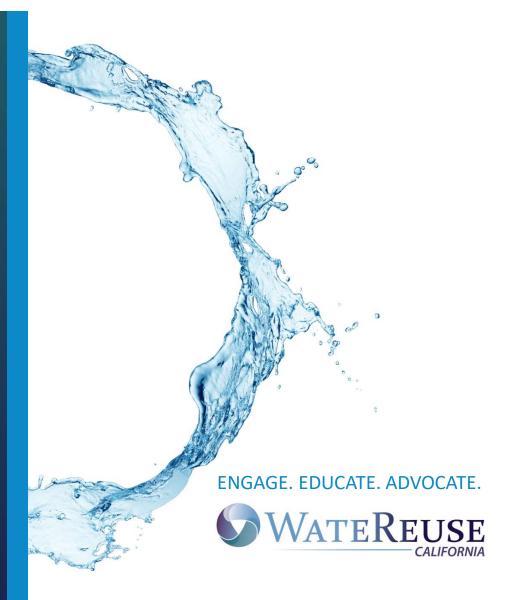
LEGISLATIVE-REGULATORY UPDATE

PRESENTED TO
WATEREUSE ASSOCIATION NORTHERN
CALIFORNIA CHAPTER – BAY AREA CLEAN
WATER AGENCIES
JOINT WORKSHOP

Rosario Cortés Manager of Regulatory Affairs WateReuse California

April 29, 2024





SB 1157 (Statutes 2022, Chapter 679, Hertzberg): Background

- <u>SB 1157 (Statutes 2022, Chapter 679, Hertzberg)</u>
 - Lowered indoor standard to 47 RI gpcd in 2025
 - and 42 RI gpcd in 2030
- January 2023 <u>budget change proposal</u>:
 - Requested \$7 million in General Fund to support State Operations over four years, beginning in FY 2023-24
 - For the implementation of SB 1157
 - Specifically: quantify the economic benefits and impacts of the 2030
 Indoor Residential Water Use Standard on water, wastewater, and recycled water systems



DWR Water Use Efficiency Unit Actions

Fall 2024: DWR launched the SB 1157 Impacts Technical Advisory Panel (TAP)

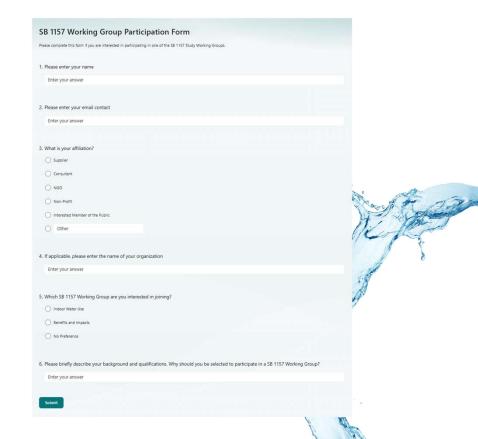




DWR Water Use Efficiency Unit Actions

- Early 2025: <u>DWR Survey</u> and solicitation for Working Group members
- Survey is now complete







Onsite Treatment and Reuse of Nonpotable Water Rulemaking: Key Dates



3/21/25: State Board (Board) <u>released the Notice of Proposed</u>
<u>Rulemaking regarding this rulemaking</u>



5/8/25: Board staff will conduct an Administrative Procedure Act public hearing regarding the proposed regulation



5/9/25: Written Comments Due



Late 2025 or early 2026: the Final regulations are expected to be considered for adoption by the Board



Onsite Treatment and Reuse of Nonpotable Water: Rulemaking Information

- California Water Code section 13558 requires the State
 Water Board to adopt regulations on or before December
 1, 2022, for risk-based water quality standards for the
 onsite treatment and reuse of nonpotable water for
 nonpotable end uses in multifamily residential,
 commercial, and mixed-use buildings.
- Rulemaking Information
- Frequently Asked Questions
- Text of Proposed Regulations





WRCA Sponsored Bill

AMENDED IN SENATE MARCH 26, 2025 AMENDED IN SENATE FEBRUARY 10, 2025

SENATE BILL

No. 31

Introduced by Senator McNerney

December 2, 2024

An act to amend Sections 13529.2, 13551, 13552.4, 13553, and 13554 of the Water Code, relating to water quality.

