

- **Board of Directors**
Communications and Legislation Committee

August 21, 2007 Board Meeting

8-6

Subject

Express support, if amended, for AB 1489 (Huffman, D-San Rafael) – Resource bond funds: Integrated Regional Water Management Planning Act

Description

Summary. Assembly Bill 1489, as amended July 5, 2007 ([Attachment 1](#)), by Assembly Member Jared Huffman, Chair of the Assembly Environmental Safety & Toxic Materials Committee and member of the Assembly Water, Parks & Wildlife Committee, would enact principles to guide the implementation of certain sections of Proposition 84, the \$5.388 billion Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, approved by the voters in November 2006; and would enact the Integrated Regional Water Management Planning Act, while repealing the Integrated Regional Water Management Planning Act of 2002. Recent amendments have been proposed to the current version of AB 1489 ([Attachment 2](#)). A description of AB 1489 with the proposed amendments is outlined below. A more detailed summary of AB 1489 with the proposed amendments is included ([Attachment 3](#)).

AB 1489 includes proposed implementation language for portions of Chapters 2, 4, and 5 of Proposition 84. Additionally, AB 1489 requires the Secretary of Resources to prepare and submit an annual report to the Legislature on the expenditure of the bond funds for each program.

- Chapter 2 – \$1 billion for Integrated Regional Water Management Plans. AB 1489 includes implementation language for the \$1 billion of the \$1.525 billion in Chapter 2, Safe Drinking Water and Water Quality Projects, set aside for the Department of Water Resources (DWR) for grants related to integrated regional water management planning projects.
- Chapter 4 – \$65 million for Statewide Water Planning and Design. AB 1489 includes limited implementation language for the \$65 million of Chapter 4, Statewide Water Planning and Design, set aside for DWR for planning and feasibility studies related to existing and potential future needs for California’s water supply and conveyance and flood control systems. Additionally, AB 1489 would require DWR to conduct a study to determine the status and effectiveness of groundwater management plans and programs in the state, to be coordinated with local water managers.
- Chapter 5 – \$180 million for Bay-Delta and Coastal Fishery Restoration Projects. AB 1489 includes implementation language for the \$180 million of the \$928 million of Chapter 5, Protection of Rivers, Lakes and Streams, requiring Department of Fish and Game (DFG), in consultation with DWR, to expend the funds for the state share of the California Bay-Delta ecosystem restoration program or any successor program approved by DFG to protect and conserve Bay-Delta ecosystem resources.
- Chapter 5 – \$100 million for the San Joaquin River Court Settlement. AB 1489 includes implementation language for the \$100 million of the \$928 million of Chapter 5 set aside for the Secretary of Resources for the purpose of implementing a court settlement to restore flows and naturally reproducing and self-sustaining populations of salmon to the San Joaquin River between Friant Dam and the Merced River, indicating the specific settlement agreement.

AB 1489 also would repeal the Integrated Regional Water Management Planning Act of 2002, currently part of the Water Code, and would replace this language with a new Integrated Regional Water Management Planning

Act (Act.) The new Act would retain many of the same provisions of the 2002 version, but restated in a clearer manner. The key changes of the new Act are summarized below:

- Defines “Integrated Regional Water Management Plan.” An “integrated regional water management plan” is defined to mean a comprehensive plan for a defined geographic area that, at a minimum, describes the major water related objectives and conflicts within a region, considers a broad variety of water management strategies, and identifies the appropriate mix of water demand and supply management alternatives, water quality protections, and environmental stewardship actions to provide long-term, reliable, and high-quality water supply and protect the environment.
- Redefines “Local Public Agency.” A “local public agency” would now be called a “local agency” and would be defined as follows: “Local agency” means any city, county, city and county, special district, mutual water company, joint powers authority, or other political subdivisions of the state.
- Defines “Regional Projects or Programs.” Defines “regional projects or programs” to mean projects or programs that accomplish any of the following: reduce water demand, increase water supplies for beneficial use, improve operational efficiency and water supply reliability, improve water quality, improve resource stewardship, and improve flood protection.
- Redefines “Regional Water Management Group.” Adds to the membership of a “regional water management group” “those other persons as may be necessary for the development and implementation of a plan and program requirements,” as defined in the bill – in addition to the current defined membership of three or more local agencies, at least two of which have statutory authority over water supply.
- Requirements for Integrated Regional Water Management Plans. Requires that integrated regional water management plans, at a minimum, shall address all of the following: protection and improvement of water supply reliability; providing safe drinking water to all communities within the area of the plan; protection and improvement of water quality within the area of the plan; identification of any significant threats to groundwater resources from overdrafting; protection, restoration, and improvement of stewardship of aquatic, riparian, and watershed resources within the region; and protection of groundwater resources from contamination.
- Requirements for DWR Guidelines. Requires DWR to develop and adopt guidelines for the preparation of the integrated regional water management plans that include:
 - Requiring DWR to consider all of 14 comprehensive elements, including: California Water Plan resource management strategies; water-related needs of disadvantaged communities; a plan for implementation and financing; greenhouse gas emissions; climate change of water management systems; coordination of water management projects and activities of participating local agencies and local stakeholders; and any other items identified by DWR. AB 1489 does reiterate language in Proposition 84 indicating that DWR may use the existing integrated regional water management guidelines in implementing Chapter 2.
 - Requiring DWR to include a public process that provides for outreach and an opportunity for an extensive number of local agencies and stakeholders to all participate in the plan development and implementation.
 - Requiring the regional water management group to document and make public the process by which decisions are made in consultation with the participating local agencies and stakeholders and how these local agencies and stakeholders have been or will be engaged in the process regardless of their ability to contribute financially to the plan.
 - Requiring DWR to provide a process for the periodic review, updating, and amending of integrated regional water management plans at least once every five years.
- Statement on Funding from Proposition 84. States that plans prepared pursuant to the bill are eligible for funding from the \$1 billion of the \$1.525 billion in Chapter 2 of Proposition 84.

Analysis of Bill and Recommended Amendments. Presented below is the analysis of AB 1489 and recommended amendments, as appropriate.

Expanded Governance. There is an overarching concern that the proposed Act would create an expanded level of governance for decision-making due to the provisions that require that a “regional water management group” include “those other persons as may be necessary for the development and implementation of a plan and program requirements;” instituting DWR guidelines on public participation that require including all members of a fairly extensive list of local agencies and stakeholders an opportunity to participate in plan development and implementation; and including in the public participation an open-ended phrase of “any other interest groups appropriate to the region.” This has the potential to create a large and somewhat unwieldy group that may make it difficult to readily make decisions on integrated water management, as the decision-making authority of each entity or interest could vary widely. The proposed amendments to the bill require the regional water management group to document and make public the group’s decision-making process and how different sectors and interests have been or will be engaged in the process. Nevertheless, it still may be challenging to reach consensus on what could be a wide variety of priorities identified by such an extensive group. Many of the agencies and stakeholders involved are specifically prohibited from making decisions on issues that extend beyond their legal authority.

- Recommend removing the word “all” from the proposed public participation portion of the DWR guidelines in Section 10540.5 (c), along with some additional modifications, so that it reads: “...include a public process that provides outreach and an opportunity to participate in plan development and implementation to appropriate local agencies and stakeholders...”

“Local Public Agency” Definition. The definition of a “local agency” in AB 1489 is in contrast to the definition of “local public agency” found in Senate Bill 732 by Senator Darrell Steinberg (D-Sacramento), as amended June 28, 2007. AB 1489 would exclude investor-owned utilities regulated by the Public Utilities Commission from the definition of a regional water management group. SB 732, however, includes investor-owned utilities in the definition of “local public agency” and states legislative intent that any public funds made available to investor-owned utilities regulated by the Public Utilities Commission (PUC) should be for the benefit of the ratepayers or the public and not the investors subject to oversight by the PUC. Additionally, the Legislative Analyst’s Office, in its report to the Legislature for implementation of the November 2006 bond package, noted: “We think that the public purpose stated in Proposition 84 of providing a safe and reliable supply of water to all of the state’s residents and businesses would be furthered by including private entities as eligible recipients of bond funds for this purpose.” (“Implementing the 2006 Bond Package: Increasing Effectiveness Through Legislative Oversight,” Legislative Analyst’s Office, January 22, 2007). Investor-owned utilities are included in the list of local stakeholders afforded an opportunity to participate in plan development and implementation but would not be eligible to participate in the regional water management group.

- Recommend the definition of local agency in AB 1489 be expanded to include investor-owned utilities that are subject to oversight by the PUC.

Other Recommended Amendments. Presented below are additional recommended amendments to AB 1489.

- Add language to the bill indicating that the California Environmental Quality Act (CEQA) does not apply to preparation of the integrated regional water management plans. There is precedence for this, as CEQA does not apply to planning activities and the preparation of Urban Water Management Plans are explicitly exempt from CEQA under the California Water Code.
- In Section 10540 (b), change the words “person who” to “local agency that” so it reads: The plan may address regional projects or programs or regional reports or studies over which any local agency that is a participant in that group has authority to undertake.
- Under Section 10540 (d), at a minimum plans should also address: the public process, the decision-making process, the review process, and the process for updating the plans.
- In Section 10540 (d) (2), insert the phrases “served by participating agencies” and “to the extent of the participating agency’s service to the area of the plan” so it reads: Providing safe drinking water to all

communities served by participating agencies within the area of the plan, to the extent of the participating agency's service to the area of the plan.

