



## MEMORANDUM

TO: Water Resources Committee and Alternates, Board of Directors and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: May 1, 2023

RE: Water Resources Committee to Consider Recommendations on Legislation /  
Board of Directors to Consider Same

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### Staff Recommendation

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#### Federal Legislation

##### Support

- Adopt a position of "Support" on H.R. 872 (Calvert), Federally Integrated Species Health (FISH) Act
- Adopt a position of "Support" on H.R. 2419 (Costa), Canal Conveyance Capacity Restoration Act
- Adopt a position of "Support" on H.R. 2671 (Costa), To amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.

#### State Legislation

##### Support

- Adopt a position of "Support" on AB 939 (Pellerin), Santa Clara Valley Water District
- Adopt a position of "Support" on AB 1469 (Kalra), Santa Clara Valley Water District

##### Support if Amended

- Adopt a position of "Support if Amended" on AB 1594 (Garcia), Medium- and heavy-duty zero-emission vehicles: public agency utilities

##### Favor

- Adopt a position of "Favor" on AB 345 (Wilson), Habitat Restoration: flood control: advance payment
- Adopt a position of "Favor" on SB 493 (Min), Air pollution: alternative vehicles and electric and hydrogen infrastructure
- Adopt a position of "Favor" on SB 550 (Grove), Water markets
- Adopt a position of "Favor" on SB 659 (Ashby), California Water Supply Solutions Act of 2023



#### Oppose

- Adopt a position of “Oppose” on AB 754 (Papan), Water management planning: automatic conservation plan

#### Pending Committee Input

- Staff report on AB 1205 (Bauer-Kahan), Water rights: sale, transfer, or lease: agricultural lands

## Summary

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

#### RECOMMENDATION: SUPPORT

#### OBJECTIVE: Restore Central Valley Project Water Supply for Member Agencies

##### Summary

This bill gives the Fish and Wildlife Service (FWS) the sole authority to protect endangered or threatened species that are anadromous species (species of fish that spawn in fresh or estuarine waters and that migrate to ocean waters) or catadromous species (species of fish that spawn in ocean waters and migrate to fresh waters). Currently, the FWS shares this authority with the National Marine Fisheries Service.

##### Status

H.R. 872 was introduced in the House of Representatives on February 8, 2023, and has been referred to the House Natural Resources Committee. Additional key cosponsors include: Tom McClintock (CA-05), Jim Costa (CA-21), Doug LaMalfa (CA-01), Mike Simpson (ID-02).

##### Importance to the Authority

This bill would shift Endangered Species Act management for anadromous and catadromous species from NOAA Fisheries to the Fish and Wildlife Service, making a single resource agency responsible for the management of Endangered Species Act compliance for all species impacting water supply reliability through implementation of the Biological Opinions for the Long-Term Operations of the Central Valley Project and State Water Project.

##### Pros:

- The bill would increase efficiencies of species management efforts and likely reduce conflicting management requirements that arise when multiple agencies have responsible charge over species management efforts, like those experienced in 2016 when FWS was urging releases from Shasta Dam for salinity control while NOAA Fisheries was urging to hold water in Shasta for supporting end of year storage levels.

##### Cons:

- None identified at this time.
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## H.R. 2419 (Costa) – Canal Conveyance Capacity Restoration Act

### RECOMMENDATION: SUPPORT

#### OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

This bill would authorize the Secretary of the Interior to provide financial assistance for the design, planning, and construction of the Delta-Mendota Canal, San Luis Canal, Friant-Kern Canal, and the non-federal pools of the California Aqueduct. Specifically, the legislation would authorize the following nonreimbursable federal funding amounts for the following:

- \$183,900,000 for the Delta-Mendota Canal
- \$194,000,000 for the San Luis Canal
- \$180,000,000 for the Friant-Kern Canal
- \$95,500,000 for the non-federal pools of the California Aqueduct
- \$180,000,000 to implement the Restoration Goal of the San Joaquin River Restoration Settlement Act

#### Status

H.R. 2419 was introduced on March 30, 2023, and has been referred to the House Committee on Natural Resources. Key cosponsors include Rep. John Garamendi (CA-08) and Rep. Josh Harder (CA-09).

#### Importance to the Authority

This bill would authorize nonreimbursable federal funding to support subsidence repair costs of up to one-third of the total cost of subsidence repair costs to the Delta-Mendota (DMC), San Luis, and Friant-Kern Canals, and the California Aqueduct. This would provide up to \$183.9 million for subsidence mitigation along the DMC and up to \$194 million for repairs along the San Luis Canal.

#### Pros:

- The bill would provide up to a one-third cost share of nonreimbursable federal funds for capacity restoration of key conveyance for Authority member agencies.

#### Cons:

- None identified at this time.
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## H.R. 2671 (Costa) – To amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.

### RECOMMENDATION: SUPPORT

#### OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

#### Summary

This legislation would amend the Water Infrastructure Finance and Innovation Act (WIFIA) of 2014 to treat the loans on certain federally owned facilities as non-federal projects for the purposes of WIFIA funding, subject to certain requirements.



Specifically, if a project is federally owned, but the WIFIA applicant is a non-federal entity and the dedicated sources of repayment are non-federal revenue sources, then the WIFIA loan shall be treated as a non-federal loan pursuant to its treatment under the Federal Credit Reform Act of 1990.

#### Status

H.R. 2671 was introduced on April 18, 2023, and has been referred to the House Committee on Transportation and Infrastructure and the House Energy and Commerce Committee. The legislation has been cosponsored by Representative Curtis (UT-03).

#### Importance to the Authority

This bill would make changes to the WIFIA program at the Environmental Protection Agency that would enable the Water Authority to access WIFIA loans. The current interpretation of the Federal Credit Reform Act of 1990 excludes the utilization of WIFIA funding for “federal” projects, which are defined by underlying title to facilities being owned by the federal government.

#### Pros:

- The bill would modify the WIFIA program to enable the Water Authority to access it for funding for facilities with underlying federal ownership, subject to certain provisions.

#### Cons:

- None identified

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### [A.B. 939 \(Pellerin\) – Santa Clara Valley Water District](#)

#### RECOMMENDATION: SUPPORT

#### OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

##### Existing Law

The Santa Clara Valley Water District Act (District Act) creates the Santa Clara Valley Water District (Valley Water) and authorizes the district to provide for the conservation and management of flood, storm, and recycled waters, and other waters, for beneficial uses and to enhance natural resources in connection with carrying out the purposes of the district. The District Act authorizes the district to levy ad valorem taxes or assessments in the district to pay the general administrative costs and expenses of the district, to carry out the act’s objects or purposes, and to pay the costs and expenses of constructing or extending works within the district. The District Act additionally authorizes the district to levy taxes or assessments upon all property or all real property within a portion of the district for specified purposes. The District Act authorizes the district to issue bonds for specified purposes, and requires that the bonds be paid by revenue derived from those tax levies and assessments, except the ad valorem taxes or assessments.

Existing law authorizes the district to issue bonds in accordance with the Revenue Bond Law of 1941 for the purpose of financing the construction, reconstruction, replacement, acquisition, or improvement of any facility or facilities necessary or convenient for the storage, treatment, transmission, or distribution of water for beneficial use within the district and for the purpose of generation or transmission of electricity. The Revenue Bond Law of 1941 requires the district to pay the principal, interest, and premiums for a bond issued in accordance with that law solely from and secured by a lien upon its gross revenues.



Existing law authorizes the district to borrow money and incur indebtedness, not to exceed \$8,000,000, by action of the board of directors and without the necessity of calling and holding an election, and prohibits the resulting indebtedness from exceeding 85% of the estimated amount of the district's revenues, charges, taxes, and assessments that will be available in that fiscal year for payment of short-term notes including interest.

Existing law prohibits, until December 31, 2023, the district from compensating its directors for more than a total of 15 days in any calendar month, as specified.

### Summary

AB 939 would amend Valley Water's enabling statute. These amendments would make the following changes:

1. Allow Valley Water to propose general obligation bonds paid by an ad valorem property tax approved by 2/3 of the voters;
2. Allow revenue bonds to be payable using the net revenues of the water system instead of gross revenues;
3. Update Valley water's short-term debt cap;
4. Delete a sunset date that, if not removed, would revert Valley Water's maximum board member compensation to \$39,823.

### Status

A.B. 939 was introduced on February 14, 2023, and after amendments were accepted on April 13, has been re-referred to the Assembly Committee on Local Government.

### Importance to the Authority

AB 939 is sponsored by Valley Water, an Authority member agency. AB 939 amends the District Act to reduce the cost of financing water and flood protection infrastructure projects, to clean up obsolete provisions, and to address a sunset provision related to per diem for the Board of Directors of Valley Water.

According to the author, the District Act contains old, outdated provisions that unnecessarily limit how Valley Water can finance infrastructure projects and short-term debt. These limitations increase the cost of borrowing on large projects by millions of dollars per year. Were these limitations removed, over a 30-year period there would be substantial cost savings for the people of Santa Clara County.

The author also asserts that the level of a Valley Water Director's compensation and the time required for the position impacts whether candidates of more modest means, or of more diverse backgrounds, are able to run for a seat on the Valley Water Board. Current law setting the maximum number of days for which a Director is eligible for compensation at 15 days per month will sunset in 2023, thereby reverting to 10 compensable days per month. Even with the current 15 days per month, more than 100 meeting days each year are worked by Directors but are not compensated. If compensable days revert to just 10 per month, only candidates who are retired or independently wealthy could afford to run for a seat on the Valley Water Board.



Pros:

- AB 939 would increase Valley Water’s financing opportunities and authorities, increasing flexibility to advance District priorities.

Cons:

- None identified.
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## A.B. 1469 (Kalra) – Santa Clara Valley Water District

### RECOMMENDATION: SUPPORT

### OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

#### Existing Law

The Santa Clara Valley Water District Act (District Act) creates the Santa Clara Valley Water District (Valley Water) and authorizes the district to provide for the conservation and management of flood, storm, and recycled waters, and other waters, for beneficial uses and to enhance natural resources in connection with carrying out the purposes of the district.

#### Summary

This bill would make legislative declarations related to the challenges associated with unhoused people and watershed health in Santa Clara County.

This bill would authorize Valley Water to assist unsheltered people living along streams, in riparian corridors, or otherwise within the district’s jurisdiction, in consultation with cities, the County of Santa Clara, and the state, as appropriate, to provide solutions or improve outcomes for the unsheltered individuals.

#### Status

A.B. 1469 was introduced on February 17, 2023, and has been referred to the Assembly Housing and Community Development Committee, where the bill was amended on March 16 and April 18.

#### Importance to the Authority

Valley Water serves as the regional water supply, groundwater management, flood protection, and stewardship agency for Santa Clara County. Approximately one-third of the more than 800 miles of creeks and rivers in Santa Clara County are owned by Valley Water. To maintain waterways and prepare for the rainy season, crews remove sediment, stabilize banks, and remove vegetation. This environmental work not only ensures maximum flood protection, but it also protects and restores habitats and encourages the return of endangered species.

There are more than 10,000 people experiencing homelessness in Santa Clara County, and according to county data, two people are falling into homelessness for every one person coming out. In 2022 it was estimated that 2,300 unsheltered people were taking refuge on Valley Water’s property or land easements. Encampments have popped up alongside waterways, which has led to unfavorable conditions for both humans and the environment. Flash floods surprise unsheltered people, leading to serious injury or death, and encampments have led to blocked drainages, excavation of banks and levees, and degradation of water quality from litter. Further, algal blooms from human waste have degraded natural and constructed habitats for aquatic species.



The U.S. Ninth Circuit ruled in *Martin v. City of Boise - 920 F.3d 584 (9th Cir. 2019)* that an offer of an actual shelter space must be provided before an unsheltered person can be relocated from public lands. Unfortunately, the county often does not have shelter space to accommodate this large homeless population, presenting a crisis.

AB 1469, sponsored by Valley Water, would help address this issue by expanding Valley Water's statutory purposes in the District Act to include assisting unsheltered people living within their jurisdiction in consultation with cities, the County of Santa Clara, and the state, to provide housing or improved outcomes for unsheltered individuals. The bill would provide Valley Water with more flexibility to access revenue from an existing one percent ad valorem property tax to fund outreach, counseling, transitional housing, or other services.

Pros:

- The bill, if enacted, could increase the ability of an Authority member agency, Valley Water, to address issues of homelessness on district property.

Cons:

- None identified.

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## [A.B. 1594 \(Garcia\) – Medium- and heavy-duty zero-emission vehicles: public agency utilities](#)

**RECOMMENDATION: SUPPORT, IF AMENDED**

**OBJECTIVE: Improve Outreach and Education**

Existing Law

Executive Order No. N-79-20 establishes the goal of transitioning medium- and heavy-duty vehicles in California to zero-emission vehicles (ZEVs) by 2045 for all operations where feasible and by 2035 for drayage trucks, and requires the California Air Resources Board (CARB) to develop and propose medium- and heavy-duty vehicle regulations to meet that goal.

Existing law establishes CARB's Air Quality Improvement Program (Program) for purposes of funding projects related to the reduction of criteria air pollutants and improvement of air quality, and establishes the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the Program to make financing tools and nonfinancial supports available to operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to ZEVs.

Summary

AB 1594 would require any State regulation that seeks to require the procurement of medium- and heavy-duty ZEVs by a public agency utility to ensure that those vehicles can support a public agency utility's ability to maintain reliable water and electric services, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide. The bill would define a public agency utility to include a local publicly owned electric utility, a community water system, and a wastewater treatment provider.

The bill would also require the State regulation to:



- A. Recognize the diversity of fleet size, terrain, and climate, and authorize public agency utilities to purchase replacements for traditional utility specialized vehicles that are at the end of life when needed to maintain reliable service and respond to major foreseeable events, including, but not limited to, severe weather, wildfires, natural disasters, and physical attacks; and
- B. In coordination with public agency utilities, include a list of vehicle vendors and suppliers that meet zero-emission vehicle standards and the public agency utilities' technical and performance requirements.

#### Status

A.B. 1594 was introduced on February 17, 2023, as a spot bill, was amended into its current form on March 13, and has been referred to the Assembly Committee on Transportation.

#### Importance to the Authority

##### Background

In 2020, Governor Newsom signed Executive Order N-79-20 directing CARB to require increasing volumes of new zero-emission trucks and buses sold and operated in the State toward the target of 100 percent of the fleet transitioning to zero-emission vehicles by 2045 everywhere feasible. In response to the Executive Order, CARB is currently in the process of developing the Advanced Clean Fleets Regulation (ACF), to accelerate the market for ZEVs by requiring fleets to transition to ZEVs where feasible. The ACF would require California fleet owners and operators to start purchasing ZEVs in 2024, with the goal to move California's medium- and heavy-duty trucks to zero emission, where feasible, by 2045.

On March 23, 2023, CARB released the final draft regulatory language for the proposed ACF and accepted comments through April 7. CARB conducted a public hearing on April 27 to consider adoption of the ACF, which staff anticipates will be adopted with minimal changes from the proposed regulation.

##### AB 1594

Public water and wastewater agencies must have fleet vehicles that meet stringent requirements and perform specialized functions to avoid dire situations in which public water and wastewater agencies cannot complete essential services. Staff has concerns that new purchase requirements proposed in the ACF will be enforced when vehicles do not exist that are able to perform to the standards required for essential public service fleet operations that Californians rely upon daily. In addition, Authority staff, in conjunction with an ACWA working group, has advocated for CARB to publish, update, and rely on a ZEV Availability List to inform fleets of ZEV models that are commercially available for purchase upon regulation implementation, rather than an Unavailability List. Reliance on a ZEV Availability List would result in a clearer process to determine that a ZEV is in fact commercially available, and is thus required for purchase by fleets making new vehicle purchases.

AB 1594 would require that any State regulation applicable to essential public agency utility vehicles ensures that those vehicles can support a public agency utility's ability to maintain reliable water and electric service, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide. The bill would also require, in coordination with public agency utilities, the development of a list of vehicle vendors and suppliers that meet ZEV standards and the public agency utilities' technical and performance requirements. This bill would address one of the major concerns of





the proposed ACF, ensuring the fleet needs of water agencies are met to provide essential and emergency services.

AB 1594 would ensure State regulations, like the ACF, allow for vehicles that can properly support public utilities' essential services and would require a list of vehicle vendors and suppliers that would meet both the ZEV standards and the needs of the utility. This bill is aligned with ACWA and CSDA's advocacy on the ACF and would address a major feasibility concern with the proposed regulation.

#### Suggested Amendment

Staff is proposing to expand the definitions of public utilities to include reclamation districts, irrigation districts, and joint powers authorities to the covered entities under the bill's provisions. The current language does not include those entities.

#### Pros:

- The bill would ensure that the regulations do not prohibit the purchase of necessary vehicles to replace specialized vehicles to maintain reliable service and respond to major events.
- The bill would increase transparency by requiring the ARB to work with public agencies to develop a list of vehicle vendors and suppliers that meet both zero-emission vehicle standards and also meet public agencies technical and performance requirements.

#### Cons:

- The legislation needs refinement to ensure that the carve out provisions clearly apply to agencies that deliver water for agricultural use as well as human consumption.

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### [A.B. 345 \(Wilson\) – Habitat Restoration: flood control: advance payment](#)

#### RECOMMENDATION: FAVOR

#### OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

#### Summary

This bill would authorize the Department of Water Resources or the Central Valley Flood Protection Board to provide advance payments, as defined, to local agencies for projects that restore habitat for threatened and endangered species under state or federal law or improve flood protection, as provided. The bill would prohibit the amount of funds advanced to the local agency at any one time from exceeding 25% of the entire amount authorized to be provided under the funding agreement. The bill would require the funds to be spent within 6 months and would require the recipient to provide an accountability report to the department or the board on a quarterly basis, as specified.

#### Status

A.B. 345 was introduced on January 31, 2023, as a spot bill, and was amended into its current form on March 20. It passed the Assembly Water, Parks, and Wildlife Committee on a 15-0 vote on March 28, and has been referred to the Assembly Committee on Appropriations.

#### Importance to the Authority

The Authority has long supported habitat restoration as part of a balanced approach to addressing species decline and to support ecosystem function, including direct investments by Authority members as well as contributions through the Science Program to explore the benefits of habitat restoration. The degradation



of habitat in the watershed of the Sacramento-San Joaquin Bay-Delta has been a significant contributor to species decline that has impacted water operations through the imposition of regulatory controls on the operations of the Central Valley Project.

Additionally, flood control, and potential associated groundwater recharge and/or water conveyance during high flow periods, has the potential to have beneficial impacts to year to year water supply reliability for the Authority's member agencies. Many member agencies are exploring the development of projects of this type and are working to rapidly develop projects to minimize the impacts of implementation of the Sustainable Groundwater Management Act on their districts water portfolios.

This legislation would enable habitat restoration and/or flood control projects to move forward quickly upon approval of a funding agreement with the Department of Water Resources or the Central Valley by allowing up to 25% of the award to be advanced at the beginning of the project, rather than through reimbursement. This could serve to expedite the deployment of projects and ease financing requirements for Authority members engaging in these project types.

Pros:

- Would provide advance funding for projects that provide flood control or habitat restoration, reducing the need to finance the total cost for grant funded projects.

Cons:

- None identified.

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## S.B. 493 (Min) – Air pollution: alternative vehicles and electric and hydrogen infrastructure

**RECOMMENDATION: FAVOR**

**OBJECTIVE: Core Objective**

Existing Law

Existing law requires the California Energy Commission (CEC), working with the California Air Resources Board (CARB) and the Public Utilities Commission (CPUC), to prepare a statewide assessment of the electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption required for the State to meet its goals of putting at least 5,000,000 zero-emission vehicles (ZEVs) on California roads by 2030, and of reducing emissions of greenhouse gases to 40 percent below 1990 levels by 2030.

Executive Order No. N-79-20 establishes a goal that 100 percent of in-state sales of new passenger cars and trucks be zero-emission by 2035.

Summary

SB 493 would require the CEC, in consultation with the CARB and the CPUC, to conduct an assessment of the electric and hydrogen infrastructure needed to meet the deadlines in Executive Order No. N-79-20 for the transition of medium- and heavy-duty vehicles to zero-emission vehicles. The assessment would be required to include analyses of the following:

- A. The hydrogen production, storage, and transport facilities needed to support medium- and heavy-duty fleet transitions to zero-emission hydrogen vehicles;



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- B. The electric vehicle infrastructure, electric system infrastructure, and electric generation needed to support medium- and heavy-duty fleet transitions to zero-emission battery electric vehicles; and
  - C. Barriers to the deployment of electric and hydrogen infrastructure for medium- and heavy-duty fleets and recommendations for addressing these barriers.

The bill would require the CEC, on or before December 31, 2024, to post the assessment on its website and submit the assessment to the Legislature.

SB 493 would require CARB to incorporate the findings of the assessment into a strategic plan to meet the deadlines in Executive Order No. N-79-20 for the transition of medium- and heavy-duty fleets to ZEVs. CARB would be required to post the strategic plan on its website and submit the plan to the Legislature on or before December 31, 2025.

#### Status

SB 493 was introduced on February 14, 2023, passed the Senate Committee on Environmental Quality on a 17-0 vote on March 21, passed the Senate Committee on E.Q. on April 20. The bill has been referred to the Committee on Appropriations.

#### Importance to the Authority

Under the assumed adoption of the Advanced Clean Fleet Regulation, Authority member agencies will require adequate infrastructure to charge fleet vehicles, as needed, to prepare for planned operations, and respond to extended emergency events. The potential that public water and wastewater agencies may be unable to charge fleet vehicles puts at risk the ability to fulfill essential public health and safety responsibilities. Currently there is no assurance that the necessary charging infrastructure and energy supply to maintain or improve existing operations will be available at the time water agencies would be required to purchase ZEVs. Californians' access to water and wastewater services is essential for public health and a lack of infrastructure necessary for the transition to ZEVs could impact the delivery of safe and affordable water.

SB 493 would partially address these concerns by requiring collaboration between the CEC, CARB, and CPUC to assess the infrastructure needed to decarbonize the medium- and heavy-duty vehicle sector. CARB would be required to incorporate the findings of the assessment into a strategic plan to meet the deadlines in Executive Order No. N-79-20. The bill aims to address the lack of action regarding current inadequate infrastructure to meet the requirements proposed in the ACF.

SB 493 would require the assessment of electric and hydrogen infrastructure and would require a strategic plan to meet the needs for the transition to ZEVs that would be required by the ACF. This bill would require the CEC, CARB, and CPUC to work collaboratively to address the lack of adequate infrastructure.

#### Pros:

- The bill would require the regulatory bodies that are administering the Advanced Clean Fleet Regulation and associated fleet transition issues to develop a strategic plan that would aid the transition to decarbonize the medium- and heavy-duty vehicle sector.

#### Cons:

- None identified.



## S.B. 550 (Grove) – Water markets

### RECOMMENDATION: FAVOR

### OBJECTIVE: Core Objective

#### Existing Law

Existing law finds and declares that voluntary water transfers between water users can result in a more efficient use of water, benefiting both the buyer and the seller. Existing law requires the Department of Water Resources to implement the various state laws that pertain to water transfers and to prepare a water transfer guide that includes, among other things, a review of existing and appropriate state and federal laws that pertain to water transfers, water markets, or water rights.

#### Summary

This bill would require, on or before January 1, 2025, the Legislative Analyst, in collaboration with the Department of Water Resources, the State Water Resources Control Board, and other state agencies, as described, to prepare and submit to the Legislature a report analyzing the water market, including background information regarding the sale of water and water rights, trends in the water market, barriers to entering the water market or effectively trading in the market, and proposals for improving the regulatory framework to make the water market more market friendly and to encourage growth.

#### Status

S.B. 550 was introduced on February 15, 2023, was amended on March 20 and passed the Senate Committee on Natural Resources and Water on a 10-0 vote. The bill has been referred to the Committee on Appropriations and has been placed on the suspense file.

#### Importance to the Authority

Many Authority members rely on water transfers as a source of supplemental water supply for years when federal allocations are reduced. There has been increased attention to the water transfer market in recent years, both from the media and legislators, with a couple of pieces of legislation being advanced during the last legislative session seeking to modify various requirements and timelines in the water transfer system.

This legislation would direct the Legislative Analyst to prepare a report analyzing the water market, which would include background information on the sale of water and water rights, trends in the water market, barriers to entry or effective trading, and proposals for improving the regulatory framework to make the water market more market friendly and to encourage growth in the market. This report would serve to inform the Legislature on the current status of the water market and provide nonpartisan recommendations to improve the regulatory framework of the water market.

#### Pros:

- Would provide additional information to the Legislature on a portion of Authority member water supply that is often unknown and that has a lack of transparency, educating members of the legislature and the public.
- Nonpartisan recommendations for improving the regulatory framework around the water market would be provided for potential legislative action.



Cons:

- Would require engagement with the Legislative Analyst office to ensure that Authority interests in the report are accurately characterized and the LAO is informed
  - Has the potential to trigger additional legislative action in the water market
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## S.B. 659 (Ashby) – California Water Supply Solutions Act of 2023

### RECOMMENDATION: FAVOR

### OBJECTIVE: Core Objective

#### Existing Law

Existing law establishes the Department of Water Resources (DWR) within the Natural Resources Agency (Agency). Existing law provides that it is the policy of the state that groundwater resources be managed sustainably for long-term reliability and multiple economic, social, and environmental benefits for current and future beneficial uses.

Existing law requires DWR to update every five 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 (Water Plan). Existing law requires DWR to include a discussion of various strategies in the Water 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.

#### Summary

This bill, known as the California Water Supply Solutions Act of 2023, would require, on or before January 1, 2025, DWR, in consultation with the State Water Resources Control Board (State Water Board) and the regional water quality control boards, to prepare and approve a groundwater recharge action plan, that is to be included in the next update to the California Water Plan, that will provide actionable recommendations that result in the ability to achieve an increase of 10 million acre-feet of groundwater recharge by December 31, 2035. The groundwater recharge action plan shall identify and make recommendations on immediate opportunities and potential long-term solutions to increase the state's groundwater supply.

The bill would define "water boards" to mean the State Water Board and the nine regional water quality control boards.

The bill would require DWR and the water boards to seek out and consider all relevant information from the agriculture, environmental, and environmental justice sectors, local water supply agencies, any communities potentially impacted by the groundwater recharge action plan, and from researchers and experts on climate science, climate science solutions, water storage, water conveyance, and environmental protection.

The bill would require DWR and the water boards to conduct a series of public workshops to give interested parties an opportunity to comment on the groundwater recharge action plan. A portion of these workshops must be conducted in regions of the state that have been impacted the most by drought,



including, but not limited to, communities with minority populations, communities with low-income populations, agricultural communities, and water disparate communities.

DWR and the water board shall evaluate the total potential costs and total potential economic and noneconomic benefits of implementing the recommendations of the groundwater recharge action plan. The bill would require, on or before December 31, 2035, DWR and the water boards to implement the recommendations identified in the groundwater recharge action plan.

The bill stipulates nothing in this part shall limit or reduce the existing surface storage of water, affect or change any water right, or prioritize any one use of water over another use, define what is to be considered a beneficial use of water, or in any way influence how the increased supply of groundwater under this part shall be used.