LEGISLATIVE COUNSEL'S DIGEST

SB 31, as amended, McNerney, Water quality: recycled water.

(1) The Water Recycling Law generally provides for the use of recycled water. Existing law requires any person who, without regard to intent or negligence, causes or permits an unauthorized discharge of 50,000 gallons or more of recycled water in or on any waters of the state to immediately notify the appropriate regional water board.

This bill would, for the purposes of the above provision, redefine "recycled water" and provide that water discharged from a decorative body of water during storm events is not to be considered an unauthorized discharge if recycled water was used to restore levels due to evaporation.

(2) Existing law regulating the use of recycled water prohibits the use of prescribed potable water by state and local agencies for any nonpotable uses, including cometeries, golf courses, parks, and highway landscaped areas if prescribed recycled water is available, and deems use of the recycled water in lieu of the potable water to constitute a reasonable beneficial use of that water.

This bill would add common areas of a residential community irrigated by a homeowners' association as prohibited uses of potable water. The bill would provide that incidental amounts of spray, mist, or runoff are Senate Bill 31

- Authored by Senator Jerry McNerney (SD 5)
- Press Release
- Author's Fact Sheet
- Passed the Senate Natural Resources Committee 7–0
- Next stop: Senate Environmental Quality Committee on April 30



SB 31 (McNerney) does the following:



Requires homeowners' associations, when recycled water is available, to use recycled water to irrigate outdoor common areas.



Ensures that homeowners' associations won't have to install expensive and cumbersome new plumbing systems to use recycled water.



Enables parks to expand their use of recycled water.



Ensures that using recycled water in decorative bodies of water, such as a lake at a golf course, isn't deterred by overly burdensome regulations.



Allows food handling and processing facilities to use recycled water for toilet or urinal flushing or outdoor irrigation as long as the recycled water does not enter a room where food handling or processing occurs.



WRCA Sponsored Bill

- April 30: Senate
 Environmental Quality
 Committee Hearing
- To join the next coalition letter or if you have any questions, please reach out to Beth and <u>Brenley</u>



