources
Nonproject Water	Has the same meaning as used in the SWP Contract
Non-Project Participants	Participants that do not execute a Purchase Agreement or Sale Agreement with CCWA for a specific transaction.
Participant	A party that holds a Water Supply Agreement with CCWA
Participant Seller	A Participant that has surplus Project Water available for transfer to another Participant or third party
Participant Buyer	A Participant that has a need for supplemental water
Project Allotment	Has the same meaning as used in each Participant’s Water Supply Agreement
Project Water	Has the same meaning as used in the SWP Contract
ROFR	Right of First Refusal established by Resolution No. 21-01
SBCFCWCD	Santa Barbara County Flood Control and Water Conservation District
SWP	State Water Project
SWP Contract	The State Water Supply Contract between DWR and SBCFCWCD dated February 26, 1963, as amended
SWP Contractor	A party that holds a State Water Supply Contract with DWR
SWPP	Supplemental Water Purchase Program
SWTP	Surplus Water Transfer Program

I. INTRODUCTION AND BACKGROUND

The State Water Supply Contract (**SWP Contract**) between the Department of Water Resources (**DWR**) and Santa Barbara County Flood Control and Water Conservation District (**SBCFCWCD**) provides for the purchase and delivery of water from the State Water Project (**SWP**) to Santa Barbara County. In 1991, CCWA assumed responsibility for the SWP Contract. Amendment No. 21 to the SWP Contract (**the Water Management Amendment**) allows the parties that contract with DWR (the **SWP Contractors**) for delivery of water from the SWP (**Project Water**) to transfer and exchange their Project Water with other SWP Contractors and to utilize the SWP for the conveyance of other water supplies (**Nonproject Water**), with DWR's approval and subject to the terms and conditions set forth in the SWP Contract, including the Water Management Amendment. CCWA has contracted with retail water providers and others within its service area (each a **Participant** and collectively, the **Participants**) pursuant to certain Water Supply Agreements for the delivery of Project Water to them. The Water Management Amendment provides CCWA and the Participants with flexibility to manage their water supplies in a changing environment and to improve water supply reliability.

In conjunction with its approval of the Water Management Amendment, the CCWA Board of Directors adopted Resolution No. 21-01, "A Resolution of the Board of Directors of the Central Coast Water Authority Adopting A Right of First Refusal Rule for Any Transfer of State Water Project Water Outside the County of Santa Barbara Pursuant to the SWP Contract, as Amended by Amendment No. 21 (The Water Management Amendment)." Resolution No. 21-01 requires Participants to offer any Project Water the Participant intends to transfer out of Santa Barbara County to a third party first to the other Participants on the same terms and conditions.¹ Accordingly, Resolution No. 21-01 grants all Participants with a right of first refusal (**ROFR**) to purchase Project Water from the other Participants before it is transferred out of Santa Barbara County to a third party.

For many years, CCWA has administered the Supplemental Water Purchase Program (**SWPP** or **Purchase Program**) in dry years only. Beginning in 2024, CCWA will maintain the SWPP in all years. Participants may opt in to the SWPP at any time and remain in the program from year to year. Pursuant to the terms and conditions of the SWPP Participation Agreement, Program Participants share in the administrative costs and liabilities of the SWPP.

On July 27, 2023, CCWA's Board of Directors adopted Resolution No. 23-26 approving CCWA's Surplus Water Transfer Program (**SWTP** or **Transfer Program**). Participants may opt in to the SWTP at any time and remain in the program from year to year. Pursuant to the terms and conditions of the SWTP Participation Agreement, Program Participants share in the administrative costs and liabilities of the SWTP.

These Administrative Rules for the Transfer or Exchange of Water (**CCWA Transfer Rules**) set forth CCWA's policies and procedures for implementation of transfers and exchanges involving CCWA and its

¹ Resolution 21-01 provides: "A Participant may transfer all or any portion of its available SWP Water within its boundaries or to another Participant without approval by the Authority. As may be permitted by the SWP Contract, a Participant may transfer all or any portion of its available SWP Water outside the County of Santa Barbara County with the approval of the Authority, which approval shall not be unreasonably withheld, provided that the Authority shall require that any such proposed transfer outside of the County of Santa Barbara shall be subject to a right of first refusal of all Participants on a pro rata basis to take delivery of such SWP Water on the same terms and conditions."

Participants, whether pursuant to the SWPP or SWTP, or independent of those programs, such as when an individual Participant engages in a transfer or exchange of Project Water directly with a third party.

DRAFT

II. GENERAL

A. Application and Interpretation

These CCWA Transfer Rules apply to any transfer (purchase or transfer) or exchange of Project Water, including transfers to groundwater storage programs or facilities, and the transfer and conveyance of Nonproject Water through the SWP for delivery to CCWA's service area, all as may be permitted by the SWP Contract.

These Rules do not apply to the permanent transfer of a Participant's Project Allotment pursuant to its Water Supply Agreement.

These CCWA Transfer Rules implement the Water Management Amendment and further are intended to be consistent with all applicable contracts, including all provisions of the SWP Contract and each Participant's Water Supply Agreement. In the event of a conflict between these Transfer Rules and any applicable contract, the terms and conditions of the contract shall prevail.

B. Prioritize Needs of Participants

It is the policy of CCWA to meet the needs of its Participants before transferring available Project Water to third parties. Therefore, if any Participant wishes to transfer Project Water, either to acquire additional supplies or to sell surplus supplies, CCWA will attempt to meet the needs of the Participants first, before entering into transactions outside the CCWA service area.

Notwithstanding the foregoing, individual Participants are not required to transfer Project Water to other Participants.

C. Compliance With All Obligations and Laws

All CCWA and Participant transfers and exchanges shall be carried out consistent with all applicable requirements and obligations, including but not limited to the SWP Contract, each Participant's Water Supply Agreement, Resolution No. 2021-01, and all applicable laws, including but not limited to the California Environmental Quality Act (CEQA).

D. Standardized Notices, Forms and Contracts

The Executive Director may, in his/her discretion, develop standardized notices, forms and contracts as may be necessary or convenient to implement these Transfer Rules. These Transfer Rules refer to several such notices, forms and contracts by title. However, these titles are for convenience only and may change over time without amendment of these Rules. Further, CCWA retains all discretion to modify the terms, conditions and other provisions of such notices, forms and contracts over time.

III. TRANSFERS AND EXCHANGES BETWEEN PARTICIPANTS

Note: The following updates and revises the 2013 Transfer Policy.²

A. Project Water Freely Transferrable Within CCWA

Participants may transfer or exchange Project Water between or among them. CCWA is not a party to any agreement that may exist involving such transfers and exchanges and is not responsible for any terms or conditions of such agreement.

CCWA approval is not required for any transfer or exchange between or among Participants, but the Participant that sells some or all of its Project Water (**Participant Seller**) must communicate the terms and conditions of the transfer or exchange to CCWA so that CCWA may account for and implement the transfer or exchange. Unless otherwise agreed by the Participant Seller and the Participant that purchases Project Water (**Participant Buyer**), CCWA staff will take direction from the Participant Seller.

B. Procedures for Internal Transfers

At any time, a Participant may notify CCWA of its intention to buy or sell Project Water. CCWA will maintain a record of this information, distribute it to all Participants at least quarterly (every three months), and attempt to satisfy all such requests within CCWA.

The procedure for communicating and directing CCWA to affect a one-time internal or transfer or exchange is as follows:

- The Participant Seller will complete a Water Transfer Form. This form will require the signatures of both the Participant Seller and Participant Buyer as well as provide the volume of water planned for transfer and the planned date of the transfer. All requests must be submitted to CCWA a reasonable amount of time before the desired date of transfer.
- CCWA staff will verify that the Participant Seller has the volume of water available to complete the transfer. The verification will be completed by at least two CCWA staff. One staff to process the request and a second staff for quality control review.
- CCWA staff will update the Delivery Status Report to reflect the transfer, complete CCWA's portion of the Water Transfer Form, and will return the completed Water Transfer Form to the Participant Seller and Participant Buyer. This will serve as confirmation that the transfer is complete.

² See <https://www.ccwa.com/internal-transfers>.

IV. TRANSFERS AND EXCHANGES OUTSIDE CCWA'S SERVICE AREA

The SWP Contract permits: (1) the storing of Project water in a groundwater storage program, project surface conservation facilities and in nonproject surface storage facilities located outside a SWP's service area for later use by the SWP Contractor within its service area; (2) balanced and unbalanced exchanges and transfers of Project Water between and among SWP Contractors; and (3) the conveyance of Nonproject Water through the SWP.

A. Exchanges

1. Balanced And Unbalanced Exchanges in Favor of The Participant

CCWA will process all Participant requests for balanced and unbalanced exchanges in favor of the Participant (i.e., a greater quantity of water will be transferred to the Participant during the term of the transaction) using the same procedures that apply to supplemental water purchases. (See Section IV.B.) These exchanges do not require compliance with Resolution No. 21-01. (See Section IV.C.3.)

2. Unbalanced Exchanges in Favor of a Third Party

CCWA will process all Participant requests for unbalanced exchanges in favor of a third party (i.e., a greater quantity of water will be transferred to the third party during the term of the transaction) using the same procedures that apply to surplus water transfers. (See Section IV.C.) These exchanges require compliance with Resolution No. 21-01. (See Section IV.C.3.)

B. Supplemental Water Purchases

As described in Section 0, CCWA will maintain and regularly update a schedule of all Participant requests to buy and sell water. If, after the needs of all Participants have been met or acceptable terms cannot be achieved among Participants (see Section III), there still exists a need for supplemental water, Participants may purchase supplemental water. CCWA will assist in obtaining the supplemental water, either through the SWPP or directly with the individual Participant.

1. CCWA's Supplemental Water Purchase Program

All Participants that wish to retain CCWA's services in identifying and facilitating the purchase of supplemental water must execute a SWPP Participation Agreement. Participants may execute the SWPP Participation Agreement at any time and may remain in the SWPP from year to year. As described in the SWPP Participation Agreement, SWPP Participants share in any costs and liabilities of the program.

From time to time, CCWA will make purchase opportunities available to the SWPP Participants. If a SWPP Participant elects to purchase a particular supply, the SWPP Participant must execute a Purchase Agreement with CCWA for that supply. As described in the Purchase Agreement, any SWPP Participants that execute a Purchase Agreement (**Project Participant(s)**) will share in any costs and liabilities of the particular transaction. CCWA will contract with third party the seller on behalf of the Project Participant.

As described in the Purchase Agreement, the Project Participant agrees to fully indemnify and defend CCWA and all other Participants that are not Project Participants (**Non-Project Participants**) from all liability associated with the purchase transaction.

Project Participants are responsible for compliance with CEQA and Article 57(g) of the SWP Contract. (See Appendix A: The Water Management Amendment.) For purposes of these Transfer Rules, all references to “Agency” in Article 57(g) shall include the Project Participant and CCWA.

2. Participant Purchases Outside the Purchase Program

Participants that purchase supplemental water supplies outside of the SWPP must execute an Assistance Agreement with CCWA fully indemnifying CCWA and all other Participants from all liability associated with the purchase transaction.

In this context, the Participant, and not CCWA, will contract directly with the third-party seller for the purchase and delivery of the water. As described in the Assistance Agreement, CCWA will assist the Participant in facilitating the purchase and delivery of the supply, including all communications with DWR, but otherwise will not be responsible for ensuring compliance with the terms and conditions of the transfer. Further, the Participant agrees to fully indemnify and defend CCWA and all other Participants from all liability associated with the purchase transaction.

C. Surplus Water Transfers

If, after the needs of all Participants have been met or acceptable terms cannot be achieved among Participants (see Section III), there still exists additional supplies for transfer outside the CCWA service area, CCWA and/or the Participant may seek to transfer supplies outside the CCWA service area.

1. CCWA’s Surplus Water Transfer Program

All Participants that wish to retain CCWA’s services in identifying and facilitating the transfer of surplus water must execute a SWTP Participation Agreement. Participants may execute the SWTP Participation Agreement at any time and may remain in the SWTP from year to year. As described in the SWTP Participation Agreement, SWTP Participants share in any costs and liabilities of the program.

From time to time, CCWA will make transfer opportunities available to the SWTP Participants. If a SWTP Participant elects to sell water, the SWTP Participant must execute a Sale Agreement with CCWA for that supply. As described in the Transfer Agreement, any SWTP Participants that execute a Sale Agreement (**Project Participant(s)**) will share in any costs and liabilities of the particular transaction. CCWA will contract with the third-party buyer on behalf of the Project Participant.