- In Section 10540.5 (a) (2), remove the word "all" from the phrase "meet all applicable water quality standards" since it may imply meeting water quality standards outside the basin, so it reads: Consideration of objectives in the appropriate basin plan or plans and strategies to meet applicable water quality standards.

Policy

By Minute Item 46746, the Board adopted the CEQA determination and supported Propositions 1E and 84 on the November 2006 ballot regarding water resources, natural resources and levee/flood protection funding, as set forth in the letter signed by Assistant General Manager Debra Man for the General Manager on July 5, 2006.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b) and 15061(b)(3) of the State CEQA Guidelines.

Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and authorize the General Manager to express Metropolitan's support for AB 1489, as amended July 5, 2007, and as proposed to be amended, if it is further amended as described in this letter.

Fiscal Impact: Unknown, but potentially significant benefits to Metropolitan and its member agencies if grants from the relevant chapters of Proposition 84 are awarded to assist in funding water supply, reliability and quality projects and programs. For Chapter 2, under the \$1 billion related to integrated regional water management plans, \$420 million is designated for the Los Angeles-Ventura County, Santa Ana and San Diego sub-regions. Additionally, Metropolitan and its member agencies may be able to seek funding from another \$100 million that is designated as inter-regional and unallocated funds for multi-regional needs or issues of statewide importance.

Business Analysis: By Minute Item 46746, the Board did support Proposition 84, which was approved by the voters in November 2006. AB 1489 would institute implementation language for grant funding from specified chapters of Proposition 84 for projects and programs that would have a direct benefit to Metropolitan and its member agencies.

Option #2

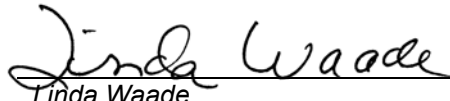
Take no position on AB 1489.

Fiscal Impact: Implementation language for Proposition 84 can be accomplished through legislation or through guidelines established by the Department of Water Resources. If such implementation language was not to become law during the current legislative session, there is the potential for delay in the award of \$420 million grant funding under Chapter 2 of Proposition 84 for the Los Angeles-Ventura County, Santa Ana, and San Diego sub-regions for projects and programs supported by Metropolitan and its member agencies, along with the potential delay in awarding \$100 million in inter-regional and unallocated funds for multi-regional needs or issues of statewide importance.

Business Analysis: If the implementation language for these chapters of Proposition 84 does not become law during the current legislative session, it could delay the solicitation and award of grant funding of potential projects and programs supported by Metropolitan and its member agencies. Delay of potential grant funding could delay completion of such projects and programs.

Staff Recommendation

Option #1


Linda Waade
Deputy General Manager, External Affairs

8/15/2007
Date


Jeffrey Wightlinger
General Manager

8/15/2007
Date

Attachment 1 – Assembly Bill 1489, as Amended July 5, 2007

Attachment 2 – Assembly Bill 1489, as Amended July 5, 2007, with Proposed Amendments

Attachment 3 – Detailed Summary of Assembly Bill 1489, as Amended July 5, 2007, with Proposed Amendments

BLA #5562

AMENDED IN SENATE JULY 5, 2007
AMENDED IN ASSEMBLY JUNE 1, 2007
AMENDED IN ASSEMBLY MAY 2, 2007
AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 1489

**Introduced by Assembly Members Huffman and Wolk
(Coauthor: Assembly Member Laird)**

February 23, 2007

~~An act to add Sections 75002.7, 75004.5, 75025.2, 75026.3, 75026.5, 75041.1, 75041.2, 75051.2, and 75070.7 to the Public Resources Code, relating to resources.~~
An act to add Sections 75004.5, 75026.3, 75041.1, 75051.2, and 75070.7 to the Public Resources Code, and to repeal and add Part 2.2 (commencing with Section 10530) of Division 6 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1489, as amended, Huffman. Resource bond ~~funds.~~ *funds:*
Integrated Regional Water Management Planning Act.

~~The~~

(1) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (initiative bond act) authorizes the issuance of bonds in the amount of \$5,388,000,000. The Disaster Preparedness and Flood Prevention Bond Act of 2006 authorizes the issuance of bonds in the amount of \$4,090,000,000 for the purposes of financing a disaster preparedness and flood prevention program.

AB 1489

— 2 —

This bill would declare legislative intent to establish *through its enactment* principles to guide the implementation of the initiative bond act. ~~The bill would require the State Department of Public Health to establish a program to implement a provision of the initiative bond act making funds available for projects to prevent or reduce contamination of groundwater that serves as a source of drinking water.~~ The bill would require applicants for funding for projects that assist local public agencies to meet the long-term water needs of the state to identify the manner in which the proposed project will contribute to meeting the performance standards included in the applicable integrated regional water management plan or its functional equivalent, as defined. ~~Certain planning and feasibility studies financed by the initiative bond act would be required to include an analysis of energy and greenhouse gas emission impacts.~~ The bill would require the Department of Water Resources to develop and conduct a study of groundwater resources that meets certain requirements and is, consistent with an existing provision of the initiative bond act, *to determine the status and effectiveness of groundwater management plans and programs.* The bill would define administrative costs for the purposes of the initiative bond act. The bill would require the Secretary of the Resources Agency to prepare and submit to the Legislature an annual report with regard to the expenditure of funds pursuant to the initiative bond act.

(2) The Integrated Regional Water Management Planning Act of 2002 authorizes a regional water management group, as defined, to prepare and adopt a regional water plan meeting specified requirements.

This bill would repeal these provisions of law and enact the Integrated Regional Water Management Planning Act. Regional water management groups, as defined, would be authorized to prepare and adopt integrated regional water management plans meeting specified requirements. The department would be required to develop and adopt guidelines for the preparation of integrated regional water management plans meeting specified requirements. The bill would establish a specified funding preference for regional projects programs identified in an integrated regional water management plan.

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. It is the intent of the Legislature, by enacting this
2 act, to establish standards and guidance for the implementation of
3 the Safe Drinking Water, Water Quality and Supply, Flood Control,
4 River and Coastal Protection Bond Act of 2006 and to provide for
5 coordination between programs in that law and related programs.

6 ~~SEC. 2. Section 75002.7 is added to the Public Resources Code,~~
7 ~~to read:~~

8 ~~75002.7. It is the intent of the Legislature that the following~~
9 ~~principles guide the implementation of this division:~~

10 ~~(a) Water supply, flood control, water quality, stormwater, and~~
11 ~~ecosystem restoration projects should be designed and implemented~~
12 ~~in an integrated manner to achieve increased public benefits and~~
13 ~~to increase efficiency of bond expenditures.~~

14 ~~(b) Projects should be designed and selected to reduce~~
15 ~~greenhouse gas emissions to the maximum extent feasible.~~

16 ~~(c) Projects should be designed and selected to improve~~
17 ~~adaptability to predicted climate change impacts.~~

18 ~~(d) Programs and projects should be designed and implemented~~
19 ~~to provide tangible benefits to disadvantaged communities~~
20 ~~whenever possible.~~

21 ~~SEC. 3.~~

22 ~~SEC. 2. Section 75004.5 is added to the Public Resources Code,~~
23 ~~to read:~~

24 ~~75004.5. The secretary shall prepare and submit to the~~
25 ~~Legislature an annual report on the expenditure of funds pursuant~~
26 ~~to this division. The report shall include information required under~~
27 ~~Section 75078 and an identification of expenditures and funds~~
28 ~~remaining for each program funded by this division.~~

29 ~~SEC. 4. Section 75025.2 is added to the Public Resources Code,~~
30 ~~to read:~~

31 ~~75025.2. The State Department of Public Health, in consultation~~
32 ~~with the state board, shall establish a program to implement Section~~
33 ~~75025 that includes all of the following components:~~

34 ~~(a) Grants to regional water quality control boards to do all of~~
35 ~~the following:~~

36 ~~(1) Identify sources of contamination of groundwater that is~~
37 ~~used as a primary source of drinking water.~~

AB 1489

1 ~~(2) Develop a plan consistent with Section 13242 of the Water~~
2 ~~Code that includes actions necessary to achieve drinking water~~
3 ~~quality objectives related to groundwater.~~

4 ~~(3) Provide information to the State Department of Public Health~~
5 ~~to identify priorities for funding of groundwater grants.~~

6 ~~(b) Establishment of a grant program to local public agencies~~
7 ~~for projects to develop and implement groundwater protection~~
8 ~~projects needed to protect sources of drinking water. The State~~
9 ~~Department of Public Health shall establish guidelines that establish~~
10 ~~all of the following:~~

11 ~~(1) Eligibility requirements and prioritization of projects for~~
12 ~~funding.~~

13 ~~(2) Requirements for repayment of grant funds in the event of~~
14 ~~cost recovery from parties responsible for the groundwater~~
15 ~~contamination.~~

16 ~~(3) Requirements for recipients of grants to make reasonable~~
17 ~~efforts to recover costs from parties responsible for groundwater~~
18 ~~contamination.~~

19 ~~(e) Not more than 10 percent of the funds provided in Section~~
20 ~~75025 shall be expended for the purposes of subdivision (a).~~

21 ~~SEC. 5.~~

22 ~~SEC. 3.~~ Section 75026.3 is added to the Public Resources Code,
23 to read:

24 75026.3. (a) The department shall provide technical assistance
25 and grants, consistent with subdivision (c) of Section 75026, to
26 enable broad and diverse participation in integrated regional water
27 management plan development and refinement ~~in each region~~. The
28 department shall develop guidelines for technical assistance and
29 participation grants.