#### Status

S.B. 659 was introduced on February 16, 2023, as a spot bill and was amended on March 20, 2023, with the current legislative language. The bill was amended further and passed the Committee on Natural Resources on a 10-0 vote on April 11, and has been set for a hearing in the Environmental Quality Committee on April 26.

#### Importance to the Authority

SB 659 recognizes the essential need to create a reliable supply of water for California and would create a statutory framework that would result in the ability to achieve an increase of 10 million acre-feet of groundwater recharge by December 31, 2035. To ensure the state takes into consideration the impacts this goal would have on various sectors, the bill provides local water supply agencies and other interested parties with the opportunity to weigh in on the development of the groundwater recharge plan. Further, by placing this requirement in law, state agencies having authority over water would have to take this goal into consideration in rulemaking and funding decisions.

#### Pros:

- Would create a statutory framework to result in an additional 10 million acre-feet of groundwater recharge by December 31, 2035, five years prior to full implementation of the Sustainable Groundwater Management Act.

#### Cons:

- Requires engagement by Authority members in another statewide planning effort with undefined benefit to the San Joaquin Valley.
- Requires additional engagement and close coordination between GSAs to ensure basin management activities between neighboring basins don't conflict with one another as plan is developed



## A.B. 754 (Papan) – Water management planning: automatic conservation plan

### RECOMMENDATION: OPPOSE

#### OBJECTIVE: Core Objective

##### Existing Law

Existing law, the Urban Water Management Planning Act, requires every urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan (UWMP). Existing law requires a UWMP to quantify past, current, and projected water use, identifying the uses among water use sectors, including, among others, commercial, agricultural, and industrial. Existing law requires an UWMP to identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over a specified period of time, providing supporting and related information, including, among other things, a description of the management of each supply in correlation with the other identified supplies when multiple sources of water supply are identified.

Existing law requires an agricultural water supplier to prepare and adopt an agricultural water management plan (AWMP) with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before April 1, 2021, and thereafter on or before April 1 in the years ending in six and one. Existing law requires an agricultural water supplier to submit its plan to the Department of Water Resources (DWR) no later than 30 days after the adoption of the plan and requires DWR to review an agricultural water management plan and notify an agricultural water supplier if the department determines that it is noncompliant. Existing law requires an agricultural water supplier to submit copies of its plan no later than 30 days after the department's review and requires DWR to submit its report summarizing the status of the plans to the Legislature on or before April 30 in the years ending in seven and two.

##### Summary

##### Urban Water Supplier Provisions

If an urban water supplier identifies a reservoir as an existing or planned source of water available to the supplier, that urban water supplier's UWMP would be required include the following additional information:

1. A target water supply storage curve based on target carryover levels sufficient to satisfy water users and ecological stream flow needs for at least five years, with reasonably predicted inflow calculations considering local conditions and climate change. The reservoir storage level shall be calculated each month based on reservoir capacity, projected inflows, evaporation, water demands from all users, and streamflow requirements, and shall be plotted against the target water supply storage curve on a calendar to ensure that target storage levels are met; and,
2. An automatic conservation plan to be implemented when the reservoir storage level falls below the target water supply storage curve determined above. The bill stipulates that when both an automatic conservation plan and a water shortage contingency plan are in effect, the more restrictive of the two plans shall govern.





The bill would require an automatic conservation plan developed by an urban water supplier to include all the following:

- 1) Six standard water storage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages below the target water supply curve and greater than 50 percent shortage;
- 2) At each water shortage level, urban water suppliers shall initiate conservation response actions that align with the defined shortage levels and include at a minimum, all the following:
  - a) Locally appropriate water supply augmentation actions;
  - b) Locally appropriate water demand reduction actions to adequately respond to shortages;
  - c) Locally appropriate operational changes; and,
  - d) Mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and appropriate to the local conditions.
- 3) For each action, an estimate of the extent that the gap between target reservoir storage level and the actual reservoir storage level will be reduced by for implementation of the action;
- 4) For each action, an estimate of impacts to other water resources, including any increase in groundwater extraction;
- 5) Water demand reduction actions shall be applied to all customer classes, and may include any of the following:
  - a) Water waste prevention ordinances;
  - b) Metering;
  - c) Conservation pricing;
  - d) Public education and outreach;
  - e) Programs to assess and manage distribution system real loss; and,
  - f) Water conservation program coordination and staffing support.
- 6) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day; and,
- 7) Other demand management measures that have a significant impact on water used by downstream water rights holders.

#### Agricultural Water Supplier Provisions

If an agricultural water supplier identifies a reservoir as an existing or planned source of water available to the supplier, an agricultural water management plan would be required to include the following additional information:

- 1) A target water supply storage curve based on target carryover levels sufficient to satisfy water users and ecological stream flow needs for at least five years, with reasonably predicted inflow calculations considering local conditions and climate change. The reservoir storage level shall be calculated each month based on reservoir capacity, projected inflows, evaporation, water demands from all users, and streamflow requirements, and shall be plotted against the target water supply storage curve on a calendar to ensure that target storage levels are met;
- 2) An automatic conservation plan that is implemented when the reservoir storage level falls below the target water supply storage curve determined above. When both an automatic conservation plan and a drought plan are in effect, the more restrictive of the two plans shall govern.





An automatic conservation plan developed by an agricultural water supplier would be required to include the following:

- 1) Six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages below the target water supply curve and greater than 50 percent storage;
- 2) At each water shortage level, agricultural water suppliers shall initiate conservation response actions that align with the defined shortage levels and include, at a minimum, all the following:
  - a) Locally appropriate supply augmentation actions;
  - b) Locally appropriate demand reduction actions to adequately respond to shortages;
  - c) Locally appropriate operational changes;
  - d) Additional, mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and appropriate to the local conditions.
- 3) For each action, an estimate of the extent that the gap between the target reservoir storage level and the actual reservoir storage level will be reduced by implementation of the action; and,
- 4) For each action, an estimate of impacts to other water resources, including any increase in groundwater extraction.

#### Status

A.B. 754 was introduced on February 13, 2023, as a spot bill and was substantively amended into its current form on March 9. The bill was heard and amended a second time at the Committee on Water, Parks, and Wildlife on April 24, where it passed on a 10-4 vote. The bill has been referred to the Committee on Appropriations.

#### Importance to the Authority

In response to the 2012-2016, Governor Brown signed Executive Order B-37-16, "Making Conservation a California Way of Life" in May of 2016. The Executive Order called for DWR and the State Water Resources Control Board (State Water Board) to work together to develop a permanent conservation framework that includes specific requirements for water use efficiency and drought planning.

During the 2017-2018 legislative session, eight policy bills and a budget trailer bill were introduced to implement the Governor's call for making conservation a way of life based on the State agencies' framework. Following extensive legislative debate and stakeholder engagement, on May 31, 2018, AB 1668 (Friedman) and SB 606 (Hertzberg) were signed into law. These bills established the statutory framework to improve drought preparedness and regional resilience; they also established and refined the requirements for urban and agricultural water management plans.

Many of the requirements of these bills have either taken effect or are in the process of being finalized. Planning requirements are already in effect, requiring urban and agricultural water suppliers to prepare a variety of drought-related reports and plans including: urban and agricultural water management plans including a drought risk assessment or drought plan, water shortage contingency plans (urban), annual water supply and demand assessment (urban), and annual water budget (agricultural).

#### Urban Water Management Plans

Urban water supplier are required to prepare and adopt a UWMP and update the plan every five years. In developing an UWMP, a water supplier will assess changes in natural hydrology, climate, and groundwater conditions, anticipate the implications of regional, state, and federal regulations,



understand supply conditions and water use variability, prepare for water shortages and unforeseen calamities, and identify regional constraints on or opportunities for shared water resources.

#### *Water Shortage Contingency Plans*

As part of its UWMP, urban water suppliers are required to prepare and adopt a water shortage contingency plan (WSCP). A WSCP is a detailed proposal that documents the process used by a supplier to anticipate water supply disruptions and describes how the supplier intends to address a water shortage. WSCPs are required to include various elements including a water supply reliability analysis, annual water supply and demand assessment procedures, six standard water shortage stages corresponding to progressive ranges of up to 10-, 20-, 30-, 40-, and 50-percent shortages and greater than 50-percent shortage, shortage response actions, communication protocols, and compliance and enforcement protocols. While WSCPs are primarily meant for the supplier's decision makers, management and operational staff, communications staff, and customers, WSCPs also have statewide utility for DWR, the State Water Board, and the Legislature in addressing extreme drought conditions or statewide calamities that impact water supply availability.

#### *Annual Water Supply and Demand Assessment*

Urban water suppliers are also required to prepare an annual water supply and demand assessment (Assessment) and submit an annual shortage report to DWR every year. The Assessment and associated report are to be conducted based on the water supplier's procedures detailed in its adopted WSCP. The Assessment is developed based on the assumption that the upcoming year is going to be dry; however, implementation of any response actions will need to take into consideration actual water supply and demand conditions applicable to the current year. The annual shortage report includes information on anticipated shortage, triggered shortage response actions, compliance and enforcement actions and communication actions described in the WSCP. After submittal, suppliers must perform ongoing reassessments of their water supply and demand conditions throughout the year.

#### *Drought Risk Assessment*

Further, UWMPs are required to contain a drought risk assessment, which examines water supplies, water uses, and the resulting water supply reliability under a reasonable prediction for five consecutive dry years. The drought risk assessment is required to include a comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period and considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

#### *Agricultural Water Management Plans*

The Water Conservation Act of 2009 (SB X7-7) requires agricultural water suppliers to adopt and submit an Agricultural Water Management Plan (AWMP) to DWR every five years. SB X7-7 stipulates agricultural water suppliers can submit individual plans or collaborate and submit regional plans, as long as it meets the requirements outlined in SB X7-7. AB 1668 (Friedman, 2018) requires AWMPs to quantify measures to increase agricultural water use efficiency, include an annual water budget, describe the agricultural water supplier's water management strategy with specified elements, and include a drought plan describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions.



### *Drought Plan*

As part of its AWMP, an agricultural water supplier is required to develop a drought plan for periods of limited water supply describing the actions it would take for drought preparedness and management of water supplies during drought conditions. These plans must include resilience planning including: data and indicators, analyses of potential vulnerabilities, and discussion of opportunities and strengths. The drought plan must also identify how the agricultural water supplier will respond in a drought including: process for declaring and implementing a water shortage, enforcement and appeal procedures, methods to evaluate effectiveness, communication protocols, and an analysis of fiscal potential impacts.

AB 754 additionally requires UWMPs and AWMPs, if a reservoir is identified as an existing or planned source of water available to the supplier, to include specified information related to water storage and conservation, including a target water supply storage curve, and an automatic conservation plan that would be implemented when the reservoir storage level falls below that curve. The bill further requires specified response actions to be taken when water storage falls to specified storage levels.

As summarized above, various drought planning tools already exist to improve drought preparedness and regional resilience, and water providers are required to prepare, adopt, and review a plethora of plans and reports to identify methods, procedures, and actions that ensure the adequate water supplies are available to meet existing and future water needs. Much of what would be included in the required automatic conservation plan and the correlating conservation response actions would be duplicative of shortage response actions, communication protocols, and compliance and enforcement protocols outlined in a water providers' UWMP and AWMP.

Further, the bill fails consider that while a water provider may receive water from a reservoir, that reservoir may be owned and operated by the U.S. Bureau of Reclamation and/or is part of the larger State Water Project or Central Valley Project, and that the requirements placed on water providers would be based on reservoir actions that are out of their control. For those water agencies that rely in whole or part on locally managed reservoirs, they are largely already accounting for the issues this bill seeks to address in their water management plans. For urban water retailers, the annual water supply and demand assessment already also largely accounts for reservoirs as a potential water resource.

On the heels of the 2012-2016 drought, the Administration and Legislature enacted and implemented a number of new reporting requirements designed to ensure that local water agencies are adequately planning for drought and water shortage and that the State has access to pertinent information. All of this new reporting has gone into effect and the goals of this bill are largely met with the existing reporting. This bill appears to be creating a duplicative requirement without any additional benefits to either the state or local agencies.

#### Pros:

- Limited benefits identified

#### Cons:

- Institutes additional and duplicative requirements for various planning efforts that are already required for Authority members at substantial costs with limited additional benefits
-



## A.B. 1205 (Bauer-Kahan) – Water rights: sale, transfer, or lease: agricultural lands

### RECOMMENDATION: PENDING COMMITTEE INPUT

#### OBJECTIVE: Core Objective

##### Existing Law

Existing 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.

##### Summary

AB 1205 would declare that the sale, transfer, or lease of an interest in any water right for profit, on or below agricultural lands within the state by an investment fund, shall not be considered a reasonable or beneficial use of water.

##### Status

A.B. 1205 was introduced on February 16, 2023, as a spot bill and was amended into its current form on March 23, 2023. The bill is currently scheduled to be heard in the Assembly Water, Parks, and Wildlife Committee on May 3, 2023.

##### Importance to the Authority

AB 1205 would declare that the sale, transfer, or lease of an interest in any water right for profit, on or below agricultural lands within the state by an investment fund, shall not be considered a reasonable or beneficial use of water.

Authority member agencies engage in water transfers both through the pooled Authority transfer program, as well as conducting individual transactions, as a means of addressing shortages in contract supplies from the United States. As institutional investment in agriculture increases, passage of this legislation would potentially remove those potential water transfer partners and pose a chilling effect on the market.

##### Potential Amendments

Seek clarification of “transfer for profit”

Seek clarification that underlying definition of “investment fund” does not impact water authority member agency grower legal models

##### Pros:

- Would discourage institutional investment in agricultural land for the purposes of water market speculation

##### Cons:

- Limits use of underlying property right for certain types of property owner
- May cause delays and/or more expensive process for water transfers as ownership is verified
- Lacks clarity in definition of “transfer for profit”



- 
- Lacks clarity in underlying definition of “investment fund”, which could include certain legal models of existing grower
  - Could limit available sellers in the water market, increasing prices and reducing agricultural competitiveness in the marketplace
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## Guidelines for Taking Positions on Legislation

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A number of controversial bills are introduced each year in the Congress and in the California Legislature. It is important to understand how the Authority takes positions on legislation.

### Policy

By Agenda Item 9, dated December 8, 2022, the Board adopted the Fiscal Year 2024 Objectives.

### Water Authority's Positions on Legislation

The Water Authority takes positions on legislation that, if enacted, would impact Water Authority members, consistent with Water Authority Board adopted Goals and Objectives. The Water Authority may take the following positions on legislation: Oppose, Support, Oppose Unless Amended, Support if Amended, Not Favor, Favor, Not Favor Unless Amended, Favor if Amended, and Watch (neutral). The Water Authority’s staff and consultants testify and advocate with legislators and staff through meetings and member agency contacts on all positions except Watch, Favor and Not Favor. For Favor and Not Favor positions, written communication of the Water Authority’s position is provided to the legislator. Nothing in this section should be read to preclude the Executive Director or his or her designee from taking an informal support or informal oppose position on behalf of the Water Authority that is consistent with adopted legislative or policy objectives, or to preclude the Executive Director from communicating a position on emergency legislation after obtaining the concurrence of the Chair, or the Chair’s designee, provided that the Executive Director informs the Board regarding such positions on emergency legislation no later than the next regularly scheduled Board meeting.

### Amendment Development Process

If the Water Authority takes an Oppose Unless Amended or Support if Amended position, the Water Authority will typically discuss the concepts for the amendments at the meeting. Then Water Authority staff, in consultation with Committee and/or Board Members as needed, will develop the amendments after the meeting.

### Information Sharing

To provide adequate information to the entire Water Authority membership, the Water Authority provides legislative updates, posts positions and other information on our website, and sends out advisories and alerts on key legislation.

The Water Authority’s legislative department is available to provide specific information on bills on request and Board Members are encouraged to communicate Water Authority positions on priority legislation in meetings with legislative staff, consistent with Water Authority policy. The Water Authority’s Water Policy Director appreciates being informed by Water Authority members of positions taken by Water Authority members on legislation.

# **BILL TEXT**

118TH CONGRESS  
1ST SESSION

# H. R. 872

To amend the Endangered Species Act of 1973 to vest in the Secretary of the Interior functions under that Act with respect to species of fish that spawn in fresh or estuarine waters and migrate to ocean waters and species of fish that spawn in ocean waters and migrate to fresh or estuarine waters, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2023

Mr. CALVERT (for himself, Mr. McCLINTOCK, Mr. SIMPSON, Mrs. STEEL, Mr. COSTA, Mr. OBERNOLTE, and Mr. ISSA) introduced the following bill; which was referred to the Committee on Natural Resources

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## A BILL

To amend the Endangered Species Act of 1973 to vest in the Secretary of the Interior functions under that Act with respect to species of fish that spawn in fresh or estuarine waters and migrate to ocean waters and species of fish that spawn in ocean waters and migrate to fresh or estuarine waters, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federally Integrated  
5 Species Health Act” or the “FISH Act”.

1 **SEC. 2. TRANSFER OF FUNCTIONS WITH RESPECT TO**  
2 **ANADROMOUS SPECIES AND CATADROMOUS**  
3 **SPECIES.**

4 (a) **TRANSFER OF FUNCTIONS.**—All functions with  
5 respect to anadromous species and catadromous species  
6 under the Endangered Species Act of 1973 (16 U.S.C.  
7 1531 et seq.) that were vested in the Secretary of Com-  
8 merce or the National Marine Fisheries Service imme-  
9 diately before the enactment of this Act are transferred  
10 to the Secretary of the Interior.

11 (b) **CONFORMING AMENDMENTS.**—The Endangered  
12 Species Act of 1973 is amended—

13 (1) in section 3(15) (16 U.S.C. 1532(15))—

14 (A) by inserting “(A)” after “(15)”; and

15 (B) by inserting after “Secretary of Agri-  
16 culture.” the following:

17 “(B) Notwithstanding subparagraph (A), with re-  
18 spect to anadromous species and catadromous species, the  
19 term ‘Secretary’ means the Secretary of the Interior.”;  
20 and

21 (2) in section 3 (16 U.S.C. 1532) by adding at  
22 the end the following:

23 “(22) The term ‘anadromous species’ means a species  
24 of fish that spawns in fresh or estuarine waters and mi-  
25 grates to ocean waters.



1       “(23) The term ‘catadromous species’ means a spe-  
2 cies of fish that spawns in ocean waters and migrates to  
3 fresh or estuarine waters.”.

4 **SEC. 3. MISCELLANEOUS PROVISIONS.**

5       (a) REFERENCES.—Any reference in any other Fed-  
6 eral law, Executive order, rule, regulation, or delegation  
7 of authority, or any document of or pertaining to a depart-  
8 ment or office from which a function is transferred by this  
9 Act—

10           (1) to the head of such department or office is  
11 deemed to refer to the Secretary of the Interior; or

12           (2) to such department or office is deemed to  
13 refer to the Department of the Interior.

14       (b) EXERCISE OF AUTHORITIES.—Except as other-  
15 wise provided by law, the Secretary of the Interior may,  
16 for purposes of performing the functions transferred by  
17 this Act, exercise all authorities under the Endangered  
18 Species Act of 1973 that were available with respect to  
19 the performance of that function immediately before the  
20 effective date of the transfer of the function under this  
21 Act.

22       (c) SAVINGS PROVISIONS.—

23           (1) LEGAL DOCUMENTS.—All orders, deter-  
24 minations, rules, regulations, permits, grants, loans,

1 contracts, agreements, certificates, licenses, and  
2 privileges—

3 (A) that have been issued, made, granted,  
4 or allowed to become effective by the Secretary  
5 of Commerce, any officer or employee of the  
6 Department of Commerce, or any other Govern-  
7 ment official in the performance of any function  
8 that is transferred by this Act, or by a court of  
9 competent jurisdiction with respect to such per-  
10 formance; and

11 (B) that are in effect on the effective date  
12 of this Act (or become effective after such date  
13 pursuant to their terms as in effect on such ef-  
14 fective date),

15 shall continue in effect according to their terms until  
16 modified, terminated, superseded, set aside, or re-  
17 voked in accordance with law by the President, any  
18 other authorized official, a court of competent juris-  
19 diction, or operation of law.

20 (2) PROCEEDINGS.—

21 (A) IN GENERAL.—This Act shall not af-  
22 fect any proceedings or any application for any  
23 benefits, service, license, permit, certificate, or  
24 financial assistance pending on the date of the  
25 enactment of this Act before an office trans-

1           ferred by this Act. Such proceedings and appli-  
2           cations shall be continued. Orders shall be  
3           issued in such proceedings, appeals shall be  
4           taken therefrom, and payments shall be made  
5           pursuant to such orders, as if this Act had not  
6           been enacted, and orders issued in any such  
7           proceeding shall continue in effect until modi-  
8           fied, terminated, superseded, or revoked by a  
9           duly authorized official, by a court of competent  
10          jurisdiction, or by operation of law.

11           (B) LIMITATION.—Nothing in this para-  
12          graph shall be considered to prohibit the dis-  
13          continuance or modification of any such pro-  
14          ceeding under the same terms and conditions  
15          and to the same extent that such proceeding  
16          could have been discontinued or modified if this  
17          Act had not been enacted.

18           (3) SUITS.—This Act shall not affect suits com-  
19          menced before the date of the enactment of this Act,  
20          and in all such suits, proceeding shall be had, ap-  
21          peals taken, and judgments rendered in the same  
22          manner and with the same effect as if this Act had  
23          not been enacted.

24           (4) NONABATEMENT OF ACTIONS.—No suit, ac-  
25          tion, or other proceeding commenced by or against

1 the Department of Commerce or the Secretary of  
2 Commerce, or by or against any individual in the of-  
3 ficial capacity of such individual as an officer or em-  
4 ployee of the Department of Commerce, shall abate  
5 by reason of the enactment of this Act.

6 (5) CONTINUANCE OF SUITS.—If any Govern-  
7 ment officer in the official capacity of such officer  
8 is party to a suit with respect to a function of the  
9 officer, and under this Act such function is trans-  
10 ferred to any other officer or office, then such suit  
11 shall be continued with the other officer or the head  
12 of such other office, as applicable, substituted or  
13 added as a party.

14 (6) ADMINISTRATIVE PROCEDURE AND JUDI-  
15 CIAL REVIEW.—Except as otherwise provided by this  
16 Act, any statutory requirements relating to notice,  
17 hearings, action upon the record, or administrative  
18 or judicial review that apply to any function trans-  
19 ferred by this Act shall apply to the exercise of such  
20 function by the head of the Federal agency, and  
21 other officers of the agency, to which such function  
22 is transferred by this Act.

23 **SEC. 4. DEFINITIONS.**

24 For purposes of this Act:

1           (1) ANADROMOUS SPECIES AND CATADROMOUS  
2 SPECIES.—Each of the terms “anadromous species”  
3 and “catadromous species” has the meaning that  
4 term has under section 3 of the Endangered Species  
5 Act of 1973, as amended by section 3 of this Act.

6           (2) FUNCTION.—The term “function” includes  
7 any duty, obligation, power, authority, responsibility,  
8 right, privilege, activity, or program.

9           (3) OFFICE.—The term “office” includes any  
10 office, administration, agency, bureau, institute,  
11 council, unit, organizational entity, or component  
12 thereof.

○

118TH CONGRESS  
1ST SESSION

# H. R. 2419

To provide financial assistance for projects to address certain subsidence impacts in the State of California, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 30, 2023

Mr. COSTA (for himself, Mr. GARAMENDI, and Mr. HARDER of California) introduced the following bill; which was referred to the Committee on Natural Resources

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## A BILL

To provide financial assistance for projects to address certain subsidence impacts in the State of California, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Canal Conveyance Ca-  
5 pacity Restoration Act”.

6 **SEC. 2. PURPOSES.**

7 The purposes of this Act are—

1           (1) to address severe subsidence impacts that  
2           have substantially reduced the carrying capacity of  
3           the water delivery system of the State; and

4           (2) to provide additional water supply in the  
5           State at a relatively low cost per acre-foot to in-  
6           crease—

7                   (A) resiliency to increasingly severe  
8                   droughts in the State;

9                   (B) groundwater recharge needed to assist  
10                  in meeting groundwater sustainability goals es-  
11                  tablished under State law; and

12                  (C) the reliability of surface or ground-  
13                  water supplies, portions of which serve dis-  
14                  advantaged communities.

15 **SEC. 3. DEFINITIONS.**

16       In this Act:

17           (1) **FEDERAL POOL.**—The term “Federal pool”  
18           means each of pools 13 through 21 of the San Luis  
19           Canal/California Aqueduct, which are owned by the  
20           United States and operated by the California De-  
21           partment of Water Resources under the agreement  
22           entitled “Agreement Between the United States of  
23           America and the Department of Water Resources of  
24           the State of California for the Construction and Op-

1       eration of the Joint-Use Facilities of the San Luis  
2       Unit” and dated December 30, 1961.

3               (2) NET PRESENT VALUE OF THE LOCAL CON-  
4       TRIBUTION TO REIMBURSABLE FEDERAL FUND-  
5       ING.—The term “net present value of the local con-  
6       tribution to reimbursable Federal funding” means,  
7       with respect to a project, the amount equal to the  
8       difference between—

9               (A) the total amount of reimbursable Fed-  
10       eral funds made available for a project; and

11              (B) the amount of the present value, as of  
12       the date of the calculation, of any interest sub-  
13       sidy provided through the repayment terms to  
14       the Treasury over similarly structured munic-  
15       ipal bond financing available to the non-Federal  
16       entity on the disbursement of the reimbursable  
17       Federal funds for the project.

18              (3) NON-FEDERAL POOL.—The term “non-Fed-  
19       eral pool” means each of pools 22 through 40 of the  
20       California Aqueduct, which are owned by the State  
21       and operated by the California Department of Water  
22       Resources.

23              (4) SECRETARY.—The term “Secretary” means  
24       the Secretary of the Interior, acting through the  
25       Commissioner of Reclamation.



1           (5) STATE.—The term “State” means the State  
2           of California.

3 **SEC. 4. FRIANT-KERN CANAL AND DELTA-MENDOTA CANAL**  
4   **SUBSIDENCE MITIGATION PROJECTS.**

5           (a) IN GENERAL.—The Secretary may provide finan-  
6           cial assistance for the design, planning, and construction  
7           of—

8                           (1) Federal facility improvements to the Friant  
9           Division, Central Valley Project, California, under  
10          section 10201(a)(1) of the San Joaquin River Res-  
11          toration Settlement Act (Public Law 111–11; 123  
12          Stat. 1365); and

13                          (2) a project to restore conveyance capacity at,  
14           and to mitigate subsidence-related impacts on, the  
15           Delta-Mendota Canal, through a partnership with—

16                           (A) a public water agency that contracts  
17           for the delivery of Central Valley Project water;  
18           or

19                           (B) a local joint powers authority formed  
20           under State law by public water agencies that  
21           contract for the delivery of Central Valley  
22           Project water.

23           (b) COST-SHARING REQUIREMENT.—

24                           (1) FEDERAL SHARE.—The Federal share of  
25           the cost of carrying out a project under subsection

1 (a) shall be not more than 33 percent of the total  
2 cost of the project, including amounts contributed  
3 after October 1, 2018.