Other bills of interest

SB 72 (Caballero): California Water Plan: Long Term Water Supply Targets

Sponsor: CMUA and Western Municipal Water District

WRCA 3/7 Position: SUPPORT

PFAS Legislation

SB 682 (Allen): Environmental health: product safety: perfluoroalkyl

and polyfluoroalkyl substances

Sponsor: CASA

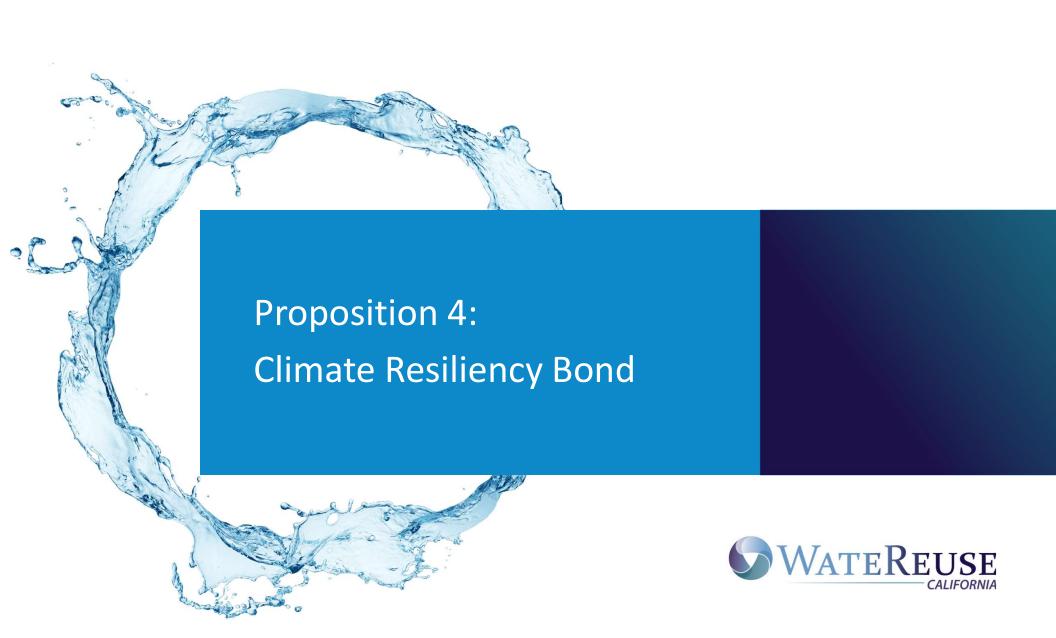
WRCA 3/7 Position: SUPPORT

SB 454 (McNerney): PFAS Mitigation Fund

Sponsor: League of Cities and ACWA

WRCA 3/7 Position: SUPPORT





Proposition 4

- Budget Trailer Bill Language: Climate Bond (Proposition 4) Amendments
- Bond contains approximately \$386 million for water reuse and recycling projects
- January 10: Governor's Proposed Budget for State Fiscal Year (SFY) 2025-26 proposes to reduce water recycling General Fund appropriations by \$51 million
- May 14: Governor Newsom's May Revision "May Revise"
- December 2025: Division of Financial Assistance to amend Water Recycling Funding Program Guidelines to incorporate large-scale project eligibility and guidance

Shifts Some Prior Spending to Proposition 4

Governor Proposes Shifting Some Prior Spending Commitments to Proposition 4

Shifts from General Fund Unless Otherwise Noted (In Millions)

ementing artment	Amoun
ence	
VRCB	\$51
WR	47
NR	15
arks	\$68
alOES	13
CI	\$15
CB	\$32
arks	\$14
CEC	\$50 ^a
	\$305
ır	C n Fund to Pro Energy Reliab

Shifts support from the General Fund and Greenhouse Gas Reduction Fund to Proposition 4. These fund shifts would provide \$50 million of previously unallocated Clean Energy Reliability Investment Plan funds to Demand Side Grid Support Program.

SWRCB = State Water Resources Control Board; DWR = Department of Water Resources; Parks = Department of Parks and Recreation; CalOES = California Governor's Office of Emergency Services; LCI = Governor's Office of Land Use and Climate Innovation; WCB = Wildlife Conservation Board; and CEC = California Energy Commission.





Proposition 4 & WRCA Advocacy

February 12, 2025:

Reject the Governor's Proposal to Revert \$51M in Recycled Water General Funds



February 12, 2025

The Honorable Gavin Newsom Governor of California 1021 O Street, Suite 9000 Sacramento, CA 95814

The Honorable Scott Wiener Chair, Senate Budget Committee 1020 N Street, Room 502 Sacramento, CA 95814

1021 O Street, Suite 8230 Sacramento, CA 95814

The Honorable Mike McGuire

1021 O Street, Suite 8518

Sacramento, CA 95814

Senate President Pro Tempore

The Honorable Jesse Gabriel

Chair, Assembly Budget Comm

The Honorable Robert Rivas Speaker of the Assembly 1021 O Street, Suite 8330 Sacramento, CA 95814

The Honorable Ben Allen Chair, Senate Budget Sub Comm #2 1021 O Street, Suite 6610 Sacramento, CA 95814

The Honorable Steve Bennett Chair, Assm. Budget Sub Comm #4 1021 O Street, Suite 4710 Sacramento. CA 95814