As described in the Sale Agreement, the Project Participant agrees to fully indemnify and defend CCWA and all **Non-Project Participants** from all liability associated with the purchase transaction.

Project Participants are responsible for compliance with CEQA and Article 57(g) of the SWP Contract. (See Appendix A.)

2. Participant Transfers Outside of Transfer Program

Participants that transfer surplus water supplies outside of the SWTP must execute an Assistance Agreement with CCWA fully indemnifying CCWA and all other Participants from all liability associated with the transfer transaction.

In this context, the Participant, and not CCWA, will contract directly with the third-party buyer for the purchase and delivery of the water. As described in the Assistance Agreement, CCWA will assist the

Participant in facilitating the transfer and delivery of the supply, including all communications with DWR, but otherwise will not be responsible for ensuring compliance with the terms and conditions of the transfer. Further, the Participant agrees to fully indemnify and defend CCWA and all other Participants from all liability associated with the transfer transaction.

3. Procedure for Compliance with Resolution No. 21-01

As described in Section I above, all transfers outside Santa Barbara County are subject to Resolution No. 21-01. Although CCWA will assist the Participant Seller with coordination among the Participants, compliance with Resolution No. 21-01 is the sole responsibility of the Participant Seller. Early and regular communication between the Participant Seller(s) and the other Participants is encouraged.

Because the SWP Contract permits multi-year transfers and exchanges, a Participant Seller may elect to enter into a long-term contract that includes transfers and/or exchanges over multiple years. In this circumstance, Resolution No. 21-01 applies to the entire transaction, not each year as transfers and exchanges are performed as part of the multi-year transaction. Accordingly, the Participants' ROFR occurs only once at the time the multi-year transaction is proposed.

The Resolution No. 21-01 applies only to a Participant's transfer of Project Water to a third party, not to the temporary delivery of the supply to a groundwater storage program or facility outside of Santa Barbara County for later use within CCWA's service area.

a. *Participant Seller to Give Notice of Sale Terms and Set Deadlines*

Upon execution of a Letter of Intent, Term Sheet, or other document that memorializes the basic terms and conditions (**Sale Terms**) of a transfer of Project Water from a Participant Seller to a third-party buyer, the Participant Seller shall promptly provide: (i) notice of the propose transfer of Project Water to all other Participants, (ii) the Sale Terms, (iii) the Participant Seller's contact information, and (iv) the deadline for any Participant to exercise its ROFR pursuant to Resolution No. 21-01 which deadline shall be **at least 45 days** from the date the Participant Seller delivers its notice to the Participants (**ROFR Deadline**).

b. *Exercise of ROFR*

If a Participant Buyer elects to exercise its ROFR, it must deliver its *binding commitment* to the Sale Terms in writing to the Participant Seller's contact person(s) by the ROFR Deadline. Thereafter, the Participant Seller and the Participant Buyer will work expeditiously to execute any desired contracts between them and comply with the procedures in Section III.

If no Participant exercises its ROFR by the ROFR Deadline, all Participants shall be deemed to have waived their ROFR and the Participant Seller may continue to process the transaction with a third party.

D. Temporary Delivery to a Storage Program or Facility Outside Santa Barbara County

The SWP Contract permits the storing of Project water in a groundwater storage program, project surface conservation facilities and in nonproject surface storage facilities located outside a SWP's service area for later use by the SWP Contractor within its service area.

CCWA will process all transfers to out-of-county storage in the same manner as Participant transfers outside of CCWA's Transfer Program. (See Section IV. .C. .2) As noted above, Resolution No. 21-01 does not apply to these transactions.

E. SBCFCWCD Execution of DWR Agreements

As the contracting party to the SWP Contract with DWR for Santa Barbara County, DWR requires SBCFCWCD's execution of all agreements with DWR required to administer any transfer or exchange involving Project Water or that utilizes the SWP for conveyance of Nonproject Water (each a **DWR Agreement**).

On behalf of Project Participants, CCWA will contract with SBCFCWCD to secure SBCFCWCD's execution of any DWR Agreement.

DRAFT

V. SPECIAL WATER TYPES

In addition to each SWP Contractor's Table A Amount, the SWP Contract makes certain additional supplies available, including carryover water (Article 56) and interruptible water (Article 21).

A. Article 56 Carryover Water

The SWP Contract allows SWP Contractors to carryover into storage at San Luis Reservoir a portion of the SWP Contractor's Table A Amount that was not delivered in the prior year (**Article 56 Carryover Water**). Further, the SWP Contract allows SWP Contractor's to transfer or exchange a portion, depending on DWR's final water supply allocation, of its Article 56 Carryover Water. (See Appendix A: Article 56(c).)

On or about January 15 of each year, DWR determines each SWP Contractor's maximum amount of Article 56 Carryover Water based on the availability of storage in San Luis Reservoir. After receipt of DWR's calculation of CCWA's **Article 56 Water**, CCWA will calculate each Participant's share of CCWA's Article 56 Carryover Water based on each Participant's use of Project Water in the prior year.

Participants may elect to transfer or exchange any portion of their allocated share of the CCWA Article 56 Water, so long as the total quantity of CCWA Article 56 Carryover Water to be transferred or exchanged does not exceed 50% of CCWA's Article 56 Carryover Water.³

If the total Article 56 Carryover Water requested to be transferred or exchanged by all Participants is less than the amount available for transfer or exchange by CCWA (e.g., less than 50% of CCWA's Article 56 Carryover Water), the requesting Participants may elect to transfer or exchange any additional Article 56 Carryover Water allocated to them. The requesting Participants will share in the balance of the available transfer capacity pro-rata based on each Participant's Project Allocation, as provided in each Participant's Water Supply Agreement.

Example:

Assume the CCWA's Article 56 Water is 20,000 AF for the year and therefore that CCWA is permitted to transfer or exchange 10,000 AF for the year.

If Participants A, B and C collectively request transfer of 8,000 AF of CCWA's Article 56 Carryover Water, CCWA will allocate the remaining transfer capacity to Participants A, B and C pro-rata based on each Participant's Project Allotment.

B. Article 21 Water

Pursuant to Article 21 of the SWP Contract, each year DWR makes available and allocates among the SWP Contractors interruptible water (**Article 21 Water**). Generally, Article 21 Water is not available for transfer or exchange, unless the acquiring SWP Contractor can demonstrate a special need for the water. In the event a Participant has a special need for the purchase of water, CCWA will assist the Participant as part of the SWPP.

³ The SWP Contractor may request from DWR an exception to the 50% limitation. (See Article 56(c)(4)(iii).) If DWR grants an exception, the approved percentage shall apply for purposes of implementing this Section V.A.

However, Article 21 Water may be delivered to an alternate point of delivery temporarily, for example to a non-SWP water bank outside of Santa Barbara County. SWP Contractors make take delivery of Article 21 Water and simultaneously re-direct some portion of the Article 21 Water to another point of delivery.

DWR determines the estimated Article 21 Water available for delivery to each SWP Contractor on a weekly basis, and Article 21 must be taken in “real-time” by the receiving SWP Contractor. When Article 21 Water is available to CCWA, CCWA will promptly notify the Participants of their right to take delivery of their allocated share of the Article 21 Water and the deadline for any Participant to elect to take the available supply. A Participant’s failure to notify CCWA of its election to take Article 21 Water forfeits the Participant’s right to Article 21 Water.

If a Participant elects to take delivery of its allocated share of CCWA’s Article 21 Water in a different location other than the CCWA facilities, it may do so, but only if all required approvals providing for the Participant’s delivery to the alternate point of delivery and temporary storage have been obtained and all associated contracts have been executed in advance of the availability of Article 21 Water. Participants that elect to re-direct some portion of their allocated share of Article 21 Water to another point of delivery shall provide CCWA’s Executive Director with copies of all required approvals and associated contracts.

Resolution No. 21-01 does not apply to the delivery of Article 21 Water because transfer of the water out of Santa Barbara County is not permitted.

VI. DELIVERY OF TRANSFERRED/EXCHANGED WATER TO CCWA SERVICE AREA

The following is adapted and revised from the 2013 Transfer Policy:⁴

1. Procedure

The procedure for requesting a return of Project Water that is stored outside CCWA's service area or the delivery of exchanged water from outside CCWA's service area is as follows:

- A Participant makes a request to return water to CCWA using the Banked/Exchange Water Return Request Form.
- If other Participants have a right to the water to be returned, CCWA will advise those Participants of a Participant's request to return water. CCWA will provide a deadline to the other Participants for adding their request to return water. If Participants are in agreement with the terms of the returned water, CCWA will formally request the return of the banked or exchanged water.
- CCWA will facilitate all communications with third parties and DWR and schedule all deliveries.

2. Allocation of Supply Between/Among Multiple Participants

CCWA will advise Participants of total volume to be returned. The volume of returned water will be proportioned as follows:

For the first return request for the particular transfer agreement, the volume of returned water will be proportioned according to amount of initial contribution to the original water bank or exchange. For second and subsequent return request for the particular transfer agreement, the volume of returned water will be proportioned according to amount of water remaining in the water bank or exchange.

⁴ See <https://www.ccwa.com/return-of-banked-or-exchanged-water-from-outside-agencies>.

APPENDIX A

List of Standard Notices, Forms and Contracts

NOTE: The forms and contracts listed here are for convenience only. The titles and contents of these documents may change at any time and without amendment of CCWA's Transfer Rules.

Standard Forms:

1. Banked/Exchange Water Return Request Form
2. Delivery Status Report
3. Water Transfer Form

Standard Contracts:

1. Assistance Agreement
2. DWR Agreement
3. Purchase Agreement
4. Sale Agreement
5. SWPP Participation Agreement
6. SWTP Participation Agreement

APPENDIX B
The Water Management Amendment

DRAFT

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 21 (THE WATER MANAGEMENT AMENDMENT)
TO WATER SUPPLY CONTRACT
BETWEEN
THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES
AND
SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION
DISTRICT

THIS AMENDMENT to the Water Supply Contract is made this 22nd day of April, 2021 pursuant to the provisions of the California Water Resources Development Bond Act, the Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and Santa Barbara County Flood Control and Water Conservation District, herein referred to as the "Agency."

TABLE OF CONTENTS

Recitals	3
Amended Contract Text.....	5
Article 1: Definitions	5
Article 21: Interruptible Water	5
Article 56: Use and Storage of Project Water Outside of Service Area and Article 56 Carryover Water	7
New Contract Articles	17
Article 57: Provisions Applicable to Both Transfers and Exchanges of Water	17
Water Management Amendment Implementing and Administrative Provisions ...	20
Effective Date of Water Management Amendment.....	20
Administration of Contracts Without Water Management Amendment	21
Other Contract Provisions.....	21
DocuSign	21

RECITALS

- A. The State and the Agency entered into and subsequently amended a water supply contract (the “contract”), dated February 26, 1963, providing that the State shall supply certain quantities of water to the Agency and providing that the Agency shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payments; and
- B. The State and the Agency, in an effort to manage water supplies in a changing environment, explored non-structural solutions to provide greater flexibility in managing State Water Project (SWP) water supplies; and
- C. The State and the Agency, in an effort to support the achievement of the coequal goals for the Delta set forth in the Delta Reform Act, sought solutions to develop water supply management practices to enhance flexibility and reliability of SWP water supplies while the Agency is also demonstrating its commitment to expand its water supply portfolio by investing in local water supplies; and
- D. The State and the Agency, in response to the Governor’s Water Resiliency Portfolio, wish to maintain and diversify water supplies while protecting and enhancing natural systems without changing the way in which the SWP operates; and
- E. The State and the Agency sought to create a programmatic solution through transfers or exchanges of SWP water supplies that encourages regional approaches among water users sharing watersheds and strengthening partnerships with local water agencies, irrigation districts, and other stakeholders; and
- F. The State and the Agency, in an effort to comply with the Open and Transparent Water Data Platform Act (Assembly Bill 1755), sought means to create greater transparency in water transfers and exchanges; and
- G. The State, the Agency and representatives of certain other SWP Contractors have negotiated and agreed upon a document (dated May 20, 2019), the subject of which is “ Draft Agreement in Principle for the SWP Water Supply Contract Amendment for Water Management” (the “Agreement in Principle”); and
- H. The Agreement in Principle describes that the SWP Water Supply Contract Amendment for Water Management “supplements and clarifies terms of the SWP water supply contract that will provide greater water management regarding transfers and exchanges of SWP water within the SWP service area”; the principles agreed to achieve this without relying upon increased SWP diversions or changing the way in which the SWP operates, and are consistent with all applicable contract and regulatory requirements; and

- I. The State, the Agency and those Contractors intending to be subject to the contract amendments contemplated by the Agreement in Principle subsequently prepared an amendment to their respective Contracts to implement the provisions of the Agreement in Principle, and such amendment was named the "SWP Water Supply Contract Amendment for Water Management"; and
- J. The State and the Agency desire to implement continued service through the contract and under the terms and conditions of this "SWP Water Supply Contract Amendment for Water Management";

NOW, THEREFORE, IT IS MUTUALLY AGREED that the following changes and additions are hereby made to the Agency's water supply contract with that State:

AMENDED CONTRACT TEXT

ARTICLE 1 IS AMENDED TO ADD THE FOLLOWING DEFINITIONS, PROVIDED THAT IF THIS WATER MANAGEMENT AMENDMENT TAKES EFFECT BEFORE THE CONTRACT EXTENSION AMENDMENT TAKES EFFECT, THE ADDITIONS HEREIN SHALL CONTINUE IN EFFECT AFTER THE CONTRACT EXTENSION AMENDMENT TAKES EFFECT NOTWITHSTANDING THE CONTRACT EXTENSION AMENDMENT'S DELETION AND REPLACEMENT OF ARTICLE 1 IN ITS ENTIRETY:

1. Definitions

- (au) **"Article 56 Carryover Water"** shall mean water that the Agency elects to store under Article 56 in project surface conservation facilities for delivery in a subsequent year or years.

