## SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW Senator Mark Leno, Chair 2015 - 2016 Regular

Bill No:	AB 115	Hearing Date:	June 18, 2015
Author:	Committee on Budget		
Version:	January 9, 2015 Introduced		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Catherine Freeman		

Subject: Drought Budget Act of 2015.

**Summary:** This bill makes various changes to implement drought budget actions adopted as part of the 2015-16 budget package.

**Background:** As part of the 2015-16 budget package, AB 115 makes various statutory changes, related to drought, to implement the budget act.

**Proposed Law:** This bill includes the following key changes.

<u>Drought Water System Consolidation</u>. Authorizes the State Water Resources Control Board (State Water Board) to require water systems that are serving disadvantaged communities with unreliable and unsafe drinking water to consolidate with or receive service from public water systems with safe, reliable, and adequate drinking water.

<u>Recycled Water Projects CEQA Exemption.</u> Provides a narrowly tailored California Environmental Quality Act (CEQA) exemption during a drought state of emergency proclaimed by the Governor for a public agency to mitigate drought conditions by building or expanding a recycled water pipeline and related groundwater replenishment infrastructure if it is within existing rights of way, does not impact wetlands or sensitive habitat, and where the construction impacts are fully mitigated. Authority sunsets on January 1, 2017.

<u>Recycled Water Codes CEQA Exemption.</u> Exempts the development of new building codes related to dual plumbing from certain CEQA provisions for one code update cycle.

<u>Well Ordinances CEQA Exemption.</u> Includes legislative findings clarifying that local governments may regulate groundwater pursuant to their police power and provides a limited CEQA exemption for adopting a groundwater protection ordinance. That exemption would expire within two years, or upon the cessation of the current Drought State of Emergency, whichever is later.

<u>Drought Expanded Local Enforcement Authority.</u> Allows local water agencies to issue penalties for violations of local and state water conservation requirements but limits penalties to up to \$1,000 for the first violation (increasing for continuing violations) unless the violator has shown intent and the nature of the violation is substantial.

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<u>Drought Penalties.</u> Requires the State Water Resources Control Board to separately account for penalties assessed for violations of emergency conservation regulations and deposit such funds into the Water Rights Fund for appropriation by the Legislature to support water conservation activities.

<u>Drought Monitoring and Reporting.</u> Requires that diversions in excess of ten acre feet of water per year, with some exceptions, must have a measuring device or a method of measurement for diversions. Authorizes the State Water Board to adopt emergency regulations to implement the measuring device requirement and increases the frequency of water diversion reporting to be at least annually. Consideration is given for cost feasibility and a one-year exemption is included for parties in voluntary settlement with the State Water Board regarding water curtailments.

<u>Proposition 1 Clarifications and Accountability.</u> Requires the Natural Resources Agency to provide specific information on projects funded by Proposition 1 and requires state agencies to provide outcomes and metrics for projects funded.

<u>Water Efficiency Revolving Fund Appropriation.</u> Appropriates \$10 million of Proposition 1 to the CalConserve Revolving Fund for low-interest loans for water efficiency upgrades.

**Fiscal Effect:** This bill should not result in any changes to the budget act or related budget actions.

Support: Unknown

**Opposed:** Unknown

**Comments:** This bill provides the necessary statutory references to enact the 2015-16 budget related to drought.

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