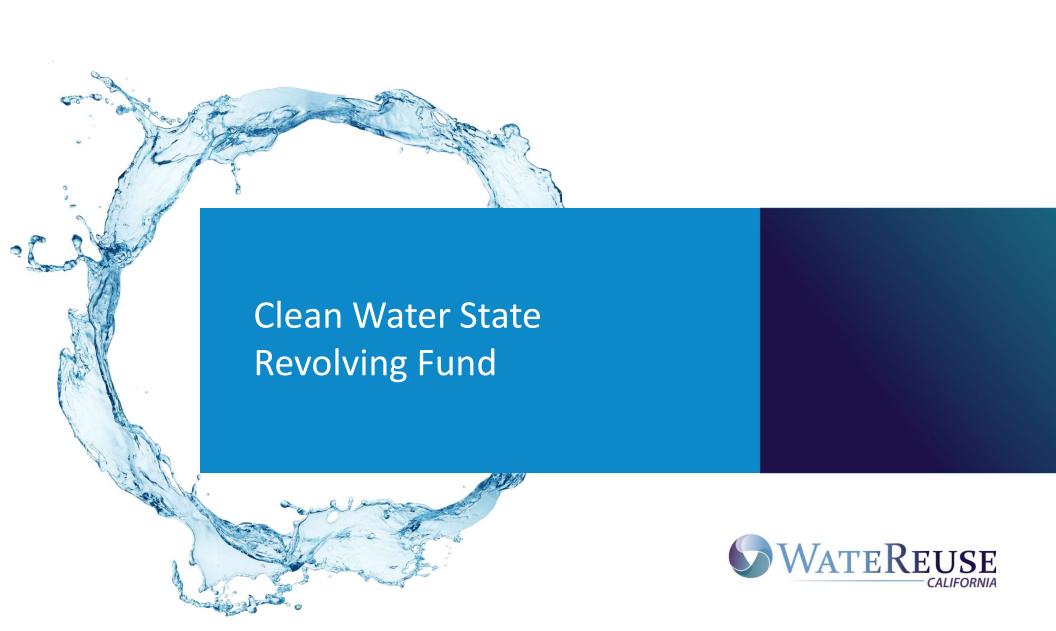
Dear Governor Newsom, Pro Tem McGuire, Speaker Rivas, Chair Wiener, Chair Gabriel, Chair Allen and Chair Bennett.

WateReuse California (WRCA), the Association of California Water Agencies (ACWA), the California Association of Sanitation Agencies (CASA), the California Municipal Utilities Association (CMUA) and the Southern California Water Coalition (SCWC) represent the state's water recycling, wastewater and water agencies. We strongly believe that investing in water recycling is critical to ensure water supply reliability for all Californians.

State government, at all levels, has a longstanding commitment to supporting recycled water development as a local, drought-resilient water supply. The Governor's Water Supply Strategy for Adapting to a Hotter, Drier California identifies water recycling as the key action to protecting community water supplies. The Strategy calls for reusing at least 800,000 acre-feet of water per year by 2030 and 1.8 million acre-feet by 2040.

We respectfully propose several budget actions to ensure water recycling can keep pace with the demand for drought-proof, local, resilient water supplies. With at least \$16 billion in planned recycled water projects in California, we look forward to working with the Governor and the Legislature to ensure development of local water supplies is a priority in the 2025-26 state budget.





Clean Water State Revolving Fund: Proposed Amendments

- April 23, 2025: "Policy Amendments" made available
- Two documents:
 - <u>Draft Clean Water State</u>
 <u>Revolving Fund Policy</u>
 <u>Amendments Clean</u>
 - <u>Draft Clean Water State</u>
 <u>Revolving Fund Policy</u>
 <u>Amendments - Redline</u>

II. PURPOSE AND OBJECTIVE

Under federal and state law the primary purpose of the CWSRF Program is to provide financing for eligible projects to restore and maintain water quality in the state. This Policy is also designed to support multiple objectives where economically and technically feasible. These additional objectives must be cost-effective and complement both the federal and state criteria and the policy goals of the State Water Board.

The State Water-Board also seeks to reduce the effects of climate change and to promote sustainable water resources for future generations. In 2017 the State Water Board adopted Resolution No. 2017-0012 specifying a range of actions the State.

Page |

Water Board's divisions and offices will take to implement its climate change program. This Policy is designed to support those efforts.

Additionally, Section 106.3 of the Water Code provides that it is the policy of the state that every human being has the right to safe, clean, affordable and accessible water adequate for human consumption, cooking, and sanitary purposes. This section requires the State Water Board to consider this state policy when adopting policies and grant criteria. The State Water Board has considered the provisions of Section 106.3 of the Water Code in establishing this Policy.