ARTICLES 21 and 56 ARE DELETED IN THEIR ENTIRETY AND REPLACED WITH THE FOLLOWING TEXT:

21. Interruptible Water Service

(a) Allocation of Interruptible Water

Each year from water sources available to the project, the State shall make available and allocate interruptible water to contractors in accordance with the procedure in Article 18(a). Allocations of interruptible water in any one year may not be carried over for delivery in a subsequent year, nor shall the delivery of interruptible water in any year impact the Agency's approved deliveries of Annual Table A Amount or the Agency's allocation of water for the next year. Deliveries of interruptible water in excess of the Agency's Annual Table A Amount may be made if the deliveries do not adversely affect the State's delivery of Annual Table A Amount to other contractors or adversely affect project operations. Any amounts of water owed to the Agency as of the date of this amendment pursuant to former Article 12(d), any contract provisions or letter agreements relating to wet weather water, and any Article 14(b) balances accumulated prior to 1995, are canceled. The State shall hereafter use its best efforts, in a manner that causes no adverse impacts upon other contractors or the project, to avoid adverse economic impacts due to the Agency's inability to take water during wet weather.

(b) Notice and Process for Obtaining Interruptible Water

The State shall periodically prepare and publish a notice to contractors describing the availability of interruptible water under this Article. To obtain a supply of interruptible water, including a supply from a transfer of interruptible water, the Agency shall execute a further agreement with the State. The State will timely process such requests for scheduling the delivery of the interruptible water.

(c) Rates

For any interruptible water delivered pursuant to this Article, the Agency shall pay the State the same (including adjustments) for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water as if such interruptible water were Table A Amount water, as well as all incremental operation, maintenance, and replacement costs, and any other incremental costs, as determined by the State. The State shall not include any administrative or contract preparation charge. Incremental costs shall mean those nonpower costs which would not be incurred if interruptible water were not scheduled for or delivered to the Agency. Only those contractors not participating in the repayment of the capital costs of a reach shall be required to pay any use of facilities charge for the delivery of interruptible water through that reach.

(d) Transfers of Interruptible Water

- (1) Tulare Lake Basin Water Storage District, Empire West-Side Irrigation District, Oak Flat Water District, and County of Kings may transfer to other contractors a portion of interruptible water allocated to them under subdivision (a) when the State determines that interruptible water is available.
- (2) The State may approve the transfer of a portion of interruptible water allocated under subdivision (a) to contractors other than those listed in (d)(1) if the contractor acquiring the water can demonstrate a special need for the transfer of interruptible water.
- (3) The contractors participating in the transfer shall determine the cost compensation for the transfers of interruptible water.

The transfers of interruptible water shall be consistent with Articles 56(d) and 57.

56. Use and Storage of Project Water Outside of Service Area and Article 56 Carryover Water

(a) State Consent to Use of Project Water Outside of Service Area

Notwithstanding the provisions of Article 15(a), the State hereby consents to the Agency storing Project Water in a groundwater storage program, project surface conservation facilities and in nonproject surface storage facilities located outside its service area for later use by the Agency within its service area and to the Agency transferring or exchanging Project Water outside its service area consistent with agreements executed under this contract.

(b) Groundwater Storage Programs

The Agency shall cooperate with other contractors in the development and establishment of groundwater storage programs. The Agency may elect to store Project Water in a groundwater storage program outside its service area for later use within its service area. There shall be no limit on the amount of Project Water the Agency can store outside its service area during any year in a then existing and operational groundwater storage program.

(1) Transfers of Annual Table A Amount stored in a groundwater storage program outside a contractor's service area.

In accordance with applicable water rights law and the terms of this Article, the Agency may transfer any Annual Table A Amount stored on or after the effective date of the Water Management Amendment in a groundwater storage program outside its service area to another contractor for use in that contractor's service area. These transfers must comply with the requirements of Articles 56(c)(4)(i)-(v), (6) and (7), and Article 57. The Agency will include these transfers in its preliminary water delivery schedule required in Article 12(a).

(2) Exchanges of any Annual Table A Amount stored in a groundwater storage program outside a contractor's service area.

In accordance with applicable water rights law and the terms of this Article, the Agency may exchange any Annual Table A Amount stored on or after the effective date of the Water Management Amendment in a groundwater storage program outside its service area with another contractor for use in that contractor's service area. These exchanges must comply with the requirements in Article 56(c)(4)(i)-(v). The Agency shall include these exchanges in its preliminary water delivery schedule pursuant to Article 12(a).

(c) Article 56 Carryover Water and Transfers or Exchanges of Article 56 Carryover Water

- (1) In accordance with any applicable water rights laws, the Agency may elect to use Article 56 Carryover Water within its service area, or transfer or exchange Article 56 Carryover Water to another contractor for use in that contractor's service area in accordance with the provisions of subdivision (c)(4) of this Article. The Agency shall submit to the State a preliminary water delivery schedule on or before October 1 of each year pursuant to Article 12(a), the quantity of water it wishes to store as Article 56 Carryover Water in the next succeeding year, and the quantity of Article 56 Carryover Water it wishes to transfer or exchange with another contractor in the next succeeding year. The amount of Project Water the Agency can add to storage in project surface conservation facilities and in nonproject surface storage facilities located outside the Agency's service area each year shall be limited to the lesser of the percent of the Agency's Annual Table A Amount shown in column 2 or the acre-feet shown in column 3 of the following table, depending on the State's final Table A water supply allocation percentage as shown in column 1. For the purpose of determining the amount of Project Water the Agency can store, the final water supply allocation percentage shown in column 1 of the table below shall apply to the Agency. However, there shall be no limit to storage in nonproject facilities in a year in which the State's final water supply allocation percentage is one hundred percent. These limits shall not apply to water stored pursuant to Articles 12(e) and 14(b).

1. Final Water Supply Allocation Percentage	2. Maximum Percentage of Agency's Annual Table A Amount That Can Be Stored	3. Maximum Acre-Foot That Can Be Stored
50% or less	25%	100,000
51%	26%	104,000
52%	27%	108,000
53%	28%	112,000
54%	29%	116,000
55%	30%	120,000
56%	31%	124,000
57%	32%	128,000
58%	33%	132,000
59%	34%	136,000
60%	35%	140,000
61%	36%	144,000
62%	37%	148,000
63%	38%	152,000
64%	39%	156,000
65%	40%	160,000
66%	41%	164,000
67%	42%	168,000
68%	43%	172,000
69%	44%	176,000
70%	45%	180,000
71%	46%	184,000
72%	47%	188,000
73%	48%	192,000
74%	49%	196,000
75% or more	50%	200,000

- (2) Storage capacity in project surface conservation facilities at any time in excess of that needed for project operations shall be made available to requesting contractors for storage of project and Nonproject Water. If such storage requests exceed the available storage capacity, the available capacity shall be allocated among contractors requesting storage in proportion to their Annual Table A Amounts for that year. The Agency may store water in excess of its allocated share of capacity as long as capacity is available for such storage.
- (3) If the State determines that a reallocation of excess storage capacity is needed as a result of project operations or because of the exercise of a contractor's storage right, the available capacity shall be reallocated among contractors requesting storage in proportion to their respective Annual

Table A Amounts for that year. If such reallocation results in the need to displace water from the storage balance for any contractor or noncontractor, the water to be displaced shall be displaced in the following order of priority:

First, water, if any, stored for noncontractors;

Second, water stored for a contractor that previously was in excess of that contractor's allocation of storage capacity; and

Third, water stored for a contractor that previously was within that contractor's allocated storage capacity.

The State shall determine whether water stored in a project surface water conservation facility is subject to displacement and give as much notice as feasible of a potential displacement. If the Agency transfers or exchanges Article 56 Carryover Water pursuant to this subdivision to another contractor for storage in such facility, the State shall recalculate the amount of water that is subject to potential displacement for both contractors participating in the transfer or exchange. The State's recalculation shall be made pursuant to subdivision (4) of this Article.

(4) Transfers or Exchanges of Article 56 Carryover Water

The Agency may transfer or exchange its Article 56 Carryover Water as provided in this subdivision under a transfer or an exchange agreement with another contractor. Water stored pursuant to Articles 12(e) and 14(b) and Nonproject Water shall not be transferred or exchanged. Transfers or exchanges of Article 56 Carryover Water under this subdivision shall comply with subdivision (f) of this Article and Article 57 as applicable, which shall constitute the exclusive means to transfer or exchange Article 56 Carryover Water.

On or around January 15 of each year, the State shall determine the maximum amount of Article 56 Carryover Water as of January 1 that will be available for transfers or exchanges during that year. The State's determination shall be consistent with subdivisions (c)(1) and (c)(2) of this Article.

The State shall timely process requests for transfers or exchanges of Article 56 Carryover Water by participating contractors. After execution of the transfer or exchange agreement between the State and the contractors participating in the transfer or exchange, the State shall recalculate each contractor's storage amounts for the contractors participating in the transfer or exchange. The State's recalculation shall result in an increase by an amount of water within the storage amounts for the contractor receiving the water and a decrease by the same amount of water for the contractor transferring or exchanging water. The State's recalculation shall be based on the criteria set forth in the State's transfer or exchange agreement with the participating contractors. The State's calculations shall also apply when a contractor uses Article 56 Carryover Water to complete an exchange.

Transfers and exchanges of Article 56 Carryover Water shall meet all of the following criteria:

- (i) Transfers or exchanges of Article 56 Carryover Water are limited to a single-year. Project Water returned as part of an exchange under subdivision (c)(4) may be returned over multiple years.
- (ii) The Agency may transfer or exchange an amount up to fifty percent (50%) of its Article 56 Carryover Water to another contractor for use in that contractor's service area.
- (iii) Subject to approval of the State, the Agency may transfer or exchange an amount greater than 50% of its Article 56 Carryover Water to another contractor for use in that contractor's service area. The Agency seeking to transfer or exchange greater than 50% of its Article 56 Carryover Water shall submit a written request to the State for approval. The Agency making such a request shall demonstrate to the State how it will continue to meet its critical water needs in the current year of the transfer or exchange and in the following year.

