

LEGISLATIVE AND REGULATORY UPDATE

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ENGAGE. EDUCATE. ADVOCATE.



State Budget

- California's Budget deficit for 2023/24 budget estimated budget deficit has grown by \$9 billion since January
 - [May Revision](#) "[May Revise](#)" will shed more light
 - [The Governor](#) released the May Revision on May 12
- May Revise proposes to shift the \$270 million for recycled water
 - General Fund shifts across [climate resilience programs](#), including recycled water
 - To be included as part of the future climate bond proposal
- Budget now contains \$2 million [previously \$7 million] for DWR to conduct a study on the impacts of the 2030 indoor water use standard (42 GPCD) on water, recycled water, water and wastewater



Recycled Water & the May Revise*

Funding Category	Total Proposed 2021-24	Amount Appropriated to date: (year)	Governor's PROPOSED January Budget 2023-24	May Revise *proposes to move all RW \$ to bond
Competitive Statewide Recycled Water Grant Program	\$315 Million	\$215 Million (2021-2022)	\$100 Million	\$0
Competitive Statewide Recycled Water for Potable Reuse	\$210 Million	\$0	\$170 million [\$40 million cut]	\$0
Statewide Totals	\$525 Million (\$485 Million 2021-2024)		\$270 Million	\$0



Budget Trailer Bill: New Proposed Recycled Water Fee

- Budget Trailer Bill (BTB) was briefly heard in March the Senate Subcommittee 2 on Resources, Environmental Protection and Energy
- This was heard in April in the Assembly Subcommittee 3 Climate Crisis, Resources, Energy, and Transportation
 - [Water Recycling Project Fees](#)
- BTB grants authority for a new \$6 million recycled water fee
- Assuming it passes, stakeholder process to work out details in spring 2023
- Proposes this staffing:
 - Primarily Regional Board staff and 4 Division of Water Quality/2 Division of Drinking Water
 - 19 positions (23/24)
 - 28 positions (24/25 and moving forward)
- [WRCA submitted a comment letter on March 9, 2023](#)



State Legislature

- June will see:
 - A sprint for each house to pass bills introduced in that house known as “House of Origin” deadline which looms on June 2
 - And then in the second house will go through the committee process all over again
 - Passing of a State Budget
- [Legislative calendar](#)



State Legislature

- Bills of interest to WRCA
 - [AB 682 \(Mathis\): SWRCB online search tool](#)
WRCA position: Support
 - [AB 1573: Water conservation: landscape plants: nonfunctional turf](#)
WRCA position: Watch [watch the definition closely]
 - [SB 366 \(Caballero\): California Water Plan](#)
WRCA position: Support
 - [SB 745: The Drought-Resistant Buildings Act](#)
WRCA position: Oppose unless amended



State Legislature: Bonds

Bonds that have been introduced for the 2024 ballot

- [SB 867 \(Allen\)](#)
 - [WRCA position letter was submitted on April 25, 2023](#)
- [AB 1567 \(Garcia\)](#)
 - [WRCA position letter was submitted on April 25, 2023](#)

Both bonds contain \$300 million for recycled water projects

- WRCA asking for \$1.81 billion for recycled water and potable reuse



Governor Newsom Unveils New Proposals to accelerate California's infrastructure projects

- On Friday, May 19, 2023, Governor Newsom released an infrastructure package of trailer bill language that would streamline projects to promote construction across the state
- The [CEQA Judicial Streamlining trailer bill](#) would require that any judicial challenges and appeals be completed, to the extent feasible, within 270 days – that could reduce the CEQA time frame for recycled water projects, see the [Department of Finance's Fact Sheet](#)
- This proposal was released the day after a [report urging permitting reform](#) from Infrastructure Advisor to California Antonio Villaraigosa and California Forward



WRCA Regulatory Priorities



WRCA Regulatory Priorities

- DPR Regulations
 - The formal rulemaking process will begin May 2023 with the release of the new DPR Draft in late May
 - WRCA DPR Working Group working with the Division of Drinking Water (DDW) on outstanding issues
 - Due on December 31, 2023
- Onsite Reuse Regulations
 - State Board staff continues working on the rulemaking package
 - State Board staff plans to submit the Notice of Proposed Rulemaking to the Office of Administrative Law to start the rulemaking process by late Spring of 2023
 - Overdue already as they were due on or before December 1, 2022
- Cross-Connection Control Policy Handbook (formally Title 17)
 - Allows swivel ell as a recycled water change over device
 - WRCA is supportive as this is consistent with WRCA sponsored AB 1180 (Friedman, 2019)
 - Board Adoption Meeting: TBD



Rulemaking to Make Conservation a California Way of Life: Implementation

WRCA submitted 2 comment letters to the State Board

[March 15, 2023](#)

[March 29, 2023](#)

- [State Board staff presentation](#) and the [State Board's Fact Sheet](#) on this framework
- June 2023: Begins formal rulemaking (will include a 45-day public comment period)



Rulemaking to Make Conservation a California Way of Life: Proposed timeline shifts to June

Proposed timeline

Task	Start date
Board workshop	March 22, 2023
Start rulemaking (45-day public comment period)	May 2023
Consideration of Adoption (NOT scheduled yet)	Winter 2023-24
Following possible adoption: Final 15-day comment period	Winter 2023-24
Submit to OAL	Spring 2024
Rule becomes effective	Summer 2024

California Water²¹Boards

Now June



WRCA Response to Water Board Conservation Framework

- Support: 1.0 EFT for recycled water irrigation
 - Oppose: Nonfunctional turf irrigated with recycled water being treated as potable water
- Support: Potable reuse bonus incentive
- Support: Variance up to 1.26 ETF for high TDS recycled water irrigation
- Request: additional variance or provision for indoor water use (Consistent with [SB 1157 signing message](#))



Clean Water State Revolving Fund: draft Intended Use Plan (IUP) meeting

- Tuesday, June 20, 2023: State Water Board will accept public comments on the draft State Fiscal Year (SFY) 2023-24 [Clean Water State Revolving Fund \(CWSRF\)](#) and Drinking Water State Revolving Fund (DWSRF) IUPs and Supplemental IUPs
- The draft CWSRF and DWSRF IUPs outline the State Water Board's business plan for administering the CWSRF, DWSRF, and their complementary funding for state fiscal year (SFY) 2023-24



WRCA Leg-Reg Meetings

- Our JUNE WRCA Leg-Reg Meeting is IN PERSON/HYBRID
 - Friday, June 16th from 12:30PM – 2:00PM
 - Zoom Meeting registration link will be available
 - Agenda to follow



WRCA Conference: Call for Abstracts



Join us in Indian Wells!





Questions?

For further information:

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