30 (b) Applicants for funding pursuant to Section 75026 shall
31 identify the manner in which the proposed project will contribute
32 to meeting the performance standards included in the ~~adopted~~
33 ~~applicable~~ integrated water management plan ~~or its functional~~
34 ~~equivalent.~~

35 ~~SEC. 6.~~ Section 75026.5 is added to the Public Resources Code,
36 to read:

37 ~~75026.5.~~ In addition to the criteria established in subdivision
38 (b) of Section 75026, the department shall give preference to
39 proposals that implement plans that meet any of the following
40 criteria:

- 1 ~~(a) The plan is used to guide local project funding by the~~
2 ~~participating agencies.~~
- 3 ~~(b) The plan considers the impacts of climate change in project~~
4 ~~design and selection.~~
- 5 ~~(c) The plan identifies and addresses the supply of safe drinking~~
6 ~~water to all communities within the region.~~
- 7 ~~(d) The plan identifies and addresses all major water-related~~
8 ~~public health issues within the region.~~
- 9 ~~(e) The plan is designed to maximize public benefits through~~
10 ~~integrated, multibenefit management approaches.~~
- 11 ~~(f) The plan is designed to reduce reliance on imported water.~~
- 12 ~~(g) The plan incorporates objectives from relevant basin plans~~
13 ~~and strategies to meet all applicable water quality standards.~~
- 14 ~~(h) The plan is designed to provide a clear ecosystem benefit~~
15 ~~related to aquatic and riparian resources within the region.~~
- 16 ~~SEC. 7.~~
- 17 *SEC. 4.* Section 75041.1 is added to the Public Resources Code,
18 to read:
- 19 75041.1. (a) The Legislature hereby finds and declares all of
20 the following:
- 21 (1) Groundwater and surface water are components of the
22 hydrologic cycle, and need to be managed as a single resource to
23 ensure sustainability.
- 24 (2) Many groundwater basins are in conditions of overdraft and
25 are poorly managed.
- 26 (3) Mismanagement of groundwater basins has resulted in
27 impacts to surface streams and associated ecosystems.
- 28 (4) Continued mismanagement of groundwater will result in
29 additional negative impacts to California's natural resources.
- 30 ~~(b) Consistent with the provisions of Section 75041, the~~
31 ~~department shall develop and conduct a study of groundwater~~
32 ~~resources that does all of the following:~~
- 33 ~~(1) Identifies those major groundwater basins that are in critical~~
34 ~~overdraft condition.~~
- 35 ~~(2) Gathers and analyzes all available monitoring data for basins~~
36 ~~identified pursuant to paragraph (1).~~
- 37 ~~(3) Develops monitoring programs to supplement existing data~~
38 ~~as necessary.~~
- 39 ~~(4) Assesses the potential impacts to surface water as a result~~
40 ~~of groundwater overdraft.~~

AB 1489

1 ~~(5) Develops, in conjunction with local water managers, a~~
 2 ~~sustainable management plan for each groundwater basin where~~
 3 ~~overdraft of groundwater may have a significant impact on surface~~
 4 ~~water or natural resources.~~

5 *(b) Consistent with the provisions of Section 75041, the*
 6 ~~department, in coordination with local water managers, shall~~
 7 ~~conduct a study to determine the status and effectiveness of~~
 8 ~~groundwater management plans and programs in the state and~~
 9 ~~identify obstacles to, and opportunities for, effective integrated~~
 10 ~~and multibenefit management of groundwater resources. The~~
 11 ~~department shall make available the findings of the study, including~~
 12 ~~alternatives and recommendations for programmatic, structural,~~
 13 ~~or legal changes that would improve the ability of regions to~~
 14 ~~address future water needs more effectively, to the public.~~

15 ~~SEC. 8. Section 75041.2 is added to the Public Resources Code,~~
 16 ~~to read:~~

17 ~~75041.2. Planning and feasibility studies financed pursuant to~~
 18 ~~Section 75041 shall include an analysis of energy and greenhouse~~
 19 ~~gas emission impacts related to proposed projects and system~~
 20 ~~redesign alternatives.~~

21 ~~SEC. 9.~~

22 ~~SEC. 5. Section 75051.2 is added to the Public Resources Code,~~
 23 ~~to read:~~

24 ~~75051.2. (a) Funds made available by subdivision (a) of~~
 25 ~~Section 75050 for Bay-Delta fishery restoration projects shall be~~
 26 ~~expended for the state share of the California Bay-Delta ecosystem~~
 27 ~~restoration program or any successor program approved by the~~
 28 ~~Department of Fish and Game to protect and conserve Bay-Delta~~
 29 ~~ecosystem resources.~~

30 ~~(b) Funds made available by subdivision (n) of Section 75050~~
 31 ~~for restoration of the San Joaquin River shall be expended~~
 32 ~~consistent with the terms of the settlement agreement in National~~
 33 ~~Resources Defense Council v. Rodgers, Case No.~~
 34 ~~Civ-S-88-1658-LKK/GGH, filed with the United States District~~
 35 ~~Court on September 13, 2006, to ensure timely implementation of~~
 36 ~~the settlement agreement, including the settlement agreement's~~
 37 ~~provisions for a technical advisory committee and a restoration~~
 38 ~~administrator.~~

1 ~~SEC. 10.~~

2 *SEC. 6.* Section 75070.7 is added to the Public Resources Code,
3 to read:

4 75070.7. For the purposes of Section 75070.5, “costs” refers
5 to costs that are directly attributable to the expenditure of funds
6 made available by this division.

7 *SEC. 7. Part 2.2 (commencing with Section 10530) of Division*
8 *6 of the Water Code is repealed.*

9 *SEC. 8.* Part 2.2 (commencing with Section 10530) is added
10 to Division 6 of the Water Code, to read:

11

12 **PART 2.2. INTEGRATED REGIONAL WATER**
13 **MANAGEMENT PLANS**

14

15 **CHAPTER 1. SHORT TITLE**

16

17 10530. This part shall be known and may be cited as the
18 Integrated Regional Water Management Planning Act.

19

20 **CHAPTER 2. LEGISLATIVE FINDINGS AND DECLARATIONS**

21

22 10531. The Legislature finds and declares all of the following:

23 (a) Water is a valuable natural resource in California, and should
24 be managed to ensure the availability of sufficient supplies to meet
25 the state’s agricultural, domestic, industrial, and environmental
26 needs. It is the intent of the Legislature to encourage local agencies
27 to work cooperatively to manage their available local and imported
28 water supplies to improve the quality, quantity, and reliability of
29 those supplies.

30 (b) Local agencies can realize efficiencies by coordinating and
31 integrating their assets and seeking mutual solutions to water
32 management issues.

33 (c) The reliability of water supplies can be significantly
34 improved by diversifying water portfolios, taking advantage of
35 local and regional opportunities, and considering a broad variety
36 of water management strategies as described in the California
37 Water Plan.

38 (d) The implementation of this part will facilitate the
39 development of integrated regional water management plans,
40 thereby assisting each region of the state to improve water supply

AB 1489

— 8 —

1 reliability, water quality, and environmental stewardship to meet
2 current and future needs.

3

4

CHAPTER 3. DEFINITIONS

5

6 10532. Unless the context otherwise requires, the definitions
7 set forth in this chapter govern the construction of this part.

8 10532.3. “Basin plan” means water quality control plans
9 developed pursuant to Section 13240.

10 10532.7. “Integrated regional water management plan” means
11 a comprehensive plan for a defined geographic area, the specific
12 development, content, and adoption of which shall satisfy
13 requirements developed pursuant to this part. At a minimum, an
14 integrated regional water management plan describes the major
15 water related objectives and conflicts within a region, considers a
16 broad variety of water management strategies, and identifies the
17 appropriate mix of water demand and supply management
18 alternatives, water quality protections, and environmental
19 stewardship actions to provide long-term, reliable, and high-quality
20 water supply and protect the environment.

21 10533. “Local agency” means any city, county, city and county,
22 special district, mutual water company, joint powers authority, or
23 other political subdivisions of the state.

24 10535. “Plan” means an integrated regional water management
25 plan.

26 10536. “Regional projects or programs” means projects or
27 programs identified in an integrated regional water management
28 plan that accomplish any of the following:

29 (a) Reduce water demand through agricultural and urban water
30 use efficiency.

31 (b) Increase water supplies for any beneficial use, including
32 groundwater storage and conjunctive water management,
33 desalination, precipitation enhancement, water recycling, regional
34 and local surface storage, and stormwater management.

