

**AGENDA
IRVINE RANCH WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING**

April 13, 2020

Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspend certain requirements of the Ralph M. Brown Act. Members of the public may not attend this meeting in person.

Participation by members of the Committee will be from remote locations. Public access and participation will only be available telephonically/electronically.

To virtually attend the meeting and to be able to view any presentations or additional materials provided at the meeting, please join online via Webex using the link and information below:

Via Web: <https://irwd.my.webex.com/irwd.my/j.php?MTID=m257ce67e924916b07f23281883b4f439>

Meeting Number (Access Code): 626 121 455
Meeting Password: ZKf2ga2GUV3

After joining the meeting, in order to ensure all persons can participate and observe the meeting, please select the "Call in" option and use a telephone to access the audio for the meeting by using the call-in information and attendee identification number provided.

As courtesy to the other participants, please mute your phone when you are not speaking.

PLEASE NOTE: Participants joining the meeting will be placed into the Webex lobby when the Committee enters closed session. Participants who remain in the "lobby" will automatically be returned to the open session of the Committee once the closed session has concluded. Participants who join the meeting while the Committee is in closed session will receive a notice that the meeting has been locked. They will be able to join the meeting once the closed session has concluded.

CALL TO ORDER 5:00 p.m.

ROLL CALL Directors Reinhart, LaMar, Swan, and Withers, and President Matheis

PUBLIC COMMENT NOTICE

If you wish to address the Board of Directors on any item, please submit a request to speak via the "chat" feature available when joining the meeting virtually. Remarks are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 12:00 p.m. on Monday, April 13, 2020.

ALL VOTES SHALL BE TAKEN BY A ROLL CALL VOTE.

COMMUNICATIONS TO THE BOARD

1. A. Written:

B. Oral:

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Recommendation: Determine the need to discuss and/or take immediate action on item(s).

CONSENT CALENDAR

Items 3-12

3. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and events for Mary Aileen Matheis, Douglas Reinhart, Peer Swan, Steven LaMar and John Withers, as described.

4. BOARD MEETING MINUTES

Recommendation: That the minutes of the March 9, 2020 Regular Board meeting be approved as presented.

5. 2020 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt a "support" position on AB 2095 (Cooper) and ACR 179 (Voepel), and a "support if amended" position on AB 3256 (Garcia).

6. RESOLUTION OF COMMENDATION FOR VAN CADY

Recommendation: That the Board adopt a resolution commending Van Cady for 32 years of dedicated service to IRWD.

Reso. No. 2020-

7. RESOLUTION OF COMMENDATION FOR TOM ROBERTS

Recommendation: That the Board adopt a resolution commending Tom Roberts for 24 years of dedicated service to IRWD.

Reso. No. 2020-

CONSENT CALENDAR

Resolution No. 2020-6

Items 3-12

8. 2020 INDEX TENDER NOTES AMENDMENT

Recommendation: That the Board approve the 2020 ITN Second Supplemental Indentures of Trust and adopt a resolution approving Second Supplemental Indentures of Trust for Refunding Series 2011 A-1 and Refunding Series 2011 A-2.

Reso. No. 2020-

9. FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE FOR DISTRICT-WIDE EMERGENCY EVENTS

Recommendation: That the Board adopt a resolution allowing IRWD to receive reimbursement from the California Governor's Office of Emergency Services (Cal OES) for expenses incurred in response to state-designated emergency disaster events due to the coronavirus pandemic.

Reso. No. 2020-

10. LADD CANYON ROAD DOMESTIC WATER PIPELINE IMPROVEMENTS FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Ladd Canyon Road Domestic Water Pipeline Improvements, Project 10102, authorize the General Manager to file a Notice of Completion, and authorize the payment of the retention 35 days after filing the Notice of Completion.

11. LANDSCAPE AND IRRIGATION MAINTENANCE THREE-YEAR CONTRACT AWARD

Recommendation: That the Board authorize the General Manager to execute a three-year landscape and irrigation maintenance contract with Tropical Plaza Nursery, Inc. for \$1,727,796.

12. WATERWORKS BUSINESS PARK OFFICE PROPERTY LISTING AGREEMENT EXTENSION

Recommendation: That the Board approve a new listing agreement for the Waterworks Business Park property with the brokerage team of Colliers International under previously agreed-upon commission terms and expiring on February 28, 2021.

ACTION CALENDAR

13. AGREEMENT FOR 1,2,3-TCP COST RECOVERY LITIGATION

Recommendation: That the Board authorize the General Manager to execute, jointly with Rosedale-Rio Bravo Water Storage District, a legal services agreement with Robins Borghei, LLP for cost recovery related to 1,2,3-Trichloropropane contamination of groundwater.

14. PFAS TREATMENT PROGRAM AGREEMENT

Recommendation: That the Board authorize the General Manager to execute the Master Treatment Program Agreement in the form presented, subject to reasonable substantive changes otherwise agreed upon by all parties and approved by General Counsel, to facilitate the design, construction and operation of PFAS treatment facilities at affected wells including IRWD's OPA Well No. 1, contingent upon a future determination that IRWD will proceed with construction and operation of a PFAS removal facility.

15. COVID-19 RESPONSE – COMMERCIAL INVESTMENT PROPERTIES LEASE PAYMENT DEFERRALS

Recommendation: That the Board authorize staff to implement a lease deferral program for IRWD's commercial investment properties for a period of up to 90 days, without incurring late fees or interest, and repayment of deferred rent amortized not to exceed 12 months for tenants who request assistance due to impacts from COVID-19.

16. SERRANO SUMMIT / LENNAR PROMISSORY NOTE REQUEST TO EXTEND MATURITY

Recommendation: That the Board authorize the General Manager to execute an amendment to the current promissory note between IRWD and Lennar Homes of California for a seven-month extension to December 1, 2020, at the current interest rate of 4.00%, to be applicable to both the principal and accrued interest amount as of April 30, 2020, and including partial release provisions as stated.

17. ELECTRONIC BILL PRESENTMENT AND PAYMENT SOLUTION

Recommendation: That the Board authorize the General Manager to execute a five-year agreement with Paymentus for Electronic Bill Presentment and Payment Solution for IRWD customers for the transaction rates stated in the Paymentus proposal.

OTHER BUSINESS

Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, and make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments.

18. General Manager's Report
19. Directors' Comments
20. Receive oral update(s) from District liaison(s) regarding communities within IRWD's service area and provide information on relevant community events.
21. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Pursuant to Government Code Section 54956.9 (d)(4): initiation of litigation. (*One (1) potential case*).
22. Open Session
23. Adjourn.

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the above-named Board in connection with a matter subject to discussion or consideration at an open meeting of the Board are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to comments@irwd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

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April 13, 2020
Prepared and
submitted by: K. Swan
Approved by: Paul A. Cook



CONSENT CALENDAR

RATIFY/APPROVE BOARD OF DIRECTORS'
ATTENDANCE AT MEETINGS AND EVENTS

SUMMARY:

Pursuant to Resolution 2006-29 adopted on August 28, 2006, the following events and meetings require approval by the Board of Directors:

Steven LaMar

March 4 MWDOC Workshop Meeting with the MWD Directors
July 26-31 ACWA Rescheduled 2020 Spring Conference, Monterey

Mary Aileen Matheis

July 27-31 ACWA Rescheduled 2020 Spring Conference, Monterey

Douglas Reinhart

July 28-31 ACWA Rescheduled 2020 Spring Conference, Monterey

Peer Swan

March 4 West Basin Special Caucus with Metropolitan Water District
Representatives
March 6 Orange County Business Council Government Affairs Committee Meeting
March 6 UCI School of Engineering – San Diego Creek Flood Risk
July 26-31 ACWA Rescheduled 2020 Spring Conference, Monterey

John Withers

March 17 Presentation at the Lake Forest City Council Meeting
July 28-30 ACWA Rescheduled 2020 Spring Conference, Monterey

RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE MEETINGS AND EVENTS FOR STEVEN LAMAR, MARY AILEEN MATHEIS, DOUGLAS REINHART, PEER SWAN, AND JOHN WITHERS AS DESCRIBED HEREIN.

LIST OF EXHIBITS:

None.

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April 13, 2020
Prepared and
submitted by: L. Bonkowski
Approved by: Paul A. Cook



CONSENT CALENDAR

BOARD MEETING MINUTES

SUMMARY:

Provided are the minutes of the March 9, 2020 Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE MARCH 9, 2020 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – March 9, 2020 Minutes

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EXHIBIT "A"

MINUTES OF REGULAR MEETING – March 9, 2020

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Matheis on March 9, 2020 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Swan, Withers, LaMar and Matheis.

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Technical Services Burton, Executive Director of Water Policy Weghorst, Executive Director of Finance and Administration Clary, Director of Treasury and Risk Management Jacobson, Executive Director of Operations Chambers, General Counsel Collins, Director of Public Affairs Beeman, Director of Human Resources Roney, Director of Water Quality and Regulatory Compliance Colston, Director of Recycling Operations Zepeda, Director of Maintenance Mykitta, Director of Water Operations Roberts, Government Relations Officer/Deputy General Counsel Compton, Secretary Bonkowski, Mr. Bruce Newell, Mr. Fernando Paludi, and members of staff and the public.

WRITTEN AND ORAL COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

CONSENT CALENDAR

On MOTION by LaMar, seconded by Reinhart, and unanimously carried, CONSENT CALENDAR ITEMS 3 THROUGH 9 WERE APPROVED AS FOLLOWS:

3. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and events for Mary Aileen Matheis, Douglas Reinhart, Peer Swan, Steven LaMar and John Withers, as described.

4. BOARD MEETING MINUTES

Recommendation: That the minutes of the February 10, 2020 Regular Board meeting be approved as presented.

CONSENT CALENDAR (CONTINUED)

5. 2020 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt a “support” position on AB 2182 (Rubio), AB 2560 (Quirk) and SB 1099 (Dodd); a “support if amended” position on AB 352 (E. Garcia), AB 1298 (Mullin), AB 2095 (Cooper), SB 45 (Allen), and on the “Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020” Budget Trailer Bill; an “oppose unless amended” position on AB 1484 (Grayson), AB 3147 (Gabriel), AB 3148 (Chiu); and a “watch” position on AB 1924 (Grayson), AB 2943 (Ting), AB 3144 (Grayson), AB 3145 (Grayson), AB 3146 (Grayson), and AB 3149 (Gloria).

6. JANUARY 2020 TREASURY REPORT

Recommendation: That the Board receive and file the Treasurer’s Investment Summary Report, the Summary of Fixed and Variable Rate Debt, and Disclosure Report of Reimbursements to Board members and staff, approve the January 2020 Summary of Payroll ACH payments in the total amount of \$3,120,220; and approve the January 2020 accounts payable Disbursement Summary of warrants 405005 through 405945, Workers’ Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$28,866,405.

7. SAND CANYON PROFESSIONAL CENTER – PHASE II CONSTRUCTION UPDATE AND LISTING AGREEMENT EXTENSION

Recommendation: That the Board approve a new listing agreement for the lease of the Sand Canyon Professional Office Center Phase II with the brokerage team of Cushman & Wakefield and Colliers International under previously agreed-upon commission terms and expiring on August 31, 2020.

8. AMENDMENT NO. 9 TO THE SANTIAGO AQUEDUCT COMMISSION JOINT POWERS AGREEMENT

Recommendation: That the Board approve Amendment No. 9 to the Santiago Aqueduct Commission Joint Powers Agreement, subject to non-substantive changes.

9. FINAL INITIAL STUDY / MITIGATED NEGATIVE DECLARATION FOR THE ZONE A TO RATTLESNAKE RESERVOIR PUMP STATION PROJECT

Recommendation: That the Board find on the basis of the whole record before it, including the Final Initial Study/Mitigated Negative Declaration and the comments received, that there is no substantial evidence that the Zone A to Rattlesnake Reservoir Pump Station Project will have a significant effect on the environment and that the Final Mitigated Negative Declaration reflects IRWD’s independent judgment and analysis; adopt the proposed Final Mitigated Negative Declaration for the Zone A to Rattlesnake Reservoir Pump Station Project and the associated mitigation monitoring and reporting program; approve the Zone A to Rattlesnake Reservoir Pump Station Project; and authorize staff to post and file a Notice of Determination.

ACTION CALENDAR

ON-CALL ENVIRONMENTAL CONSULTANT SELECTIONS

Irvine Ranch Water District uses Professional Service Agreements to secure on-call environmental compliance and permitting services pursuant to the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), and other regulatory requirements. Staff has solicited and evaluated proposals from firms to perform future on-call environmental and permitting services. On MOTION by Swan, seconded by Reinhart, and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE PROFESSIONAL SERVICE AGREEMENTS WITH ENVIRONMENTAL SCIENCE ASSOCIATES (ESA), LSA, DUDEK AND PSOMAS TO PROVIDE ON-CALL CEQA/NEPA SERVICES FOR THE NEXT FOUR YEARS FOR NOT-TO-EXCEED AMOUNTS OF \$400,000 EACH AND WITH HARMSWORTH ASSOCIATES, PSOMAS AND ESA TO PROVIDE ON-CALL MONITORING AND PERMITTING SERVICES FOR THE NEXT FOUR YEARS FOR NOT-TO-EXCEED AMOUNTS OF \$400,000 EACH.

REVISED IRWD POLICY PRINCIPLES REGARDING METROPOLITAN WATER DISTRICT'S INTEGRATED WATER RESOURCES PLAN AND LOCAL RESOURCES PROGRAM

Executive Director of Water Policy Weghorst reported on the Integrated Water Resources Plan (IRP) Metropolitan Water District is currently updating which will identify new regional targets for local water resource development. Mr. Weghorst said that the last update to the IRP was in 2015 and the plan is due to be revised again in 2020. He said that the 2015 IRP established goals to achieve additional water use efficiency and conservation, to stabilize and maintain imported water supplies, and to develop additional local water supplies. Metropolitan's new 2020 IRP is expected to identify new regional targets for local water resource development. These new targets will affect the updating and implementing of Metropolitan's Local Resources Program.

Mr. Weghorst reviewed the draft policy document noting that Metropolitan has historically implemented a regional approach to planning that has ensured the ability to provide reliable and high-quality water for all of its member agencies. Changing conditions to consider for future planning include: 1) a future where member agencies may collectively require less imported water supplies; 2) climate change impacts to an over-allocated Colorado River; 3) uncertainties of a long-term solution to conveyance in the Sacramento-San Joaquin Delta make it difficult to predict Metropolitan's future water supplies; 4) accumulating risks that a major earthquake will occur in the Delta that will dramatically reduce water supplies to Southern California; 5) emerging contaminants are impacting local groundwater basins creating short-term, increased dependence on Metropolitan; 6) some member agencies will be "rolling off" of Metropolitan through the development of local supplies; 7) the continued development of local supplies could strand capacity in Metropolitan's water treatment facilities; and 8) Metropolitan's variable revenue structure may not be effective at covering all of Metropolitan's costs into the future.

Mr. Weghorst reviewed the proposed policy principles and following input from the Board, the document will be revised. On MOTION by Reinhart, seconded by Swan, and unanimously carried, THE REVISED IRWD POLICY PRINCIPLES REGARDING METROPOLITAN WATER DISTRICT'S INTEGRATED WATER RESOURCES PLAN AND LOCAL RESOURCES PROGRAM WAS TABLED.

REVISED IRWD WATER RESOURCES FUNDING POLICY PRINCIPLES

Government Relations Officer/Deputy General Counsel Compton reported that IRWD's policy position papers are reviewed periodically to determine if the positions are still valid, need to be revised or if new papers should be written on different issues.

Ms. Compton said that a draft of the proposed revised IRWD Water Resources Funding Policy Principles is provided in Exhibit "A". She said that in California's Fiscal Year 2020-21 proposed budget, Governor Gavin Newsom has confirmed his interest in a climate resilience bond and released his proposed bond funding plan. Discussions related to the total size of a climate resilience bond and the funding allocations are ongoing in Sacramento and that given the ongoing discussion on the climate resilience bond, water resources infrastructure funding will continue to be a point of discussion within and around the State Capitol this legislative session and beyond. She further said that staff has updated the IRWD Water Infrastructure Funding Policy Principles adopted by the Board on August 1, 2013, to reflect the current landscape, and recommends the Board approve the updated IRWD Water Infrastructure Funding Policy Principles.

Director Withers reported that this item was reviewed by the Water Resources Policy and Communications Committee on March 5, 2020. Following discussion, on MOTION by Withers, seconded by LaMar, and unanimously carried, **THE BOARD ADOPTED THE UPDATED IRWD POLICY PRINCIPLES REGARDING CALIFORNIA WATER RESOURCES FUNDING.**

GENERAL MANAGER'S REPORT

General Manager Cook provided an update on what the District has been undertaking to keep employees safe due to the Coronavirus situation, and noted that staff is coordinating with other agencies as the situation evolves. He said that he formed a team consisting of Ms. Cheryl Clary, Ms. Jenny Roney, and Ms. Wendy Chambers to help with management of the situation. He also noted that WaterReuse and CMUA conferences have been cancelled due to concerns with this virus.

Mr. Cook noted that Mr. Fernando Paludi of Trabuco Canyon Water District and Mr. Gary Matthews of Pomona Water District were in attendance tonight.

DIRECTORS' COMMENTS

Director LaMar reported on his attendance at four ACWA Committee meetings, a MWDOC Water Policy Forum, an ACWA 2020 Annual Conference in Washington, DC with Director Matheis, and a MWDOC workshop with MWD Directors.

Director Withers reported on his attendance at an OCSL Legislative and Public Affairs Committee meeting today, and that on Thursday he will be attending an Irvine Exchange Club event, and next week a City of Lake Forest City Council Board meeting where he is planning to make comments.

Director Swan reported on his attendance at an interim Irvine Lake Level Operations meeting, a MWDOC 2020 Water Policy Forum, a MWDOC Administration and Finance Committee

meeting, a WACO Planning Committee meeting, a MWDOC Board meeting, a Water Education Foundation Water 101 workshop and tour, a CASA 2020 Annual Conference, a ACWA 2020 Annual Conference, both in Washington, DC, a WACO meeting, and an OCBC meeting.

Director Reinhart reported on his attendance at an interim Irvine Lake level Operations Plan meeting, an OCWD Water Issues Committee meeting, a MWDOC 2020 Water Policy Forum, an OCWD Administration Finance Committee meeting, and an Urban Water Institute Spring Water conference.

Director Matheis reported on her attendance at an ACWA 2020 Annual Conference in Washington, DC.

COMMUNITY UPDATE

IRWD’s consultant Bruce Newell commented that he attended his usual meetings relative to the canyon area.

ADJOURNMENT

President Matheis adjourned the meeting at 6:22 p.m.

APPROVED and SIGNED this of 2020.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP

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April 13, 2020
Prepared and
submitted by: C. Compton
Approved by: Paul A. Cook



CONSENT CALENDAR

2020 LEGISLATIVE AND REGULATORY UPDATE

SUMMARY:

This report provides an update on the 2019-2020 legislative session, regulatory issues, and IRWD priorities. As legislation and regulations develop, staff will provide updates and recommendations to the Water Resources Policy and Communications Committee and the Board, as appropriate.

Staff recommends that the Board consider the following actions/positions:

- *AB 3256 (E. Garcia) – California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018: “SUPPORT IF AMENDED”;*
- *AB 2095 (Cooper) – Water Theft: “SUPPORT”;* and
- *ACR 179 (Voepel) – Special Districts Week: “SUPPORT”.*

BACKGROUND:

Normally, at this point of the legislative cycle, many of the spot bills that were introduced by this time would have been amended as their authors sought to have the bills referred to and heard in the appropriate policy committee. This year the California Legislature voted to suspend its 2020 legislative session on March 16 until at least April 13 due to COVID-19.

Until the recess, the last day for policy committees to hear fiscal bills was April 24, while May 1 was the policy committee deadline for non-fiscal bills. The last day for fiscal committees to meet and act on bills introduced in their house was May 15. Staff discussed the impact on COVID-19 and the legislative calendar with the Water Resources Policy and Communications Committee on April 2.

A copy of the 2020 Legislative Matrix is provided as Exhibit “A”. Links to the bills discussed below are included within each discussion, unless a separate exhibit is noted.

2020 State Legislative Update:

Climate Resilience Bond:

At the beginning of the 2020 legislative year, there was political will to pass and place on the November 2020 ballot a climate resilience bond. As the COVID-19 statewide response and associated economic impact continue, there is an ever-increasing likelihood that the current public health emergency will derail the placement of a climate resilience bond on the November 2020 ballot.

As the probability for a climate resilience bond decreases, there is an increased likelihood that the Governor and the Legislature will transition the discussions on a climate resilience bond into an economic stimulus bond with some component of healthcare funding. Staff will discuss how IRWD is preparing to engage should an economic stimulus bond become the State's priority.

Despite the likelihood that a climate resilience bond may not move forward this year, some members of the Assembly and State Senate will continue to work on the climate resilience bond until there has been direction from legislative leadership to pivot to another priority. This past week, Eduardo Garcia (D, Coachella), Chairman of the Assembly Water, Parks and Wildlife Committee, released his revised version of the climate resilience bond. Chairman Garcia's proposal, which will be amended into [AB 3256](#), is provided as Exhibit "B".

The Administration and the Legislature have a tremendous amount of discussion left before agreement is reached on either a climate resilience bond or an economic stimulus bond. Until the Administration and the Legislature announce that they will not be pursuing a climate resilience bond this year, staff will continue to engage with IRWD's associations and industry stakeholders interested in influencing the programmatic water funding and levels of water funding included in a resilience bond. Staff recommends that the Board adopt a "support if amended" position on [AB 3256](#) (Garcia), as it has on the other four bond proposals to enable IRWD to best engage in the legislative policy discussions related to the bond. In seeking amendments, the District would advocate for changes to the proposal bond consistent with IRWD's Water Infrastructure Financing Policy Principles.

Additional 2020 State Legislation of Interest to IRWD:

There are a number of other bills of interest to the District, including:

- [AB 2095 \(Cooper\) – Water Theft](#): [AB 2095](#) would permit a local agency to make any violation of a water theft ordinance subject to an administrative fine or penalty of between \$1,000 and \$3,000. As currently drafted, the bill would not give IRWD the ability to take advantage of the proposed administrative fines or penalties. The Board adopted a "support if amended" position on [AB 2095](#), and authorized staff to seek clarifying amendments that would provide the District the ability to address water theft via administrative fines or penalties. Staff engaged with the sponsor of the bill and they agreed to accept the clarifying amendments proposed by IRWD. As proposed to be amended, [AB 2095](#) would provide the District the ability to address water theft via administrative fines or penalties. Staff recommends that the Board now adopt a "support" position on [AB 2095](#), as proposed to be amended;
- [ACR 179 \(Voepel\) – Special Districts Week](#): Again this year, the California Special Districts Association is sponsoring an Assembly Concurrent Resolution recognizing Special Districts Week. [ACR 179](#), authored by Assemblymember Randy Voepel (R-Santee), would recognize May 17-23, 2020, as Special Districts Week in California. As the District did last year, staff recommends that the Board adopt a "support" position on the Assembly Concurrent Resolution recognizing Special Districts Week; and
- [SB 971 \(Hertzberg\) – Small Water Supplier and Countywide Water Shortage Contingency Planning](#): The Urban Water Management Planning Act requires all urban

water suppliers to prepare and adopt an urban water management plan (UWMP). One of the required elements of the UWMP is a water shortage contingency plan (WSCP), which is the water shortage and drought response plan for each agency. While the “Making Water Conservation a California Way of Life” legislation enhanced the drought planning requirements of the UWMP and the WSCP for urban water suppliers, it asked the Department of Water Resources to make recommendations on how to implement drought planning and water shortage contingency plans for small water suppliers and rural communities. SB 971, which sponsored by the California Municipal Utilities Association, seeks to implement DWR’s recommendations for systems under 2,999 connections. Staff recommends that the Board adopt a “support” position on SB 971, as it will move California towards greater resilience during drought.

Staff discussed the following bills with the Committee:

- [SB 1280 \(Monning, D- Santa Cruz\) – Consolidation and Extension of Service for At-Risk Water Systems;](#)
- [SB 1386 \(Moorlach, R-Huntington Beach\) – Local Government;](#) and
- State-proposed COVID-19 related legislation.

2020 State Regulatory Update:

In addition to the legislation discussed above, the following is a list of some of the State regulations and agency reports staff is monitoring, tracking or planning to engage in over the next three to 12 months. As the next drafts of the regulations or report are released for public review and comment, staff will engage, as appropriate. Staff provided an oral update to the Committee on new developments related to these regulations.

The pending regulations and reports actively being tracked include the:

- California Plumbing Code Updates;
- Department of Water Resources (DWR) and the State Board’s implementation of the “Making Water Conservation a California Way of Life” legislation;
- State Board Electronic Annual Report;
- State Board’s AB 401 Implementation/Low Income Rate Assistance Report and the Office of Environmental Health Hazard Assessment’s “A Framework and Tool for Evaluating California’s Progress in Achieving the Human Right to Water”;
- State Board’s development of a “Cross Connection Policy Handbook”;
- State Board’s proposed “Environmental Laboratory Accreditation Program Regulations”;
- State Board’s proposed “Mercury TMDL and Statewide Mercury Control Program for Reservoirs” regulations;
- State Board’s proposed definition of “Microplastics in Drinking Water”;
- State Board’s proposed regulations on “Monthly Water Conservation and Production Reports”;

- State Board’s Safe and Affordable Drinking Water Fund Implementation;
- State Board’s Implementation of the “State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State” regulations;
- State Board’s “Water Loss Performance Standards Regulations”;
- State Board’s Water Rights Enforcement Policy; and
- State Board’s “Water Quality Control Plan for Inland Surface Waters, Enclosed Bays, and Estuaries of California” and draft “Toxicity Provisions”.

2020 Federal Legislative Update:

IRWD’s federal advocacy efforts in 2020 has largely focused on seeking federal funding for the Kern Fan Groundwater Storage Project and advocating for increased funding authorization for the federal Water Storage Program. As the nation’s attention has shifted to COVID-19, staff and the District’s advocates have been tracking the federal legislation dealing with the coronavirus. Staff updated the Committee on these efforts and on the ongoing efforts related to positioning the Kern Fan Groundwater Storage Project for federal funding this year.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on April 2, 2020.

RECOMMENDATION:

THAT THE BOARD ADOPT A “SUPPORT” POSITION ON AB 2095 (COOPER) AND ACR 179 (VOEPEL), AND A “SUPPORT IF AMENDED” POSITION ON AB 3256 (GARCIA).

LIST OF EXHIBITS:

Exhibit “A” – IRWD Legislative Matrix

Exhibit “B” – Text of Proposed Amendments for AB 3256

EXHIBIT “A”
IRWD 2020 LEGISLATIVE MATRIX
Updated 03/30/2020

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 69</u> Ting (D)	Land Use: Accessory Dwelling Units	WATCH	Requires the department to propose small home building standards governing accessory dwelling units smaller than 800 square feet, junior accessory dwelling units, and detached dwelling units smaller than 800 square feet, as specified, and to submit the small home building standards to the California Building Standards Commission for adoption on or before a specified date.	09/05/2019 - In SENATE. To Special Consent Calendar.;09/05/2019 - In SENATE. From Special Consent Calendar. To third reading.;09/05/2019 - In SENATE. From third reading. To Inactive File.
<u>AB 100</u> Budget Cmt	Drinking Water	WATCH	Establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long terms. Authorizes the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests and would continuously appropriate the moneys in the fund to the state board for grants, loans, contracts, or services to assist eligible recipients.	09/13/2019 - Re-referred to SENATE Committee on BUDGET AND FISCAL REVIEW.
<u>AB 134</u> Bloom (D)	Safe Drinking Water Restoration	WATCH	Requires each regional engineer to arrange for a prescribed comprehensive assessment of each failed water system in the region of the drinking water regional office to be completed. Requires the board, upon adoption of an assessment of funding need, to convey to each regional engineer a list of at-risk water systems in that region and additional information. Requires the board by a specified date of each year to review the assessment of funding need and to prioritize the public water systems.	06/13/2019 - To SENATE Committees on ENVIRONMENTAL QUALITY and NATURAL RESOURCES AND WATER.
<u>AB 196</u> Gonzalez (D)	Paid Family Leave		Revises the formula for determining benefits available pursuant to the family temporary disability insurance program for periods of disability by redefining the weekly benefit amount.	06/06/2019 - To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.
<u>AB 202</u> Mathis (R)	Endangered Species: Conservation: Safe Harbor Program		Extends the operation of the California State Safe Harbor Agreement Program Act indefinitely, which encourages landowners to manage their lands voluntarily, by means of state safe harbor	04/24/2019 - To SENATE Committee on NATURAL RESOURCES AND WATER.

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			agreements approved by the Department of Fish and Wildlife, to benefit endangered, threatened, or candidate species.	
<u>AB 254</u> Quirk-Silva (D)	Warewashing Machines: Water Reuse		Authorizes water from a warewashing machine at a retail food business to be reused on the same warewashing machine, for prerinse purposes only, if an attendant is onsite to control the reuse of the water for prerinse purposes and a written disclosure notice is posted.	07/09/2019 - In SENATE Committee on HEALTH: Not heard.
<u>AB 292</u> Quirk (D)	Recycled Water: Raw Water and Groundwater Augmentation	SUPPORT	Eliminates the definition of direct potable reuse and instead substitutes the term groundwater augmentation for indirect potable reuse for groundwater recharge in definitions. Requires the State Water Resources Control Board to adopt uniform water recycling criteria for raw water augmentation.	08/30/2019 - In SENATE. From third reading. To Inactive File.
<u>AB 352</u> Garcia E (D)	Wildfire Prevention, Safe Drinking Water	SUPPORT IF AMENDED	Enacts the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$3,920,000,000 pursuant to the State General Obligation Bond Law to finance a wildlife prevention, safe drinking water, drought preparation, and flood protection program.	08/14/2019 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;08/14/2019 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
<u>AB 402</u> Quirk (D)	Water Resources Control Board: Local Primacy Delegation	OPPOSE UNLESS AMEND	Authorizes the State Water Resources Control Board to delegate partial responsibility for the Safe Drinking Water Act's enforcement by means of a local primacy delegation agreement. Includes enforcement costs as costs covered by the annual Drinking Water Surveillance Program grant. Authorizes any local primacy agency, with the approval of the State Water Resources Control Board, to elect to participate in a funding stabilization program.	08/30/2019 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 418</u> Kalra (D)	Evidentiary Privileges: Union Agent-Worker Privilege		Establishes a privilege between a union agent and a represented employee or represented former employee to refuse to disclose any confidential communication between the employee or former employee and the union agent made while the union agent was	09/12/2019 - In SENATE. From third reading. To Inactive File.

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			acting in the union agent's representative capacity, except as specified.	
<u>AB 464</u> Garcia (D)	State Global Warming Solutions Act of 2006		Defines district under the State Global Warming Solutions Act to mean an air pollution control or an air quality management district. Specifies that the definition of contribution of natural sources under the Act includes contribution from catastrophic wildfires.	01/27/2020 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 722</u> Bigelow (R)	Water: Dams: Fees		Limits the total annual fee for a dam operated by certain irrigation districts to no more than 20% of the fees assessed pursuant to the schedule of fees.	06/25/2019 - In SENATE Committee on NATURAL RESOURCES AND WATER: Heard, remains in Committee.
<u>AB 727</u> Flora (R)	Dams and Reservoirs: Exclusions		Specifies that a structure owned or operated by a public entity may have the principal purpose of impounding water for agricultural use for the purposes of an exclusion from being considered a dam, provided the structure is a certain height.	05/16/2019 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>AB 787</u> Gipson (D)	Elections: Vote Registration		Requires a county or a city and county that operates a jail facility to allow organizations to conduct in-person voter registration activities, including, but not limited to, the provision of vote-by-mail applications, in each county jail facility. Requires a county or city and county to establish policies and criteria governing the admittance of individuals from those organizations into jail facilities, including procedures for notifying an individual of the basis for denial.	08/30/2019 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 831</u> Grayson (D)	Housing and Community Development: Study: Local Fees		Requires the Department of Housing and Community Development to post the study evaluating the reasonableness of local fees charged to new developments on its internet website on or before a certain date. Requires the department, by a specified date, to issue a report to the Legislature on the progress of cities and counties in adopting the recommendations made in the study.	06/06/2019 - To SENATE Committee on RULES.

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<u>AB 841</u> Ting (D)	Drinking Water: Contaminants		Requires the Office of Environmental Health Hazard Assessment to adopt and complete a work plan within prescribed timeframes to assess which substances in the class of perfluoroalkyl and polyfluoroalkyl substances should be identified as a potential risk to human health.	06/19/2019 - In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.
<u>AB 933</u> Petrie-Norris (D)	Ecosystem Resilience: Watershed Protection		Requires the Department of Conservation, to the extent funds are available, to establish and administer the Ecosystem Resilience Program to fund watershed coordinator positions, and other necessary costs, throughout the state for the purpose of achieving specified goals, including the goal to develop and implement watershed improvement plans, and other plans to enhance the natural functions of a watershed, aligned with multiple statewide and regional objectives across distinct bioregions.	08/30/2019 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 953</u> Ting (D)	Land Use: Accessory Dwelling Units		Deems a permit application for the creation of an accessory dwelling unit or junior accessory dwelling unit approved if the local agency has not acted upon the completed application within 60 days. Requires ministerial approval of an application for a building permit within a residential or mixed-use zone to create one accessory dwelling unit and one junior accessory dwelling unit per lot with a proposed or existing single-family dwelling if certain requirements are met.	01/30/2020 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 955</u> Gipson (D)	Water Replenishment Districts: Water System Needs		Authorizes a water replenishment district, pursuant to an agreement with the State Water Resources Control Board, to offer to conduct a needs assessment program for water systems serving disadvantaged communities within the district. Makes a water system's participation in the program voluntary.	08/30/2019 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 992</u> Mullin (D)	Open Meetings: Local Agencies: Social Media		Provides that the Ralph M. Brown Act does not apply to the participation, as defined, in an internet- based social media platform, as defined, by a majority of the members of a legislative body, provides that a majority of the members do not discuss among	01/30/2020 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

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			themselves the business o a specific nature that is within subject matter jurisdiction of the legislative body.	
<u>AB 1035</u> Mayes (R)	Personal Information: Data Breaches		Requires a person or business that owns or licenses computerized data that includes personal information to disclose any breach of the security of the system in the most expedient time possible and without unreasonable delay. Requires an agency that was the source of a security breach to offer, in the notice of the breach, appropriate identity theft prevention and mitigation services at no cost to potential or actual victims of the breach.	05/23/2019 - From SENATE Committee on JUDICIARY with author's amendments.;05/23/2019 - In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.
<u>AB 1124</u> Maienschein (D)	Health Care Service Plans		Authorizes the Director of the Department of Managed Health Care to authorize two pilot programs, one in northern California and one in Southern California, under which providers approved by the Department may undertake risk bearing arrangements with a voluntary employees' beneficiary association, a trust fund that is a welfare plan, and a multiemployer plan.	03/12/2020 - In SENATE. Read second time. To third reading.
<u>AB 1217</u> Mullin (D)	Electioneering and Issue Lobbying Communications		Requires a person who, makes payments of \$10,000 dollars or more for "electioneering communications" or "issue lobbying communications" to make specified disclosures in connection with those communications.	08/14/2019 - From SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS with author's amendments.;08/14/2019 - In SENATE. Read second time and amended. Re-referred to Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
<u>AB 1415</u> Friedman (D)	Department of Water Resources: Reporting		Requires the department to impose a civil penalty on an entity that fails to file with the department a specified report or plan by the deadline required for that particular report or plan. Authorizes the department to reduce or waive the civil penalty under certain circumstances.	08/30/2019 - In SENATE Committee on APPROPRIATIONS: Held in committee.

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<u>AB 1484</u> Grayson (D)	Mitigation Fee Act: Housing Developments	OPPOSE UNLESS AMENDED	Prohibits a local agency from imposing a housing impact requirement adopted by the local agency on a housing development project, as defined, unless specified requirements are satisfied by the local agency, including that the housing impact requirement be roughly proportional in both nature and extent to the impact created by the housing development project.	09/09/2019 - In SENATE. Read second time. To third reading.;09/09/2019 - In SENATE. Senate Rule 29.10(b) suspended.;09/09/2019 - Re-referred to SENATE Committee on RULES.
<u>AB 1567</u> Aguiar-Curry (D)	Organic Waste: Scoping Plan		Requires the Strategic Growth Council , in consultation with stakeholders and relevant permitting agencies, to prepare and submit to the Legislature a report that provides a scoping plan for the state to meet its organic waste, climate change, and air quality mandates, goals, and targets. Requires the scoping plan to include, among other things, recommendations on policy and funding support for the beneficial reuse of organic waste.	01/27/2020 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 1672</u> Bloom (D)	Solid Waste: Nonwoven Disposable Products	SUPPORT	Requires certain nonwoven disposal products to be labeled clearly and conspicuously to communicate that they should not be flushed. Prohibits a covered entity from making a representation about the flushable attributes, benefits, performance, or efficacy of those nonwoven disposal products. Establishes a civil penalty per violation.	01/30/2020 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
<u>AB 1751</u> Chiu (D)	Water and Sewer System Corporations		Authorizes a water or sewer system corporation to file an application and obtain approval from the Public Utilities Commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or certain state small water system, or to implement rates for the subsumed water system.	08/30/2019 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 1808</u> Cervantes (D)	Public Contracts: Goods and Services		Requires bidding on public works contracts, would authorize a state or local agency to use the above-described procedures for the purchase, or purchase and installation, of carpet, resilient flooring, or synthetic turf if the installation work is not performed in	06/19/2019 - Re-referred to SENATE Committees on GOVERNANCE AND FINANCE and GOVERNMENTAL ORGANIZATION.