4 (2) FORM OF NON-FEDERAL SHARE.—The non-  
5 Federal share of the cost of carrying out a project  
6 under subsection (a) may be provided in the form of  
7 cash or in-kind contributions, including the net  
8 present value of the local contribution to the reim-  
9 bursable Federal funding for the project after Octo-  
10 ber 1, 2018.

11 (c) REQUIRED DETERMINATION BY SECRETARY.—  
12 Federal funds shall not be made available under this Act  
13 for a project under subsection (a) unless the Secretary de-  
14 termines that—

15 (1) there is an adequate non-Federal cost share  
16 to match the total amount of federally appropriated  
17 financial assistance made available for the project as  
18 of the date of the determination of the Secretary;  
19 and

20 (2) the project is designed in a manner—

21 (A) to satisfy the purposes described in  
22 section 2, after taking into account anticipated  
23 future subsidence; and

24 (B) to comply with all applicable require-  
25 ments of Federal and State law, including part

1           2.74 of division 6 of the California Water Code  
2           (commonly known as the “California Sustain-  
3           able Groundwater Management Act”).

4 **SEC. 5. CALIFORNIA AQUEDUCT SUBSIDENCE MITIGATION**  
5           **PROJECT.**

6           (a) **IN GENERAL.**—The Secretary may provide finan-  
7           cial assistance for the design, planning, and construction  
8           of projects to restore conveyance capacity at, and to miti-  
9           gate subsidence-related impacts on, the Federal pool and  
10          non-Federal pool.

11          (b) **NON-FEDERAL PARTNERS.**—To carry out this  
12          section, the Secretary may enter into partnerships with—

13               (1) the State; or

14               (2) a local joint powers authority formed under  
15          State law by public water agencies that contract for  
16          delivery of water from the Central Valley Project or  
17          the State Water Project.

18          (c) **COST-SHARING REQUIREMENT.**—

19               (1) **FEDERAL SHARE.**—The Federal share of  
20          the cost of carrying out a project under subsection  
21          (a) shall be not more than 33 percent of the total  
22          cost of the project, including any amounts expended  
23          by the State for subsidence repairs in the Federal  
24          pool and non-Federal pool for the project after Octo-  
25          ber 1, 2018.

1           (2) FORM OF NON-FEDERAL SHARE.—The non-  
2           Federal share of the cost of a project provided finan-  
3           cial assistance under subsection (a) may be in the  
4           form of cash or in-kind contributions.

5           (d) REQUIRED DETERMINATION BY SECRETARY.—  
6           Federal funds shall not be made available under this Act  
7           for a project under subsection (a) unless the Secretary de-  
8           termines, with the concurrence of the Governor of the  
9           State, that—

10           (1) there is an adequate non-Federal cost share  
11           to match the total amount of federally appropriated  
12           financial assistance made available for the project as  
13           of the date of the determination of the Secretary;  
14           and

15           (2) the project is designed in a manner—

16                   (A) to satisfy the purposes described in  
17                   section 2, after taking into account anticipated  
18                   future subsidence; and

19                   (B) to comply with all applicable require-  
20                   ments of Federal and State law, including part  
21                   2.74 of division 6 of the California Water Code  
22                   (commonly known as the “California Sustain-  
23                   able Groundwater Management Act”).

1 **SEC. 6. ENVIRONMENTAL COMPLIANCE.**

2 In carrying out a project under this Act, the Sec-  
3 retary shall comply with applicable environmental laws, in-  
4 cluding—

5 (1) the National Environmental Policy Act of  
6 1969 (42 U.S.C. 4321 et seq.);

7 (2) the Endangered Species Act of 1973 (16  
8 U.S.C. 1531 et seq.); and

9 (3) applicable State law.

10 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

11 (a) IN GENERAL.—There are authorized to be appro-  
12 priated to the Secretary, as adjusted annually to reflect  
13 changes since March 2021 in the Bureau of Reclamation  
14 Construction Cost Trends Index applicable to the types  
15 of construction involved—

16 (1) \$180,000,000 to carry out section 4(a)(1),  
17 consistent with, and in addition to funding author-  
18 ized under, section 10203(c) of the San Joaquin  
19 River Restoration Settlement Act (Public Law 111–  
20 11; 123 Stat. 1367);

21 (2) \$183,900,000 to carry out section 4(a)(2);

22 (3) \$194,000,000 to pay the Federal share for  
23 the Federal pool under section 5;

24 (4) \$95,500,000 to pay the Federal share for  
25 the non-Federal pool under section 5; and

1           (5) \$180,000,000 to implement the Restoration  
2           Goal of the settlement described in section 10004 of  
3           the San Joaquin River Restoration Settlement Act  
4           (Public Law 111–11; 123 Stat. 1350), in addition to  
5           the funding authorized under section 10009 of that  
6           Act.

7           (b) LIMITATIONS.—Amounts made available under  
8           subsection (a) may not be used—

9                   (1) to build new surface storage;

10                   (2) to raise existing reservoirs; or

11                   (3) to enlarge the carrying capacity of a canal  
12           constructed by the Bureau of Reclamation, except  
13           for a temporary increase in carrying capacity that is  
14           intended—

15                           (A) to mitigate anticipated future subsid-  
16           ence; and

17                           (B) to avoid an increase in carrying capac-  
18           ity that would otherwise be required on the oc-  
19           currence of anticipated future subsidence.

20           (c) ADDITIONAL AMOUNTS.—Amounts made avail-  
21           able under subsection (a) shall be—

22                   (1) in addition to any other amounts made  
23           available for the purposes described in that sub-  
24           section; and

1 (2) nonreimbursable.



.....  
(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

# H. R. \_\_\_\_\_

To amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. COSTA introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Restoring WIFIA Eli-  
5 gibility Act”.



1 **SEC. 2. BUDGETARY TREATMENT OF CERTAIN AMOUNTS**  
2 **OF FINANCIAL ASSISTANCE.**

3 Subtitle C of title V of the Water Infrastructure Fi-  
4 nance and Innovation Act of 2014 (33 U.S.C. 3901 et  
5 seq.) is amended by adding at the end the following:

6 **“SEC. 5036. BUDGETARY TREATMENT OF CERTAIN**  
7 **AMOUNTS OF FINANCIAL ASSISTANCE.**

8 “If the recipient of financial assistance for a project  
9 under this subtitle is an eligible entity other than a Fed-  
10 eral entity, agency, or instrumentality, and the dedicated  
11 sources of repayment of that financial assistance are non-  
12 Federal revenue sources, such financial assistance shall,  
13 for purposes of budgetary treatment under the Federal  
14 Credit Reform Act of 1990 (2 U.S.C. 661 et seq.)—

15 “(1) be deemed to be non-Federal; and

16 “(2) be treated as a direct loan or loan guar-  
17 antee (as such terms are defined, respectively, in  
18 such Act).”.

AMENDED IN ASSEMBLY APRIL 13, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 939**

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**Introduced by Assembly Member Pellerin**

February 14, 2023

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An act to amend Sections 3, 4, 5, 6, 6.1, 9, 10, 11, 12, 13, 13.2, 14, 15, 17, 21, 25.1, 25.2, 25.6, 26.1, 26.3, 26.4, 26.6, 26.7, 26.12, 26.13, 26.15, 26.17, 28, 31, and 33 of, to amend and renumber Sections 7.6, 7.7, 7.8, 7.9, 7.10, and 7.11 of, and to repeal Sections 7, 7.1, 7.3, 7.4, and 7.5 of, the Santa Clara Valley Water District Act (Chapter 1405 of the Statutes of 1951), relating to the Santa Clara Valley Water District.

LEGISLATIVE COUNSEL'S DIGEST

AB 939, as amended, Pellerin. Santa Clara Valley Water District.

The Santa Clara Valley Water District Act creates the Santa Clara Valley Water District, and authorizes the district to provide for the conservation and management of flood, storm, and recycled waters, and other waters, for beneficial uses and to enhance natural resources in connection with carrying out the purposes of the district. The act authorizes the district to levy ad valorem taxes or assessments in the district to pay the general administrative costs and expenses of the district, to carry out the act's objects or purposes, and to pay the costs and expenses of constructing or extending works within the district. The act additionally authorizes the district to levy taxes or assessments upon all property or all real property within a portion of the district for specified purposes. The act authorizes the district to issue bonds for specified purposes, and requires that the bonds be paid by revenue derived from those tax levies and assessments, except the ad valorem taxes or assessments.

This bill would additionally authorize the district to use the revenues from the ad valorem taxes or assessments to pay for the bonds.

Existing law authorizes the district to issue bonds in accordance with the Revenue Bond Law of 1941 for the purpose of financing the construction, reconstruction, replacement, acquisition, or improvement of any facility or facilities necessary or convenient for the storage, treatment, transmission, or distribution of water for beneficial use within the district and for the purpose of generation or transmission of electricity. The Revenue Bond Law of 1941 requires the district to pay the principal, interest, and premiums for a bond issued in accordance with that law solely from and secured by a lien upon its gross revenues.

This bill would authorize the district to pay bonds from the net revenues, rather than gross revenues, of its water system, as specified.

Existing law authorizes the district to borrow money and incur indebtedness, not to exceed \$8,000,000, by action of the board of directors and without the necessity of calling and holding an election, and prohibits the resulting indebtedness from exceeding 85% of the estimated amount of the district’s revenues, charges, taxes, and assessments that will be available in that fiscal year for payment of short-term notes, including interest.

This bill would delete the \$8,000,000 limit.

Existing law prohibits, until December 31, 2023, the district from compensating its directors for more than a total of 15 days in any calendar month, as specified.

This bill would extend the above provision indefinitely.

This bill would also make various nonsubstantive changes throughout the act.

*This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Santa Clara.*

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

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

- 1 SECTION 1. Section 3 of the Santa Clara Valley Water District
- 2 Act (Chapter 1405 of the Statutes of 1951), as amended by Section
- 3 2 of Chapter 205 of the Statutes of 1967, is amended to read:
- 4 Sec. 3. (a) The board of the district, by resolutions thereof
- 5 adopted from time to time, may establish zones within the district
- 6 without reference to the boundaries of other zones, setting forth

1 in the resolutions' descriptions thereof by metes and bounds and  
2 entitling each of the zones by a zone number, and institute zone  
3 projects for the specific benefit of the zones. The board may, by  
4 resolution, amend the boundaries by annexing property to or by  
5 withdrawing property from the zones or may divide existing zones  
6 into two or more zones or may superimpose a new or amended  
7 zone on zones already in existence, setting forth in the resolutions  
8 descriptions of the amended, divided, or superimposed zones by  
9 metes and bounds and entitling each of the zones by a zone number.

10 (b) Proceedings for the establishment of the zones may be  
11 conducted concurrently with and as a part of proceedings for the  
12 instituting of projects relating to the zones. The proceedings shall  
13 be instituted in the manner prescribed in Section 12.

14 SEC. 2. Section 4 of the Santa Clara Valley Water District Act  
15 (Chapter 1405 of the Statutes of 1951), as amended by Section 1  
16 of Chapter 279 of the Statutes of 2006, is amended to read:

17 Sec. 4. (a) The purposes of this act are to authorize the district  
18 to provide comprehensive water management for all beneficial  
19 uses and flood risk reduction within the County of Santa Clara.

20 (b) It is the intent of the Legislature that the district work  
21 collaboratively with other appropriate entities in the County of  
22 Santa Clara in carrying out the purposes of this act.

23 (c) The district may take action to do all of the following:

24 (1) Reduce the risks to the County of Santa Clara from  
25 floodwater and stormwater of the district, including tidal floodwater  
26 and the floodwater and stormwater of streams that have their  
27 sources outside the district, but flow into the district.

28 (2) Reduce the risks of floodwater or stormwater to the public  
29 highways, life and property in the district, and the watercourses  
30 and watersheds of streams flowing within the district.

31 (3) Provide flood risk reduction and provide for the conservation  
32 and management of stormwater, recycled water, or other water  
33 from any sources within or outside the watersheds in which the  
34 district is located for beneficial and useful purposes, including  
35 spreading, storing, retaining, and causing the waters to percolate  
36 into the soil within the district.

37 (4) Protect, save, store, recycle, distribute, transfer, exchange,  
38 manage, and conserve in any manner any of the waters.

39 (5) Increase and prevent the waste or diminution of the water  
40 supply in the district.

1 (6) Obtain, retain, protect, and recycle drainage, stormwater,  
2 floodwater, or treated wastewater, or other water from any sources,  
3 within or outside the watersheds in which the district is located  
4 for any beneficial uses within the district.

5 (7) Enhance, protect, and restore streams, riparian corridors,  
6 and natural resources in connection with carrying out the purposes  
7 set forth in this section.

8 (8) Preserve open space in the County of Santa Clara and support  
9 the county park system in a manner that is consistent with carrying  
10 out the powers granted by this section.

11 SEC. 3. Section 5 of the Santa Clara Valley Water District Act  
12 (Chapter 1405 of the Statutes of 1951), as amended by Section  
13 239 of Chapter 664 of the Statutes of 2002, is amended to read:

14 Sec. 5. The district is hereby declared to be a body corporate  
15 and politic and, in addition to other powers granted by this act,  
16 may take action to carry out all of the following purposes:

- 17 (a) To have perpetual succession.
- 18 (b) To sue and be sued in the name of the district in all actions  
19 and proceedings in all courts and tribunals of competent  
20 jurisdiction.
- 21 (c) To adopt a seal and alter it at pleasure.
- 22 (d) To acquire by grant, purchase, lease, gift, devise, contract,  
23 construction, or otherwise, and to hold, use, enjoy, sell, let, and  
24 dispose of real and personal property of every kind, including  
25 lands, structures, buildings, rights-of-way, easements, and  
26 privileges, and to construct, maintain, alter, and operate any and  
27 all works or improvements, within or outside the district, necessary  
28 or proper to carry out any of the objects or purposes of this act and  
29 convenient to the full exercise of its powers, and to complete,  
30 extend, add to, alter, remove, repair, or otherwise improve any  
31 works, or improvements, or property acquired by it as authorized  
32 by this act.
- 33 (e) To store water in surface or underground reservoirs within  
34 or outside of the district for the common benefit of the district or  
35 of any zone or zones affected; to conserve, reclaim, recycle,  
36 distribute, store, and manage water for present and future use within  
37 the district; to appropriate and acquire water and water rights, and  
38 import water into the district and to conserve within or outside the  
39 district, water for any purpose useful to the district; to do any and  
40 every lawful act necessary to be done that sufficient water may be

1 available for any present or future beneficial use or uses of the  
2 lands or inhabitants within the district, including, but not limited  
3 to, the acquisition, storage, and distribution of water for irrigation,  
4 domestic, fire protection, municipal, commercial, industrial,  
5 environmental, and all other beneficial uses; to distribute, sell, or  
6 otherwise dispose of, outside the district, any waters not needed  
7 for beneficial uses within the district; to commence, maintain,  
8 intervene in, defend, or compromise, in the name of the district on  
9 behalf of the landowners therein, or otherwise, and to assume the  
10 costs and expenses of any action or proceeding involving or  
11 affecting the ownership or use of waters or water rights within or  
12 outside the district, used or useful for any purpose of the district  
13 or of common benefit to any land situated therein, or involving  
14 the wasteful use of water therein; to commence, maintain, intervene  
15 in, defend, and compromise and to assume the cost and expenses  
16 of any and all actions and proceedings now or hereafter begun; to  
17 prevent interference with or diminution of, or to declare rights in  
18 the natural flow of any stream or surface or subterranean supply  
19 of water used or useful for any purpose of the district or of common  
20 benefit to the lands within the district or to its inhabitants; to  
21 prevent unlawful exportation of water from the district; to prevent  
22 contamination, pollution, or otherwise rendering unfit for beneficial  
23 use the surface or subsurface water used or useful in the district,  
24 and to commence, maintain, and defend actions and proceedings  
25 to prevent any such interference with the described waters as may  
26 endanger or damage the inhabitants, lands, or use of water in, or  
27 flowing into, the district, except that the district shall not have  
28 power to intervene or take part in, or to pay the costs or expenses  
29 of, actions or controversies between the owners of lands or water  
30 rights that do not affect the interests of the district.

31 (f) To direct the flood and storm waters of the district and the  
32 flood and storm waters of streams that have their sources outside  
33 of the district, but which streams and the floodwaters thereof, flow  
34 into said district, and to conserve the waters for beneficial and  
35 useful purposes of the district by spreading, storing, retaining, and  
36 causing to percolate into the soil within or without the district, or  
37 to save or conserve in any manner all or any of those waters and  
38 protect from damage from those flood or storm waters the  
39 watercourses, watersheds, public highways, life, and property in

1 the district, and the watercourses outside of the district of streams  
2 flowing into the district.

3 (g) To enter upon any land, to make surveys and locate the  
4 necessary works of improvement and the lines for channels,  
5 conduits, canals, pipelines, roadways, and other rights-of-way; to  
6 acquire by purchase, lease, contract, gift, devise, or other legal  
7 means all lands and water and water rights and other property  
8 necessary or convenient for the construction, use, supply,  
9 maintenance, repair, and improvement of the works, including  
10 works constructed and being constructed by private owners, lands  
11 for reservoirs for storage of necessary water, and all necessary  
12 appurtenances, and also where necessary or convenient to that end,  
13 and for those purposes and uses, to acquire and to hold in the name  
14 of the state, the capital stock of any mutual water company or  
15 corporation, domestic or foreign, owning water or water rights,  
16 canals, waterworks, franchises, concessions, or rights, when the  
17 ownership of such stock is necessary to secure a water supply  
18 required by the district or any part thereof, upon the condition that  
19 when holding such stock, the district shall be entitled to all the  
20 rights, powers, and privileges, and shall be subject to all the  
21 obligations and liabilities conferred or imposed by law upon other  
22 holders of such stock in the same company; to cooperate with, act  
23 in conjunction with, enter into and to do any acts necessary for the  
24 proper performance of any agreement with the State of California,  
25 or any of its engineers, officers, boards, commissions, departments,  
26 or agencies, or with the government of the United States, or any  
27 of its engineers, officers, boards, commissions, departments, or  
28 agencies or with any state, city and county, city, county, district  
29 of any kind, public or private corporation, association, firm, or  
30 individual, or any number of them, for the ownership, joint  
31 acquisition, leasing, disposition, use, management, construction,  
32 installation, extension, maintenance, repair, or operation of any  
33 rights, works, or other property of a kind which might lawfully be  
34 acquired or owned by the district or for the lawful performance of  
35 any power or purpose of the district provided for in this act,  
36 including, but not limited to, the granting of the right to the use of  
37 any water or the right to store that water in any reservoir of the  
38 district or to carrying that water through any tunnel, canal, ditch,  
39 or conduit of the district or for the delivery, sale, or exchange of  
40 any water right, water supply, or water pumped, stored,

1 appropriated, or otherwise acquired or secured for the use of the  
2 district, or for controlling drainage waters, or flood or storm waters  
3 of streams in or running into the district, or for the protection of  
4 life or property therein, or for the purpose of conserving any waters  
5 for the beneficial use within the district, or in any other works,  
6 uses, or purposes provided for in this act; and to adopt and carry  
7 out any definite plan or system for accomplishing, facilitating, or  
8 financing all work which may lawfully be accomplished by the  
9 district and to enforce that plan or system by resolution or  
10 ordinance.

11 (h) To carry on technical and other necessary investigations,  
12 make measurements, collect data, make analyses, studies, and  
13 inspections pertaining to water supply, water rights, control of  
14 flood and storm waters, and use of water both within and outside  
15 the district relating to watercourses or streams flowing in or into  
16 the district. For these purposes, the district shall have the right of  
17 access through its authorized representatives to all properties within  
18 the district and elsewhere relating to watercourses and streams  
19 flowing in or into the district. The district, through its authorized  
20 representatives, may enter upon such lands and make examinations,  
21 surveys, and maps thereof.

22 (i) To prescribe, revise, and collect fees and charges for facilities  
23 furnished or to be furnished to any new building, improvement,  
24 or structure by the use of any flood control or storm drainage  
25 system constructed or to be constructed in a zone of the district,  
26 and whenever a drainage or flood control problem is referred to  
27 the district by the County of Santa Clara, or any incorporated city  
28 therein, to require the installation of drainage or flood control  
29 improvements necessary or convenient for needs of the zone,  
30 including, but not limited to, residential, subdivision, commercial,  
31 and industrial drainage and flood control needs, that county and  
32 those cities being hereby authorized to refer all drainage and flood  
33 control problems, arising under the Subdivision Map Act (Division  
34 2 (commencing with Section 66410) of Title 7 of the Government  
35 Code) or otherwise, to the district for solution. Revenues derived  
36 under this section shall be used for the acquisition, construction,  
37 reconstruction, maintenance, and operation of the flood control or  
38 storm drainage facilities of the zone, to reduce the principal or  
39 interest of any bonded indebtedness thereof, or to replace funds



- 1 expended on behalf of that zone derived from the fund created  
2 pursuant to paragraph (1) of subdivision (a) of Section 13.
- 3 (j) To incur indebtedness, and to issue bonds in accordance with  
4 this act.
- 5 (k) To cause taxes or assessments to be levied and collected for  
6 the purpose of paying any obligation of the district, and to carry  
7 out any of the purposes of this act, in the manner hereinafter  
8 provided.
- 9 (l) To make contracts, to employ labor, and to do all acts  
10 necessary for the full exercise of all powers vested in the district,  
11 or in the officers thereof, by this act.
- 12 (m) To have the power and right to disseminate information  
13 concerning the rights, properties, activities, plans, and proposals  
14 of the district, except that expenditures during any fiscal year for  
15 those purposes shall not exceed one-half cent (\$0.005) for each  
16 one hundred dollars (\$100) of assessed valuation of the district.
- 17 (n) To pay to any city, public agency, or district, or Stanford  
18 University, a portion of the cost of water imported by that city,  
19 public agency, or district, or Stanford University, into, for use  
20 within, and of benefit to, the Santa Clara Valley Water District.
- 21 (o) To establish designated floodways in accordance with the  
22 Cobey-Alquist Flood Plain Management Act (Chapter 4  
23 commencing with Section 8400) of Part 2 of Division 5 of the  
24 Water Code).
- 25 (p) To acquire, construct, maintain, operate, and install  
26 landscaping or recreational facilities in connection with any dam,  
27 reservoir, or other works owned or controlled by the district.
- 28 (q) To acquire, construct, maintain, operate and install, lease,  
29 and control facilities for the generation, transmission, distribution,  
30 sale, exchange, and lease of electricity.
- 31 (r) To require the sealing of abandoned or unused wells  
32 according to standards adopted by the board by ordinance and  
33 designed to protect the groundwater resources of the district from  
34 contamination. Upon and following the effective date of the  
35 ordinance, the County of Santa Clara or any incorporated city  
36 therein shall require all persons applying for any land development  
37 permit or approval to show the existence and location of any water  
38 well upon a map of the property the subject of the application.  
39 When a well is shown, the map shall be referred to the district  
40 immediately upon receipt for review and investigation. If upon

1 review and investigation the district determines that the well or  
2 wells are to be sealed by the applicant pursuant to the ordinance,  
3 the determination shall be transmitted promptly to the applicant  
4 by the district as a requirement in writing.

5 SEC. 4. Section 6 of the Santa Clara Valley Water District Act  
6 (Chapter 1405 of the Statutes of 1951), as amended by Section 26  
7 of Chapter 584 of the Statutes of 1975, is amended to read:

8 Sec. 6. (a) The district may exercise the right of eminent  
9 domain, either within or without said district, to take any property  
10 necessary to carry out any of the objects or purposes of this act.  
11 The district in exercising such power shall in addition to the  
12 damage for the taking, injury, or destruction of property, also pay  
13 the cost of removal or relocation of any structure, railways, mains,  
14 pipes, conduits, wires, cable, poles, of any public utility that is  
15 required to be moved to a new location. This act shall not be  
16 deemed to authorize the district, or any person, to divert the waters  
17 of any river, creek, stream, irrigation system, canal, or ditch from  
18 its channel, to the detriment of any person having any interest in  
19 the river, creek, stream, irrigation system, canal, or ditch, or the  
20 waters thereof or therein, unless compensation therefor be first  
21 provided in the manner provided by law.

22 (b) This act shall not authorize the district to condemn any of  
23 the properties, structures, or works, now owned or hereafter to be  
24 constructed or acquired, by any water conservation district within  
25 the County of Santa Clara.

26 SEC. 5. Section 6.1 of the Santa Clara Valley Water District  
27 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
28 2 of Chapter 808 of the Statutes of 1985, is amended to read:

29 Sec. 6.1. (a) Any abandoned or unused water well endangering  
30 the public health and safety by creating a water contamination  
31 hazard is a public nuisance. The board shall, by ordinance, establish  
32 standards for what constitutes a water contamination hazard.

33 (b) Whenever the district determines that a public nuisance, as  
34 defined, exists, it shall, by certified mail, notify the then current  
35 record owner of the property to abate the public nuisance and that  
36 it is the intention of the district to record a notice of violation of  
37 the ordinance. The notice to the owner shall describe the violation  
38 and specify a time, date, and place for a hearing, at which the  
39 owner may present evidence to the board that a public nuisance  
40 does not exist and that the notice should not be recorded. The

1 notice to the owner shall state that, unless the public nuisance is  
 2 abated within the time specified by the board following the hearing,  
 3 the district may abate the public nuisance and the costs of the  
 4 abatement will be assessed against the property. The meeting shall  
 5 take place no sooner than 30 days and no later than 60 days from  
 6 date of mailing. If, within 15 days of receipt of the notice, the  
 7 owner of the real property fails to inform the district of the owner’s  
 8 objection to recording the notice of violation, the board shall record  
 9 the notice of violation with the county recorder. If, after the owner  
 10 has presented evidence, it is determined that there has been no  
 11 violation, the district shall mail a clearance letter to the then current  
 12 owner of record. If, after the owner has presented evidence, the  
 13 board determines that a violation has occurred, the board shall  
 14 record the notice of violation with the county recorder. The notice  
 15 of violation, when recorded, shall be deemed to be constructive  
 16 notice of the violation to all successors in interest in the property.  
 17 The county recorder shall index the names of the fee owners in  
 18 the general index.

19 (c) If the board determines, at the conclusion of the hearing,  
 20 that a public nuisance exists, the board shall order the property  
 21 owner to abate the public nuisance within a specified time.

22 (d) If the public nuisance is not abated within the time specified  
 23 in the order of the board following a hearing, the district may abate  
 24 the public nuisance. Any entry upon private property by the district  
 25 for this purpose shall be preceded by written notice to the owner  
 26 by certified mail stating the date and place of entry, the purpose  
 27 thereof, and the number of persons entering. If the mailed notice  
 28 is returned undelivered, the district may post a copy thereof at the  
 29 proposed entry point five days before entry.

30 (e) Any costs incurred by the district in abating a public nuisance  
 31 pursuant to this section are a lien upon the property upon which  
 32 the public nuisance existed when notice of the lien is filed and  
 33 recorded.

34 (f) Notice of the lien, particularly identifying the property on  
 35 which the nuisance was abated and the amount of the lien, and  
 36 naming the owner of record of the property, shall be recorded by  
 37 the district in the office of the Santa Clara County Recorder within  
 38 one year after the first item of expenditures by the district or within  
 39 90 days after the completion of the work, whichever first occurs.  
 40 Upon recordation of the notice of lien, the lien shall have the same

1 force, effect, and priority as a judgment lien, except that it shall  
2 attach only to the property described in the notice, and shall  
3 continue for 10 years from the time of recording of the notice  
4 unless sooner released or otherwise discharged.