- (iv) The contractor receiving the water transferred or exchanged under subdivisions (4)(i) or (ii) above shall confirm in writing to the State its need for the water that year and shall take delivery of the water transferred or exchanged in the same year.
 - (v) Subject to the approval of the State, the Agency may seek an exception to the requirements of subdivisions (4)(i), (ii), and (iii) above. The Agency seeking an exception shall submit a written request to the State demonstrating to the State the need for 1) using project surface conservation facilities as the transfer or exchange point for Article 56 Carryover Water if the receiving contractor cannot take delivery of the transfer or exchange water in that same year, 2) using project surface conservation facilities for the transfer or exchange of one contractor's Article 56 Carryover Water to another contractor to reduce the risk of the water being displaced, or 3) for some other need.
- (5) The restrictions on storage of Project Water outside the Agency's service area provided for in this subdivision (c), shall not apply to storage in any project off-stream storage facilities constructed south of the Delta after the date of the Monterey Amendment.
- (6) For any Project Water stored outside its service area pursuant to subdivisions (b) and (c), the Agency shall pay the State the same (including adjustments) for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water as the Agency pays for the transportation of Annual Table A Amount to the reach of the project transportation facility from which the water is delivered to storage. If Table A Amount is stored, the Delta Water Charge shall be charged only in the year of delivery to interim storage. For any stored water returned to a project transportation facility for final delivery to its service area, the Agency shall pay the State the same for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water calculated from the point of

return to the aqueduct to the turn-out in the Agency's service area. In addition, the Agency shall pay all incremental operation, maintenance, and replacement costs, and any other incremental costs, as determined by the State, which shall not include any administrative or contract preparation charge. Incremental costs shall mean those nonpower costs which would not be incurred if such water were scheduled for or delivered to the Agency's service area instead of to interim storage outside the service area. Only those contractors not participating in the repayment of a reach shall be required to pay a use of facilities charge for use of a reach for the delivery of water to, or return of water from, interim storage.

- (7) If the Agency elects to store Project Water in a nonproject facility within the service area of another contractor it shall execute a contract with that other contractor prior to storing such water which shall be in conformity with this Article and will include at least provisions concerning the point of delivery and the time and method for transporting such water.

(d) Non-Permanent Water Transfers of Project Water

Notwithstanding the provisions of Article 15(a), the State hereby consents to the Agency transferring Project Water outside its service area in accordance with the following:

- (1) The participating contractors shall determine the duration and compensation for all water transfers, including single-year transfers, Transfer Packages and multi-year transfers.
- (2) The duration of a multi-year transfer shall be determined by the participating contractors to the transfer, but the term of the transfer agreement shall not extend beyond the term of the Contract with the earliest term.
- (3) A Transfer Package shall be comprised of two or more water transfer agreements between the same contractors. The State shall consider each proposed water transfer within the package at the same time and shall apply the transfer criteria pursuant to Article 57 in the review and approval of each transfer. The State shall not consider a Transfer Package as an exchange.

(e) Continuance of Article 12(e) Carry-over Provisions

The provisions of this Article are in addition to the provisions of Article 12(e), and nothing in this Article shall be construed to modify or amend the provisions of Article 12(e). Any contractor electing to transfer or exchange Project Water during any year in accordance with the provisions of subdivision (c) of this Article, shall not be precluded from using the provisions of Article 12(e) for carrying over water from the last three months of that year into the first three months of the succeeding year.

(f) Bona Fide Exchanges Permitted

Notwithstanding the provisions of Article 15(a), the State hereby consents to the Agency exchanging Project Water outside its service area consistent with this Article. Nothing in this Article shall prevent the Agency from entering into bona fide exchanges of Project Water for use outside the Agency's service area with other parties for Project Water or Nonproject Water if the State consents to the use of the Project Water outside the Agency's service area. Also, nothing in this Article shall prevent the Agency from continuing those exchange or sale arrangements entered into prior to September 1, 1995. Nothing in this Article shall prevent the Agency from continuing those exchange or sale arrangements entered into prior to the effective date of this Amendment which had previously received any required State approvals. The State recognizes that the hydrology in any given year is an important factor in exchanges. A "bona fide exchange" shall mean an exchange of water involving the Agency and another party where the primary consideration for one party furnishing water to another party is the return of a substantially similar amount of water, after giving due consideration to the hydrology, the length of time during which the water will be returned, and reasonable payment for costs incurred. In addition, the State shall consider reasonable deductions based on expected storage or transportation losses that may be made from water delivered. The State may also consider any other nonfinancial conditions of the return. A "bona fide exchange" shall not involve a significant payment unrelated to costs incurred in effectuating the exchange. The State, in consultation with the contractors, shall have authority to determine whether a proposed exchange of water constitutes a "bona fide exchange" within the meaning of this paragraph and not a disguised sale.

Exchanges of Project Water

Exchanges of Project Water shall be consistent with Article 57. In addition, the State shall apply the following criteria to its review of each exchange of Project Water as set forth below:

(1) **Exchange Ratio**

Exchange ratio shall mean the amount of water delivered from a contractor's project supply in a year to another contractor compared to the amount of water returned to the first contractor in a subsequent year by the other contractor. All exchanges shall be subject to the applicable exchange ratio in this Article as determined by the allocation of available supply for the Annual Table A Amount at the time the exchange transaction between the contractors is executed.

- (a) For allocations greater than or equal to 50%, the exchange ratio shall be no greater than 2 to 1.
- (b) For allocations greater than 25% and less than 50%, the exchange ratio shall be no greater than 3 to 1.
- (c) For allocations greater than 15% and less than or equal to 25%, the exchange ratio shall be no greater than 4 to 1.
- (d) For allocations less than or equal to 15%, the exchange ratio shall be no greater than 5 to 1.

(2) **Cost Compensation**

The State shall determine the maximum cost compensation calculation using the following formula:

The numerator shall be the exchanging contractor's conservation minimum and capital and transportation minimum and capital charges, including capital surcharges. DWR will set the denominator using the State Water Project allocation which incorporates the May 1 monthly Bulletin 120 runoff forecast.

If the Agency submits a request for approval of an exchange prior to May 1, the State shall provide timely approval with the obligation of the contractors to meet the requirement of the maximum compensation. If the maximum compensation is exceeded because the agreement between the

contractors is executed prior to the State Water Project allocation as defined in (c)(2) above, the contractors will revisit the agreement between the two contractors and make any necessary adjustments to the compensation. If the contractors make any adjustments to the compensation, they shall notify the State.

(3) Period During Which the Water May Be Returned:

The period for the water to be returned shall not be greater than 10 years and shall not go beyond the expiration date of this Contract. If the return of the exchange water cannot be completed within 10 years, the State may approve a request for an extension of time.

(g) Other Transfers

Nothing in this Article shall modify or amend the provisions of Articles 15(a), 18(a) or Article 41, except as expressly provided for in subdivisions (c) and (d) of this Article and in subdivision (d) of Article 21.

NEW CONTRACT ARTICLES

ARTICLE 57 IS ADDED TO THE CONTRACT AS A NEW ARTICLE AS FOLLOWS:

57. Provisions Applicable to Both Transfers and Exchanges of Project Water

- (a) Nothing in this Article modifies or limits Article 18 (a).
- (b) Transfers and exchanges shall not have the protection of Article 14(b).
- (c) The Agency may be both a buyer and seller in the same year and enter into multiple transfers and exchanges within the same year.
- (d) Subject to the State's review and approval, all transfers and exchanges shall satisfy the following criteria:
 - (1) Transfers and exchanges shall comply with all applicable laws and regulations.
 - (2) Transfers and exchanges shall not impact the financial integrity of the State Water Project. Transfers and exchange agreements shall include provisions to cover all costs to the State for the movement of water such as power costs and use of facility charge.
 - (3) Transfers and exchanges shall be transparent, including compliance with subdivisions (g) and (h) of this Article.
 - (4) Transfers and exchanges shall not harm other contractors not participating in the transfer or exchange.
 - (5) Transfers and exchanges shall not create significant adverse impacts to the service area of each contractor participating in the transfer or exchange.
 - (6) Transfers and exchanges shall not adversely impact State Water Project operations.
- (e) The Agency may petition the State and the State shall have discretion to approve an exception to the criteria set forth in subdivision (d) in the following cases:
 - (1) When a transfer or an exchange does not meet the criteria, but the Agency has determined that there is a compelling need to proceed with the transfer or exchange.

- (2) When the Agency has received water in a transfer or an exchange and cannot take all of the water identified in the transaction in the same year, the Agency may request to store its water consistent with Article 56(c), including in San Luis Reservoir.
- (f) The State will timely process such requests for scheduling the delivery of the transferred or exchanged water. Contractors participating in a transfer or an exchange shall submit the request in a timely manner.
- (g) The Agency shall, for each transfer or exchange it participates in, confirm to the State in a resolution or other appropriate document approving the transfer or exchange, including use of Article 56(c) stored water, that:
 - (1) The Agency has complied with all applicable laws.
 - (2) The Agency has provided any required notices to public agencies and the public.
 - (3) The Agency has provided the relevant terms to all contractors and to the Water Transfers Committee of the State Water Contractors Association.
 - (4) The Agency is informed and believes that the transfer or exchange will not harm other contractors.
 - (5) The Agency is informed and believes that the transfer or exchange will not adversely impact State Water Project operations.
 - (6) The Agency is informed and believes that the transfer or exchange will not affect its ability to make all payments, including payments when due under its Contract for its share of the financing costs of the State's Central Valley Project Revenue Bonds.
 - (7) The Agency has considered the potential impacts of the transfer or exchange within its service area.
- (h) **Dispute Resolution Process Prior to Executing an Agreement**

The State and the contractors shall comply with the following process to resolve disputes if a contractor that is not participating in the transfer or exchange claims that the proposed transfer and/or exchange has a significant adverse impact.

 - (1) Any claim to a significant adverse impact may only be made after the Agency has submitted the relevant terms pursuant to Article

57(g)(3) and before the State approves a transfer or an exchange agreement.

- (2) In the event that any dispute cannot be resolved among the contractors, the State will convene a group including the Department's Chief of the State Water Project Analysis Office, the Department's Chief Counsel and the Department's Chief of the Division of Operations or their designees and the contractors involved. The contractor's representatives shall be chosen by each contractor. Any contractor claiming a significant adverse impact must submit written documentation to support this claim and identify a proposed solution. This documentation must be provided 2 weeks in advance of a meeting of the group that includes the representatives identified in this paragraph.
- (3) If this group cannot resolve the dispute, the issue will be taken to the Director of the Department of Water Resources and that decision will be final.

**WATER MANAGEMENT AMENDMENT IMPLEMENTING
AND ADMINISTRATIVE PROVISIONS**

IT IS FURTHER MUTUALLY AGREED that the following provisions, which shall not be part of the Water Supply Contract text, shall be a part of this Amendment and be binding on the Parties.

1. EFFECTIVE DATE OF WATER MANAGEMENT AMENDMENT

- (a) The Water Management Amendment shall take effect (“Water Management Amendment effective date”) on the last day of the calendar month in which the State and 24 or more contractors have executed the Water Management Amendment, unless a final judgment by a court of competent jurisdiction has been entered that the Water Management Amendment is invalid or unenforceable or a final order has been entered that enjoins the implementation of the Water Management Amendment.
- (b) If any part of the Water Management Amendment of any contractor is determined by a court of competent jurisdiction in a final judgment or order to be invalid or unenforceable, the Water Management Amendments of all contractors shall be of no force and effect unless the State and 24 or more contractors agree any the remaining provisions of the contract may remain in full force and effect.
- (c) If 24 or more contractors have not executed the Water Management Amendment by February 28, 2021 then within 30 days the State, after consultation with the contractors that have executed the amendment, shall make a determination whether to waive the requirement of subdivision (a) of this effective date provision. The State shall promptly notify all contractors of the State’s determination. If the State determines, pursuant to this Article to allow the Water Management Amendment to take effect, it shall take effect only as to those consenting contractors.
- (d) If any contractor has not executed the Water Management Amendment within sixty (60) days after its effective date pursuant to subdivisions (a) through (c) of this effective date provision, this Amendment shall not take effect as to such contractor unless the contractor and the State, in its discretion, thereafter execute such contractor’s Water Management Amendment, in which case the Water Management Amendment effective date for purposes of that contractor’s Amendment shall be as agreed upon by the State and contractor, and shall replace the effective date identified in subdivision (a) for that contractor.

2. ADMINISTRATION OF CONTRACTS WITHOUT WATER MANAGEMENT AMENDMENT

The State shall administer the water supply contracts of any contractors that do not execute the Water Management Amendment in a manner that is consistent with the contractual rights of such contractors. These contractors' rights are not anticipated to be affected adversely or benefited by the Water Management Amendments.