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			connection with new construction and the contractor complies with specified requirements relating to wages and labor.	
<u>AB 1839</u> Bonta (D)	Climate Change: California Green New Deal		Creates the California Green New Deal Council with a specified membership appointed by the Governor. Requires the California Green New Deal Council to submit a specified report the Legislature no later than a specified date.	01/06/2020 - INTRODUCED.
<u>AB 1850</u> Gonzalez (D)	Employee Classification: Freelancers		Replaces the submission limit and instead exempt still photographers, photojournalists, freelance writers, editors, and newspaper cartoonists from the application of Dynamex and these provisions based upon different specified criteria, including that these persons provide professional services pursuant to a contract that includes specified items.	02/27/2020 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT with author's amendments.;02/27/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LABOR AND EMPLOYMENT.
<u>AB 1857</u> Chen (R)	Redevelopment: Revenues from Property Tax Rates		Requires certain revenues attributable to a property tax rate approved by the voters of a city, county, or special district to make payments in support of a mobile intensive care program in the city of Brea called Paramedics to be allocated to, and when collected to be paid into, the fund of that taxing entity instead of the Redevelopment Property Tax Fund of each successor agency, unless the revenues are pledged as security for the payment of any indebtedness.	03/11/2020 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do pass to Committee on LOCAL GOVERNMENT.
<u>AB 1915</u> Chu (D)	Electrical Corporations: Deenergization Events		Requires the Public Utilities Commission, if it approves a wildfire mitigation plan that authorizes an electrical corporation to deenergize portions of the electrical grid, to adopt rules setting forth the circumstances under which a deenergization event may be undertaken and continued in effect and the appropriate geographic range of a deenergization event.	01/17/2020 - To ASSEMBLY Committee on UTILITIES AND ENERGY.
<u>AB 1920</u> Boerner Horvath (D)	Climate Change: Climate Adaptation Center		Declares the intent of the Legislature to enact subsequent legislation that would establish the Climate Adaptation Center and Regional Support Network to provide technical support and information to	01/13/2020 - INTRODUCED.

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			local governments on adapting to climate change impacts, including, but not limited to, sea level rise.	
<u>AB 1924</u> Grayson (D)	Housing Development: Fees	WATCH	Requires that a fee levied or imposed on a housing development project by a local agency be proportionate to the square footage of the proposed unit or units.	01/23/2020 - To ASSEMBLY Committees on LOCAL GOVERNMENT and HOUSING AND COMMUNITY DEVELOPMENT.
<u>AB 1925</u> Oberholte (R)	Worker Status: Independent Contractors: Small Business		Expands the exemptions from the Dynamex decision and provisions of the Labor Code and the Unemployment Insurance Code to also include small businesses.	02/14/2020 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<u>AB 1928</u> Kiley (R)	Employment Standards: Independent Contractors		Repeals existing provisions for determining when workers are employees or independent contractors, and instead requires a determination of whether a person is an employee or an independent contractor to be based on the specific multifactor test set forth in the Borello case, including whether the person to whom the service is rendered has the right to control the manner and means of accomplishing the result desired, and other identified factors.	02/14/2020 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<u>AB 1936</u> Rodriguez (D)	Price Gouging: Public Safety Power Shutoffs		Specifies that, for a proclamation or declaration of emergency made because of a public safety power shutoff or because of an announcement that a public safety power shutoff will occur, the restrictions on increased pricing apply, only as specified, for a specified period after the restoration of power.	03/12/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1947</u> Kalra (D)	Employment Violation Complaints: Requirements: Time		Extends the period of time within which people who believe they have been discharged or otherwise discriminated against in violation of the Labor Code may file complaints to within one year after the occurrence of the violations.	01/30/2020 - To ASSEMBLY Committees on LABOR AND EMPLOYMENT and JUDICIARY.
<u>AB 1961</u> Patterson (R)	Whistleblower Protection		Expands the definition of the term protected disclosure under the Whistleblower Protection Act to include a complaint made to a	01/21/2020 - INTRODUCED.

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			Member of the Legislature, the Legislature, or any subdivision thereof.	
<u>AB 2043</u> Gonzalez (D)	Unlawful Business Practices: Employer Liability		Makes a client employer responsible for the acts of a contracted supervisor, as those terms are defined, for specified prohibited harassment under provisions of the Fair Employment and Housing Act.	02/14/2020 - To ASSEMBLY Committees on LABOR AND EMPLOYMENT and JUDICIARY.
<u>AB 2060</u> Holden (D)	Drinking Water: Pipes and Fittings: Lead Content		Defines lead free for purposes of manufacturing, industrial processing, or conveying or dispensing water for human consumption, to mean not more than one microgram of lead under certain tests and meeting a specified certification when used with respect to end use devices.	03/10/2020 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
<u>AB 2070</u> Levine (D)	Elections: Compulsory Voting		Requires a person who qualifies and is registered to vote to cast a ballot, marked or unmarked in whole or in part, at every election held within the territory within which the person resides and the election is held. Requires the Secretary of State to enforce this requirement.	02/14/2020 - To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING.
<u>AB 2071</u> Muratsuchi (D)	Once Through Cooling Policy: Extension		Prohibits the State Water Resources Control Board from granting to an operator of a powerplant additional time for complying with the once through cooling policy adopted by the state board if specified conditions are met.	02/27/2020 - To ASSEMBLY Committees on NATURAL RESOURCES and UTILITIES AND ENERGY.
<u>AB 2075</u> Kiley (R)	Independent Contractors: Hiring Entity Liability		Prohibits the application of the ABC test to determine the liability of a hiring entity for damages, injunctive relief, or civil penalties based upon the classification of workers as independent contractors. Requires that employer liability to be based upon the multifactor test set forth in the case of Borello.	03/16/2020 - In ASSEMBLY. Suspend Assembly Rule 96.;03/16/2020 - Re-referred to ASSEMBLY Committee on RULES.;03/16/2020 - In ASSEMBLY. Suspend Assembly Rule 96.;03/16/2020 - Re-referred to ASSEMBLY Committee on VETERANS AFFAIRS.

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<u>AB 2093</u> Gloria (D)	Public Records: Writing Transmitted by Electronic Mail		Requires a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record that is transmitted by electronic mail, unless a longer retention period is required by statute or regulation.	03/10/2020 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
<u>AB 2095</u> Cooper (D)	Water Theft: Enhanced Penalties	SUPPORT IF AMENDED	Authorizes the legislative body of a city or a county to make, by ordinance, any violation of an ordinance regarding water theft, as defined, subject to an administrative fine or penalty in excess of certain limitations.	02/20/2020 - To ASSEMBLY Committee on LOCAL GOVERNMENT.;02/20/2020 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;02/20/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
<u>AB 2107</u> Rodriguez (D)	Local Government: Securitized Obligation Notes		Extends the authorization for a special district to issue securitized limited obligation notes for the acquisition or improvement of land, facilities, or equipment.	02/20/2020 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>AB 2123</u> Chau (D)	Accessibility: Internet Website		Specifies that statutory damages based upon the inaccessibility of an internet website shall only be recovered against an entity, if the internet website fails to provide equally effective communication and facilitate full and equal enjoyment of the entity's goods and services to the public.	03/10/2020 - From ASSEMBLY Committee on JUDICIARY with author's amendments.;03/10/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.
<u>AB 2138</u> Chau (D)	State Public Records Act		Recodifies and reorganizes the provisions of the State Public Records Act. Includes provisions to govern the effect of recodification and states that the bill is intended to be entirely nonsubstantive in effect.	02/20/2020 - To ASSEMBLY Committee on JUDICIARY.
<u>AB 2148</u> Quirk (D)	Climate Change: Adaptation: Planning Groups and Plans		Requires the Strategic Growth Council to establish guidelines for the formation of regional climate adaptation planning groups and to develop criteria for the development of regional climate adaptation plans.	03/05/2020 - To ASSEMBLY Committee on NATURAL RESOURCES.;03/05/2020 - From ASSEMBLY Committee on NATURAL RESOURCES with

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				author's amendments.;03/05/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<u>AB 2151</u> Gallagher (R)	Political Reform Act: Online Filing Disclosure		Requires a local government agency to post on its internet website, within seventy two hours of the applicable filing deadline, a copy of any specified statement, report, or other document filed with that agency in paper format.	02/20/2020 - To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING.
<u>AB 2155</u> Oberholte (R)	Public Officers: Contract: Prohibited Interests		Amends existing law that prohibits members of the Legislature, and state and city officers or employees, from being financially interested in any contract made by them in their official capacity, and that a contract made in violation of these provisions may be avoided by any party. Defines party, for these purposes, as a state taxpayer.	02/10/2020 - INTRODUCED.
<u>AB 2161</u> Levine (D)	Insurance		States the intent of the Legislature to enact legislation relating to insurance.	02/11/2020 - INTRODUCED.
<u>AB 2178</u> Levine (D)	Emergency Services		Includes a deenergization, defined as a planned public safety power shutoff, within those conditions constituting a state of emergency and a local emergency under the Emergency Services Act.	02/27/2020 - To ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION.
<u>AB 2179</u> Levine (D)	Electrical Corporations: Wildfire Mitigation Plans		Requires the PUC, if the Commission approves a wildfire mitigation plan that authorizes an electrical corporation to deenergize portions of the electrical grid, to adopt rules requiring an electrical corporation, upon request from an entity of local government with responsibility for mitigating public safety impacts of a deenergization event, to provide to that entity information relative to those customers receiving medical baseline rates that may lose service during the deenergization event.	02/27/2020 - To ASSEMBLY Committee on UTILITIES AND ENERGY.

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<u>AB 2180</u> Levine (D)	Electrical Corporations: Wildfire Mitigation Plans		Ensures that funds designated in an electrical utility's wildfire mitigation plan to reduce wildfire risk are actually used as specified to reduce the risk of wildfires. Prohibits diverting a portion of an electrical utility's wildfire mitigation plan allocation to other projects in the plan without the approval of the Public Utilities Commission. Requires the retention of records to ensure that these critical funds are being spent appropriately.	02/27/2020 - To ASSEMBLY Committee on UTILITIES AND ENERGY.
<u>AB 2182</u> Rubio (D)	Emergency Backup Generators: Wastewater Facilities	SUPPORT	Exempts the operation of an alternative power source to provide power to a critical facility from any local, regional, or state regulation regarding the operation of that source. Authorizes providers of essential public services, in lieu of compliance with applicable legal requirements, to comply with the maintenance and testing procedures set forth in the National Fire Protection Association Standard for Emergency and Standby Power System for alternative power sources.	03/02/2020 - To ASSEMBLY Committees on UTILITIES AND ENERGY and NATURAL RESOURCES.
<u>AB 2186</u> Grayson (D)	Public Contracting: Contractor Retention Withholding		Eliminates specified limitations on a local agency's authority to prescribe payments on public contracts. The bill, however, prohibits the local agency from withholding more than 5% of the contract price for contracts for the creation, construction, alteration, repair, or improvement of any public structure, building, road, or other improvement of any kind that will exceed \$5,000 in total costs.	02/20/2020 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>AB 2195</u> Maienschein (D)	Housing Development Incentives		States the intent of the Legislature to subsequently amend this bill to include provisions that would incentivize local jurisdictions and developers to include capital assets, such as neighborhood parks, school facilities, and bicycle paths in the undertaking or approval of housing developments.	02/12/2020 - INTRODUCED.
<u>AB 2210</u> Aguiar-Curry (D)	Contractors: Violations: Disciplinary Actions		Authorizes disciplinary action against a contractor for violations of specified regulations regarding tree work, including maintenance or removal, without regard to whether death or serious injury to an employee resulted. Requires the registrar appointed by the	03/16/2020 - From ASSEMBLY Committee on BUSINESS AND PROFESSIONS with author's amendments.;03/16/2020 - In

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			Contractors' State License Board to initiate disciplinary action against a contractor upon transmission to the board of copies of any citations or other actions taken by the Division of Occupational Safety and Health.	ASSEMBLY. Read second time and amended. Re-referred to Committee on BUSINESS AND PROFESSIONS.
<u>AB 2213</u> Limon (D)	Office of Emergency Services: Model Guidelines		Requires the Office of Emergency Services to develop model guidelines for local governments, operational areas, and nonprofit, community-based, faith-based, and private sector organizations active in disasters to identify, type, and track community resources that could assist in responding to or recovering from local, tribal, regional, national, or international disasters.	02/20/2020 - To ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION.
<u>AB 2214</u> Carrillo (D)	Administrative Procedure Act: Notice of Proposed Action		Requires a state agency proposing to adopt, amend, or repeal specific administrative regulations to conspicuously post those documents on the state agency's website within 24 hours of submitting those documents to the Office of Administrative Law, instead of making those documents available to the public upon request.	02/20/2020 - To ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.
<u>AB 2231</u> Kalra (D)	Prevailing Wage: Locality		Defines the term "locality in which public work is performed," for purposes of the general prevailing rate of per diem wages for public works projects, as meaning the county in which the public work is done.	02/24/2020 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<u>AB 2241</u> Calderon I (D)	State Air Resources Board: Report		Makes nonsubstantive changes to the requirement that the State Air Resources Board post on its internet website information on air quality conditions and trends statewide and on the status and effectiveness of state and local air quality programs.	02/13/2020 - INTRODUCED.
<u>AB 2272</u> Gabriel (D)	Real Property: Eviction Defense		States the intent of the Legislature to enact legislation related to a statewide program for eviction defense.	02/14/2020 - INTRODUCED.

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<u>AB 2284</u> Calderon I (D)	Local Agency Public Construction Act: Change Orders		Relates to contracting by counties for county highways and county bridges and subways, and contracting by county waterworks districts. Requires that the existing caps on the extra cost of any change order be adjusted annually to reflect the percentage change in the California Consumer Price Index. Modifies the cap applicable to contracts.	02/24/2020 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>AB 2296</u> Quirk (D)	State Water Resources Control Board: Delegation		Authorizes the State Water Resources Control Board to delegate partial responsibility for the Safe Drinking Water Act's administration and enforcement by means of a local primacy delegation agreement. Authorizes the state board, for counties that have not been delegated primary responsibility as of January 2021, to offer an opportunity for the county to apply for partial or primary responsibility if the state board determines that it needs assistance.	02/24/2020 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 2307</u> Bonta (D)	Public Employment: Labor Relations: Release Time		Relates to specified labor laws that require public entities to grant employee representatives of employee organizations reasonable time off without loss of compensation in connection with labor relations. Prescribes requirements relating to release time that would apply to all of the public employers and employees subject to those laws.	02/24/2020 - To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
<u>AB 2311</u> Low (D)	Public Contracts: Skilled and Trained Workforce		Requires a public entity, when the use of a skilled and trained workforce to complete a contract or project is required pursuant to existing law, to include in all bid documents and construction contracts a notice that the project is subject to the skilled and trained workforce requirement.	03/12/2020 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.;03/12/2020 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT with author's amendments.;03/12/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LABOR AND EMPLOYMENT.
<u>AB 2317</u> Weber (D)	Employer Obligations: Waiver		Makes nonsubstantive changes to existing law which voids a contract made by an employee to waive specified obligations that the law imposes on employers.	02/14/2020 - INTRODUCED.

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<u>AB 2320</u> Chau (D)	Personal Information: Contractors: Cyber Insurance		Requires a contract with a contractor doing business with a state agency to require that the contractor maintain cyber insurance if the contractor receives or has access to records containing personal information protected under the Information Practices Act.	03/02/2020 - To ASSEMBLY Committees on PRIVACY AND CONSUMER PROTECTION and ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.
<u>AB 2322</u> Friedman (D)	Small Water Suppliers and Rural Communities		Repeals existing law which requires the Department of Water Resources to use available data to identify small water suppliers and rural communities that may be at risk of drought and water storage vulnerability and notify counties and groundwater agencies of those suppliers and communities.	02/14/2020 - INTRODUCED.
<u>AB 2323</u> Friedman (D)	California Environmental Quality Act: Exemption		Requires, in order to qualify for the California Environmental Quality Act exemption, that the project is undertaken and is consistent with either a specific plan prepared pursuant to specific provisions of law or a community plan as defined in a specific provision of law.	03/02/2020 - To ASSEMBLY Committees on NATURAL RESOURCES and LOCAL GOVERNMENT.
<u>AB 2324</u> Friedman (D)	Urban Water Use		Repeals existing law requiring the Department of Water Resources to conduct studies and investigations on the feasibility of developing and enacting water loss reporting requirements for urban wholesale water suppliers.	02/14/2020 - INTRODUCED.
<u>AB 2333</u> Quirk (D)	Waste: Releases: Remedial Action: Local Oversight		Authorizes a responsible party to request the local officer to oversee the remedial action only if the release is not being overseen by the Department of Toxic Substances or regional water quality control board and authorizes the local officer to agree to oversee the remedial action only if the local officer demonstrates to the department or the regional water quality control board that the same conditions referenced have been met.	02/24/2020 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 2334</u> Levine (D)	Subsurface Installations: Attorney's Fees and Costs		Requires a court to award attorney's fees and costs, including expert witness fees, to a prevailing party in a civil action or arbitration for specified damages arising from the excavation and arising between	03/02/2020 - To ASSEMBLY Committee on JUDICIARY.

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			an operator of a subsurface installation and an excavator. Applies certain procedures relating to offers to compromise to these civil actions and arbitrations.	
<u>AB 2355</u> Bonta (D)	Employment Discrimination: Medical Cannabis		Makes it an unlawful employment practice for an employer or other entity to refuse to hire or employ a person, to refuse to select a person for a training program leading to employment, to bar or to discharge a person from employment or from a training program leading to employment, or to discriminate against an employee, because of the employee's status as a qualified patient, or as a person with an identification card, for purposes of medical cannabis, subject to certain exceptions.	03/02/2020 - To ASSEMBLY Committees on LABOR AND EMPLOYMENT and JUDICIARY.
<u>AB 2364</u> Rubio (D)	Municipal Separate Storm Sewer Systems		Requires the State Water Resources Control Board to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local jurisdictions. Requires the State Board and the regional boards to continue using available regulatory tools and other approaches to foster collaboration with permittees to implement permit requirements in light of the costs of implementation.	03/10/2020 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;03/10/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 2371</u> Friedman (D)	Climate Change: Adaptation		Requires the Strategic Growth Council to convene a science advisory team of distinguished scientists to advise on climate planning and adaptation efforts in the state and to review and make recommendations to improve the Safeguard California Plan.	03/16/2020 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/16/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<u>AB 2379</u> Smith C (D)	Sales and Use Tax: Exemption: Emergency Preparation		Exempts from sales and use tax the gross receipts from the sale of, and the storage, use, or other consumption of, emergency preparation items sold or purchased during the three day period beginning on the Saturday before the last Monday in June and ending on the last Monday in June.	02/24/2020 - To ASSEMBLY Committee on REVENUE AND TAXATION.

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<u>AB 2391</u> Gallagher (R)	Internet: Social Media or Search Engine Service		Prohibits a person who operates a social media internet website located in the state from removing or manipulating content from that site on the basis of political affiliation or political viewpoint of that content. Provides, however, that the bill would authorize a site to remove content of a political nature if the site's content is limited to the promotion of only certain political viewpoints and the content is inconsistent with those viewpoints or the content violates the site's community values.	03/12/2020 - To ASSEMBLY Committees on ARTS, ENTERTAINMENT, SPORTS, TOURISM AND INTERNET MEDIA and JUDICIARY.
<u>AB 2395</u> Lackey (R)	State Mandates: Claims		Relates to reimbursement of local governments for costs imposed by the state. Changes the minimum claim amount.	02/24/2020 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>AB 2406</u> Wicks (D)	Rental Registry Online Portal		Requires the Department of Housing and Community Development to enter into a contract with a contractor to create and administer a rental registry online portal, which would be designed to receive specified information from landlords that own or operate five or more rental dwelling units regarding their residential tenancies and to disseminate this information to the general public.	03/12/2020 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and JUDICIARY.
<u>AB 2427</u> Gipson (D)	Elections: Voter Registration		Requires a county or a city and county that operates a jail facility to allow organizations to conduct in person voter registration activities, including, but not limited to, the provision of vote by mail applications, in each county jail facility. Requires a county or city and county to establish policies and criteria governing the admittance of individuals from those organizations into jail facilities, including procedures for notifying an individual of the basis for denial of admittance.	02/24/2020 - To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING.
<u>AB 2433</u> Cooper (D)	Local Public Employee Organizations		Revises a timeframe under the Meyers-Milias-Brown Act to no earlier than 15 days after the factfinders' written findings of fact and recommended terms of settlement have been submitted to the parties.	02/24/2020 - To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

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<u>AB 2438</u> Chau (D)	Public Records Act: Conforming Revisions		Enacts various conforming and technical changes related to another bill that recodifies and reorganizes the Public Records Act. Becomes operative only if the related bill recodifying the act is enacted and becomes operative on January 1, 2022.	02/27/2020 - To ASSEMBLY Committee on JUDICIARY.
<u>AB 2441</u> Rivas (D)	Climate Change: Safeguarding California Plan		Includes, as objectives to be maximized, building resilient communities by developing projects that incorporate, to the maximum extent feasible, cool surface materials and investing in communities to develop community-specific climate resilience plans and to establish community resilience centers to mitigate impacts of local climate risks.	02/27/2020 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>AB 2444</u> Gallagher (R)	California Environmental Quality Act: Guidelines		Makes nonsubstantive changes to the requirements regarding the preparation, development, certification, and adoption of the guidelines for the implementation of CEQA by public agencies.	02/19/2020 - INTRODUCED.
<u>AB 2452</u> Garcia (D)	State Auditor: Audits: High Risk Local Government		Authorizes the State Auditor to include in the high risk local government agency audit program any local agency or district association that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness.	02/27/2020 - To ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.
<u>AB 2467</u> Levine (D)	Voters: Eligibility		Makes technical, nonsubstantive changes to provisions relating to voter registration.	02/19/2020 - INTRODUCED.
<u>AB 2470</u> Kamlager-Dove (D)	Splitting Multifamily Dwelling Units: Approval		Authorizes a development proponent to submit an application for a development to split one or more dwelling units within a multifamily housing development to create additional smaller dwelling units to be subject to a streamlined, ministerial approval process, provided that development proponent reserves at least 10% of the proposed housing units for persons and families of low or moderate income.	03/16/2020 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT with author's amendments.;03/16/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on HOUSING AND COMMUNITY DEVELOPMENT.

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<u>AB 2473</u> Cooper (D)	Public Investment Funds		Exempts from disclosure under California Public Records Act specified records regarding an internally managed private loan made directly by a public investment fund, including quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information.	03/12/2020 - To ASSEMBLY Committees on PUBLIC EMPLOYMENT AND RETIREMENT and JUDICIARY.
<u>AB 2479</u> Gipson (D)	Rest Periods: Petroleum Facilities		Extends an exemption from the rest period requirements for specified employees who hold a safety sensitive position at a petroleum facility, to the extent that the employee is required to carry and monitor a communication device and to respond to emergencies, or is required to remain on employer premises to monitor the premises and respond to emergencies.	03/04/2020 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT with author's amendments.;03/04/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LABOR AND EMPLOYMENT.
<u>AB 2488</u> Gonzalez (D)	Drinking Water: Lead Safe Schools Protection Act		Makes nonsubstantive changes to provisions of the Lead Safe Schools Protection Act.	02/19/2020 - INTRODUCED.
<u>AB 2502</u> Quirk (D)	Groundwater Sustainability Plans: Impacts on Wetlands		Relates to the Sustainable Groundwater Management Act. Adds impacts to managed wetlands, as specified, to the additional analyses or components that a plan is required to contain when appropriate.	02/27/2020 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 2504</u> Nazarian (D)	Seismic Retrofitting		States the intent of the Legislature to enact legislation to encourage seismic safety retrofitting of buildings and homes.	02/19/2020 - INTRODUCED.
<u>AB 2509</u> Mathis (R)	Drinking Water: Consolidation		Makes nonsubstantive changes to findings and declarations of the Safe Drinking Water Act.	02/19/2020 - INTRODUCED.
<u>AB 2518</u> Wood (D)	Voluntary Stream Restoration Landowner Liability		Exempts a landowner who voluntarily allows land to be used for a project to restore fish and wildlife habitat, from civil liability for property damage or personal injury resulting from the project if the project is funded, at least in part, by a state or federal agency that promotes or encourages riparian habitat restoration, unless the property damage or personal injury is caused by willful, intentional,	02/27/2020 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

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			or reckless conduct of the landowner or by a maintenance activity performed by the landowner.	
<u>AB 2519</u> Wood (D)	Conservation Projects: Grants: Advance Payments		Requires, to the extent not in conflict with any other law, the Natural Resources Agency, the conservancy, the department, and the board, when awarding grants for conservation projects, as defined, to provide an advance payment of up to a certain percent of the total grant award if requested by a grant recipient.	03/12/2020 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/12/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<u>AB 2536</u> Oberholte (R)	California Environmental Quality Act		Makes nonsubstantive changes to provisions of the California Environmental Quality Act.	02/19/2020 - INTRODUCED.
<u>AB 2547</u> Gonzalez (D)	California Renewables Portfolio Standard Program		Increases the requirement for the purchase of Category 1 products in meeting the retailers sellers renewable energy procurement obligations certain compliance periods. Prohibits the purchase of Category 3 products in meeting the retailer seller's renewable energy procurement obligations for certain compliance periods.	03/12/2020 - To ASSEMBLY Committees on UTILITIES AND ENERGY and NATURAL RESOURCES.
<u>AB 2560</u> Quirk (D)	Water Quality: Notification and Response Levels	SUPPORT	Requires the State Water Resources Control Board to comply with specified public notice, and comment and peer review procedures, as prescribed, when establishing or revising notification or response levels.	03/12/2020 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 2564</u> Chau (D)	Cybersecurity		States the intent of the Legislature to enact legislation to improve the security of information technology systems and connected devices by requiring public agencies and businesses to develop security vulnerability disclosure policies.	02/20/2020 - INTRODUCED.
<u>AB 2566</u> Garcia (D)	Consumption-Based Greenhouse Gas Inventory		Requires the State Air Resources Board to create and track a consumption-based greenhouse gas inventory for the state, and to update that inventory every 5 years. Requires the state board to update the scoping plan once the initial consumption-based greenhouse gas inventory has been completed.	03/12/2020 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/12/2020 - In ASSEMBLY. Read second time and

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				amended. Re-referred to Committee on NATURAL RESOURCES.
<u>AB 2574</u> Dahle M (R)	Wildlife Resources: Natural Community Conservation Plan		Expands the time for public review and comment on a proposed planning agreement under the Natural Community Conservation Planning Act from 21 calendar days to 21 business days.	03/12/2020 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 2577</u> Chiu (D)	Environmental Protection: Vulnerable Population		Requires the Office of Planning and Research and the Strategic Growth Council to identify vulnerable populations using geographic, socioeconomic, public health, social determinants of health, environmental, and climate exposure criteria. Requires the office and council, in identifying the vulnerable populations, to undertake a robust participatory process that engages members of disadvantaged communities and other populations at significant risk from climate change impacts.	03/12/2020 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>AB 2599</u> Rivas (D)	Political Reform Act of 1974: Fair Political Practices		Makes a technical, nonsubstantive changes to a provision of the Political Reform Act of 1974.	02/20/2020 - INTRODUCED.
<u>AB 2603</u> Daly (D)	Accessory Dwelling Units		Makes a nonsubstantive change to provisions relating to accessory dwelling units.	02/20/2020 - INTRODUCED.
<u>AB 2619</u> Stone (D)	Program for Coastal Resilience, Adaptation, and Access		Establishes the Program for Coastal Resilience Adaption and Access for the purpose of funding specified activities intended to help the state prepare, plan, and implement actions to address and adapt to sea level rise and coastal climate change. Creates the Coastal Resilience, Adaption, and Access Fund in the State Treasury, and would authorize the California Coastal Commission and specified state agencies to expend moneys in the fund.	03/02/2020 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>AB 2621</u> Mullin (D)	Climate Resiliency		Expresses the intent of the Legislature to enact subsequent legislation relating to climate resiliency.	02/20/2020 - INTRODUCED.
<u>AB 2623</u> Arambula (D)	Sustainable Groundwater Management		Makes nonsubstantive changes to provisions of the Sustainable Groundwater Management Act.	02/20/2020 - INTRODUCED.

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<u>AB 2642</u> Salas (D)	Multibenefit Land Conversion Incentive Program		Requires the Department of Conservation to establish and administer a program named the Multibenefit Land Conversion Incentive Program for purposes of providing grants to groundwater sustainability agencies, or other specified entities designated by groundwater sustainability agencies, for the development or implementation of local programs supporting or facilitating multibenefit land conversion at the basin scale.	02/20/2020 - INTRODUCED.
<u>AB 2652</u> Petrie-Norris (D)	Community Redevelopment Law		Makes nonsubstantive changes to the definition of "obligee" under the Community Redevelopment Law.	02/20/2020 - INTRODUCED.
<u>AB 2656</u> Eggman (D)	Wholesale Water Suppliers: Water Loss Audit Reports		Expresses the intent of the Legislature to enact legislation that would require wholesale water suppliers to conduct and submit annual water loss audit reports to the department of Water Resources.	02/20/2020 - INTRODUCED.
<u>AB 2659</u> Chen (R)	Public Agencies: Information Practices		Requires that the rules of conduct under the Information Practices Act of 1977 include security awareness and training policies and procedures.	03/12/2020 - To ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION.
<u>AB 2669</u> Irwin (D)	Cybersecurity Programs		States the intent of the Legislature to enact legislation relating to state information security programs.	02/20/2020 - INTRODUCED.
<u>AB 2676</u> Quirk (D)	California Public Records Act: Exemptions		Relates to the California Public Records Act. Relates to an exemption from the disclosure critical infrastructure information, as defined, that is voluntarily submitted to the Office of Emergency Services for use by that office, including the identity of the person who or entity that voluntarily submitted the information. Removes the restriction that the submission be voluntary, thereby expanding that exemption.	03/02/2020 - To ASSEMBLY Committee on JUDICIARY.

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<u>AB 2693</u> Bloom (D)	Watershed Restoration Administration: Oroville, Shasta		Establishes the Watershed Restoration Administration to coordinate and facilitate the restoration and conservation of the watersheds supplying the Oroville, Shasta, and Trinity Reservoirs and to provide grant funding from the Headwaters Restoration Account for those purposes. Requires the administration to consist of a decision making body.	03/12/2020 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and NATURAL RESOURCES.
<u>AB 2705</u> Low (D)	Electricity: Deenergization Events		Requires an electrical corporation to include, as a part of a notification of its customers of a deenergization event, an estimate of the duration of the deenergization event and an estimate of the total area affected. Requires the electrical corporation to update those estimates in subsequent notifications of the deenergization event. Requires the electrical corporation to provide initial notifications of a deenergization event to all potentially affected customers.	03/12/2020 - To ASSEMBLY Committee on UTILITIES AND ENERGY.;03/12/2020 - From ASSEMBLY Committee on UTILITIES AND ENERGY with author's amendments.;03/12/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on UTILITIES AND ENERGY.
<u>AB 2706</u> Fong (R)	California Environmental Quality Act: Proceedings		Makes the authorization under CEQA for the plaintiff or petitioner to elect to prepare the record of proceedings or to agree to an alternative method of record preparation in an application in a proceeding challenging a project that will be exclusively located or implemented in a county with fewer than 1,000,000 residents and, if the project is located in a city within that county, the city has fewer than 500,000 residents.	03/12/2020 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>AB 2720</u> Salas (D)	California Environmental Quality Act		Requires the lead agency, for a groundwater recharge project on agricultural land fallowed as a result of management actions required by a groundwater sustainability plan, to prepare a negative declaration or a mitigated negative declaration if there is substantial evidence in the record that a project or a revised project would not have a significant environmental impact.	03/12/2020 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>AB 2722</u> McCarty (D)	Development Fees and Charges: Deferral		Prohibits a noncompliant local agency that imposes any fees or charges on a qualified development from requiring the payment of those fees or charges until 20 years from the date of the final	03/12/2020 - To ASSEMBLY Committee on LOCAL GOVERNMENT.

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			inspection, or the date the certificate of occupancy is issued, whichever occurs first.	
<u>AB 2734</u> Chiu (D)	California Environmental Quality Act		Makes nonsubstantive changes to a provision relating to the title of the California Environmental Quality Act (CEQA).	02/20/2020 - INTRODUCED.
<u>AB 2736</u> Garcia E (D)	State Water Resources Control Board: Hearings		Makes nonsubstantive changes to the State Water Resources Control Board provision, which authorizes the board to hold any hearings and conduct any investigations on any part of the state necessary to carry out the powers vested in it.	02/20/2020 - INTRODUCED.
<u>AB 2744</u> Limon (D)	Environmental Protection: Environmental Data		Makes nonsubstantive revisions to legislative findings and declarations relative to the purposes of the law regarding environmental data reporting requirements.	02/20/2020 - INTRODUCED.
<u>AB 2748</u> Fong (R)	Public Agencies: Information Practices		Requires a public agency subject to the Information Practices Act of 1977 to collect the least amount of personal information required to fulfill the purposes of its collection. Requires an agency able to fulfill its requirements by collecting nonpersonal information instead of personal information to do so.	03/12/2020 - To ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION.
<u>AB 2750</u> Bigelow (R)	Worker Status: Independent Contractors		Makes nonsubstantive changes to provisions exempting specified occupations and business relationships from the application of the "ABC" test.	02/20/2020 - INTRODUCED.
<u>AB 2751</u> Irwin (D)	Consumer Privacy		States the intent of the Legislature to enact legislation relating to the California Consumer Privacy Act.	02/20/2020 - INTRODUCED.
<u>AB 2758</u> Cooper (D)	Alternative Workweek Schedule		Makes nonsubstantive changes to provisions relating to an alternative workweek schedule.	02/20/2020 - INTRODUCED.
<u>AB 2765</u> O'Donnell (D)	Public Works: Prevailing Wages		Expands the definition of public works, for the purposes of provisions relating to the prevailing rate of per diem wages, to also include any construction, alteration, demolition, installation, or	03/12/2020 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.

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			repair work done under private contract on a project for a charter school, as defined, when the project is paid for, in whole or in part, with the proceeds of conduit revenue bonds.	
<u>AB 2769</u> Petrie-Norris (D)	Property Taxation		Relates to existing property tax law which makes the assessor and the assessor's sureties liable on the assessor's official bond for all taxes on property that is unassessed through their willful failure or neglect. Makes nonsubstantive changes to that liability provision.	02/20/2020 - INTRODUCED.
<u>AB 2774</u> Jones-Sawyer (D)	Hiring of Real Property: Tenants: Late Fees		Prohibits a landlord, or the landlord's agent, from charging a tenant a late fee in excess of a specified amount with regard to specified rental agreements. Specifies that it is not intended to supersede any applicable law or regulation that governs the collection of late fees under federal or state housing assistance programs.	02/20/2020 - INTRODUCED.
<u>AB 2799</u> Petrie-Norris (D)	Property Taxation: Assessment		Makes nonsubstantive changes to provision of existing property tax law.	02/20/2020 - INTRODUCED.
<u>AB 2800</u> Quirk (D)	Climate Change: Infrastructure Planning		Extends provisions relating to the Climate Safe Infrastructure Working Group, whose purpose it is to exam how to integrate scientific data concerning projected climate change impacts into state infrastructure engineering, including oversight, investment, design, and construction.	03/04/2020 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/04/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<u>AB 2815</u> Chen (R)	Workforce Development		Makes nonsubstantive changes to declarations related to the need to have a well educated and highly skilled workforce in the state.	02/20/2020 - INTRODUCED.
<u>AB 2823</u> Waldron (R)	Worker Status: Independent Contractors		Includes an individual who holds an active license from the state and is practicing as a land surveyor, landscape architect, geologist, or geophysicist, and includes an individual who is a construction manager or planner, under the Labor Code, the Unemployment Insurance Code, and the wage order of the Industrial Welfare Commission.	03/02/2020 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.

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<u>AB 2832</u> Garcia (D)	Greenhouse Gases: Carbon Neutrality		Declares the policy of the state to achieve carbon neutrality as soon as possible, but no later than 2045, and to achieve and maintain net negative greenhouse gas emissions.	03/02/2020 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>AB 2843</u> Chu (D)	Local Employer Affordable Housing Fees		Requires a city, county, or city and county to collect an additional annual fee from any applicant for a local business license in an amount depending on the number of employees employed by the business, as specified.	03/05/2020 - To ASSEMBLY Committees on LOCAL GOVERNMENT and HOUSING AND COMMUNITY DEVELOPMENT.
<u>AB 2849</u> Chau (D)	Proposition 65: Enforcement		Makes nonsubstantive changes to the Safe Drinking Water and Toxic Enforcement Act of 1986 and its enforcement provisions.	02/21/2020 - INTRODUCED.
<u>AB 2850</u> Low (D)	Wage Laws		Makes nonsubstantive changes to provisions of existing law which prohibits an employer from collecting or receiving any part of the wages paid to an employee.	02/21/2020 - INTRODUCED.
<u>AB 2887</u> Bonta (D)	Statewide Emergencies: Mitigation		Adds provisions relating to states of emergency, including the coronavirus pandemic. Provides for school meal distribution. Provides a moratorium on rent collection from small businesses. Requires zero interest rate loans for small businesses and nonprofit organizations. Provides paid sick leave for all employees regardless of term of employment. Prohibits the termination of utility service for certain nonpayment after the declaration of a state of emergency.	03/16/2020 - From ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW with author's amendments.;03/16/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.
<u>AB 2901</u> Chau (D)	California Environmental Quality Act		Makes nonsubstantive changes to provisions related to the preparation of a subsequent or supplemental EIR under the California Environmental Quality Act.	02/21/2020 - INTRODUCED.
<u>AB 2905</u> Ramos (D)	Internships		States the intent of the Legislature to enact legislation to incentivize employers to provide internship opportunities.	02/21/2020 - INTRODUCED.
<u>AB 2907</u> Gipson (D)	Planning and development		Makes nonsubstantive changes in the definition of "right-of-way", under the Planning and Zoning Law.	02/21/2020 - INTRODUCED.