5 SEC. 6. Section 7 of the Santa Clara Valley Water District Act  
6 (Chapter 1405 of the Statutes of 1951), as added by Section 2 of  
7 Chapter 443 of the Statutes of 2009, is repealed.

8 SEC. 7. Section 7.1 of the Santa Clara Valley Water District  
9 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
10 4 of Chapter 443 of the Statutes of 2009, is repealed.

11 SEC. 8. Section 7.3 of the Santa Clara Valley Water District  
12 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
13 6 of Chapter 443 of the Statutes of 2009, is repealed.

14 SEC. 9. Section 7.4 of the Santa Clara Valley Water District  
15 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
16 7 of Chapter 443 of the Statutes of 2009, is repealed.

17 SEC. 10. Section 7.5 of the Santa Clara Valley Water District  
18 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
19 8 of Chapter 443 of the Statutes of 2009, is repealed.

20 SEC. 11. Section 7.6 of the Santa Clara Valley Water District  
21 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
22 9 of Chapter 443 of the Statutes of 2009, is amended and  
23 renumbered to read:

24 Sec. 7. Notwithstanding any other law, commencing at noon  
25 on December 3, 2010, the number of elected directors on the board  
26 shall be increased from five to seven and the number of appointed  
27 directors shall be reduced from two to zero.

28 SEC. 12. Section 7.7 of the Santa Clara Valley Water District  
29 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
30 10 of Chapter 443 of the Statutes of 2009, is amended and  
31 renumbered to read:

32 Sec. 7.1. (a) On or before June 30, 2010, the board shall adopt  
33 a resolution that divides the district into seven electoral districts  
34 and that assigns a number to each district.

35 (b) Using the most recent census data as a basis, the electoral  
36 districts shall be as nearly equal in population as possible.

37 (c) In establishing the boundaries of the electoral districts, the  
38 board may give consideration to the topography, geography,  
39 cohesiveness, contiguity, integrity, compactness of territory, and  
40 the community of interests of the electoral districts.

1 SEC. 13. Section 7.8 of the Santa Clara Valley Water District  
2 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
3 11 of Chapter 443 of the Statutes of 2009, is amended and  
4 renumbered to read:

5 Sec. 7.2. (a) The first elections for the first, fourth, sixth, and  
6 seventh electoral districts established pursuant to Section 7.1 shall  
7 be conducted at the November 2, 2010, statewide general election.  
8 The first elections for the second, third, and fifth electoral districts  
9 established pursuant to Section 7.1 shall be conducted at the  
10 November 6, 2012, statewide general election.

11 (b) Except as otherwise provided by this act, the term of office  
12 for each director elected pursuant to subdivision (a) shall be four  
13 years beginning at noon on the first Friday in December following  
14 the director’s election and the director shall hold office until the  
15 director’s successor qualifies and takes office.

16 (c) Elections for the electoral districts established pursuant to  
17 Section 7.1 shall be conducted in accordance with the Uniform  
18 District Election Law (Part 4 (commencing with Section 10500)  
19 of Division 10 of the Elections Code).

20 (d) (1) One director shall be elected in accordance with this  
21 section by the voters of each electoral district.

22 (2) A candidate for the board of directors shall be a resident in  
23 the electoral district for which they are a candidate.

24 (3) A director shall continue to reside within the electoral district  
25 during the director’s term of office, except that a change in  
26 boundaries of an electoral district shall not affect the term of office  
27 of any incumbent director.

28 (e) The directors elected pursuant to this section are to exercise  
29 their independent judgment on behalf of the interests of the entire  
30 district, including the residents, property owners, and the public  
31 as a whole, in furthering the purposes and intent of this act.

32 SEC. 14. Section 7.9 of the Santa Clara Valley Water District  
33 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
34 1 of Chapter 251 of the Statutes of 2018, is amended and  
35 renumbered to read:

36 Sec. 7.3. A vacancy in the office of any director shall be filled  
37 pursuant to Section 1780 of the Government Code. Any director  
38 appointed or elected to fill a vacancy shall represent the electoral  
39 district in which the vacancy occurred and shall be a qualified

1 elector residing in the electoral district in which the vacancy  
2 occurred.

3 SEC. 15. Section 7.10 of the Santa Clara Valley Water District  
4 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
5 13 of Chapter 443 of the Statutes of 2009, is amended and  
6 renumbered to read:

7 Sec. 7.4. Any elected director may be recalled by the voters  
8 pursuant to Chapter 1 (commencing with Section 11000) of  
9 Division 11 of the Elections Code.

10 SEC. 16. Section 7.11 of the Santa Clara Valley Water District  
11 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
12 14 of Chapter 443 of the Statutes of 2009, is amended and  
13 renumbered to read:

14 Sec. 7.5. The board shall review the boundaries of the seven  
15 electoral districts established pursuant to Section 7.1 before  
16 November 1 of the year following the year in which each decennial  
17 census is taken. The boundaries shall be adjusted if needed in  
18 accordance with Section 22000 of the Elections Code so that each  
19 electoral district is as nearly equal in population to the others as  
20 possible. In making the adjustments, the board may give  
21 consideration to the factors described in subdivision (c) of Section  
22 7.1.

23 SEC. 17. Section 9 of the Santa Clara Valley Water District  
24 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
25 3 of Chapter 808 of the Statutes of 1985, is amended to read:

26 Sec. 9. (a) The board may adopt resolutions for the district,  
27 which shall be adopted, certified to, recorded, and published, in  
28 the same manner except as herein otherwise provided for, as are  
29 resolutions for the County of Santa Clara.

30 (b) The board may adopt ordinances for the district. All  
31 ordinances shall be enacted only by rollcall vote entered into the  
32 proceedings of the board. An ordinance shall be in full force and  
33 effect 30 days after adoption, and shall be published once in full  
34 in a newspaper of general circulation, printed, published, and  
35 circulated in the district within 10 days after adoption. It is a  
36 misdemeanor for any person to violate any district ordinance  
37 adopted pursuant to this section from and after the effective date  
38 of the ordinance. The violation shall be punishable by a fine not  
39 exceeding five hundred dollars (\$500), or imprisonment in the  
40 county jail not to exceed 30 days, or both that fine and that

1 imprisonment. Any violation or threatened violation may also be  
 2 enjoined by civil action. The board may make and enforce all  
 3 needful rules, regulations, standards, and procedures for the  
 4 administration and government of the district, and to appoint and  
 5 employ all needful agents, superintendents, engineers, attorneys,  
 6 and employees to properly look after the performance of any work  
 7 provided for in this act and to operate and maintain those works,  
 8 and to perform all other acts necessary or proper to accomplish  
 9 the purposes of this act.

10 (c) In addition to the officers and employees herein otherwise  
 11 prescribed, the board may in its discretion appoint a chair, a clerk,  
 12 and such other officers and employees for the board or district as  
 13 in its judgment may be deemed necessary, prescribe their duties,  
 14 and fix their compensation. Those officers and employees shall  
 15 be employed, suspended, or their employment terminated in  
 16 accordance with an ordinance setting forth rules, regulations,  
 17 standards, and procedures for appointment, suspension, and  
 18 termination of employment.

19 SEC. 18. Section 10 of the Santa Clara Valley Water District  
 20 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
 21 1 of Chapter 38 of the Statutes of 1962, is amended to read:

22 Sec. 10. (a) The board shall have jurisdiction and may employ  
 23 competent registered civil engineers to investigate and carefully  
 24 devise a plan or plans for a project, and to obtain such information  
 25 in regard thereto, as may be deemed necessary or useful for  
 26 carrying out the purposes of this act. The board may direct those  
 27 engineers to make and file reports from time to time with the board,  
 28 which shall show:

29 (1) A general description of the project, together with general  
 30 plans, profiles, cross-sections, and general specifications relating  
 31 thereto, on each project.

32 (2) A general description of the lands, ~~rights-of-way,~~  
 33 *rights-of-way*, easements, and property proposed to be taken,  
 34 acquired, or injured in carrying out the project.

35 (3) A map or maps that show the location and zones, as may be  
 36 required, of each project, and lands, ~~rights-of-way,~~ *rights-of-way*,  
 37 easements, and property to be taken, acquired, or injured in carrying  
 38 out the project, and any other information in regard to the project  
 39 that may be deemed necessary or useful.

40 (4) An estimate of the cost of each of the following:

1 (A) Each project, including a statement of the portion, if any,  
2 of the cost theretofore advanced by the district for the project for  
3 which the district proposes to reimburse itself from the proceeds  
4 of sale of any bonds to be issued to pay for the project.

5 (B) The lands, rights-of-way, easements, and property proposed  
6 to be taken, acquired, or injured in carrying out the project.

7 (C) All incidental expenses likely to be incurred in connection  
8 therewith, including legal, clerical, engineering, superintendence,  
9 inspection, printing, and advertising.

10 (D) If deemed advisable, a sum sufficient to pay interest on any  
11 bonds proposed to be issued during all or any part of the period of  
12 construction of the project and for not to exceed 12 months of  
13 interest thereafter.

14 (E) The total amount of bonds, if any, necessary to be issued to  
15 pay for the project.

16 (b) The engineer or engineers shall from time to time and as  
17 directed by the board file with the board supplementary,  
18 amendatory, and additional reports and recommendations, as  
19 necessity and convenience may require.

20 (c) The engineer or engineers employed by the board, subject  
21 to the control and direction of the board, may employ the engineers,  
22 surveyors, and others, as may be required for making all surveys  
23 or doing any other work necessary for the making of any report.

24 (d) The board may at any time remove any or all of the engineers  
25 or employees appointed or employed under this act, and may fill  
26 any vacancies occurring among them from any cause.

27 SEC. 19. Section 11 of the Santa Clara Valley Water District  
28 Act (Chapter 1405 of the Statutes of 1951) is amended to read:

29 Sec. 11. The board shall determine which projects or works of  
30 improvement shall be carried out and shall determine, as to each  
31 project or work of improvement, that it is one of the following:

32 (a) For the common benefit of the district as a whole.

33 (b) For the common benefit of two or more zones hereinafter  
34 referred to as participating zones.

35 (c) For the benefit of a single zone.

36 SEC. 20. Section 12 of the Santa Clara Valley Water District  
37 Act (Chapter 1405 of the Statutes of 1951) is amended to read:

38 Sec. 12. (a) The board may institute projects for single zones  
39 and joint projects for two or more zones for the financing,  
40 constructing, maintaining, operating, extending, repairing, or



1 otherwise improving of any work or improvement of common  
 2 benefit to the zone or participating zones. For the purpose of  
 3 acquiring authority to proceed with a project, the board shall adopt  
 4 a resolution specifying its intention to undertake the project,  
 5 together with the engineering estimates of the cost of the project  
 6 to be borne by the particular zones or participating zones and fixing  
 7 a time and place for public hearing of the resolution and that shall  
 8 refer to a map or maps showing the general location and general  
 9 construction of the project. Notice of the hearing shall be given  
 10 by publication once per week for two consecutive weeks before  
 11 the hearing, the last publication of which notice shall be at least  
 12 seven days before the hearing, in a newspaper of general circulation  
 13 designated by the board, circulated in the zone or each of said  
 14 participating zones, if there is such a newspaper, and if there is no  
 15 such newspaper then by posting notice for two consecutive weeks  
 16 before the hearing in five public places designated by the board,  
 17 in the zone or in each of the participating zones. The notice shall  
 18 designate a public place in the zone or in each of the participating  
 19 zones where a copy or copies of the map or maps of the joint  
 20 project may be seen by any interested person. The map shall be  
 21 posted in each of the public places so designated in the notice at  
 22 least two weeks before the hearing.

23 (b) At the time and place fixed for the hearing, or at any time  
 24 to which the hearing may be continued, the board shall consider  
 25 all written and oral objections to the proposed project. Upon the  
 26 conclusion of the hearing, the board may abandon the proposed  
 27 project or proceed with the project, unless before the conclusion  
 28 of the hearing, written protests against the proposed project signed  
 29 by a majority in number of the registered voters residing within  
 30 the zone or participating zones is filed with the board, in which  
 31 event further proceedings relating to the project shall be suspended  
 32 for not less than six months following the date of the conclusion  
 33 of the hearing, or the proceeding may be abandoned in the  
 34 discretion of the board.

35 SEC. 21. Section 13 of the Santa Clara Valley Water District  
 36 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
 37 1 of Chapter 811 of the Statutes of 1984, is amended to read:

38 Sec. 13. (a) The board shall have the authority, in any year:  
 39 (1) To levy ad valorem taxes ~~or~~ *in accordance with subdivision*  
 40 *(b) of Section 1 of Article XIII A of the California Constitution for*

1 *the acquisition or improvement of real property, and to levy*  
2 *assessments in the district to pay the general administrative costs*  
3 *and expenses of the district, including maintenance and operation*  
4 *of established works, to carry out any of the objects or purposes*  
5 *of this act of common benefit to the district, or to provide that have*  
6 *received property owner approval pursuant to subdivision (e) of*  
7 *Section 4 of Article XIII D of the California Constitution to pay*  
8 *the capital costs of public improvements, and other lawful*  
9 *expenditures, including the creation and maintenance of a fund*  
10 *that may be used by the district to pay the costs and expenses of*  
11 *constructing or extending any or all works established within or*  
12 *on behalf of a zone or participating zones within the district, if the*  
13 *ad valorem taxes or assessments are reimbursed from either of the*  
14 *following sources:*

15 (A) Taxes or assessments levied pursuant to paragraph (2) or  
16 (3) within the zone or participating zones benefited by the  
17 construction in the year or years immediately following the use of  
18 those funds. Taxes or assessments under this subparagraph may  
19 be levied for purposes of this paragraph by either of the following  
20 methods:

21 (i) By a levy or assessment upon all property within the district,  
22 including land, improvements thereon, and personal property.

23 (ii) By a levy or assessment upon all real property within the  
24 district, including both land and improvements thereon.

25 (B) Fees or charges collected under authority of subdivision (i)  
26 of Section 5, or Section 26.

27 (2) ~~(A)~~ To levy taxes or assessments in each or any of the zones  
28 and participating zones to pay the cost of carrying out any of the  
29 objects or purposes of this act performed or to be performed on  
30 behalf of the respective zones, including the constructing,  
31 maintaining, operating, extending, repairing, or otherwise  
32 improving any or all works or improvements established or to be  
33 established within or on behalf of the respective zones, according  
34 to the benefits derived or to be derived by the respective zones,  
35 by any of the following methods:

36 (i)

37 (A) By a levy or assessment upon all property within a zone or  
38 participating zone, including land, improvements thereon, and  
39 personal property.

40 (ii)

1 (B) By a levy or assessment upon all real property within a zone  
2 or participating zones, including both land and improvements  
3 thereon.

4 (iii)

5 (C) By a levy or assessment upon land only within a zone or  
6 participating zones.

7 ~~(B) It is declared that for the purposes of any tax or assessment  
8 levied under this paragraph, the property so taxed or assessed  
9 within a given zone is equally benefited.~~

10 (3) To levy assessments upon any property in each or any of  
11 said zones, according to the provisions and procedures of the  
12 Improvement Act of 1911 (Division 7 (commencing with Section  
13 5000) of the Streets and Highways Code), the Improvement Bond  
14 Act of 1915 (Division 10 (commencing with Section 8500) of the  
15 Streets and Highways Code), the Municipal Improvement Act of  
16 1913 (Division 12 (commencing with Section 10000) of the Streets  
17 and Highways Code), or the Refunding Assessment Bond Act of  
18 1935 (Chapter 732 of the Statutes of 1935).

19 (b) In the event of project cooperation with any of the  
20 governmental bodies as authorized in subdivision (g) of Section  
21 5, and the making of a contract with any such governmental body  
22 for the purposes set forth in the subdivision (g) of Section 5, by  
23 the terms of which work is agreed to be performed by any such  
24 governmental body in any specified zone or participating zones,  
25 for the particular benefit thereof, and by the contract it is agreed  
26 that the district is to pay to the governmental body, a sum of money  
27 in consideration or subvention for the performance of the work by  
28 the governmental body, the board may levy and collect a special  
29 tax or assessment *as provided in this section* upon the property in  
30 the zone or participating zones, whereby to raise funds to enable  
31 the district to make the payment, in addition to other taxes or  
32 assessments herein otherwise provided for.

33 (c) The taxes or assessments shall be levied and collected  
34 together with, and not separately from taxes for county purposes,  
35 and the revenues derived from the district taxes or assessments,  
36 together with penalties thereon, shall be paid into the county  
37 treasury to the credit of the district, or the respective zones thereof,  
38 and the board may control and order the expenditure thereof for  
39 those purposes, except that revenues, or portions thereof, derived  
40 in any of the several zones from the taxes or assessments levied

1 under paragraph (2) of subdivision (a) shall not be expended for  
2 constructing, maintaining, operating, extending, repairing, or  
3 otherwise improving any works or improvements located in any  
4 other zone, except in the case of joint projects, or for projects  
5 authorized or established outside the zone, or zones, but for the  
6 benefit thereof. In cases of projects joint to two or more zones, the  
7 zones will become, and shall be referred to as, participating zones.

8 SEC. 22. Section 13.2 of the Santa Clara Valley Water District  
9 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
10 2 of Chapter 251 of the Statutes of 2018, is amended to read:

11 Sec. 13.2. (a) For purposes of levying special taxes pursuant  
12 to paragraph (2) of subdivision (a) of Section 13, the district may  
13 impose special taxes in accordance with Article 3.5 (commencing  
14 with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title  
15 5 of the Government Code at minimum uniform rates according  
16 to land use category and size. The district may provide an  
17 exemption from these taxes for residential parcels owned and  
18 occupied by one or more taxpayers who are at least 65 years of  
19 age, or who qualify as totally disabled under the federal Social  
20 Security Act, if the total household income is less than an amount  
21 that is approved by the voters of the district.

22 (b) The district may require a taxpayer seeking exemption from  
23 a special tax levied by the district to verify age, disability status,  
24 or annual household income, as follows:

25 (1) Age with government-issued identification.

26 (2) Disability status with government-issued identification and  
27 documentation.

28 (3) Household income with a signed certification that includes  
29 language consistent with all of the following:

30 (A) The taxpayer seeking exemption certifies that their annual  
31 household income is less than the amount approved by the voters  
32 of the district.

33 (B) The taxpayer seeking exemption pledges to review the  
34 district's annual notice of each year's low-income threshold for  
35 special tax exemption.

36 (C) The taxpayer seeking exemption pledges to promptly notify  
37 the district if their annual household income exceeds the annual  
38 low-income threshold for special tax exemption.

39 (c) A signed certification pursuant to paragraph (2) of  
40 subdivision (b), reviewed and accepted by the district, shall serve

1 as standing verification of eligibility until the taxpayer notifies the  
2 district of their ineligibility for the special tax exemption or until  
3 the district has reason to believe that the taxpayer is ineligible for  
4 the special tax exemption.

5 SEC. 23. Section 14 of the Santa Clara Valley Water District  
6 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
7 1 of Chapter 632 of the Statutes of 1975, is amended to read:

8 Sec. 14. (a) Whenever the board determines that a bonded  
9 indebtedness should be incurred to pay the cost of any project in  
10 any zone or zones, the board may by resolution, determine and  
11 declare the respective amounts of bonds to be issued to raise the  
12 amount of money necessary for each project and the denomination  
13 and the maximum rate of interest of the bonds. In determining  
14 each amount of bonds and the amount of money necessary for each  
15 project, the board may include therein the portion, if any, of the  
16 cost of the project theretofore advanced by the district for which  
17 the district proposes to reimburse itself from the proceeds of sale  
18 of any bonds to be issued to pay for the project and the cost of  
19 lands, rights-of-way, easements, and property proposed to be taken,  
20 acquired, or injured in carrying out the project and also of all  
21 incidental expenses likely to be incurred in connection therewith,  
22 including legal, clerical, engineering, superintendence, inspection,  
23 printing, and advertising, and, if deemed advisable, a sum sufficient  
24 to pay interest on any bonds proposed to be issued during all or  
25 any part of the period of construction of the project and for not to  
26 exceed 12 months thereafter. The board shall cause a copy of the  
27 resolution, duly certified by the clerk, to be filed for record in the  
28 Santa Clara County Clerk-Recorder's Office within five days after  
29 its issuance. From and after the filing of the copy of the resolution,  
30 the board shall be deemed vested with the authority to proceed  
31 with the bond election.

32 (b) After the filing for record of the resolution specified in  
33 subdivision (a), the board may call a special bond election in the  
34 zone or participating zones at which shall be submitted to the  
35 qualified electors of the zone or participating zones the question  
36 whether or not bonds shall be issued in the amount or amounts  
37 determined in the resolution and for the purpose or purposes therein  
38 stated. The bonds and the interest thereon shall be paid from  
39 revenue derived from annual taxes or assessments levied as  
40 provided in this act.

1 (c) The board shall call the special bond election by ordinance  
2 and not otherwise and submit to the qualified electors of the zone  
3 or participating zones, the proposition of incurring a bonded debt  
4 in the zone or participating zones in the amount and for the  
5 purposes stated in the resolution and shall recite therein the objects  
6 and purposes for which the indebtedness is proposed to be incurred.  
7 It shall be sufficient to give a brief, general description of the  
8 objects and purposes, and refer to the recorded copy of the  
9 resolution adopted by the board, and on file for particulars. The  
10 ordinances shall also state the estimated cost of the proposed  
11 project, the amount of the principal of the indebtedness to be  
12 incurred therefor, and the maximum rate of interest to be paid on  
13 that indebtedness, and shall fix the date on which the special  
14 election shall be held, and the form and contents of the ballot to  
15 be used. The rate of interest to be paid on the indebtedness shall  
16 not exceed 8 percent per annum. For the purposes of the election,  
17 the board shall in the ordinance establish special bond election  
18 precincts within the boundaries of each zone and participating  
19 zone and may form election precincts by consolidating the precincts  
20 established for general elections in the district to a number not  
21 exceeding six general precincts for each special bond election  
22 precinct, and shall designate a polling place and appoint one  
23 inspector, one judge, and one clerk for each special bond election  
24 precinct.

25 (d) In all particulars not recited in the ordinance, the special  
26 bond election shall be held as nearly as practicable in conformity  
27 with the general election laws of the state, except as provided  
28 herein.

29 (e) The board shall cause a map or maps to be prepared covering  
30 a general description of the project. The map shall show the  
31 location of the proposed project. The board shall cause the map to  
32 be posted in a prominent place in the county courthouse for public  
33 inspection for at least 30 days before the date fixed for the election.

34 (f) The ordinance calling for the special bond election shall,  
35 before the date set for the election, be published pursuant to Section  
36 6062 of the Government Code in a newspaper of general circulation  
37 circulated in each zone and participating zone affected. The last  
38 publication of the ordinance shall be at least 14 days before the  
39 election, and if there is no such newspaper, then the ordinance  
40 shall be posted in five public places designated by the board, in

1 each zone and participating zone for at least 30 days before the  
2 date fixed for the election. No other notice of the election need be  
3 given nor need polling place cards be issued.

4 (g) Any defect or irregularity in the proceedings before the  
5 calling of the special bond election shall not affect the validity of  
6 the bonds authorized by the election. If at the election two-thirds  
7 of the votes cast are in favor of incurring the bonded indebtedness,  
8 then bonds for the zone or participating zones for the amount stated  
9 in the proceedings shall be issued and sold as provided in this act.

10 SEC. 24. Section 15 of the Santa Clara Valley Water District  
11 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
12 2 of Chapter 632 of the Statutes of 1975, is amended to read:

13 Sec. 15. (a) The board shall, subject to this act, prescribe by  
14 resolution the form of the bonds, which shall include a designation  
15 of the zone or participating zones affected, and of the interest  
16 coupons attached thereto. The bonds shall be payable annually or  
17 semiannually at the discretion of the board each and every year  
18 on a day and date, and at a place to be fixed by the board, and  
19 designated in the bonds, together with the interest on all sums  
20 unpaid on that date until the whole of the indebtedness has been  
21 paid.

22 (b) The board may divide the principal amount of any issue into  
23 two or more series and fix different dates for the bonds of each  
24 series. The bonds of one series may be made payable at different  
25 times from those of any other series. The maturity of each series  
26 shall comply with this section. The board may fix a date, not more  
27 than two years from the date of issuance, for the earliest maturity  
28 of each issue or series of bonds. The final maturity date shall not  
29 exceed 40 years from the time of incurring the indebtedness  
30 evidenced by each issue or series. The board may provide for call  
31 and redemption of all or any part of any issue or series of bonds  
32 before maturity at prices determined by the board. A bond shall  
33 not be subject to call or redemption before maturity unless it  
34 contains a recital to that effect.

35 (c) The bonds shall be issued in denominations as the board  
36 may determine, except that bonds shall be issued in denominations  
37 of one thousand dollars (\$1,000) or more, and shall be payable on  
38 the days and at the place fixed in the bonds, and with interest at  
39 the rate specified in the bonds, which rate shall not be in excess  
40 of 8 percent per annum, and shall be made payable annually or

1 semiannually, and the bonds shall be numbered consecutively and  
2 shall be signed by the chair of the board, and countersigned by the  
3 auditor of the district, and the seal of the district shall be affixed  
4 thereto by the clerk of the board. Either or both signatures may be  
5 printed, engraved, or lithographed. The interest coupons of the  
6 bonds shall be numbered consecutively and signed by the auditor  
7 by a printed, engraved, or lithographed signature. If the officer  
8 whose signatures or countersignatures appear on the bonds or  
9 coupons ceases to be an officer before the delivery of the bonds  
10 to the purchaser, the bonds and coupons and signatures or  
11 countersignatures shall nevertheless be valid and sufficient for all  
12 purposes the same as if the officer had remained in office until the  
13 delivery of the bonds.

14 SEC. 25. Section 17 of the Santa Clara Valley Water District  
15 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
16 5 of Chapter 38 of the Statutes of 1962, is amended to read:

17 Sec. 17. Any bonds issued under this act and the interest  
18 thereon shall be paid by revenue derived from an annual tax or  
19 assessment, levied as provided in either paragraph (1) of, or ~~clause~~  
20 ~~(i) or (ii) of~~ subparagraph (A) *or* (B) of paragraph (2) of,  
21 subdivision (a) of Section 13. A zone or the property therein shall  
22 not be liable for the share of bonded indebtedness of any other  
23 zone. Any moneys derived from taxation or assessment in any of  
24 the several zones shall not be used in payment of principal or  
25 interest or otherwise of the share of bonded indebtedness  
26 chargeable to any other zone, except in the case of joint projects  
27 by participating zones.

28 SEC. 26. Section 21 of the Santa Clara Valley Water District  
29 Act (Chapter 1405 of the Statutes of 1951) is amended to read:

30 Sec. 21. (a) The bonds of the district issued for any zone or  
31 zones thereof pursuant to this act, shall be legal investments for  
32 all trust funds, and for the funds of all insurance companies, banks,  
33 both commercial and savings, and trust companies, and for the  
34 state school funds, and whenever any money or funds may by law  
35 now or hereafter enacted be invested in bonds of cities, cities and  
36 counties, counties, school districts, or municipalities in the State  
37 of California, those moneys or funds may be invested in the bonds  
38 of the district issued in accordance with this act, and whenever  
39 bonds of cities, cities and counties, counties, school districts, or  
40 municipalities, may by any law now or hereafter enacted be used



1 as security for the performance of any act, those bonds of the  
2 district may be so used.