3. OTHER CONTRACT PROVISIONS

Except as amended by this Amendment, all provisions of the contract shall be and remain the same and in full force and effect, provided, however, that any reference to the definition of a term in Article 1, shall be deemed to be a reference to the definition of that term, notwithstanding that the definition has been re-lettered within Article 1. In preparing a consolidated contract, the parties agree to update all such references to reflect the definitions' lettering within Article 1.

4. DocuSign

The Parties agree to accept electronic signatures generated using DocuSign as original signatures.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the date first above written.

Approved as to Legal Form and Sufficiency:

Spencer Kenner _____ ^{kd}
Chief Counsel
Department of Water Resources

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

[Signature] _____
Director

4/22/2021
Date

Michael G. Ghizzoni
County Counsel
Approved as to Form:
Johannah Hartley _____
BD0FDC916C3B468...
~~General Counsel~~ Deputy
Santa Barbara County Flood Control
and Water Conservation District

SANTA BARBARA COUNTY FLOOD
CONTROL AND WATER
CONSERVATION DISTRICT
DocuSigned by:
Scott McGolpin _____
1D6104A97F1C4E8...
~~General Manager~~
Scott D. McGolpin, Public Works Director
4/20/2021 | 4:14 PM PDT

Date

SWC Science Program

Central Coast Water Authority
Board of Directors Meeting
February 22, 2024



Today's Discussion

- Why science and why Delta science?
- SWC Science Program
- SWC science highlights
- A look ahead
- Questions

Why Science?

- **Systematic observation and measurement**
- **Observation leads to hypotheses that can be tested**
- **Science involves discussion and debate from the scientific community**
- **Science is cumulative**

3

Why Delta Science?

- **Species in decline**
 - **Delta and Longfin Smelt**
 - **Winter Run and Spring Run Chinook Salmon**
- **The State Water Project is regulated to mitigate impacts from water operations**
- **There are many drivers of change and stressors, not just water operations**
- **Evaluate scientific uncertainties**

4



Elements of a Science Program

- **Research Priorities**
 - Hypothesis-based management questions
 - Evaluation of stressors
- **Science Plan**
- **Processes:**
 - Proposal Review
 - Funding allocation framework
 - Contracting
 - Peer Review (Publications)
- **Publication of Findings (this requires investment)**
- **Synthesis and Communication**
- **Tracking of funding and outcomes (Dashboard)**

SWC Science Plan



Guides investments
Bases investments on Science
Objectives and Management
Questions



<https://swc.org/wp-content/uploads/2023/02/SWC-2023-Science-Plan.pdf>

State Water Contractors		Science Plan
Outflow:		
Objective	<ul style="list-style-type: none"> Identify and promote effective monitoring and synthesis of ecosystem responses to outflow. 	
Management Questions	<ul style="list-style-type: none"> What ecological benefits are provided by uncontrolled flows in wet years? What are the mechanisms underlying flow? Does water release timing, summer fall provide the same functions as natural flow? What management actions, including flow and non-flow actions, (individually and in combination) can provide similar ecological benefits as wet years? Do flow actions increase productivity or transport food? How do pulse flow actions affect the food web? 	
FY 21/22 Funded Studies	N/A	
FY 21/22 Accomplishments	<ul style="list-style-type: none"> Most of the work associated with outflow occurred through IFP implementation with the Delta Coordination Group. 	
Science Development:		
Objective	<ul style="list-style-type: none"> Support and identify collaborative scientific efforts for the protection and management of ESA species and enhancement of ecosystem habitats including supporting scientific studies, attending meetings, conducting workshops, pursuing grant funding opportunities, etc. 	
Management Questions	N/A	
FY 21/22 Funded Studies	<ul style="list-style-type: none"> Avian Chirook Behavior and Survival/Predation, Delta Science Fellow Megan Sabal Total Wetland Support of Pinnac Food Webs, Delta Science Fellow Madison Mathers Effects of Phragmites in Salton Marsh, Delta Science Fellow Michelle Sanner Predation near Total Wetlands, Delta Science Fellow David Agem SWC Science Symposium on E. Crater Cavallo, Galtsoff 	

SWC Science Program Goals

- Organize SWC funded projects
- Develop vision, mission, and strategic objectives
- Identify metrics of success (how will we know if we're making a difference, and in what ways)
- Develop SWC management questions
- Identify science gaps
- Develop funding strategy
- Develop templates for invoices and quarterly reports
- Fund \$2M in contracts
- Provide internal forums for science communication and coordination
- Begin development of a communication strategy
- Evaluate and refine metrics of success
- Synthesize outcomes of SWC funded projects
- Identify gaps in knowledge
- Refine management questions
- Fund \$2M in contracts
- Implement communication strategy
- Provide internal forums for science communication and coordination
- Establish SWC as a collaborative partner in science

Still to do...

From the list of goals,

- Identify and refine metrics of success
- Identify science gaps

But also,

- Define the SWC body of science
- Conduct a program review
- Synthesize outcomes

9

SWC Science Objectives

- Regulatory Compliance
- Collaborative Adaptive Management Team
- Municipal Water Quality Investigations Team
- Entrainment Effects
- Non-operational Stressor Reduction
- Management Tools
- Habitat and Ecology
- Outflow
- Science Development

Example

Mission: SWC collaboratively funds and facilitates objective, relevant, rigorous science that advances the understanding of factors affecting water supply reliability and habitat restoration for improved decision-making and management in the Delta.

Entrainment Effects: Define and fund key scientific investments in factors that lead to entrainment and entrainment effects that will improve management of ESA fish species; routing probabilities of fish into South Delta and SWP/CVP facilities, and fish detection and identification.

Management Questions:

1. What proportion of the (salmonids/Delta Smelt/Longfin Smelt) population is being entrained? How does this affect the population?
2. How do exports influence routing throughout the southern Delta (e.g., drawn in vs. away from pumps)?
3. What are the indirect effects of predation (e.g., prescreen loss)?
4. How does entrainment of food affect fish?
5. What are the management scenarios that would allow for modifications in pumping during times of low risk?



Delta Smelt entrainment studies

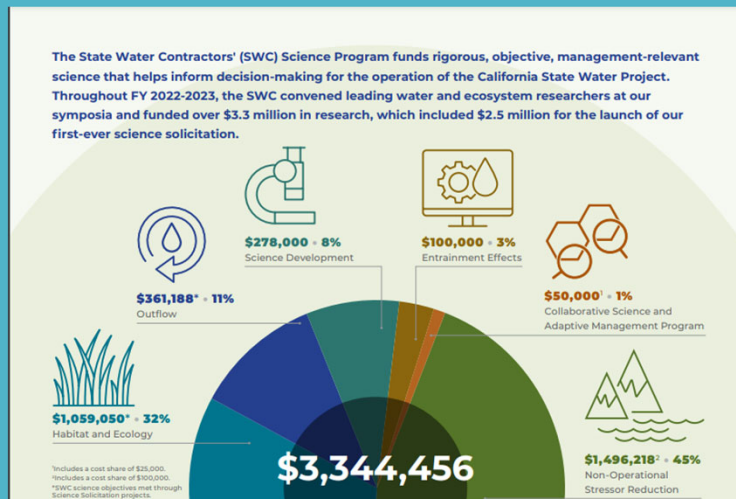
FY 22/23 Funding Breakdown

First SWC Science Solicitation

Reflects evolving priorities

This pattern will change as the SWC Science Program grows

- \$ Non-operational stressor reduction
- \$ Habitat and ecology



https://swc.org/wp-content/uploads/2024/01/SWC_2023_Annual_Science_Report.pdf

FY 22/23 Science Highlights

Environmental DNA (eDNA) Science Symposia

SCIENCE WITH IMPACT


The SWC's Science Program funds science to generate new knowledge and start conversations about some of the most pressing California water issues. Below are a few of our investments that advance management-relevant decision-making, support scientific innovation and inform the communication of robust water science:

INVESTING IN INNOVATION

Rapid Detection of Delta and Longfin Smelt

The State Water Project's ITP includes pumping restrictions during "turbidity bridge" conditions to protect Delta Smelt. Modern eDNA sampling may allow for more precise, real-time detection of Delta Smelt to inform water management decisions. To test eDNA's potential application, the SWC funded a two-week survey (Jan. 23 to Feb. 3, 2023) by Cramer Fish Sciences to detect eDNA from Delta and Longfin Smelt at several sites and correlate findings with the field of turbidity's position. Delta Smelt eDNA was not detected during the survey, but Longfin Smelt eDNA was found on two days.

Impact: Innovations in methodology and quick mobilization of this field effort proved to be powerful tools for future rapid fish detections within the context of limiting turbidity permit conditions.



SCIENCE COMMUNICATION

Science Symposium on Spring-Season San Joaquin River Flows and South Delta Exports (I-to-E Workshop)

SWC's Science Symposium brought together experts for a discussion of how the inflow-to-export ratio (I-to-E ratio) performed relative to juvenile salmonids and what studies indicate about the efficacy of the NMFS 2009 Biological Opinion requirements. This workshop also sought to clarify the scientific understanding of export limits during the pulse flow period, to identify priority scientific uncertainties and to consider how regulations can balance water supply needs and species protection. Key findings shared included:

- In general, San Joaquin flows have affected salmon and steelhead survival and migration independently of export impacts.
- Because of the nature of fish migration, juvenile benefits begin to accrue before export impacts occur.
- The I-to-E ratio is a poor indicator of hydrodynamic conditions in the south Delta and a poor surrogate for environmental conditions that directly affect fish.

Impact: A manuscript of the findings and existing research is being drafted for publication in summer of 2024 so that key information is documented for future management decisions.

https://swc.org/wp-content/uploads/2024/01/SWC_2023_Annual_Science_Report.pdf

FY 22/23 Science Highlights

2022/2023 Science Solicitation

FY 2022-2023 SWC SCIENCE SOLICITATION

This year the SWC issued its first-ever science solicitation. The request for proposals (RFP) sought projects to advance the understanding of the San Francisco Bay, the Sacramento-San Joaquin Delta and upper watersheds consistent with the SWC Science Program objectives. The RFP encouraged investigations of how secondary (non-flow) mechanisms affect the growth, migration and survival of Delta and Longfin Smelt, Chinook Salmon and Central Valley steelhead.

The response from the scientific community was impressive and by the end of March, the SWC had received 14 qualified responses, representing over \$9 million in potential studies.

A Transparent Selection Process

Proposals were reviewed for scientific rigor by independent technical experts, who then scored and ranked each submission. A panel of experienced scientists discussed the management relevance of the suite of proposals to inform the final selection.

Final Selection and Funding

In August, the SWC announced that six projects would receive funding. A partnership with the California Department of Water Resources (DWR) provided an additional \$1.5 million, meaning over \$4 million in studies, each directly relevant to SWC objectives, were funded.

The selected projects are:

Proposal Title	Primary Investigator	Budget
Testing and quantifying a conceptual model for the response of Longfin Smelt to outflow	Jason Hazzick, ICF Jones & Stokes, Inc.	\$2,268,406
Evaluation of State Water Project and Central Valley Project influence on Chinook Salmon and steelhead movements and distribution in the South Delta	Michael MacWilliams, Anchor QEA	\$340,750
Improving understanding of survival, mortality and habitat use of emigrating salmonids through applications of multistate survival models	Matt Peterson, FISHBIO	\$316,168
Central Valley and Delta salmon habitat data modeling and management	Rene Henery, Trout Unlimited	\$307,712
Applying a response spectrum model to assess spatial and temporal differences in effects of pesticide mixtures on juvenile Chinook Salmon in the Delta	Richard Connon, UC Davis	\$625,770
Developing a specific, physically based energy balance model to predict and manage river temperatures for salmon under current and future climates	Erin Bray, San Francisco State University	\$339,311

Total Science Solicitation Funding:
\$4,096,456



https://swc.org/wp-content/uploads/2024/01/SWC_2023_Annual_Science_Report.pdf

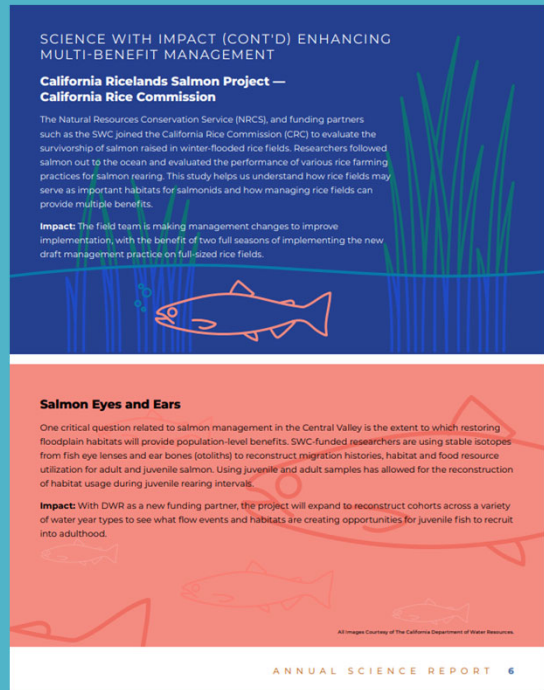
Some Key Findings

Entrainment Effects

Habitat and Ecology

Non-operational Stressor Reduction

Management Tools



A Look Forward

Science related to the permits will continue to be a focus

Policy-level Advisors

Evaluate studies and synthesize findings

Identify gaps and uncertainties

Continue communication and collaboration



Questions?