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<u>AB 2930</u> Petrie-Norris (D)	Wages		Makes nonsubstantive changes to definitions of the terms wages and labor for purposes of provisions regarding the payment of wages to employees in various occupations.	02/21/2020 - INTRODUCED.
<u>AB 2941</u> Flora (R)	Itemized Wage Statements		Makes nonsubstantive changes to provisions requiring an employer, either semimonthly or at the time of each payment of wages, to furnish their employees with an accurate itemized wage statement showing specified information.	02/21/2020 - INTRODUCED.
<u>AB 2943</u> Ting (D)	Surplus Property: Disposal	WATCH	Provides that the provisions regulating the disposal of surplus land shall not be construed to require a local agency to dispose of land that is determined to be surplus.	03/05/2020 - To ASSEMBLY Committees on LOCAL GOVERNMENT and HOUSING AND COMMUNITY DEVELOPMENT.
<u>AB 2947</u> Bonta (D)	Discrimination: Employee Complaint: Standard of Proof		Provides that an intentional violation of the California Fair Employment and Housing Act regarding employment occurs when a person intends to discriminate using any of the protected characteristics of any person as a motivating factor in the employment action or decision even though other factors may have also motivated the action or decision, as proven by direct or circumstantial evidence.	03/05/2020 - To ASSEMBLY Committees on LABOR AND EMPLOYMENT and JUDICIARY.
<u>AB 2965</u> Kalra (D)	Wildlife Resources: State Policy		Makes nonsubstantive changes to existing law which declares it to be the policy of the state to encourage the preservation, conservation, and maintenance of wildlife resources.	02/21/2020 - INTRODUCED.
<u>AB 2987</u> Flora (R)	Local Agency Public Contracts: Bidding		Authorizes a public agency, as an alternative to the publication or posting requirement, to meet the notice inviting formal bids requirement by transmitting notice electronically, and publishing the notice electronically in a prescribed manner on the public agency's internet website at least 14 calendar days before the date of opening the bids.	03/05/2020 - To ASSEMBLY Committee on LOCAL GOVERNMENT.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 2992</u> Weber (D)	Employment Practices: Leave Time		Requires an employer to allow family and medical leave, under certain conditions.	02/21/2020 - INTRODUCED.
<u>AB 2999</u> Low (D)	Employees: Bereavement Leave		Prohibits an employer from refusing to grant a request by any employee to take up to 10 days of bereavement leave or to interfere with or restrain an employee from doing so. Authorizes an employee who has been discharged, disciplined, or discriminated against for exercising their right to bereavement leave to bring a civil action against their employer for reinstatement, specified damages, and attorney's fees.	03/05/2020 - To ASSEMBLY Committees on LABOR AND EMPLOYMENT and JUDICIARY.
<u>AB 3008</u> Petrie-Norris (D)	Nuisance Definition		Makes nonsubstantive changes to the definition of nuisance.	02/21/2020 - INTRODUCED.
<u>AB 3011</u> Wood (D)	Fire Prevention: Hazardous Fire Areas		Makes nonsubstantive changes to regulations implementing minimum fire safety standards related to defensible space.	02/21/2020 - INTRODUCED.
<u>AB 3026</u> Melendez (R)	Property Tax: Revenue Allocations		Makes a nonsubstantive change to a provision relating to property tax revenue allocations.	02/21/2020 - INTRODUCED.
<u>AB 3027</u> O'Donnell (D)	Global Warming Solutions Act: Low-Carbon Fuel Standard		Requires the State Air Resources Board, through a public process, to consider before a certain date, allowing renewable natural gas or biogas that is delivered via a common carrier pipeline to a crude oil production or transport facility from a source that the state board determines directly reduces emissions of methane in the state to generate specified credits under the Low-carbon Fuel Standard regulations.	03/12/2020 - To ASSEMBLY Committee on NATURAL RESOURCES.;03/12/2020 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/12/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<u>AB 3033</u> Kamlager-Dove (D)	Infrastructure and Revitalization Financing		Makes nonsubstantive to provisions of existing law authorizes the creation by a city, county, city and county, or joint powers authority of an infrastructure and revitalization financing district and the issuance of debt with a two-thirds voter appeal.	02/21/2020 - INTRODUCED.

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<u>AB 3034</u> Chen (R)	Property Taxation: Assessment		Makes a nonsubstantive change to provisions of the existing property tax law.	02/21/2020 - INTRODUCED.
<u>AB 3044</u> Irwin (D)	Home Inspections: Sewer Lateral Repairs		Creates an exception to provisions regarding unfair business practices relating to home inspections. provides that the provisions that do not affect the ability of a plumbing contractor who holds a specified license to perform repairs pursuant to the contractor's inspection of a sewer lateral connecting to a residence or business to a municipal sewer system if the consumer is provided a specified disclosure before authorizing the home inspection.	02/21/2020 - INTRODUCED.
<u>AB 3047</u> Flora (R)	Water Quality		Expresses the intent of the Legislature to enact legislation relating to water quality.	02/21/2020 - INTRODUCED.
<u>AB 3048</u> Flora (R)	Safe Drinking Water Act: Definitions		Makes nonsubstantive changes to definitions of the California Safe Drinking Water Act.	02/21/2020 - INTRODUCED.
<u>AB 3054</u> Salas (D)	California Environmental Quality Act		Requires a plaintiff or petitioner, in an action or proceeding brought pursuant to the act, to disclose the identity of a person or entity that contributes \$1,000 or more, as specified, towards the plaintiff's or petitioner's costs of the action or proceeding.	02/21/2020 - INTRODUCED.
<u>AB 3074</u> Friedman (D)	Fire Prevention: Wildfire Risk: Defensible Space		Relates to defensible space. Requires more intense fuel reductions between 5 and 30 feet around the structure, and to create an ember-resistant zone within 5 feet of the structure, as provided.	02/21/2020 - INTRODUCED.
<u>AB 3077</u> Santiago (D)	Residential Real Property: Tenancy: Termination		Prohibits an owner of a residential dwelling from giving notice of their intention to terminate a tenancy in order to sell the property to new owners who will hold title to the property as tenants in common. Prohibits an owner of residential real property upon which the constraints described above have been placed from withdrawing the accommodations from rent or lease in order to sell the property to new owners who will hold title to the property as tenants in common.	02/21/2020 - INTRODUCED.

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<u>AB 3085</u> Limon (D)	Wildfire Prone Areas		States the intent of the Legislature to enact legislation relating to housing in wildfire prone areas.	02/21/2020 - INTRODUCED.
<u>AB 3088</u> Chiu (D)	Tenant Protection Act of 2019		Corrects an erroneous cross-reference in the Tenant Protection Act of 2019.	02/21/2020 - INTRODUCED.
<u>AB 3089</u> Petrie-Norris (D)	Public Utilities Commission		Makes nonsubstantive revisions to provisions of The Public Utilities Act.	02/21/2020 - INTRODUCED.
<u>AB 3100</u> Garcia E (D)	Self Generation Incentive Program		Makes nonsubstantive revisions to the requirement that the Public Utilities Commission allocate at least 10% of the annual collection for the self-generation incentive program in the 2020 calendar year for the installation of energy storage and other distributed energy resources for customers that operate critical facilities or critical infrastructure serving communities in high fire threat districts to support resiliency during a deenergization event.	02/21/2020 - INTRODUCED.
<u>AB 3109</u> Ting (D)	State Air Resources Board: Report		Requires the State Air Resources Board, no later than a specified date, to submit a report to the Legislature summarizing the best scientific information available regarding the potential adverse effects on public health from the use of natural gas in buildings in the state.	03/12/2020 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/12/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<u>AB 3111</u> Gipson (D)	Carl Moyer Memorial Air Quality Standards		Makes technical, nonsubstantive changes to provisions of the Carl Moyer Memorial Air Quality Standards Attainment Program.	02/21/2020 - INTRODUCED.
<u>AB 3116</u> Irwin (D)	The Information Practices Act of 1977		Makes nonsubstantive changes to a specified provision of the Information Practices Act of 1977.	02/21/2020 - INTRODUCED.
<u>AB 3119</u> Wicks (D)	Personal Information		Makes nonsubstantive changes to the California Consumer Privacy Act of 2018.	02/21/2020 - INTRODUCED.

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<u>AB 3123</u> Gonzalez (D)	California Safe Drinking Water Act		Makes nonsubstantive changes to provisions of the California Safe Drinking Water Act.	02/21/2020 - INTRODUCED.
<u>AB 3128</u> Burke (D)	Electricity: Deenergization Events: Fuel Cells		Provides that it is the intent of the Legislature to enact legislation that would incentivize the use of fuel cells to address reliability issues associated with public safety power shutoffs.	02/21/2020 - INTRODUCED.
<u>AB 3144</u> Grayson (D)	Housing Cost Reduction Incentive Program	WATCH	Establishes the Housing Cost Reduction Incentive Program, to be administered by the Department of Housing and Community Development for the purpose of reimbursing cities, counties, and cities and counties for development impact fee waivers or reductions provided to qualified rental housing developments.	03/09/2020 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.
<u>AB 3145</u> Grayson (D)	Local Government: Housing Development	WATCH	Prohibits a city or county from imposing a specified fee or exaction if the total dollar amount of the fees and exactions that a city or county would impose on a proposed housing development is greater than a portion of the city's or county's median home price, unless approved by the Department of Housing and Community Development.	03/09/2020 - To ASSEMBLY Committees on LOCAL GOVERNMENT and HOUSING AND COMMUNITY DEVELOPMENT.
<u>AB 3146</u> Bonta (D)	Housing Data: Collection and Reporting	WATCH	Requires a planning agency to include in that annual report specified additional information regarding housing development projects located within the jurisdiction, and information relate to local requirements or incentives for proposed housing development projects as provided.	03/09/2020 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.
<u>AB 3147</u> Gabriel (D)	Fees for Development Projects	OPPOSE UNLESS AMENDED	Deletes the provisions for The Mitigation Fee Act requiring a judicial action or proceeding to attack, review, set aside, void, or annul an ordinance within 120 days of the effective date of the ordinance or increase, as applicable. Requires judicial action to be conducted with other procedures that, among other things, require a protest to be filed within 90 days after the imposition of the fees and an action to annul the imposition of the fees.	03/09/2020 - To ASSEMBLY Committees on LOCAL GOVERNMENT and HOUSING AND COMMUNITY DEVELOPMENT.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 3148</u> Chiu (D)	Planning and Zoning: Density Bonuses	OPPOSE UNLESS AMENDED	Requires a city, county, special district, water corporation, utility, or other local agency, except a school district, to reduce an impact fee or other charges imposed on the construction of a deed restricted affordable housing unit that is built pursuant to a density bonus, to amounts that are, depending on the affordability restriction on the unit, a specified percentage of the impact fee or other charge that would be imposed on a market rate unit within the development.	03/09/2020 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.
<u>AB 3149</u> Gloria (D)	Mitigation Fee Act	WATCH	Makes nonsubstantive changes to provisions of the Mitigation Fee Act.	02/21/2020 - INTRODUCED.
<u>AB 3155</u> Rivas R (D)	Subdivision Map Act: Small Lot Subdivisions		Authorizes a development proponent to submit an application for the construction of a small lot subdivision that meets specified criteria. Requires a small lot subdivision to be located on a parcel zoned for multifamily residential use and consist of individual housing units that comply with existing height, floor area, and setback requirements applicable to the presubdivided parcel.	03/09/2020 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.
<u>AB 3164</u> Friedman (D)	Fire Prevention: Wildland Urban Interface		Requires the Department of Forestry and Fire Protection to develop a wildland urban interface wildfire risk model to determine the risk for a community or parcel within a local responsibility area or state responsibility the department to establish, and consult with, an advisory workgroup, with specified members, to develop the model. Requires the department to update the model and guidelines when fire hazard severity zones are revised.	03/09/2020 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>AB 3173</u> Bloom (D)	Planning and Zoning Law		Requires a city or county with a population of more than 400,000 people to permit the building of microunit buildings in any zone where multifamily residential buildings are permitted. Requires that microunit buildings be permitted on the same basis as multifamily dwelling units. Sets minimum standards for the construction of microunit buildings, including floor space ratios and setback requirements. Requires that specified percentages of microunit buildings be set aside for affordable housing.	03/09/2020 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.

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<u>AB 3178</u> Kalra (D)	Public Works: Labor Compliance		Makes technical, nonsubstantive changes to provisions that authorize the awarding body for a public works project to not require the payment of the general prevailing rate of per diem wages on public works projects of specified sizes and types of work, if the awarding body elects to initiate and enforce a labor compliance program containing specified requirements for every public works project under its authority.	02/21/2020 - INTRODUCED.
<u>AB 3187</u> Petrie-Norris (D)	Employment: Wages and Hours: Overtime		Makes nonsubstantive changes to definitions of terms relating to a day's work and a 40-hour workweek.	02/21/2020 - INTRODUCED.
<u>AB 3197</u> Diep (R)	Contractors Registration Exemption		Defines "public works" for the purposes of regulating public works contracts, as, among other things, construction, alteration, demolition, installation, or repair work done under contract and paid for, in whole or in part, out of public funds. Specifies that the registration requirement discussed above does not apply to services provided by a licensed architect unless those services require the payment of a prevailing wage.	03/09/2020 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<u>AB 3211</u> Bauer-Kahan (D)	Toxic Air Contaminants		Authorizes local pollution control districts to adopt and implement regulations to require data regarding air pollution within the district's jurisdiction from areawide stationary sources of air pollution to enable the calculation of health risks from toxic air contaminants.	03/09/2020 - To ASSEMBLY Committees on NATURAL RESOURCES and TRANSPORTATION.
<u>AB 3216</u> Kalra (D)	Employee Leave: Authorization: COVID 19		Makes it an unlawful employment practice for an employer to refuse to grant a request by an eligible employee to take family and medical leave due to the coronavirus. Permits employees taking leave due to COVID 19 to continue participation in employee health plans, including life insurance or short or long term disability or accident insurance, pension and retirement plans, and supplemental unemployment benefit plans.	03/12/2020 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.;03/12/2020 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT with author's amendments.;03/12/2020 - In ASSEMBLY. Read second time and

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				amended. Re-referred to Committee on LABOR AND EMPLOYMENT.
<u>AB 3223</u> Gallagher (R)	Information Practices: Public Agencies		Makes an agency be liable for all damages proximately caused by a negligent or intentional violation of the requirements of the Information Practices Act.	02/21/2020 - INTRODUCED.
<u>AB 3232</u> Friedman (D)	Commercial Washing Machines: Microfiber Filter		Requires that all washing machines for commercial sale in California contain a microfiber filtration system with a 90% or greater filtration rate.	02/21/2020 - INTRODUCED.
<u>AB 3234</u> Gloria (D)	Subdivision Map Act		Authorizes a city, county, or city and county, by ordinance, to provide for the creation of a small lot subdivision with the same requirements or if the ordinance requires smaller lots, less parking, or greater density. Makes limitations applicable to small lot subdivisions, as specified.	02/21/2020 - INTRODUCED.
<u>AB 3240</u> Gray (D)	Labor Disputes: Strike Pay		Prohibits an employer of 25 or more employees from terminating, reducing, or modifying the employer's contribution to an employee's health care coverage while the employee is engaged in a lawful strike. Excludes strike pay, as defined, from gross income for taxation purposes.	02/21/2020 - INTRODUCED.
<u>AB 3249</u> Fong (R)	Public Retirement: Controller: Annual Report		Requires the Controller to post the report on the financial condition of all state and local public retirement systems on the Controller's internet website.	03/09/2020 - To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
<u>AB 3252</u> Dahle M (R)	Safe Harbor Agreement Program Act		Increases the notice period to the landowner to at least 7 business days.	03/09/2020 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 3254</u> Limon (D)	Property Sales and Transfers		Makes a nonsubstantive change to water-conserving fixtures in residential and commercial real property.	02/21/2020 - INTRODUCED.
<u>AB 3265</u> McCarty (D)	Whistleblower Protection		Makes technical, nonsubstantive changes to those findings and declarations that state employees hold be free to report waste, fraud,	02/21/2020 - INTRODUCED.

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			abuse of authority, violation of law, or threat to public health without fear of retribution and that public servants best serve the citizenry when they can be candid and honest without reservation in conducting the people's business.	
<u>AB 3267</u> Smith C (D)	Office of Emergency Services: State Emergency Plan		Requires the Office of Emergency Services to coordinate with representatives of the access and functional needs population when the office updates the State Emergency Plan. Requires the Office to complete an after-action report within a certain number of days after each declared disaster.	03/16/2020 - From ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION with author's amendments.;03/16/2020 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on GOVERNMENTAL ORGANIZATION.
<u>AB 3279</u> Friedman (D)	California Environmental Quality Act		Repeals certain obsolete and duplicative provisions from The California Environmental Quality Act and makes nonsubstantive changes to certain other provisions.	02/21/2020 - INTRODUCED.
<u>AB 3281</u> Brough (R)	Worker Status: Independent Contractors		Includes as a contracting business for purposes of a business-to-business contracting relationship, or business that subject to specifies tax provisions relating to sale proprietorships on limited partnerships.	03/09/2020 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<u>AB 3282</u> Wicks (D)	Local Agencies: Ordinances and Resolutions		Makes nonsubstantive changes to provisions of existing law specifying that when a county or city is required to take legislative action by resolution under statute.	02/21/2020 - INTRODUCED.
<u>AB 3290</u> Garcia E (D)	Subletting and Subcontracting Fair Practices Act		Provides that only prime contractor may request and initiate the substitution of a subcontractor listed in the original bid and that these provisions do not prevent an awarding authority from pursuing contractual remedies against a prime contractor.	02/21/2020 - INTRODUCED.
<u>AB 3296</u> Kiley (R)	California Environmental Quality Act: Documents		Requires the Department of Fish and Wildlife separately track and account for all revenues collected under specified filing fee	02/21/2020 - INTRODUCED.

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			provision and all costs incurred in its role as a responsible agency or trustee agency under CEQA.	
<u>AB 3297</u> Kiley (R)	California Environmental Quality Act		Makes nonsubstantive changes to provisions of the California Environmental Quality Act (CEQA).	02/21/2020 - INTRODUCED.
<u>AB 3316</u> Bloom (D)	Building Standards: Notice Requirements		Requires the California Building Standards Commission to mail notices of meetings with respect to its proposed action or any building standards at least 21 days before any meeting.	02/21/2020 - INTRODUCED.
<u>AB 3325</u> Brough (R)	California Environmental Quality Act		Makes a nonsubstantive change to the exemption from the California Environmental Quality Act, which requires a lead agency to prepare, or cause to be prepared, and certify completion of an environmental impact report on a project that is proposes to carry out or approve that may have a significant effect on the environment.	02/21/2020 - INTRODUCED.
<u>AB 3332</u> Chau (D)	Privacy		Makes a nonsubstantive change to The Information Practices Act of 1977 restricting the disclosure of personal information that is contained in public records and that would otherwise be public.	02/21/2020 - INTRODUCED.
<u>AB 3334</u> Chen (R)	Professional Land Surveyors' Act		Makes nonsubstantive changes to the definition of land surveying purposes for the Professional Land Surveyors' Act.	02/21/2020 - INTRODUCED.
<u>AB 3336</u> Carrillo (D)	California Hazardous Substances Act		Makes nonsubstantive changes to the provision of The California Hazardous Substances Act that prohibits the manufacture, production, and preparation within the State of California of any package of a misbranded hazardous substance or banned hazardous substance.	02/21/2020 - INTRODUCED.
<u>AB 3339</u> Wicks (D)	Personal Information		Makes a nonsubstantive change to these provisions of existing law that grants consumers certain rights in regard to businesses that collect personal information about them, including the right to know	02/21/2020 - INTRODUCED.

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			what information is collected and the right to opt-out of the sale of that information.	
<u>AB 3352</u> Friedman (D)	Tenant Remedies		Authorizes a tenant in the circumstances when the landlord fails to make repairs on dilapidations that makes the premises untenable to make the repairs themselves within a reasonable time if the cost of the repairs does not require expenditure of more than two month's rent.	02/21/2020 - INTRODUCED.
<u>ACA 3</u> Mathis (R)	Clean Water for All Act	WATCH	Requires not less than a certain percent of specified state revenues to be set apart for the payment of principal and interest on bonds authorized pursuant to the Water Quality, Supply, and Infrastructure Improvement Act. Relates to water supply, delivery, and quality projects administered by the Department of Water Resources and water quality projects administered by the State Water Resources Control Board.	04/30/2019 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.;04/30/2019 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Reconsideration granted.
<u>SB 43</u> Allen (D)	Carbon Intensity and Pricing: Retail Products		Requires the state board, no later than January 1, 2022, to submit a report to the Legislature on the findings from a study, as specified, to determine the feasibility and practicality of assessing the carbon intensity of all retail products subject to the tax imposed pursuant to the Sales and Use Tax Law, so that the total carbon equivalent emissions associated with such retail products can be quantified.	07/08/2019 - In ASSEMBLY Committee on REVENUE AND TAXATION: Failed passage.;07/08/2019 - In ASSEMBLY Committee on REVENUE AND TAXATION: Reconsideration granted.
<u>SB 45</u> Allen (D)	Wildfire Prevention, Drinking Water, Drought, and Flood	SUPPORT IF AMENDED	Enacts the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act, which, if approved by the voters, would authorize the issuance of bonds to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.	01/29/2020 - In SENATE. Read third time, urgency clause adopted. Passed SENATE. *****To ASSEMBLY.
<u>SB 69</u> Wiener (D)	Ocean Resiliency Act		Requires the Department of Fish and Wildlife to develop and implement a plan, in collaboration with specified scientists, experts, and representatives, as part of its fish hatchery operations for the	08/30/2019 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			improvement of the survival of hatchery-produced salmon, and the increased contribution of the hatchery program to commercial and recreational salmon fisheries.	
SB 101 Budget and Fiscal Review Cmt	Drinking Water		Establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long terms. Prohibits a person from operating a public water system unless the person first submits an application to the state board and receives a permit to operate the system.	06/24/2019 - From ASSEMBLY Committee on BUDGET with author's amendments.;06/24/2019 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on BUDGET.
SB 162 Galgiani (D)	State Board Of Equalization: Local Voter Approved Bond		Requires, by January 1, 2022, and January 1 of each year thereafter, a local agency to transmit specified data related to the issuance of any bonds by that local agency pursuant to the authorization of any local bond act, as defined, to the State Board of Equalization, including the amount of debt authorized by the local bond act.	06/19/2019 - From ASSEMBLY Committee on REVENUE AND TAXATION with author's amendments.;06/19/2019 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on REVENUE AND TAXATION.
SB 166 Wiener (D)	Process Water Treatment Systems: Breweries		Requires the State Water Resources Control Board, in consultation with the State Department of Public Health, Food and Drug Branch, to adopt regulations for microbiological, chemical, and physical water quality and treatment requirements for voluntary onsite treatment and reuse of process water in breweries. Requires the Food and Drug Branch to consult with the State Board before requiring termination of a process water treatment system.	08/30/2019 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
SB 204 Dodd (D)	State Water Project: Contracts	WATCH	Requires the Department of Water Resources to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of projectwide significance with substantially similar terms intended to be offered to all contractors, or that would permanently transfer a contractual water amount between contractors.	06/06/2019 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

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<u>SB 216</u> Galgiani (D)	Carl Moyer Memorial Air Quality Standards Attainment		Adds as an eligible project under the Carl Moyer Memorial Air Quality Standards Attainment Program, a used heavy-duty truck exchange. Requires the state board to hold a public workshop on the heavy-duty truck exchange and develop a plan to help air pollution control and air quality management districts add a heavy-duty truck exchange as an eligible project under the program.	08/30/2019 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>SB 226</u> Nielsen (R)	Watershed Restoration: Wildfires: Grant Program		Requires the Natural Resources Agency to develop and implement a watershed restoration grant program for purposes of awarding grants to private property land owners to assist them with watershed restoration on watersheds that have been affected by wildfire. Requires the agency to provide technical resources to the private property land owners seeking assistance with watershed restoration.	08/30/2019 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>SB 266</u> Leyva (D)	Public Employees Retirement: Disallowed Compensation		Establishes new procedures under the Public Employee Retirement Law for cases in which PERS determines that the benefits of a member or annuitant are, or would be, based on compensation that conflicts with the Public Employees Pension Reform Act, and other specified laws and thus impermissible under PERL. Applies procedures retroactively to determinations made on or after a certain date, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted specified remedies.	09/13/2019 - Withdrawn from Enrollment.;09/13/2019 - In SENATE. Held at desk.
<u>SB 287</u> Nielsen (R)	Commission on State Mandates: Test Claims: Filing Date		Relates to the filing date on test claims for the Commission on State Mandates. Specifies that for purposes of filing a test claim based on the date of incurring increased costs, "within 12 months" means by June 30 of the fiscal year following the fiscal year in which increased costs were first incurred by the test claimant.	08/30/2019 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>SB 378</u> Wiener (D)	Electrical Corporations: Deenergization Events		Requires each electrical corporation to annually submit a report to the Wildfire Safety Division and to the Office of Energy Infrastructure Safety, that includes specified information. Requires the Public Utilities Commission to establish a procedure for	01/27/2020 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.

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			customers, local governments, and others affected by a deenergization event to recover costs during such an event from an electrical corporation, within specified time periods. Sets civil penalties.	
<u>SB 414</u> Caballero (D)	Small System Water Authority Act of 2019	SUPPORT	Creates the Small System Water Authority Act of 2019 and states legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems.	08/30/2019 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>SB 474</u> Stern (D)	Habitat Conservation Fund		Relates to the State Wildlife Protection Act of 1990. Establishes the Wildlife Protection Subaccount in the Habitat Conservation Fund and would require the Controller, if an appropriation is made for this purpose in any fiscal year, to transfer \$30,000,000 from the General Fund to the subaccount, less any amount transferred from specified accounts and funds, to be expended by the board for the acquisition, enhancement, or restoration of wildlife habitat.	06/06/2019 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>SB 479</u> Atkins (D)	Tenancy: Automatic Renewal or Extension of Lease		Requires the renewal or extension provision and the recital of a lease agreement to appear in a certain boldface type.	08/15/2019 - In ASSEMBLY. From third reading. To Inactive File.
<u>SB 535</u> Moorlach (R)	Greenhouse Gases: Wildfires and Forest Fires		Requires the report to include information, if feasible, regarding the greenhouse gas, criteria air pollutant, and short-lived climate pollutant emissions from wildfires and forest fires, an assessment of the increased severity of wildfires and forest fires from the impacts of climate change, and a calculation of the increase in the emissions of criteria air pollutants, greenhouse gases, and short-lived climate pollutants based on the increased severity of wildfires and forest fires assessed.	08/30/2019 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>SB 559</u> Hurtado (D)	California Water Commission: Grant: Friant-kern Canal		Appropriates funds to the Department of Water Resources for the purposes of restoring the Friant-kern Canal to its full capacity. Requires the grant to be part of a comprehensive solution to	08/30/2019 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			groundwater sustainability and subsidence in the San Joaquin Valley and would require the joint powers authority to demonstrate a funding match of at least 35% from user fees, local sources, federal funding, or a combination of these sources.	
<u>SB 668</u> Rubio (D)	Fire Hydrants: Water Suppliers: Regulations		Requires an urban water supplier, to review and revise its emergency response plan as required by federal law. Requires the Office of Emergency Services to establish emergency response and recovery plans in coordination with urban water suppliers.	09/12/2019 - In ASSEMBLY. To Inactive File.
<u>SB 749</u> Durazo (D)	State Public Records Act: Trade Secrets		Provides that specified records of a private industry employer that are prepared, owned, used, or retained by a public agency are not trade secrets and are public records, including certain records relating to employment terms and conditions of employees working for a private industry employer pursuant to a contract with a public agency, under specified conditions. Excludes certain contracts between a public agency and private employer entered into before a specified date.	09/13/2019 - In ASSEMBLY. To Inactive File.
<u>SB 773</u> Skinner (D)	Land Use: Accessory Dwelling Units		Deems a permit application for the creation of an accessory dwelling unit or junior accessory dwelling unit approved if the local agency has not acted upon the completed application within 60 days.	01/27/2020 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.
<u>SB 774</u> Stern (D)	Electricity: Microgrids		Requires each electrical corporation to collaborate with certain entities in its service territory to identify locations where sources of back-up electricity may provide increased electrical distribution grid resiliency. Authorizes electrical corporations to file applications with the Public Utilities Commission to invest in, and deploy, microgrids to increase that resiliency and prohibits the Commission from approving microgrid applications that use a certain cost-recovery mechanism.	06/06/2019 - To ASSEMBLY Committee on UTILITIES AND ENERGY.

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<u>SB 794</u> Jackson (D)	Emergency Services: Telecommunications		Expands provisions authorizing a city to enter into an agreement to access contact information of resident account holders through the records of a public utility, expands the types of public utilities that can enter into agreements by defining public utility to include a local publicly owned electric utility, mobile telephony service, a public water agency, and an agency responsible for solid waste or recycling services.	02/25/2020 - From SENATE Committee on GOVERNMENTAL ORGANIZATION with author's amendments.;02/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on GOVERNMENTAL ORGANIZATION.
<u>SB 797</u> Wilk (R)	Water Resources: Permit to Appropriate: Applications		Provides that if the State Water Resources Control Board has not rendered a final determination on an application for a permit to appropriate water within 30 years from the date the application was filed, the board is required to issue a new notice and provide an opportunity for protests before rendering a final determination.	01/15/2020 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>SB 801</u> Glazer (D)	Electrical Corporations: Wildfire Mitigation Plans		Requires an electrical corporation to deploy backup electrical resources or provide financial assistance for backup electrical resources to a customer receiving a medical baseline allowance, if the customer meets specified conditions.	01/15/2020 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>SB 850</u> Leyva (D)	Work Hours: Scheduling		Relates to scheduling work hours.	01/22/2020 - To SENATE Committees on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT and JUDICIARY.
<u>SB 861</u> Nielsen (R)	Public Utilities: Rates		Makes nonsubstantive changes in existing law which requires a public utility to furnish and maintain such adequate, efficient, just, and reasonable service, equipment, and facilities as are necessary to promote the safety, health, and convenience of its patrons, employees, and the public.	01/30/2020 - To SENATE Committee on RULES.
<u>SB 862</u> Dodd (D)	Planned Power Outage: Public Safety		Includes a deenergization event within a sudden and severe energy shortage constituting a state of emergency and a local emergency. Requires an electrical corporation to coordinate with local governments in its service territory to identify sites within those jurisdictions where community resource centers can be established	03/05/2020 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS with author's amendments.;03/05/2020 - In SENATE. Read second time and

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			and operated during a deenergization event and the level of services that will be available at those centers.	amended. Re-referred to Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>SB 865</u> Hill (D)	Excavations: Subsurface Installations		Provides that the California Underground Facilities Safe Excavation Board is also known as the Dig Safe Board and makes specified changes to the act. Requires the board to be within the Office of Energy Infrastructure Safety within the Natural Resources Agency.	01/30/2020 - To SENATE Committee on GOVERNMENTAL ORGANIZATION.
<u>SB 923</u> Wilk (R)	Emergency Services		Makes a nonsubstantive change to the provision requiring the Governor to assign all or part of the Governor's powers and duties under the Emergency Services Act to the Office of Emergency Services.	02/12/2020 - To SENATE Committee on RULES.
<u>SB 931</u> Wieckowski (D)	Local Government Meetings: Agenda and Documents		Relates to agendas and documents for local government meetings. Requires a legislative body to email a copy of the agenda or a copy of all the documents constituting the agenda packet if so requested.	02/12/2020 - To SENATE Committee on GOVERNANCE AND FINANCE.
<u>SB 937</u> Hill (D)	State Agencies: Web Accessibility		Authorizes a state agency to temporarily remove public documents from digital access if a justifiable impediment exists and the Director of Technology verifies the impediment prohibits full compliance and the state agency complies with certain requirements, including citing the reason for the document's removal and listing options and instructions for how to access the document offline.	02/20/2020 - To SENATE Committees on GOVERNMENTAL ORGANIZATION and JUDICIARY.
<u>SB 943</u> Chang (R)	Paid Family Leave: School Closures: Coronavirus		Authorizes wage replacement benefits to workers who take time off work to care for a minor child whose school has been closed due to the coronavirus outbreak.	03/26/2020 - From SENATE Committee on RULES with author's amendments.;03/26/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 950</u> Jackson (D)	Environmental Quality Act: Housing and Land Use		Exempts from the requirements of the California Environmental Quality Act emergency shelters, supportive housings, and	03/19/2020 - From SENATE Committee on RULES with author's amendments.;03/19/2020 - In

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			transitional housings meeting certain requirements. Modifies certain petition requirements under the Act.	SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 952</u> Nielsen (R)	Sales and Use Tax: Exemptions: Electrical Backup		Provides an exemption, as specified, from sales and use tax laws with respect to the sale of, or the storage, use, or consumption of, a backup electrical resource that is purchased for exclusive use by a city, county, special district, or other entity of local government during deenergization events.	02/20/2020 - To SENATE Committee on GOVERNANCE AND FINANCE.
<u>SB 953</u> Wiener (D)	Customer Sited Renewable Energy Storage Systems		Requires the Public Utilities Commission or the governing board of a local publicly owned electric utility to ensure that customers within its jurisdiction who have customer sited renewable energy or energy storage systems are not subject to discriminatory fees or charges levied as a result of installing or using those customer sited renewable energy or energy storage systems.	02/20/2020 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>SB 971</u> Hertzberg (D)	Small Water Supplier and Countywide Water Shortages		Requires a small water supplier to prepare and adopt a small water supplier water shortage contingency plan that consists of specified elements. Requires a small water supplier with a specified number of service connections to take specified actions related to water shortage planning and response. Requires small water suppliers to provide to the public and to report, the plan and specified water shortage planning information.	02/20/2020 - To SENATE Committees on NATURAL RESOURCES AND WATER and GOVERNANCE AND FINANCE.
<u>SB 974</u> Hurtado (D)	California Environmental Quality Act: Water Systems		Exempts from the California Environmental Quality Act certain projects that primarily benefit a small disadvantaged community water system by improving the system's water quality, encouraging water conservation, or providing drinking water service to existing residences within a disadvantaged community where there is evidence of contaminated or depleted drinking water wells.	03/24/2020 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;03/24/2020 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
<u>SB 982</u> Hill (D)	Public Utilities		States the Legislature's intent to enact legislation relating to public utilities.	02/20/2020 - To SENATE Committee on RULES.

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<u>SB 986</u> Allen (D)	Coastal Resources: New Development: Greenhouse Gases		Requires that new development under the California Coastal Act of 1976 minimize greenhouse gas emissions as specified.	02/20/2020 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>SB 996</u> Portantino (D)	State Water Resources Control Board: Constituents		Requires the State Water Resources Control Board to establish by an unspecified date and then maintain an ongoing, dedicated program called the Constituents of Emerging Concern Program to support and conduct research to develop information and, if necessary, provide recommendations to the state board on constituents of emerging concern in drinking water that may pose risks to public health.	03/05/2020 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<u>SB 997</u> Borgeas (R)	Worker Status: Independent Contractors		Deletes language providing that the addition of the ABC test to the Labor Code does not constitute a change in, but is declaratory of, existing law. Revises operative language to provide that provisions apply only to work that was performed on or after the date the Dynamex decision was adopted.	03/26/2020 - From SENATE Committee on RULES with author's amendments.;03/26/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 998</u> Moorlach (R)	Local Government: Investment		Establishes distinctions in local agencies in connection with their investment in commercial paper. Prohibits local agencies that have less than a specified investment assets under management investing more than 25% of their moneys in eligible commercial paper.	02/27/2020 - To SENATE Committee on GOVERNANCE AND FINANCE.
<u>SB 1006</u> Bates (R)	Building Standards		Makes a nonsubstantive change to provisions of the California Building Standards Law.	02/27/2020 - To SENATE Committee on RULES.
<u>SB 1011</u> Dahle (R)	Water Quality: Waste Discharge		Provides that implementation of a management agency agreement entered into between the State Water Resources Control Board and the United States Forest Service or the state board and the United States Bureau of Land Management constitutes compliance by the United States Forest Service or the United States Bureau of Land Management, as applicable, with specified waste discharge requirements for nonpoint source discharges.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.

