



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

4/12/2016 Board Meeting

8-5

Subject

Express support, if amended, for AB 1755 (Dodd, D-Woodland) – The Open and Transparent Water Data Act; and express opposition, unless amended, for AB 2304 (Levine, D-Petaluma) – California Water Market Exchange

Executive Summary

This board letter addresses two bills regarding water transfers and water data management. The first bill, AB 1755, as amended on March 1, 2016 ([Attachment 1](#)), would require the California Department of Water Resources (DWR) to establish a public benefit corporation to create and manage a statewide water information system and an online water transfer information clearinghouse.

The second bill, AB 2304, as introduced on February 18, 2016 ([Attachment 2](#)), would create the California Water Market Exchange (Market Exchange) within the Natural Resources Agency to operate a centralized water market platform to facilitate all water transfers and exchanges and have the power to require the submission of details regarding water transfers before they occur, including prices, quantities, and identifying potential third-party impacts.

Background

Water transfers are a water management tool in Metropolitan's Water Surplus and Drought Management Plan. Metropolitan staff pursue, develop, and implement water transfers consistent with Metropolitan's Water Transfer Policy (Administrative Code Section 4203). The recent drought has increased attention to the role water transfers play in California water management. Staff recently participated in developing an Association of California Water Agencies' (ACWA) white paper entitled, "Recommendations to Improve the Water Transfer Process and Enhance Access to Voluntary Water Markets in California." These recommendations were adopted by ACWA's board on March 25, 2016, and include creating: (1) a water transfer data base to improve transparency for completed water transfers; and (2) a water market information clearinghouse within an existing state agency to provide an online "roadmap" of the water transfer approval process, with no oversight, or brokerage role, to facilitate proposed water transfers.

Development of the Australian water market in recent years has generated significant interest within the state legislature to explore mechanisms to improve California water markets. Recently introduced state legislation, described below, represent two approaches to facilitating water transfers and it is important for Metropolitan to engage in the development of these bills to ensure they help facilitate, and not impede, water transfers.

Details

On February 2, 2016, Assembly member Bill Dodd introduced AB 1755, which would require DWR to establish a public benefit corporation to create: (a) a statewide water information system to improve the ability of the state to meet the growing demand for water supply reliability and healthy ecosystems by integrating water data system from multiple databases managed by federal, state, and local agencies and academia; and (b) an online water transfer information clearinghouse for water transfer information including a database of historic and pending

water transfers, a public forum to exchange information, and information to assist proponents with approval of water transfers.

On February 18, 2016, Assembly member Marc Levine introduced AB 2304, which would create the California Water Market Exchange (Market Exchange) within the Natural Resources Agency to be managed by a new five-member board including the Secretary for Natural Resources and four individuals appointed by the Governor. The Market Exchange would have the power to require the submission of details regarding water transfers and exchanges before they occur, including prices, quantities, and identifying potential third-party impacts. The bill would require the Market Exchange to develop procedures to expedite review and action on applications for transfers and exchanges. The bill would require the Market Exchange to establish standards and procedures to ensure that water transfers and exchanges protect and enhance environmental and community benefits. The bill would also require parties that submit required information to pay administrative fees established by the Market Exchange to cover its costs.

Staff recommends supporting AB 1755, if amended, and opposing AB 2304, unless amended. Specifically, staff recommends supporting AB 1755 if it is amended to include language stating that the proposed clearinghouse would only include information on completed water transfers and would not have any role in facilitating or approving proposed water transfers. Specifically, staff recommends opposing AB 2304 unless it is amended to eliminate the proposed Market Exchange that would increase the administrative approvals to implement water transfers and impose new fees on such water transfers.

Policy

Metropolitan Water District Administrative Code Section 4203: Water Transfer Policy, M.I. 39412, January 14, 1992

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves legislative proposals which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (CEQA Section 21065 and Section 15378(b)(1) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project under CEQA pursuant to CEQA Section 21065 as well as Section 15378(b)(1) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not defined as a project under CEQA, and

Authorize the General Manager to express support for AB 1755, if amended, and opposition to AB 2304, unless amended.

Fiscal Impact: No fiscal impact to Metropolitan

Business Analysis: If passed, AB 1755 would provide a useful database for completed water transfers.

Option #2


Take no action.