State Water Contractors - Priority 1 2/14/2024

[AB 277](#)

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

Current Text: Amended: 7/3/2023 [html](#) [pdf](#)

Introduced: 1/23/2023

Last Amend: 7/3/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/21/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-S. 2 YEAR

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

Summary: Current law establishes the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program within the department 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.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1	ACWA - F	CMUA - W

[AB 305](#)

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

Current Text: Amended: 4/25/2023 [html](#) [pdf](#)

Introduced: 1/26/2023

Last Amend: 4/25/2023

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

Location: 6/14/2023-S. N.R. & W.

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

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.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1	ACWA - F/A	

[AB 408](#)

(Wilson D) Climate-resilient Farms, Sustainable Healthy Food Access, and Farmworker Protection Bond Act of 2024.

Current Text: Amended: 8/14/2023 [html](#) [pdf](#)

Introduced: 2/2/2023

Last Amend: 8/14/2023

Status: 9/1/2023-In committee: Held under submission.

Location: 8/21/2023-S. APPR. SUSPENSE FILE

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

Summary: Would enact the Climate-resilient Farms, Sustainable Healthy Food Access, and Farmworker Protection Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$3,650,000,000 pursuant to the State General Obligation Bond Law, to finance programs related to, among other things, agricultural lands, food and fiber infrastructure, climate resilience, agricultural professionals, including farmers, ranchers, and farmworkers, workforce development and training, air quality, tribes, disadvantaged communities, nutrition, food aid, meat processing facilities, and fishing facilities.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

[AB 460](#) (Bauer-Kahan D) State Water Resources Control Board: water rights and usage: interim relief: procedures.

Current Text: Amended: 5/18/2023 [html](#) [pdf](#)

Introduced: 2/6/2023

Last Amend: 5/18/2023

Status: 7/14/2023-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 6/7/2023)(May be acted upon Jan 2024)

Location: 7/14/2023-S. 2 YEAR

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

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.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - O	Priority 1	ACWA - O	CMUA - O

[AB 560](#) (Bennett D) Sustainable Groundwater Management Act: groundwater adjudication.

Current Text: Amended: 6/26/2023 [html](#) [pdf](#)

Introduced: 2/8/2023

Last Amend: 6/26/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/14/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-S. 2 YEAR

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

Summary: Current law prohibits a court from approving entry of judgment in certain adjudication actions for a basin required to have a groundwater sustainability plan under the Sustainable Groundwater Management Act, unless the court finds that the judgment would not substantially impair the ability of a groundwater sustainability agency, the State Water Resources Control Board, or the Department of Water Resources to comply with the act and to achieve sustainable groundwater management. This bill would require the parties to an adjudication action to submit a proposed settlement agreement determining rights to water to the board for a nonbinding advisory determination as to whether the proposed settlement agreement will substantially impair the ability of a groundwater sustainability agency, the board, or the department to achieve sustainable groundwater management before filing the proposed settlement agreement with the court. The bill would require the board to provide its nonbinding advisory determination to the parties no later than 120 days after the proposed settlement agreement was submitted, and would require the parties to include the board's nonbinding advisory determination in the court filing, as provided.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1	ACWA - NF	

[AB 754](#) (Papan D) Water management planning: water shortages.

Current Text: Amended: 8/14/2023 [html](#) [pdf](#)

Introduced: 2/13/2023

Last Amend: 8/14/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE

on 8/21/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-S. 2 YEAR

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

Summary: Current law requires an urban water management plan to quantify past, current, and projected water use, identifying the uses among water use sectors, including, among others, commercial, agricultural, and industrial. Current law requires every urban water supplier to prepare and adopt a water shortage contingency plan as part of its urban water management plan. Current law requires the water shortage contingency plan to include the procedures used in conducting an annual water supply and demand assessment, including the key data inputs and assessment methodology used to evaluate the urban water supplier’s water supply reliability for the current year and one dry year. Current law requires the key data inputs and assessment methodology to include specified information, including, among other things, a description and quantification of each source of water supply. This bill would require a water shortage contingency plan to include, if, based on a description and quantification of each source of water supply, a single reservoir constitutes at least 50% of the total water supply, an identification of the dam and description of existing reservoir management operations, as specified, and if the reservoir is owned and operated by the urban water supplier, a description of operational practices and approaches, as specified.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1	ACWA - O	CMUA - O

AB 830 (Soria D) Lake and streambed alteration agreements: exemptions.

Current Text: Amended: 6/27/2023 [html](#) [pdf](#)

Introduced: 2/13/2023

Last Amend: 6/27/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/21/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-S. 2 YEAR

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

Summary: Current law prohibits a person, a state or local governmental agency, or a public utility 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 depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, unless prescribed requirements are met, including written notification to the Department of Fish and Wildlife regarding the activity. Current law prescribes various requirements for lake and streambed alteration agreements. Current law also establishes various exemptions from these provisions, including exemptions for specified emergency work. This bill would additionally exempt from these provisions the temporary operation of existing infrastructure or temporary pumps being used to divert flood stage flows, as identified by the California Nevada River Forecast Center or the State Water Resources Control Board, or near-flood stage flows, as defined, to groundwater recharge as long as certain conditions are met.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1	ACWA - F	CMUA - F

AB 914 (Friedman D) Electrical infrastructure: California Environmental Quality Act: review time period.

Current Text: Amended: 7/13/2023 [html](#) [pdf](#)

Introduced: 2/14/2023

Last Amend: 7/13/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/21/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-S. 2 YEAR

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

Summary: The California Environmental Quality Act (CEQA) requires each state agency to establish, by resolution or order, time limits for completing the environmental review of a project where the state agency is the lead agency for the project, as specified. This bill, until January 1, 2031, would require a state agency, acting as the lead agency, to complete its environmental review for an electrical

infrastructure project and to approve or deny the project within 2 years of the submission and acceptance of a complete application for the issuance of a lease, permit, license, certificate, or other entitlement for use for electrical infrastructure to the state agency. If the state agency fails to meet this deadline, the bill would require the state agency to submit to the Legislature a report setting forth the reasons that the review could not be completed within the time period and identifying potential impacts to the electrical system that could result from the delay.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		CMUA - W

AB 923 (Bauer-Kahan D) Flood plain restoration projects: Central Valley: study.

Current Text: Amended: 7/12/2023 [html](#) [pdf](#)

Introduced: 2/14/2023

Last Amend: 7/12/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/14/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-S. 2 YEAR

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

Summary: The Central Valley Flood Protection Act of 2008 requires the Department of Water Resources to prepare, and the Central Valley Flood Protection Board, a state agency, to adopt, a plan identified as the Central Valley Flood Protection Plan. This bill would require the board, in coordination with the department, to identify priority flood plain restoration or floodway expansion projects where increased flows due to climate change are likely to overwhelm existing flood protection infrastructure, as specified. The bill would require the department and the board to conduct broad stakeholder outreach to identify priority projects and would require that those projects provide at least 2 of 4 specified public benefits. The bill would require the board, upon the appropriation of funds for this purpose, to begin preconstruction activities, including acquisition of land, easements, or rights of way, to expedite the priority projects identified.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		ACWA - W

AB 1205 (Bauer-Kahan D) Water rights: sale, transfer, or lease: agricultural lands.

Current Text: Amended: 7/13/2023 [html](#) [pdf](#)

Introduced: 2/16/2023

Last Amend: 7/13/2023

Status: 9/14/2023-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/11/2023)(May be acted upon Jan 2024)

Location: 9/14/2023-S. 2 YEAR

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

Summary: Current law declares that, because of the conditions prevailing in this state, the general welfare requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of the water is to be exercised with a view to the reasonable and beneficial use of the water in the interest of the people and for the public welfare. This bill would require the State Water Resources Control Board to, on or before January 1, 2027, conduct a study and report to the Legislature and appropriate policy committees on the existence of speculation or profiteering by an investment fund in the sale, transfer, or lease of an interest in any surface water right or groundwater right previously put to beneficial use on agricultural lands, as specified. The bill would repeal this provision on January 1, 2031.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		ACWA - NF

AB 1272 (Wood D) State Water Resources Control Board: drought planning.

Current Text: Enrollment: 9/12/2023 [html](#) [pdf](#)

Introduced: 2/16/2023

Last Amend: 9/1/2023

Status: 9/14/2023-Withdrawn from Engrossing and Enrolling. Ordered to the Senate. In Senate. Held at Desk.

Location: 9/14/2023-S. DESK

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

Summary: Would require the State Water Resources Control Board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water in coastal watersheds, as specified, during times of water shortage for drought preparedness and climate resiliency. The bill would require that the principles and guidelines allow for the development of locally generated watershed-level plans to support public trust uses, public health and safety, and the human right to water in times of water shortage, among other things. The bill also would require the state board, prior to adopting those principles and guidelines, to allow for public comment and hearing, as provided. The bill would make the implementation of these provisions contingent upon an appropriation of funds by the Legislature for this purpose.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		CMUA - W

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

Current Text: Amended: 5/18/2023 [html](#) [pdf](#)

Introduced: 2/16/2023

Last Amend: 5/18/2023

Status: 7/14/2023-Failed Deadline pursuant to Rule 61(a)(10). (Last location was N.R. & W. on 6/7/2023)(May be acted upon Jan 2024)

Location: 7/14/2023-S. 2 YEAR

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

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

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - O	Priority 1	ACWA - O	CMUA - O

AB 1563 (Bennett D) Groundwater sustainability agency: groundwater extraction permit: verification.

Current Text: Amended: 6/28/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Last Amend: 6/28/2023

Status: 7/14/2023-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/22/2023)(May be acted upon Jan 2024)

Location: 7/14/2023-S. 2 YEAR

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

Summary: Current law authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin and imposes specified duties upon that agency or combination of agencies, as provided. Current 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.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1	ACWA - O	CMUA - W

AB 1567 (Garcia D) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024.

Current Text: Amended: 5/26/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Last Amend: 5/26/2023

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

Location: 6/14/2023-S. N.R. & W.

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

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

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - S/A	Priority 1	ACWA - S/A	CMUA - S&A

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

Current Text: Introduced: 1/12/2024 [html](#) [pdf](#)

Introduced: 1/12/2024

Status: 1/29/2024-Referred to Com. on L. GOV.

Location: 1/29/2024-A. L. GOV.

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

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing. This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the costs associated with higher water usage demands, the maximum potential water use, or a projected peak water usage demand may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels that are increasing potential water usage demand, maximum potential water use, or project peak water use demand.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1	ACWA - S	CMUA - S

AB 1857 (Jackson D) State Air Resources Board: air quality regulation: valleys.

Current Text: Introduced: 1/18/2024 [html](#) [pdf](#)

Introduced: 1/18/2024

Status: 1/29/2024-Referred to Com. on NAT. RES.

Location: 1/29/2024-A. NAT. RES.

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

Summary: Would require the State Air Resources Board to adopt regulations to improve air quality in population centers located in valleys and would require each local air district to implement those regulations with regard to stationary sources located within its jurisdiction. The bill would make those requirements inoperative on January 1, 2029, and would require the state board, on or before January 1, 2030, to submit a report to the Legislature and specified committees of the Legislature describing any air quality improvements resulting from those regulations.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

AB 1921 (Papan D) Energy: renewable electrical generation facilities: linear generators.

Current Text: Introduced: 1/25/2024 [html](#) [pdf](#)

Introduced: 1/25/2024

Status: 2/5/2024-Referred to Coms. on U. & E. and NAT. RES.

Location: 2/5/2024-A. U. & E.