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SB 1020 Dahle (R)	Income Taxes: Credits: Generators		Allows a credit against the personal income and corporation taxes for each year to a taxpayer that purchases a backup power generator for use in a residence or commercial property located in a high fire threat district not to exceed a specified amount. Limits the total amount of credits allows and requires the credits be allocated on a first come first served basis.	02/27/2020 - To SENATE Committee on GOVERNANCE AND FINANCE.
SB 1039 Galgiani (D)	Independent Workers		Enacts the Independent Worker Rights Act and sets forth legislative findings regarding the intent of the Legislature to develop a modern policy framework that facilitates independent work for those who voluntarily choose it by creating a third classification of workers with basic rights and protections relative to work opportunities, including minimum wage and occupational accident coverage.	02/27/2020 - To SENATE Committee on RULES.
SB 1044 Allen (D)	Firefighting Equipment and Foam: PFAS Chemicals		Requires any person, including a manufacturer, that sells firefighter personal protective equipment to any person or public entity to provide a written notice to the purchaser at the time of sale if the firefighter personal protective equipment contains perfluoroalkyl and polyfluoroalkyl substances. Provides that a violation of this requirement is punishable by a specified civil penalty.	02/27/2020 - To SENATE Committees on ENVIRONMENTAL QUALITY and GOVERNMENTAL ORGANIZATION and JUDICIARY.
SB 1052 Hertzberg (D)	Water Quality: Municipal Wastewater Agencies		Establishes municipal wastewater agencies. Authorizes a municipal wastewater agency, among other things, to enter into agreements with entities responsible for stormwater management for the purpose of managing stormwater and dry weather runoff, to acquire, construct, expand, operate, maintain, and provide facilities for specified purposes relating to managing stormwater and dry weather runoff, and to levy taxes, fees, and charges.	02/27/2020 - To SENATE Committees on ENVIRONMENTAL QUALITY and GOVERNANCE AND FINANCE.
SB 1056 Portantino (D)	Drinking Water: Testing: Per/Polyfluoroalkyl substances		Requires the State Water Resources Control Board to certify a methodology or methodologies for testing drinking water, groundwater, and surface water for perfluoroalkyl and polyfluoroalkyl substances and to accredit qualified laboratories in	02/27/2020 - To SENATE Committee on ENVIRONMENTAL QUALITY.

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			California to analyze perfluoroalkyl and polyfluoroalkyl substances pursuant to the adopted methodology or methodologies.	
<u>SB 1067</u> Moorlach (R)	Local Agencies: Refunding Bonds		Revises the definition of "bonds" in connection with issuing refunding bonds to specify that it does not mean bonds to be issued, on and after January 1, 2021, for the purpose of funding pension obligations.	02/27/2020 - To SENATE Committee on GOVERNANCE AND FINANCE.
<u>SB 1069</u> Jackson (D)	Emergencies: Critical Communications Infrastructure		Requires each provider of telecommunications service to notify local emergency management officials about the location and status of the provider's critical communications infrastructure provide to the local incident command upon the declaration of an emergency of natural disaster the name and contact information for, and make available upon request, an official representative of the provider able to assist local emergency operations.	02/27/2020 - To SENATE Committees on ENERGY, UTILITIES AND COMMUNICATIONS and GOVERNMENTAL ORGANIZATION.
<u>SB 1096</u> Caballero (D)	Water and Sewer System Corporations: Consolidations		Authorizes a water or sewer system corporation to file an application and obtain approval from the Public Utilities Commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system. Requires the Commission to approve or deny the application within nine months, except as provided.	02/27/2020 - To SENATE Committees on ENERGY, UTILITIES AND COMMUNICATIONS and ENVIRONMENTAL QUALITY.
<u>SB 1099</u> Dodd (D)	Emergency Backup Generators: Critical Facilities	SUPPORT	Requires air districts to adopt a rule, or revise its existing rules, to allow critical facilities with a permitted emergency backup generator to use that emergency backup generator during a deenergization event or other loss of power, and to test and maintain that emergency backup generator without having that usage, testing, or maintenance count toward that emergency backup generator's time limitation on actual usage and routine testing and maintenance.	02/27/2020 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<u>SB 1100</u> Atkins (D)	Coastal Resources: Sea Level Rise		Includes, as part of the procedures the California Coastal Commission is required to adopt, recommendations and guidelines for the identification, assessment, minimization, and mitigation of	02/27/2020 - To SENATE Committees on NATURAL RESOURCES AND WATER and ENVIRONMENTAL

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			sea level rise within each local coastal program. Deletes the timeframe by which the Commission is required to adopt these procedures. Requires the Commission to take into account the effects of sea level rise in coastal resource planning and management policies and activities.	QUALITY and GOVERNMENTAL ORGANIZATION.
<u>SB 1101</u> Caballero (D)	Water and Climate Science Advisory Board		Requires the Department of Water Resources to convene a Water and Climate Science Advisory Board to consist of a certain members with certain qualifications appointed by the department, the agency, and the State Water Resources Control Board. Requires board members to serve terms of a certain length. Requires the Department to consult with the Board when making policies or guidelines regarding impacts of climate change on water resources.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 1113</u> Gonzalez (D)	State Air Resources Board: Report		Makes nonsubstantive changes to a provision relating to the effectiveness of state and local air quality programs.	02/27/2020 - To SENATE Committee on RULES.
<u>SB 1129</u> Dodd (D)	Employment: Itemized Wage Statements: Violations		Requires an employee alleging a violation of itemized wage statement provisions to meet specified requirements before bringing action against the employer, which would include providing written notice by certified mail to the employer of the alleged violation, including the facts and theories to support alleged violations, and would allow the employer 65 calendar days of the postmark date of the notice to cure the violation.	02/27/2020 - To SENATE Committees on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT and JUDICIARY.
<u>SB 1135</u> Hertzberg (D)	Settlement Agreements: Confidentiality		Relates to existing law which provides that a court may consider findings of the court in determining the factual foundation of causes of action for sexual assault or sexual harassment. Deletes the specific authorization that a court may consider other findings of the court.	03/05/2020 - To SENATE Committee on RULES.
<u>SB 1159</u> Hill (D)	Wages		Makes nonsubstantive changes to the definitions of "wages" and "labor".	03/05/2020 - To SENATE Committee on RULES.

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<u>SB 1171</u> Nielsen (R)	Reclamation Districts: Improvement Districts: Formation		Authorizes the board of directors of a reclamation district to form an improvement district to incur a bonded indebtedness for the acquisition, construction, completion, or repair of improvements, works, or property to be payable from taxes levied upon less than all of the lands within the reclamation district. Prescribes certain procedures for the creation of the improvement district and for the levying of improvement district assessments.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 1184</u> Stern (D)	Water Corporations: Fire Hydrant Service Agreements		Requires the Public Utilities Commission prepare and submit to the Legislature a report concerning agreements between water corporations and local fire protection agencies.	03/05/2020 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>SB 1185</u> Moorlach (R)	Natural Gas Powered Generators: Deenergization Events		Prohibits an air district from adopting or maintaining a rule that would limit or prohibit any person from using a federally compliant natural gas powered generator during a deenergization event. Requires that any usage during a deenergization event not count toward any time limitation on actual usage and routine testing and maintenance included as a condition for issuance of any permit for that generator.	03/05/2020 - To SENATE Committees on ENVIRONMENTAL QUALITY and ENERGY, UTILITIES AND COMMUNICATIONS.
<u>SB 1188</u> Stern (D)	The California Water Plan		Relates to The California Water Plan. Requires the Department of Water Resources to include in the plan for the orderly and coordinated control protection, conservation, development, and use of the water resources of the state update instead of discussion of various strategies, a discussion of various strategies for increasing regional water resilience.	03/05/2020 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>SB 1192</u> Bradford (D)	Benefit and Relief Associations		Imposes reporting, reserve, and disclosure requirements upon firefighters', police officers', and peace officers' benefit and relief associations that offer long-term benefits. Imposes certain fees on associations.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.

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SB 1194 Archuleta (D)	Water Replenishment Districts: Competitive Bidding		Revises and recasts the provisions establishing the competitive bidding and related public notice procedures for water replenishment districts, including, among other revisions, deleting the requirement that a district advertise for bids before making any contract totaling \$25,000 or more within any 12-month period, and instead requiring a district to advertise for bids before making any contract totaling \$40,000 or more.	03/05/2020 - To SENATE Committee on GOVERNANCE AND FINANCE.
SB 1205 Hertzberg (D)	Local Agency Design-Build Projects		Modifies the intent of the Legislature to specify that design-build for purposes of specified public works projects includes conventional, progressive, and target price. Requires, with regard to best value evaluation, the prescribed minimum factors be included only if applicable to the delivery method.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
SB 1208 Monning (D)	Wildlife: Dudleya: Taking and Possession		Makes it unlawful to uproot, remove, harvest, or cut dudleya from land owned by the state or a local government or from property not their own without written permission from the landowner in their immediate possession. Makes it unlawful to sell, offer for sale, possess with intent to sell, transport for sale, export for sale, or purchase dudleya uprooted, removed, harvested, or cut in violation of that provision.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
SB 1209 Dahle (R)	Watermaster Service Areas: Expenses in Distribution		Makes a nonsubstantive change to provisions relating to the purpose of distributing water in accordance with certain water right determinations.	03/05/2020 - To SENATE Committee on RULES.
SB 1215 Stern (D)	Electricity: Microgrids: Grant Program		Establishes the Local Government Deenergization Event Resiliency Program, to be administered by the Office of Emergency Services, to support state and local government efforts to enhance public safety, protect vulnerable populations and individuals, and improve resiliency in response to deenergization events.	03/05/2020 - To SENATE Committees on GOVERNMENTAL ORGANIZATION and ENERGY, UTILITIES AND COMMUNICATIONS.

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<u>SB 1217</u> Dahle (R)	Urban Water Use Targets: Indoor Residential Water Use		Revises the method of estimating the per capita daily water use to require an urban retail water supplier to use a standard that complies with the urban retail water supplier's own criteria for indoor residential water use. Eliminates prescribed per capita use standards for indoor residential water use during specified time periods.	03/26/2020 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;03/26/2020 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
<u>SB 1224</u> Dahle (R)	Property Assessed Clean Energy Program		Makes nonsubstantive changes to provisions of the Property Assessed Clean Energy (PACE) program. Authorizes public agency officials and property owners to enter into voluntary contractual assessments to finance the installation of distributed generation renewable energy sources or energy or water efficiency improvements that are permanently fixed to real property.	03/05/2020 - To SENATE Committee on RULES.
<u>SB 1228</u> Caballero (D)	Adoption of Regulations		Makes nonsubstantive changes to provisions of the Office of Administrative Law. Sets forth its powers and duties including the review and approval of regulations proposed for adoption by state agencies.	03/05/2020 - To SENATE Committee on RULES.
<u>SB 1234</u> Grove (R)	Water Rights: Reasonable and Beneficial Use of Water		Makes nonsubstantive changes to a provision related to water rights.	03/05/2020 - To SENATE Committee on RULES.
<u>SB 1236</u> Stern (D)	Worker Status: Independent Contractors		Makes nonsubstantive changes to provision of the "ABC" test, to determine if workers are employees or independent contractors.	03/05/2020 - To SENATE Committee on RULES.
<u>SB 1241</u> Gonzalez (D)	Discrimination in Employment: Employment Tests		Creates a presumption that an employer's decision relating to hiring or promotion based on a test or other selection procedure is not discriminatory, if the test or procedure meets specified criteria, including, among other things, that it is job related and meets a business necessity, as defined by the bill for purposes of these provisions and specified existing law, and that the test or procedure utilizes pretested assessment technology.	03/05/2020 - To SENATE Committee on JUDICIARY.

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<u>SB 1249</u> Hurtado (D)	Water Resources Control Board		Requires the state Water Resources Control Board to provide that notice at least 30 days before the hearing and would instead require the regional boards to submit the recommendations at least 25 days before the hearing.	03/05/2020 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<u>SB 1280</u> Monning (D)	State Water Resources Control Board		Authorizes the State Water Resources Control Board to order consolidation between a receiving water system and an at-risk water system upon receipts of a petition that substantially conforms to the above-referenced policy adopted by the state board and that is either approved by the water system's governing body or signed by at least 30% of the households served by the water system.	03/05/2020 - To SENATE Committees on ENVIRONMENTAL QUALITY and GOVERNANCE AND FINANCE.
<u>SB 1293</u> Allen (D)	Integrated Climate Adaptation Resiliency Program		Protects the public and coastal resources from the threat of sea level rise and increased storm surge brought forth by climate change. Creates a revolving loan fund to allow local governments to purchase threatened coastal properties for leasing purposes.	03/05/2020 - To SENATE Committee on RULES.
<u>SB 1300</u> Skinner (D)	Redevelopment Agency Dissolution: Finding of Completion		Specifies that the successor agency to a dissolved redevelopment agency, with the approval of the Department of Finance, is eligible for a finding of completion if it has entered into an agreed-upon written installment payment plan with the department and is in compliance with that plan.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 1312</u> McGuire (D)	Electrical Corporations: Deenergization: Prudency		Requires the Public Utilities Commission to develop a standard against which to measure the prudency of an electrical corporation's conduct of a public safety power shutoff and an electrical corporation's hardening of distribution or transmission infrastructure that motivated the public safety power shutoff. Requires an electrical corporation that conducts a public safety power shutoff to report specified information about the shutoff and its infrastructure hardening efforts to the commission.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 1314</u> Dodd (D)	Community Energy Resilience Act of 2020		Requires the council to develop and implement a grant program for local governments to develop. Requires a plan to ensure a reliable	03/05/2020 - To SENATE Committees on NATURAL RESOURCES AND

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			electricity supply is maintained at critical facilities and identify areas most likely to experience a loss of electrical service.	WATER and ENERGY, UTILITIES AND COMMUNICATIONS.
<u>SB 1331</u> Bradford (D)	Local Government: Overtime Enforcement		Increases the amount of civil penalties for violations by employers of provisions relating to local overtime law.	03/12/2020 - To SENATE Committee on JUDICIARY.
<u>SB 1349</u> Glazer (D)	State Responsibility Area Fire Prevention Fees		Changes the reference in the fire prevention fee provisions from the State Board of Equalization to the California Department of Tax and Fee Administration or the Office of Tax Appeals as appropriate.	03/12/2020 - To SENATE Committees on GOVERNANCE AND FINANCE and NATURAL RESOURCES AND WATER.
<u>SB 1352</u> Hueso (D)	Biomethane Procurement		Requires the Public Utilities Commission to establish a biomethane procurement program that requires each gas corporation, by January 1, 2030, to procure at least 20 percent of its total volume of gas delivered to core customers in California with biomethane.	03/12/2020 - To SENATE Committees on ENERGY, UTILITIES AND COMMUNICATIONS and ENVIRONMENTAL QUALITY.
<u>SB 1356</u> Borgeas (R)	Groundwater Sustainability Agency: Financial Authority		Makes nonsubstantive changes to the provisions of the Sustainable Groundwater Management Act to authorize groundwater sustainability agencies to impose fees.	03/12/2020 - To SENATE Committee on RULES.
<u>SB 1359</u> Rubio (D)	Wildfire Insurance		Requires the Insurance Commission on or before specific date, to convene a stakeholder group to consider the actuarial soundness of residential property insurance rates, taking into consideration current wildfire risks to residential properties and communities.	03/12/2020 - To SENATE Committee on INSURANCE.
<u>SB 1362</u> Stern (D)	Carbon Neutrality: Comprehensive Strategy		Requires the State Air Resources Board no later than July 1, 2021, to adopt a comprehensive strategy to achieve carbon neutrality in the state by no later than December 31, 2045.	03/12/2020 - To SENATE Committees on ENVIRONMENTAL QUALITY and NATURAL RESOURCES AND WATER.
<u>SB 1363</u> Allen (D)	Comprehensive Strategy		Requires the State Air Resources Board no later than July 1, 2021, to adopt a comprehensive strategy to achieve carbon neutrality in the state by no later than December 31, 2045.	03/12/2020 - To SENATE Committees on ENVIRONMENTAL QUALITY and TRANSPORTATION and HOUSING.
<u>SB 1368</u> Durazo (D)	Contractors: Wages: Liability		Extends a state direct contractor's liability for specified debt owned to a wage claimant that is incurred by a subcontractor to include	03/25/2020 - From SENATE Committee on RULES with author's

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			penalties and liquidated damages. Makes the direct contractor liable for the failure to obtain valid workers' compensation coverage.	amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 1372</u> Monning (D)	Wildlife and Biodiversity Protection and Movement		Enacts the Wildlife and Biodiversity Protection and Movement Act of 2020 to proactively protect and enhance wildlife corridors and design infrastructure to maximize wildlife connectivity.	03/25/2020 - From SENATE Committee on TRANSPORTATION with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION.
<u>SB 1378</u> Borgeas (R)	California Environmental Quality Act		Requires a plaintiff or petitioner, in an action or proceeding brought pursuant to California Environmental Quality Act to disclose the identity of a person or entity that contributes \$1,000 or more toward the plaintiff's or petitioner's costs of the action or proceedings.	03/12/2020 - To SENATE Committees on ENVIRONMENTAL QUALITY and JUDICIARY.
<u>SB 1383</u> Jackson (D)	Employees: Time Off		Authorizes an employee to take off time in excess of a certain number of hours in the case of a school closure due to an emergency declaration by a federal, state, or local government agency, up to the duration of the emergency.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 1386</u> Moorlach (R)	Local Government		Makes a nonsubstantive change to the provision of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2020 that provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization for cities and districts.	03/12/2020 - To SENATE Committee on RULES.
<u>SB 1388</u> Rubio (D)	State Water Resources Control Board		Makes nonsubstantive changes in the provisions relating to the authorization of the State Water Resources Control Board to take testimony in regard to the rights to water or the use of water, and to ascertain whether or not water is appropriated under the law and ascertains whether water has been appropriated.	03/12/2020 - To SENATE Committee on RULES.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 1389</u> Allen (D)	Public Investment Authorities		Authorizes the legislative body of a city or county, or of 2 or more cities acting jointly, to propose the formation of a public investment authority and the adoption of a community investment and financing plan.	03/12/2020 - To SENATE Committees on GOVERNANCE AND FINANCE and EDUCATION.
<u>SB 1399</u> Durazo (D)	Workers' Compensation Definitions		Makes a technical, nonsubstantive change to a provision governing the meaning of terms in workers' compensation.	03/12/2020 - To SENATE Committee on RULES.
<u>SB 1400</u> Umberg (D)	Accessory Dwelling Unit Construction Bond		Enacts the Accessory Dwelling Unit Construction Bond Act. Authorizes the issuance of bonds to finance the Accessory Dwelling Unit Construction Program. Authorizes the Department of Housing and Community Development to enter into a contract under that program with a homeowner to provide financing to pay for the eligible costs incurred by the homeowner in constructing an accessory dwelling unit on the homeowner's property.	03/26/2020 - From SENATE Committee on RULES with author's amendments.;03/26/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 1416</u> Bradford (D)	Assault and Battery Of a Public Utility Worker		Makes assault and battery of a utility worker engaged in the performance of their duties, and the person committing the offense knows or reasonably should know that the victim is a utility worker engaged in the performance of their duties, punishable by a fine or imprisonment.	03/25/2020 - From SENATE Committee on RULES with author's amendments.;03/25/2020 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.
<u>SB 1422</u> Bradford (D)	Public Utilities: Microgrids		Includes microgrids as one of the categories for purposes of the annual submission of procurement data to the Public Utilities Commission.	03/12/2020 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>SB 1436</u> Grove (R)	Political Reform Act of 1974		Makes a technical, nonsubstantive changes to the provision of the Political Reform Act of 1974 relating to post-government employment of legislators.	03/12/2020 - To SENATE Committee on RULES.
<u>SB 1453</u> Durazo (D)	Surplus Residential Property		Makes nonsubstantive changes to provisions that establish priorities and procedures that any state agency disposing of surplus residential property is required to follow.	03/12/2020 - To SENATE Committee on RULES.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 1473</u> Governance and Finance Cmt	Local Government Omnibus Act of 2020		Authorizes a county to lend any of its funds to a resource conservation district to perform its functions and meets its obligations, specifies that no reading of the title or county ordinance is required if the title is included on the published agenda and a copy of the full ordinance is made available to the public on the county's internet website and in print at the meeting before the introduction or passage of the ordinance.	03/12/2020 - INTRODUCED.
<u>HR 535</u> Dingell D (D)	Hazardous Substances Designation		Requires the Administrator of the Environmental Protection Agency to designate per- and polyfluoroalkyl substances as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.	01/13/2020 - In SENATE. Read second time.;01/13/2020 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
<u>HR 1162</u> Napolitano (D)	Water Recycling and Reuse Projects Grant Program	SUPPORT	Establishes a grant program for the funding of water recycling and reuse projects.	03/11/2020 - Subcommittee on WATER, POWER AND OCEANS discharged.;03/11/2020 - In HOUSE Committee on NATURAL RESOURCES: Consideration and mark-up session held.;03/11/2020 - In HOUSE Committee on NATURAL RESOURCES: Ordered to be reported as amended.
<u>HR 1417</u> Lawrence (D)	Water and Sewer Infrastructure Trust Fund		Establishes a trust fund to provide for adequate funding for water and sewer infrastructure.	03/27/2019 - In HOUSE Committee on AGRICULTURE: Referred to Subcommittee on CONSERVATION AND FORESTRY.
<u>HR 1567</u> Lujan (D)	Water Contamination From Military Installations		Authorizes the Department of Defense to temporarily provide water uncontaminated with perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS) for agricultural purposes to areas affected by contamination from military installations, authorizes the Secretary of the Air Force to acquire real property to extend the contiguous geographic footprint of any Air Force base that has shown signs of contamination from PFOA and PFOS due to activities on the base.	03/07/2019 - In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>HR 1764</u> Garamendi (D)	Federal Water Pollution Control Permitting Terms	SUPPORT	Amends the Federal Water Pollution Control Act with respect to permitting terms.	03/15/2019 - In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.
<u>HR 1976</u> Kildee (D)	Perfluorinated Compounds Survey		Requires the Director of the United States Geological Survey to perform a nationwide survey of perfluorinated compounds.	06/13/2019 - Subcommittee on WATER, POWER AND OCEANS hearings held.
<u>HR 2377</u> Boyle B (D)	Drinking Water Maximum Contaminant Level		Amends the Safe Drinking Water Act, requires the Administrator of the Environmental Protection Agency to publish a maximum contaminant level goal and promulgate a national primary drinking water regulation for total per- and polyfluoroalkyl substances.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
<u>HR 2500</u> Smith A (D)	National Defense Authorization Act for Fiscal Year 2020		Provides for the National Defense Authorization Act for specified Fiscal Year.	07/12/2019 - In HOUSE. HA 560 Amendment offered by Representative Thompson.;07/12/2019 - In HOUSE. HA 561 Amendment offered by Representative Malinowski.;07/12/2019 - In HOUSE. HA 562 Amendment offered by Representative Dingell.;07/12/2019 - In HOUSE.
<u>HR 2533</u> Pallone (D)	Community Water Systems Contamination		Assists community water systems affected by perfluoroalkyl substances (PFAS) contamination.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
<u>HR 2566</u> Soto (D)	Environmental Protection Agency Safer Choice Standard		Requires the Administrator of the Environmental Protection Agency to revise the Safer Choice Standard to provide for a Safer Choice label for pots, pans, and cooking utensils that do not contain polyfluoroalkyl substances (PFAS).	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>HR 2570</u> Rouda (D)	Water Treatment Costs		Ensures that polluters pay ongoing water treatment costs associated with contamination from perfluoroalkyl and polyfluoroalkyl substances.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
<u>HR 2577</u> Delgado (D)	Toxics Release Inventory Inclusion		Amends the Emergency Planning and Community Right-To-Know Act of 1986, includes per- and polyfluoroalkyl substances on the Toxics Release Inventory.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
<u>HR 2591</u> Khanna (D)	Polyfluoroalkyl Substance Waste Prohibition		Prohibits the waste incineration of per- and polyfluoroalkyl substances.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
<u>HR 2596</u> Kuster (D)	Polyfluoroalkyl Substances Manufacturing and Processing		Amends the Toxic Substances Control Act with respect to manufacturing and processing notices for per- and polyfluoroalkyl substances.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
<u>HR 2600</u> Dean (D)	Per and Polyfluoroalkyl Substances Regulation		Regulates per- and polyfluoroalkyl substances under the Toxic Substances Control Act.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
<u>HR 2605</u> Stevens (D)	Hazardous Air Pollutants Classification		Directs the Administrator of the Environmental Protection Agency to issue a final rule adding as a class all perfluoroalkyl and polyfluoroalkyl substances with at least one fully fluorinated carbon atom to the list of hazardous air pollutants under section 112(b) of the Clean Air Act (42 U.S.C. 7412(b)).	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
<u>HR 2608</u> Maloney S (D)	Toxic Substances Testing		Requires the testing of perfluoroalkyl and polyfluoroalkyl substances under the Toxic Substances Control Act.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 -

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
				Forwarded by Subcommittee on ENVIRONMENT to full committee.
HR 2626 Upton (R)	Water Contamination Remediation Agreements		Encourages Federal agencies to expeditiously enter into or amend cooperative agreements with States for removal and remedial actions to address PFAS contamination in drinking, surface, and ground water and land surface and subsurface strata.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
HR 2638 Fletcher (D)	Firefighting Foam Use		Directs the Administrator of the Environmental Protection Agency to issue guidance on minimizing the use of firefighting foam containing PFAS.	09/26/2019 - Subcommittee on ENVIRONMENT consideration and mark-up session held.;09/26/2019 - Forwarded by Subcommittee on ENVIRONMENT to full committee.
HR 2800 Slotkin (D)	Drinking Water Substance Monitoring		Amends the Safe Drinking Water Act, requires continued and expanded monitoring of perfluoroalkyl and polyfluoroalkyl substances in drinking water.	05/16/2019 - INTRODUCED.;05/16/2019 - To HOUSE Committee on ENERGY AND COMMERCE.
S 611 Sanders (I)	Water and Sewer Infrastructure Funding		Provides adequate funding for water and sewer infrastructure.	02/28/2019 - INTRODUCED.;02/28/2019 - In SENATE. Read second time.;02/28/2019 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
S 638 Carper (D)	Hazardous Substances Designation		Requires the Administrator of the Environmental Protection Agency to designate per- and polyfluoroalkyl substances as hazardous substances under the Comprehensive Environmental Response, Compensation, Liability Act of 1980.	02/28/2019 - INTRODUCED.;02/28/2019 - In SENATE. Read second time.;02/28/2019 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
S 675 Udall T (D)	Water Contamination From Military Installations		Authorizes the Department of Defense to temporarily provide water uncontaminated with perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS) for agricultural purposes to areas affected by contamination from military installations, authorizes the Secretary of the Air Force to acquire real property to extend the contiguous geographic footprint of any Air Force base that has	03/06/2019 - INTRODUCED.;03/06/2019 - In SENATE. Read second time.;03/06/2019 - To SENATE Committee on ARMED SERVICES.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			shown signs of contamination from PFOA and PFOS due to activities on the base.	
<u>S 950</u> Stabenow (D)	Perfluorinated Compounds Survey		Requires the Director of the United States Geological Survey to perform a nationwide survey of perfluorinated compounds.	03/28/2019 - INTRODUCED.;03/28/2019 - In SENATE. Read second time.;03/28/2019 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
<u>S 1251</u> Shaheen (D)	Emerging Contaminants Public Health Response Assistance		Improves coordinate interagency Federal actions, provides assistance to States for responding to public health challenges posed by emerging contaminants.	04/30/2019 - INTRODUCED.;04/30/2019 - In SENATE. Read second time.;04/30/2019 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
<u>S 1372</u> Stabenow (D)	Water Contamination Remediation Agreements		Encourages Federal agencies to expeditiously enter into or amend cooperative agreements with States for removal and remedial actions to address polyfluoroalkyl substances (PFAS) contamination in drinking, surface, and ground water and land surface and subsurface strata.	05/08/2019 - INTRODUCED.;05/08/2019 - In SENATE. Read second time.;05/08/2019 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
<u>S 1473</u> Gillibrand (D)	Drinking Water Maximum Contaminant Levels		Amends the Safe Drinking Water Act, requires the Administrator of the Environmental Protection Agency to set maximum contaminant levels for certain chemicals.	05/15/2019 - INTRODUCED.;05/15/2019 - In SENATE. Read second time.;05/15/2019 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
<u>S 1507</u> Capito (R)	Toxics Release Inventory Inclusion		Includes certain perfluoroalkyl and polyfluoroalkyl substances in the toxics release inventory.	06/19/2019 - In SENATE Committee on ENVIRONMENT AND PUBLIC WORKS: Ordered to be reported with an amendment in the nature of a substitute.;06/19/2019 - From SENATE Committee on ENVIRONMENT AND PUBLIC

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
				WORKS: Reported by Sen. Barrasso with an amend. in the
S 1932 Gardner (R)	Reclamation States Water Infrastructure Support	SUPPORT	Supports water infrastructure in Reclamation States.	07/18/2019 - Subcommittee on WATER AND POWER hearings held.

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PROPOSED AMENDMENTS

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SUBSTANTIVE

PROPOSED AMENDMENTS TO ASSEMBLY BILL NO. 3256

CALIFORNIA LEGISLATURE—2019—20 REGULAR SESSION

ASSEMBLY BILL

No. 3256

Introduced by Assembly Members Eduardo Garcia, Bloom, Bonta,
Friedman, Cristina Garcia, Mullin, Reyes, and Wood
(Coauthors: Assembly Members Eggman and Robert Rivas)

February 21, 2020



RN2009636

An act to add Division 47 (commencing with Section 80200) to the Public Resources Code, relating to ~~climate risks: a wildfire prevention, safe drinking water, climate resilience, drought preparation, and flood protection program, by providing the funds necessary therefor through an election of the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.~~

Amendments 1 & 2

LEGISLATIVE COUNSEL'S DIGEST

AB 3256, as introduced, Eduardo Garcia. ~~Climate risks: bond measure: Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation, and Flood Protection Bond Act of 2020.~~

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide direct primary election, authorizes the issuance of bonds in the amount of \$4,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.

This bill would ~~state the intent of the Legislature to enact a bond measure that would address climate risks to the State of California: enact the Wildfire Prevention, Safe Drinking Water, Climate Resilience,~~

PROPOSED AMENDMENTS

AB 3256

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SUBSTANTIVE**

Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,980,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, climate resilience, drought preparation, and flood protection program.

This bill would provide for the submission of these provisions to the voters at the November 3, 2020, statewide general election.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: ~~no~~^{yes}. State-mandated local program: no.

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

Page 1 1 SECTION 1. The people of California find and declare all of
2 the following:
3 (a) The climate crisis presents a significant threat to the health,
4 safety, and prosperity of the people of California. The changing
Page 2 1 climate increases the risk of extreme weather events, biodiversity
2 loss, catastrophic wildfire, and sea level rise, resulting in harm to
3 California’s agricultural industry, water supply, unique ecosystems,
4 and economy.
5 (b) According to the state’s Fourth Climate Change Assessment,
6 “[e]merging findings for California show that costs associated with
7 direct climate impacts by 2050 are dominated by human mortality,
8 damages to coastal properties, and the potential for droughts and
9 mega-floods.”
10 (c) Improving climate resiliency will require investments in
11 planning and both capital- and non-capital costs.
12 (d) Strategic restoration and stewardship of California’s natural
13 infrastructure will increase the state’s resilience to the changing
14 climate and can prevent or reduce many of the forecasted impacts
15 of climate change.
16 (e) State investments to improve climate resiliency must reflect
17 the varying type and severity of climate impacts across the state.
18 Already vulnerable communities often face greater risks from
19 climate change.

Page 2 20 (f) Planning, investment, and action to address current and future
21 climate change impacts must be guided by the best available
22 science, including local and traditional knowledge.

23 (g) Investment in transformative, cost-effective, and
24 evidence-based projects that increase the state’s resilience to
25 climate change will protect the lives of all Californians, conserve
26 our unique ecosystems, and save billions of dollars by preventing
27 or reducing damage that may otherwise occur.

28 ~~SEC. 2. It is the intent of the Legislature to enact legislation~~
29 ~~for a bond measure that would address climate risks to the State~~
30 ~~of California.~~

+ SEC. 2. Division 47 (commencing with Section 80200) is added
+ to the Public Resources Code, to read:

+ DIVISION 47. WILDFIRE PREVENTION, SAFE DRINKING
+ WATER, CLIMATE RESILIENCE, DROUGHT PREPARATION,
+ AND FLOOD PROTECTION BOND ACT OF 2020

+ CHAPTER 1. GENERAL PROVISIONS

+ 80200. This division shall be known, and may be cited, as the
+ Wildfire Prevention, Safe Drinking Water, Climate Resilience,
+ Drought Preparation, and Flood Protection Bond Act of 2020.

+ 80201. (a) In expending funds pursuant to this division, an
+ administering state agency shall give priority to projects that
+ leverage private, federal, and local funding or produce the greatest
+ public benefit.

+ (b) A project funded pursuant to this division shall include
+ signage informing the public that the project received funding
+ from the Wildfire Prevention, Safe Drinking Water, Climate
+ Resilience, Drought Preparation, and Flood Protection Bond Act
+ of 2020.

+ 80202. For purposes of this division, the following definitions
+ apply:

+ (a) “Air board” means the State Air Resources Board.

+ (b) “Committee” means the Wildfire Prevention, Safe Drinking
+ Water, Climate Resilience, Drought Preparation, and Flood
+ Protection Bond Finance Committee created pursuant to Section
+ 80282.

Amendment 3

PROPOSED AMENDMENTS

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SUBSTANTIVE**

AB 3256

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- + (c) *“Fund” means the Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation, and Flood Protection Fund created pursuant to Section 80209.*
- + (d) *“Groundwater sustainability agency” has the same meaning as defined in Section 10721 of the Water Code.*
- + (e) *“Interpretation” includes, but is not limited to, a visitor-serving amenity that enhances the ability to understand and appreciate the significance and value of natural, historical, and cultural resources and that may use educational materials in multiple languages, digital information in multiple languages, and the expertise of a naturalist or other skilled specialist.*
- + (f) *“Nonprofit organization” means a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code.*
- + (g) *“Tribe” means a California native American tribe that appears on the California Tribal Consultation List maintained by the Native American Heritage Commission.*
- + (h) *“Water board” means the State Water Resources Control Board.*
- + *80203. An amount that equals not more than 5 percent of the funds allocated for a program funded pursuant to this division may be used to pay the administrative costs of that program.*
- + *80204. (a) The Department of Finance shall provide for an independent audit of expenditures pursuant to this division. The Secretary of the Natural Resources Agency shall publish a list of all program and project expenditures pursuant to this division not less than annually, in written form, and shall post an electronic form of the list on the agency’s internet website in a downloadable spreadsheet format. The spreadsheet shall include information about the location and footprint of each funded project, the project’s objectives, the status of the project, anticipated outcomes, any matching moneys provided for the project by the grant recipient, and the applicable chapter of this division pursuant to which the grant recipient received moneys.*
- + *(b) If an audit, required by statute, of any entity that receives funding authorized by this division is conducted pursuant to state law and reveals any impropriety, the California State Auditor or the Controller may conduct a full audit of any or all of the activities of that entity.*

+ (c) The state agency issuing any grant with funding authorized
+ by this division shall require adequate reporting of the expenditures
+ of the funding from the grant.

+ (d) The costs associated with the publications, audits, statewide
+ bond tracking, cash management, and related oversight activities
+ provided for in this section shall be funded from this division.
+ These costs shall be shared proportionally by each program
+ through this division. Actual costs incurred to administer nongrant
+ programs authorized by this division shall be paid from the funds
+ authorized in this division.

+ 80205. If any moneys allocated pursuant to this division are
+ not encumbered or expended by the recipient entity within the time
+ period specified by the administering state agency, the unexpended
+ moneys shall revert to the administering state agency for allocation
+ consistent with the applicable chapter.

+ 80206. A state agency that receives funding to administer a
+ grant program under this division shall report to the Legislature
+ annually in the budget on its expenditures pursuant to this division
+ and the public benefits received from those expenditures.

+ 80207. Funds provided pursuant to this division, and any
+ appropriation or transfer of those funds, shall not be deemed to
+ be a transfer of funds for the purposes of Chapter 9 (commencing
+ with Section 2780) of Division 3 of the Fish and Game Code.

+ 80208. For grants awarded for projects that serve a
+ disadvantaged community or severely disadvantaged community,
+ the administering state agency may provide advanced payments
+ in the amount of 25 percent of the grant award to the recipient,
+ including state-related entities, to initiate the project in a timely
+ manner. The administering state agency shall adopt additional
+ requirements for the recipient of the grant regarding the use of
+ the advanced payments to ensure that the moneys are used
+ properly.

+ 80209. (a) The proceeds of bonds issued and sold pursuant
+ to this division, exclusive of refunding bonds issued and sold
+ pursuant to Section 80292, shall be deposited in the Wildfire
+ Prevention, Safe Drinking Water, Climate Resilience, Drought
+ Preparation, and Flood Protection Fund, which is hereby created
+ in the State Treasury. Moneys in the fund shall be available, upon
+ appropriation by the Legislature, for purposes of this division.