The State Water Board adopted a Recial Equity Resolution on November 16, 2021— Resolution No. 2021-0050 directed staff to develop a plan to advance racial equitywithin the Water Boards. The State Water Board's Racial Equity Action Plan includesgoals, actions, and metrics to create a future where we equitably preserve, enhance, and restore California's water resources and drinking water for all Californians, regardless of race, and where Water Board employees reflect the racial and ethnicdiversity of California. It requires the Division to assess race/ethnicity data and otherrelevant demographic data associated with the communities that benefit from fundingadministered by the Division and include this information in its funding reports andplans.



Clean Water State Revolving Fund: Proposed Amendments

- May 6, 2025: State
 Board will consider
 adopting the proposed
 amendments to the
 Policy for Implementing
 the Clean Water State
 Revolving Fund Program
 - Meeting <u>Notice</u>





State Water Resources Control Board

NOTICE OF CONSIDERATION TO ADOPT THE AMENDMENT TO THE POLICY FOR IMPLEMENTING THE CLEAN WATER STATE REVOLVING FUND

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board) will consider adopting the proposed amendment to the Policy for Implementing the Clean Water State Revolving Fund (CWSRF or CWSRF Policy) Program, at its regularly scheduled Board Meeting, no earlier than:

Tuesday, May 6, 2025
Coastal Hearing Room – Second Floor
Joe Serna Jr. - CalEPA Building
1001 I Street, Sacramento
And via Video and Teleconference (For public commenters)

Video and Teleconference Option: This meeting will occur with both a physical meeting location and an option for the public to participate from a remote location.

- For those who only wish to watch the meeting, the webcast remains available at either https://www.youtube.com/user/BoardWebSupport or https://wideo.calepa.ca.gov/#/ (closed captioning available) and should be used UNLESS you intend to comment.
- For members of the public who wish to comment on this item, additional information about participating telephonically or via the remote meeting solution will be available at least 10 days before the meeting at: https://www.waterboards.ca.gov/board info/remote meeting/

Any person desiring to receive future notices about changes to the date, time, location, or format of the public meetings should sign up for the Lyris e-mail list, as described below under "Future Notices".

BACKGROUND

The CWSRF Policy was written to implement the federal Clean Water Act's CWSRF Program in California. The CWSRF Policy sets forth the requirements to obtain CWSRF and complementary financing in conjunction with the annual CWSRF Intended Use Plans. The Division of Financial Assistance posted a draft amended CWSRF Policy for public comment on October 22, 2024 and accepted written comments on the proposed draft until November 22, 2024. The Board held a workshop for the proposed amendment to the CWSRF Policy on November 6, 2024.

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

1001 | Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | www.waterboards.ca.go



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

- March 29, 2025: Fiscal Year 2024-25 CWSRF IUP December 2024 Update was released
 - Updated 2024-25 CWSRF Intended Use Plan Comprehensive List
 - Updated 2024-25 CWSRF Intended Use Plan Fundable List
- May 2025: Staff plan to release the proposed IUP
- June 2025: (tentative) State Board Workshop to receive public comments
- Staff are now preparing SFY 2023/24 Annual Report



Summary of the proposed changes

- Recycling moves from 7 to 8 points on Primary Score
- Secondary Score to likely become a "Secondary Characteristic" with "bonus" points if projects:
 - Volunteers to meet "Equivalency Requirements"
 - Eliminates waste discharge
 - Has a climate change action plan
- Affordability Score: still in discussions about how to calculate
- Readiness Metric based on completeness of plans and specs



Clean Water State Revolving Fund

- November 22, 2024: WRCA joint comment letter with CASA
- If you have any questions, please reach out to <u>Brenley</u> and <u>Beth</u>





November 22, 2024

Submitted electronically to commentletters@waterboards.ca.gov

Courtney Tyler, Clerk to the Board State Water Resources Control Board 1001 | Street, 24th Floor Sacramento, CA 95814

RE: Comment Letter - November 5, 2024 Board Workshop - CWSRF Policy Amendment

Dear Ms. Tyler,

On behalf of WateReuse California (WRCA) and the California Association of Sanitation Agencies (CASA), thank you for the opportunity to provide comments on the November 2024 draft Clean Water State Revolving Fund (CWSRF or SRF) policy amendments (Draft Policy Amendments). WRCA represents 220 public agencies, consulting firms, and companies committed to expanding the use of recycled water in California. CASA represents more than 130 public agencies and municipalities that engage in wastewater collection, treatment, recycling, and resource recovery. Together, our member agencies are engaged in advancing recycled water production and beneficial reuse, committed to developing renewable energy supplies, and actively maximizing water reuse in the state of California.