35 (c) Improve operational efficiency and water supply reliability,
36 including conveyance facilities, system reoperation, and water
37 transfers.

38 (d) Improve water quality, including drinking water treatment
39 and distribution, groundwater and aquifer remediation, matching

1 water quality to water use, wastewater treatment, water pollution
2 prevention, and management of urban and agricultural runoff.

3 (e) Improve resource stewardship, including agricultural lands
4 stewardship, ecosystem restoration, flood plain management,
5 recharge area protection, urban land use management, groundwater
6 management, water dependent recreation, fishery restoration,
7 including fish passage improvement, and watershed management.

8 (f) Improve flood protection.

9 10537. “Regional reports or studies” means reports or studies
10 relating to any of the items described in subdivisions (a) to (f),
11 inclusive, of Section 10536 that are identified in an integrated
12 regional water management plan.

13 10538. “Regional water management group” means a group
14 in which three or more local agencies, at least two of which have
15 statutory authority over water supply, as well as those other persons
16 as may be necessary for the development and implementation of
17 a plan, participate by means of a joint powers agreement,
18 memorandum of understanding, or other written agreement, as
19 appropriate, that is approved by the governing bodies of those local
20 agencies.

21

22 CHAPTER 4. INTEGRATED REGIONAL WATER MANAGEMENT
23 PLANS
24

25 10540. (a) A regional water management group may prepare
26 and adopt an integrated regional water management plan in
27 accordance with this part.

28 (b) The plan may address regional projects or programs or
29 regional reports or studies over which any person who is a
30 participant in that group has authority to undertake.

31 (c) A regional water management group may coordinate its
32 planning activities to address or incorporate all or part of any of
33 the following actions of its members into its plan:

34 (1) Groundwater management planning pursuant to Part 2.75
35 (commencing with Section 10750).

36 (2) Urban water management planning pursuant to Part 2.6
37 (commencing with Section 10610).

38 (3) The preparation of a water supply assessment required
39 pursuant to Part 2.10 (commencing with Section 10910).

AB 1489

— 10 —

- 1 (4) Agricultural water management planning pursuant to Part
2 2.8 (commencing with Section 10800).
- 3 (5) City and county general planning pursuant to Section 65350
4 of the Government Code.
- 5 (d) At a minimum all plans shall address all of the following:
- 6 (1) Protection and improvement of water supply reliability,
7 including identification of feasible agricultural and urban water
8 use efficiency strategies.
- 9 (2) Providing safe drinking water to all communities within the
10 area of the plan.
- 11 (3) Protection and improvement of water quality within the area
12 of the plan, consistent with the relevant basin plan.
- 13 (4) Identification of any significant threats to groundwater
14 resources from overdrafting.
- 15 (5) Protection and improvement of stewardship of aquatic and
16 riparian resources within the region.
- 17 (6) Protection of groundwater resources from contamination.
- 18 10540.5. (a) The department shall develop and adopt
19 guidelines, consistent with Section 10540.7, for the preparation of
20 integrated regional water management plans. These guidelines
21 shall require that integrated regional water management plans
22 include all of the following:
- 23 (1) Consideration of all of the resource management strategies
24 identified in the California Water Plan, as updated by department
25 Bulletin 160-2005 and future updates.
- 26 (2) Consideration of objectives in the appropriate basin plan or
27 plans and strategies to meet all applicable water quality standards.
- 28 (3) Description of the major water related objectives and
29 conflicts within a region.
- 30 (4) Measurable regional objectives and criteria for developing
31 regional project priorities.
- 32 (5) An integrated, multibenefit approach to selection and design
33 of projects and programs.
- 34 (6) Identification and consideration of the water-related needs
35 of disadvantaged communities in the area within the boundaries
36 of the plan.
- 37 (7) Performance measures and monitoring to demonstrate
38 progress toward meeting regional objectives.
- 39 (8) A plan for implementation and financing of identified
40 projects and programs.

- 1 (9) Consideration of greenhouse gas emissions of identified
2 programs and projects.
- 3 (10) Evaluation of the adaptability to climate change of water
4 management systems in the region.
- 5 (11) Documentation of data and technical analyses used in
6 development of the plan.
- 7 (12) A process to disseminate data and information related to
8 the development and implementation of the plan.
- 9 (13) A process to coordinate water management projects and
10 activities of participating local agencies to avoid conflicts and take
11 advantage of efficiencies.
- 12 (14) Any other items identified by the department.
- 13 (b) The guidelines shall include standards for identifying a
14 region for the purpose of developing an integrated regional water
15 management plan. At a minimum, a region shall be a contiguous
16 geographic area encompassing the service areas of multiple local
17 agencies, and shall be defined to maximize opportunities for
18 integration of water management activities.
- 19 (c) The guidelines shall require that the development and
20 implementation of the integrated regional water management plan
21 include a public process that provides an opportunity to participate
22 in plan development and implementation to all appropriate local
23 agencies and stakeholders, including the following persons, as
24 applicable to the region:
- 25 (1) Wholesale and retail water purveyors, including a local
26 agency or a water corporation as defined in Section 241 of the
27 Public Utilities Code.
- 28 (2) Wastewater agencies.
- 29 (3) Flood control agencies.
- 30 (4) Municipal governments.
- 31 (5) County governments.
- 32 (6) Native American tribes that have lands within the region.
- 33 (7) Self-supplied water users, including agricultural, industrial,
34 residential, park districts, school districts, colleges and universities,
35 and others.
- 36 (8) Environmental stewardship organizations, including
37 watershed councils, land conservancies, and environmental groups.
- 38 (9) Community organizations, including landowner
39 organizations, taxpayer groups, environmental justice
40 organizations, and recreational interests.

AB 1489

- 1 (10) Industry organizations representing agriculture, developers,
- 2 and other industries appropriate to the region.
- 3 (11) State, federal, and regional agencies or universities with
- 4 specific responsibilities or knowledge within the region.
- 5 (12) Disadvantaged communities within the region.
- 6 (13) Any other interested groups appropriate to the region.
- 7 (d) The guidelines shall provide for a process for the periodic
- 8 review, updating, and amending of plans at least once every three
- 9 years. The department shall structure requirements for project
- 10 funding within a funding cycle to reflect the schedule for review,
- 11 updating, and amending of integrated regional water management
- 12 plans.
- 13 10540.7. (a) Prior to adopting guidelines for integrated regional
- 14 water management plans, the department shall conduct two public
- 15 meetings to consider public comments prior to finalizing the
- 16 guidelines. One meeting shall be conducted at a location in northern
- 17 California and one meeting shall be conducted at a location in
- 18 southern California. The department shall publish the draft
- 19 guidelines on its Internet Web site at least 30 days before the public
- 20 meetings. To the extent feasible, the department shall provide
- 21 outreach to disadvantaged communities to promote access and
- 22 participation in the meetings. Upon adoption, the department shall
- 23 transmit copies of the guidelines to the appropriate policy
- 24 committees of the Legislature.
- 25 (b) The department shall consult with the state board, the
- 26 regional water quality control boards, the State Department of
- 27 Public Health, the Department of Fish and Game, the California
- 28 Bay-Delta Authority or its successor, and other state agencies with
- 29 water management responsibility and authority in development of
- 30 the guidelines.
- 31 10541. (a) A regional water management group proposing to
- 32 prepare an integrated regional water management plan, and each
- 33 local agency that is a member of the group, shall publish a notice
- 34 of intention to prepare the plan in accordance with Section 6066
- 35 of the Government Code.
- 36 (b) For the purposes of carrying out this part, the regional water
- 37 management group shall make available to the public a written
- 38 statement describing the manner in which interested parties may
- 39 participate in developing the integrated regional water management
- 40 plan.

1 (c) Upon the completion of the integrated regional water
2 management plan, the regional water management group, and each
3 local agency proposing to participate in implementation of the
4 plan, shall publish a notice of intention to adopt the plan in
5 accordance with Section 6066 of the Government Code and shall
6 adopt the plan in a public meeting of its governing board.

7

8 CHAPTER 5. FUNDING FOR QUALIFIED PROJECTS AND PROGRAMS

9

10 10543. When selecting projects and programs pursuant to
11 Division 24 (commencing with Section 78500), Division 26
12 (commencing with Section 79000), Division 26.5 (commencing
13 with Section 79500), or pursuant to any grant funding authorized
14 on or after January 1, 2008, for water management activities, the
15 department, the board, the State Department of Public Health, and
16 the California Bay-Delta Authority or its successor, as appropriate,
17 shall include in any set of criteria used to select projects and
18 programs for funding, a criterion that provides a preference for
19 regional projects or programs.

20 10544. Notwithstanding Section 10543, an integrated regional
21 water management plan prepared pursuant to this part shall be
22 eligible for funding pursuant to Section 75026 of the Public
23 Resources Code, and for any funding authorized on or after January
24 1, 2008, that is allocated specifically for implementation of
25 integrated regional water management.

26 10544.5. Nothing in this part prohibits the department from
27 implementing Section 75026 of the Public Resources Code by
28 using existing integrated regional water management guidelines
29 in accordance with subdivision (d) of Section 75026 of the Public
30 Resources Code or by establishing guidelines pursuant to other
31 than this part.