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- + (b) Proceeds of bonds issued and sold pursuant to this division
- + shall be allocated according to the following schedule:
- + (1) One billion six hundred twenty-five million dollars
- + (\$1,625,000,000) for wildfire prevention and climate risk reduction,
- + in accordance with Chapter 2 (commencing with Section 80220).
- + (2) One billion one hundred million dollars (\$1,100,000,000)
- + for the protection of coastal lands, bays, and oceans from climate
- + risks, in accordance with Chapter 3 (commencing with Section
- + 80230).
- + (3) One billion three hundred fifty-five million dollars
- + (\$1,355,000,000) for the protection of California’s water supplies
- + from multiyear droughts, reducing flood risk from extreme events,
- + and providing safe drinking water, in accordance with Chapter 4
- + (commencing with Section 80240).
- + (4) One billion three hundred million dollars (\$1,300,000,000)
- + for the protection of California’s wildlife, biodiversity, fisheries,
- + and working and agricultural lands from climate risks, in
- + accordance with Chapter 5 (commencing with Section 80260).
- + (5) One billion six hundred million dollars (\$1,600,000,000)
- + for regional climate resilience projects that address multiple risks,
- + in accordance with Chapter 6 (commencing with Section 80270).
- + 80210. The Legislature may enact legislation necessary to
- + implement programs funded by this division.

*CHAPTER 2. WILDFIRE PREVENTION AND CLIMATE RISK
REDUCTION*

- + 80220. For purposes of this chapter, “structure hardening”
- + means the installation, replacement, or retrofitting of building
- + materials, systems, or assemblies used in the exterior design and
- + construction of existing nonconforming structures with features
- + that are in compliance with Chapter 7A (commencing with Section
- + 701A.1) of Title 24 of the California Code of Regulations, or any
- + appropriate successor regulatory code with the primary purpose
- + of reducing risk to structures from wildfire or conforming to the
- + low-cost retrofit list, and updates to that list, developed pursuant
- + to paragraph (1) of subdivision (c) of Section 51189 of the
- + Government Code.
- + 80220.5. The sum of one billion six hundred twenty-five million
- + dollars (\$1,625,000,000) shall be available, upon appropriation

+ *by the Legislature, for the prevention and reduction in the risk of*
+ *wildfires to lives, properties, and natural resources. The goals of*
+ *this chapter shall be the following:*

+ *(a) The creation of risk reduction buffer between communities*
+ *and the wildland.*

+ *(b) The creation of strong local fire safe planning and risk*
+ *reduction work to improve community fire resilience.*

+ *(c) The improvement of forest and other habitat health to reduce*
+ *the risk of fire, reduce fire intensity, and restore historic ecosystem*
+ *function while improving water supply and water quality.*

+ *(d) The creation of cost-effective efforts to complete community*
+ *and structure hardening projects that target entire neighborhoods*
+ *or communities.*

+ *80221. (a) Of the funds made available by Section 80220.5,*
+ *five hundred million dollars (\$500,000,000) shall be available to*
+ *the Office of Emergency Services, in coordination and conjunction*
+ *with the Department of Forestry and Fire Protection, for a*
+ *prehazard mitigation grant program. The grant program shall be*
+ *allocated to assist local and state agencies to leverage additional*
+ *funds, including matching grants from federal agencies. The grant*
+ *program shall fund efforts that include providing loans, rebates,*
+ *direct assistance, and matching funds that prevent wildfires and*
+ *reduce the risk of wildfires to communities, increasing community*
+ *hardening. Eligible projects include, but are not limited to, the*
+ *following:*

+ *(1) Grants to local agencies, state agencies, joint powers*
+ *authorities, and tribes for projects that reduce wildfire risks to*
+ *people and property consistent with an approved community*
+ *wildfire protection plan.*

+ *(2) Grants to local agencies, state agencies, joint power*
+ *authorities, tribes, resource conservation districts, fire safe*
+ *councils, and nonprofit organizations for hardening of critical*
+ *community infrastructure, evacuation centers, hardening projects*
+ *that reduce the risk of wildfire for entire neighborhoods and*
+ *communities, risk reduction buffers, and incentives to remove*
+ *structures that significantly increase hazard risk.*

+ *(b) The Office of Emergency Services and the Department of*
+ *Forestry and Fire Protection shall prioritize prehazard mitigation*
+ *grant funding applications from local agencies based on the "Fire*

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+ *Risk Reduction Community” list, upon development of that list, pursuant to Section 4290.1.*

+ *(c) The Office of Emergency Services and the Department of Forestry and Fire Protection shall provide technical assistance to disadvantaged communities, vulnerable populations, including those with access and functional needs, at-risk infrastructure, socially disadvantaged farmers or ranchers, and economically distressed areas to ensure the grant program reduces the vulnerability of those most in need.*

+ *80222. Of the funds made available by Section 80220.5, one billion twenty-five million dollars (\$1,025,000,000) shall be made available to the Natural Resources Agency and to its departments, boards, and conservancies for projects and grants to improve local fire prevention capacity, improve forest health and resiliency, and reduce the risk of wildfire spreading into populated areas from wildlands. Where appropriate, projects may include activities on lands owned by the United States. The funding made available by this section shall be allocated as follows:*

+ *(a) Three hundred million dollars (\$300,000,000) shall be made available to the Regional Fire and Forest Capacity Program to increase regional capacity to prioritize, develop, and implement projects that improve forest health and fire resilience, facilitate greenhouse gas emissions reductions, and increase carbon sequestration in forests throughout California. The funding shall be allocated based, to the extent feasible, on the findings of the review of the regional capacity required by Section 4123.7.*

+ *(b) Three hundred million dollars (\$300,000,000) shall be made available to the Department of Forestry and Fire Protection to support various long-term forest health projects, including reforestation; conservation easements; activities that promote long-term carbon storage; and upper watershed, riparian, mountain meadow, and inland wetland restoration. Projects shall reflect the concurrence of the Department of Fish and Wildlife and the water board, respectively, when a project may affect their statutory jurisdiction and shall be consistent with Section 4799.05.*

+ *(c) Three hundred million dollars (\$300,000,000) shall be made available to forests and other habitats, including, but not limited to, redwoods, conifers, oak woodlands, chaparral, deserts, and coastal forest watershed improvement projects that include the use of prescribed fire and improve water supply or water quality.*

+ *Projects shall include the restoration of natural ecosystem functions in high fire hazard areas and provide multiple benefits including, but not be limited to, habitat protection, science-based fuel reduction, watershed protection, carbon sequestration, protection of older fire-resistant trees, and improved forest health. The Natural Resources Agency shall require a contribution of matching funds or in-kind work, as determined appropriate, from beneficiaries of the watershed, which may include, but not limited to, water districts, public utilities, local agencies, or private users. As a condition of funds granted pursuant to this section, the Natural Resources Agency shall ensure long-term benefits for projects funded pursuant to this subdivision, including an ongoing commitment to future maintenance and a commitment to long-term increases in carbon sequestration.*

+ *(d) Fifty million dollars (\$50,000,000) shall be made available to the Department of Forestry and Fire Protection to provide funding to fire safe councils, nongovernmental organizations with demonstrated expertise, and resource conservation districts for the purchase of large equipment necessary to conduct fuel reduction and forest health projects. The department shall develop funding guidelines to ensure the equipment purchased receives necessary maintenance by the owner, is used appropriately by trained operators, provides public benefits, and is made available for fuel reduction and forest health projects in a cost-effective manner. Eligible equipment may include equipment for biomass utilization and shall have a durability suitable for capital expenditure.*

+ *(e) Seventy-five million dollars (\$75,000,000) shall be made available to the Sierra Nevada Conservancy for purposes of watershed improvement, forest health, biomass utilization, and forest restoration workforce development. Seventy percent of the funds made available by this subdivision shall be made available to the Sierra Nevada Watershed Improvement Program created by Section 33345.1.*

+ *80223. Of the funds made available by Section 80220.5, not less than fifty million dollars (\$50,000,000) shall be allocated to the air board, in consultation with the Natural Resources Agency and the Department of Forestry and Fire Protection, to incentivize new projects in California that provide long-term capital infrastructure to convert forest and other vegetation waste removed*

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+ *for wildfire mitigation to beneficial uses that maximize reductions
+ in the emissions of greenhouse gases, provide local benefits for
+ air quality, and help to increase local community resilience against
+ climate change impacts.*

+ *80224. Of the funds made available by Section 80220.5, fifty
+ million dollars (\$50,000,000) shall be available to the Department
+ of Parks and Recreation to plan for and implement projects to
+ reduce the risks of fire and for the fire hardening of infrastructure
+ for units of the state park system.*

+ *80225. To the extent feasible, a project whose application
+ includes the use of services of the California Conservation Corps
+ or certified community conservation corps, as defined in Section
+ 14507.5, shall be given preference for receipt of a grant under
+ this division.*

+ *CHAPTER 3. PROTECTING COASTAL LANDS, BAYS, AND OCEANS
+ FROM SEA LEVEL RISE AND OTHER CLIMATE RISKS*

+ *80230. The sum of one billion one hundred million dollars
+ (\$1,100,000,000) shall be available, upon appropriation by the
+ Legislature, for the protection and restoration of coastal and ocean
+ resources from sea level rise, ocean acidification, and other
+ impacts of climate change. The goal of this chapter is to provide
+ funding for projects that slow the impacts of sea level rise,
+ especially in combination with storm surges, with nature-based
+ solutions; increase the ability of the ocean and coastal systems to
+ capture and store carbon dioxide; and support sustainable
+ fisheries.*

+ *80231. (a) Eligible projects under this chapter include, but
+ are not limited to, projects to protect, restore, and increase the
+ resilience of coastal and ocean ecosystems, such as beaches, bluffs,
+ grasslands, chaparral, shrublands, forests, waters, coastal
+ watersheds, wetlands, natural resources, fisheries, and wildlife
+ populations in coastal areas. Projects may address the protection
+ and resilience of public recreation and public access facilities.*

+ *(b) The following criteria shall be used for projects under this
+ chapter:*

+ *(1) Projects shall leverage local, nonbond state, federal, or
+ private funding of at least 50 percent for infrastructure projects.*

+ (2) *Projects should prioritize natural infrastructure. For projects with multiple benefits to water supply, water quality, wildlife, and biodiversity, a match of at least 25 percent from local, state, federal, or private funding is required.*

+ (3) *Projects leveraging ongoing state funding for carbon sequestration, transportation, general funds shall be given priority.*

+ (4) *Up to 10 percent of project costs may be used for project planning.*

+ (5) *Projects are required to demonstrate ongoing monitoring and scientific review. Up to 5 percent of project funds may be used for this purpose.*

+ 80232. (a) *Of the funds made available by Section 80230, the sum of six hundred million dollars (\$600,000,000) shall be available to the State Coastal Conservancy.*

+ (b) *Of the funds made available by subdivision (a), three hundred million dollars (\$300,000,000) shall be available for projects to protect, restore, and increase the resilience of beaches, bays, coastal dunes, wetlands, coastal forests, and coastal watershed resources pursuant to Division 21 (commencing with Section 31000), including land acquisition, or conservation easements on, land in or adjacent to the California coastal zone with open space, recreational, biological, cultural, scenic, or agricultural values, or lands adjacent to marine protected areas, including marine conservation areas, whose preservation will contribute to the ecological quality of those marine protected areas.*

+ (c) *Of the funds made available by subdivision (a), one hundred fifty million dollars (\$150,000,000) shall be available for competitive grants for demonstration and pilot projects that use natural infrastructure to protect critical infrastructure that is vulnerable to sea level rise and flooding.*

+ (d) *Of the funds made available by subdivision (a), one hundred million dollars (\$100,000,000) shall be available for grants to remove outdated or obsolete dams and water infrastructure. Up to 25 percent of the funds made available in this subdivision may be awarded for the public benefits associated with updating outdated dams and water infrastructure.*

+ (e) *Of the funds made available by subdivision (a), the sum of thirty million dollars (\$30,000,000) shall be available to the California Coastal Commission for grants for local adaptation*

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+ *planning and updating local coastal programs and twenty million*
+ *dollars (\$20,000,000) shall be available to the San Francisco Bay*
+ *Conservation and Development Commission for coastal planning*
+ *and projects within its jurisdiction.*

+ *80233. (a) Of the funds made available by Section 80230, the*
+ *sum of two hundred million dollars (\$200,000,000) shall be*
+ *available to the Ocean Protection Council.*

+ *(b) Of the amount made available by subdivision (a), one*
+ *hundred million dollars (\$100,000,000) shall be available for*
+ *deposit into the California Ocean Protection Trust Fund for*
+ *competitive grants consistent with Section 35650. Priority shall*
+ *be given to projects that assist coastal communities, including*
+ *those reliant on commercial fisheries, with adaptation to climate*
+ *change, including projects that address ocean acidification,*
+ *increasing ocean temperatures, sea level rise, and habitat*
+ *restoration and protection.*

+ *(c) Of the funds made available by subdivision (a), fifty million*
+ *dollars (\$50,000,000) shall be available for projects that increase*
+ *the ability of the ocean and coastal ecosystems to capture,*
+ *sequester, and store carbon dioxide.*

+ *80234. Of the funds made available by Section 80230, two*
+ *hundred million dollars (\$200,000,000) shall be available for*
+ *competitive grants to restore or enhance coastal and ocean*
+ *ecosystems. No less than 50 percent of the funds allocated by this*
+ *subdivision shall be for competitive grants for projects that use*
+ *nature-based solutions to address climate change impacts to*
+ *California's ocean and coastal ecosystems, including, but not*
+ *limited to, wetlands, estuarine habitat, kelp forests, seagrass*
+ *habitat, eelgrass beds, and the state's system of marine protected*
+ *areas. Grant programs may be administered by the State Coastal*
+ *Conservancy, the Department of Fish and Wildlife, the water*
+ *board, or the Ocean Protection Council. The administering agency*
+ *shall coordinate with all relevant state agencies, and relevant*
+ *local, regional, and state conservancies.*

+ *80235. Of the funds made available by Section 80230, fifty*
+ *million dollars (\$50,000,000) shall be available to the Department*
+ *of Parks and Recreation to plan for and implement projects to*
+ *reduce the risks of sea level rise for units of the state park system.*

+ *80236. Projects funded pursuant to this chapter shall be*
+ *consistent with climate and sea level rise policies and guidelines*

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+ established by the California Coastal Commission, the Ocean
+ Protection Council, the San Francisco Bay Conservation and
+ Development Commission, and the State Coastal Conservancy, if
+ applicable.

+ CHAPTER 4. PROTECTING CALIFORNIA'S WATER SUPPLY
+ DURING DROUGHT, ENHANCING THE STATE'S FLOOD PROTECTION,
+ AND ENSURING SAFE DRINKING WATER

+ 80240. The sum of one billion three hundred fifty-five million
+ dollars (\$1,355,000,000) shall be available, upon appropriation
+ by the Legislature, for climate resilience related to the delivery of
+ water.

+ 80241. Projects funded under this chapter shall ensure access
+ to safe drinking water and water supply in multiyear droughts,
+ and provide for protection from flood risks, especially risks that
+ are magnified by sea level rise, storm surges, and increased
+ intensity atmospheric rivers.

+ 80242. (a) Before disbursing grants under this chapter, each
+ state agency that receives funding to administer a competitive
+ grant program under this division shall develop and adopt project
+ solicitation and evaluation guidelines. The guidelines shall include
+ monitoring and reporting requirements and may include a
+ limitation on the dollar amount of grants to be awarded. If the
+ state agency has previously developed and adopted project
+ solicitation and evaluation guidelines that comply with the
+ requirements of this section, it may use those guidelines.

+ (b) Guidelines adopted pursuant to subdivision (a) shall
+ encourage, where feasible, the inclusion of the following project
+ components:

- + (1) Efficient use and conservation of water supplies.
- + (2) The capture of stormwater to reduce stormwater runoff,
+ reduce water pollution, or recharge groundwater supplies, or a
+ combination thereof.
- + (3) Provision of safe and reliable drinking water supplies to
+ park and open-space visitors, and state fairgrounds that serve as
+ emergency evacuation facilities.
- + (4) Support to groundwater sustainability agencies for regional
+ ground water sustainability.
- + (5) Increased climate resilience for wildlife and fish species.

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- + 80243. (a) *Nothing in this chapter determines or alters water rights or water right priorities.*
- + (b) *Funds provided by this chapter shall not be used to acquire land via eminent domain.*
- + 80244. *An eligible applicant under this chapter is a public agency, joint powers authority, nonprofit organization, public utility, tribe, or mutual water company. To be eligible for funding under this chapter, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors.*
- + 80245. *Of the funds made available by Section 80240, three hundred ninety-five million dollars (\$395,000,000) shall be available to the Department of Water Resources in collaboration with the water board, upon appropriation by the Legislature, for competitive grants for projects that support sustainable groundwater management implementation. These funds are dedicated to supporting local groundwater sustainability agencies implementing projects and programs related to the groundwater sustainability plans for critically overdrafted basins. This includes projects with multiple benefits that encourage redundancy in the regional water system, groundwater recharge, including infrastructure projects, and interties. Funding allocated pursuant to this section shall support the regional approach identified in the Water Resilience Portfolio and shall be used for comprehensive regional projects that include water efficiency, water infrastructure, flood control, and groundwater recharge. Projects shall demonstrate multiple water resilience benefits.*
- + 80246. *Of the funds made available by Section 80240, three hundred sixty million dollars (\$360,000,000) shall be available to the water board, upon appropriation by the Legislature, for competitive grants or loans for the purposes described in Chapter 5 (commencing with Section 79720) of Division 26.7 of the Water Code to help provide clean, safe, and reliable drinking water to all Californians.*
- + 80247. *Of the funds made available by Section 80240, four hundred million dollars (\$400,000,000) shall be available for the protection and restoration of rivers, lakes, and streams to improve climate resilience, water supplies, water quality, and other benefits. To the extent feasible, preference shall be given to natural*

+ infrastructure projects. Eligible projects include, but are not limited to, any of the following:

+ (a) Multibenefit river and urban stream parkway projects that protect and restore riparian habitats, improve climate resilience, enhance natural drainages, protect and restore watersheds, and provide urban access, including for statewide obligations involving multistate agreements.

+ (b) At least 60 percent of the funds shall be available to the Natural Resources Agency for capital outlay projects that provide air quality and habitat benefits and that implement state obligations in arid, desert areas of the state.

+ 80248. (a) Of the funds made available by Section 80240, one hundred fifty million dollars (\$150,000,000) shall be available for flood management projects that are components of multiple benefit flood management system improvements that reduce risks to public safety and provide improvement to wildlife habitat. Eligible project types include, but are not limited to, levee setbacks, projects connecting rivers with flood plains, enhancement of flood plains and bypasses, offstream groundwater recharge, and land acquisitions and easements necessary for these project types. To the extent feasible, project selection shall be guided by approved local hazard mitigation plans and preference shall be given to natural infrastructure projects. Eligible projects include any of the following:

+ (1) Multiple benefit flood management projects that reduce the impacts of climate change on inland or coastal infrastructure, communities, or ecosystems, and provide ecosystem, wildlife, or groundwater recharge benefits.

+ (2) Natural infrastructure projects to reduce flood intensity and slow watershed runoff.

+ (3) Projects that capture, clean, or otherwise productively use stormwater.

+ (4) Projects that provide matching grants for, or otherwise leverage funding from, the Federal Emergency Management Agency, the United States Army Corps of Engineers, or other federal mitigation and resilience funding.

+ (5) Projects that provide benefits to fish, waterfowl, wildlife, and anadromous and other native fish species along migratory corridors.

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+ (6) *Projects that restore streams to a more natural state by removing drainage obstructions, culverts, and paved channels to enable more stormwater to be absorbed and gradually released by soil and plants.*

+ (b) *Of the funds made available pursuant to this section, at least fifty million dollars (\$50,000,000) shall be allocated for multibenefit flood management projects in urban coastal watersheds.*

+ 80249. *Of the funds made available by Section 80240, fifty million dollars (\$50,000,000) shall be available to the Central Valley Flood Protection Board for further development of the State Plan of Flood Control, including the San Joaquin River and Sacramento Valley flood risk management plans. The Central Valley Flood Protection Board shall ensure equitable distribution of funds.*

+ 80250. *To the extent feasible, a project that includes water efficiencies, stormwater capture for infiltration or reuse, or carbon sequestration features in the project design may be given priority for grant funding under this chapter.*

+ 80251. *Moneys allocated by this chapter shall not be used to fulfill any environmental mitigation requirements imposed by law, including paying for the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, mitigation, or maintenance of those facilities.*

+ 80252. *To the extent feasible, a project whose application includes the use of services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5, and resource conservation districts, shall be given preference for receipt of a grant under this chapter.*

+ *CHAPTER 5. PROTECTING FISH, WILDLIFE, NATURAL AREAS, WORKING LANDS, AND AGRICULTURE FROM CLIMATE RISKS*

+ 80260. *The sum of one billion three hundred million dollars (\$1,300,000,000) shall be available, upon appropriation by the Legislature, for the purposes of this chapter. Projects pursuant to this chapter shall have the goal to do any of the following:*

- + *(a) Restore natural lands to better maintain ecosystem benefits as climate conditions change.*
- + *(b) Enhance fish and wildlife corridors and habitat linkages to enhance the ability of wildlife to adapt to changing climate conditions.*
- + *(c) Protect our farms, ranches, and working lands from changing climate conditions.*
- + *80261. (a) Of the funds made available by Section 80260, four hundred million dollars (\$400,000,000) shall be available to the Wildlife Conservation Board for the protection of California's fish and wildlife resources in response to changing climate conditions, as well as for restoration and stewardship projects that restore or manage land or habitat to improve its resilience to climate impacts and natural disasters. Eligible projects include, but are not limited to, the following:*
- + *(1) Salmon and other fishery preservation, enhancement, and habitat restoration projects.*
- + *(2) Projects to protect and restore wetlands and other fish and wildlife habitat, including, but not limited to, habitat used by migratory birds.*
- + *(3) Projects for the protection and restoration of fish and wildlife corridors and habitat linkages, the construction or repair of corridors, and the removal or modification of barriers. Projects may include planning, monitoring, and data collection necessary to track movement of wildlife around and across transportation facilities and to establish the best locations to construct wildlife crossing features, including fish passage improvements.*
- + *(4) Land acquisition projects, including, but not limited to, those that protect land from development or prevent the conversion of rangeland, grazing land, or grassland to nonagricultural uses.*
- + *(5) Projects for conservation actions on private lands, including, but not limited to, incentives, matching grants, and technical assistance for private landowners to implement conservation actions.*
- + *(6) Projects for the protection of threatened and endangered species, including projects within natural community conservation plans adopted pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code) or habitat conservation*

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- + *plans. Projects may include land acquisition through either*
- + *easement or fee title.*
- + *(7) Projects that include acquisition of water or water rights*
- + *from willing sellers, acquisition of land that includes water rights*
- + *or contractual rights to water, and other projects that provide*
- + *water for fish and wildlife or improve aquatic or riparian habitat*
- + *conditions.*
- + *(8) Projects for the development and implementation of regional*
- + *conservation investment strategies that include climate resilience*
- + *elements and are not otherwise funded by the state pursuant to*
- + *Section 800 of the Streets and Highways Code.*
- + *(9) Restoration activities to control or eradicate invasive plants*
- + *or insects that degrade wildlife corridors or habitat linkages,*
- + *inhibit the recovery of threatened or endangered species, or reduce*
- + *the climate resilience of a natural system and its species.*
- + *(10) Protection and restoration of redwood forests in order to*
- + *accelerate old growth characteristics, maximize carbon*
- + *sequestration, improve water quality, and build climate resilience.*
- + *(11) Protection and restoration of oak woodlands pursuant to*
- + *Section 1363 of the Fish and Game Code and grasslands pursuant*
- + *to Section 10330 of the Public Resources Code.*
- + *(b) Funding made available by subdivision (a) shall not be used*
- + *to offset mitigation obligations otherwise required, but may be*
- + *used as part of a funding partnership to enhance, expand, or*
- + *augment conservation efforts required by mitigation.*
- + *80262. Of the funds made available by Section 80260, one*
- + *hundred million dollars (\$100,000,000) shall be available to the*
- + *Wildlife Conservation Board for groundwater sustainability*
- + *projects that provide wildlife habitat. Projects may support*
- + *implementation of the Sustainable Groundwater Management Act*
- + *(Part 2.74 (commencing with Section 10720) of Division 6 of the*
- + *Water Code). Eligible projects include, but are not limited to, the*
- + *following:*
- + *(a) Projects that create, protect, or restore permanent wildlife*
- + *habitat.*
- + *(b) Projects that permanently create, protect, or restore seasonal*
- + *wetland habitat that provides aquifer replenishment.*
- + *(c) Projects that improve groundwater supply, including*
- + *groundwater recharge, improved baseflows in rivers and streams,*
- + *and groundwater supply improvement for fish and wildlife habitat.*

- + (d) (1) Projects that convert land to lesser water use while
- + maintaining natural and working lands.
- + (2) Any groundwater recharge achieved under this section shall
- + remain in the basin to improve groundwater conditions. Payments
- + shall be linked to achievement and delivery of defined conservation
- + outcomes, the duration of those outcomes, and the commitment of
- + matching funds.
- + 80263. Of the funds made available by Section 80260, one
- + hundred million dollars (\$100,000,000) shall be available to the
- + Department of Fish and Wildlife to improve the climate resilience
- + of fish and wildlife habitat. Eligible projects include, but are not
- + limited to, the following:
- + (a) Projects on lands managed by the Department of Fish and
- + Wildlife to reduce the risks of fire, flood, inundation, sea level rise,
- + and other risks associated with climate change and for the
- + protection and restoration of infrastructure and natural resources.
- + (b) Competitive grants for projects that enhance or restore
- + inland or diadromous native fish species habitat. Projects include,
- + but are not limited to, enhanced stream flows, improved fish
- + passage, reconnection of riverine and floodplain habitat, and other
- + actions to help fish adapt to climate change.
- + 80264. To the extent feasible in implementing this chapter, a
- + state agency receiving funding under this chapter shall seek to
- + achieve wildlife conservation objectives through projects on public
- + lands or voluntary projects on private lands. Projects on private
- + lands shall be evaluated based on the durability of the benefits
- + created by the investment. Funds may be used for payments for
- + the protection or creation of measurable habitat improvements or
- + other improvements to the condition of endangered or threatened
- + species, including through the development and implementation
- + of habitat credit exchanges.
- + 80265. (a) Of the funds made available pursuant to Section
- + 80260, the sum of five hundred million dollars (\$500,000,000)
- + shall be available to the Natural Resources Agency for
- + conservancies specified in subdivision (b). The Natural Resources
- + Agency shall allocate funds according to each conservancy's
- + governing statutes and funds shall be for climate resilience and
- + reducing the risks of climate change impacts upon communities,
- + fish and wildlife, and natural resources.

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+ (b) *The conservancy that are eligible for these funds include
+ Baldwin Hills Conservancy, State Coastal Conservancy, California
+ Tahoe Conservancy, Coachella Valley Mountains Conservancy,
+ Sacramento-San Joaquin Delta Conservancy, San Diego River
+ Conservancy, San Gabriel and Lower Los Angeles Rivers and
+ Mountains Conservancy, San Joaquin River Conservancy, Santa
+ Monica Mountains Conservancy, Sierra Nevada Conservancy,
+ and any subsequent conservancies approved by the Legislature,
+ including changes to those conservancies. The State Coastal
+ Conservancy's allocation shall include projects for its San
+ Francisco Bay Area Conservancy Program and the Santa Ana
+ River Conservancy programs.*

+ (c) *The Natural Resources Agency, in consultation with the
+ Wildlife Conservation Board, shall allocate funds based on a
+ review of the strength of the information outlined in each
+ conservancy's climate resiliency plan required pursuant to Section
+ 80266. The Natural Resources Agency shall allocate no less than
+ ten million dollars (\$10,000,000) of the funds made available
+ pursuant to this section to each conservancy.*

+ (d) *When allocating funds pursuant to this section, the Natural
+ Resources Agency shall give preference to all of the following:*

- + (1) *Projects that use natural infrastructure.*
- + (2) *Projects done jointly by more than one conservancy.*
- + (3) *Projects that maximize greenhouse gas reductions.*
- + (4) *Conservancies that provide technical assistance to
+ disadvantaged communities, vulnerable populations, including
+ those with access and functional needs, at-risk infrastructure,
+ socially disadvantaged farmers or ranchers, and economically
+ distressed areas.*

+ (e) *On or before March 1, 2021, the Natural Resources Agency
+ shall develop and provide guidelines for climate resiliency plans
+ to each conservancy.*

+ (f) *The Natural Resources Agency shall hold at least one public
+ workshop before allocating the funds made available pursuant to
+ this section and shall make information describing the final
+ allocation publicly available on its internet website.*

+ 80266. (a) *On or before January 1, 2022, the Baldwin Hills
+ Conservancy, State Coastal Conservancy, California Tahoe
+ Conservancy, Coachella Valley Mountains Conservancy,
+ Sacramento-San Joaquin Delta Conservancy, San Diego River*

+ *Conservancy, San Gabriel and Lower Los Angeles Rivers and*
 + *Mountains Conservancy, San Joaquin River Conservancy, Santa*
 + *Monica Mountains Conservancy, and Sierra Nevada Conservancy*
 + *shall develop a climate resiliency plan that shall be adopted by*
 + *each conservancy’s governing board. Each climate resiliency plan*
 + *shall do all of the following:*

+ (1) *Describe how the impacts of climate change relate to the*
 + *conservancy’s mission and how they will affect the lands within*
 + *its jurisdiction.*

+ (2) *Describe the conservancy’s past investment and work*
 + *addressing the impacts of climate change, reducing greenhouse*
 + *gas emissions, and improving climate resiliency.*

+ (3) *Outline a list of all projects or programs that the*
 + *conservancy would propose to fund with an allocation by the*
 + *Natural Resources Agency pursuant to Section 80265.*

+ (4) *Describe the potential benefits of each project or program*
 + *in increasing climate resilience and reducing the risks of climate*
 + *change impacts upon communities, fish and wildlife, and natural*
 + *resources.*

+ (b) *Each conservancy shall make the climate resiliency plan*
 + *available on its internet website and provide the climate resiliency*
 + *plan to the Natural Resources Agency.*

+ 80267. (a) *For purposes of this section, the following*
 + *definitions apply:*

+ (1) *“Socially disadvantaged farmers and ranchers” has the*
 + *same meaning as defined in Section 512 of the Food and*
 + *Agricultural Code.*

+ (2) *“Small- and medium-sized farms” means farms and ranches*
 + *of 500 acres or less.*

+ (b) *Of the funds made available by Section 80260, two hundred*
 + *million dollars (\$200,000,000) shall be available, upon*
 + *appropriation by the Legislature, for purposes of protecting*
 + *California’s agricultural resources, open spaces, and lands from*
 + *climate resilience. Projects pursuant to this chapter shall have*
 + *climate resiliency goals including:*

+ (1) *Improving soil health to allow for better water retention,*
 + *carbon sequestration, and reduced soil erosion to improve*
 + *resiliency from droughts and floods while improving water quality.*

+ (2) *Improve on-farm water efficiency to improve resiliency from*
 + *multiyear droughts.*

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- + (3) *Improve the state’s ability to respond to risks from invasive species.*
- + (c) *Of the funds made available by subdivision (b), one hundred fifty million dollars (\$150,000,000) shall be available to the Department of Food and Agriculture for improvements in climate resiliency of agricultural lands and ecosystem health and allocated to eligible projects as follows:*
- + (1) (A) *Fifty million dollars (\$50,000,000) for grants to promote practices on farms and ranches that improve soil health, accelerate atmospheric carbon removal or soil carbon sequestration, improve water quality, enhance groundwater recharge and surface water supplies, or improve fish or wildlife habitat.*
- + (B) *At least 35 percent of the funds allocated pursuant to this paragraph shall be allocated to projects that provide direct and meaningful benefits to farmers and ranchers in disadvantaged communities.*
- + (C) *Priority shall be given to small- and medium-sized farms and socially disadvantaged farmers and ranchers.*
- + (2) (A) *Forty million dollars (\$40,000,000) for grants to promote on-farm water use efficiency with a focus on multiple benefit projects that improve groundwater management, climate resiliency, water quality, surface water use efficiency, drought and flood tolerance, or water supply and water quality conditions for fish and wildlife.*
- + (B) *At least 35 percent of the funds allocated pursuant to this paragraph shall be allocated to projects that provide direct and meaningful benefits to farmers and ranchers in disadvantaged communities.*
- + (C) *Priority shall be given to small- and medium-sized farms and socially disadvantaged farmers and ranchers.*
- + (3) *Forty million dollars (\$40,000,000) for projects that promote the reduction of methane emissions from dairy and livestock operations and improved water quality through alternative manure management and handling, including, but not limited to, the creation of composted manure products. Projects shall not include the funding of anaerobic digesters.*
- + (4) *Twenty million dollars (\$20,000,000) to be deposited in the Invasive Species Account established pursuant to Section 7706 of the Food and Agricultural Code for purposes of funding invasive species projects and activities recommended by the Invasive*

+ *Species Council of California. Priority shall be given to projects that restore and protect ecosystem health.*

+ *(d) Of the funds made available by subdivision (b), fifty million dollars (\$50,000,000) shall be available to the Department of Conservation for projects for the protection, restoration, and enhancement of farmland and rangeland, including, but not limited to, the acquisition of fee titles or easements, that improve climate resilience, open-space soil health, atmospheric carbon removal, soil carbon sequestration, erosion control, watershed restoration, conservation projects, water quality, water retention, and provide multiple benefits. In awarding funds for farmland and rangeland projects pursuant to this section, the Department of Conservation shall give preference to projects for small- and medium-sized farms. At least 35 percent of the funds allocated pursuant to this section shall be allocated to projects that provide direct and meaningful benefits to farmers and ranchers in severely disadvantaged communities.*

+ *80268. Funds provided by this chapter shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities.*

+ *CHAPTER 6. STRENGTHENING CALIFORNIA’S REGIONAL CLIMATE RESILIENCE*

+ *80270. (a) The sum of one billion six hundred million dollars (\$1,600,000,000) shall be made available, upon appropriation by the Legislature, to the Strategic Growth Council for the reduction in the risk of climate impacts to communities, including, but not limited to, wildfire, sea level rise, and extreme heat events. The goal of these funds is to encourage the development and implementation of multiple-benefit, cross-sector projects that respond to the region’s greatest climate vulnerabilities.*

+ *(b) These funds shall be available to local governments or regional collaboratives to implement the highest priority projects identified in qualified local or regional climate adaptation plans.*

+ *(c) The Strategic Growth Council shall develop guidelines for the development of qualified climate adaptation plans by June 1,*

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- + 2021. *At a minimum, qualified climate adaptation plans shall include:*
- + *(1) An identification of the most critical vulnerabilities in its jurisdiction to public health, infrastructure, and natural resources.*
- + *(2) Corresponding strategies to reduce those vulnerabilities and the amount of risk and damage and identification of priority projects to implement those strategies.*
- + *(3) An assessment of the planning entity’s ability to minimize climate vulnerabilities within its planning jurisdiction and whether its priority projects may have negative impacts on neighboring jurisdictions.*
- + *(d) The following documents may serve as a local government or regional collaborative climate adaptation plan so long as it meets the requirements of subdivision (c).*
- + *(1) The safety element of a general plan that has been updated pursuant to subdivision (g) of Section 65302 of the Government Code.*
- + *(2) A local hazard mitigation plan, reviewed by the Office of Emergency Services and approved by the Federal Emergency Management Agency in accordance with the federal Disaster Mitigation Act of 2000 (Public Law 106-390).*
- + *(e) Funds from this section may not be appropriated for at least one year following the Strategic Growth Council’s adoption of guidelines for qualified climate adaptation plans.*
- + *(f) Funds from the section shall be allocated to applicants as follows:*
- + *(1) At least ____ percent of the funds shall be available to the applicant based on the percentage of the state’s population included by the climate adaptation plan’s jurisdiction, but not less than _____. A county that applies for funding for projects individually as well as part of a regional collaborative may determine what portion of its per capita funding should go to each project, but in no case should a county receive funding for its population more than once under this paragraph.*
- + *(2) _____ may be provided to increase the size of the awards under paragraph (1) to the extent the qualified climate adaptation plan does any of the following:*
- + *(A) Protects vulnerable communities.*
- + *(B) Protects natural resources prioritized by the state.*

+ (C) Enhances statewide climate adaptation strategies, as
+ identified by the most recent update of the Safeguarding California
+ Plan developed by the Natural Resources Agency.

+ (D) Reduces carbon emissions.

+ (E) Sequesters carbon emissions.

+ (F) Was developed with input from community groups

+ (3) _____ shall be made available on a statewide competitive
+ basis for projects prioritized in a qualified climate adaptation plan
+ but not funded under paragraph (1).

+ (4) _____ shall be available to support local and regional
+ collaboratives in developing qualified climate adaptation plans.

+ 80271. Of the funds made available by Section 80270, two
+ hundred million dollars (\$200,000,000) shall be available to the
+ Strategic Growth Council for a competitive grant program to
+ reduce the urban heat island impact. Priority shall be given to
+ projects that provide multiple benefits, including rainwater capture,
+ reduction of stormwater pollution, and increased use of natural
+ spaces for urban vegetation and forestry.

+ 80272. Of the funds made available by Section 80270, one
+ hundred million dollars (\$100,000,000) shall be available, upon
+ appropriation by the Legislature, to the Department of Food and
+ Agriculture for grants to fairgrounds operated by the network of
+ California fairs for modifications or upgrades that do either or
+ both of the following activities:

+ (a) Enhance the ability of those facilities to serve as multirole
+ community, staging, and evacuation centers to provide community
+ resilience benefits during a disaster, state of emergency, local
+ emergency, or public safety power shutoff event.