In summary, our recommendation on the process for the Draft Policy Amendments are three-fold:

- (1) Adopt streamlining and consensus-based non-scoring amendments, near-term;
- (2) Defer adoption of substantive scoring amendments until later in 2025;
- (3) Utilize the SRF Stakeholder Advisory Group (SRF SAG) in the Interim to develop consensusrecommendations for the Secondary Score, Affordability Score, and Readiness Score.

We have divided our substantive comments on the Draft Policy Amendments into two sections: the first pertains to the proposed non-scoring amendments, and the second to the proposed scoring amendments.

Proposed Non-Scoring Amendments

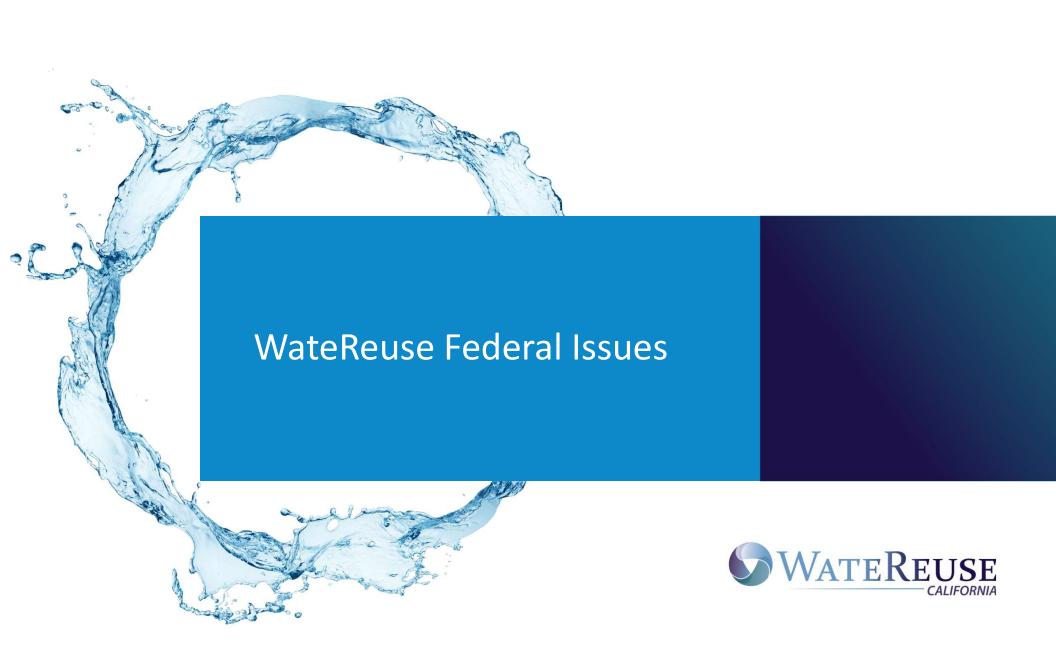
1. Clarify the Proposed Language in the Construction Completion Date Provision

"XIV. Construction/Implementation Financing Payments

D. The Recipient must make its first annual payment not later than one year following the Completion of Construction date, as established in the originally executed Financing Agreement. The Division will generally not extend the initial repayment date, but shall have discretion to extend on a case-by-case basis, upon justification from the Recipient."

State Water Resources Control Board (SWRCB) staff have done an excellent job explaining the rationale and need for this amendment, after our organizations reached out to dialogue about initial impressions and concerns with this new language. We now understand that the intent of the change is to better manage the health of the fund by ensuring funds return to the program for further utilization. We propose a few clarifications to eliminate any unintended financial consequences with this new provision.