Fiscal Impact: Potential fiscal impact to Metropolitan if the proposed water transfer fees imposed by AB 2304 are established

Business Analysis: If passed, AB 2304, as proposed, could impede water transfer efforts by requiring all water transfers to be implemented through the California Water Market Exchange.

Staff Recommendation

Option #1



Dee Zinke
Assistant General Manager/Chief External
Affairs Officer

3/30/2016
Date



Jeffrey Knightlinger
General Manager

3/30/2016
Date

Attachment 1 – Assembly Bill 1755, as amended 3/1/16
Attachment 2 – Assembly Bill 2304, as introduced 2/18/16

Ref# ea12642804

AMENDED IN ASSEMBLY MARCH 1, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1755

Introduced by Assembly Member Dodd

February 2, 2016

An act to add Part 4.9 (commencing with Section 12400) to Division 6 of the Water Code, relating to water data.

LEGISLATIVE COUNSEL'S DIGEST

AB 1755, as amended, Dodd. The Open and Transparent Water Data Act.

Existing law imposes on the Department of Water Resources various duties with respect to water in the state. Under existing law, the State Water Resources Control Board administers a water rights program pursuant to which the state board grants permits and licenses to appropriate water. Existing law regulates water transfers and authorizes a permittee or licensee to change the point of diversion, place of use, or purpose of use due to a transfer or exchange of water or water rights if certain conditions are met.

This bill would enact the Open and Transparent Water Data Act. The act would require the department to establish a public benefit corporation that would create and manage (1) a statewide water information ~~accounting~~ system to improve the ability of the state to meet the growing demand for water supply reliability and healthy ecosystems, that, among things, would integrate existing water data information from multiple databases and (2) an online water transfer information clearinghouse for water transfer information that would include, among other things, a database of historic water transfers and transfers pending responsible

agency approval and a public forum to exchange information on water market issues.

The act would require the department, the state board, and the Department of Fish and Wildlife to develop protocols for data sharing, documentation, quality control, public access, and promotion of open source platforms and decision support tools related to water ~~data~~. *data and to submit to the Legislature a report on those protocols.* The act would specify that a recipient of state funds for research or projects relating to the improvement of water data shall adhere to those protocols or be ineligible for state funding. ~~The act would impose various other duties on the department, state board, and Department of Fish and Wildlife related to the improvement of water data, including submitting reports to the Legislature on the protocols the agencies develop and on the feasibility of creating a better surface water and groundwater monitoring network.~~

The act would create the Water Information System Administration Fund. The act would specify that moneys in the fund would be available, upon appropriation, to the department for the improvement of water data and for the purposes of the act.

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. Part 4.9 (commencing with Section 12400) is
2 added to Division 6 of the Water Code, to read:

3
4 PART 4.9. THE OPEN AND TRANSPARENT WATER DATA
5 ACT

6
7 CHAPTER 1. GENERAL PROVISIONS

8
9 12400. This part shall be known, and may be cited, as the Open
10 and Transparent Water Data Act.

11 12401. The Legislature finds and declares all of the following:
12 (a) The recent drought reveals that California needs a real-time,
13 accessible statewide water information ~~accounting~~ system to help
14 water managers operate California's water system more effectively
15 and help water users make informed decisions based on water
16 availability and allocation.

3

1 (b) California has a number of databases containing information
2 on hydrology, biology, water quality, the physical environment,
3 and water rights and use. The passage of the Sustainable
4 Groundwater Management Act (Part 2.74 (commencing with
5 Section 10720)) will result in more data on groundwater use and
6 availability. Unfortunately, current water data is often challenging
7 to obtain, outdated, and not always readily available to water
8 managers and the public due to its collection by numerous entities
9 and storage in disparate databases that often rely on tools that do
10 not keep pace with technological advances.

11 ~~(e) The ability to measure stream flow is hampered for some~~
12 ~~streams that lack gauges.~~

13 ~~(d)~~

14 (c) The need to account for California's water is essential, yet
15 water managers must make decisions about water resources while
16 relying on outdated and incomplete information. A greater
17 understanding of and ability to access existing water data will
18 support more timely and science-based decisions related to water
19 planning, water allocations, water transfers, and water use
20 efficiency that will lead California to a more sustainable water
21 future.