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

Summary: Current law defines renewable electrical generation facility as a facility that uses biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and that meets other specified requirements. Current law incorporates that definition into various programs, including the California Renewables Portfolio Standard Program, which requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from electrical generating facilities that meet the definition of "renewable electrical generation facility," and the net energy metering program, for which residential customers, small commercial customers, and commercial, industrial, or agricultural customers of an electric utility, who use a renewable electrical generation facility are eligible to participate, as specified. This bill would expand the definition of "renewable electrical generation facility" to include a facility that uses linear generators, as defined, using renewable fuels and meets those other specified requirements.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		CMUA - W

AB 1998 (Mathis R) California Environmental Quality Act: Department of Fish and Wildlife: review of environmental documents: revenue and cost tracking and accounting.

Current Text: Introduced: 1/30/2024 [html](#) [pdf](#)

Introduced: 1/30/2024

Status: 2/12/2024-Referred to Com. on W., P., & W.

Location: 2/12/2024-A. W.,P. & W.

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

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA requires the lead agency to consult with a public agency that is a responsible agency or a trustee agency during the environmental review process. Current law authorizes the Department of Fish and Wildlife to impose and collect filing fees in specified amounts to defray the costs of managing and protecting fish and wildlife trust resources, including, but not limited to, consulting with other public agencies, reviewing environmental documents, recommending mitigation measures, developing monitoring requirements for purposes of CEQA, and other activities protecting those trust resources identified in a review pursuant to CEQA. This bill would require the department to separately track and account for all revenues collected under the above filing fee provision and all costs incurred in its role as a responsible agency or trustee agency under CEQA.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

AB 2000 (Mathis R) State Water Project: permit and license conditions.

Current Text: Introduced: 1/30/2024 [html](#) [pdf](#)

Introduced: 1/30/2024

Status: 1/31/2024-From printer. May be heard in committee March 1.

Location: 1/30/2024-A. PRINT

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

Summary: Under current law, the State Water Resources Control Board administers a water rights program pursuant to which the State Water Resources Control Board grants permits and licenses to appropriate water. Current law requires the director of the department, in collaboration with the

Secretary of the Interior, to prepare a plan, on or before January 1, 2006, to meet the existing permit and license conditions for which the department has an obligation, and to submit copies of the plan to the state board and the California Bay-Delta Authority prior to increasing the existing permitted diversion rate at the State Water Project's Harvey O. Banks Pumping Plant. This bill would make a nonsubstantive change to the latter provision.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

AB 2060 (Soria D) Lake and streambed alteration agreements: exemptions.

Current Text: Introduced: 2/1/2024 [html](#) [pdf](#)

Introduced: 2/1/2024

Status: 2/12/2024-Referred to Com. on W., P., & W.

Location: 2/12/2024-A. W.,P. & W.

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

Summary: Current law prohibits a person, a state or local governmental agency, or a public utility 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 depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, unless prescribed requirements are met, including written notification to the Department of Fish and Wildlife regarding the activity. Current law prescribes various requirements for lake and streambed alteration agreements. Current law also establishes various exemptions from these provisions, including, until January 1, 2029, the diversion of floodflows for groundwater recharge, as provided. This bill would indefinitely exempt from these provisions the temporary operation of existing infrastructure or temporary pumps being used to divert flood stage flows, as identified by the California Nevada River Forecast Center or the State Water Resources Control Board, or near-flood stage flows, as defined, to groundwater recharge as long as certain conditions are met.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

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

Current Text: Introduced: 2/8/2024 [html](#) [pdf](#)

Introduced: 2/8/2024

Status: 2/9/2024-From printer. May be heard in committee March 10.

Location: 2/8/2024-A. PRINT

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

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency. The California Constitution includes a public notice and a majority protest procedure in the case of assessments and procedures for submitting property-related fees and charges for approval by property owners subject to the fee or charge or to the electorate residing in the affected area following a public hearing. Current law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements. This bill would prohibit, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions for any new, increased, or extended fee or assessment, as defined, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance, as specified.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

ACWA -
Sponsor

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

Current Text: Introduced: 2/12/2024 [html](#) [pdf](#)

Introduced: 2/12/2024

Status: 2/13/2024-From printer. May be heard in committee March 14.

Location: 2/12/2024-A. PRINT

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

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

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		CMUA - Sponsor

AB 2439 (Quirk-Silva D) Public records: owners and developers.

Current Text: Introduced: 2/13/2024 [html](#) [pdf](#)

Introduced: 2/13/2024

Status: 2/13/2024-Read first time. To print.

Location: 2/13/2024-A. PRINT

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

Summary: The California Public Records Act requires state and local agencies, as defined, to make their records available for public inspection, unless an exemption from disclosure applies. Current law declares that access to information concerning the conduct of the people’s business is a fundamental and necessary right of every person in this state. Current law requires specified state and local bodies to establish written guidelines for accessibility of records. Current law requires the state and local bodies to post a copy of these guidelines in a conspicuous public place at the offices of these bodies, and to make available a copy of the guidelines upon request, free of charge, to any person requesting that body’s records. This bill would additionally require an owner, developer, or their agents who receives public funds or the equivalent of public funds from a public agency to perform a public works project, as defined, to be subject to the act in connection with records that it prepares, owns, uses, or retains relating to that public works project. The bill would require the owner, developer, or their agents to establish written guidelines for accessibility of records.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

AB 2450 (Aguiar-Curry D) Flood control: City of Woodland: Lower Cache Creek.

Current Text: Introduced: 2/13/2024 [html](#) [pdf](#)

Introduced: 2/13/2024

Status: 2/13/2024-Read first time. To print.

Location: 2/13/2024-A. PRINT

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

Summary: Current law provides for state cooperation with the federal government in the construction of specified flood control projects. For certain flood control projects authorized on or after January 1, 2002, or for small flood management projects for which specified findings have been made on or after that date, current law requires the state to pay 50% of specified nonfederal costs. Current law authorizes the state to pay up to 70% of those nonfederal costs upon the recommendation of the Department of Water Resources or the Central Valley Flood Protection Board if either entity determines that the project will advance one of several specified objectives. Current law authorizes a plan of improvement for flood control and water conservation on Cache Creek, including Clear Lake, in the Counties of Yolo and Lake. This bill would specifically adopt and approve the Lower Cache Creek Flood Risk Management Project, as provided.

Organization	Position	Priority	Misc1	Misc2

ACA 2

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

Current Text: Introduced: 12/5/2022 [html](#) [pdf](#)

Introduced: 12/5/2022

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

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

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

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.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

ACA 16

(Bryan D) Environmental rights.

Current Text: Introduced: 1/25/2024 [html](#) [pdf](#)

Introduced: 1/25/2024

Status: 1/26/2024-From printer. May be heard in committee February 25.

Location: 1/25/2024-A. PRINT

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

Summary: The California Constitution declares various inalienable rights of the people, including the right to enjoy and defend life and liberty, acquire, possess, and protect property, and pursue and obtain safety, happiness, and privacy. This measure would amend the California Constitution to declare that the people have a right to clean air and water and a healthy environment.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		
				CMUA - W

SB 231

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

Current Text: Amended: 7/12/2023 [html](#) [pdf](#)

Introduced: 1/23/2023

Last Amend: 7/12/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/23/2023)(May be acted upon Jan 2024)

Location: 9/1/2023-A. 2 YEAR

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

Summary: Would require the Department of Water Resources, on or before December 31, 2025, to establish a formal process for annually evaluating and improving the accuracy of its water supply forecasts, adopt a new water supply forecasting model that better addresses the effects of climate change, and implement a formal policy and procedures for documenting its operational plans for the state's water supply and its rationale for its operating procedures. The bill would require the department, by December 1, 2024, to prepare, and submit to the Legislature, a report on its progress toward meeting these requirements.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

SB 265

(Hurtado D) Cybersecurity preparedness: critical infrastructure sectors.

Current Text: Amended: 6/19/2023 [html](#) [pdf](#)

Introduced: 1/31/2023

Last Amend: 6/19/2023

Status: 9/1/2023-Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. on 7/10/2023) (May be acted upon Jan 2024)

Location: 9/1/2023-A. 2 YEAR

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

Summary: The California Emergency Services Act, among other things, creates the Office of Emergency Services (Cal OES), which is responsible for the state’s emergency and disaster response services, as specified. Current law requires Cal OES to establish the California Cybersecurity Integration Center (Cal-CSIC) with the primary mission of reducing the likelihood and severity of cyber incidents that could damage California’s economy, its critical infrastructure, or public and private sector computer networks in the state. This bill would require Cal OES to direct Cal-CSIC to prepare, and Cal OES to submit to the Legislature on or before January 1, 2025, a strategic, multiyear outreach plan to assist critical infrastructure sectors, as defined, in their efforts to improve cybersecurity and an evaluation of options for providing grants or alternative forms of funding to, and potential voluntary actions that do not require funding and that assist, that sector in their efforts to improve cybersecurity preparedness.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		CMUA - W

SB 308 (Becker D) Carbon Dioxide Removal Market Development Act.

Current Text: Amended: 5/18/2023 [html](#) [pdf](#)

Introduced: 2/2/2023

Last Amend: 5/18/2023

Status: 7/14/2023-Failed Deadline pursuant to Rule 61(a)(10). (Last location was NAT. RES. on 6/8/2023)(May be acted upon Jan 2024)

Location: 7/14/2023-A. 2 YEAR

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

Summary: Would enact the Carbon Dioxide Removal Market Development Act that would require the State Air Resources Board, no later than December 31, 2027, to adopt a regulation to require certain emitting entities to purchase negative emissions credits equal to a specified amount of their greenhouse gas emissions, as determined by the state board, in each calendar year beginning in the 2028 calendar year in accordance with specified requirements. The bill would require the state board, no later than December 31, 2027, to establish rules and processes for certifying carbon dioxide removal processes that may be used to create negative emissions credits and for tracking negative emissions credits in accordance with certain criteria. The bill would also require negative emissions resulting from the use of negative emissions credits to be included in the calculation of the state’s net greenhouse gas emissions, as specified.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		CMUA - W

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

Current Text: Amended: 6/29/2023 [html](#) [pdf](#)

Introduced: 2/8/2023

Last Amend: 6/29/2023

Status: 7/14/2023-Failed Deadline pursuant to Rule 61(a)(10). (Last location was W.,P. & W. on 6/8/2023)(May be acted upon Jan 2024)

Location: 7/14/2023-A. 2 YEAR

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

Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as “The California Water Plan.” Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would revise

and recast certain provisions regarding The California Water Plan to, among other things, require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department to coordinate with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified long-term water supply targets established by the bill for purposes of The California Water Plan. The bill would require the plan to provide recommendations and strategies to ensure enough water supply for all beneficial uses.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - S	Priority 1	ACWA - S	CMUA - Sponsor

[SB 422](#) ([Portantino D](#)) California Environmental Quality Act: expedited environmental review: climate change regulations.

Current Text: Amended: 3/20/2023 [html](#) [pdf](#)

Introduced: 2/13/2023

Last Amend: 3/20/2023

Status: 9/14/2023-Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/12/2023)(May be acted upon Jan 2024)

Location: 9/14/2023-A. 2 YEAR

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

Summary: The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA requires specified public agencies, including air pollution control districts and air quality management districts, to perform, at the time of adoption of a rule or regulation requiring the installation of pollution control equipment or a performance standard or treatment requirement, an environmental analysis of the reasonably foreseeable methods of compliance. This bill would also require those specified public agencies, at the time of adoption of a rule or regulation requiring the reduction in emissions of greenhouse gases, criteria air pollutants, or toxic air contaminants, to perform an environmental analysis of the reasonably foreseeable methods of compliance.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

[SB 638](#) ([Eggman D](#)) Climate Resiliency and Flood Protection Bond Act of 2024.

Current Text: Amended: 6/28/2023 [html](#) [pdf](#)

Introduced: 2/16/2023

Last Amend: 6/28/2023

Status: 7/6/2023-July 11 hearing postponed by committee.

Location: 6/15/2023-A. W.,P. & W.

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

Summary: Would enact the Climate Resiliency and Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,000,000,000 pursuant to the State General Obligation Bond Law, for flood protection and climate resiliency projects.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1	ACWA - F/A	CMUA - F/A

[SB 651](#) ([Grove R](#)) California Environmental Quality Act: groundwater recharge projects: Judicial Council rules of court.