WateReuse remains engaged

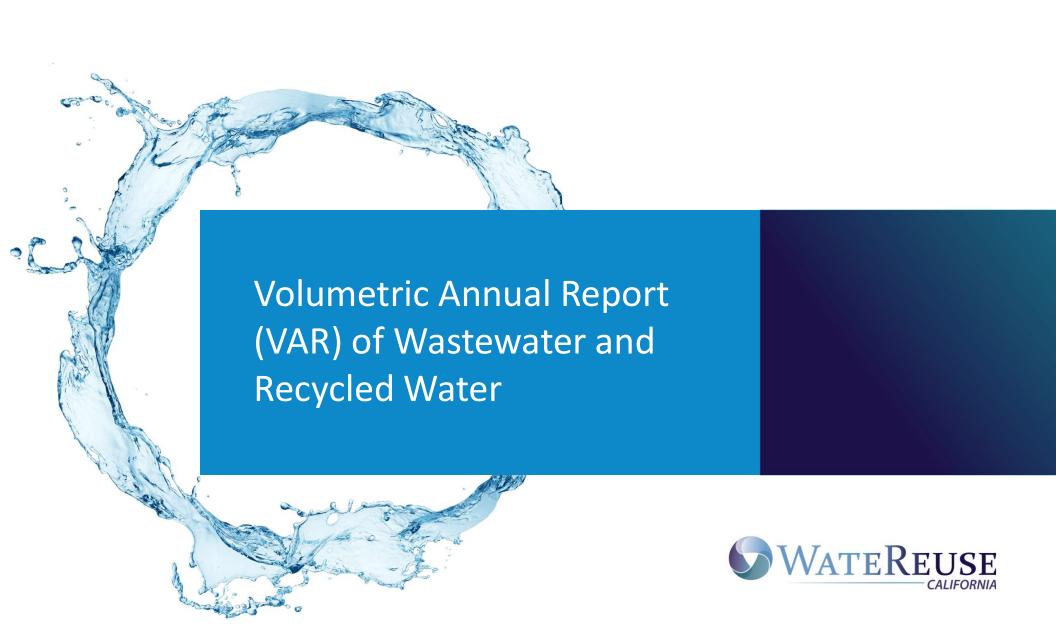
- U.S. Environmental Protection Agency's Office of Water is committed to water reuse!
- The EPA Administrator has praised reuse
- On the U.S. Department of the Interior side, there is no Bureau of Reclamation Commissioner yet
- Temporary appointees at Interior have flagged certain water reuse grants



H.R. 1267, Water Systems PFAS Liability Protection Act

- 2024: EPA designated perfluorooctanoic acid (PFOA) and perfluoroctane sulfonate (PFOS)—two PFAS chemicals—as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)
- WRA supports this bipartisan bill that would preserve "polluter pays" principle under CERCLA
- Please reach out to WateReuse Association's Director of Government Affairs and Policy Greg Fogel





Volumetric Annual Report

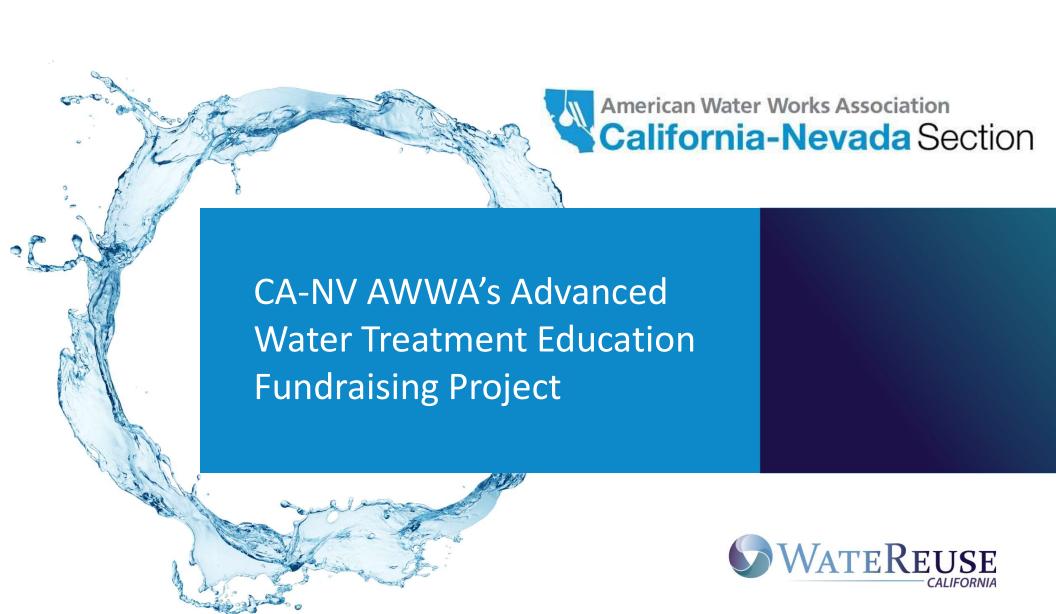
Control Board's Recycled
Water Policy requires
wastewater treatment plants
and recycled water producers
to report monthly volumes of
influent and effluent each
year from the previous
calendar year every April