22 (e)

23 (d) On October 2, 2015, the Delta Stewardship Council released
24 a white paper entitled "Enhancing the Vision for Managing
25 California's Environmental Information." The white paper and the
26 Environmental Data Summit were a collaborative effort of the
27 Delta Stewardship Council and its Delta Science Program, the
28 Department of Water Resources, the Sacramento-San Joaquin
29 Delta Conservancy, the State Water Resources Control Board, the
30 Department of Fish and Wildlife, the San Francisco Estuary
31 Institute, the State and Federal Contractors Water Agency, and 34
32 North. The white paper recommended four necessary actions to
33 achieve the goal of streamlining the collaboration of huge amounts
34 of environmental data between various state and federal agencies
35 and identified the need for new policies for managing California's
36 large amounts of data: development of a system where data could
37 be accessed from a centralized source, implementing new methods
38 for clear documentation of existing data, and developing business
39 models that will better facilitate the management of data.

40 (f)

4

1 (e) The California Water Plan Update 2013, Volume 1, Chapter
2 6 6, entitled “Integrated Data and Analysis: Informed and
3 Transparent-Decision-Making” *Decision-Making*,” describes key
4 actions needed to improve water resources information and analysis
5 for integrated water management and urges agencies that collect
6 data to work together to prioritize and align water resources
7 information that is collected by multiple agencies.

8 ~~(g)~~

9 (f) The California Water Action Plan recognizes the need to
10 take bold action to transfer the state’s water management system
11 to face the challenges of the 21st century. Climate change,
12 population growth, and vulnerable ecosystems create greater
13 uncertainty in future water availability. To address these challenges
14 California needs to do both of the following:

15 (1) Invest in a 21st century water management system that can
16 adapt to wide variations in rainfall.

17 (2) Safeguard and restore California’s freshwater ecosystems
18 so they can withstand variations in climate and competing demands
19 for water.

20 ~~(h)~~

21 (g) Standards for transparent access to data have changed with
22 the public demanding real-time information on demand. However,
23 the demand for available data currently outstrips the ability to
24 deliver information to water managers and the public.

25 ~~(i)~~

26 (h) Clear data standards and protocols help to promote
27 compatibility among datasets, allowing for sharing, aggregation,
28 and analysis by multiple groups.

29 ~~(j)~~

30 (i) Metadata summarizes basic information about data, which
31 can make finding and working with particular data easier. Clear
32 documentation of metadata avoids misunderstandings, reduces
33 disputes, and increases the effectiveness of management decisions.

34 ~~(k)~~

35 (j) Water data and research that is gathered using state funds
36 should be made publicly accessible. State delegation of data
37 management to contractors should not result in the public losing
38 access to its own information.

39 ~~(l)~~

1 (k) The availability of cheap and open-source tools could help
2 produce an online water transfer information clearinghouse without
3 the need to create an expensive new centralized database.

4 ~~(m)~~

5 (l) An effective water market is one of several water
6 management tools needed to improve the state's water supply
7 reliability.

8 12402. Unless the context otherwise requires, the following
9 definitions govern the construction of this part:

10 (a) "Clearinghouse" means the online water transfer information
11 clearinghouse created pursuant to Section 12415.

12 (b) "Department" means the Department of Water Resources.

13 (c) "Metadata" means data that describes data.

14 (d) "NGO" means a nongovernmental organization.

15 (e) "State board" means the State Water Resources Control
16 Board.

17 (f) "Water information system" means the statewide water
18 information-~~accounting~~ system created pursuant to Section 12410.

19
20 CHAPTER 2. PUBLIC BENEFIT CORPORATION PARTICIPATION

21
22 Article 1. General Provisions

23
24 12405. (a) The department shall establish a public benefit
25 corporation to house, manage, and oversee the statewide water
26 information-~~accounting~~ system created pursuant to Section 12410
27 and the online water transfer information clearinghouse created
28 pursuant to Section 12415.

29 (b) The public benefit corporation may, notwithstanding any
30 other law and not subject to otherwise applicable provisions of the
31 Government Code and Public Contract Code, operate the water
32 information system and the clearinghouse on its own, through a
33 third party, or by engaging the services of private consultants,
34 educational institutions, and NGOs to render professional and
35 technical assistance with and advice for carrying out creation and
36 management activities.

37 (c) To the extent permitted by federal law, the public benefit
38 corporation may receive gifts, grants, or donations of moneys from
39 any agency of the federal government, any agency of the state, or
40 any municipality, county, or other political subdivision thereof, or

6

1 from any individual, association, foundation, or corporation for
2 achieving any of the purposes of this part. These moneys shall be
3 deposited in the Water Information System Administration Fund
4 created pursuant to Section 12425.