+ (b) Deploy communications and broadband infrastructure at
+ those facilities to improve their capability to serve as a multirole
+ community, staging, and evacuation centers and enhance local
+ telecommunications service.

CHAPTER 7. FISCAL PROVISION

+ 80280. (a) Bonds in the total amount of six billion nine
+ hundred eighty million dollars (\$6,980,000,000), not including
+ the amount of any refunding bonds issued in accordance with
+ Section 80292, may be issued and sold to provide a fund to be used
+ for carrying out the purposes expressed in this division and to

+ reimburse the General Obligation Bond Expense Revolving Fund
+ pursuant to Section 16724.5 of the Government Code. The bonds,
+ when sold, issued, and delivered, shall be and constitute a valid
+ and binding obligation of the State of California, and the full faith
+ and credit of the State of California is hereby pledged for the
+ punctual payment of both the principal of, and interest on, the
+ bonds as the principal and interest become due and payable.

+ (b) The Treasurer shall cause the issuance and sell the bonds
+ authorized by the committee pursuant to this section. The bonds
+ shall be issued and sold upon the terms and conditions specified
+ in a resolution to be adopted by the committee pursuant to Section
+ 16731 of the Government Code.

+ 80281. The bonds authorized by this division shall be prepared,
+ executed, issued, sold, paid, and redeemed as provided in the State
+ General Obligation Bond Law (Chapter 4 (commencing with
+ Section 16720) of Part 3 of Division 4 of Title 2 of the Government
+ Code), as amended from time to time, and all of the provisions of
+ that law, except subdivisions (a) and (b) of Section 16727 of the
+ Government Code, apply to the bonds and to this division and are
+ hereby incorporated in this division as though set forth in full in
+ this division.

+ 80282. (a) Solely for the purpose of authorizing the issuance
+ and sale, pursuant to the State General Obligation Bond Law
+ (Chapter 4 (commencing with Section 16720) of Part 3 of Division
+ 4 of Title 2 of the Government Code), of the bonds authorized by
+ this division, the Wildfire Prevention, Safe Drinking Water, Climate
+ Resilience, Drought Preparation, and Flood Protection Bond
+ Finance Committee is hereby created. For purposes of this division,
+ the Wildfire Prevention, Safe Drinking Water, Climate Resilience,
+ Drought Preparation, and Flood Protection Bond Finance
+ Committee is the "committee," as that term is used in the State
+ General Obligation Bond Law.

+ (b) The committee consists of the Director of Finance, the
+ Treasurer, the Controller, and the Secretary of the Natural
+ Resources Agency. Notwithstanding any other law, any member
+ may designate a representative to act as that member in that
+ member's place for all purposes, as though the member were
+ personally present.

+ (c) The Treasurer shall serve as the chairperson of the
+ committee.

- + (d) A majority of the committee may act for the committee.
- + 80283. The committee shall determine whether or not it is
- + necessary or desirable to issue bonds authorized by this division
- + in order to carry out the actions specified in this division and, if
- + so, the amount of bonds to be issued and sold. Successive issues
- + of bonds may be authorized and sold to carry out those actions
- + progressively, and it is not necessary that all of the bonds
- + authorized to be issued be sold at any one time.
- + 80284. For purposes of the State General Obligation Bond
- + Law (Chapter 4 (commencing with Section 16720) of Part 3 of
- + Division 4 of Title 2 of the Government Code), "board," as defined
- + in Section 16722 of the Government Code, means the Secretary
- + of the Natural Resources Agency.
- + 80285. There shall be collected each year and in the same
- + manner and at the same time as other state revenue is collected,
- + in addition to the ordinary revenues of the state, a sum in an
- + amount required to pay the principal of, and interest on, the bonds
- + each year. It is the duty of all officers charged by law with any
- + duty regarding the collection of the revenue to do and perform
- + each and every act that is necessary to collect that additional sum.
- + 80286. Notwithstanding Section 13340 of the Government
- + Code, there is hereby continuously appropriated from the General
- + Fund in the State Treasury, for the purposes of this division, and
- + without regard to fiscal years, an amount that will equal the total
- + of the following:
- + (a) The sum annually necessary to pay the principal of, and
- + interest on, bonds issued and sold pursuant to this division, as the
- + principal and interest become due and payable.
- + (b) The sum that is necessary to carry out Section 80289.
- + 80287. The board may request the Pooled Money Investment
- + Board to make a loan from the Pooled Money Investment Account,
- + including other authorized forms of interim financing that include,
- + but are not limited to, commercial paper, in accordance with
- + Section 16312 of the Government Code, for the purpose of carrying
- + out this division. The amount of the request shall not exceed the
- + amount of the unsold bonds that the committee has, by resolution,
- + authorized to be sold for the purpose of carrying out this division,
- + excluding any refunding bonds authorized pursuant to Section
- + 80292, less any amount loaned and not yet repaid pursuant to this
- + section and withdrawn from the General Fund pursuant to Section

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+ 80289 and not yet returned to the General Fund. The board shall
+ execute those documents required by the Pooled Money Investment
+ Board to obtain and repay the loan. Any amounts loaned shall be
+ deposited in the fund to be allocated in accordance with this
+ division.

+ 80288. Notwithstanding any other provision of this division,
+ or of the State General Obligation Bond Law (Chapter 4
+ (commencing with Section 16720) of Part 3 of Division 4 of Title
+ 2 of the Government Code), if the Treasurer sells bonds pursuant
+ to this chapter that include a bond counsel opinion to the effect
+ that the interest on the bonds is excluded from gross income for
+ federal tax purposes under designated conditions or is otherwise
+ entitled to any federal tax advantage, the Treasurer may maintain
+ separate accounts for the bond proceeds invested and for the
+ investment earnings on those proceeds and may use or direct the
+ use of those proceeds or earnings to pay any rebate, penalty, or
+ other payment required under federal law or take any other action
+ with respect to the investment and use of those bond proceeds, as
+ may be required or desirable under federal law in order to
+ maintain the tax-exempt status of those bonds and to obtain any
+ other advantage under federal law on behalf of the funds of this
+ state.

+ 80289. For purposes of carrying out this division, the Director
+ of Finance may authorize the withdrawal from the General Fund
+ of an amount or amounts not to exceed the amount of the unsold
+ bonds that have been authorized by the committee to be sold for
+ the purpose of carrying out this division, excluding refunding
+ bonds authorized pursuant to Section 80292, less any amount
+ loaned pursuant to Section 80287 and not yet repaid and any
+ amount withdrawn from the General Fund pursuant to this section
+ and not yet returned to the General Fund. Any amounts withdrawn
+ shall be deposited in the fund to be allocated in accordance with
+ this division. Any moneys made available under this section shall
+ be returned to the General Fund, with interest at the rate earned
+ by the moneys in the Pooled Money Investment Account, from
+ proceeds received from the sale of bonds for the purpose of
+ carrying out this division.

+ 80290. All moneys deposited in the fund that are derived from
+ premiums and accrued interest on bonds sold pursuant to this
+ division shall be reserved in the fund and shall be available for

+ *transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premiums may be reserved and used to pay the cost of bond issuance before any transfer to the General Fund.*

+ *80291. Pursuant to the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), the cost of bond issuance shall be paid or reimbursed out of the bond proceeds, including premiums, if any. To the extent the cost of bond issuance is not paid from premiums received from the sale of bonds, these costs shall be allocated proportionally to each program funded through this division by the applicable bond sale.*

+ *80292. The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds under this division shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds. Any bond refunded with the proceeds of a refunding bond as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.*

+ *80293. Notwithstanding Section 16727 of the Government Code, funds provided pursuant to this division may be used for grants and loans to nonprofit organizations to repay financing described in Section 22064 of the Financial Code related to projects that are consistent with the purpose of the respective provisions of this division.*

+ *80294. The proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.*

+ *SEC. 3. Section 2 of this act shall take effect upon the approval by the voters of the Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation, and Flood Protection Bond Act of 2020, as set forth in Section 2 of this act.*

+ SEC. 4. (a) (1) Notwithstanding Sections 9040, 9043, 9044,
+ 9061, and 9082 of the Elections Code, or any other law, Section
+ 2 of this act shall be submitted by the Secretary of State to the
+ voters at the November 3, 2020, statewide general election.

+ (2) The requirement of Section 9040 of the Elections Code that
+ a measure submitted to the people by the Legislature appear on
+ the ballot of the November 3, 2020, statewide general election
+ occurring at least 131 days after the adoption of the proposal by
+ the Legislature shall not apply to Section 2 of this act.

+ (b) The Secretary of State shall include in the ballot pamphlets
+ mailed pursuant to Section 9094 of the Elections Code the
+ information specified in Section 9084 of the Elections Code
+ regarding Section 2 of this act. If that inclusion is not possible,
+ the Secretary of State shall publish a supplemental ballot pamphlet
+ regarding Section 2 of this act to be mailed with the ballot
+ pamphlet. If the supplemental ballot pamphlet cannot be mailed
+ with the ballot pamphlet, the supplemental ballot pamphlet shall
+ be mailed separately.

+ (c) Notwithstanding Section 9054 of the Elections Code or any
+ other law, the translations of the ballot title and the condensed
+ statement of the ballot title required pursuant to Section 9054 of
+ the Elections Code for Section 2 of this act may be made available
+ for public examination at a later date than the start of the public
+ examination period for the ballot pamphlet.

+ (d) Notwithstanding Sections 13115 and 13117 of the Elections
+ Code, Section 2 of this act and any other measure placed on the
+ ballot by the Legislature for the November 3, 2020, statewide
+ general election after the 131-day deadline set forth in Section
+ 9040 of the Elections Code shall be placed on the ballot, following
+ all other ballot measures, in the order in which they qualified as
+ determined by chapter number.

+ SEC. 5. The provisions of this act are severable. If any
+ provision of this act or its application is held invalid, that invalidity
+ shall not affect other provisions or applications that can be given
+ effect without the invalid provision or application.

+ SEC. 6. This act is an urgency statute necessary for the
+ immediate preservation of the public peace, health, or safety within
+ the meaning of Article IV of the California Constitution and shall
+ go into immediate effect. The facts constituting the necessity are:

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- + *To fund wildfire prevention, safe drinking water, climate*
- + *resilience, drought preparation, and flood protection programs*
- + *at the earliest possible date, it is necessary for this act to take*
- + *effect immediately.*

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April 13, 2020
Prepared by: J. Zepeda
Submitted by: W. Chambers
Approved by: Paul A. Cook



CONSENT CALENDAR

RESOLUTION COMMENDING VAN CADY FOR HER
DEDICATED SERVICE TO IRWD

SUMMARY:

As Van Cady will be retiring from IRWD, staff recommends the Board adopt a resolution commending her for over 32 years of dedicated service to the District. The resolution is provided as Exhibit "A".

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2020-6

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY,
CALIFORNIA COMMENDING VAN CADY
FOR OVER 32 YEARS OF DEDICATED AND LOYAL SERVICE TO THE
IRVINE RANCH WATER DISTRICT

LIST OF EXHIBITS:

Exhibit "A" – Resolution

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EXHIBIT "A"

RESOLUTION NO. 2020-6

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
VAN CADY FOR HER DEDICATED AND
OUTSTANDING SERVICE TO THE DISTRICT

WHEREAS, Van Cady began her career at the Irvine Ranch Water District on February 8, 1988, as an Operator in Training where she eventually performed all functions related to the treatment of sewage, production of recycled water, and solids handling at the Los Alisos Water Recycling Plant; and

WHEREAS, Van earned a California State Water Resources Control Board Wastewater Treatment Plant Operator Grade III Certificate in 1993 and was promoted to Operations Supervisor in 2017; and

WHEREAS, between 1993 and 2014, Van directed and managed all aspects of the solids handling facility at Los Alisos Water Recycling Plant. Her work assignments included daily operation tasks, resource procurement, system repairs, personnel training, data collection and record-keeping; and

WHEREAS, for the past 32 years Van has demonstrated extensive operational expertise, organizational skills and outstanding technical competence; and

WHEREAS, as an Operations Supervisor, Van effectively assisted in developing and managing an annual operations budget of \$2 million and developing excellent staff for the Los Alisos Water Recycling Plant; and

WHEREAS, over the past 32 years, Van has provided critical input into the implementation of several upgrade projects that provided greater operational and cost efficiency. These projects included the addition of a new disinfection facility, pumping station, and various pipelines. Her leadership and dedication has helped IRWD consistently maintain regulatory compliance at the Los Alisos Water Recycling Plant throughout her career; and

WHEREAS, Van consistently demonstrated professional courtesy and a tireless work ethic while conducting herself with diligence and personal integrity. She earned the confidence and respect of her colleagues at the Los Alisos Water Recycling Plant and maintained a cooperative working relationship with other departments throughout the District.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Irvine Ranch Water District commends Van Cady for her long and loyal service. Her dedication and outstanding service to the District stand as an example to all employees. On this occasion, the Board extends its best wishes to Van in her retirement.

SIGNED and APPROVED this 13th day of April 2020.

President, IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

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April 13, 2020
Prepared and
submitted by: W. Chambers
Approved by: Paul A. Cook



CONSENT CALENDAR

RESOLUTION COMMENDING TOM ROBERTS FOR HIS
DEDICATED SERVICE TO IRWD

SUMMARY:

As Tom Roberts will be retiring from IRWD, staff recommends the Board adopt a resolution commending him for over 24 years of dedicated service to the District. The resolution is provided as Exhibit "A".

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2020-7-

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY,
CALIFORNIA COMMENDING TOM ROBERTS
FOR OVER 24 YEARS OF DEDICATED AND LOYAL SERVICE TO THE
IRVINE RANCH WATER DISTRICT

LIST OF EXHIBITS:

Exhibit "A" – Resolution

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EXHIBIT "A"

RESOLUTION NO. 2020-7

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
THOMAS "TOM" ROBERTS FOR HIS DEDICATED AND
LOYAL SERVICE TO THE DISTRICT

WHEREAS, Tom Roberts began his career with the Irvine Ranch Water District on March 18, 1996 as a Water Operator II, was promoted to Water Operator III in 1998, to Water Operations Supervisor in 2000, to Assistant Water Operations Manager in 2007, to Water Operations Manager in 2010, to Assistant Director of Operations in 2013 and Director of Water Operations in 2017; and

WHEREAS, Tom has provided the District with over 24 years of dedicated and loyal service; and

WHEREAS, Tom was instrumental in assisting IRWD with the consolidation Santa Ana Heights Mutual Water Company, Carpenter Irrigation District, Los Alisos Water District, Santiago County Water District, and Orange Park Acres Mutual Water Company; and

WHEREAS, Tom was an important contributor to the successful design, construction and operation of IRWD's most important drinking water facilities including the Dyer Road Well Field Disinfection Facilities, Deep Aquifer Treatment System, Irvine Desalter Potable Treatment Plant, Wells 21/22 Treatment Plant, and Baker Water Treatment Plant; and

WHEREAS, Tom was an integral part of Irvine Ranch Water District's emergency response team, responding to every natural disaster and emergency over the last 24 years. He also served as an emergency liaison with the Canyon communities and frequently represented the IRWD at community events. His vast knowledge has led him to speaking on emergency management and operational topics at various agencies including, but not limited to the United States Environmental Protection Agency, the American Public Works Association, and the State Water Resources Control Board; and

WHEREAS, Tom developed strong working relationships with his co-workers at IRWD along with many external agencies, earning trust that promoted increased collaboration and innovative operational solutions within Orange County.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Irvine Ranch Water District commends Tom Roberts for his long and loyal service, and the dedication that he has rendered to IRWD, which will stand as an example to all employees. On this occasion the Board extends its best wishes to him in his retirement.

SIGNED and APPROVED this 13th day of April 2020.


President, IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

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April 13, 2020

Prepared by: J. Davis / T. Fournier

Submitted by: R. Jacobson / C. Clary

Approved by: Paul A. Cook 

CONSENT CALENDAR

2020 INDEX TENDER NOTES AMENDMENT

SUMMARY:

IRWD's Index Tender Note debt issues (2011 A-1 and 2011 A-2), originally issued in April 2011, were successfully remarketed on February 6, 2020. Based on investor concerns expressed to the District's underwriter Goldman Sachs, staff recommends the Board adopt a resolution approving an amendment to the Indentures for the 2011 A-1 and 2011 A-2 bonds clarifying investor obligations in the event that a potential negative interest rate scenario were to occur with the bonds.

BACKGROUND:

IRWD currently has \$77.5 million of Index Tender Notes (ITNs), including the 2011 A-1 issue of \$46.5 million and 2011 A-2 issue of \$31.0 million, which are remarketed annually by Goldman Sachs. Staff recently received feedback from Goldman Sachs regarding investor concerns of a potential negative interest scenario. In February 2020, the ITN issues were remarketed at the weekly Securities Industry and Financial Markets Association (SIFMA) tax-exempt municipal index minus six basis points (0.06%). Based on this pricing, if the SIFMA index were to fall below 0.06%, a potential negative interest scenario would occur, and the current bond documents do not clearly address the implications to investors. While the current SIFMA rate reset this week at 1.83%, the rate fell to 0.01% during the financial crisis in 2008-2009.

To address investor concerns, the District's bond counsel (Orrick) has prepared Second Supplemental Indentures for the two issues which amend the definition of the term "Index Tender Rate". The definition will include the following, "...if the Index Tender Rate shall be calculated to be less than zero for any Index Rate Accrual Period, then the Index Tender Rate shall be zero for such any Index Rate Accrual Period." If this were to occur, the District's interest rate for the one-week period would be 0.00% and investors would have no obligation to pay the District any interest.

To address ITN investor concerns, staff recommends the Board adopt a resolution approving the Second Supplemental Indentures, which is provided as Exhibit "A". The proposed Second Supplemental Indentures is provided as Exhibit "B".

FISCAL IMPACTS:

The current outstanding principal amount for the 2011 A-1 and 2011 A-2 ITN bond issues is \$77.5 million, and the Fiscal Year 2019-20 budget includes interest expense of \$1.6 million for the two issues. The ITNs are priced at a spread to the SIFMA tax-exempt weekly variable rate index.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on April 7, 2020.

RECOMMENDATION:

THAT THE BOARD APPROVE THE 2020 ITN SECOND SUPPLEMENTAL INDENTURES OF TRUST AND ADOPT A RESOLUTION APPROVING SECOND SUPPLEMENTAL INDENTURES OF TRUST FOR REFUNDING SERIES 2011 A-1 AND REFUNDING SERIES 2011 A-2.

LIST OF EXHIBITS:

Exhibit "A" – Resolution Approving Second Supplemental Indentures of Trust

Exhibit "B" – Second Supplemental Indentures of Trust

EXHIBIT "A"

RESOLUTION NO. 2020-

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT APPROVING
SECOND SUPPLEMENTAL INDENTURES OF TRUST
(REFUNDING SERIES 2011A-1 AND REFUNDING SERIES 2011A-2)

WHEREAS, the Irvine Ranch Water District (the "District") has issued the "Bonds of Irvine Ranch Water District, Refunding Series 2011A-1" (the "Series A-1 Bonds") and "Bonds of Irvine Ranch Water District, Refunding Series 2011A-2" (the "Series A-2 Bonds" and, together with the Series A-1 Bonds, the "Bonds"); and

WHEREAS, the Series A-1 Bonds and the Series A-2 Bonds were issued, pursuant to an Indenture of Trust relating to each such series, dated as of April 1, 2011, by and between the Irvine Ranch Water District and The Bank of New York Mellon Trust Company, N.A. and each amended and supplemented by a First Supplemental Indenture of Trust relating to each such series, dated February 1, 2014 (as amended and supplemented, the "Series A-1 Indenture," the "Series A-2 Indenture" and, together the "Existing Indentures"); and

WHEREAS, Section 10.01(b)(iii) of each Existing Indenture provides that the provisions of those Existing Indentures may be modified, amended or supplemented by a Supplemental Indenture, without the consent of the bondowners, for the purpose of curing any ambiguity, inconsistency or omission contained in the Existing Indentures as the District may deem necessary or desirable; and

WHEREAS, under the Existing Indentures, each has an ambiguity in that there is a possibility that the definition of "Index Tender Rate" can result in an interest rate per annum of less than zero, however, there is no mechanism in the Existing Indenture to collect such interest payment due by the bondowner in the event it is due; and

WHEREAS, the Board of Directors intends to cure this ambiguity in each of the Existing Indentures; and

WHEREAS, there has been placed on file with the Secretary of the District forms of second supplemental indentures of trust relating to each Existing Indenture, and the Board intends by this resolution to approve the forms and authorize the execution of the second supplemental indentures of trust.

NOW, THEREFORE, the Board of Directors of the District DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The second supplemental indenture of trust, by and between the District and the The Bank of New York Mellon Trust Company, N.A., each to be dated as of April 1, 2020, relating to each Existing Indenture, are hereby approved in the form on file with the Secretary upon adoption of this resolution. The President and Secretary of the District are authorized and directed to execute them in that form, with any changes, insertions and deletions as are approved by the

Treasurer of the District with the concurrence of the President, which approval will be conclusively evidenced by execution and delivery thereof.

Section 2. The President, the Treasurer, the Secretary and each other officer of the District, acting singly, are hereby authorized and directed to execute and deliver any and all documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

Section 3. This resolution shall take effect immediately upon its adoption.

ADOPTED, SIGNED AND APPROVED this ____ day of April, 2020.

President/Vice President
IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

Secretary/Assistant Secretary
IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

APPROVED AS TO FORM:

HANSON BRIDGETT LLP
Legal Counsel

By _____

SECOND SUPPLEMENTAL INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Dated as of April 1, 2020

Relating to

BONDS OF IRVINE RANCH WATER DISTRICT,
REFUNDING SERIES 2011A-1

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SECOND SUPPLEMENTAL INDENTURE OF TRUST

THIS SECOND SUPPLEMENTAL INDENTURE OF TRUST, dated as of April 1, 2020, by and between the IRVINE RANCH WATER DISTRICT, a California water district and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, as trustee;

WITNESSETH:

WHEREAS, pursuant to the Original Indenture (capitalized terms used herein shall have the meanings given such terms pursuant to Section 13.03 hereof) the District has issued the Bonds constituting the several general obligations of certain Improvement Districts as provided in the Original Indenture; and

WHEREAS, on February 14, 2014, the District executed the First Supplemental Indenture to amend and supplement the Original Indenture to amend the definition of “Improvement Districts” in the Original Indenture to reflect the certain consolidations and to make certain other amendments (the Original Indenture, as amended and supplemented by the First Supplemental Indenture shall be known as the “Existing Indenture”); and

WHEREAS, under the Existing Indenture, an ambiguity exists in that there is a possibility that the definition of “Index Tender Rate” can result in an interest rate per annum of less than zero, however, there is no mechanic in the Original Indenture to collect such interest payment due by the Owner in the event it is due; and

WHEREAS, Section 10.01(b)(iii) of the Existing Indenture provides that the provisions of the Existing Indenture may be modified, amended or supplemented by a Supplemental Indenture, without the consent of the Owners of the Bonds, for the purpose of curing any ambiguity, inconsistency or omission contained in the Existing Indenture as the District may deem necessary or desirable; and

WHEREAS, the District desires to cure the above-discussed ambiguity with the authorization, execution, and delivery of this Second Supplemental Indenture; and

WHEREAS, the District has determined that all acts and things which are necessary in connection with the authorization, execution and delivery of this Second Supplemental Indenture have been done and performed in due time, form and manner;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts created by the Indenture, as amended and supplemented from time to time, and for other valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, it is agreed by and between the District and the Trustee as follows:

ARTICLE XVI

AUTHORITY; DEFINITIONS

SECTION 16.01. Supplemental Indenture of Trust. This Second Supplemental Indenture is amendatory of the Existing Indenture.

SECTION 16.02. Authority for this Second Supplemental Indenture. This Second Supplemental Indenture is entered into in accordance with Article X of the Existing Indenture.

SECTION 16.03. Definitions. (a) Except as otherwise defined by this Second Supplemental Indenture, all terms which are defined in Section 1.01 of the Existing Indenture, shall have the same meanings, respectively, in this Second Supplemental Indenture as such terms are given in said Section 1.01 of the Existing Indenture.

(b) Additional Definitions. The following term shall, for all purposes of the Indenture, have the meaning set forth below:

“Existing Indenture” means the Original Indenture, as amended and supplemented by the First Supplemental Indenture.

“Second Supplemental Indenture” means this Second Supplemental Indenture of Trust, dated as of April 1, 2020, by and between the Irvine Ranch Water District and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1.

ARTICLE XVII

AMENDMENT OF EXISTING INDENTURE

SECTION 17.01. Amendment of Section 1.01. The definition of the term “Index Tender Rate” in Section 1.01 of the Existing Indenture is hereby amended to add the following sentence to the end of such definition:

Notwithstanding anything herein to the contrary, if the Index Tender Rate shall be calculated to be less than zero for any Index Rate Accrual Period, then the Index Tender Rate shall be zero for such any Index Rate Accrual Period.

ARTICLE XVIII

MISCELLANEOUS

SECTION 18.01. Indenture to Remain in Effect. Save and except as amended by this Second Supplemental Indenture, the Existing Indenture shall remain in full force and effect.

SECTION 18.02. Notice to Rating Agencies. Pursuant to Section 12.12 of the Indenture, the Trustee shall give notice of this Second Supplemental Indenture to the Rating Agencies.

SECTION 18.03. Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 18.04. Effective Date. In accordance with Section 10.01(d) of the Indenture, the effective date of this Second Supplemental Indenture shall be the date in which the District delivers to the Trustee a Favorable Opinion of Bond Counsel in connection with this Second Supplemental Indenture.

IN WITNESS WHEREOF, the District has caused the Second Supplemental Indenture of Trust to be signed in its name and on its behalf by the President of its Board of Directors, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused the Second Supplemental Indenture to be signed in its name and on its behalf by its duly authorized signatories.

IRVINE RANCH WATER DISTRICT

By: _____

[SEAL]

ATTEST:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____

Authorized Signatory

SECOND SUPPLEMENTAL INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

Dated as of April 1, 2020

Relating to

BONDS OF IRVINE RANCH WATER DISTRICT,
REFUNDING SERIES 2011A-2

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SECOND SUPPLEMENTAL INDENTURE OF TRUST

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WITNESSETH:

WHEREAS, pursuant to the Original Indenture (capitalized terms used herein shall have the meanings given such terms pursuant to Section 13.03 hereof) the District has issued the Bonds constituting the several general obligations of certain Improvement Districts as provided in the Original Indenture; and

WHEREAS, on February 14, 2014, the District executed the First Supplemental Indenture to amend and supplement the Original Indenture to amend the definition of “Improvement Districts” in the Original Indenture to reflect the certain consolidations and to make certain other amendments (the Original Indenture, as amended and supplemented by the First Supplemental Indenture shall be known as the “Existing Indenture”); and

WHEREAS, under the Existing Indenture, an ambiguity exists in that there is a possibility that the definition of “Index Tender Rate” can result in an interest rate per annum of less than zero, however, there is no mechanic in the Original Indenture to collect such interest payment due by the Owner in the event it is due; and

WHEREAS, Section 10.01(b)(iii) of the Existing Indenture provides that the provisions of the Existing Indenture may be modified, amended or supplemented by a Supplemental Indenture, without the consent of the Owners of the Bonds, for the purpose of curing any ambiguity, inconsistency or omission contained in the Existing Indenture as the District may deem necessary or desirable; and

WHEREAS, the District desires to cure the above-discussed ambiguity with the authorization, execution, and delivery of this Second Supplemental Indenture; and

WHEREAS, the District has determined that all acts and things which are necessary in connection with the authorization, execution and delivery of this Second Supplemental Indenture have been done and performed in due time, form and manner;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts created by the Indenture, as amended and supplemented from time to time, and for other valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, it is agreed by and between the District and the Trustee as follows:

ARTICLE XVI

AUTHORITY; DEFINITIONS

SECTION 16.01. Supplemental Indenture of Trust. This Second Supplemental Indenture is amendatory of the Existing Indenture.

SECTION 16.02. Authority for this Second Supplemental Indenture. This Second Supplemental Indenture is entered into in accordance with Article X of the Existing Indenture.

SECTION 16.03. Definitions. (a) Except as otherwise defined by this Second Supplemental Indenture, all terms which are defined in Section 1.01 of the Existing Indenture, shall have the same meanings, respectively, in this Second Supplemental Indenture as such terms are given in said Section 1.01 of the Existing Indenture.

(b) Additional Definitions. The following term shall, for all purposes of the Indenture, have the meaning set forth below:

“Existing Indenture” means the Original Indenture, as amended and supplemented by the First Supplemental Indenture.

“Second Supplemental Indenture” means this Second Supplemental Indenture of Trust, dated as of April 1, 2020, by and between the Irvine Ranch Water District and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-2.

ARTICLE XVII

AMENDMENT OF EXISTING INDENTURE

SECTION 17.01. Amendment of Section 1.01. The definition of the term “Index Tender Rate” in Section 1.01 of the Existing Indenture is hereby amended to add the following sentence to the end of such definition:

Notwithstanding anything herein to the contrary, if the Index Tender Rate shall be calculated to be less than zero for any Index Rate Accrual Period, then the Index Tender Rate shall be zero for such any Index Rate Accrual Period.

ARTICLE XVIII

MISCELLANEOUS

SECTION 18.01. Indenture to Remain in Effect. Save and except as amended by this Second Supplemental Indenture, the Existing Indenture shall remain in full force and effect.

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SECTION 18.03. Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 18.04. Effective Date. In accordance with Section 10.01(d) of the Indenture, the effective date of this Second Supplemental Indenture shall be the date in which the District delivers to the Trustee a Favorable Opinion of Bond Counsel in connection with this Second Supplemental Indenture.

IN WITNESS WHEREOF, the District has caused the Second Supplemental Indenture of Trust to be signed in its name and on its behalf by the President of its Board of Directors, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused the Second Supplemental Indenture to be signed in its name and on its behalf by its duly authorized signatories.

IRVINE RANCH WATER DISTRICT

By: _____

[SEAL]

ATTEST:

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee**

By: _____

Authorized Signatory

April 13, 2020
Prepared by: E. Zuniga
Submitted by: J. Roney
Approved by: Paul A. Cook



CONSENT CALENDAR

FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE FOR DISTRICT-WIDE EMERGENCY EVENTS

SUMMARY:

On February 26, 2020, the County of Orange proclaimed a local emergency and the Orange County Health Officer declared a local health emergency due to COVID-19. IRWD is required to submit a Board-adopted resolution to Cal OES to become eligible for reimbursement for costs incurred for current and future emergency disaster events for up to three years following the date of approval. Staff recommends the Board adopt a resolution allowing IRWD to receive reimbursement from the California Governor's Office of Emergency Services (Cal OES) for expenses incurred in response to state-designated emergency disaster events due to the COVID-19 pandemic.

BACKGROUND:

On March 4, 2020, the Governor of the State of California issued a Proclamation of Emergency, declaring an emergency based on the spread of COVID-19 and increasing infections in California. On March 11, 2020, the World Health Organization declared COVID-19 to be a pandemic. On March 18, 2020, President Trump declared a national emergency to address the spread of COVID-19, and on March 22, 2020, he approved Major Disaster Declaration FEMA-4482-DR-CA (DR-4482) for the COVID-19 pandemic.

On April 2, 2020, IRWD activated its virtual Emergency Operations Center and Business Continuity Plans, setting forth actions taken for COVID-19 preparedness and response. Since February 26, 2020, IRWD has monitored events and implemented actions within its service area, as well as collaborating closely with MWDOC, Water Emergency Response of Orange County (WEROC) and the Orange County Sheriff's Department Operational Area Emergency Operation Center (EOC) since February 26, 2019 to monitor and plan for the potential spread of COVID-19 in the County.

Special districts, in accordance with section 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act and Public Law 93-288, may be eligible for emergency protective measures taken to respond to the COVID-19 emergency at the direction or guidance of public health officials under Category B – Emergency Protective Measures of FEMA's Public Assistance Program.

IRWD is required to submit a Board-adopted resolution to Cal OES to become eligible for reimbursement for costs incurred for current and future emergency disaster events for up to three years following the date of approval. The resolution, titled Designation of Applicant's Agent Resolution for Non-State Agencies, is provided as Exhibit "A".

FISCAL IMPACTS:

Adoption of this resolution will allow IRWD to submit a request to FEMA Public Assistance Grant Programs, as administered by Cal OES, for reimbursement of expenditures and losses as a result of the COVID-19 declared disaster. If this request is not approved, the costs to the District for emergency activities resulting from the COVID-19 declared disaster would not be reimbursable under FEMA Public Assistant Grant Programs as administered by Cal OES.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Coder of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item was not submitted to a Committee.

RECOMMENDATION:

That the Board adopt the following resolution by title allowing IRWD to receive reimbursement from the California Governor's Office of Emergency Services (Cal OES) for expenses incurred in response to state-designated emergency disaster events due to the coronavirus pandemic.

RESOLUTION NO. 2020-

DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR
NON-STATE AGENCIES

LISTS OF EXHIBITS:

Exhibit "A" – Designation of Applicant's Agent Resolution for Non-State Agencies

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE Board of Directors OF THE Irvine Ranch Water District
(Governing Body) (Name of Applicant)

THAT Paul A. Cook, General Manager, OR
(Title of Authorized Agent)

Jenny Roney, Director of Human Resources, OR
(Title of Authorized Agent)

Emilyn Zuniga, Safety Manager
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the Irvine Ranch Water District, a public entity
(Name of Applicant)
established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the Irvine Ranch Water District, a public entity established under the laws of the State of California,
(Name of Applicant)
hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

- This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.
- This is a disaster specific resolution and is effective for only disaster number(s) _____

Passed and approved this 13th day of April, 2020

X
(Name and Title of Governing Body Representative) Mary Aileen Matheis, President

(Name and Title of Governing Body Representative)

X
(Name and Title of Governing Body Representative) Douglas J. Reinhart, Vice President

CERTIFICATION

I, Leslie Bonkowski, duly appointed and Secretary to the Board of Directors of
(Name) (Title)

Irvine Ranch Water District, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the Board of Directors of the Irvine Ranch Water District
(Governing Body) (Name of Applicant)

on the 13th day of April, 2020.

(Signature)

Secretary to the Board of Directors
(Title)

Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted Resolution is older than three (3) years from the last date of approval, is invalid or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on page 1. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.
Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California. Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.


Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the Governor's Office of Emergency Services regarding grants applied for by the Applicant. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents would be entered here, not their names. This allows the document to remain valid (for 3 years) if an Authorized Agent leaves the position and is replaced by another individual in the same title. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

Governing Body Representative: These are the names and titles of the approving Board Members.
Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents, and a minimum of two or more approving board members need to be listed.

Certification Section:

Name and Title: This is the individual that was in attendance and recorded the Resolution creation and approval.
Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member (if a person holds two positions such as City Manager and Secretary to the Board and the City Manager is to be listed as an Authorized Agent, then the same person holding the Secretary position would sign the document as Secretary to the Board (not City Manager) to eliminate "Self Certification.")

April 13, 2020
Prepared by: C. Kessler / M. Cortez
Submitted by: K. Burton
Approved by: Paul A. Cook 

CONSENT CALENDAR

LADD CANYON ROAD DOMESTIC WATER
PIPELINE IMPROVEMENTS FINAL ACCEPTANCE

SUMMARY:

The Ladd Canyon Road Domestic Water Pipeline Improvements project is complete. IRWD's contractor Paulus Engineering, Inc. has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

IRWD completed a hydraulic analysis of the existing domestic water distribution system of the Santiago Canyon area to identify systemic upgrades to improve fire flow. One of the recommendations was the replacement of approximately 2,100 feet of a six-inch asbestos cement pipeline located within Ladd Canyon Road with a 10-inch polyvinyl chloride pipeline.

MBF Consulting, Inc. completed the design in April 2019, and Paulus was awarded the construction contract on June 12, 2019. Paulus completed construction of all improvements on February 28, 2020. The final contract change order summary is shown in Exhibit "A".

Project Title:	Ladd Canyon Road Domestic Water Improvements
Project Nos.:	10102
Design Engineer:	MBF Consulting, Inc.
Construction Management by:	IRWD Staff
Contractor:	Paulus Engineering, Inc.
Original Contract Cost:	\$444,116.00
Change Order Cost:	\$133,046.64
Final Contract Cost:	\$577,162.64
Original Contract Days:	150
Final Contract Days:	226
Final Change Order Approved On:	February 10, 2020

FISCAL IMPACTS:

Project 10102 is included in the FY 2019-20 Capital Budget. The existing budget is sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15302, which provides categorical exemption for new facilities that will be located within the same area as the facility replaced and will have substantially the same purpose as the facility replaced and Section 15282, which provides statutory exemption for installation of new pipeline that does not exceed one mile (more than 5,210 feet) in length. A Notice of Exemption was filed with the Orange County Clerk's office on February 19, 2019.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE LADD CANYON ROAD DOMESTIC WATER PIPELINE IMPROVEMENTS, PROJECT 10102, AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION, AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER FILING THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

Exhibit "A" – Contract Change Order Summary

Exhibit "A"

Ladd Canyon Road 10-Inch Domestic Water Improvements
PR 10102

Contract Change Order Summary

Date: March 11, 2020

Contractor: Paulus Engineering, Inc.