32

33

CHAPTER 6. MISCELLANEOUS

34

35 10545. This part does not affect any powers granted to a local
36 agency by any other law.

AB 1489

— 14 —

1 10546. This part does not authorize a regional water
2 management group to define, or otherwise determine, the water
3 rights of any person.

O

AMENDED IN SENATE JULY 5, 2007

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY MAY 2, 2007

AMENDED IN ASSEMBLY APRIL 9, 2007

california legislature—2007-08 regular session

ASSEMBLY BILL

No. 1489

**Introduced by Assembly Members Huffman and Wolk
(Coauthor: Assembly Member Laird)**

February 23, 2007

~~An act to add Sections 75002.7, 75004.5, 75025.2, 75026.3, 75026.5, 75041.1, 75041.2, 75051.2, and 75070.7 to the Public Resources Code, relating to resources.~~ *An act to add Sections 75004.5, 75026.3, 75041.1, 75051.2, and 75070.7 to the Public Resources Code, and to repeal and add Part 2.2 (commencing with Section 10530) of Division 6 of the Water Code, relating to water.*

legislative counsel's digest

AB 1489, as amended, Huffman. Resource bond ~~funds~~. *funds*:
Integrated Regional Water Management Planning Act.

~~The~~

(1) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (initiative bond act) authorizes the issuance of bonds in the amount of \$5,388,000,000. The Disaster Preparedness and Flood Prevention Bond Act of 2006 authorizes the issuance of bonds in the amount of \$4,090,000,000 for the purposes of financing a disaster preparedness and flood prevention program.

AB 1489

— 2 —

This bill would declare legislative intent to establish *through its enactment* principles to guide the implementation of the initiative bond act. ~~The bill would require the State Department of Public Health to establish a program to implement a provision of the initiative bond act making funds available for projects to prevent or reduce contamination of groundwater that serves as a source of drinking water.~~ The bill would require applicants for funding for projects that assist local public agencies to meet the long-term water needs of the state to identify the manner in which the proposed project will contribute to meeting the performance standards included in the applicable integrated regional water management plan or its functional equivalent, as defined. ~~Certain planning and feasibility studies financed by the initiative bond act would be required to include an analysis of energy and greenhouse gas emission impacts.~~ The bill would require the Department of Water Resources to ~~develop and conduct a study of groundwater resources that meets certain requirements and is,~~ consistent with an existing provision of the initiative bond act, *to determine the status and effectiveness of groundwater management plans and programs.* The bill would define administrative costs for the purposes of the initiative bond act. The bill would require the Secretary of the Resources Agency to prepare and submit to the Legislature an annual report with regard to the expenditure of funds pursuant to the initiative bond act.

(2) The Integrated Regional Water Management Planning Act of 2002 authorizes a regional water management group, as defined, to prepare and adopt a regional water plan meeting specified requirements.

This bill would repeal these provisions of law and enact the Integrated Regional Water Management Planning Act. Regional water management groups, as defined, would be authorized to prepare and adopt integrated regional water management plans meeting specified requirements. The department would be required to develop and adopt guidelines for the preparation of integrated regional water management plans meeting specified requirements. The bill would establish a specified funding preference for regional projects programs identified in an integrated regional water management plan.

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

— 3 —

AB 1489

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

1 SECTION 1. It is the intent of the Legislature, by enacting this
2 act, to establish standards and guidance for the implementation of
3 the Safe Drinking Water, Water Quality and Supply, Flood Control,
4 River and Coastal Protection Bond Act of 2006 and to provide for
5 coordination between programs in that law and related programs.

6 ~~SEC. 2. Section 75002.7 is added to the Public Resources Code,~~
7 ~~to read:~~

8 ~~75002.7. It is the intent of the Legislature that the following~~
9 ~~principles guide the implementation of this division:~~

10 ~~(a) Water supply, flood control, water quality, stormwater, and~~
11 ~~ecosystem restoration projects should be designed and implemented~~
12 ~~in an integrated manner to achieve increased public benefits and~~
13 ~~to increase efficiency of bond expenditures.~~

14 ~~(b) Projects should be designed and selected to reduce~~
15 ~~greenhouse gas emissions to the maximum extent feasible.~~

16 ~~(c) Projects should be designed and selected to improve~~
17 ~~adaptability to predicted climate change impacts.~~

18 ~~(d) Programs and projects should be designed and implemented~~
19 ~~to provide tangible benefits to disadvantaged communities~~
20 ~~whenever possible.~~

21 ~~SEC. 3.~~

22 ~~SEC. 2. Section 75004.5 is added to the Public Resources Code,~~
23 ~~to read:~~

24 ~~75004.5. The secretary shall prepare and submit to the~~
25 ~~Legislature an annual report on the expenditure of funds pursuant~~
26 ~~to this division. The report shall include information required under~~
27 ~~Section 75078 and an identification of expenditures and funds~~
28 ~~remaining for each program funded by this division.~~

29 ~~SEC. 4. Section 75025.2 is added to the Public Resources Code,~~
30 ~~to read:~~

31 ~~75025.2. The State Department of Public Health, in consultation~~
32 ~~with the state board, shall establish a program to implement Section~~
33 ~~75025 that includes all of the following components:~~

34 ~~(a) Grants to regional water quality control boards to do all of~~
35 ~~the following:~~

36 ~~(1) Identify sources of contamination of groundwater that is~~
37 ~~used as a primary source of drinking water.~~

AB 1489

— 4 —

1 ~~(2) Develop a plan consistent with Section 13242 of the Water~~
2 ~~Code that includes actions necessary to achieve drinking water~~
3 ~~quality objectives related to groundwater.~~

4 ~~(3) Provide information to the State Department of Public Health~~
5 ~~to identify priorities for funding of groundwater grants.~~

6 ~~(b) Establishment of a grant program to local public agencies~~
7 ~~for projects to develop and implement groundwater protection~~
8 ~~projects needed to protect sources of drinking water. The State~~
9 ~~Department of Public Health shall establish guidelines that establish~~
10 ~~all of the following:~~

11 ~~(1) Eligibility requirements and prioritization of projects for~~
12 ~~funding.~~

13 ~~(2) Requirements for repayment of grant funds in the event of~~
14 ~~cost recovery from parties responsible for the groundwater~~
15 ~~contamination.~~

16 ~~(3) Requirements for recipients of grants to make reasonable~~
17 ~~efforts to recover costs from parties responsible for groundwater~~
18 ~~contamination.~~

19 ~~(c) Not more than 10 percent of the funds provided in Section~~
20 ~~75025 shall be expended for the purposes of subdivision (a).~~

21 ~~SEC. 5.~~

22 ~~SEC. 3. Section 75026.3 is added to the Public Resources Code,~~
23 ~~to read:~~

24 ~~75026.3. (a) The department shall provide technical assistance~~
25 ~~and grants, consistent with subdivision (c) of Section 75026, to~~
26 ~~enable broad and diverse participation in integrated regional water~~
27 ~~management plan development and refinement in each region. The~~
28 ~~department shall develop guidelines for technical assistance and~~
29 ~~participation grants.~~

30 ~~(b) Applicants for funding pursuant to Section 75026 shall~~
31 ~~identify the manner in which the proposed project will contribute~~
32 ~~to meeting the performance standards included in the adopted~~
33 ~~applicable integrated water management plan or its functional~~
34 ~~equivalent.~~

35 ~~SEC. 6. Section 75026.5 is added to the Public Resources Code,~~
36 ~~to read:~~

37 ~~75026.5. In addition to the criteria established in subdivision~~
38 ~~(b) of Section 75026, the department shall give preference to~~
39 ~~proposals that implement plans that meet any of the following~~
40 ~~criteria:~~

— 5 —

AB 1489

- 1 ~~(a) The plan is used to guide local project funding by the~~
2 ~~participating agencies.~~
- 3 ~~(b) The plan considers the impacts of climate change in project~~
4 ~~design and selection.~~
- 5 ~~(c) The plan identifies and addresses the supply of safe drinking~~
6 ~~water to all communities within the region.~~
- 7 ~~(d) The plan identifies and addresses all major water-related~~
8 ~~public health issues within the region.~~
- 9 ~~(e) The plan is designed to maximize public benefits through~~
10 ~~integrated, multibenefit management approaches.~~
- 11 ~~(f) The plan is designed to reduce reliance on imported water.~~
- 12 ~~(g) The plan incorporates objectives from relevant basin plans~~
13 ~~and strategies to meet all applicable water quality standards.~~
- 14 ~~(h) The plan is designed to provide a clear ecosystem benefit~~
15 ~~related to aquatic and riparian resources within the region.~~
- 16 ~~SEC. 7.~~
- 17 ~~SEC. 4.~~ Section 75041.1 is added to the Public Resources Code,
18 to read:
- 19 75041.1. (a) The Legislature hereby finds and declares all of
20 the following:
- 21 (1) Groundwater and surface water are components of the
22 hydrologic cycle, and need to be managed as a single resource to
23 ensure sustainability.
- 24 (2) Many groundwater basins are in conditions of overdraft and
25 are poorly managed.
- 26 (3) Mismanagement of groundwater basins has resulted in
27 impacts to surface streams and associated ecosystems.
- 28 (4) Continued mismanagement of groundwater will result in
29 additional negative impacts to California's natural resources.
- 30 ~~(b) Consistent with the provisions of Section 75041, the~~
31 ~~department shall develop and conduct a study of groundwater~~
32 ~~resources that does all of the following:~~
- 33 ~~(1) Identifies those major groundwater basins that are in critical~~
34 ~~overdraft condition.~~
- 35 ~~(2) Gathers and analyzes all available monitoring data for basins~~
36 ~~identified pursuant to paragraph (1).~~
- 37 ~~(3) Develops monitoring programs to supplement existing data~~
38 ~~as necessary.~~
- 39 ~~(4) Assesses the potential impacts to surface water as a result~~
40 ~~of groundwater overdraft.~~

AB 1489

— 6 —

1 (5) Develops, in conjunction with local water managers, a
2 sustainable management plan for each groundwater basin where
3 overdraft of groundwater may have a significant impact on surface
4 water or natural resources.