5

6 Article 2. Statewide Water Information-~~Accounting~~ System

7

8 12410. (a) The public benefit corporation established pursuant
9 to Section 12405 shall establish a statewide water information
10 ~~accounting~~ system to improve the ability of the state to meet the
11 growing demand for water supply reliability and healthy
12 ecosystems. The public benefit corporation shall create the water
13 information-~~accounting~~ system in collaboration with state and
14 federal agencies, water data users, and water experts.

15 (b) The water information-~~accounting~~ system shall, at a
16 minimum, do all of the following:

17 (1) Integrate existing water data information from multiple
18 autonomous databases managed by federal, state, and local agencies
19 and academia using consistent and standardized formats.

20 (2) Integrate, at a minimum, the following datasets:

21 (A) The department's information on State Water Project
22 reservoir operations, groundwater use, and groundwater levels
23 through California Statewide Groundwater Elevation Monitoring
24 (CASGEM), urban water use, and land use.

25 (B) The state board's data on water rights, water diversions,
26 and water quality through California Environmental Data Exchange
27 Network (CEDEN).

28 (C) The Department of Fish and Wildlife's information on fish
29 abundance and distribution.

30 (D) The United States Geological Survey's-~~stream-flow~~
31 *streamflow* conditions information through the National Water
32 Information System.

33 (E) The United States Bureau of Reclamation's federal Central
34 Valley Project operations information.

35 (F) The United States Fish and ~~Wildlife's~~, *Wildlife Service's*,
36 United States Forest Service's, and National Oceanic and
37 Atmospheric Administration Fisheries' fish abundance information.

38 (3) Incorporate clear and careful documentation of data quality
39 and data formats through metadata.

1 (4) Adhere to data protocols developed by state agencies
2 pursuant to Section 12420.

3 (5) Be able to receive both spatial and time series data from
4 various sources.

5 (6) Enable custom dashboards, visualizations, graphing, and
6 analysis.

7

8 Article 3. Online Water Transfer Information Clearinghouse

9

10 12415. The public benefit corporation established pursuant to
11 Section 12405 shall establish an online water transfer information
12 clearinghouse for water transfer information that shall include all
13 the following:

14 (a) A database of historic water transfers and transfers pending
15 responsible agency approval.

16 (b) A public forum to exchange information on water market
17 issues.

18 (c) Information to assist proponents with responsible agency
19 approval water transfer processes.

20

21 CHAPTER 3. STATE AGENCY RESPONSIBILITIES

22

23 12420. (a) The department, the state board, and the Department
24 of Fish and Wildlife shall develop an open, transparent process to
25 develop protocols for data sharing, documentation, quality control,
26 public access, and promotion of open source platforms and decision
27 support tools related to water data. The agencies shall develop and
28 submit to the Legislature, in compliance with Section 9795 of the
29 Government Code and before the establishment of a statewide
30 water information-accounting system pursuant to Section 12410,
31 a report describing these processes and protocols.

32 (b) Grant recipients for research or projects relating to the
33 improvement of water data that receive state funds shall adhere to
34 the protocols developed by state agencies pursuant to subdivision
35 (a) for data sharing, transparency, documentation, and quality
36 control.

37 (c) A researcher or grant recipient that does not comply with
38 subdivision (b) is not eligible for state funding until the researcher
39 or grant recipient complies with those requirements.

1 ~~12421. (a) The department, the state board, and the Department~~
2 ~~of Fish and Wildlife shall, by _____, prepare and submit to the~~
3 ~~Legislature in compliance with Section 9795 of the Government~~
4 ~~Code a report that identifies priority basins and subbasins that need~~
5 ~~additional surface water or groundwater monitoring sites, evaluates~~
6 ~~the feasibility of creating a better surface water and groundwater~~
7 ~~monitoring network, and estimates the cost of and provides options~~
8 ~~for funding the water information system.~~

9 ~~(b) The department shall develop both of the following:~~

10 ~~(1) A consistent method for estimating groundwater budgets.~~

11 ~~(2) A system for forecasting water supply availability and~~
12 ~~subbasin flows during wet, average, and dry periods.~~

13 ~~12422. The state board shall do all of the following:~~

14 ~~(a) Develop a consistent and documented approach for~~
15 ~~estimating wet, average, and dry year water availability based on~~
16 ~~existing water use data collected from all surface water right~~
17 ~~holders that are required to file statements of diversion and use,~~
18 ~~including riparian and pre-1914 appropriative rights, and, where~~
19 ~~available, groundwater use information.~~