Design Engineer: MBF Consultants, Inc.

			Contract Amount						Contract Days				Original Completion Date:
			Original Contract Amount: \$444,116.00						Original Days: 150				11/9/2019
Change Order No.	Description	Category	Change Order Line Item Amount	Change Order Amount	Previous Change Orders	Cumulative Total of Change Orders	% of Original Contract Amount	Revised Contract Amount	Change Order Days	Previous Change Order Days	Cum. Change Order Days	Revised Total Contract Days	Revised Completion Date
1	Approved by General Manager Approved on October 22, 2019 <u>1.1:</u> Disposal of unacceptable soil (arsenic) <u>1.2:</u> Additional potholing <u>1.3:</u> Delta 3 Revisions <u>1.4:</u> Revised Manifold Detail	C B B A	\$34,108.00 \$6,691.00 \$35,900.00 \$9,741.64	\$86,440.64	\$ -	\$ 86,440.64	19.46%	\$530,556.64	18 0 2 15 1	0	18	168	11/27/2019
2	Approved by Executive Director of Technical Services Approved on December 19, 2019 <u>2.1:</u> Additional Air Vac. Assembly <u>2.2:</u> Additional potholing at manifold <u>2.3:</u> 1-inch service conflict and siphon installation <u>2.4:</u> Asphalt and fire hydrant replacement due to falling boulder <u>2.5:</u> Additional contract days (rain, fire dept and SCE closures)	A A B B B	\$8,806.23 \$3,906.00 \$9,697.00 \$10,071.24 \$0.00	\$32,480.47	\$ 86,440.64	\$ 118,921.11	26.78%	\$563,037.11	57 2 7 4 3 41	18	75	225	1/23/2020
3	Approved by Executive Director of Technical Services Approved on February 11, 2020 <u>3.1:</u> Additional Grind and Cap SF.	C	\$14,125.53	\$14,125.53	\$ 118,921.11	\$133,046.64	29.96%	\$577,162.64	1 1	75	76	226	1/24/2020

Category	Total Amount	% of Original Contract
A - Owner Directed Change	\$22,453.87	5.06%
B - Differing/Unknown Condition	\$62,359.24	14.04%
C - External Agency, Regulatory, and/or Permit Required Change	\$48,233.53	10.86%
D - Design Oversight	\$0.00	0.00%
Total Change Order Amount (A + B + C + D)	\$133,046.64	29.96%

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April 13, 2020
Prepared by: J. Dayer
Submitted by: R. Mykitta / W. Chambers
Approved by: Paul A. Cook



CONSENT CALENDAR

LANDSCAPE AND IRRIGATION MAINTENANCE THREE-YEAR CONTRACT AWARD

SUMMARY:

The landscape and irrigation maintenance contract for IRWD properties expired on March 31, 2020. After a comprehensive evaluation process, staff recommends the Board authorize the General Manager to award a three-year contract to Tropical Plaza Nursery, Inc. for \$1,727,796.

BACKGROUND:

Staff issued a Request for Proposal (RFP) to three qualified contractors to solicit bids for landscape and irrigation maintenance services for 155 IRWD-owned sites grouped in seven geographical areas. Contractors were instructed to submit a separate proposal for each area. The Board previously approved a three-year landscape and irrigation maintenance contract in March 2015, followed by a two-year extension of the contract in March 2018.

Bids were received from two of the three contractors: Tropical Plaza Nursery, Inc., and Land Care Inc. The third contractor, Mariposa Landscaping, Inc., was not responsive. Tropical Plaza Nursery submitted the lowest bid for each of the seven areas for a total contract amount of \$1,727,796. The bid summary is provided as "Exhibit "A".

Tropical Plaza Nursery is the current contractor for all seven areas within the scope of this contract and its performance has been exceptional. Based on Tropical Plaza's bid proposal and its excellent past service to IRWD, staff recommends that the Board authorize the General Manager to execute a three-year contract for landscape and irrigation maintenance with Tropical Plaza Nursery, Inc. for an amount of for \$1,727,796.

FISCAL IMPACTS:

The average cost for each year of the proposed contract is \$575,932. This is a 14% increase over the final year of the present contract, and is attributable to three factors: 1) a 9% increase in the minimum wage effective January 1, 2020, 2) the addition of the Biosolids and Energy Recovery Facility to the contract, and 3) an increased frequency of service to control weeds at 50 sites pursuant to the IRWD Integrated Pest Management Plan which limits the use of herbicides.

Sufficient funds for the first 15 months of the contract are included in the approved FY 2019-20 and FY 2020-2021 Operating Budget. Funds for the remaining term will be requested through the IRWD's budget process.

ENVIRONMENTAL COMPLIANCE:

This activity is not subject to the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15060 (c)(1) Preliminary Review. An activity is not subject to CEQA if the activity will not result in a reasonably foreseeable physical change to the environment.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A THREE-YEAR LANDSCAPE AND IRRIGATION MAINTENANCE CONTRACT WITH TROPICAL PLAZA NURSERY, INC. FOR \$1,727,796.

LIST OF EXHIBITS:

Exhibit "A" – Landscape and Irrigation Maintenance Contract Three-Year Bid Summary

EXHIBIT "A"


2020 District Wide Landscape Contract Bid Summary

Description	Tropical Plaza Nursery, Inc.			
	Year 1	Year 2	Year 3	Grand Total
Area 1	\$80,796.00	\$82,572.00	\$84,324.00	\$247,692.00
Area 2	\$46,560.00	\$47,208.00	\$47,856.00	\$141,624.00
Area 3	\$47,016.00	\$47,916.00	\$48,816.00	\$143,748.00
Area 4	\$119,508.00	\$120,300.00	\$121,092.00	\$360,900.00
Area 5	\$128,808.00	\$129,852.00	\$130,896.00	\$389,556.00
Area 6	\$116,388.00	\$117,252.00	\$118,116.00	\$351,756.00
Area 7	\$30,228.00	\$30,840.00	\$31,452.00	\$92,520.00
Annual	\$569,304.00	\$575,940.00	\$582,552.00	\$1,727,796.00

Description	LandCare, Inc.			
	Year 1	Year 2	Year 3	Grand Total
Area 1	\$106,220.40	\$109,407.01	\$112,689.22	\$328,316.63
Area 2	\$91,534.80	\$94,280.84	\$97,109.27	\$282,924.91
Area 3	\$81,748.80	\$84,201.26	\$86,727.30	\$252,677.36
Area 4	\$160,976.16	\$165,805.44	\$170,779.61	\$497,561.21
Area 5	\$178,815.00	\$184,179.45	\$189,704.83	\$552,699.28
Area 6	\$176,395.68	\$181,687.55	\$187,138.18	\$545,221.41
Area 7	\$59,754.24	\$61,546.87	\$63,393.27	\$184,694.38
Annual	\$855,445.08	\$881,108.42	\$907,541.68	\$2,644,095.18

Description	Mariposa Landscape Inc.			
	Year 1	Year 2	Year 3	Grand Total
Area 1	No Bid	No Bid	No Bid	No Bid
Area 2	No Bid	No Bid	No Bid	No Bid
Area 3	No Bid	No Bid	No Bid	No Bid
Area 4	No Bid	No Bid	No Bid	No Bid
Area 5	No Bid	No Bid	No Bid	No Bid
Area 6	No Bid	No Bid	No Bid	No Bid
Area 7	No Bid	No Bid	No Bid	No Bid
Annual	No Bid	No Bid	No Bid	No Bid

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April 13, 2020
Prepared by: T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook 

CONSENT CALENDAR

WATERWORKS BUSINESS PARK OFFICE PROPERTY
LISTING AGREEMENT EXTENSION

SUMMARY:

IRWD, as the owner of the Waterworks Business Park office property, works with a commercial real estate broker to secure lease arrangements with tenants for this property. Because the current agreement with the commercial broker has expired, staff recommends the Board approve a new listing agreement with the existing brokerage team of Colliers International under terms consistent with the previous listing agreement for an additional one-year period.

BACKGROUND:

At the Waterworks Business Park property, the building is 100% leased with two leases due to expire in June 2020 totaling 7,410 square feet. The two units are currently being marketed by the brokerage team.

Extension of Listing Agreements:

The Board previously approved the current listing agreement for Waterworks Business Park with Colliers International, which expired on February 29, 2020. Staff recommends extending the agreement for one year to February 28, 2021.

The general terms of the listing agreements are as follows:

Brokers:	Michael Hartel and Nick Velasquez of Colliers International
Proposed Extension Term:	February 28, 2021
Termination:	Upon 30-Day Notice
Commission Rates:	
Years 1 through 5	(4%) to the procuring broker and (2.00%) to the listing brokers
Years 6 through 10	(2%) to the procuring broker and (1.50%) to the listing brokers

A copy of the proposed listing agreement is provided as Exhibit “A”.

FISCAL IMPACTS:

The total proposed lease commission rate is 6.0% of the gross lease revenue for years one through five, and 3.50% for years six through 10. The total commission will be determined based on the final lease terms.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on April 7, 2020.

RECOMMENDATION:

THAT THE BOARD APPROVE A NEW LISTING AGREEMENT FOR THE WATERWORKS BUSINESS PARK PROPERTY WITH THE BROKERAGE TEAM OF COLLIERS INTERNATIONAL UNDER PREVIOUSLY AGREED-UPON COMMISSION TERMS AND EXPIRING ON FEBRUARY 28, 2021.

LIST OF EXHIBITS:

Exhibit "A" – Proposed Listing Agreement – Waterworks Business Park

Exhibit "A"



FOURTH LISTING AMENDMENT

THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement"), is entered into on March 2, 2020 ("**Effective Date**"), by and between Irvine Ranch Water District ("**Owner**") and Colliers International Greater Los Angeles ("**Colliers**"), as Agent for that certain property commonly known as Building 1 & 2 Waterworks Business Park, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 28, 2021.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

OWNER: IRVINE RANCH WATER DISTRICT

COLLIERS INTERNATIONAL GREATER LOS ANGELES, INC.

Name: _____

Title: _____

Date: _____

Address: _____

Name: Robert G. Caudill

Lic. No.: 01908231

Title: Regional Director

Date: _____

Address: 3 Park Plaza, Suite 1200

Irvine, CA 92614



THIRD LISTING AMENDMENT

THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement"), is entered into on February 29, 2019 ("Effective Date"), by and between Irvine Ranch Water District ("Owner") and Colliers International Greater Los Angeles ("Colliers"), as Agent for that certain property commonly known as Building 1 & 2 Waterworks Business Park, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 28, 2020.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

OWNER: IRVINE RANCH WATER DISTRICT

COLLIERS INTERNATIONAL GREATER LOS ANGELES, INC.

Name: Robert Jacobson

Title: Treasurer

Date: 1-21-18

Address: 15600 SAND CANYON IRVINE, CA 92619

Name: Robert G. Caudill

Lic. No.: 01908231

Title: Regional Director

Date: _____

Address: 3 Park Plaza, Suite 1200

Irvine, CA 92614



SECOND LISTING AMENDMENT

THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement"), is entered into on February 8, 2017 ("Effective Date"), by and between Irvine Ranch Water District ("Owner") and Colliers International Greater Los Angeles ("Colliers"), as Agent for that certain property commonly known as Building 1 & 2 Waterworks Business Park, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 28, 2019.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

OWNER: IRVINE RANCH WATER DISTRICT

COLLIERS INTERNATIONAL GREATER LOS ANGELES, INC.

Robert Caudill (May 16, 2018)

Name: Robert Jacobson
Title: Treasurer
Date: 5-3-18
Address: 15600 Sand Canyon
Irvine, CA 92619

Name: Robert G. Caudill
Lic. No.: 01908231
Title: Regional Director
Date: May 16, 2018
Address: 3 Park Plaza, Suite 1200
Irvine, CA 92614



LISTING AMENDMENT

THIS AMENDMENT TO THAT CERTAIN EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY AGREEMENT ("Agreement"), is entered into on February 8, 2017 ("Effective Date"), by and between Irvine Ranch Water District ("Owner") and Colliers International Greater Los Angeles ("Colliers"), as Agent for that certain property commonly known as Building 1 & 2 Waterworks Business Park, Irvine, California; hereby amends the Agreement as follows:

- The Term of Agreement is extended through February 07, 2018.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, the parties hereto have reviewed and executed this Agreement and it is effective as of the Effective Date.

OWNER: IRVINE RANCH WATER DISTRICT

Name: Robert Jacobson
 Title: Treasurer
 Date: 2-20-17
 Address: 15600 Sand Canyon Ave.
Irvine, CA. 92618

COLLIERS INTERNATIONAL GREATER LOS ANGELES, INC.

Name: Robert G. Caudill
 Lic. No.: 00813140
 Title: Regional Director
 Date: 2/28/17
 Address: 3 Park Plaza, Suite 1200
Irvine, CA 92614



Please note that the terms "Seller" and "Buyer" are defined by the CA Civil Code to include a lessor and lessee, respectively.

If you are the Listing Agent - you must deliver the form to the seller/lessor in the Representation Agreement. You must also deliver the form to the buyer/lessee once the Letter of Intent is prepared, or where a legitimate interest/intent to be bound is shown (e.g. no outstanding negotiations).

If you are the Buyer's Agent- you must deliver the form to the buyer/lessee in the Representation Agreement. In addition, you must deliver the form to the seller/lessor once the Letter of Intent is prepared, or where a legitimate interest/intent to be bound is shown (e.g. no outstanding negotiations).

DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

Colliers International Greater Los Angeles Inc.

Agent Printed Name
Associate Licensee Signature (date)
Michael Hartel
Associate Licensee Printed Name

Buyer/Lessee Signature (date)
Buyer/Lessee Printed Name
Seller/Lessor Signature (date)
Robert Jacobson
Seller/Lessor Printed Name

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

- (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained.
- (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.
- (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee.
- (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29.
- (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction.
- (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer.
- (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation.
- (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent.
- (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.
- (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller.
- (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.
- (l) "Real property transaction" means a transaction for the sale of real property in which an agent is property that are not known to, or within the diligent attention and observation of, the employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase.
- (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property 95 Ch 200 — 2 —between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration.
- (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor.
- (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller.
- (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows:

- (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement.
- (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a).
- (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained from the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required.
- (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 The disclosure form required by Section 2079.14 shall have Sections 2079.13 to 2079.24, inclusive, excluding this section, printed on the back, and on the front of the disclosure form the following shall appear:

**DISCLOSURE REGARDING
REAL ESTATE AGENCY RELATIONSHIP
(As required by the Civil Code)**

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction

SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

- To the Seller:
 - A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
- To the Buyer and the Seller:
 - (a) Diligent exercise of reasonable skill and care in performance of the agent's duties
 - (b) A duty of honest and fair dealing and good faith.
 - (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the

parties

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

- To the Buyer:
 - A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
- To the Buyer and the Seller:
 - (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
 - (b) A duty of honest and fair dealing and good faith.
 - (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
 - (b) Other duties to the Seller and the Buyer as stated above in their respective sections.
- In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

SAMPLE ONLY - DO NOT COMPLETE

Agent _____	(date)	Buyer/Seller _____	(date)
		(Signature)	

Associate Licensee _____	(date)	Buyer/Seller _____	(date)
		(Signature)	

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively.

(b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

SAMPLE ONLY - DO NOT COMPLETE

_____ is the agent of

- (Name of Listing Agent)
(check one):
- () the seller exclusively; or
 - () both the buyer and seller.

_____ is the agent of

- (Name of Selling Agent if not the same as the Listing Agent)
(check one):
- () the buyer exclusively; or
 - () the seller exclusively; or
 - () both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21 A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer.

This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.



EXCLUSIVE RIGHT TO REPRESENT OWNER FOR SALE OR LEASE OF REAL PROPERTY

(Non-Residential)

AIR COMMERCIAL REAL ESTATE ASSOCIATION

1. BASIC PROVISIONS ("BASIC PROVISIONS")

1.1 Parties: This agency Agreement ("Agreement"), dated for reference purposes only February 4, 2016 is made by and between Irvine Ranch Water District whose address is 15600 Sand Canyon Ave, Irvine, CA 92618 telephone number (949) 453-5358, Fax No. (949) 453-0128 ("Owner"), and Colliers International whose address is 3 Park Plaza, Suite 1200, Irvine, CA 92614 telephone number (949) 724-5500, Fax No. (949) 724-5600 ("Agent").

1.2 Property/Premises: The real property, or a portion thereof, which is the subject of this Agreement is commonly known by the street address of Building 1 & 2 Waterworks Business Park located in the City of Irvine, County of Orange, State of California, and generally described as (describe briefly the nature of the property): an approximate 37,240 SF industrial multi-tenant project. ("Property"). (See also Paragraph 3).

1.3 Term of Agreement: The term of this Agreement shall commence on February 4, 2016 and expire at 5:00 p.m. on February 3, 2017, except as it may be extended ("Term"). (See also paragraph 4)

1.4 Transaction: The nature of the transaction concerning the Property for which Agent is employed ("Transaction") is (check the appropriate box(es)):

(a) [] A sale for the following sale price and terms:

and other additional standard terms reasonably similar to those contained in the "STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR THE PURCHASE OF REAL ESTATE" published by the AIR Commercial Real Estate Association ("AIR"), or for such other price and terms agreeable to Owner;

(b) [x] A lease or other tenancy for the following rent and terms: as determined by Owner

and other additional standard terms reasonably similar to those contained in the appropriate AIR lease form or for such other rent and terms agreeable to Owner.

2. EXCLUSIVE EMPLOYMENT AND RIGHTS.

2.1 Owner hereby employs Agent as Owner's sole and exclusive agent to represent Owner in the Transaction and to find buyers or leasees/tenants ("leasees"), as the case may be, for the Property. Agent shall use reasonably diligent efforts to find such buyers or leasees. All negotiations and discussions for a Transaction shall be conducted by Agent on behalf of Owner. Owner shall promptly disclose and refer to Agent all written or oral inquiries or contacts received by Owner from any source regarding a possible Transaction.

2.2 Owner authorizes Agent to:

- (a) Place advertising signs on the Property;
(b) Place a lock box on the Property if vacant;
(c) Accept deposits from potential buyers or leasees; and
(d) Distribute information regarding the Property to participants in THE MULTIPLE ("MULTIPLE") of the AIR and/or any other appropriate local commercial multiple listing service, to other brokers, and to potential buyers or leasees of the Property.

Owner shall identify as "confidential" any information provided to Agent that Owner considers confidential and does not want disclosed. All other information provided by Owner may be disclosed as Agent may deem appropriate or necessary. After consummation of a Transaction, Agent may publicize the terms of such Transaction.

2.3 Agent shall comply with the Rules of Professional Conduct of the AIR, if a member of it or not, the Rules of Professional Conduct of the Society of Industrial and Office Realtors, and shall submit the Property to the MULTIPLE. Agent shall cooperate with participants in the MULTIPLE and may, at Agent's election, cooperate with other real estate brokers (collectively "Cooperating Broker").

2.4 If the Transaction is a sale and Agent finds a prospective buyer for the Property, or if the Transaction is a lease and Agent finds a prospective leasee for the Property, Owner hereby authorizes Agent also to represent and act as the agent for such buyer or leasee, and Owner consents to such dual agency. If a Cooperating Broker finds such a buyer or leasee, then Agent shall act as agent for Owner only, the Cooperating Broker shall act as agent for the buyer or leasee only, and the Cooperating Broker shall not be Owner's agent, even though the Cooperating Broker may share in the commission paid by Owner to Agent. A Cooperating Broker shall not be an agent or subagent of Owner or Agent.

2.5 Owner agrees that Agent may, during the ordinary and normal course of marketing the Property, respond to inquiries on the Property by showing and providing information on the Property, as well as on other competing properties, to prospective buyers and leasees and that such activities may result in the payment of a commission to Agent by a third party.

3. PROPERTY.

3.1 The term "Property" shall include all of the following which are currently located on the Property and owned by Owner: permanent improvements, electrical distribution systems (power panels, bus ducting, conduits, disconnects, lighting fixtures, etc.), telephone-distribution-systems (lines, jacks-and-connections), space-heaters, air conditioning equipment, air-lines, curbs, window coverings, wall coverings, partitions, doors, suspended ceilings, built-ins such as cabinets, and None

(If there are no additional items write "NONE"). If the Transaction is a sale, the term "Property" shall additionally include, to the extent owned by Owner, oil and mineral rights, leases and other agreements which will continue in effect after Owner's transfer of title to the Property.

3.2 Within five business days after the commencement of the Term hereof, Owner shall provide Agent with the following:

Handwritten initials and the word INITIALS

Handwritten initials and the word INITIALS

Exhibit "A"

- (a) A duly completed and fully executed Property Information Sheet on the most current form published by the AIR;
 - (b) Copies of all leases, subleases, rental agreements, option rights, rights of first refusal, rights of first offer, or other documents containing any other limitations on Owner's right, ability and capacity to consummate a Transaction, and
 - (c) If available to Owner, copies of building plans, and if the Transaction is a sale, title reports, boundary surveys, and existing notes and trust deeds which will continue to affect the Property after consummation of a sale.
- 3.3 Agent shall have no responsibility for maintenance, repair, replacement, operation, or security of the Property, any of which shall be Owner's sole responsibility. Unless caused by Agent's gross negligence, Agent shall not be liable for any loss, damage, or injury to the person or property of Owner, any lessees of the Property, any buyer, prospective buyer, lessee, or prospective lessee, including, but not limited to, those which may occur as a result of Agent's use of a lock box.

4. **EXTENSION OF TERM.** If the Transaction is a sale, and a sale is not consummated for any reason after Owner accepts an offer to purchase the Property ("Sale Agreement"), then the expiration date of the Term of this Agreement shall be extended by the number of days that elapsed between the date Owner entered into the Sale Agreement and the later of the date on which the Sale Agreement is terminated or the date Owner is able to convey title to a new buyer free and clear of any claims by the prior buyer of the Property; provided, however, in no event shall the Term be so extended beyond one year from the date the Term would have otherwise expired.

5. **COMMISSION.**

5.1 Owner shall pay Agent a commission in the amount of _____
 in accordance with the commission schedule attached hereto ("Agreed Commission"), for a Transaction, whether such Transaction is consummated as a result of the efforts of Agent, Owner, or some other person or entity. Agent shall also be entitled to the Agreed Commission if any of the Owner's representations and warranties described in paragraph 6 are shown to be false. Such Agreed Commission is payable:

- (a) If the Transaction is a sale, (i) the Property is sold; (ii) Owner breaches or repudiates any Sale Agreement, escrow instructions or other documents executed by Owner regarding the sale of the Property; (iii) the Property or any interest therein is voluntarily or involuntarily sold, conveyed, contributed or transferred; (iv) the Property or any interest therein is taken under the power of Eminent Domain or sold under threat of condemnation; or (v) if Owner is a partnership, joint venture, limited liability company, corporation, trust or other entity, and any interest in Owner is voluntarily or involuntarily sold, contributed, conveyed or transferred to another person or entity that, as of the date hereof, does not have any ownership interest in Owner;
- (b) If the Transaction is a lease and a lease of the Property, or a portion thereof is executed; or
- (c) If Owner (i) removes or withdraws the Property from a Transaction or the market; (ii) acts as if the Property is not available for a Transaction; (iii) treats the Property as not available for a Transaction; (iv) breaches, terminates, cancels or repudiates this Agreement; (v) renders the Property unmarketable; or (vi) changes the status of the Property's title, leases, agreements, physical condition or other aspects thereof, which such change adversely impacts the value, use, desirability or marketability of the Property.
- (d) If earnest money or similar deposits made by a prospective purchaser or tenant are forfeited Agent shall be entitled to one-half (1/2) thereof, but not to exceed the total amount of the commission that would have been payable had the sale or lease transaction been consummated.

5.2 If the Transaction is a sale, the purchase agreement and/or escrow instructions to be entered into by and between Owner and a buyer of the Property shall provide that:

- (a) Owner irrevocably instructs the escrow holder to pay from Owner's proceeds according to the account of Owner at the close of escrow the Agreed Commission to Agent;
- (b) A contingency to the consummation of the sale shall be the payment of the Agreed Commission to Agent at or prior to close of the escrow; and
- (c) No change shall be made by Owner or buyer with respect to the time of, amount of, or the conditions to payment of the Agreed Commission, without Agent's written consent.

6. **ALTERNATIVE TRANSACTION.** If the Transaction changes to any other transaction, including, but not limited to, a sale, exchange, option to buy, right of first refusal, ground lease, lease, sublease or assignment of lease (collectively "Alternative Transaction"), then Agent shall automatically be Owner's sole and exclusive Agent for such Alternative Transaction and represent Owner in such Alternative Transaction, under the terms and conditions of this Agreement. If, during the Term hereof, an Alternative Transaction is entered into, then Owner shall pay Agent the Agreed Commission.

7. **EXCLUDED AND REGISTERED PERSONS.**

7.1 Owner shall, within 8 business days after the date hereof, provide Agent, in writing, with the names of those persons or entities registered with Owner by any other broker under any prior agreement concerning the Property ("Excluded Persons", see paragraph 7.5). Owner shall also specify for each Excluded Person the type of transaction the consummation of which during the Term of this Agreement entitles such other broker to any compensation ("Excluded Transaction"). Agent may within 10 days of receiving such written list, either (a) accept the Excluded Persons and Excluded Transactions, (b) cancel this Agreement, or (c) attempt to renegotiate this portion of the Agreement with Owner. Once accepted by Agent, the written list shall automatically become an exhibit to this Agreement. If Owner timely provides Agent with the names of the Excluded Persons and specifies the Excluded Transaction for each Excluded Person, then the Agreed Commission paid to Agent with respect to consummation of such an Excluded Transaction with an Excluded Person shall be limited as follows: if such Excluded Transaction is concluded within the first 30 days of the commencement of the Term hereof, then Agent shall be paid a commission equal to the reasonable out-of-pocket expenses incurred by Agent in the marketing of the Property during said 30 days; or if such Excluded Transaction is concluded during the remainder of the Term hereof, then Agent shall be entitled to a commission equal to one-half of the Agreed Commission. If the specified information concerning Excluded Persons and Transactions is not provided as set forth herein, then it shall be conclusively deemed that there are no Excluded Persons.

7.2 Agent shall, within 5 business days after the expiration of the Term hereof, provide Owner, in writing, with the name of those persons or entities with whom Agent either directly or through another broker had negotiated during the Term hereof ("Registered Persons", see paragraph 7.5), and specify the type of transaction of the Property for which such negotiations were conducted ("Registered Transaction"). Those persons or entities who submitted written offers or letters of intent shall, however, automatically be deemed to be Registered Persons for the type of transaction which was the subject of such offer or letter of intent. If Agent fails to timely notify Owner of the existence of any other Registered Persons, then it shall be conclusively deemed that there are no other Registered Persons. A person or entity shall not be a Registered Person if Agent fails to timely specify a Registered Transaction for such person or entity. The parties are aware that the registration of certain individuals and/or entities might create a Dual Agency, and Owner hereby consents to any such Dual Agency.

7.3 If, within 180 days after the expiration of the Term hereof, Owner enters into a contract with a Registered Person for consummation of a Registered Transaction, then Owner shall, upon consummation of such Registered Transaction, pay Agent the Agreed Commission for the Registered Transaction.

7.4 If, within 180 days after the expiration of the Term hereof, Owner enters into another owner-agency or listing agreement with a broker other than Agent for any transaction concerning the Property, then Owner shall provide to Owner's new broker the names of the Registered Persons and the Registered Transaction for each Registered Person, and provide in such new agreement that the new broker shall not be entitled to receive any of the compensation payable to Agent hereunder for consummation of a Registered Transaction with a Registered Person.

7.5 In order to qualify to be an Excluded Person or a Registered Person the individual or entity must have: toured the Property, submitted a letter of interest or intent, and/or made an offer to buy or lease the Property. In addition, Excluded Persons may only be registered by a broker who previously had a valid listing agreement covering the Property, and such broker may only register individuals and entities actually procured by such listing broker.

8. **OWNER'S REPRESENTATIONS.**

Owner represents and warrants that:

- (a) Each person executing this Agreement on behalf of Owner has the full right, power and authority to execute this Agreement as or on behalf of Owner;
- (b) Owner owns the Property and/or has the full right, power and authority to execute this Agreement and to consummate a Transaction as provided herein, and to perform Owner's obligations hereunder;
- (c) Neither Owner nor the Property is the subject of a bankruptcy, insolvency, probate or conservatorship proceeding;
- (d) Owner has no notice or knowledge that any lessee or sublessee of the Property, if any, is the subject of a bankruptcy or insolvency proceeding;
- (e) There are no effective, valid or enforceable option rights, rights of first refusal, rights of first offer or any other restrictions, impediments or limitations on Owner's right, ability and capacity to consummate a Transaction, except as disclosed in writing pursuant to Paragraph 3.2(b);
- (f) That as of the date of this Agreement the asking sales price is not less than the total of all monetary encumbrances on the Property.


INITIALS


INITIALS

Exhibit "A"

9. OWNER'S ACKNOWLEDGMENTS. Owner acknowledges that it has been advised by Agent to consult and retain experts to advise and represent it concerning the legal and tax effects of this Agreement and consummation of a Transaction or Alternative Transaction, as well as the condition and/or legality of the Property, including, but not limited to, the Property's improvements, equipment, soil, tenancies, title and environmental aspects. Agent shall have no obligation to investigate any such matters unless expressly otherwise agreed to in writing by Owner and Agent. Owner further acknowledges that in determining the financial soundness of any prospective buyer, lessee or security offered, Owner will rely solely upon Owner's own investigation, notwithstanding Agent's assistance in gathering such information.

10. MISCELLANEOUS.

10.1 This Agreement shall not be construed either for or against Owner or Agent, but shall be interpreted, construed and enforced in accordance with the mutual intent of the parties ascertainable from the language of this Agreement.

10.2 All payments by Owner to Agent shall be made in lawful United States currency. If Owner fails to pay to Agent any amount within due under this Agreement, then such amount shall bear interest at the rate of 16% per annum or the maximum rate allowed by law, whichever is less.

10.3 In the event of litigation or arbitration between Owner and Agent arising under or relating to this Agreement or the Property, the prevailing party shall be paid its attorney's fees and costs by the losing party. The term, "Prevailing Party" shall include, without limitation, one who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorney's fees award shall not be computed in accordance with any court fee schedule, but shall be in an amount to fully reimburse all attorney's fees reasonably incurred in good faith.

10.4 Owner agrees to indemnify, defend (with counsel reasonably acceptable to Agent), and hold Agent harmless from and against any claim or liability asserted against Agent as a result of the failure of Owner to make a full and complete disclosure pursuant to law and paragraph 3.2(u) or as a result of the fact that any of the representations made by Owner (see paragraph 8) were not true at the time that this Agreement was signed.

10.6 Owner hereby releases and relieves Agent, and waives Owner's entire right of recovery against Agent, for direct or consequential loss or damage arising out of or incident to the perils covered by insurance carried by Owner, unless whether or not due to the negligence of Agent.

10.6 In the event that the Transaction is not an outright sale, Owner agrees that if Agent is not paid the agreed Commission provided for herein within thirty days of the date due, that Agent shall have a lien in the amount of such commission, and may record a notice of such lien, against the Property.

10.7 Owner agrees that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to the services to be performed by Agent pursuant to this Agreement may be brought against Agent more than one year after the expiration of the Term of this Agreement (see paragraph 1.3) and that the liability (including court costs and attorney's fees) of Agent with respect to any such lawsuit and/or legal proceeding shall not exceed any fee received by Agent pursuant to this Agreement; provided, however, that the foregoing limitation on liability shall not be applicable to any gross negligence or willful misconduct of Agent.

11. ARBITRATION OF DISPUTES.

11.1 ANY CONTROVERSY ARISING UNDER OR RELATING TO THIS AGREEMENT SHALL BE DETERMINED BY BINDING ARBITRATION TO BE CONDUCTED BY: THE AMERICAN ARBITRATION ASSOCIATION OR USING THE COMMERCIAL RULES ESTABLISHED BY SUCH ORGANIZATION OR IF NONE THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL RULES. ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED.

11.2 NOTICE: BY INITIALIZING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALIZING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

11.3 WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Owner's initials

Agent's initials

11.4 THE PROVISIONS OF THE ABOVE ARBITRATION CLAUSE SHALL NOT BE BINDING ON EITHER PARTY UNLESS BOTH PARTIES HAVE PLACED THEIR INITIALS UNDER PARAGRAPH 11.3.

12. Additional Provisions: Additional provisions of this Agreement are set forth in the following blank lines or in an addendum attached hereto and made a part hereof consisting of paragraphs None through None (if there are no additional provisions write "NONE"):

13. Disclosure Regarding The Nature of a Real Estate Agency Relationship. When entering into an agreement with a real estate agent an Owner should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction.

(i) Owner's Agent. An Owner's agent may act as an agent for the Owner only. An Owner's agent or subagent has the following affirmative obligations: To the Owner: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings. To a potential buyer/lessee and the Owner: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Agent Representing Both Parties. A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both Parties in a transaction, but only with the knowledge and consent of the Parties, in a dual agency situation, the agent has the following affirmative obligations to both Parties: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Party. b. Other duties to the Owner as stated above in subparagraph (i). When representing both Parties, an agent may not without the express permission of the respective Party, disclose to the other Party that the Owner will accept rent/purchase price in an amount less than that indicated in the listing or that the buyer/lessee is willing to pay a higher rent/purchase price than that offered.

14. The agent of record for the property shall be Michael J. Hartel. The owner reserves the right to cancel the subject listing with one (1) day written notice to the broker if Michael J. Hartel ceases to be employed by broker.

The above duties of the Agent do not relieve Owner from the responsibility to protect its own interests. Owner should carefully read all agreements to assure that they adequately express its understanding of the transaction.

"OWNER"
Irvine Ranch Water District
By: [Signature]
Name Printed: Roxed Jacobson
Title: Treasurer
Date: 3-14-2016

"AGENT"
Colliers International
By: [Signature]
Name Printed: Robert G. Caudill
Title: Regional Director
Date: 3-10-16
Agent BRE License #: 00613140

INITIALS

INITIALS

Exhibit "A"

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.



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FORM OA-7-3/15E

Exhibit "A"

Proposed Commission Structure - Exhibit "A"

BUILDING LEASING

Colliers International Marketing Team: Michael Hartel & Nick Velasquez

New Lease - Marketing Team represents both sides of the lease:	
Years 1-5	(4%) = Four percent of years 1-5.
Years 6-10	(2%) = Two percent of years 6-10.

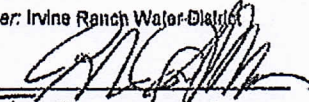
New Lease - Tenant is represented by a broker other than the Marketing Team:	
Years 1-5	(4%) = Four percent of years 1-5 to the procuring Broker. (2%) = Two percent of years 1-5 to Colliers International.
Years 6-10	(2%) = Two percent of years 6-10 to the procuring Broker. (1.5%) = One and one-half percent of years 6-10 to Colliers International.

Tenant Renewal - Marketing Team represents both sides of the lease:	
Years 1-5	(2%) = Two percent of years 1-5 to Colliers International.
Years 6-10	(1%) = One percent of years 6-10 to Colliers International.

Tenant Renewal - Tenant is represented by a broker other than the Marketing Team:	
Years 1-5	(3%)* = Three percent of years 1-5 to procuring Broker. (1.5%) = One and one-half percent of years 1-5 to Colliers International.
Years 6-10	(1.5%)* = One and one-half percent of years 6-10 to procuring Broker. (0.75%) = Three-quarters percent of years 6-10 to Colliers International.

*Negotiable on case by case basis. Any or additional fees, bonuses or incentives agreed to by Irvine Ranch Water District to be paid to tenant's broker shall not affect Colliers Marketing Team's fee.

AGREED & ACCEPTED

Owner: Irvine Ranch Water District
 By: 
 Its: Treasurer
 Date: 3-14-16

Agent: Colliers International Greater Los Angeles, Inc.
 By: 
 Its: Nick Velasquez
 Date: 3-15-16

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April 13, 2020
Prepared and
submitted by: P. Weghorst
Approved by: Paul A. Cook



ACTION CALENDAR

AGREEMENT FOR 1,2,3-TCP COST RECOVERY LITIGATION

SUMMARY:

Pursuant to the discussion with the IRWD Board of Directors at its meeting on January 27, 2020, staff and general counsel have interviewed potential special counsel firm Robins Borghei LLP in connection with jointly undertaking with Rosedale-Rio Bravo Water Storage District certain cost recovery litigation related to 1,2,3-Trichloropropane (1,2,3-TCP). Staff recommends the Board authorize the General Manager to execute a legal services agreement, prepared by staff and legal counsel from both IRWD and Rosedale, through which Robins Borghei LLP would jointly represent the two agencies on a contingency fee basis. Costs of litigation would be borne in equal parts by Rosedale and IRWD.

FISCAL IMPACTS:

Costs (not attorneys' fees) incurred by the special counsel in connection with the litigation, such as expert consulting fees, technical investigations, and discovery costs, would be paid by IRWD and Rosedale in equal parts and on a monthly basis. The total estimated share of costs could approach \$500,000 each for IRWD and Rosedale. Attorney's fees would be paid from any recovery. Any recovery would be allocated based on proportional impact to the parties.

ENVIRONMENTAL COMPLIANCE:

None.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE, JOINTLY WITH ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT, A LEGAL SERVICES AGREEMENT WITH ROBINS BORGHEI, LLP FOR COST RECOVERY RELATED TO 1,2,3-TRICHLOROPROPANE CONTAMINATION OF GROUNDWATER.