Volumetric Annual Report

- The 2024 Volumetric Annual Report is the same format as the previous year and requires the entry of volumes in acre-feet per month for influent, effluent and if applicable, recycled water use. Volumetric conversion factors can be found in the Help Guide.
- Additional webinar training for submitting the Volumetric Annual Report, and data, infographics, and interactive map for 2019-2023 can be found on the Volumetric Reporting Webpage.
- Submit the 2024 Volumetric Annual Report through the volumetric annual report <u>module in GeoTracker</u> by **April 30,** 2025.





What Operators Face Preparing for Advanced Roles

	Identifier	
sessment to Quantify Robustness and ple Treatment Barriers of a DPR Scheme,	Reuse-13-03	
and Content for Potable Reuse Operator Training,	Reuse-15-05	
nize Biological Testing for Best Results, 2013	OPF.2013.39.0008	
elopment of a Microfiltration and Ultrafiltration owledge Base, 2005	Project 2763	
Jevelopment of Operation and Maintenance Plan and Training and Certification Framework for Direct Potable Reuse Systems, 2017	Reuse-13-13	
Effects of Ozone Dissolution Methods on Disinfection, Credit, Bromate Formation, and Operating Cost, 2016	Project 4588	
Electrodialysis and Electrodialysis Reversal, 1995	M38	9780898677683
Electrodialysis and Ion-Exchange Membrane Systems, 2015	AWWA B116-15	9781625760302
Evaluation of Membrane Characterization Methods, 2012	Project 4102	
Federal regulations regarding treatment of water & wastewater		
FILMTEC Reverse Osmosis Membranes, Technical Manual		
Guidelines for Source Water Control Options and the Impact Selected Strategies on Direct Potable Reuse, 2017	Reuse-13-12	
ganic Nonmetals by Flow Injection Analysis, 2018	Standard Methods 4130	
rated Design and Operation of Water Treatment s, 2nd Edition, 2000		978-0-471-35
of Membrane Filtration Into Water Treatment		9781583
ndard Units for Water and Wastewater 2011	Manual of Practice No. 6	97
Pause, 2018	M62	

Listed in the AWTO Handbook...

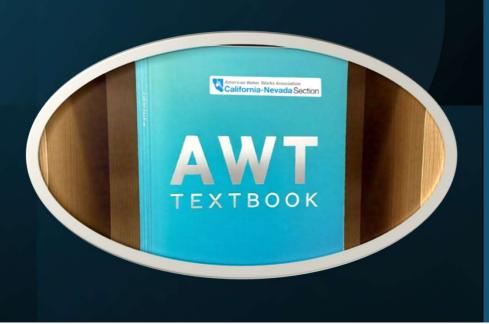
- 150 topics under the 'Content Domains and Task Statements' across all three exams.
- 45 books and manuals listed on the suggested reading list.





- There will soon be 15 AWTFs in CA, a total of 80 nationwide.
- Our goal is a large and diverse pool of operators.
- **260** AWTO certified professionals.
- Add approximately 740 more certified operators by 2027.
- DPR rules are also in effect in AZ, TX, CO, and FL.
- Larger goal: prepare operators to use advanced technologies.

Fundraising Supports the Development of...



- 1. AWT Textbook
- 2. Practice Exams
- 3. Instructor PowerPoints
- 4. Figures and diagrams
- 5. Reference guides