20 ~~(b) (1) Require surface water right holders to electronically~~
21 ~~report return flow quantities and develop criteria for the reporting~~
22 ~~frequency that is required for different water rights holders.~~

23 ~~(2) The state board may adopt a policy that requires more~~
24 ~~frequent monitoring and reporting from water right holders with~~
25 ~~water rights that are more likely to affect water availability than~~
26 ~~others.~~

27 ~~(c) (1) Set and make public other water allocation priorities~~
28 ~~and quantities for wet, average, and dry periods for the environment~~
29 ~~and public health and safety.~~

30 ~~(2) Categories of environmental flows shall include all of the~~
31 ~~following:~~

32 ~~(A) Biological opinions pursuant to the federal Endangered~~
33 ~~Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.);~~

34 ~~(B) Federal Clean Water Act (33 U.S.C. Sec. 1251 et seq.) flows~~
35 ~~for water quality.~~

36 ~~(C) Federal Migratory Bird Treaty Act (16 U.S.C. Sec. 703 et~~
37 ~~seq.) requirements for wetlands.~~

38 ~~(D) Section 5937 of the Fish and Game Code, which requires~~
39 ~~fish flows downstream of dams.~~

9

1 ~~12423. The Department of Fish and Wildlife shall share fish~~
2 ~~and stream habitat data for inclusion in the water information~~
3 ~~accounting system established by Section 12410.~~

4
5 CHAPTER 4. WATER INFORMATION SYSTEM ADMINISTRATION
6 FUND
7

8 12425. The Water Information System Administration Fund
9 is hereby created. All moneys in the fund are available, upon
10 appropriation, to the department for the improvement of water
11 data, including installing stream gauges and maintaining stream
12 gauge networks, and for the purposes of this part, including, but
13 not limited to, maintaining surface water and groundwater
14 monitoring networks, establishing and operating the public benefit
15 corporation created pursuant to Section 12405, maintaining and
16 updating the statewide water information ~~accounting~~ system and
17 online water transfer information clearinghouse, including the cost
18 to verify data, and modernizing water information databases.

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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL**No. 2304****Introduced by Assembly Member Levine**

February 18, 2016

An act to add Chapter 7.5 (commencing with Section 485) to Division 1 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2304, as introduced, Levine. California Water Market Exchange.

Existing law, the Costa-Isenberg Water Transfer Act of 1986, requires the Department of Water Resources to establish an ongoing program to facilitate the voluntary exchange or transfer of water and implement the various laws that pertain to water transfers. The act requires the department to create and maintain a list of entities seeking to enter into water supply transfers, leases, exchanges, or other similar arrangements and to maintain a list of the physical facilities that may be available to carry out water supply transfers. The act requires the department to prepare a water transfer guide with prescribed components.

This bill would establish the California Water Market Exchange, governed by a 5-member board, in the Natural Resources Agency. This bill would require the market exchange, on or before December 31, 2017, to create a centralized water market platform on its Internet Web site that provides ready access to information about water available for transfer or exchange. This bill, for all transfers and exchanges of water occurring on or after January 1, 2018, would require the submission of certain data and information to the market exchange and the payment of an administrative fee to the market exchange, as specified. This bill would require the market exchange to develop specified procedures in consultation with federal, state, and local agencies.

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 in creating the
2 California Water Market Exchange that the market exchange do
3 all of the following:

4 (a) Create water sustainability, resiliency, and adaptability to
5 drought and climate change.

6 (b) Provide important benefits and opportunities for
7 disadvantaged communities and environmental resources.

8 (c) Increase transparency and decisionmaking capacity by better
9 integrating data collection and reporting.

10 (d) Facilitate water transfers and exchanges by the establishment
11 of a centralized exchange platform and streamline review and
12 approval processes.

13 (e) Enable and encourage public and private investments in
14 water use efficiency measures through participation in water
15 transfers and exchanges.

16 (f) Provide water transfers and exchanges as an effective
17 mechanism for sustainable management of surface and groundwater
18 resources in the state.

19 SEC. 2. Chapter 7.5 (commencing with Section 485) is added
20 to Division 1 of the Water Code, to read:

21

22 CHAPTER 7.5. CALIFORNIA WATER MARKET EXCHANGE

23

24 485. This chapter shall be known, and may be cited, as the
25 California Water Market Exchange Act of 2016.