3 (b) This section is intended to be and shall be considered the  
4 latest enactment with respect to the matters herein contained, and,  
5 if any law is in conflict with this section, this section shall prevail.

6 SEC. 27. Section 25.1 of the Santa Clara Valley Water District  
7 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
8 1 of Chapter 291 of the Statutes of 1974, is amended to read:

9 Sec. 25.1. In addition to proceedings authorized under Sections  
10 13, 14, 15, 16, 17, 18, and 24, whenever the board determines that  
11 it is in the public interest, it may borrow money to provide funds  
12 to pay the cost of any work or improvement in the district or in  
13 any zone or zones thereof by the issuance of revenue bonds  
14 pursuant to the Revenue Bond Law of 1941 (Chapter 6  
15 (commencing with Section 54300) of Part 1 of Division 2 of Title  
16 5 of the Government Code). If the work or improvement is  
17 determined by the board to be for a zone or zones comprising less  
18 than all the district, the election at which the proposition to issue  
19 such revenue bonds is submitted shall be held only in such zone  
20 or zones. Proceeds from the sale of any such revenue bonds shall  
21 be expended only in the zone or zones in which the proposition to  
22 issue such revenue bonds is approved. Except as specified in  
23 Section 25.2, in the case of any conflict between this act and the  
24 Revenue Bond Law of 1941, the Revenue Bond Law of 1941 shall  
25 control.

26 SEC. 28. Section 25.2 of the Santa Clara Valley Water District  
27 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
28 1 of Chapter 610 of the Statutes of 1983, is amended to read:

29 Sec. 25.2. (a) Notwithstanding any other provision of this act,  
30 the district may from time to time, subject to this section, issue  
31 bonds in accordance with the Revenue Bond Law of 1941 (Chapter  
32 6 (commencing with Section 54300) of Part 1 of Division 2 of  
33 Title 5 of the Government Code) for the purpose of financing the  
34 construction, reconstruction, replacement, acquisition, or  
35 improvement of any facility or facilities necessary or convenient  
36 for the storage, treatment, including reclamation, transmission, or  
37 distribution of water for beneficial use within the district and for  
38 the purpose of generation or transmission of electricity, except  
39 that this section shall not apply to the acquisition of any facility  
40 or facilities already employed in any such public utility use, except

1 where the acquisition of the facility or facilities is by mutual  
2 agreement between the district and the owner of the property.

3 (b) The provisions of Sections 54380 to 54387, inclusive, of  
4 the Government Code shall not apply to the issuance and sale of  
5 bonds pursuant to this section.

6 (c) The board shall not proceed under this section until it has  
7 submitted to the qualified voters of the district at a special election  
8 called by a resolution of the board a proposition as to whether the  
9 district may authorize and sell revenue bonds under this section.  
10 If a majority of the voters of the district voting on the proposition  
11 at the election vote in favor of the proposition, the board may  
12 proceed to issue and sell revenue bonds as provided by this section.  
13 If the proposition fails to carry at the election, the proposition shall  
14 not again be voted upon until at least six months have elapsed  
15 since the date of the last election at which the proposition was  
16 submitted.

17 (d) The resolution calling the election shall fix the date on which  
18 the election is to be held, the proposition to be submitted thereat,  
19 and the manner of holding the election and of voting for or against  
20 the proposition, and shall state that in all other particulars the  
21 election shall be held and the votes canvassed as provided by law  
22 for the holding of elections within the district. The election may  
23 be held separately or may be consolidated with any other election  
24 authorized by law at which the voters of the district may vote. The  
25 resolution calling the election shall be published and no other  
26 notice of the election need be given.

27 (e) (1) Section 54420 of the Government Code shall not apply  
28 to bonds issued by the district pursuant to this section.

29 (2) Bonds issued and sold pursuant to this section may be  
30 payable from the net revenues of the water system, constituting  
31 water revenues remaining after the payment of the operation and  
32 maintenance costs of the water system.

33 (3) For purposes of this subdivision, “revenues of the water  
34 system” includes moneys allocated to the district by the County  
35 of Santa Clara in accordance with Article XIII A of the California  
36 Constitution and Chapter 6 (commencing with Section 95) of Part  
37 0.5 of Division 1 of the Revenue and Taxation Code only to the  
38 extent that those moneys are allocated by the board for purposes  
39 of the water system.

1 SEC. 29. Section 25.6 of the Santa Clara Valley Water District  
2 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
3 2 of Chapter 164 of the Statutes of 1988, is amended to read:

4 Sec. 25.6. (a) Consistent with the California Constitution, the  
5 district may borrow money and incur indebtedness, not to exceed  
6 the amount specified in subdivision (d), as provided in this section  
7 by action of the board of directors and without the necessity of  
8 calling and holding an election in the district.

9 (b) Indebtedness may be incurred pursuant to this section for  
10 any purpose for which the district is authorized to expend funds.

11 (c) Indebtedness incurred under this section shall be evidenced  
12 by short-term notes payable at stated times fixed by the board. The  
13 maturity of short-term notes shall be not later than five years from  
14 the date of issuance. Short-term notes shall bear interest at a rate  
15 not exceeding 10 percent per annum payable annually or  
16 semiannually. Short-term notes shall be general obligations of the  
17 district payable from revenues, charges, taxes, and assessments  
18 levied for purposes of the district.

19 (d) Short-term notes shall not be issued pursuant to this section  
20 that are payable in any fiscal year in an amount that, when added  
21 to the interest thereon, exceeds 85 percent of the estimated amount  
22 of the revenues, charges, taxes, and assessments of or allocable to  
23 the district that will be available in that fiscal year for payment of  
24 short-term notes and the interest thereon.

25 SEC. 30. Section 26.1 of the Santa Clara Valley Water District  
26 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
27 230 of Chapter 1010 of the Statutes of 1994, is amended to read:

28 Sec. 26.1. As used in connection with the groundwater charge,  
29 the following definitions apply:

30 (a) "Person," "owner," or "operator" means public agencies,  
31 federal, state, and local, private corporations, firms, partnerships,  
32 limited liability companies, individuals or groups of individuals,  
33 whether legally organized or not. "Owner" or "operator" also  
34 means the person to whom a water-producing facility is assessed  
35 by the county assessor, or, if not separately assessed, the person  
36 who owns the land upon which a water-producing facility is  
37 located.

38 (b) "Groundwater" means nonsaline water beneath the natural  
39 surface of the ground, whether or not flowing through known and  
40 definite channels. "Nonsaline water" means water that has less

1 than 1,000 parts of chlorides to 1,000,000 parts of water, both  
2 quantities measured by weight.

3 (c) “Production” or “producing” means the extraction or  
4 extracting of groundwater, by pumping or any other method, from  
5 shafts, tunnels, wells including, but not limited to, abandoned oil  
6 wells, excavations or other sources of groundwater, for domestic,  
7 municipal, irrigation, industrial, or other beneficial use, except  
8 that the terms do not mean or include the extraction of groundwater  
9 produced in the construction or reconstruction of a well, or water  
10 incidentally produced with oil or gas in the production thereof,  
11 water incidentally produced in a bona fide mining or excavating  
12 operation, or water incidentally produced in the bona fide  
13 construction of a tunnel, unless the groundwater so extracted is  
14 used or sold by the producer for domestic, municipal, irrigation,  
15 industrial, or other beneficial purpose.

16 (d) “Water-producing facility” means any device or method,  
17 mechanical or otherwise, for the production of water from the  
18 groundwater supplies within the district or a zone thereof.

19 (e) “Water production statement” means the certified statement  
20 filed by the owner or operator of a water-producing facility with  
21 the district of the production of groundwater of the facility in a  
22 specified period.

23 (f) “Water year” means July 1 of one calendar year to June 30  
24 of the following calendar year.

25 (g) “Agricultural water” means water primarily used in the  
26 commercial production of agricultural crops or livestock.

27 SEC. 31. Section 26.3 of the Santa Clara Valley Water District  
28 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
29 10 of Chapter 38 of the Statutes of 1962, is amended to read:

30 Sec. 26.3. (a) Groundwater charges levied pursuant to this act  
31 are declared to be in furtherance of district activities in the  
32 protection and augmentation of the water supplies for users within  
33 a zone or zones of the district that are necessary for the public  
34 health, welfare, and safety of the people of this state. The  
35 groundwater charges are authorized to be levied upon the  
36 production of groundwater from all water-producing facilities,  
37 whether public or private, within the zone or zones of the district  
38 for the benefit of all who rely directly or indirectly on the  
39 groundwater supplies of the zone or zones and water imported into  
40 the zone or zones.

1 (b) The proceeds of groundwater charges levied and collected  
2 on the production of water from groundwater supplies within the  
3 zone or zones of the district are authorized and shall be used  
4 exclusively by the board for the following purposes:

5 (1) To pay the costs of constructing, maintaining, and operating  
6 facilities that will import water into the district that will benefit  
7 the zone or zones, including payments made under any contract  
8 between the district and the State of California, the United States  
9 of America, or any public, private, or municipal utility.

10 (2) To pay the costs of purchasing water for importation into  
11 the zone or zones, including payments made under contract to the  
12 State of California, the United States of America, or any public,  
13 private, or municipal utility.

14 (3) To pay the costs of constructing, maintaining, and operating  
15 facilities that will conserve or distribute water within the zone or  
16 zones, including facilities for groundwater recharge, surface  
17 distribution, and the purification and treatment of that water.

18 (4) To pay the principal or interest of any bonded indebtedness  
19 or other obligations incurred by the district on behalf of the zone  
20 or zones for any of the purposes set forth in paragraphs (1), (2),  
21 and (3).

22 (c) The district may apply to any one or more of the purposes  
23 set forth in paragraphs (1), (2), (3), and (4) of subdivision (b) any  
24 or all revenues received by the district from water sale contracts  
25 executed by the district pursuant to this act.

26 SEC. 32. Section 26.4 of the Santa Clara Valley Water District  
27 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
28 20 of Chapter 205 of the Statutes of 1967, is amended to read:

29 Sec. 26.4. (a) Within six months after the date of establishing  
30 any zone or zones, all water-producing facilities located within  
31 the boundaries of the zone or zones shall be registered with the  
32 district and, if required by the board, measured with a  
33 water-measuring device satisfactory to the district installed by the  
34 district or at the district’s option by the operator thereof. Any new  
35 water-producing facility, constructed or reestablished, or any  
36 abandoned water-producing facility that is reactivated, after that  
37 date, shall be registered with the district and, if required by the  
38 board, measured with a water-measuring device satisfactory to the  
39 district within 30 days after the completion, reestablishment, or  
40 reactivation thereof.

1 (b) Failure to register any water-producing facility, as required  
2 by this act, is a misdemeanor punishable by a fine of not to exceed  
3 five hundred dollars (\$500), or imprisonment in the county jail not  
4 to exceed six months, or by both the fine and imprisonment.

5 (c) In addition to other information that the district may  
6 determine is necessary and may require in the registration form  
7 provided, there shall also be given information as to the owner or  
8 owners of the land upon which each water-producing facility is  
9 located, a general description and location of each water-producing  
10 facility, the name and address of the person charged with the  
11 operation of each water-producing facility, and the name or names  
12 and addresses of all persons owning or claiming to own an interest  
13 in the water-producing facility.

14 SEC. 33. Section 26.6 of the Santa Clara Valley Water District  
15 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
16 31.4 of Chapter 1195 of the Statutes of 1993, is amended to read:

17 Sec. 26.6. On or before the first Tuesday in April of each year,  
18 the report shall be delivered to the clerk of the district board in  
19 writing. The clerk shall publish, pursuant to Section 6061 of the  
20 Government Code, a notice of the receipt of the report and of the  
21 public hearing to be held on or before the fourth Tuesday in April  
22 in a newspaper of general circulation printed and published within  
23 the district, at least 10 days before the date at which the public  
24 hearing regarding the report shall be held. The notice, among other  
25 information that the district may provide, shall contain an invitation  
26 to all operators of water-producing facilities within the district and  
27 to any person interested in the district's activities in the protection  
28 and augmentation of the water supplies of the district to call at the  
29 offices of the district to examine the report. There shall be held on  
30 or before the fourth Tuesday of April of each year, in the chambers  
31 of the board, a public hearing at which time any operator of a  
32 water-producing facility within the district, or any person interested  
33 in the district's activities in the protection and augmentation of the  
34 water supplies of the district, may in person, or by representative,  
35 appear and submit evidence concerning the subject of the written  
36 report.

37 SEC. 34. Section 26.7 of the Santa Clara Valley Water District  
38 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
39 10 of Chapter 279 of the Statutes of 2006, is amended to read:

1     Sec. 26.7. (a) (1) Before the end of the water year in which  
2 the hearing is held, and based upon the findings and determinations  
3 from the hearing, the board shall determine whether or not a  
4 groundwater charge should be levied in any zone or zones.

5     (2) If the board determines that a groundwater charge should  
6 be levied, it shall levy, assess, and affix the charge or charges  
7 against all persons operating groundwater-producing facilities  
8 within the zone or zones during the ensuing water year.

9     (3) (A) The charge shall be computed at a fixed and uniform  
10 rate or rates per acre-foot for agricultural water, and at a fixed and  
11 uniform rate or rates per acre-foot for all water other than  
12 agricultural water.

13     (B) Different rates may be established in different zones, except  
14 that in each zone the rate or rates for agricultural water shall be  
15 fixed and uniform.

16     (C) The rate or rates, as applied to operators who produce  
17 groundwater above a specified annual amount, may, except in the  
18 case of any person extracting groundwater in compliance with a  
19 government-ordered program of cleanup of hazardous waste  
20 contamination, be subject to prescribed, fixed, and uniform  
21 increases in proportion to increases by that operator in groundwater  
22 production over the production of that operator for a prior base  
23 period to be specified by the board, upon a finding by the board  
24 that conditions of drought and water shortage require the increases.  
25 The increases shall be related directly to the reduction in the  
26 affected zone groundwater levels in the same base period.

27     (D) The rates shall be established each year in accordance with  
28 a budget for that year approved by the board pursuant to this act,  
29 or amendments or adjustments to that budget, and shall be fixed  
30 and uniform rates for agricultural water and for all water other  
31 than agricultural water, respectively, except that each rate for  
32 agricultural water shall not exceed one-fourth of the rate for all  
33 water other than agricultural water.

34     (b) (1) The board may also impose or adjust any groundwater  
35 charge, and the rate of any charge, on or before January 1 of each  
36 water year whenever the board determines that the imposition or  
37 adjustment of the charge is necessary.

38     (2) The board shall prepare a supplemental report to the annual  
39 report prepared pursuant to Section 26.5, explaining the reasons  
40 for the imposition or adjustment of the charge. The board shall file

1 the supplemental report with the clerk of the board at least 45 days  
2 before the date the new or adjusted charge is proposed to take  
3 effect.

4 (3) (A) The clerk shall publish in a newspaper of general  
5 circulation published within the district, pursuant to Section 6061  
6 of the Government Code, a notice of the receipt of the supplemental  
7 report and a hearing to be held on the proposed imposition or  
8 adjustment of the groundwater charge at least 31 days before the  
9 date on which the new or adjusted charge is proposed to take effect  
10 and at least 10 days before the date of the hearing.

11 (B) The notice shall invite any operator of a water-producing  
12 facility within the district and other interested parties to examine  
13 the supplemental report prepared pursuant to paragraph (2) at the  
14 district office.

15 (4) (A) A public hearing shall be held in the chambers of the  
16 board at least 21 days before the date on which the new or adjusted  
17 groundwater charge is proposed to take effect.

18 (B) Any operator of a water-producing facility within the district  
19 may, in person or by means of a representative, present evidence  
20 at the hearing concerning the imposition or adjustment of the  
21 groundwater charge.

22 (c) Any groundwater charge levied pursuant to this section shall  
23 be in addition to any general tax or assessment levied within the  
24 district or any zone or zones thereof.

25 (d) Clerical errors occurring or appearing in the name of any  
26 person or in the description of the water-producing facility from  
27 which the production of water is otherwise properly charged, or  
28 in the making or extension of any charge upon the records that do  
29 not affect the substantial rights of the assessee or assessees, shall  
30 not invalidate the groundwater charge.

31 SEC. 35. Section 26.12 of the Santa Clara Valley Water District  
32 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
33 19 of Chapter 38 of the First Extraordinary Session of the Statutes  
34 of 1962, is amended to read:

35 Sec. 26.12. (a) The superior court of the county in which the  
36 district lies may issue a temporary restraining order upon the filing  
37 by the district with the court of a petition or complaint setting forth  
38 that the person named therein as defendant is the operator of a  
39 water-producing facility that has not been registered with the  
40 district, or that the defendant is delinquent in the payment of a



1 groundwater charge. The temporary restraining order shall be  
2 returnable to the court on or before 10 days after its issuance.

3 (b) The court may issue and grant an injunction restraining and  
4 prohibiting the named defendant from the operation of any  
5 water-producing facility when it is established at the hearing that  
6 the defendant has failed to register the water-producing facility  
7 with the district, or that the defendant is delinquent in payment of  
8 groundwater charges thereon. The court may provide that the  
9 injunction so made and issued shall be stayed for a period not to  
10 exceed 10 days to permit the defendant to register the  
11 water-producing facility or to pay the delinquent groundwater  
12 charge.

13 (c) Service of process is completed by posting a copy of the  
14 summons and complaint on the water-producing facility or the  
15 parcel of land on which it is located and by personal service upon  
16 the named defendant.

17 (d) The right to proceed for injunctive relief granted herein is  
18 an additional right to those that may be provided elsewhere in this  
19 act or otherwise allowed by law. The procedure provided in Chapter  
20 3 (commencing with Section 525) of Title 7 of Part 2 of the Code  
21 of Civil Procedure regarding injunctions shall be followed except  
22 as otherwise provided. The district shall not be required to provide  
23 an undertaking or bond as a condition to granting injunctive relief.

24 SEC. 36. Section 26.13 of the Santa Clara Valley Water District  
25 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
26 7 of Chapter 610 of the Statutes of 1983, is amended to read:

27 Sec. 26.13. (a) If the district has probable cause to believe that  
28 the production of water from any water-producing facility is in  
29 excess of that disclosed by the sworn statements covering the  
30 water-producing facility, or if no statements are filed covering any  
31 water-producing facility, the district may cause an investigation  
32 and report to be made concerning the production of water from  
33 the water-producing facility. The district may fix the amount of  
34 water production from the water-producing facility at an amount  
35 not to exceed the maximum production capacity of the  
36 water-producing facility, except, where a water-measuring device  
37 is permanently attached thereto, the record of production, as  
38 disclosed by such water-measuring device, shall be presumed to  
39 be accurate.

1 (b) After the determination has been made by the district, a  
2 written notice thereof shall be mailed to the person operating the  
3 water-producing facilities at the address shown by the district's  
4 records. The determination made by the district shall be conclusive  
5 on all persons having an interest in the water-producing facility,  
6 and the groundwater charge, interest, and penalties thereon, shall  
7 be paid forthwith, unless the person files with the board within 15  
8 days after the mailing of the notice, a written protest setting forth  
9 the ground or grounds for protesting the amount of production so  
10 fixed. Upon the filing of the protest, the board thereafter shall hold  
11 a hearing at which time the total amount of the water production  
12 and the groundwater charge thereon shall be determined, which  
13 shall be conclusive if based upon substantial evidence. If the water  
14 production statement was filed and the amount disclosed thereon  
15 was paid within the time required by this act, and the board finds  
16 that the failure to report the amount of water actually produced  
17 resulted from excusable or justifiable circumstances, the board  
18 may waive the charge of interest on the amount found to be due.  
19 A notice of the hearing shall be mailed to the protestant at least  
20 10 days before the date fixed for the hearing. Notice of the  
21 determination by the board shall be mailed to each protestant, who  
22 shall have 20 days from the date of mailing to pay the groundwater  
23 charge, interest, or penalties provided by this act.

24 (c) Notice as required in this section shall be given by deposit  
25 thereof in any postal facility regularly maintained by the  
26 government of the United States in a sealed envelope with postage  
27 paid, addressed to the person on whom it is served at the name and  
28 address disclosed by the records of the district. The service is  
29 complete at the time of deposit.

30 SEC. 37. Section 26.15 of the Santa Clara Valley Water District  
31 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
32 5 of Chapter 432 of the Statutes of 1963, is amended to read:

33 Sec. 26.15. (a) It shall be unlawful to produce water from any  
34 water-producing facility required to be registered pursuant to the  
35 terms of this act unless the water-producing facility has been  
36 registered with the district within the time required by this act and,  
37 if required by the board, has a water-measuring device affixed  
38 thereto capable of registering the accumulated amount of water  
39 produced therefrom.

1 (b) Violation of this section shall be punishable by a fine not to  
 2 exceed five hundred dollars (\$500), or imprisonment in the county  
 3 jail not to exceed six months, or by both the fine and imprisonment.  
 4 Each day of operation in violation hereof shall constitute a separate  
 5 offense.

6 SEC. 38. Section 26.17 of the Santa Clara Valley Water District  
 7 Act (Chapter 1405 of the Statutes of 1951), as added by Section  
 8 9 of Chapter 1466 of the Statutes of 1965, is amended to read:

9 Sec. 26.17. In implementing the enforcement of this act relating  
 10 to groundwater charges, the district may, in addition to the powers  
 11 enumerated elsewhere in this act, do any of the following:

12 (a) Install and maintain water-measuring devices, and other  
 13 devices that will aid in determining accurate water production, on  
 14 water-producing facilities not owned by the district.

15 (b) Affix seals to water-producing facilities that the owner or  
 16 operator thereof has declared to be abandoned, or are in fact  
 17 permanently abandoned.

18 (c) Enter on to any land for the purposes enumerated in this  
 19 section and for the purpose of making investigations relating to  
 20 water production.

21 SEC. 39. Section 28 of the Santa Clara Valley Water District  
 22 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
 23 26 of Chapter 205 of the Statutes of 1967, is amended to read:

24 28. There is hereby granted to the district the right-of-way for  
 25 the location, construction and maintenance of channels, ditches,  
 26 waterways, conduits, canals, storm dikes, embankments, and  
 27 protective works for flood risk reduction in, over and across public  
 28 lands of the State of California, not otherwise disposed of or in  
 29 use, not in any case exceeding in length or width that which is  
 30 necessary for the construction of such works and adjuncts or for  
 31 the protection thereof. Whenever any selection of a ~~right-of-way~~  
 32 *right-of-way* for such works or adjuncts thereto is made by the  
 33 district the board thereof must transmit to the State Lands  
 34 Commission, the Controller of the State and the recorder of the  
 35 county in which the selected lands are situated, a plat of the lands  
 36 so selected, giving the extent thereof and the uses for which the  
 37 same is claimed or desired, duly verified to be correct. If the State  
 38 Lands Commission shall approve the selections so made it shall  
 39 endorse its approval upon the plat and issue to the district a permit  
 40 to use such right-of-way and lands.

1 SEC. 40. Section 31 of the Santa Clara Valley Water District  
2 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
3 2 of Chapter 170 of the Statutes of 2001, is amended to read:

4 Sec. 31. (a) The legal title to all property, except shares of  
5 stock in mutual water companies or corporations, as provided in  
6 Section 17 of Article XVI of the California Constitution, acquired  
7 under this act shall immediately and by operation of law vest in  
8 the district, and shall be held by the district, in trust for, and is  
9 hereby dedicated and set apart to, the uses and purposes set forth  
10 in this act. The board may hold, use, acquire, manage, occupy, and  
11 possess the property, as herein provided. The board may determine,  
12 by resolution duly entered in their minutes, that any real property,  
13 or interest therein, held by the district is no longer necessary to be  
14 retained for the uses and purposes thereof, and may thereafter sell,  
15 lease, or otherwise dispose of the property pursuant to this section.

16 (b) Real property that, in the unanimous judgment of the board,  
17 has no access to a public road, or that consists of an easement for  
18 ingress and egress to property that, by the terms of the easement,  
19 will terminate when ingress and egress is supplied to the property  
20 by a public road, may be sold, leased, or conveyed by the board  
21 on terms prescribed by it.

22 (c) The board may reconvey real property to the former owner  
23 by whom the property was conveyed, or from whom the property  
24 was condemned by the district, or the owner's successor in interest  
25 for fair market value. Fair market value shall be determined by a  
26 qualified real estate appraiser. The district may reconvey real  
27 property to the former owner or the owner's successor in interest  
28 for less than fair market value if the district finds that a public  
29 purpose exists justifying that reconveyance for less than fair market  
30 value.

31 (d) The board may by a majority vote exchange real property  
32 of equal value with any person, firm, or corporation for the purpose  
33 of removing defects in the title to real property owned by the  
34 district or where the real property to be exchanged is not required  
35 for district use and the property to be acquired is required for  
36 district use.

37 (e) In all other cases, the board shall be governed in the sale,  
38 lease, or other disposition of real property by the requirements of  
39 law governing that action by counties, except that notice of the

1 board's intended action shall be as prescribed in Section 25363 of  
2 the Government Code.

3 (f) The board may by resolution prescribe a procedure for the  
4 leasing of real property owned by the district alternative to the  
5 requirements of law governing counties.

6 (g) The board may by a majority vote sell, lease, or otherwise  
7 transfer to the state, the County of Santa Clara, or to any city,  
8 school district, or other special district within the Santa Clara  
9 Valley Water District, or exchange with the public entities, any  
10 real or personal property or interest therein belonging to the district  
11 upon the terms and conditions that are agreed upon.

12 (h) The board shall establish regulations for the trade in, survey,  
13 sale, or other disposition of personal property held by the district  
14 and no longer necessary to be retained for the uses and purposes  
15 thereof, except that any sale of personal property having a sale  
16 value in excess of that value stated from time to time by Section  
17 1041.6 of Title 2 of the California Code of Regulations as a  
18 definition of "fixed assets," or any lower value as may be  
19 determined by the board, shall be made upon public bid preceded  
20 by notice of the board's intended action given as prescribed in  
21 Section 25363 of the Government Code.

22 SEC. 41. Section 33 of the Santa Clara Valley Water District  
23 Act (Chapter 1405 of the Statutes of 1951), as amended by Section  
24 3 of Chapter 251 of the Statutes of 2018, is amended to read:

25 Sec. 33. (a) Each person elected or appointed to the office of  
26 director shall, within 10 days after receiving a certificate of election  
27 or notice of appointment, qualify for the office by taking and  
28 subscribing to an official oath. The director shall file the official  
29 oath with the clerk of the board.

30 (b) Except as provided in subdivision (c), Chapter 2  
31 (commencing with Section 20200) of Division 10 of the Water  
32 Code governs compensation paid to a director.

33 (c) Notwithstanding Section 20202 of the Water Code or any  
34 other law, no ordinance adopted to provide compensation to a  
35 director shall authorize compensation for more than a total of 15  
36 days in any calendar month. If the district compensates its directors  
37 for more than 10 meetings in a calendar month, the board shall  
38 annually adopt a written policy describing, based on a finding  
39 supported by substantial evidence, why more than 10 meetings  
40 per month are necessary for the effective operation of the district.