5 (b) Consistent with ~~the provisions of~~ Section 75041, the
6 department, in coordination with local water managers, shall
7 conduct a study to determine the status and effectiveness of
8 groundwater management plans and programs in the state and
9 identify obstacles to, and opportunities for, effective integrated
10 and multibenefit management of groundwater resources. The
11 department shall make available **to the public** the findings of the study, including
12 alternatives and recommendations for programmatic, structural,
13 or legal changes that would improve the ability of regions to
14 address future water needs more effectively, **to the public**.

15 ~~SEC. 8. Section 75041.2 is added to the Public Resources Code,~~
16 ~~to read:~~

17 ~~75041.2. Planning and feasibility studies financed pursuant to~~
18 ~~Section 75041 shall include an analysis of energy and greenhouse~~
19 ~~gas emission impacts related to proposed projects and system~~
20 ~~redesign alternatives.~~

21 ~~SEC. 9.~~

22 ~~SEC. 5. Section 75051.2 is added to the Public Resources Code,~~
23 ~~to read:~~

24 75051.2. (a) Funds made available by subdivision (a) of
25 Section 75050 for Bay-Delta fishery restoration projects shall be
26 expended for the state share of the California Bay-Delta ecosystem
27 restoration program or any successor program approved by the
28 Department of Fish and Game to protect and conserve Bay-Delta
29 ecosystem resources.

30 (b) Funds made available by subdivision (n) of Section 75050
31 for restoration of the San Joaquin River shall be expended
32 consistent with the terms of the settlement agreement in **National Natural**
33 **Resources Defense Council v. Rodgers**, Case No.
34 Civ-S-88-1658-LKK/GGH, filed with the United States District
35 Court on September 13, 2006, to ensure timely implementation of
36 the settlement agreement, including the settlement agreement's
37 provisions for a technical advisory committee and a restoration
38 administrator.

— 7 —

AB 1489

1 ~~SEC. 10.~~

2 *SEC. 6.* Section 75070.7 is added to the Public Resources Code,
3 to read:

4 75070.7. For the purposes of Section 75070.5, "costs" refers
5 to costs that are directly attributable to the expenditure of funds
6 made available by this division.

7 *SEC. 7. Part 2.2 (commencing with Section 10530) of Division*
8 *6 of the Water Code is repealed.*

9 SEC. 8. Part 2.2 (commencing with Section 10530) is added
10 to Division 6 of the Water Code, to read:

11

12 PART 2.2. INTEGRATED REGIONAL WATER
13 MANAGEMENT PLANS

14

15 Chapter 1. Short Title

16

17 10530. This part shall be known and may be cited as the
18 Integrated Regional Water Management Planning Act.

19

20 Chapter 2. Legislative Findings and Declarations

21

22 10531. The Legislature finds and declares all of the following:

23 (a) Water is a valuable natural resource in California, and should
24 be managed to ensure the availability of sufficient supplies to meet
25 the state's agricultural, domestic, industrial, and environmental
26 needs. It is the intent of the Legislature to encourage local agencies
27 to work cooperatively to manage their available local and imported
28 water supplies to improve the quality, quantity, and reliability of
29 those supplies.

30 (b) Local agencies can realize efficiencies by coordinating and
31 integrating their assets and seeking mutual solutions to water
32 management issues.

33 (c) The reliability of water supplies can be significantly
34 improved by diversifying water portfolios, taking advantage of
35 local and regional opportunities, and considering a broad variety
36 of water management strategies as described in the California
37 Water Plan.

38 (d) The implementation of this part will facilitate the
39 development of integrated regional water management plans,
40 thereby assisting each region of the state to improve water supply

AB 1489

— 8 —

1 reliability, water quality, and environmental stewardship to meet
2 current and future needs.

(e) Water management is integrally linked to public health and the health of all natural resources within our watersheds. It is the intent of the Legislature that water management strategies and projects are carried out in a way that promotes these important public values.

3

4

Chapter 3. Definitions

5

6 10532. Unless the context otherwise requires, the definitions
7 set forth in this chapter govern the construction of this part.

8 10532.3. "Basin plan" means water quality control plans
9 developed pursuant to Section 13240.

10 10532.7. "Integrated regional water management plan" means
11 a comprehensive plan for a defined geographic area, the specific
12 development, content, and adoption of which shall satisfy
13 requirements developed pursuant to this part. At a minimum, an
14 integrated regional water management plan describes the major
15 water related objectives and conflicts within a region, considers a
16 broad variety of water management strategies, and identifies the
17 appropriate mix of water demand and supply management
18 alternatives, water quality protections, and environmental
19 stewardship actions to provide long-term, reliable, and high-quality
20 water supply and protect the environment.

21 10533. "Local agency" means any city, county, city and county,
22 special district, mutual water company, joint powers authority, or
23 other political subdivisions of the state.

24 10535. "Plan" means an integrated regional water management
25 plan.

26 10536. "Regional projects or programs" means projects or
27 programs identified in an integrated regional water management
28 plan that accomplish any of the following:

29 (a) Reduce water demand through agricultural and urban water
30 use efficiency.

31 (b) Increase water supplies for any beneficial use, ***including through the use of any of the following, or other means:***

32 groundwater storage and conjunctive water management,
33 desalination, precipitation enhancement, water recycling, regional
34 and local surface storage, ***conservation***, and stormwater management.

35 (c) Improve operational efficiency and water supply reliability,
36 including conveyance facilities, system reoperation, and water
37 transfers.

38 (d) Improve water quality, including drinking water treatment
39 and distribution, groundwater and aquifer remediation, matching

— 9 —

AB 1489

1 water quality to water use, wastewater treatment, water pollution
2 prevention, and management of urban and agricultural runoff.

3 (e) Improve resource stewardship, including agricultural lands
4 stewardship, ecosystem restoration, flood plain management,
5 recharge area protection, urban land use management, groundwater
6 management, water dependent recreation, fishery restoration,
7 including fish passage improvement, and watershed management.

8 (f) Improve flood protection ***through both structural and nonstructural means.***

9 10537. "Regional reports or studies" means reports or studies
10 relating to any of the items described in subdivisions (a) to (f),
11 inclusive, of Section 10536 that are identified in an integrated
12 regional water management plan.

13 10538. "Regional water management group" means a group
14 in which three or more local agencies, at least two of which have
15 statutory authority over water supply, as well as those other persons
16 as may be necessary for the development and implementation of
17 a plan ***that meets the requirements in sections 10540 and 10540.5***, participate by
means of a joint powers agreement,
18 memorandum of understanding, or other written agreement, as
19 appropriate, that is approved by the governing bodies of those local
20 agencies.

21

22 Chapter 4. Integrated Regional Water Management
23 Plans
24

25 10540. (a) A regional water management group may prepare
26 and adopt an integrated regional water management plan in
27 accordance with this part.

28 (b) The plan may address regional projects or programs or
29 regional reports or studies over which any person who is a
30 participant in that group has authority to undertake.

31 (c) A regional water management group may coordinate its
32 planning activities to address or incorporate all or part of any of
33 the following actions of its members into its plan:

34 (1) Groundwater management planning pursuant to Part 2.75
35 (commencing with Section 10750).

36 (2) Urban water management planning pursuant to Part 2.6
37 (commencing with Section 10610).

38 (3) The preparation of a water supply assessment required
39 pursuant to Part 2.10 (commencing with Section 10910).