26 486. The following definitions govern the construction of this
27 chapter:

28 (a) "Disadvantaged community" has the same meaning as
29 defined in Section 79505.5.

30 (b) "Market exchange" means the California Water Market
31 Exchange established in Section 487.

32 (c) "Small community water system" has the same meaning as
33 defined in Section 116275 of the Health and Safety Code.

34 487. (a) The California Water Market Exchange is hereby
35 established in the Natural Resources Agency.

3

1 (b) The market exchange shall be governed by a five-member
2 board, composed as follows:

3 (1) The Secretary of the Natural Resources Agency.

4 (2) Four individuals appointed by the Governor.

5 (c) Each board member appointed by the Governor shall hold
6 office for a term of four years. The Governor shall stagger the
7 terms of the initial members appointed. A vacancy shall be filled
8 by the Governor by appointing a member to serve the remainder
9 of the term.

10 488. (a) On or before December 31, 2017, the market exchange
11 shall create a centralized water market platform on its Internet
12 Web site that provides ready access to information about water
13 available for transfer or exchange. The platform shall be readily
14 available to the public and contain all data and information
15 collected by the market exchange in order to ensure transparency
16 of information regarding the quantities of water available for
17 transfer or exchange and the prices paid for transferred or
18 exchanged water.

19 (b) Before a transfer or exchange of water, the market exchange
20 shall require the submission of data and information that includes,
21 but is not limited to, all of the following:

22 (1) The names of the water buyer and seller.

23 (2) The quantity of water to be transferred or exchanged.

24 (3) The price to be paid for the water transfer or exchange.

25 (4) The time and duration of the water transfer or exchange.

26 (5) The nature of the underlying right to the water proposed to
27 be transferred or exchanged.

28 (6) The origin location and proposed place of use of the
29 transferred or exchanged water.

30 (7) A description of the conveyance and storage facilities
31 necessary to complete the transfer or exchange.

32 (8) An identification of any third-party impacts that may result
33 from the transfer or exchange.

34 (c) After a transfer or exchange of water, the market exchange
35 shall require the submission of data and information that includes,
36 but is not limited to, all of the following:

37 (1) The quantity of water transferred or exchanged.

38 (2) The conveyance and storage facilities used to complete the
39 water transfer or exchange.

40 (3) The time and duration of the water transfer or exchange.

1 489. The Legislature intends that water transfers and exchanges
2 protect and enhance environmental and community benefits that
3 include the following:

- 4 (a) Instream flows and ecosystem water supply.
- 5 (b) Improved water monitoring and data networks.
- 6 (c) Ecosystem restoration projects benefitting aquatic and
7 riparian species.
- 8 (d) Improved drinking water supply and quality projects.
- 9 (e) Development of needed technical, managerial, and financial
10 capacity for disadvantaged communities.
- 11 (f) Acquisition through the market exchange of needed water
12 supplies for small community water systems.

13 490. On or before December 31, 2017, the market exchange
14 shall do both of the following:

- 15 (a) Develop procedures, in consultation with federal, state, and
16 local agencies with jurisdiction over water transfers or exchanges,
17 to streamline and expedite review and action upon applications to
18 transfer or exchange water and to prioritize projects that provide
19 environmental and community benefits as described in Section
20 489. The procedures shall recommend types of transfers and
21 exchanges that could be more routinely approved.
- 22 (b) Establish standards and procedures to ensure that transfers
23 and exchanges protect environmental and community benefits
24 consistent with Section 489 and to encourage projects that improve
25 environmental conditions, provide safe drinking water, and provide
26 other community benefits.

27 491. (a) Anyone submitting information pursuant to
28 subdivision (b) or (c) of Section 488 shall pay an administrative
29 fee, established by the market exchange, to recover the reasonable
30 costs of the market exchange in administering this chapter.

31 (b) Fees imposed pursuant to subdivision (a) shall be deposited
32 in the California Water Market Exchange Fund that is hereby
33 created in the State Treasury. Moneys in the fund shall be available,
34 upon appropriation by the Legislature, to the market exchange for
35 the purposes of this chapter.

36 492. (a) This chapter applies in addition to any other law
37 relating to water transfers and exchanges.

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- 1 (b) This chapter applies to all transfers and exchanges of water
- 2 occurring on or after January 1, 2018.

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