1 (d) The determination of whether a director's activities on any  
2 specific day are compensable shall be made pursuant to Section  
3 53232.1 of the Government Code.

4 (e) Employees appointed by the board under this act, when  
5 required by the board of directors, shall execute bonds conditioned,  
6 executed, approved, filed, and recorded in the general manner and  
7 form provided by law for officers, other than supervisors, of the  
8 county, before entering upon the duties of their respective  
9 employments.

10 *SEC. 42. The Legislature finds and declares that a special*  
11 *statute is necessary and that a general statute cannot be made*  
12 *applicable within the meaning of Section 16 of Article IV of the*  
13 *California Constitution because of the unique need of the Santa*  
14 *Clara Valley Water District to provide water services and flood*  
15 *protection within the County of Santa Clara.*

AMENDED IN ASSEMBLY APRIL 18, 2023

AMENDED IN ASSEMBLY MARCH 16, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1469**

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**Introduced by Assembly Member Kalra**

February 17, 2023

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An act to amend Section 4 of, and to add Section 12.8 to, the Santa Clara Valley Water District Act (Chapter 1405 of the Statutes of 1951), relating to the Santa Clara Valley Water District.

LEGISLATIVE COUNSEL'S DIGEST

AB 1469, as amended, Kalra. Santa Clara Valley Water District.

The Santa Clara Valley Water District Act creates the Santa Clara Valley Water District, and authorizes the district to provide for the conservation and management of flood, storm, and recycled waters, and other waters, for beneficial uses and to enhance natural resources in connection with carrying out the purposes of the district.

This bill would additionally authorize the district to *take certain actions in order to* assist unsheltered people living along streams, in riparian corridors, or otherwise within the district's jurisdiction, in consultation with ~~cities, the County of Santa Clara, and the state, as appropriate,~~ *a city or the County of Santa Clara* to provide solutions or improve outcomes for the unsheltered individuals.

*This bill would make legislative findings and declarations as to the necessity of a special statute for County of Santa Clara.*

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

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

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) The number of unhoused people in the County of Santa Clara  
4 has increased by 36 percent in the last five years, rising from 7,394  
5 in 2017 to 10,028 in 2022, according to the Homeless  
6 Point-in-Time Count and Survey. In 2022, 77 percent of the  
7 unhoused population in the county were unsheltered, meaning they  
8 are living in vehicles, in abandoned buildings, on public lands, or  
9 on the street.

10 (b) Thousands of the unsheltered people in the County of Santa  
11 Clara live along creeks and streams, in the riparian corridors, where  
12 294 miles of creekside lands are owned by the Santa Clara Valley  
13 Water District, an independent special district responsible for  
14 regional water supply, flood risk reduction, and environmental  
15 stewardship of waterways in the county.

16 (c) Encampments of unsheltered people along waterways are  
17 both a human and an environmental tragedy, causing deaths and  
18 negative health outcomes for unsheltered individuals, increased  
19 community risks from fires, and flooding due to blocked drainages  
20 and the excavation of banks and levees, as well as the degradation  
21 of water quality from litter and human waste.

22 (d) Nutrient loading of streams from human waste facilitates  
23 algal blooms that degrade natural and constructed habitats for  
24 aquatic species, including federally threatened fish species such  
25 as steelhead trout.

26 (e) The safe operation of water supply and flood risk reduction  
27 infrastructure in the County of Santa Clara requires vehicle access  
28 along pathways favored by encampments and requires the rapid  
29 release of water from upstream reservoirs, not only during storms,  
30 but often weeks before storms arrive, which may unintentionally  
31 flood encampments, endangering unsheltered people.

32 (f) Construction of flood risk reduction and water supply  
33 infrastructure, as well as environmental restoration and  
34 enhancement, requires closing certain areas to the public to protect  
35 life, safety, and the environment.

36 (g) As an independent special district, the Santa Clara Valley  
37 Water District's actions to address the human and operational  
38 challenges posed by encampments and to reduce environmental



1 impacts are limited by the agency’s authorities granted by the Santa  
2 Clara Valley Water District Act, as well as by the California  
3 Constitution’s restrictions on the use of taxes and fees collected  
4 for water supply and flood protection for other purposes.

5 (h) The Santa Clara Valley Water District Board has long sought  
6 to increase resources that could be available to assist unsheltered  
7 people living along waterways and on other district properties to  
8 provide solutions, housing, or improved outcomes for the  
9 unsheltered individuals.

10 (i) In 2020, voters the in County of Santa Clara approved  
11 Measure S, a special tax that provides \$500,000 annually to the  
12 water district for cost-share agreements with local agencies for  
13 services related to cleanups of encampment litter and debris on  
14 waterways, in keeping with the district’s limited mission. Those  
15 funds are limited and eroded by inflation, and the growing needs  
16 far exceed both the purpose and amount of funding provided by  
17 the special tax.

18 (j) In the case of *Martin v. City of Boise*, 920 F.3d 584, 616  
19 (9th Cir. 2019), the United States Court of Appeals for the Ninth  
20 Circuit held that “as long as there is no option of sleeping indoors,  
21 the government cannot criminalize indigent, homeless people for  
22 sleeping outdoors, on public property, on the false premise they  
23 had a choice in the matter.” The United States Supreme Court  
24 declined to review the Ninth Circuit’s decision, leaving it in effect  
25 in the western states covered by the Ninth Circuit, including  
26 California. *Martin v. City of Boise* has been interpreted to mean  
27 a de facto requirement to offer shelter before unsheltered people  
28 may be relocated from public lands, and failure to do so may result  
29 in the issuance of a temporary restraining order.

30 (k) Considering the Santa Clara Valley Water District’s  
31 uncommon flood risk reduction responsibilities that are separate  
32 from county government, accounting for its location in one of the  
33 largest urban areas in the state, noting the large numbers of  
34 unsheltered people living on the public lands in riparian corridors,  
35 and citing evolving case law requiring the offer of shelter to  
36 relocate unsheltered people living on public land, there is a  
37 compelling need to expand the purposes of the Santa Clara Valley  
38 Water District to better assist unsheltered people, to fulfill the  
39 district’s existing mission of comprehensive water supply, flood  
40 risk reduction, and environmental stewardship of streams, by

1 providing solutions, housing, and improved outcomes for  
2 unsheltered people living on public lands and along waterways  
3 within the County of Santa Clara.

4 SEC. 2. Section 4 of the Santa Clara Valley Water District Act  
5 (Chapter 1405 of the Statutes of 1951), as amended by Section 1  
6 of Chapter 279 of the Statutes of 2006, is amended to read:

7 Sec. 4. (a) The purposes of this act are to authorize the district  
8 to provide comprehensive water management for all beneficial  
9 uses and flood protection risk within the County of Santa Clara.

10 (b) It is the intent of the Legislature that the district work  
11 collaboratively with other appropriate entities in the County of  
12 Santa Clara in carrying out the purposes of this act.

13 (c) The district may take action to do all of the following:

14 (1) Reduce the risks to the County of Santa Clara from  
15 floodwater and stormwater of the district, including tidal floodwater  
16 and the floodwater and stormwater of streams that have their  
17 sources outside the district, but flow into the district.

18 (2) Reduce the risks of floodwater or stormwater to the public  
19 highways, life, and property in the district, and the watercourses  
20 and watersheds of streams flowing within the district.

21 (3) Provide flood risk reduction and provide for the conservation  
22 and management of stormwater, recycled water, or other water  
23 from any sources within or outside the watersheds in which the  
24 district is located for beneficial and useful purposes, including  
25 spreading, storing, retaining, and causing the waters to percolate  
26 into the soil within the district.

27 (4) Protect, save, store, recycle, distribute, transfer, exchange,  
28 manage, and conserve in any manner any of the waters.

29 (5) Increase and prevent the waste or diminution of the water  
30 supply in the district.

31 (6) Obtain, retain, protect, and recycle drainage, stormwater,  
32 floodwater, or treated wastewater, or other water from any sources,  
33 within or outside the watersheds in which the district is located  
34 for any beneficial uses within the district.

35 (7) Enhance, protect, and restore streams, riparian corridors,  
36 and natural resources in connection with carrying out the purposes  
37 set forth in this section.

38 (8) Assist unsheltered people living along streams, in riparian  
39 corridors, or otherwise within the district’s jurisdiction, in  
40 consultation with ~~cities, the County of Santa Clara, and the state,~~

1 ~~as appropriate~~, a city or the County of Santa Clara to provide  
2 solutions or improve outcomes for the unsheltered individuals.

3 (9) Preserve open space in the County of Santa Clara and support  
4 the county park system in a manner that is consistent with carrying  
5 out the powers granted by this section.

6 *SEC. 3. Section 12.8 is added to The Santa Clara Valley Water  
7 District Act (Chapter 1405 of the Statutes of 1951), to read:*

8 *Sec. 12.8. The district is authorized to take the following actions  
9 to assist unsheltered people living along streams, in riparian  
10 corridors, or otherwise within the district's jurisdiction, pursuant  
11 to paragraph (8) of subdivision (c) of Section 4:*

12 *(a) Collect waste or biowaste.*

13 *(b) Contract with a city, the County of Santa Clara, or the state  
14 to provide outreach, counseling, transitional housing, public safety,  
15 or other services for unsheltered people.*

16 *(c) Provide, develop, sell, or lease land for the purposes of  
17 constructing temporary or permanent structures for transitional  
18 or long-term housing or other services for unsheltered people.*

19 *(d) (1) Contract with nongovernmental entities to provide  
20 outreach, counseling, or transitional housing for unsheltered  
21 people.*

22 *(2) Any contract between the district and a nongovernmental  
23 entity pursuant to paragraph (1) shall be in coordination with a  
24 city or the County of Santa Clara.*

25 *(3) Any housing developed pursuant to this authority shall be  
26 consistent with Housing First core components as defined in  
27 Section 8255 of the Welfare and Intuitions Code.*

28 *SEC. 4. The Legislature finds and declares that a special statute  
29 is necessary and that a general statute cannot be made applicable  
30 within the meaning of Section 16 of Article IV of the California  
31 Constitution because of the unique need of the Santa Clara Valley  
32 Water District to address the needs of the unhoused population  
33 within the district's jurisdiction in order to fulfill the district's  
34 mission of comprehensive water supply, flood risk reduction, and  
35 environmental stewardship of streams.*

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AMENDED IN ASSEMBLY MARCH 13, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1594**

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**Introduced by Assembly Member Garcia**

February 17, 2023

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~~An act to amend Section 165 of the Vehicle Code, relating to vehicles.~~  
*An act to add the heading of Division 12.5 (commencing with Section 28500 to, and to add Chapter 1 (commencing with Section 28500) to Division 12.5 of, the Vehicle Code, relating to vehicles.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1594, as amended, Garcia. ~~Authorized emergency vehicles.~~  
*Medium- and heavy-duty zero-emission vehicles: public agency utilities.*

*Executive Order No. N-79-20 establishes the goal of transitioning medium- and heavy-duty vehicles in California to zero-emission vehicles by 2045 for all operations where feasible and by 2035 for drayage trucks, and requires the State Air Resources Board to develop and propose medium- and heavy-duty vehicle regulations to meet that goal.*

*Existing law establishes the Air Quality Improvement Program that is administered by the board for purposes of funding projects related to, among other things, the reduction of criteria air pollutants and improvement of air quality, and establishes the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the Air Quality Improvement Program to make financing tools and nonfinancial supports available to operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles.*

*This bill would require any state regulation that seeks to require, or otherwise compel, the procurement of medium- and heavy-duty*

zero-emission vehicles by a public agency utility to ensure that those vehicles can support a public agency utility’s ability to maintain reliable water and electric services, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide, among other requirements. The bill would define a public agency utility to include a local publicly owned electric utility, a community water system, and a wastewater treatment provider, as specified.

Existing law generally regulates authorized emergency vehicles, and exempts the driver of an authorized emergency vehicle from various provisions of the rules of the road, as contained in the Vehicle Code, if, among other things, the vehicle is being driven in response to an emergency call, the driver of the vehicle sounds a siren, and the vehicle displays a lighted red lamp visible from the front as a warning to other drivers and pedestrians. Existing law defines “authorized emergency vehicle” to include, among others, any vehicle owned by the state, or any bridge and highway district, and equipped and used either for fighting fires, or towing or servicing other vehicles, caring for injured persons, or repairing damaged lighting or electrical equipment.

This bill would instead define authorized emergency vehicle to include any vehicle owned by the state, or any bridge and highway district, and equipped and used for, among other things, repairing damaged lighting or electrical infrastructure.

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

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

1 SECTION 1. The heading of Division 12.5 (commencing with  
2 Section 28500) is added to the Vehicle Code, to read:

3

4 DIVISION 12.5. ZERO-EMISSION VEHICLES

5

6 SEC. 2. Chapter 1 (commencing with Section 28500) is added  
7 to Division 12.5 of the Vehicle Code, to read:

8

9 CHAPTER 1. PUBLIC AGENCY UTILITY MEDIUM- AND  
10 HEAVY-DUTY VEHICLES

11

12 28500. (a) “Public agency utility” means a local publicly  
13 owned electric utility, as defined in Section 224.3 of the Public

1 *Utilities Code, a community water system, as defined in Section*  
2 *116275 of the Health and Safety Code, and a wastewater treatment*  
3 *provider, as defined in Section 116773.2 of the Health and Safety*  
4 *Code.*

5 *(b) Any state regulation that seeks to require, or otherwise*  
6 *compel, the procurement of medium- and heavy-duty zero-emission*  
7 *vehicles shall ensure that those vehicles can support a public*  
8 *agency utility's ability to maintain reliable water and electric*  
9 *service, respond to disasters in an emergency capacity, and provide*  
10 *mutual aid assistance statewide and nationwide, and shall do both*  
11 *of the following:*

12 *(1) Recognize the diversity of fleet size, terrain, and climate,*  
13 *and authorize public agency utilities to purchase replacements for*  
14 *traditional utility specialized vehicles that are at the end of life*  
15 *when needed to maintain reliable service and respond to major*  
16 *foreseeable events, including, but not limited to, severe weather,*  
17 *wildfires, natural disasters, and physical attacks.*

18 *(2) In coordination with public agency utilities, include a list*  
19 *of vehicle vendors and suppliers that meet zero-emission vehicle*  
20 *standards and the public agency utilities' technical and*  
21 *performance requirements.*

22 ~~SECTION 1. Section 165 of the Vehicle Code is amended to~~  
23 ~~read:~~

24 ~~165. An authorized emergency vehicle is:~~

25 ~~(a) Any publicly owned and operated ambulance, lifeguard, or~~  
26 ~~lifesaving equipment or any privately owned or operated ambulance~~  
27 ~~licensed by the Commissioner of the California Highway Patrol~~  
28 ~~to operate in response to emergency calls.~~

29 ~~(b) Any publicly owned vehicle operated by the following~~  
30 ~~persons, agencies, or organizations:~~

31 ~~(1) Any federal, state, or local agency, department, or district~~  
32 ~~employing peace officers as that term is defined in Chapter 4.5~~  
33 ~~(commencing with Section 830) of Title 3 of Part 2 of the Penal~~  
34 ~~Code, for use by those officers in the performance of their duties.~~

35 ~~(2) Any forestry or fire department of any public agency or fire~~  
36 ~~department organized as provided in the Health and Safety Code.~~

37 ~~(c) Any vehicle owned by the state, or any bridge and highway~~  
38 ~~district, and equipped and used either for fighting fires, or towing~~  
39 ~~or servicing other vehicles, caring for injured persons, or repairing~~  
40 ~~damaged lighting or electrical infrastructure.~~

1 ~~(d) Any state-owned vehicle used in responding to emergency~~  
2 ~~fire, rescue, or communications calls and operated either by the~~  
3 ~~Office of Emergency Services or by any public agency or industrial~~  
4 ~~fire department to which the Office of Emergency Services has~~  
5 ~~assigned the vehicle.~~

6 ~~(e) (1) Any vehicle owned or operated by a federally recognized~~  
7 ~~Indian tribe used in responding to emergency, fire, ambulance, or~~  
8 ~~lifesaving calls. For the purposes of this section and the provisions~~  
9 ~~of Sections 2501 and 2510, a vehicle used in responding to~~  
10 ~~emergency, fire, ambulance, or lifesaving calls owned or operated~~  
11 ~~by a federally recognized Indian tribe is considered an authorized~~  
12 ~~emergency vehicle.~~

13 ~~(2) Any vehicle owned or operated by any department or agency~~  
14 ~~of the United States government when the vehicle is used in~~  
15 ~~responding to emergency fire, ambulance, or lifesaving calls or is~~  
16 ~~actively engaged in law enforcement work.~~

17 ~~(f) Any vehicle for which an authorized emergency vehicle~~  
18 ~~permit has been issued by the Commissioner of the California~~  
19 ~~Highway Patrol.~~

AMENDED IN ASSEMBLY MARCH 20, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 345**

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**Introduced by Assembly Member Wilson**  
*(Coauthors: Assembly Members Mathis and Pellerin)*  
*(Coauthor: Senator Dodd)*

January 31, 2023

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An act to add ~~Section 133.5 to~~ *Chapter 10 (commencing with Section 550) to Division 1 of the Water Code*, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 345, as amended, Wilson. Habitat restoration: flood control: advance payments.

Existing law authorizes the Department of Water Resources to make examinations of lands subject to inundation and overflow by floodwaters and of the waters causing the inundation or overflow and to make plans and estimates of the cost of works to regulate and control the floodwaters. Existing law also vests in the department charge of all expenditures unless otherwise provided by law for all public works relating to general river and harbor improvements, including reclamation and drainage of lands. Existing law authorizes the department to cooperate and contract with any agency of the state or of the United States in order to carry out its powers and purposes.

*Existing law establishes the Central Valley Flood Protection Board and authorizes the board to engage in various flood control activities along the Sacramento River, the San Joaquin River, their tributaries, and related areas.*

This bill would authorize the department *or the board* to provide advance payments, as defined, to local agencies for projects that restore



habitat for threatened and endangered species under state or federal law or improve flood protection, as provided. The bill would prohibit the amount of funds advanced by the department *or the board* to the local agency at any one time from exceeding 25% of the entire amount authorized to be provided under the funding ~~agreement between the department and the local agency~~. *agreement. The bill would require the funds to be spent within 6 months and would require the recipient to provide an accountability report to the department or the board on a quarterly basis, as specified.*

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

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

1     *SECTION 1. Chapter 10 (commencing with Section 550) is*  
 2     *added to Division 1 of the Water Code, to read:*

3  
 4             *CHAPTER 10. ADVANCED PAYMENTS FOR HABITAT*  
 5             *RESTORATION AND FLOOD PROTECTION PROJECTS*

6  
 7     550. (a) *The department and the board have discretion to*  
 8     *provide advance payments to local agencies for projects that have*  
 9     *at least one of the following project purposes: restoring habitat*  
 10    *for threatened and endangered species under state or federal law*  
 11    *or improving flood protection. For a project for which an advanced*  
 12    *payment is made pursuant to this section, the amount of funds*  
 13    *advanced by the department or the board to the local agency at*  
 14    *any one time shall not exceed 25 percent of the entire amount*  
 15    *authorized to be provided under the funding agreement with the*  
 16    *local agency.*

17    (b) *A local agency may deposit funds advanced pursuant to this*  
 18    *section in its treasury. Any interest earned on advanced funds shall*  
 19    *be applied to the project for which funds were advanced.*

20    (c) *Funds advanced pursuant to this section shall be handled*  
 21    *as follows:*

22    (1) *The funds shall be spent within six months of the date of*  
 23    *receipt, unless the department or the board waives this*  
 24    *requirement.*

25    (2) *The recipient shall, on a quarterly basis, provide an*  
 26    *accountability report to the department or the board regarding*

1 *the expenditure and use of any advanced grant funds that provides,*  
2 *at a minimum, the following information:*

3 *(A) An itemization as to how advanced payment funds provided*  
4 *pursuant to this section have been expended.*

5 *(B) A project itemization as to how any remaining advanced*  
6 *payment funds pursuant to this section will be expended over the*  
7 *period specified in paragraph (1).*

8 *(C) Whether the funds are placed in a noninterest-bearing*  
9 *account and, if so, the date that occurred and the dates of*  
10 *withdrawals of funds from that account, if applicable.*

11 *(D) An evaluation of whether the project is on schedule. If the*  
12 *project is behind schedule, the report shall identify what has caused*  
13 *the delay and actions taken or that will be taken to remedy the*  
14 *delay.*

15 *(3) If the funds are not expended, the unused portion of the grant*  
16 *shall be returned to the department or the board within 60 days*  
17 *after project completion or the end of the grant performance*  
18 *period, whichever is earlier.*

19 *(4) The department or the board may adopt additional*  
20 *requirements for the recipient regarding the use of the advanced*  
21 *payment to ensure that the funds are used properly.*

22 *(d) In light of the state's interest in projects to restore habitat*  
23 *for threatened and endangered species or improve flood protection,*  
24 *the department or the board may reduce or eliminate any retention*  
25 *that would otherwise be withheld under a funding agreement for*  
26 *which funds are advanced under this section.*

27 *(e) For purposes of this section, the following terms have the*  
28 *following meanings:*

29 *(1) "Advance payments" means funds that are provided to a*  
30 *local agency before the local agency has incurred expenses in*  
31 *furtherance of a project described in subdivision (a) and that are*  
32 *provided by the department or the board to allow the local agency*  
33 *to fund the project on a cashflow basis.*

34 *(2) "Board" means the Central Valley Flood Protection Board.*

35 *(3) "Department" means the Department of Water Resources.*

36 ~~SECTION 1. Section 133.5 is added to the Water Code, to~~  
37 ~~read:~~

38 ~~133.5. (a) The department has discretion to provide advance~~  
39 ~~payments to local agencies for projects that have at least one of~~  
40 ~~the following project purposes: restoring habitat for threatened~~

1 ~~and endangered species under state or federal law or improving~~  
 2 ~~flood protection. The amount of funds advanced by the department~~  
 3 ~~to the local agency at any one time shall not exceed 25 percent of~~  
 4 ~~the entire amount authorized to be provided under the funding~~  
 5 ~~agreement between the department and the local agency. In light~~  
 6 ~~of the state’s interest in these projects, the department may reduce~~  
 7 ~~or eliminate any retention that would otherwise be withheld under~~  
 8 ~~the funding agreement.~~

9 ~~(b) For purposes of this section, “advance payments” are funds~~  
 10 ~~that are provided to a local agency before the local agency has~~  
 11 ~~incurred expenses in furtherance of a project described in~~  
 12 ~~subdivision (a) and that are provided by the department to allow~~  
 13 ~~the local agency to fund the project on a cashflow basis.~~

14  
 15 \_\_\_\_\_  
 16 **REVISIONS:**  
 17 **Heading—Line 2.**  
 18 \_\_\_\_\_

AMENDED IN SENATE APRIL 24, 2023

**SENATE BILL**

**No. 493**

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**Introduced by Senator Min**

February 14, 2023

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An act to ~~add and repeal Section 25229.1~~ *amend Section 43871 of the Health and Safety Code, and to amend Section 25229 of the Public Resources Code, relating to air pollution.*

LEGISLATIVE COUNSEL'S DIGEST

SB 493, as amended, Min. Air pollution: alternative vehicles and electric and hydrogen infrastructure.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to undertake various actions in furtherance of meeting the state's clean energy and pollution reduction objectives, including actions related to electric vehicles. *Existing law requires the Energy Commission, in consultation with the State Air Resources Board and the Public Utilities Commission (PUC), to prepare a statewide assessment of fuel cell electric vehicle fueling infrastructure and fuel production needed to support the adoption of zero-emission trucks, buses, and off-road vehicles at levels necessary for the state to meet the goals and requirements of Executive Order No. N-79-20 and any state board regulatory action that requires or allows zero-emission vehicles in the heavy-duty vehicle and off-road sectors.* Existing law ~~also requires the Energy Commission, working with the State Air Resources Board and the Public Utilities Commission (PUC), state board and the PUC,~~ to prepare a statewide assessment of the electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption required for the state to meet its goals of putting at least 5,000,000 zero-emission vehicles on California roads by 2030,

and of reducing emissions of greenhouse gases to 40% below 1990 levels by 2030. ~~Executive Order No. N-79-20 establishes a goal that 100% of in-state sales of new passenger cars and trucks be zero-emission by 2035.~~

~~This bill would require the Energy Commission, in consultation with the state board and the PUC, to conduct an assessment, as specified, of the electric and hydrogen infrastructure needed to meet the deadlines in Executive Order No. N-79-20 for the transition of medium- and heavy-duty vehicles to zero-emission vehicles. The bill would require the Energy Commission, on or before December 31, 2024, to post the assessment on its internet website and submit the assessment to the Legislature. *the assessment of the fuel cell electric vehicle fueling infrastructure and fuel production to additionally include an assessment of storage and transport facilities, and the assessment of the electric vehicle charging infrastructure to additionally include electric system infrastructure and electric generation. The bill would expand the scope of the latter assessment to include the electric vehicle charging infrastructure, electric system infrastructure, and electric generation needed for the state to meet the goals of Executive Order No. N-79-20 and any state board regulatory action that requires or allows zero-emission vehicles in the heavy-duty vehicle and off-road sectors. The bill would require both assessments to identify any barriers to the deployment of hydrogen infrastructure and any barriers to the deployment of electric infrastructure, respectively, for medium- and heavy-duty fleets and recommendations for addressing those barriers.* The bill would require the state board to incorporate the findings of the ~~assessment~~ *assessments* into a strategic plan to meet the deadlines in Executive Order No. N-79-20 for the transition of medium- and heavy-duty fleets to zero-emission vehicles. The bill would require the state board to post the strategic plan on its internet website and submit the plan to the Legislature on or before December 31, ~~2025~~. 2026.~~

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

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

- 1 *SECTION 1. Section 43871 of the Health and Safety Code is*
- 2 *amended to read:*
- 3 43871. (a) The State Energy Resources Conservation and
- 4 Development Commission, in consultation with the state board

1 and the Public Utilities Commission, shall prepare a statewide  
2 assessment of the fuel cell electric vehicle fueling ~~infrastructure~~  
3 ~~and fuel production~~ *infrastructure, fuel production, storage, and*  
4 *transport facilities* needed to support the adoption of zero-emission  
5 trucks, buses, and off-road vehicles at levels necessary for the state  
6 to meet the goals and requirements of Executive Order No. N-79-20  
7 and any state board regulatory action that requires or allows  
8 zero-emission vehicles in the heavy-duty vehicle and off-road  
9 sectors. The assessment shall complement and not duplicate the  
10 Joint Agency Staff Report on Assembly Bill 8: Annual Assessment  
11 of Time and Cost Needed to Attain 100 Hydrogen Refueling  
12 Stations in California.