Current Text: Amended: 6/22/2023 [html](#) [pdf](#)

Introduced: 2/16/2023

Last Amend: 6/22/2023

Status: 7/14/2023-Failed Deadline pursuant to Rule 61(a)(10). (Last location was NAT. RES. on 6/20/2023)(May be acted upon Jan 2024)

Location: 7/14/2023-A. 2 YEAR

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

Summary: Would require the Judicial Council to adopt a rule of court to establish procedures requiring actions or proceedings brought to attack, review, set aside, void, or annul the certification of an environmental impact report, or the granting of any project approvals, for groundwater recharge projects, as described, except as provided, that implement a groundwater sustainability plan or an interim groundwater sustainability plan, as described, that would require the actions or proceedings, including any appeals, to be resolved within 270 days of the filing of the certified record of proceedings with the court. The bill would also include a related statement of legislative intent.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

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.

Current Text: Amended: 6/22/2023 [html](#) [pdf](#)

Introduced: 2/17/2023

Last Amend: 6/22/2023

Status: 7/6/2023-July 10 hearing postponed by committee.

Location: 6/20/2023-A. NAT. RES.

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

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.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - S/A	Priority 1		
			ACWA - S/A	CMUA - S&A

SB 937

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

Current Text: Introduced: 1/17/2024 [html](#) [pdf](#)

Introduced: 1/17/2024

Status: 1/18/2024-From printer. May be acted upon on or after February 17.

Location: 1/17/2024-S. RLS.

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

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

legal challenge.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1	ACWA - O/A	CMUA - O/A

SB 955 (Seyarto R) Office of Planning and Research: Infrastructure Gap-Fund Program.

Current Text: Introduced: 1/22/2024 [html](#) [pdf](#)

Introduced: 1/22/2024

Status: 1/23/2024-From printer. May be acted upon on or after February 22.

Location: 1/22/2024-S. RLS.

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

Summary: Current law authorizes a local agency to finance infrastructure projects through various means, including by establishing an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance that provide significant benefits to the district or the surrounding community. This bill would require the Office of Planning and Research, upon appropriation by the Legislature, to establish the Infrastructure Gap-Fund Program to provide grants to assist local agencies in developing and constructing infrastructure projects. The bill would require the office to develop guidelines and criteria to implement the program.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

SB 984 (Wahab D) Public agencies: project labor agreements.

Current Text: Introduced: 1/29/2024 [html](#) [pdf](#)

Introduced: 1/29/2024

Status: 1/30/2024-From printer. May be acted upon on or after February 29.

Location: 1/29/2024-S. RLS.

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

Summary: Current law authorizes a public entity to use, enter into, or require contractors to enter into, a project labor agreement, as defined, for a construction project, if the agreement includes specified taxpayer protection provisions. This bill would authorize a state agency to undertake a major state construction project only if that project is governed by a project labor agreement and if that project labor agreement includes community benefit goals, as specified, and would define various terms for these purposes. The bill would authorize the Governor to waive this requirement if the state agency has attempted to comply with this requirement and the Governor makes a written determination that the application of this requirement would be impracticable. The bill would require the Department of General Services, commencing January 1, 2029, to report to the Legislature about the use of project labor agreements, the advancement of community benefit goals, and apprenticeships, as specified. The bill would also make a related statement of legislative findings and declarations.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

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

Current Text: Introduced: 2/12/2024 [html](#) [pdf](#)

Introduced: 2/12/2024

Status: 2/13/2024-From printer. May be acted upon on or after March 14.

Location: 2/12/2024-S. RLS.

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

Summary: The California Constitution sets forth various requirements for the imposition of local taxes. The California Constitution excludes from classification as a tax assessments and property-related fees imposed in accordance with provisions of the California Constitution that establish requirements for those assessments and property-related fees. Under these requirements, an assessment is prohibited from being imposed on any parcel if it exceeds the reasonable cost of the proportional special benefit

conferred on that parcel, and a fee or charge imposed on any parcel or person as an incident of property ownership is prohibited from exceeding the proportional cost of the service attributable to the parcel. This bill would require, if a property-related fee or charge creates revenues in excess of the local government's reasonable cost of providing the specific benefit or specific government service, that the excess revenues be used only to reduce the subsequently adopted and following property-related fee or charge. The bill would declare that this provision is declaratory of existing law.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

SB 1073 (Skinner D) State acquisition of goods and services: low-carbon cement or concrete products.

Current Text: Introduced: 2/12/2024 [html](#) [pdf](#)

Introduced: 2/12/2024

Status: 2/13/2024-From printer. May be acted upon on or after March 14.

Location: 2/12/2024-S. RLS.

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

Summary: The California Climate Crisis Act, sets forth the policy of the state, including, among other things, to achieve net zero greenhouse gas emissions, as soon as possible, but no later than 2045, and to achieve and maintain net negative greenhouse gas emissions thereafter. This bill would authorize a state agency to enter into forward contracts to purchase low-carbon cement or concrete products up to 10 years in advance to facilitate the commercialization of concrete, cement, and supplementary cementitious materials and in furtherance of either of the policy and comprehensive strategy relating to net-zero greenhouse gas emissions, as specified.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

SB 1088 (Alvarado-Gil D) Office of Emergency Services: state matching funds: water system infrastructure improvements.

Current Text: Introduced: 2/12/2024 [html](#) [pdf](#)

Introduced: 2/12/2024

Status: 2/13/2024-From printer. May be acted upon on or after March 14.

Location: 2/12/2024-S. RLS.

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

Summary: Current law establishes, within the office of the Governor, the Office of Emergency Services (OES), under the direction of the Director of Emergency Services. Existing law charges the OES with coordinating various emergency activities within the state. The California Emergency Services Act, contingent upon an appropriation by the Legislature, requires the OES to enter into a joint powers agreement pursuant to the Joint Exercise of Powers Act with the Department of Forestry and Fire Protection to develop and administer a comprehensive wildfire mitigation program relating to structure hardening and retrofitting and prescribed fuel modification activities. Existing law authorizes the joint powers authority to establish financial assistance limits and matching funding or other recipient contribution requirements for the program, as provided.

Organization	Position	Priority	Misc1	Misc2
State Water Contractors	SWC - W	Priority 1		

Total Measures: 40
Total Tracking Forms: 40

State Water Contractors Legislative Update



February 14, 2024

2024 Legislative Session

- January 31 – House of origin deadline for two-year bills
- February 5 – Leadership transition in State Senate
- February 16 – Bill introduction deadline
 - 845 bills introduced in 2024 to-date (as of 2/13)
 - Approx. 1,500 – 2,000 expected to be introduced by 2/16
- Ongoing – Budget subcommittee meetings
- March 22 – 31 – Spring recess



Leadership Transition - Senate

POSITION	THEN	NOW
Senate President pro Tempore	Senator Toni Atkins	Senator Mike McGuire
Senate Majority Leader	Senator Mike McGuire	Senator Lena Gonzalez
Chair, Appropriations Committee	Senator Anthony Portantino	Senator Anna Caballero <i>(beginning on March 11)</i>
Chair, Budget and Fiscal Review Committee	Senator Nancy Skinner	Senator Anthony Wiener
Chair, Natural Resources and Water Committee	Senator David Min	Senator David Min
Chair, Energy, Utilities, and Communications Committee	Senator Steven Bradford	Senator Steven Bradford
Chair, Environmental Quality Committee	Senator Ben Allen	Senator Ben Allen



3

State Budget Check-In

- December 2023: Legislative Analyst's Office projected up to \$68B budget shortfall for FY 2024-25
- January 10, 2024: Governor's proposed State Budget identified a \$38B budget shortfall for FY 2024-25
 - All eyes toward potential for improvement in the State's fiscal condition by the time of the May Revise of the proposed State Budget (mid-May timeframe)
- However, January 2024 personal/corporate income tax revenues were \$5.7B **BELOW** projections



4

SWC Position Bills

Bill/Author	Summary	Status	SWC Position
AB 460 (Bauer-Kahan)	Would authorize the SWRCB to issue interim relief orders to enforce water rights	Two-year bill – Action not likely until May/June	OPPOSE
AB 1337 (Wicks)	Would authorize the SWRCB to issue a curtailment order for any diversion under any water year type	Two-year bill – Action not likely until May/June	OPPOSE
AB 1567 (Garcia)	Would place a \$15.995 B resources and climate resilience bond on the March 2024 primary election ballot	Two-year bill – Discussions likely during Spring	SUPPORT IF AMENDED
SB 366 (Caballero)	Would require DWR to develop long-term water supply planning targets	Two-year bill – Action not likely until May/June	SUPPORT
SB 867 (Allen)	Would place a \$15.5 B resources and climate resilience bond on the March 2024 primary election ballot	Two-year bill – Discussions likely during Spring	SUPPORT IF AMENDED

Newly-introduced bills of interest:

- *AB 2060 (Soria) – Diversion of flood flows for groundwater recharge
- *AB 2409 (Papan) – OPR: Permitting accountability transparency dashboard (CMUA-sponsored)

Resources/Climate Resilience Bond

• Latest information:

- Lowered expectations on total amount of a resources/climate resilience bond
 - Substantial budget shortfall
 - Competition for space on a crowded General Election ballot
 - Competition for State debt capacity
- Governor’s State Budget announcement **DID NOT** provide clarity into priority for climate resilience bond in 2024 – Administration remains “open to discussions” regarding a climate resilience bond package
- February 6 – Assm. Eduardo Garcia and several colleagues participated in a rally on the Capitol steps to urge continued momentum toward placement of a resources bond on the November general election ballot

CALIFORNIA LEGISLATURE—2023-24 REGULAR SESSION

ASSEMBLY BILL No. 1567

Introduced by Assembly Members Garcia, Madia, Corralles, Cannolly, Friedman, Pagan, Reyes, and Luu-Ruan
Principal cosponsors: Assembly Members Arambula, Lee, and McArthur
Cosponsors: Assembly Members Adkins, Bryan, Calderon, Mike Fang, Hines, Holden, Kato, Lovenshul, Mierostoch, Rosen, Robert Stein, Solares, and Wood

February 17, 2023

SENATE BILL No. 867

Introduced by Senators Allen, Becker, Partington, and Stern
(Principal cosponsor: Senator Haddad)

February 17, 2023

LEGISLATIVE COUNCIL'S SUMMARY

AB 1567, as amended, Garcia, Safe Petroleum, Design Preparation, Flood Mitigation, Clean Energy, and Woodfire 2024.

An act to add Division 48 (commencing with Section 90000) to the Public Resources Code, relating to drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and natural-based climate solutions, natural asset agriculture, park creation and outdoor access, and clean energy programs, by providing the funds necessary therefor through an increase of the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

REGULATORY COUNCIL'S SUMMARY

SB 867, as amended, Allen, 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.

FROM THE CAPITOL



Assemblymember Eduardo Garcia (center) convened a group calling for a climate bond on the Capitol steps today. | Blanca Begeri/POLITICO

Environmental/EJ Community - Bond Engagement

- February 12 letter to Governor and legislative leadership
 - 104 signatories
 - Support \$10B in environmental and equity priorities in a 2024 climate bond
- \$3B – safe drinking water and flood protection
- \$2B – wildfire prevention and resilience
- \$1.5B – nature-based solutions and biodiversity
- \$1.05B – extreme heat and community resilience
- \$1B – coastal protection and resilience
- \$500M – sustainable agriculture
- \$500M – clean air
- \$450M – parks and outdoor access



Safe Drinking Water & Flood Protection - \$3 billion

Program/Project (Dept/Agency)	Amount
Multi-benefit Land Repurposing Program to protect groundwater resources (DOC)	\$150 million
Watershed Resilience/Urban Streams (DWR/WCB)	\$250 million
Water Conservation/Direct Install Programs for Low-Income Californians (DWR)	*\$100 million
Drinking water/Wastewater infrastructure for communities and tribes (SWRCB)	*\$1 billion
Salton Sea Restoration (DWR)	*\$450 million
Flood Protection for Disadvantaged Communities (CNRA depts/SWRCB)	*\$300 million
Dam Removal (SCC)	\$100 million
Water Recycling Leveraging the Clean Water State Revolving Loan Fund (SWRCB)	*\$450 million
Better Stream Data including stream gages (DWR/SWRCB)	\$100 million
Streamflow Enhancements to Support Fish and Wildlife (WCB)	\$100 million

QUESTIONS?