AB 1489

— 10 —

- 1 (4) Agricultural water management planning pursuant to Part
2 2.8 (commencing with Section 10800).
- 3 (5) City and county general planning pursuant to Section 65350
4 of the Government Code.
- 5 (d) At a minimum all plans shall address all of the following:
- 6 (1) Protection and improvement of water supply reliability,
7 including identification of feasible agricultural and urban water
8 use efficiency strategies.
- 9 (2) Providing safe drinking water to all communities within the
10 area of the plan.
- 11 (3) Protection and improvement of water quality within the area
12 of the plan, consistent with the relevant basin plan.
- 13 (4) Identification of any significant threats to groundwater
14 resources from overdrafting.
- 15 (5) Protection, **restoration** and improvement of stewardship of aquatic **and**
16 **riparian, riparian, and watershed** resources within the region.
- 17 (6) Protection of groundwater resources from contamination.
- 18 10540.5. (a) The department shall develop and adopt
19 guidelines, consistent with Section 10540.7, for the preparation of
20 integrated regional water management plans. These guidelines
21 shall require that integrated regional water management plans
22 include all of the following:
- 23 (1) Consideration of all of the resource management strategies
24 identified in the California Water Plan, as updated by department
25 Bulletin 160-2005 and future updates.
- 26 (2) Consideration of objectives in the appropriate basin plan or
27 plans and strategies to meet all applicable water quality standards.
- 28 (3) Description of the major water related objectives and
29 conflicts within a region.
- 30 (4) Measurable regional objectives and criteria for developing
31 regional project priorities.
- 32 (5) An integrated, multibenefit approach to selection and design
33 of projects and programs.
- 34 (6) Identification and consideration of the water-related needs
35 of disadvantaged communities in the area within the boundaries
36 of the plan.
- 37 (7) Performance measures and monitoring to demonstrate
38 progress toward meeting regional objectives.
- 39 (8) A plan for implementation and financing of identified
40 projects and programs.

— 11 —

AB 1489

1 (9) Consideration of greenhouse gas emissions of identified
2 programs and projects. ***This paragraph shall be implemented consistent with AB 224 of***
the 2007-08 Regular Session if that bill is enacted.

3 (10) Evaluation of the adaptability to climate change of water
4 management systems in the region. ***This paragraph shall be implemented consistent with***
AB 224 of the 2007-08 Regular Session if that bill is enacted.

5 (11) Documentation of data and technical analyses used in
6 development of the plan.

7 (12) A process to disseminate data and information related to
8 the development and implementation of the plan.

9 (13) A process to coordinate water management projects and
10 activities of participating local agencies ***and local stakeholders*** to avoid conflicts and take
11 advantage of efficiencies.

12 (14) Any other items identified by the department.

13 (b) The guidelines shall include standards for identifying a
14 region for the purpose of developing an integrated regional water
15 management plan. At a minimum, a region shall be a contiguous
16 geographic area encompassing the service areas of multiple local
17 agencies, and shall be defined to maximize opportunities for
18 integration of water management activities.

19 (c) The guidelines shall require that the development and
20 implementation of the integrated regional water management plan
21 include a public process that provides ***outreach and*** an opportunity to participate
22 in plan development and implementation to all appropriate local
23 agencies and stakeholders, including the following persons, as
24 applicable to the region:

25 (1) Wholesale and retail water purveyors, including a local
26 agency or a water corporation as defined in Section 241 of the
27 Public Utilities Code.

28 (2) Wastewater agencies.

29 (3) Flood control agencies.

30 (4) Municipal ***governments and county governments and special districts.***

31 ~~(5) County governments.~~

(5) Energy utilities.

32 (6) Native American tribes that have lands within the region.

33 (7) Self-supplied water users, including agricultural, industrial,
34 residential, park districts, school districts, colleges and universities,
35 and others.

36 (8) Environmental stewardship organizations, including
37 watershed councils, ***fishing groups***, land conservancies, and environmental groups.

38 (9) Community organizations, including landowner
39 organizations, taxpayer groups, ***environmental justice***
40 ***organizations***, and recreational interests.

1 (10) Industry organizations representing agriculture, developers,
2 and other industries appropriate to the region.

3 (11) State, federal, and regional agencies or universities with
4 specific responsibilities or knowledge within the region.

5 (12) Disadvantaged ~~communities within the region~~ **community members and representatives**
including environmental justice organizations, neighborhood councils, and social justice organizations.

6 (13) Any other interested groups appropriate to the region.

(d) The guidelines shall require the regional water management group to document and make public both of the following:

(1) The process by which decisions are made in consultation with the persons identified in subdivision (c).

(2) How a balance of interested persons representing different sectors and interests listed in subdivision (c) have been or will be engaged in the process described in paragraph (1), regardless of their ability to contribute financially to the plan.

7 **(e)** The guidelines shall provide for a process for the periodic
8 review, updating, and amending of plans at least once every ~~three~~ **five**
9 years. The department shall structure requirements for project
10 funding within a funding cycle to reflect the schedule for review,
11 updating, and amending of integrated regional water management
12 plans.

13 10540.7. (a) Prior to adopting guidelines for integrated regional
14 water management plans, the department shall conduct two public
15 meetings to consider public comments prior to finalizing the
16 guidelines. One meeting shall be conducted at a location in northern
17 California and one meeting shall be conducted at a location in
18 southern California. The department shall publish the draft
19 guidelines on its Internet Web site at least 30 days before the public
20 meetings. To the extent feasible, the department shall provide
21 outreach to disadvantaged communities to promote access and
22 participation in the meetings. Upon adoption, the department shall
23 transmit copies of the guidelines to the appropriate policy
24 committees of the Legislature.

25 (b) The department shall consult with the state board, the
26 regional ~~water quality control~~ boards, the State Department of
27 Public Health, the Department of Fish and Game, the California
28 Bay-Delta Authority or its successor, and other state agencies with
29 water management responsibility and authority in development of
30 the guidelines.

31 10541. (a) A regional water management group proposing to
32 prepare an integrated regional water management plan, ~~and each~~
33 ~~local agency that is a member of the group,~~ shall publish a notice
34 of intention to prepare the plan in accordance with Section 6066
35 of the Government Code.

36 (b) For the purposes of carrying out this part, the regional water
37 management group shall make available to the public ~~a written~~
38 ~~statement~~ **the documentation prepared pursuant to subdivision (d) of Section 10540.5** describing the
manner in which interested parties may
39 participate in developing the integrated regional water management
40 plan.

— 13 —

AB 1489

1 (c) Upon the completion of the integrated regional water
2 management plan, the regional water management group, and each
3 local agency proposing to participate in implementation of the
4 plan, shall publish a notice of intention to adopt the plan in
5 accordance with Section 6066 of the Government Code and shall
6 adopt the plan in a public meeting of its governing board.

7

8 Chapter 5. Funding for Qualified Projects and Programs

9

10 10543. When selecting projects and programs pursuant to
11 Division 24 (commencing with Section 78500), Division 26
12 (commencing with Section 79000), Division 26.5 (commencing
13 with Section 79500), or pursuant to any grant funding authorized
14 on or after January 1, 2008, for water management activities, the
15 department, the board, the State Department of Public Health, and
16 the California Bay-Delta Authority or its successor, as appropriate,
17 shall include in any set of criteria used to select projects and
18 programs for funding, a criterion that provides a preference for
19 regional projects or programs.

20 10544. ~~Notwithstanding Section 10543, an~~ **An** integrated regional
21 water management plan prepared pursuant to this part shall be
22 eligible for funding pursuant to Section 75026 of the Public
23 Resources Code, and for any funding authorized on or after January
24 1, 2008, that is allocated specifically for implementation of
25 integrated regional water management.

26 10544.5. Nothing in this part prohibits the department from
27 implementing Section 75026 of the Public Resources Code by
28 using existing integrated regional water management guidelines
29 in accordance with subdivision (d) of Section 75026 of the Public
30 Resources Code or by establishing guidelines pursuant to other
31 than this part.

32

33 Chapter 6. Miscellaneous

34

35 10545. This part does not affect any powers granted to a local
36 agency by any other law.

AB 1489

— 14 —

1 10546. This part does not authorize a regional water
2 management group to define, or otherwise determine, the water
3 rights of any person.

O

**Detailed Summary of
Assembly Bill 1489, as Amended July 5, 2007,
with Proposed Amendments**

Background on Proposition 84. Proposition 84 provides \$5.388 billion in bond funding for water management, resource, and conservation programs. Funding by Chapter for Proposition 84 is presented below:

Proposition 84 Funding by Chapters		
Chapter	Chapter Title	Funding (\$ million)
2	Safe Drinking Water and Water Quality Projects	\$1,525
3	Flood Control	\$800
4	Statewide Water Planning and Design	\$65
5	Protection of Rivers, Lakes and Streams	\$928
6	Forest and Wildlife Conservation	\$450
7	Protection of Beaches, Bays and Coastal Waters	\$540
8	Parks and Nature Education Facilities	\$500
9	Sustainable Communities and Climate Change Reduction	\$580
Total		\$5,388

Proposed Implementation Language for Proposition 84. AB 1489 includes proposed implementation language for portions of Chapters 2, 4, and 5 of Proposition 84. Additionally, AB 1489 requires the Secretary of Resources to prepare and submit an annual report to the Legislature on the expenditure of the bond funds for each program.

- **Chapter 2 – \$1 billion for Integrated Regional Water Management Plans.** AB 1489 includes implementation language for the \$1 billion of the \$1.525 billion in Chapter 2 set aside for the Department of Water Resources (DWR) for grants for related to integrated regional water management planning projects. The implementation language includes the following:
 - Requires DWR to provide technical assistance and participation grants to enable broad and diverse participation in integrated regional water management plan development and refinement consistent with the Proposition 84 requirement that not more than 5% of these funds (\$50 million) may be used for grants or direct expenditures for the development, updating or improvement of integrated regional water management plans.
 - Requires applicants for grant funding for the \$1 billion to identify the manner in which the proposed project will contribute to meeting the performance standards included in the applicable integrated water management plan. (In the proposed Integrated Regional Water Management Planning Act, discussed below, DWR is

to develop and adopt guidelines that include performance measures and monitoring to demonstrate progress toward meeting regional objectives.)