13 (b) The statewide assessment shall consider all necessary fuel  
14 production and distribution infrastructure, including, but not limited  
15 to, dispensing equipment, distribution equipment, production  
16 equipment, storage equipment, *storage and transport facilities,*  
17 and supporting hardware and software, all heavy-duty and off-road  
18 vehicle categories, road, highway, and off-road electrification, port  
19 and airport electrification, and other programs to accelerate the  
20 adoption of fuel cell electric vehicles to meet the goals and  
21 requirements described in subdivision (a). The statewide  
22 assessment shall examine existing and future fuel production and  
23 distribution infrastructure needs throughout the state, including in  
24 low-income communities. The statewide assessment shall also list  
25 synergies and estimate the potential for hydrogen to contribute to  
26 emissions reductions across sectors, including, but not limited to,  
27 the truck, bus, off-road vehicle, locomotive, maritime, and aviation  
28 sectors. The statewide assessment shall take into consideration the  
29 process for creating hydrogen and include an evaluation of the  
30 ability of hydrogen to enable a more renewable grid, provide grid  
31 services, decarbonize hard-to-electrify industries and remote  
32 locations, contribute to microgrids, and improve energy resilience.  
33 *The statewide assessment shall also identify any barriers to the*  
34 *deployment of hydrogen infrastructure for medium- and heavy-duty*  
35 *fleets and recommendations for addressing those barriers.*

36 (c) The State Energy Resources Conservation and Development  
37 Commission shall regularly seek data and input relating to fuel  
38 cell electric vehicle fuel production and fueling infrastructure from  
39 the state board, the Public Utilities Commission, the Department  
40 of Food and Agriculture, the Governor’s Office of Business and

1 Economic Development, and interested stakeholders, including,  
2 but not limited to, electrical corporations, gas corporations, local  
3 publicly owned electric utilities, state and local transportation and  
4 transit agencies, fueling infrastructure developers, fuel producers,  
5 environmental groups, fuel cell manufacturers, and hydrogen fuel  
6 cell vehicle manufacturers.

7 (d) The State Energy Resources Conservation and Development  
8 Commission shall complete the statewide assessment by December  
9 31, 2023, and shall post the statewide assessment on its internet  
10 website. The commission shall update the statewide assessment  
11 at least once every three years and shall post the updated statewide  
12 assessment on its internet website.

13 (e) The statewide assessment prepared pursuant to this section  
14 does not constitute a directive instituting a mandate on state  
15 funding.

16 (f) This section does not limit the ability of the State Energy  
17 Resources Conservation and Development Commission to award  
18 funds related to any of the following on a competitive basis:

19 (1) Alternative and renewable fuel development, production,  
20 demonstration, and deployment projects.

21 (2) Alternative and renewable fuel infrastructure projects,  
22 including, but not limited to, fueling stations and equipment.

23 (3) Projects to develop and improve light-, medium-, and  
24 heavy-duty vehicle technologies, including zero-emission and  
25 near-zero emission vehicles and vehicle technologies.

26 (g) (1) *The state board shall incorporate the findings of the*  
27 *assessment prepared pursuant to this section and the findings of*  
28 *the assessment prepared pursuant to Section 25229 of the Public*  
29 *Resources Code into a strategic plan to meet the deadlines in*  
30 *Executive Order No. N-79-20 for the transition of medium- and*  
31 *heavy-duty fleets to zero-emissions vehicles.*

32 (2) *On or before December 31, 2026, the state board shall post*  
33 *the strategic plan described in paragraph (1) on its internet website*  
34 *and submit the plan to the Legislature in compliance with Section*  
35 *9795 of the Government Code.*

36 ~~(g)~~

37 (h) This section shall remain in effect only until January 1, 2030,  
38 and as of that date is repealed.

39 SEC. 2. *Section 25229 of the Public Resources Code is*  
40 *amended to read:*

1 25229. (a) The commission, working with the State Air  
2 Resources Board and the Public Utilities Commission, shall prepare  
3 a statewide assessment of the electric vehicle charging  
4 ~~infrastructure~~ *infrastructure, electric system infrastructure, and*  
5 *electric generation* needed to support the levels of electric vehicle  
6 adoption required for the state to meet its goals of putting at least  
7 five million zero-emission vehicles on California roads by 2030,  
8 and of reducing emissions of greenhouse gases to 40 percent below  
9 1990 levels by ~~2030~~. *2030, and for the state to meet the goals and*  
10 *requirements of Executive Order No. N-79-20 and any state board*  
11 *regulatory action that requires or allows zero-emission vehicles*  
12 *in the heavy-duty vehicle and off-road sectors.*

13 (b) The assessment shall expand on the commission’s electric  
14 vehicle infrastructure projections to consider all necessary charging  
15 infrastructure, including, but not limited to, the chargers,  
16 make-ready electrical equipment, and supporting hardware and  
17 software, all vehicle categories, road, highway, and offroad  
18 electrification, port and airport electrification, and other programs  
19 to accelerate the adoption of electric vehicles to meet the goals  
20 described in subdivision (a). The assessment shall examine existing  
21 and future infrastructure needs throughout California, including  
22 in low-income communities. *The statewide assessment shall also*  
23 *identify any barriers to the deployment of electric infrastructure*  
24 *for medium- and heavy-duty fleets and recommendations for*  
25 *addressing those barriers.*

26 (c) As a part of the assessment, the commission, in consultation  
27 with stakeholders, shall identify workforce development and  
28 training resources needed to meet the goals described in subdivision  
29 (a). These resources shall include, but are not limited to, qualified  
30 apprenticeships, on-the-job training programs, and other training  
31 opportunities that build career pipelines in the zero-emission  
32 transportation sector and provide long-term employment in  
33 disadvantaged communities.

34 (d) The commission shall regularly seek data and input relating  
35 to electric vehicle charging infrastructure from stakeholders,  
36 including, but not limited to, the Public Utilities Commission, the  
37 State Air Resources Board, electrical corporations, local publicly  
38 owned electric utilities, state and local transportation and transit  
39 agencies, charging infrastructure companies, environmental groups,  
40 and automobile manufacturers.



1 (e) (1) The state board shall incorporate the findings of the  
 2 assessment prepared pursuant to this section and the findings of  
 3 the assessment prepared pursuant to Section 43871 of the Health  
 4 and Safety Code into a strategic plan to meet the deadlines in  
 5 Executive Order No. N-79-20 for the transition of medium- and  
 6 heavy-duty fleets to zero-emissions vehicles.

7 (2) On or before December 31, 2026, the state board shall post  
 8 the strategic plan described in paragraph (1) on its internet website  
 9 and submit the plan to the Legislature in compliance with Section  
 10 9795 of the Government Code.

11 (e)  
 12 (f) The commission shall update the assessment at least once  
 13 every two years.

14 SECTION 1. Section 25229.1 is added to the Public Resources  
 15 Code, to read:

16 ~~25229.1. (a) (1) The commission, in consultation with the~~  
 17 ~~state board and the Public Utilities Commission, shall conduct an~~  
 18 ~~assessment of the electric and hydrogen infrastructure needed to~~  
 19 ~~meet the deadlines in Executive Order No. N-79-20 for the~~  
 20 ~~transition of medium- and heavy-duty vehicles to zero-emission~~  
 21 ~~vehicles. This assessment shall include, but is not limited to,~~  
 22 ~~analyses of each of the following:~~

23 ~~(A) The hydrogen production, storage, and transport facilities~~  
 24 ~~needed to support medium- and heavy-duty fleet transitions to~~  
 25 ~~zero-emission hydrogen vehicles.~~

26 ~~(B) The electric vehicle infrastructure, electric system~~  
 27 ~~infrastructure, and electric generation needed to support medium-~~  
 28 ~~and heavy-duty fleet transitions to zero-emission battery electric~~  
 29 ~~vehicles.~~

30 ~~(C) Barriers to the deployment of electric and hydrogen~~  
 31 ~~infrastructure for medium- and heavy-duty fleets and~~  
 32 ~~recommendations for addressing these barriers.~~

33 ~~(2) On or before December 31, 2024, the commission shall post~~  
 34 ~~the assessment described in paragraph (1) on its internet website~~  
 35 ~~and submit the assessment to the Legislature in compliance with~~  
 36 ~~Section 9795 of the Government Code.~~

37 ~~(b) (1) The state board shall incorporate the findings of the~~  
 38 ~~assessment prepared pursuant to subdivision (a) into a strategic~~  
 39 ~~plan to meet the deadlines in Executive Order No. N-79-20 for the~~

1 ~~transition of medium- and heavy-duty fleets to zero-emission~~  
2 ~~vehicles.~~

3 ~~(2) On or before December 31, 2025, the state board shall post~~  
4 ~~the strategic plan described in paragraph (1) on its internet website~~  
5 ~~and submit the plan to the Legislature in compliance with Section~~  
6 ~~9795 of the Government Code.~~

7 ~~(e) This section shall remain in effect only until January 1, 2026,~~  
8 ~~and as of that date is repealed.~~

AMENDED IN SENATE MARCH 20, 2023

**SENATE BILL**

**No. 550**

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**Introduced by Senator Grove**

**(Coauthor: Senator Niello)**

*(Coauthors: Assembly Members Alanis, Dixon, Vince Fong, and Mathis)*

February 15, 2023

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An act to add Section 482.5 to the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 550, as amended, Grove. Water markets.

Existing law finds and declares that voluntary water transfers between water users can result in a more efficient use of water, benefiting both the buyer and the seller. Existing law requires the Department of Water Resources to implement the various state laws that pertain to water transfers and to prepare a water transfer guide that includes, among other things, a review of existing and appropriate state and federal laws that pertain to water transfers, water markets, or water rights.

This bill would require, on or before January 1, 2025, the Legislative Analyst, in collaboration with the Department of Water Resources, the State Water Resources Control Board, and other state agencies, as described, to prepare and submit to the Legislature a report analyzing the water market, including background information regarding the sale of water and water rights, trends in the water market, barriers to entering the water market or effectively trading in the market, and proposals for improving the regulatory framework to make the water market more market friendly and to encourage growth.

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

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

1 SECTION 1. Section 482.5 is added to the Water Code, to  
2 read:

3 482.5. (a) On or before January 1, 2025, the Legislative  
4 Analyst shall prepare and submit to the Legislature, pursuant to  
5 Section 9795 of the Government Code, a report analyzing the water  
6 market. The report shall include, but not be limited to, all of the  
7 ~~following~~ *following information*:

8 (1) Background information regarding the sale of water and  
9 water rights.

10 (2) Trends in the water market.

11 (3) Barriers to entering the water market or effectively trading  
12 in the market.

13 (4) Proposals for improving the regulatory framework to make  
14 the water market more market friendly and to encourage growth.

15 (b) The Legislative Analyst shall collaborate with the  
16 Department of Water Resources, the State Water Resources Control  
17 Board, and other state agencies that have jurisdiction over any  
18 aspect of the water market for purposes of preparing the report  
19 described in subdivision (a).

AMENDED IN SENATE APRIL 12, 2023

AMENDED IN SENATE MARCH 20, 2023

**SENATE BILL**

**No. 659**

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**Introduced by Senator Ashby**

February 16, 2023

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An act to add Part 2.77 (commencing with Section 10785) to Division 6 of amend Sections 10004 and 10005.1 of, and to add Section 10004.7 to, the Water Code, relating to groundwater.

LEGISLATIVE COUNSEL'S DIGEST

SB 659, as amended, Ashby. California Water Supply Solutions Act of 2023.

Existing 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. *Existing law requires the department to establish an advisory committee, composed of representatives of agricultural and urban water suppliers, local government, business, production agriculture, and environmental interests, and other interested parties, to assist the department in the updating of the California Water Plan.* Existing 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. *Existing law requires the department, or at the department's request, the California Water Commission, to conduct a series of hearings with interested persons, organizations, local, state, and federal*

agencies, and representatives of the diverse geographical areas and interests of the state.

This bill would establish the California Water Supply Solutions Act of 2023 to, among other things, ~~achieve an increase of 10,000,000 acre-feet of annual groundwater recharge by December 31, 2035, in order to increase the state's groundwater supply. The bill would require, on or before January 1, 2025, the department, in consultation with the water boards, as defined, to prepare and approve a groundwater recharge action plan to be included in the next update to the California Water Plan.~~ *require the department to develop a groundwater recharge action plan by January 1, 2026, that provides actionable recommendations that result in the ability to create an additional groundwater recharge capacity of 10,000,000 acre-feet by December 31, 2035. The bill would require the department to consult with the State Water Resources Control Board, the 9 regional water quality control boards, and the advisory committee, which may be enlarged as provided, in carrying out these provisions.* The bill would require the groundwater recharge action plan to identify and make recommendations on immediate opportunities and potential long-term solutions to increase the state's groundwater supply, as specified. The bill would require specified actions with ~~regards~~ *regard* to the groundwater recharge action plan, including, among other things, requiring the ~~department and water boards~~ *department to include it as part of the 2028 update to the California Water Plan and to update the groundwater recharge action plan at the same time that they prepare updates to the California Water Plan.* The bill would ~~require, by December 31, 2035, the department and water boards~~ *require the department and the water boards, upon an appropriation or further action by the Legislature, to implement the recommendations identified in the groundwater recharge action plan that result in new infrastructure and institutional mechanisms in place that provide for the ability to create an additional* ~~average annual groundwater recharge amount~~ *capacity of 10,000,000* ~~acre-feet.~~ *acre-feet by December 31, 2035.*

*This bill would require a portion of the hearings related to the California Water Plan to be in regions of the state that have been impacted the most by drought, including, but not limited to, communities with minority populations, communities with low-income populations, agricultural communities, and water disparate communities.*

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

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

- 1     *SECTION 1. This act shall be known, and may be cited, as the*  
2 *California Water Supply Solutions Act of 2023.*
- 3     *SEC. 2. The Legislature finds and declares all of the following:*
- 4     *(a) California’s water usage is highly reliant on capturing the*  
5 *snow melt from the snowpack in the Sierra Nevada Region on an*  
6 *annual basis. That water is stored in lakes and reservoirs and is*  
7 *then transported throughout the state for environmental,*  
8 *residential, commercial, and agricultural use when needed.*
- 9     *(b) In California’s coastal watersheds, groundwater is a*  
10 *significant contributor to stream flows that support coastal*  
11 *communities and ecosystems.*
- 12     *(c) California has the most intricate and elaborate system of*  
13 *water conveyance in the world.*
- 14     *(d) The State Water Project and the Central Valley Project are*  
15 *of transcendent importance to statewide water supply.*
- 16     *(e) The State Water Project and the Central Valley Project*  
17 *provide water for approximately 30,000,000 people and nearly*  
18 *4,000,000 acres of agricultural land.*
- 19     *(f) Most California cities and farms as we know them today*  
20 *would not exist without the State Water Project and the Central*  
21 *Valley Project.*
- 22     *(g) Climate change is resulting in a snowpack that is no longer*  
23 *reliable. Instead, California is experiencing infrequent storm events*  
24 *and long periods of drought. California’s precipitation is changing*  
25 *from seasonal snow in the Sierra Nevada Region to periods of*  
26 *substantial rainfall, like those from atmospheric rivers.*
- 27     *(h) Climate change is a serious threat to the State Water Project*  
28 *and the Central Valley Project, and by extension, to our statewide*  
29 *water supply. These systems will lose 10 percent of their water*  
30 *supplies by 2040. This constitutes a loss of 6,000,000 to 9,000,000*  
31 *acre-feet of water annually, or the equivalent of the amount of*  
32 *water used to irrigate approximately 20 percent of all agricultural*  
33 *land in the state, or by all of the residents, businesses, schools,*  
34 *parks, and sports fields in the state.*
- 35     *(i) As of 2023, one necessary solution that can meet the scale*  
36 *of the problem is groundwater recharge.*
- 37     *(j) The Department of Water Resources describes a statewide*  
38 *capacity in groundwater basins in the range of 1,000,000,000*

1 acre-feet, or approximately 20 times the total surface water storage  
2 capacity statewide.

3 (k) According to the Department of Water Resources, there is  
4 the potential for over 13,000,000 acre-feet of groundwater  
5 recharge in any given wet year, with more than 2,500,000 acre-feet  
6 of existing infrastructure that could currently be available, but  
7 that is underutilized.

8 (l) Groundwater recharge has the greatest capacity to meet the  
9 scale of this challenge and is also the lowest cost option per  
10 acre-foot.

11 (m) Groundwater recharge can be environmentally friendly. Its  
12 utilization can provide benefits, including, but not limited to, water  
13 supply, flood control, and improved environmental conditions for  
14 rivers, wetlands, and habitat. For example, in a recent analysis of  
15 a central valley river, it was estimated that full implementation of  
16 groundwater recharge projects could simultaneously address 63  
17 percent of water supply shortages and provide a 65-percent  
18 reduction in flood risk. Additionally, other groundwater recharge  
19 projects would prioritize storage in reservoirs, minimizing demand  
20 for surface water in dry conditions when that water is most  
21 valuable for environmental flows.

22 (n) California must make a historic change in how water is  
23 provided for environmental, residential, commercial, and  
24 agricultural use when needed. Enhancing the ability to recharge  
25 groundwater is essential for current and future water management  
26 that is consistent with present-day values of equity and  
27 environmental stewardship. As the lowest cost option to meet the  
28 scale of water supply needs, groundwater recharge can best  
29 balance equity challenges faced between affordability and access.

30 (o) California must prioritize significantly increasing the  
31 recharge of groundwater by 2035 in order to avoid the severe  
32 impacts on water supplies coming by 2040.

33 SEC. 3. Section 10004 of the Water Code is amended to read:

34 10004. (a) The plan for the orderly and coordinated control,  
35 protection, conservation, development, and utilization of the water  
36 resources of the state which is set forth and described in Bulletin  
37 No. 1 of the State Water Resources Board entitled "Water  
38 Resources of California," Bulletin No. 2 of the State Water  
39 Resources Board entitled, "Water Utilization and Requirements  
40 of California," and Bulletin No. 3 of the department entitled, "The



1 California Water Plan,” with any necessary amendments,  
2 supplements, and additions to the plan, shall be known as “The  
3 California Water Plan.”

4 (b) (1) The department shall update The California Water Plan  
5 on or before December 31, 2003, and every five years thereafter.  
6 The department shall report the amendments, supplements, and  
7 additions included in the updates of The California Water Plan,  
8 together with a summary of the department’s conclusions and  
9 recommendations, to the Legislature in the session in which the  
10 updated plan is issued.

11 (2) (A) The department shall establish an advisory committee,  
12 comprised of representatives of agricultural and urban water  
13 suppliers, local government, business, production agriculture, and  
14 environmental interests, and other interested parties, to assist the  
15 department in the updating of The California Water Plan. The  
16 department shall consult with the advisory committee in carrying  
17 out this section. The department shall provide written notice of  
18 meetings of the advisory committee to any interested person or  
19 entity that request the notice. The meetings shall be open to the  
20 public.

21 (B) *The department, commencing on the effective date of Section*  
22 *10004.7, may add members to the advisory committee to carry out*  
23 *the purposes of that section. Additional advisory committee*  
24 *members may include those from environmental justice sectors,*  
25 *local water supply agencies, and researchers and experts on*  
26 *climate science, climate science solutions, water storage, water*  
27 *conveyance, and environmental protection.*

28 (3) The department shall release a preliminary draft of The  
29 California Water Plan, as updated, upon request, to interested  
30 persons and entities throughout the state for their review and  
31 comments. The department shall provide these persons and entities  
32 an opportunity to present written or oral comments on the  
33 preliminary draft. The department shall consider these comments  
34 in the preparation of the final publication of The California Water  
35 Plan, as updated.

36 *SEC. 4. Section 10004.7 is added to the Water Code, to read:*  
37 *10004.7. (a) (1) By January 1, 2026, the department shall*  
38 *develop a groundwater recharge action plan. The groundwater*  
39 *recharge action plan shall provide actionable recommendations*  
40 *that result in the ability to create an additional groundwater*

1 recharge capacity of 10,000,000 acre-feet by December 31, 2035,  
2 in order to increase the state's groundwater supply without  
3 reducing the amount of water available for environmental purposes  
4 or any other purposes allowed under existing state law.

5 (2) The department shall consult with the state board, the nine  
6 regional water quality control boards, and the advisory committee  
7 established pursuant to subdivision (b) of Section 10004 in carrying  
8 out this section.

9 (3) The groundwater recharge action plan shall identify and  
10 make recommendations on immediate opportunities and potential  
11 long-term solutions to increase the state's groundwater supply,  
12 with a priority on multibenefit projects.

13 (4) The department shall evaluate the total potential economic  
14 and noneconomic costs and benefits of implementing the  
15 recommendations of the groundwater recharge action plan.

16 (5) The plan shall include best practices identified by the  
17 department, including, but not limited to, both of the following:

18 (A) Analysis regarding where groundwater recharge will be  
19 effective and protective of access to safe drinking water consistent  
20 with Section 106.3.

21 (B) Mapping that identifies areas where recharge is unlikely to  
22 degrade groundwater quality based on consideration of the quality  
23 and composition of the source water, the qualities of the soil upon  
24 which recharge will occur, and the proximity to drinking water  
25 wells.

26 (b) The department shall include the groundwater recharge  
27 action plan as a part of the 2028 update to the California Water  
28 Plan. Commencing with the 2033 update, the department, as a  
29 part of updating the California Water Plan every five years  
30 pursuant to subdivision (b) of Section 10004, shall update the  
31 groundwater recharge action plan.

32 (c) The department, the state board, and the regional boards  
33 shall implement, upon an appropriation or other further action by  
34 the Legislature, the recommendations identified in the groundwater  
35 recharge action plan that result in new infrastructure and  
36 institutional mechanisms in place that provide for the ability to  
37 create an additional groundwater recharge capacity of 10,000,000  
38 acre-feet by December 31, 2035.

39 (d) Nothing in this section shall do any of the following:

40 (1) Limit or reduce the existing surface storage of water.

1 (2) *Affect or change any water right.*

2 (3) *Prioritize any one use of water over another use, define what*  
3 *is to be considered a beneficial use of water, or in any way*  
4 *influence how the increased supply of groundwater under this part*  
5 *shall be used.*

6 (e) *For purposes of this section, the following definitions shall*  
7 *apply:*

8 (1) *“Groundwater recharge” means actions to increase the*  
9 *amount of raw, treated, or recycled water in the groundwater*  
10 *basins through human-controlled means, including, but not limited*  
11 *to, use of aquifer storage and recovery wells, injection wells,*  
12 *surface spreading basins, field flooding, storm water capture,*  
13 *flood managed basins, and in-lieu charge.*

14 (2) *“Groundwater supply” means water that at any point in*  
15 *time is being stored underground that is available for human use*  
16 *and environmental protection to sustain the state’s future.*

17 SEC. 5. *Section 10005.1 of the Water Code is amended to read:*

18 10005.1. (a) *The department or, at the department’s request,*  
19 *the California Water Commission, shall conduct a series of hearings*  
20 *with interested persons, organizations, local, state, and federal*  
21 *agencies, and representatives of the diverse geographical areas*  
22 *and interests of the state.*

23 (b) *The department, commencing on the effective date of Section*  
24 *10004.7, shall conduct a portion of the hearings in regions of the*  
25 *state that have been impacted the most by drought, including, but*  
26 *not limited to, communities with minority populations, communities*  
27 *with low-income populations, agricultural communities, and water*  
28 *disparate communities.*

29 ~~SECTION 1. Part 2.77 (commencing with Section 10785) is~~  
30 ~~added to Division 6 of the Water Code, to read:~~

31  
32 ~~PART 2.77. CALIFORNIA WATER SUPPLY SOLUTIONS~~  
33 ~~ACT OF 2023~~

34  
35 ~~CHAPTER 1. GENERAL PROVISIONS~~

36  
37 ~~10785. This part shall be known, and may be cited, as the~~  
38 ~~California Water Supply Solutions Act of 2023.~~

39 ~~10786. The Legislature finds and declares all of the following:~~

1 ~~(a) California's water usage is highly reliant on capturing the~~  
2 ~~snow melt from the snowpack in the Sierra Nevada region on an~~  
3 ~~annual basis. That water is stored in lakes and reservoirs and is~~  
4 ~~then transported throughout the state for environmental, residential,~~  
5 ~~commercial, and agricultural use when needed.~~

6 ~~(b) California has the most intricate and elaborate system of~~  
7 ~~water conveyance in the world.~~

8 ~~(c) The State Water Project and the Central Valley Project are~~  
9 ~~transcendent to statewide water supply.~~

10 ~~(d) The State Water Project and the Central Valley Project~~  
11 ~~provide water for approximately 30,000,000 people and nearly~~  
12 ~~4,000,000 acres of agricultural land.~~

13 ~~(e) Most California cities and farms as we know them today~~  
14 ~~would not exist without the State Water Project and the Central~~  
15 ~~Valley Project.~~

16 ~~(f) Climate change is resulting in a snowpack that is no longer~~  
17 ~~reliable. Instead, California is experiencing infrequent storm events~~  
18 ~~and long periods of drought. California's precipitation is changing~~  
19 ~~from seasonal snow in the Sierra Nevada region to periods of~~  
20 ~~substantial rainfall, like those from atmospheric rivers.~~

21 ~~(g) Climate change is a serious threat to the State Water Project~~  
22 ~~and the Central Valley Project, and by extension, is a serious threat~~  
23 ~~to our statewide water supply. These systems will lose 10 percent~~  
24 ~~of their supplies by 2040. This constitutes a loss of 6,000,000 to~~  
25 ~~9,000,000 acre-feet of water annually, or the equivalent of the~~  
26 ~~amount of water used to irrigate approximately 20 percent of all~~  
27 ~~agricultural land in the state, or all of the residents, businesses,~~  
28 ~~schools, parks, and sports fields in the state.~~

29 ~~(h) As of 2023, the only known solution that can meet the scale~~  
30 ~~of the problem is groundwater recharge.~~

31 ~~(i) The Department of Water Resources describes a statewide~~  
32 ~~capacity in groundwater basins in the range of 1,000,000,000~~  
33 ~~acre-feet, or approximately 20 times the total surface water storage~~  
34 ~~capacity statewide.~~

35 ~~(j) According to the Department of Water Resources, there is~~  
36 ~~the potential for over 13,000,000 acre-feet of groundwater recharge~~  
37 ~~in any given wet year, with more than 2,500,000 acre-feet of~~  
38 ~~existing infrastructure that could currently be available, but that~~  
39 ~~is underutilized.~~

1 ~~(k) Groundwater recharge has the greatest capacity to meet the~~  
2 ~~scale of the challenge and is also the lowest cost option per~~  
3 ~~acre-foot.~~

4 ~~(l) Groundwater recharge is environmentally friendly, the~~  
5 ~~utilization of which can provide benefits beyond not only water~~  
6 ~~supply, but flood control and improved environmental conditions.~~  
7 ~~For example, in a recent analysis of a central valley river, it was~~  
8 ~~estimated that full implementation of groundwater recharge projects~~  
9 ~~could simultaneously address 63 percent of water supply shortages~~  
10 ~~and provide a 65 percent reduction in flood risk. Additionally,~~  
11 ~~other groundwater recharge projects would prioritize storage in~~  
12 ~~reservoirs, minimizing demand for surface water in dry conditions~~  
13 ~~when that water is most valuable for environmental flows.~~

14 ~~(m) California must make a historic change in how water is~~  
15 ~~provided for environmental, residential, commercial, and~~  
16 ~~agricultural use when needed. Enhancing the ability to recharge~~  
17 ~~groundwater is essential for current and future water management~~  
18 ~~that is consistent with present-day values of equity and~~  
19 ~~environmental stewardship. As the lowest cost option to meet the~~  
20 ~~scale of water supply needs, groundwater recharge can best balance~~  
21 ~~equity challenges faced between affordability and access.~~

22 ~~(n) California must prioritize significantly increasing the~~  
23 ~~recharge of groundwater by 2035 in order to avoid the severe~~  
24 ~~impacts on water supplies coming by 2040.~~

25 ~~10787. For purposes of this part, the following state agencies~~  
26 ~~have the following recognized roles:~~

27 ~~(a) The department is the state agency that provides guidance,~~  
28 ~~regulatory oversight, technical analysis and data, and financial~~  
29 ~~support to local water agencies that have the responsibility to~~  
30 ~~sustainably manage groundwater in state's high- and medium-~~  
31 ~~priority groundwater basins, to benefit the state's people and~~  
32 ~~protect, restore, and enhance the natural and human environments.~~

33 ~~(b) The State Water Resources Control Board and the nine~~  
34 ~~regional water quality control boards, collectively known as the~~  
35 ~~water boards, work with other state agencies in providing abundant~~  
36 ~~clean water for human use and environmental protection to sustain~~  
37 ~~the state's future.~~

~~CHAPTER 2. DEFINITIONS~~

~~10788. For purposes of this part, the following definitions shall apply:~~

~~(a) “Groundwater recharge” means actions to increase the amount of raw, treated, or recycled water in groundwater basins through human-controlled means including, but not limited to, use of aquifer storage and recovery wells, injection wells, surface spreading basins, field flooding, stormwater capture, flood managed basin, and in-lieu recharge.~~

~~(b) “Groundwater supply” means water that at any point in time is being stored underground that is available for human use and environmental protection to sustain the state’s future.~~

~~(c) “Water boards” means the State Water Resources Control Board and the nine regional water quality control boards.~~

~~CHAPTER 3. STATEWIDE GROUNDWATER RECHARGE GOAL~~

~~10789. By December 31, 2035, the department and water boards shall implement the recommendations identified in the groundwater recharge plan, pursuant to this part, that result in new infrastructure and institutional mechanisms in place that provide for the ability to create an additional average annual groundwater recharge amount of 10,000,000 acre-feet.~~

~~CHAPTER 4. GROUNDWATER RECHARGE ACTION PLAN~~

~~10790. (a) On or before January 1, 2025, the department, in consultation with the water boards, shall prepare and approve a groundwater recharge action plan, to be included in the next update to the California Water Plan. The groundwater recharge action plan shall provide actionable recommendations that result in the ability to achieve an annual increase of 10,000,000 acre-feet of groundwater recharge by December 31, 2035, in order to increase the state’s groundwater supply and avoid otherwise inevitable water shortages.~~

~~(b) (1) The groundwater recharge action plan shall identify and make recommendations on immediate opportunities and potential long-term solutions to increase the state’s groundwater supply.~~

1     ~~(2) The department and water boards shall seek out and consider~~  
2 ~~all relevant information from the agriculture, environmental, and~~  
3 ~~environmental justice sectors, local water supply agencies, any~~  
4 ~~communities potentially impacted by the groundwater recharge~~  
5 ~~action plan, and from researchers and experts on climate science,~~  
6 ~~climate science solutions, water storage, water conveyance, and~~  
7 ~~environmental protection.~~

8     ~~(e) The department and water boards shall conduct a series of~~  
9 ~~public workshops to give interested parties an opportunity to~~  
10 ~~comment on the groundwater recharge action plan. The department~~  
11 ~~and water boards shall conduct a portion of these workshops in~~  
12 ~~regions of the state that have been impacted the most by drought,~~  
13 ~~including, but not limited to, communities with minority~~  
14 ~~populations, communities with low-income populations,~~  
15 ~~agricultural communities, and water disparate communities.~~

16     ~~(d) The department and water boards shall evaluate the total~~  
17 ~~potential costs and total potential economic and noneconomic~~  
18 ~~benefits of implementing the recommendations of the groundwater~~  
19 ~~recharge action plan.~~

20     ~~(e) The department and water boards shall update the~~  
21 ~~groundwater recharge action plan at the same time that they prepare~~  
22 ~~updates to the California Water Plan.~~

23     ~~10791. On or before December 31, 2035, the department and~~  
24 ~~water boards shall implement the recommendations identified in~~  
25 ~~the groundwater recharge action plan.~~

26     ~~10792. Nothing in this part shall do any of the following:~~

27     ~~(a) Limit or reduce the existing surface storage of water.~~

28     ~~(b) Affect or change any water right.~~

29     ~~(c) Prioritize any one use of water over another use, define what~~  
30 ~~is to be considered a beneficial use of water, or in any way~~  
31 ~~influence how the increased supply of groundwater under this part~~  
32 ~~shall be used.~~

AMENDED IN ASSEMBLY MARCH 9, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 754**

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**Introduced by Assembly Member Papan**

February 13, 2023

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An act to amend ~~Section 1020~~ Sections 10620, 10631, and 10826 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 754, as amended, Papan. Water ~~leases~~: *management planning: automatic conservation plan.*

*(1) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. Existing 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. Existing law requires an urban water management plan to identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over a specified period of time, providing supporting and related information, including, among other things, a description of the management of each supply in correlation with the other identified supplies when multiple sources of water supply are identified.*

*This bill would additionally require an urban water management plan, if a reservoir is identified as an existing or planned source of water available to the supplier, to include specified information related to water storage and conservation, including, among other things, a target water supply storage curve, calculated as provided, and an*



*automatic conservation plan that would be implemented when the reservoir storage level falls below the target water supply storage curve. The bill would require the automatic conservation plan to contain specified information regarding, among other things, response actions to be taken when water storage falls to specified storage levels.*

*(2) Existing law requires an agricultural water supplier to prepare and adopt an agricultural water management plan with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before April 1, 2021, and thereafter on or before April 1 in the years ending in 6 and one. Existing law requires an agricultural water supplier to submit its plan to the Department of Water Resources no later than 30 days after the adoption of the plan and requires the department to review an agricultural water management plan and notify an agricultural water supplier if the department determines that it is noncompliant, as provided. Existing law requires an agricultural water supplier to submit copies of its plan to specified entities no later than 30 days after the department's review of the plan and requires the department to submit its report summarizing the status of the plans to the Legislature on or before April 30 in the years ending in 7 and 2.*

*This bill would additionally require an agricultural water management plan, if a reservoir is identified as an existing or planned source of water available to the supplier, to include specified information related to water storage and conservation, including, among other things, a target water supply storage curve, calculated as provided, and an automatic conservation plan that is implemented when the reservoir storage level falls below the target water supply storage curve. The bill would require the automatic conservation plan to contain specified information regarding, among other things, response actions to be taken when water storage falls to specified storage levels.*

~~Existing law authorizes surface water to be leased for a period not to exceed 5 years to assist water conservation efforts pursuant to specified terms and conditions.~~

~~This bill would make a nonsubstantive change in these provisions.~~

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

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

1     SECTION 1. Section 10620 of the Water Code is amended to  
2 read:

3     10620. (a) Every urban water supplier shall prepare and adopt  
4 an urban water management plan in the manner set forth in Article  
5 3 (commencing with Section 10640).

6     (b) Every person that becomes an urban water supplier shall  
7 adopt an urban water management plan within one year after it  
8 has become an urban water supplier.

9     (c) An urban water supplier indirectly providing water shall not  
10 include planning elements in its water management plan as  
11 provided in Article 2 (commencing with Section 10630) that would  
12 be applicable to urban water suppliers or public agencies directly  
13 providing water, or to their customers, without the consent of those  
14 suppliers or public agencies.

15     (d) (1) An urban water supplier may satisfy the requirements  
16 of this part by participation in areawide, regional, watershed, or  
17 basinwide urban water management planning where those plans  
18 will reduce preparation costs and contribute to the achievement of  
19 conservation, efficient water use, and improved local drought  
20 resilience.

21     (2) Notwithstanding paragraph (1), each urban water supplier  
22 shall develop its own water shortage contingency ~~plan~~, *plan and*  
23 *automatic conservation plan*, but an urban water supplier may  
24 incorporate, collaborate, and otherwise share information with  
25 other urban water suppliers or other governing entities participating  
26 in an areawide, regional, watershed, or basinwide urban water  
27 management plan, an agricultural management plan, or  
28 groundwater sustainability plan development.

29     (3) Each urban water supplier shall coordinate the preparation  
30 of its plan with other appropriate agencies in the area, including  
31 other water suppliers that share a common source, water  
32 management agencies, and relevant public agencies, to the extent  
33 practicable.

34     (e) The urban water supplier may prepare the plan with its own  
35 staff, by contract, or in cooperation with other governmental  
36 agencies.

37     (f) An urban water supplier shall describe in the plan water  
38 management tools and options used by that entity that will

1 maximize resources and minimize the need to import water from  
2 other regions.

3 *SEC. 2. Section 10631 of the Water Code is amended to read:*  
4 10631. A plan shall be adopted in accordance with this chapter  
5 that shall do all of the following:

6 (a) Describe the service area of the supplier, including current  
7 and projected population, climate, and other social, economic, and  
8 demographic factors affecting the supplier's water management  
9 planning. The projected population estimates shall be based upon  
10 data from the state, regional, or local service agency population  
11 projections within the service area of the urban water supplier and  
12 shall be in five-year increments to 20 years or as far as data is  
13 available. The description shall include the current and projected  
14 land uses within the existing or anticipated service area affecting  
15 the supplier's water management planning. Urban water suppliers  
16 shall coordinate with local or regional land use authorities to  
17 determine the most appropriate land use information, including,  
18 where appropriate, land use information obtained from local or  
19 regional land use authorities, as developed pursuant to Article 5  
20 (commencing with Section 65300) of Chapter 3 of Division 1 of  
21 Title 7 of the Government Code.

22 (b) Identify and quantify, to the extent practicable, the existing  
23 and planned sources of water available to the supplier over the  
24 same five-year increments described in subdivision (a), providing  
25 supporting and related information, including all of the following:

26 (1) A detailed discussion of anticipated supply availability under  
27 a normal water year, single dry year, and droughts lasting at least  
28 five years, as well as more frequent and severe periods of drought,  
29 as described in the drought risk assessment. For each source of  
30 water supply, consider any information pertinent to the reliability  
31 analysis conducted pursuant to Section 10635, including changes  
32 in supply due to climate change.

33 (2) When multiple sources of water supply are identified, a  
34 description of the management of each supply in correlation with  
35 the other identified supplies.

36 (3) For any planned sources of water supply, a description of  
37 the measures that are being undertaken to acquire and develop  
38 those water supplies.

39 (4) If groundwater is identified as an existing or planned source  
40 of water available to the supplier, all of the following information:

1 (A) The current version of any groundwater sustainability plan  
2 or alternative adopted pursuant to Part 2.74 (commencing with  
3 Section 10720), any groundwater management plan adopted by  
4 the urban water supplier, including plans adopted pursuant to Part  
5 2.75 (commencing with Section 10750), or any other specific  
6 authorization for groundwater management for basins underlying  
7 the urban water supplier's service area.

8 (B) A description of any groundwater basin or basins from  
9 which the urban water supplier pumps groundwater. For basins  
10 that a court or the board has adjudicated the rights to pump  
11 groundwater, a copy of the order or decree adopted by the court  
12 or the board and a description of the amount of groundwater the  
13 urban water supplier has the legal right to pump under the order  
14 or decree. For a basin that has not been adjudicated, information  
15 as to whether the department has identified the basin as a high- or  
16 medium-priority basin in the most current official departmental  
17 bulletin that characterizes the condition of the groundwater basin,  
18 and a detailed description of the efforts being undertaken by the  
19 urban water supplier to coordinate with groundwater sustainability  
20 agencies or groundwater management agencies listed in subdivision  
21 (c) of Section 10723 to maintain or achieve sustainable  
22 groundwater conditions in accordance with a groundwater  
23 sustainability plan or alternative adopted pursuant to Part 2.74  
24 (commencing with Section 10720).

25 (C) A detailed description and analysis of the location, amount,  
26 and sufficiency of groundwater pumped by the urban water supplier  
27 for the past five years. The description and analysis shall be based  
28 on information that is reasonably available, including, but not  
29 limited to, historic use records.

30 (D) A detailed description and analysis of the amount and  
31 location of groundwater that is projected to be pumped by the  
32 urban water supplier. The description and analysis shall be based  
33 on information that is reasonably available, including, but not  
34 limited to, historic use records.

35 *(5) If a reservoir is identified as an existing or planned source  
36 of water available to the supplier, all the following information:*

37 *(A) (i) A target water supply storage curve based on target  
38 carryover levels sufficient to satisfy water users and ecological  
39 stream flow needs for at least five years, with reasonably predicted*

1 *inflow calculations considering local conditions and climate*  
2 *change.*

3 *(ii) The reservoir storage level shall be calculated each month*  
4 *based on reservoir capacity, projected inflows, evaporation, water*  
5 *demands from all users, and streamflow requirements. The*  
6 *reservoir storage level shall be plotted against the target water*  
7 *supply storage curve on a calendar to ensure that target storage*  
8 *levels are met.*

9 *(B) An automatic conservation plan that is implemented when*  
10 *the reservoir storage level falls below the target water supply*  
11 *storage curve determined in subparagraph (A). When both an*  
12 *automatic conservation plan and a water shortage contingency*  
13 *plan pursuant to Section 10632 are in effect, the more restrictive*  
14 *of the two plans shall govern. An automatic conservation plan*  
15 *shall include all of the following:*

16 *(i) Six standard water shortage levels corresponding to*  
17 *progressive ranges of up to 10, 20, 30, 40, and 50 percent*  
18 *shortages below the target water supply curve and greater than*  
19 *50 percent shortage.*

20 *(ii) At each water shortage level, urban water suppliers shall*  
21 *initiate conservation response actions that align with the defined*  
22 *shortage levels and include, at a minimum, all of the following:*

23 *(I) Locally appropriate water supply augmentation actions.*

24 *(II) Locally appropriate water demand reduction actions to*  
25 *adequately respond to shortages.*

26 *(III) Locally appropriate operational changes.*

27 *(IV) Mandatory prohibitions against specific water use practices*  
28 *that are in addition to state-mandated prohibitions and appropriate*  
29 *to the local conditions.*

30 *(iii) For each action, an estimate of the extent that the gap*  
31 *between target reservoir storage level and the actual reservoir*  
32 *storage level will be reduced by implementation of the action.*

33 *(iv) For each action, an estimate of impacts to other water*  
34 *resources, including any increase in groundwater extraction.*

35 *(v) Water demand reduction actions shall be applied to all*  
36 *customer classes, and may include any of the following:*

37 *(I) Water waste prevention ordinances.*

38 *(II) Metering.*

39 *(III) Conservation pricing.*

40 *(IV) Public education and outreach.*

1 (V) *Programs to assess and manage distribution system real*  
2 *loss.*

3 (VI) *Water conservation program coordination and staffing*  
4 *support.*

5 (vi) *Other demand management measures that have a significant*  
6 *impact on water use as measured in gallons per capita per day,*  
7 *including innovative measures, if implemented.*

8 (vii) *Other demand management measures that have a*  
9 *significant impact on water used by downstream water rights*  
10 *holders.*

11 (c) Describe the opportunities for exchanges or transfers of  
12 water on a short-term or long-term basis.

13 (d) (1) For an urban retail water supplier, quantify, to the extent  
14 records are available, past and current water use, over the same  
15 five-year increments described in subdivision (a), and projected  
16 water use, based upon information developed pursuant to  
17 subdivision (a), identifying the uses among water use sectors,  
18 including, but not necessarily limited to, all of the following:

19 (A) Single-family residential.

20 (B) Multifamily.

21 (C) Commercial.

22 (D) Industrial.

23 (E) Institutional and governmental.

24 (F) Landscape.

25 (G) Sales to other agencies.

26 (H) Saline water intrusion barriers, groundwater recharge, or  
27 conjunctive use, or any combination thereof.

28 (I) Agricultural.

29 (J) Distribution system water loss.

30 (2) The water use projections shall be in the same five-year  
31 increments described in subdivision (a).

32 (3) (A) The distribution system water loss shall be quantified  
33 for each of the five years preceding the plan update, in accordance  
34 with rules adopted pursuant to Section 10608.34.

35 (B) The distribution system water loss quantification shall be  
36 reported in accordance with a worksheet approved or developed  
37 by the department through a public process. The water loss  
38 quantification worksheet shall be based on the water system  
39 balance methodology developed by the American Water Works  
40 Association.

1 (C) In the plan due July 1, 2021, and in each update thereafter,  
2 data shall be included to show whether the urban retail water  
3 supplier met the distribution loss standards enacted by the board  
4 pursuant to Section 10608.34.

5 (4) (A) Water use projections, where available, shall display  
6 and account for the water savings estimated to result from adopted  
7 codes, standards, ordinances, or transportation and land use plans  
8 identified by the urban water supplier, as applicable to the service  
9 area.

10 (B) To the extent that an urban water supplier reports the  
11 information described in subparagraph (A), an urban water supplier  
12 shall do both of the following:

13 (i) Provide citations of the various codes, standards, ordinances,  
14 or transportation and land use plans utilized in making the  
15 projections.

16 (ii) Indicate the extent that the water use projections consider  
17 savings from codes, standards, ordinances, or transportation and  
18 land use plans. Water use projections that do not account for these  
19 water savings shall be noted of that fact.

20 (e) Provide a description of the supplier's water demand  
21 management measures. This description shall include all of the  
22 following:

23 (1) (A) For an urban retail water supplier, as defined in Section  
24 10608.12, a narrative description that addresses the nature and  
25 extent of each water demand management measure implemented  
26 over the past five years. The narrative shall describe the water  
27 demand management measures that the supplier plans to implement  
28 to achieve its water use targets pursuant to Section 10608.20.

29 (B) The narrative pursuant to this paragraph shall include  
30 descriptions of the following water demand management measures:

31 (i) Water waste prevention ordinances.

32 (ii) Metering.

33 (iii) Conservation pricing.

34 (iv) Public education and outreach.

35 (v) Programs to assess and manage distribution system real loss.

36 (vi) Water conservation program coordination and staffing  
37 support.

38 (vii) Other demand management measures that have a significant  
39 impact on water use as measured in gallons per capita per day,  
40 including innovative measures, if implemented.

1 (2) For an urban wholesale water supplier, as defined in Section  
2 10608.12, a narrative description of the items in clauses (ii), (iv),  
3 (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative  
4 description of its distribution system asset management and  
5 wholesale supplier assistance programs.

6 (f) Include a description of all water supply projects and water  
7 supply programs that may be undertaken by the urban water  
8 supplier to meet the total projected water use, as established  
9 pursuant to subdivision (a) of Section 10635. The urban water  
10 supplier shall include a detailed description of expected future  
11 projects and programs that the urban water supplier may implement  
12 to increase the amount of the water supply available to the urban  
13 water supplier in normal and single-dry water years and for a period  
14 of drought lasting five consecutive water years. The description  
15 shall identify specific projects and include a description of the  
16 increase in water supply that is expected to be available from each  
17 project. The description shall include an estimate with regard to  
18 the implementation timeline for each project or program.

19 (g) Describe the opportunities for development of desalinated  
20 water, including, but not limited to, ocean water, brackish water,  
21 and groundwater, as a long-term supply.

22 (h) An urban water supplier that relies upon a wholesale agency  
23 for a source of water shall provide the wholesale agency with water  
24 use projections from that agency for that source of water in  
25 five-year increments to 20 years or as far as data is available. The  
26 wholesale agency shall provide information to the urban water  
27 supplier for inclusion in the urban water supplier's plan that  
28 identifies and quantifies, to the extent practicable, the existing and  
29 planned sources of water as required by subdivision (b), available  
30 from the wholesale agency to the urban water supplier over the  
31 same five-year increments, and during various water-year types  
32 in accordance with subdivision (f). An urban water supplier may  
33 rely upon water supply information provided by the wholesale  
34 agency in fulfilling the plan informational requirements of  
35 subdivisions (b) and (f).

36 *SEC. 3. Section 10826 of the Water Code is amended to read:*

37 10826. An agricultural water management plan shall be adopted  
38 in accordance with this chapter. The plan shall do all of the  
39 following:



- 1 (a) Describe the agricultural water supplier and the service area,
- 2 including all of the following:
  - 3 (1) Size of the service area.
  - 4 (2) Location of the service area and its water management
  - 5 facilities.
  - 6 (3) Terrain and soils.
  - 7 (4) Climate.
  - 8 (5) Operating rules and regulations.
  - 9 (6) Water delivery measurements or calculations.
  - 10 (7) Water rate schedules and billing.
  - 11 (8) Water shortage allocation policies.
- 12 (b) Describe the quantity and quality of water resources of the
- 13 agricultural water supplier, including all of the following:
  - 14 (1) Surface water supply.
  - 15 (2) Groundwater supply.
  - 16 (3) Other water supplies, including recycled water.
  - 17 (4) Source water quality monitoring practices.
  - 18 (5) Water uses within the agricultural water supplier's service
  - 19 area, including all of the following:
    - 20 (A) Agricultural.
    - 21 (B) Environmental.
    - 22 (C) Recreational.
    - 23 (D) Municipal and industrial.
    - 24 (E) Groundwater recharge, including estimated flows from deep
    - 25 percolation from irrigation and seepage.
- 26 (c) Include an annual water budget based on the quantification
- 27 of all inflow and outflow components for the service area of the
- 28 agricultural water supplier. Components of inflow shall include
- 29 surface inflow, groundwater pumping in the service area, and
- 30 effective precipitation. Components of outflow shall include surface
- 31 outflow, deep percolation, and evapotranspiration. An agricultural
- 32 water supplier shall report the annual water budget on a water-year
- 33 basis. The department shall provide tools and resources to assist
- 34 agricultural water suppliers in developing and quantifying
- 35 components necessary to develop a water budget.
- 36 (d) Include an analysis, based on available information, of the
- 37 effect of climate change on future water supplies.
- 38 (e) Describe previous water management activities.
- 39 (f) Identify water management objectives based on the water
- 40 budget to improve water system efficiency or to meet other water

1 management objectives. The agricultural water supplier shall  
2 identify, prioritize, and implement actions to reduce water loss,  
3 improve water system management, and meet other water  
4 management objectives identified in the plan.

5 (g) Include in the plan information regarding efficient water  
6 management practices required pursuant to Section 10608.48.

7 (h) Quantify the efficiency of agricultural water use within the  
8 service area of the agricultural water supplier using the appropriate  
9 method or methods from among the four water use efficiency  
10 quantification methods developed by the department in the May  
11 8, 2012, report to the Legislature entitled “A Proposed  
12 Methodology for Quantifying the Efficiency of Agricultural Water  
13 Use.” The agricultural water supplier shall account for all water  
14 uses, including crop water use, agronomic water use, environmental  
15 water use, and recoverable surface flows.

16 (i) *If a reservoir is identified as an existing or planned source  
17 of water available to the supplier, all of the following information  
18 shall be contained in the plan:*

19 (1) (A) *A target water supply storage curve based on target  
20 carryover levels sufficient to satisfy water users and ecological  
21 stream flow needs for at least five years, with reasonably predicted  
22 inflow calculations considering local conditions and climate  
23 change.*

24 (B) *The reservoir storage level shall be calculated each month  
25 based on reservoir capacity, projected inflows, evaporation, water  
26 demands from all users, and streamflow requirements. The  
27 reservoir storage level shall be plotted against the target water  
28 supply storage curve on a calendar to ensure that target storage  
29 levels are being met.*

30 (2) *An automatic conservation plan that is implemented when  
31 the reservoir storage level falls below the target water supply  
32 storage curve determined in subparagraph (A). When both an  
33 automatic conservation plan and a drought plan pursuant to  
34 Section 10826.2 are in effect, the more restrictive of the two plans  
35 shall govern. An automatic conservation plan shall include all of  
36 the following:*

37 (A) *Six standard water shortage levels corresponding to  
38 progressive ranges of up to 10, 20, 30, 40, and 50 percent  
39 shortages below the target water supply curve and greater than  
40 50 percent shortage.*

1 (B) At each water shortage level, agricultural water suppliers  
2 shall initiate conservation response actions that align with the  
3 defined shortage levels and include, at a minimum, all of the  
4 following:

5 (i) Locally appropriate supply augmentation actions.

6 (ii) Locally appropriate demand reduction actions to adequately  
7 respond to shortages.

8 (iii) Locally appropriate operational changes.

9 (iv) Additional, mandatory prohibitions against specific water  
10 use practices that are in addition to state-mandated prohibitions  
11 and appropriate to the local conditions.

12 (C) For each action, an estimate of the extent that the gap  
13 between the target reservoir storage level and the actual reservoir  
14 storage level will be reduced by implementation of the action.

15 (D) For each action, an estimate of impacts to other water  
16 resources, including any increase in groundwater extraction.

17 ~~SECTION 1. Section 1020 of the Water Code is amended to~~  
18 ~~read:~~

19 ~~1020. Water may be leased for a period not to exceed five years~~  
20 ~~to assist water conservation efforts pursuant to the terms and~~  
21 ~~conditions of this chapter. The terms and conditions of this chapter~~  
22 ~~are not applicable to water leases or transfers governed by other~~  
23 ~~law.~~

AMENDED IN ASSEMBLY MARCH 23, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1205**

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**Introduced by Assembly Member Bauer-Kahan**

February 16, 2023

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An act to ~~amend Section 1737 of~~ *add Section 100.1* to the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1205, as amended, Bauer-Kahan. ~~Water: permits and licenses: temporary changes: water or water rights transfers. Water rights: sale, transfer, or lease: agricultural lands.~~

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

~~Existing law authorizes the State Water Resources Control Board to consider a petition for a long-term water or water rights transfer involving a change of point of diversion, place of use, or purpose of use. Existing law requires a long-term transfer to be for a period over one year. Existing law requires, after the expiration of that long-term~~

transfer period, all rights to automatically revert to the original holders of the right without any action by the board.

~~This bill would make a nonsubstantive change to that later provision.~~

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

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

1     SECTION 1. Section 100.1 is added to the Water Code, to read:  
2     100.1. (a) For the purposes of this section, the following  
3     definitions apply:

4     (1) "Agricultural land" has the same meaning as defined in  
5     Section 3508 of Title 7 of the United States Code.

6     (2) "Investment fund" means a private equity fund, public equity  
7     fund, venture capital fund, hedge fund, fixed income fund, real  
8     estate fund, infrastructure fund, or similar pooled investment entity  
9     that is, or holds itself out as being, engaged primarily, or proposes  
10    to engage primarily, in the business of investing, reinvesting,  
11    owning, holding, or trading securities or other assets.

12    (b) It is hereby declared that the sale, transfer, or lease of an  
13    interest in any water right for profit, on or below agricultural  
14    lands within the state by an investment fund, shall not be  
15    considered a reasonable or beneficial use of water.

16    ~~SECTION 1. Section 1737 of the Water Code is amended to~~  
17    ~~read:~~

18    ~~1737. Following the expiration of the period of the long-term~~  
19    ~~transfer, all rights shall automatically revert to the original holders~~  
20    ~~of the right without any action by the board.~~