- Chapter 4 – \$65 million for Statewide Water Planning and Design. AB 1489 includes limited implementation language for the \$65 million of Chapter 4 set aside for DWR for planning and feasibility studies related to existing and potential future needs for California’s water supply and conveyance and flood control systems. Proposition 84 identified the following projects to be funded: evaluation of climate change impacts on the state’s water supply and flood control systems; development of system redesign alternatives to improve adaptability and public benefits; surface water storage planning and feasibility studies pursuant to the CALFED/Bay-Delta Program; flood protection and water supply improvements through modeling and feasibility studies coordinating groundwater storage and reservoir operations; and other planning and feasibility studies to improve flood control and water supply system integration. The limited implementation language of AB 1489 includes only the following:
 - Requires DWR to conduct a study to determine the status and effectiveness of groundwater management plans and programs in the state. Additionally, DWR must identify obstacles to and opportunities for effective integrated and multibenefit management of groundwater resources. DWR would have to coordinate this study with local water managers and the study must be consistent with the provisions of Chapter 4. The findings of the study would be made available to the public and would include alternatives and recommendations for programmatic, structural, or legal changes that would improve the ability of regions to address future water needs more effectively.
- Chapter 5 – \$180 million for Bay-Delta and Coastal Fishery Restoration Projects. AB 1489 includes implementation language for the \$180 million of the \$928 million of Chapter 5 for the Department of Fish and Game (DFG), in consultation with DWR, for Bay-Delta and coastal fishery restoration projects. The implementation language includes the following:
 - Requires DFG, in consultation with DWR, to expend the \$180 million for the state share of the California Bay-Delta ecosystem restoration program or any successor program approved by DFG to protect and conserve Bay-Delta ecosystem resources. Chapter 5 requires up to \$20 million of these funds be available for the development of a natural community conservation plan (NCCP) for the CALFED Bay-Delta Program and up to \$45 million be available for coastal salmon and steelhead fishery restoration projects that support the development and implementation of species recovery plans and strategies for salmonid species listed as threatened or endangered under state or federal law.
- Chapter 5 – \$100 million for the San Joaquin River Court Settlement. AB 1489 includes implementation language for the \$100 million of the \$928 million of Chapter 5 set aside for the Secretary of Resources for the purpose of implementing a court settlement to restore flows and naturally reproducing and self-sustaining populations of salmon to the San Joaquin River between Friant Dam and the Merced River. The implementation language includes the following:
 - Requires the Secretary of Resources to expend the \$100 million consistent with the terms of the settlement agreement in *Natural Resources Defense Council v. Rodgers*, Case No. Civ-S-88-1658-LKK/GGH, filed with the United States District Court on September 13, 2006, to ensure a timely agreement, including the settlement agreement’s provisions for a technical advisory committee and a restoration administrator.

Proposed Integrated Regional Water Management Planning Act. AB 1489 would repeal the Integrated Regional Water Management Planning Act of 2002, currently part of the Water Code, and replace the language with a new Integrated Regional Water Management Planning Act (Act.) The new Act would retain many of the same provisions of the 2002 version, but restated in a clearer manner. The key changes of the new Act are summarized below:

- **Defines “Integrated Regional Water Management Plan.”** An “integrated regional water management plan” is defined to mean a comprehensive plan for a defined geographic area, that, at a minimum, describes the major water-related objectives and conflicts within a region, considers a broad variety of water management strategies, and identifies the appropriate mix of water demand and supply management alternatives, water quality protections, and environmental stewardship actions to provide long-term, reliable, and high-quality water supply and protect the environment. Current law has a more general definition for “regional plan,” defined as a plan for the implementation or operation of qualified projects or programs or the preparation of qualified reports or studies.
- **Redefines “Local Public Agency.”** A “local public agency” in current law would now be called a “local agency” and would include within the definition “joint powers authority” and “other political subdivisions of the state”, while removing “corporation” from the definition, such that it would read: “Local agency” means any city, county, city and county, special district, mutual water company, joint powers authority, or other political subdivisions of the state.
- **Defines “Regional Projects or Programs.”** Defines “regional projects or programs” to mean projects or programs that accomplish any of the following: reduce water demand, increase water supplies for beneficial use, improve operational efficiency and water supply reliability, improve water quality, improve resource stewardship, and improve flood protection. Current law defines “qualified projects or programs” to mean reports or studies relating to regional water quality, water supply planning, flood protection, or environmental mitigation, restoration, or enhancement projects or programs.
- **Redefines “Regional Water Management Group.”** Adds to the membership of a “regional water management group” “those other persons as may be necessary for the development and implementation of a plan and program requirements,” as defined in the bill – in addition to the current defined membership of three or more local agencies, at least two of which have statutory authority over water supply – such that it now reads: "Regional water management group" means a group in which three or more local agencies, at least two of which have statutory authority over water supply, as well as those other persons as may be necessary for the development and implementation of a plan and program requirements defined in Sections 10540 and 10540.5, participate by means of a joint powers agreement, memorandum of understanding, or other written agreement, as appropriate, that is approved by the governing bodies of those local agencies.
- **Requirements for Integrated Regional Water Management Plans.** Requires that integrated regional water management plans, at a minimum, shall address all of the following:
 - Protection and improvement of water supply reliability;
 - Providing safe drinking water to all communities within the area of the plan;
 - Protection and improvement of water quality within the area of the plan, consistent with the relevant basin plan;
 - Identification of any significant threats to groundwater resources from overdrafting;

- Protection, restoration and improvement of stewardship of aquatic, riparian, and watershed resources within the region; and
- Protection of groundwater resources from contamination.
- Requirements for DWR Guidelines. Requires DWR to develop and adopt guidelines for the preparation of the integrated regional water management plans that include:
 - Requiring DWR to consider all of 14 comprehensive elements, as presented below. It should be noted that AB 1489 does reiterate language in Proposition 84 that indicates DWR may use the existing integrated regional water management guidelines for Proposition 50 in implementing Chapter 2. These 14 elements are:
 - Consideration of all resource management strategies in the California Water Plan;
 - Consideration of objectives in the appropriate basin plan or plans and strategies to meet all applicable water quality standards;
 - Description of the major water-related objectives and conflicts within a region;
 - Measurable regional objectives and criteria for developing regional project priorities;
 - An integrated, multibenefit approach to selection and design of projects and programs;
 - Identification and consideration of water-related needs of disadvantaged communities in the area within the boundaries of the plan;
 - Performance measures and monitoring to demonstrate progress toward meeting regional objectives;
 - A plan for implementation and financing of identified projects and programs;
 - Consideration of greenhouse gas emissions of identified programs and projects, consistent with Assembly Bill 224 of the 2007-08 Regular Session, by Assembly Member Lois Wolk (D-Davis) on climate change, if that bill is enacted;
 - Evaluation of the adaptability to climate change of water management systems in the region, consistent with Assembly Bill 224 of the 2007-08 Regular Session, by Assembly Member Lois Wolk (D-Davis) on climate change, if that bill is enacted;
 - Documentation of data and technical analyses used in development of the plan;
 - A process to disseminate data and information related to the development and implementation of the plan;
 - A process to coordinate water management projects and activities of participating local agencies and local stakeholders to avoid conflicts and take advantage of efficiencies; and
 - Any other items identified by DWR.

- Requiring DWR to include a public process providing an opportunity for an extensive number of local agencies and stakeholders to all participate in the plan development and implementation, including:
 - Wholesale and retail water purveyors, including a local agency or a water corporation;
 - Wastewater agencies;
 - Flood control agencies;
 - Municipal and county governments and special districts;
 - Energy utilities;
 - Native American tribes that have lands within the region;
 - Self-supplied water users, including agricultural, industrial, residential, park districts, school districts, colleges and universities, and others;
 - Environmental stewardship organizations, including watershed councils, fishing groups, land conservancies, and environmental groups;
 - Community organizations, including landowner organizations, taxpayer groups, and recreational interests;
 - Industry organizations representing agriculture, developers, and other industries appropriate to the region;
 - State, federal, and regional agencies or universities with specific responsibilities or knowledge within the region;
 - Disadvantaged community members and representatives including environmental justice organizations, neighborhood councils, and social justice organizations; and
 - Any other interested groups appropriate to the region.
- Requiring the regional water management group to document and make public the process by which decisions are made in consultation with the participating local agencies and stakeholders and how these local agencies and stakeholders have been or will be engaged in the process regardless of their ability to contribute financially to the plan.
- Requiring DWR provide a process for the periodic review, updating, and amending of integrated regional water management plans at least once every three years.
- Statement on Funding from Proposition 84. States that plans prepared pursuant to the bill are eligible for funding from the \$1 billion of the \$1.525 billion in Chapter 2 of Proposition 84.