LIST OF EXHIBITS:

None.

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April 13, 2020
Prepared and
submitted by: P. Weghorst
Approved by: Paul A. Cook



ACTION CALENDAR

PFAS TREATMENT PROGRAM AGREEMENT

SUMMARY:

IRWD's Orange Park Acres Well No. 1 is impacted by per-and polyfluoroalkyl substance (PFAS) contamination in the Orange County Groundwater Basin. Staff and legal counsel have been working with Orange County Water District (OCWD) and nine other groundwater producer agencies to develop a Master Agreement that would facilitate OCWD funding the design and construction and 50% of operation and maintenance costs for treatment facilities to remove PFAS contamination at affected drinking water wells in the Basin. Staff recommends the Board authorize the General Manager to execute the Master Agreement with OCWD. Execution of this agreement is contingent upon a future determination that IRWD will proceed with construction and operation of a PFAS removal facility.

BACKGROUND:

PFAS compounds have emerged as "contaminants of concern" primarily due to human health impacts. Several of these compounds have been detected in significant concentrations in parts of the groundwater basin. IRWD's OPA Well No. 1 is impacted by the PFAS contamination, as are drinking water wells operated by nine other groundwater producer agencies.

In response to this contamination of the groundwater basin, OCWD is implementing its PFAS Policy that was developed with input from IRWD consistent with IRWD policy principles. OCWD has developed a program to work with the impacted groundwater producer agencies to fund a substantial portion of the design, construction, operation and maintenance of facilities to remove PFAS from water produced from drinking water wells in the affected areas of the Basin.

Master Treatment Program Agreement:

Staff and IRWD's legal counsel have been working with OCWD and nine other affected groundwater producer agencies in the development of a Master Treatment Program Agreement that would allow OCWD to fund 100% of the design and construction of PFAS treatment facilities at Producer drinking water wells as well as 50% of the operation and maintenance costs to operate the facilities over a 30-year period. The resulting agreement is provided as Exhibit "A". The agreement provides for the following:

1. The design and construction of treatment facilities by OCWD;
2. Legal transfer of treatment facilities constructed by OCWD to the Producers;
3. An option for Producers to design and construct their own facilities;
4. Environmental review consistent with the California Environmental Quality Act;
5. Property and rights of way acquisitions by the Producers;

6. Securing necessary permits;
7. Operations and maintenance standards;
8. Financial payments and reimbursements including accounting for grants;
9. Equitable risk allocations; and
10. Coordination of efforts to secure recovery of costs through litigation.

Staff recommends the Board authorize the General Manager to execute the Master Treatment Program Agreement, contingent upon a future determination that IRWD will proceed with construction and operation of a PFAS removal facility.

FISCAL IMPACTS:

If IRWD executes the Master Treatment Program Agreement, OCWD will fund 100% of the design and construction costs and 50% of the operation and maintenance costs (for 30 years) associated with new treatment facilities to remove PFAS from drinking water produced at IRWD's OPA Well No. 1. IRWD's share of the operational and maintenance costs for the removal of PFAS from groundwater at OPA Well No. 1 is expected to not exceed \$100 per acre-foot.

ENVIRONMENTAL COMPLIANCE:

A PFAS removal project located at IRWD's OPA Well No. 1 would be subject to the California Environmental Quality Act (CEQA). In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, the appropriate environmental document will be prepared when "meaningful information" becomes available.

COMMITTEE STATUS:

Due to timing issues, this item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE MASTER TREATMENT PROGRAM AGREEMENT IN THE FORM PRESENTED, SUBJECT TO REASONABLE SUBSTANTIVE CHANGES OTHERWISE AGREED UPON BY ALL PARTIES AND APPROVED BY GENERAL COUNSEL, TO FACILITATE THE DESIGN, CONSTRUCTION AND OPERATION OF PFAS TREATMENT FACILITIES AT AFFECTED WELLS INCLUDING IRWD'S OPA WELL NO. 1, CONTINGENT UPON A FUTURE DETERMINATION THAT IRWD WILL PROCEED WITH CONSTRUCTION AND OPERATION OF A PFAS REMOVAL FACILITY.

LIST OF EXHIBITS:

Exhibit "A" – Master Treatment Program Agreement between OCWD, IRWD and Nine Other Groundwater Producers.

EXHIBIT "A"

PFAS TREATMENT FACILITIES AND PROGRAM AGREEMENT

This PFAS TREATMENT FACILITIES AGREEMENT (the "**Agreement**") is effective on the date identified in Section [REDACTED] ("**Effective Date**") of the Agreement, and is between the ORANGE COUNTY WATER DISTRICT, a special governmental district organized and existing pursuant to the Orange County Water District Act, Chapter 924, Statutes of 1933, as amended ("**OCWD**") on the one hand, and the Cities of Anaheim, Fullerton, Garden Grove, Orange, Santa Ana and Tustin; and the East Orange County Water District, Irvine Ranch Water District, Serrano Water District, Yorba Linda Water District, and Golden State Water Company (each a "**Producer**," and collectively "**Producers**") on the other. OCWD and the Producers are each a "**Party**" and collectively "**Parties**" to this Agreement.

A. OCWD manages the Orange County Groundwater Basin ("**Basin**") in northern and central Orange County in order to support a variety of beneficial uses, including potable and non-potable water supply. Much of the potable water supply currently used within northern and central Orange County is pumped groundwater for use by persons and Producers¹ within OCWD's service area. Section 2, subdivision 6 (j.) of the Orange County Water District Act ("**OCWD Act**") authorizes OCWD to "transport, reclaim, purify, treat, inject, extract, or otherwise manage and control water for the beneficial use of persons or property within the district and to improve and protect the quality of the groundwater supplies within the district." Inasmuch as Orange County is located in a semi-arid area, it is essential that all reasonable efforts be put forth by OCWD, in cooperation with the Producers, to protect the quality and quantity of groundwater supplies within OCWD's boundaries.

B. A group of man-made substances known as per- and polyfluoroalkyl substances ("**PFAS**") has been used in numerous consumer and industrial products since the 1940s. Recent testing in the Basin has revealed that as of the Effective Date, at least eleven producers and at least 71 groundwater wells that are sources of drinking water in the Basin are impacted by PFAS.

C. Producers are governmental agencies (or a regulated public utility) that operate public water systems for the purpose of delivering potable water. They obtain a portion of their water supply by pumping groundwater from Water Producing Facilities within the Basin.

D. In July 2018, the State of California Division of Drinking Water ("**DDW**") established a Response Level ("**RL**") of 70 parts per trillion ("**ppt**") for perfluorooctanoic acid ("**PFOA**") and 70 ppt perfluorooctane sulfonate ("**PFOS**"), two types of PFAS. In February 2020, DDW established revised RLs of 10 parts ppt for PFOA and 40 ppt for PFOS. Assembly Bill 756, codified at Health and Safety Code Section 116378, and effective January 1, 2020, requires that community water systems, including Producers, either notify their customers of PFAS detections

¹ "Producers," for purposes of this Agreement, means public agencies (or a regulated public utility) that extract groundwater from the Basin via "**Water Producing Facilities**" (as that term is defined in Section 24 of the OCWD Act), and who are adversely impacted by PFAS in one or more Water Producing Facility/Facilities they own or operate.

exceeding RLs or remove from service drinking water sources with PFAS exceeding RLs.² The revised RLs are perceived as a de facto regulation by some Producers.

E. In November 2019, the State of California Office of Environmental Health Hazard Assessment began the process of developing drinking water Public Health Goals ("**PHGs**") for PFOA and PFOS, the first step in the regulatory process leading to DDW setting enforceable Maximum Contaminant Levels ("**MCLs**"). As of the Effective Date, DDW projected establishing MCLs for PFOA and PFOS by the Fall of 2023, with PHGs projected to be established by the Summer of 2021.

F. PFAS compounds create a unique groundwater contamination issue that impacts many Producers. Without any action, PFAS impacted groundwater may migrate affecting other Water Producing Facilities and larger portions of the Basin.

G. The Parties desire that the Basin continue to provide a groundwater supply of suitable quality to allow for the continuation of all existing and potential beneficial uses, and that is in compliance with all state and federal standards and relevant advisory levels. Quick and effective actions by OCWD, in concert with the Producers, are needed to remove, treat and control PFAS down to established regulatory limits while also removing them to prevent their contamination of other portions of the Basin.

H. The Parties recognize the necessity and commit to a high level of coordination to expeditiously design, construct and operate PFAS treatment systems ("**Treatment Systems**") to remove PFAS from the Basin where PFAS is detected in Water Producing Facilities.

I. Until Treatment Systems are constructed, the impacted Producers will be purchasing greater amounts of more expensive imported water, and water in the Basin containing PFAS will not be treated so as to prevent its spread to other portions of the Basin.

J. As a result of DDW issuing revised RLs for PFOA and PFOS, and anticipated issuance of RLs and state or federal MCLs for other PFAS, Producers, have lost, or are anticipated to lose upon finalization of the RLs and/or MCLs for one or more PFAS, pumping capacity in one or more Water Producing Facilities due to the presence of PFAS. Given the magnitude of the PFAS problem within the Basin, and OCWD's desire to improve and protect the quality of the groundwater supplies within the District so that groundwater from the Basin may be beneficially used, OCWD has developed, and is implementing through this Agreement and other actions, a new program that will allow OCWD to purify and treat groundwater containing PFAS by substantially funding, contracting and cooperating with the Producers to develop, construct, operate, and maintain Treatment Systems such that water quality within the OCWD will be purified and improved

² DDW's February 2020 guidance directs community water systems to test for PFAS using EPA Method 537.1 and notes that DDW defines PFAS "as those analytes included in EPA Method 537.1."

(“**Program**”), and such that Producers can continue to beneficially use groundwater from the Basin after treatment for drinking water purposes. Producers desire to participate in the Program.

K. OCWD has the authority to "construct, purchase, lease, or otherwise acquire, and to operate and maintain necessary waterworks and other works, machinery, [and] facilities ... useful or necessary to ... protect the quality of the common water supplies of [OCWD] and purposes incidental thereto."³ OCWD may also perform groundwater cleanup, abatement, or remedial work in cooperation with any other governmental agency, and may initiate cost recovery actions against persons responsible for causing contamination of the Basin, and for its costs in cleaning up or containing contamination or pollution of the Basin.⁴ OCWD is also authorized under Section 2(6)(1.) of the OCWD Act to protect and improve water quality within the Basin by entering into contracts with Producers to produce more groundwater from the Basin, while taking less water from alternative non-tributary sources, where OCWD determines that such increased production of groundwater will result in removal of contaminants or pollutants from the Basin that otherwise would not be removed. Specifically, OCWD has authority, “for the common benefit of the district and for the purpose of managing the groundwater basin and managing, replenishing, regulating, and protecting the groundwater supplies within the district” to enter into an agreement with Producers to increase the production of groundwater in lieu of water from an alternative non-tributary source for the purpose of removing contaminants or pollutants from the Basin. OCWD may also “pay from district funds that portion of the cost of the groundwater production as will encourage the production for beneficial use of polluted or contaminated groundwater, as long as that pollution or contamination is impairing the quality of the water supplies within the district and the quality of the water supplies within the district will be improved by that production.”

L. OCWD has determined that certain portions of the Basin in the vicinity of Producers’ Water Producing Facilities are polluted by PFAS, and that entering into this Agreement with Producers will encourage beneficial use of groundwater polluted by PFAS that would otherwise not be used while improving the quality of water supplies within the District.

M. OCWD and the Producers mutually desire to enter into this Agreement pursuant to the OCWD Act to document the Program responsibilities of the Parties in the construction and operation of PFAS Treatment Systems, systems that the Parties will use to treat PFAS pollution and contamination, thereby improving the quality of groundwater supplies within OCWD.

The Parties therefore agree as follows:

1. The Recitals above are deemed true and correct and are hereby incorporated in this Agreement as though fully set forth herein. The Parties agree that the actions that will be taken

³ OCWD Act, Section 2, Subd. 5.

⁴ OCWD Act, Section 8.

pursuant to this Agreement are reasonable and necessary to accomplish the goals and objectives of the OCWD Act.

2. PURPOSE

2.1 Facilitation of Basin-wide Treatment. OCWD and the Producers intend to facilitate treatment of Basin groundwater impacted by PFAS. OCWD will coordinate and fund planning and treatment pilot studies and design efforts, and fund the construction costs of PFAS Treatment Systems in the Basin subject to the provisions of this Agreement. OCWD will also fund a portion of the operation and maintenance costs of those facilities.

2.2 PFAS Compounds & Reopener. The Parties recognize the necessity of and commit to a high level of coordination to expeditiously design, construct and operate PFAS Treatment Systems to remove PFAS from the Basin where PFAS is detected in a Producer's (existing or anticipated) Water Producing Facilities at or above 80% of an applicable RL or MCL. The Parties acknowledge that additional compounds within the PFAS family may become regulated during the term of this Agreement. To the extent the Treatment Systems developed under this Agreement requires modification to treat PFAS that becomes regulated after the Effective Date, the Parties will, where necessary and mutually agreed upon, amend this Agreement to provide for treatment of additional compounds in the PFAS family.

3. PLANNING

3.1 Planning Study. OCWD has retained a consultant to prepare a "**Planning Study**" to evaluate the Producers' water systems, any of their Water Producing Facilities impacted by PFAS ("**Impacted Wells**"), and potential locations for construction of PFAS Treatment Systems for Impacted Wells. OCWD shall cause the consultant to actively consult with Producers in connection with preparation of the Planning Study. OCWD shall cause the consultant to provide a final Planning Study report to OCWD and Producers concurrently.

3.2 Pilot Study. OCWD shall perform a PFAS treatment "**Pilot Study**" to evaluate different treatment technologies to remove PFAS from groundwater.

3.3 Treatment Systems. OCWD shall use the results of the Planning Study and the Pilot Study to reasonably determine the type and final design of the Treatment Systems to treat PFAS contamination in the groundwater produced by Impacted Wells to levels below the RL or MCL. Development of the final design of Treatment Systems will consider 30-year lifecycle costs, including but not limited to Treatment System footprint and physical setting, relative land values, the proximity to existing water infrastructure and energy sources, operational costs and limitations, and any PFAS treatment studies conducted by Producers. The Treatment Systems will be designed for a 30-year useful life. If OCWD and a Producer mutually agree, a Treatment System that can remove PFAS contamination down to non-detect concentrations, depending upon site specific circumstances, may be designed and constructed.

3.4 Enhancements/Additions to Treatment System. If Producer desires to construct additions or enhancements to the PFAS Treatment System beyond what OCWD determines is the appropriate Treatment System, then OCWD will reasonably estimate the cost of those additions or enhancements (including planning costs, design costs, capital costs and operation and maintenance ["**O&M**"] costs) with assistance and input from Producer(s). For OCWD-Built facilities (defined below), OCWD shall include the additions or enhancements in the design and construction of the treatment facilities upon OCWD determination of feasibility of efficiently operating the Treatment Systems with the requested additions or enhancements. Producer shall reimburse OCWD for all costs associated with the OCWD-Built addition or enhancement constructed by OCWD. For Producer Built Treatment Systems that contain additions or enhancements beyond what OCWD determines to be an appropriate Treatment System, Producers shall have no right of reimbursement from OCWD for Producers' costs attributable to such additions or enhancements.

3.5 Producer Assistance. Producers shall support and assist OCWD in connection with the Planning Study, Pilot Study, and development of what constitutes an appropriate Treatment System design. "**Support and assist**," as used in this Agreement means timely providing reasonable staff time and available data/technical information where requested by OCWD to ensure OCWD has sufficient information to timely complete its obligations under this Agreement.

3.6 Untested Water Producing Facilities. OCWD reserves the discretion to delay the design and to not construct Treatment Facilities at Water Producing Facilities that have not been individually tested for PFAS, or which have not demonstrated consistent exceedance of an applicable PFAS RL or MCL.

4. **DESIGN & CONSTRUCTION OF PFAS TREATMENT FACILITIES**

4.1 Funding. OCWD shall fund the reasonable cost to design and construct the Treatment System, except for necessary real property and entitlements for siting the Treatment System as described in Section 4.4. OCWD's funding obligations apply both to OCWD-Built or Producer-Built Treatment Systems, as defined below. OCWD's funding obligations include planning, design, and construction of the Treatment Systems whether OCWD-Built or Producer-Built.

4.2 OCWD Construction or Reimbursement. The Producer shall elect either:

- A. to have the Treatment System designed and built by OCWD ("**OCWD-Built**"),

or

- B. to be reimbursed for having the Treatment System designed and built by the Producer ("**Producer-Built**").

4.3 CEQA. In connection with the proposed Treatment System for Impacted Wells, the Parties shall work together to determine the best plan for and the lead agency for the purpose of complying with the California Environmental Quality Act ("**CEQA**"). Where a Producer serves as lead agency for a CEQA project, OCWD shall serve as a Responsible Agency and approve the portions of the CEQA project that OCWD will carry out. OCWD shall fund CEQA expenses incurred in connection with the Treatment System whether it is a Lead Agency or a Responsible Agency. Upon a Producer's request, OCWD shall prepare necessary CEQA documents for the Treatment System. OCWD shall fund any reasonable CEQA mitigation cost excluding land acquisition expenses.

4.4 Property Acquisition, Entitlements.

A. Land & Rights of Way. Each Producer shall secure at its expense any land and/or right of way necessary to construct the Treatment System(s).

B. Entitlements. Each Producer shall obtain at its expense all land use entitlements necessary to construct the Treatment System(s).

C. Property Conditions for OCWD-Built Treatment System. If a Producer chooses an OCWD-Built Treatment System, then OCWD will have no obligation to design or construct the Treatment System until a Producer has demonstrated it has obtained lands and land use entitlements sufficient to permit construction of the Treatment System. OCWD may begin final design work for facilities where land use entitlements are in the process of being obtained. If a Producer is unable to obtain the necessary entitlements within twelve months after the completion of the preliminary design for an Impacted Well, then Producer shall reimburse OCWD for reasonable design costs associated with that location unless the twelve month deadline is extended by mutual agreement of the Parties.

4.5 OCWD-Built Facilities. The provisions of this Section 4.5 apply to PFAS treatment facilities that a Producer elects to have OCWD design and build.

A. Design. OCWD will consult with and seek input from the Producer on the design and construction of the Treatment System, including the need for any extended manufacturer's warranties on Treatment System components. Producer shall support and assist OCWD in hiring design consultants and designing the Treatment System, but OCWD will have the reasonable authority and discretion in determining the Treatment System final design. The level of treatment selected by OCWD must allow the Producer to treat regulated PFAS to comply with RLs or MCLs, unless special circumstances dictate an alternative approach. Additions or enhancements to the Treatment System are subject to section 3.4.

B. Property Rights. A Producer shall provide OCWD with temporary property rights over any site necessary for construction, staging, and laydown for the Treatment System project. These temporary property rights will be in the form of a license or temporary construction easement, or other property right sufficient to provide for OCWD's control of the site during construction.

C. Advertising and Award of Construction Contracts. OCWD shall advertise, where required by the OCWD Act, and award construction contracts for construction of the Treatment System. A Producer shall support and assist OCWD in these efforts, and shall expeditiously provide any documents necessary for construction at no charge to OCWD.

D. Administration & Inspection. OCWD will administer the necessary contracts to construct the Treatment System, including reviewing and responding to contractor requests for information or requests for clarification, reviewing and approving shop drawings, and filing a Notice of Completion. OCWD shall provide all construction and inspection for the Treatment System.

E. Transfer of Treatment System. Upon filing the Notice of Completion for the Treatment System, OCWD will transfer the constructed and operating Treatment System to the Producer with an appropriate legal instrument and a quitclaim of any property rights obtained under Section 4.4. OCWD shall provide the Producer with copies of all applicable O&M manuals and record drawings for the Treatment System in OCWD's possession. Upon the Producer's receipt of the legal instrument and quitclaim of property rights, Producer shall be solely responsible for ensuring the proper operation, maintenance and repair of the Treatment System. The Parties may arrange for extended warranties on any component of the Treatment System, which additional cost may be paid for by the Producer, and which extended warranty will be transferred to the Producer together with the transfer documents.

F. Warranty, Post-Construction Remedies. OCWD will make construction warranty repairs and modifications not attributable to the negligence or willful misconduct of Producer for one year after the date of filing of the Treatment System Notice of Completion. The Parties will also, to the extent they deem prudent, jointly pursue any statutory construction defect remedies against third-party designers and contractors.

G. DDW Permit Assistance. OCWD will support and assist the Producer with technical information in modifying the Producer's DDW operating permit to account for and authorize the new Treatment System as part of the Producer's public water system.

4.6 Construction by Producer. The provisions of this Section 4.6 apply to PFAS treatment facilities that a Producer elects to design and build.

A. OCWD Approval of Design. The Producer shall prepare and submit to OCWD for approval a conceptual design for the Treatment System. OCWD shall review and

approve the design in writing within 30 days, which approval will not be unreasonably withheld. Once conceptual design for a Producer's proposed Treatment System is approved by OCWD, the Producer will coordinate with OCWD in the planning and final design of the Treatment System. The Producer shall then prepare and submit the final design to OCWD for approval. OCWD shall participate in the Producer's project meetings as necessary to obtain OCWD's final approval of the Treatment System in an expeditious manner so as not to delay the Producer's design and construction of the Treatment System. OCWD shall review and approve the final design, if deemed reasonable and effective, in writing, within 30 days. Such approval will not be unreasonably delayed or withheld, though OCWD shall have the right to place reasonable conditions on the final design approval.

B. Construction. Upon OCWD's approval of the final design, the Producer shall advertise, award, and ensure timely completion of all necessary contracts to construct the Treatment System. The Producer shall notify OCWD upon the award of the construction contract and upon recording the Notice of Completion.

5. OPERATIONS, MAINTENANCE AND REPLACEMENT

5.1 30-Year Term. Each Producer shall operate, maintain, and repair a Treatment System, and any related Impacted Well, for the earlier of:

- A. 30 years following the filing of the Notice of Completion; or
- B. Until water produced from the Impacted Wells meets RLs or MCLs for PFAS.

5.2 Operating Standards. OCWD recognizes in the normal course of operating a water system, the Treatment System and Impacted Wells may need to be turned off for routine maintenance, seasonal demands, emergencies, accommodating in-lieu imported water deliveries, and major repairs. Each Producer agrees to operate the Treatment System in a manner consistent with industry standards and take actions in the same manner as a reasonably prudent water system operator, with the understanding that the Treatment System funded by OCWD is intended to be regularly used for daily treatment of groundwater as long as PFAS exceeds an RL or MCL in the Basin in the vicinity of the well. The Parties understand and agree that Treatment Systems constructed or funded by OCWD are not intended to be used as "stand by" treatment system.

5.3 Compliance, Permits, Testing, Reporting. Each Producer shall obtain and comply with any and all regulatory permits, permissions or approvals necessary to operate and maintain the Treatment System. Producer shall operate and maintain the Treatment System in accordance with state and federal regulatory requirements, prevailing industry standards, good housekeeping practices, and equipment manufacturer recommendations and requirements. Producer shall perform required water quality testing and reporting to verify the successful operation of the Treatment System to comply with regulatory requirements. If a Producer fails to

timely perform testing and/or reporting in the future, then OCWD may in its reasonable discretion assume responsibility from a Producer for required water quality testing and/or reporting and that Producer shall timely pay OCWD all reasonable and necessary costs for that testing and reporting or such costs shall be deducted from OCWD's reimbursement payments to the Producer per Section 5.4.

5.4 Post-Completion Inspection; Cost Recoupment.

A. OCWD will periodically inspect the Treatment System after the filing of the Notice of Completion, to review the adequacy of Producer O&M activities. Producer shall provide access to the Treatment System after receiving reasonable notice from OCWD.

B. To the extent OCWD finds that Producer is not adequately operating and maintaining the Treatment System in accordance with industry standards and the manufacturer's directions, OCWD will, in the following order:

- (1) meet with the Producer in attempt to resolve the inadequate operation or maintenance;
- (2) formally notify the Producer of its obligation to properly maintain and operate the treatment system and give the Producer up to 120 days to remedy any OCWD finding of inadequate maintenance and/or improper operational protocols;
- (3) after 120 days, suspend O&M payments described in Section 6.2 until such time as the Producer demonstrates to OCWD that it is properly operating and maintaining the treatment system;
- (4) no sooner than 270 days from the initial formal notice, terminate this Agreement and seek to recoup, where applicable, the cost of constructing the Treatment System and/or other applicable damages.⁵

⁵ Any action by OCWD to recoup its, or the Producer's, OCWD funded costs for construction of the PFAS treatment system would be prorated based upon the length of time the treatment facilities has been in operation, and by any percentage of third-party cost recovery OCWD has obtained. For example, a breach by Producer in year twenty-five (25) of the thirty (30) year term of this Agreement would result in OCWD recouping significantly less than if the breach occurred in year five since twenty five years of useful life of the facility would have occurred, and would be further offset by any third-party cost recovery obtained by OCWD during that time.

6. FINANCIAL

6.1 Capital Costs—Payment and Reimbursement.

A. OCWD-Built Facilities—Upfront Payment. For OCWD-Built Treatment System, OCWD will pay as up-front costs all planning, design, construction, and start-up costs as described above, except for the costs for property rights, land use entitlements, additions or enhancements, or as otherwise described in this Agreement.

B. Producer-Built Facilities—Reimbursement. OCWD shall reimburse the Producer for all of the Producer's reasonable expenses for the planning, design, construction, and start-up of Treatment System on a monthly basis. OCWD shall pay reimbursements to the Producer within 30 days of receiving adequate documentation from the Producer.

C. Prior Expenditures. Within 60 days after the Effective Date, OCWD will reimburse the Producer for any previous reasonable and authorized expenses incurred by the Producer prior to the Effective Date in evaluating or developing the design for or constructing the Treatment System for the Producer's Impacted Wells.

- (1) Authorized expenses include, but may not be limited to: (1) design type costs, consultants and contractor; (2) pre-purchase of equipment and media for Treatment System; (3) equipment installed to temporarily treat for PFAS compounds which can be repurposed by the Producer into the Producer's final Treatment System; (4) permitting cost; and (5) CEQA type expenses. These same expenses incurred by Producer going forward are also eligible for reimbursement. Design, engineering, or evaluative type expenses incurred by a Producer that may be eligible for reimbursement, as reasonably determined by OCWD in its sole discretion (with input from the Producer) could include: (1) outside consultant costs and studies incurred by the Producer and related to the development and design of the Treatment System; (2) equipment installed to temporarily treat for PFAS compounds which can be repurposed by OCWD into a final treatment system; (3) permitting cost; and (4) CEQA type expenses.
- (2) Unauthorized expenses for reimbursement shall include: (1) the Producer's staff time; (2) direct or indirect overhead type expenses for staff; and (3) costs not primarily attributable to Treatment System design, construction and O&M.

6.2 O&M Reimbursement.

A. Reimbursement Rate. OCWD shall reimburse each Producer for 50% of allowable O&M costs, up to \$75/acre-foot of water treated by the Treatment System.

B. O&M Unit Cost. Each Producer shall annually calculate the O&M unit cost of the Treatment System on a July 1st to June 30th fiscal year basis and submit this information by October 1st of the following fiscal year to OCWD for review and reimbursement. The unit cost shall be calculated by dividing all appropriate and allowable O&M expenses by the Treatment System total water treated. The annual submittal by the Producer shall include all documentation and backup information necessary to support the unit cost calculation. Each Producer shall provide any reasonable information requested by OCWD in verifying the Producer's unit cost or other expenses for which the Producer seeks reimbursement per this Agreement. After execution of the agreement, at the request of the Producer after the Treatment System(s) are fully operational, OCWD will make a six month progress payment by January 30th of each fiscal year based upon no more than 50% of the estimated eligible total O&M cost OCWD would normally reimburse at the end of the fiscal year as determined by OCWD with input from the Producer.

C. Reimbursable/Allowable Costs. Allowable O&M costs are the costs to the Producer necessarily incurred for the regular operation and maintenance of the Treatment System, as reasonably determined by OCWD after good faith consultation with Producer. Allowable O&M cost shall consider the specific site issues of each Treatment System. Examples of allowable O&M costs may include, but are not limited to:

- (1) periodically replacing carbon, resin, or other adsorption media;
- (2) necessary power and chemical cost to operate the Treatment System;
- (3) routine maintenance of the Treatment System;
- (4) periodic repair and replacement type cost items;
- (5) cost of additional staff time to operate the Treatment System;
- (6) required water quality sampling and testing for compliance monitoring;
- (7) determining and implementing compliance with new or revised PFAS regulations;

- (8) additional pumping cost caused by the Treatment System;
- (9) disposal of waste materials generated by the Treatment System, including landfill costs and incineration, and costs of hazardous waste disposal (if applicable);
- (10) sewerage costs associated with maintenance/backwash of the Treatment System; and
- (11) such other reasonable maintenance costs as are necessary to ensure the Treatment System continues to operate properly consistent with its design.

D. Non-reimbursable costs include:

- (1) existing Producer staff time costs not attributable to the PFAS Treatment Facilities;
- (2) direct or indirect overhead type expenses for staff; and
- (3) cost resulting from a Producer's inadequate operation and maintenance of the Treatment System.

E. Reimbursement Rate Adjustment. The \$75/acre foot rate will be automatically adjusted annually each July 1 (beginning July 1, 2021) by the percentage differential based on the last two annual indices set forth in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers - Los Angeles-Long Beach-Anaheim. The maximum O&M reimbursement rate may be increased by OCWD if there are unforeseen, unique or specific circumstances of the Treatment System that, through no fault of a Producer, result in a higher cost of treatment at a Producer's treatment system, including increased costs attributable to new statutes, regulations or regulatory interpretations.

F. Submittals; Reimbursement Timing. OCWD shall reimburse each Producer its allowable O&M costs incurred by a Producer within 60 days of receiving the Producer's annual O&M unit cost calculation and supporting information as described in Section 6.2.B. via direct payment.

G. Treatment Media. OCWD may solicit and enter into a future contract with the appropriate activated carbon, resin, and/or other adsorption media manufacturers to obtain a lower price for this material than could be obtained by the individual Producer. Unless a Producer opts out in writing of this Section within 30 days of the Effective Date, Producer will support and participate in OCWD efforts to obtain a lower cost for activated carbon and/or resin.

6.3 Grants.

A. OCWD-Sought. OCWD may seek federal, state, or other grant funding to offset costs of the PFAS program contemplated by this Agreement. Each Producer shall support and assist OCWD, as may be reasonably requested by OCWD, to obtain any grants that may be used by OCWD to fund construction and/or future O&M of Treatment Systems. Grant funds received by OCWD will be used to fund OCWD's costs of planning, design and construction of Treatment systems, unless otherwise required by the terms of that grant.

B. Producer Support to OCWD-Sought Grants. Each Producer shall support and assist OCWD in preparing any annual reports or documents necessary for OCWD to comply with grants received for the PFAS program. Subject to the requirements of this Section 5.3, no provisions in this Agreement will prevent a Producer from applying for grants or loans, from any source, for PFAS treatment projects in its service territory.

C. Producer-Sought Funding. A Producer may also seek third-party funding for Treatment System-related expenses. Any outside development and design type grants or funding initiated and received by a Producer will be utilized to offset OCWD's PFAS design or construction costs for the Producer. If a Producer receives any grants or other third-party funding for operational expenses of the Treatment System, that Producer shall share those proceeds with OCWD in proportion to the percentage of O&M funded by OCWD if allowed by the grant or other third-party funding instrument.

6.4 Records Retention, Audit. The Parties shall keep and maintain all records, accounts and reports relating to this Agreement for a period of at least ten years after the date of a final judgment or final settlement resolving any and all litigation related to PFAS cost recovery initiated per Section 7.4 of this Agreement. The Parties will have access to these records at any time during normal business hours upon 10 calendar days' notice. At its cost, any Party may audit the books, records and accounts of the Party relating to its performance of this Agreement, and the audited Party shall provide reasonable cooperation to the auditing Party in this regard.

7. **RISK ALLOCATION**

7.1 Insurance

A. Construction Activities. In the hiring of consultants and contractors to design and build the Treatment System, the hiring or contracting Party will have the other Party included as an additional indemnitee and additional insured on the same basis and with the same limits in all contracts. The hiring Party will use the higher of the two Parties' standard limits for the purpose of coverage requirements. For example, in connection with an OCWD-Built Treatment System, OCWD shall have Producer named as an additional indemnitee and an additional insured in all consulting and construction contracts related to the Producer's Treatment System(s). In connection with a Producer-Built Treatment System, Producer shall have OCWD named as an

additional indemnitee and an additional insured in all consulting and construction contracts. The hiring or contracting Party shall provide the other Party with proof of insurance, including additional insured endorsements.

B. Parties' Coverage. Each Producer shall take out and maintain in effect at all times during the term of this Agreement comprehensive general liability insurance in an amount not less than \$2 million per occurrence, for bodily injury, death and property damage associated with the operation and maintenance of the Treatment Facilities and Impacted Wells, naming OCWD as an additional insured under such policy. An endorsement evidencing this insurance coverage shall be furnished to OCWD prior to OCWD or Producer commencing construction on a Treatment System. If the Producer is, or becomes, partially or fully self-insured for its public liabilities, a letter executed by the Producer's General Manager or City Manager stating the Producer's self-insured status and acknowledging its responsibility to indemnify OCWD as required in this Agreement, may be furnished in lieu of the insurance endorsement otherwise required herein. The Producer shall provide written notice to OCWD of any change in the Producer's insured or self-insured status within 30 days of the date of such change.

7.2 Indemnity.

A. By Producer:

(1) Each Producer shall defend, indemnify and hold OCWD, harmless from and against any and all actions, suits, claims, demands, judgments, attorney's fees, costs, damages to person or property, losses, penalties, obligations, expenses or liabilities (collectively, "**Claims**") that may be asserted or claimed by any third party arising out of the negligent or reckless performance or implementation of this Agreement by Producer except for Claims arising out of or relating to the design or construction of a Treatment System where OCWD designed or constructed the Treatment System.

(2) Producer shall indemnify, defend and hold OCWD harmless from any liability, or regulatory enforcement attributable, in whole or in part, to Producer's failure to properly operate and maintain the Treatment System and Impacted Wells.

B. By OCWD:

(1) OCWD shall defend, indemnify and hold each Producer harmless from and against any and all Claims that may be asserted or claimed by any third party arising out of the negligent or reckless performance or implementation of this Agreement by OCWD, except for Claims arising out of or relating to the design or construction of a Treatment System where the Producer designed or constructed the Treatment System.

7.3 Release & Hold Harmless.

A. Producers' Release of OCWD.

(1) Producers, and each of them, hereby release OCWD, its officers, directors, employees, agents and representatives, from any and all liability, known or unknown, arising out of, or otherwise attributable to the discovery and/or presence of PFAS in the Santa Ana River, the Basin, Producer's Water Producing Facilities, and Producer's potable or non-potable water system, before, during or after treatment. Such release shall include, but is not limited to, claims or litigation initiated by third parties against Producer or OCWD, and any other legal, administrative, or regulatory actions associated with OCWD's performance of its obligations under this Agreement (unless attributable to OCWD's sole active negligence or willful misconduct during such performance).

B. OCWD's Release of Producers.

(1) OCWD hereby releases each Producer, their officers, directors, employees, agents and representatives, from any and all liability, known or unknown, arising out of, or otherwise attributable to the discovery and/or presence of PFAS in the Santa Ana River, the Basin, Producers' Water Producing Facilities, and each Producers' potable or non-potable water system, before, during or after treatment. Such release shall include, but is not limited to, claims or litigation initiated by third parties against a Producer or OCWD, and any other legal, administrative, or regulatory actions associated with a Producer's performance of obligations under this Agreement (unless attributable to Producer's sole active negligence or willful misconduct during such performance).

(2) This release by OCWD does not pertain in circumstances where liability results, or is alleged to result, from the failure of a

Producer to properly operate and maintain the Treatment System constructed per this Agreement.

C. Producer's Release of other Producers.

(1) Each Producer hereby releases and shall hold the other Producers harmless from liability associated with the presence of PFAS in the Basin.

(2) However, this release by each Producer does not pertain to circumstances where liability results, or is alleged to result, from the failure of the other Producer(s) to properly operate and maintain the Treatment System(s) constructed per this Agreement.

D. No Admission of Liability. Nothing contained herein shall be deemed an admission of liability. by any Party to this Agreement.

7.4 Legal Cost Recovery Efforts.

A. OCWD anticipates commencing litigation against responsible parties, including chemical manufacturers of PFAS, in order to recover costs from persons responsible for placing PFAS into the stream of commerce and/or the environment where it could make its way into the Basin (“Damages”). The Producers shall support, coordinate, assist and comply with all reasonable OCWD requests regarding OCWD’s cost recovery litigation related to pursuit of Damages associated with PFAS.

B. OCWD will request each Producer that has sustained Damages to determine if intends to jointly retain counsel (“Shared Litigation Counsel”) with OCWD in litigation to recover Damages. Producers who join as co-plaintiffs are “Participating Producers” in OCWD’s cost recovery efforts.

C. OCWD and Participating Producers will establish a Steering Committee and Executive Committee to direct Shared Litigation Counsel and make litigation decisions.

D. OCWD and Participating Producers will enter into an appropriate joint prosecution/common interest agreement to hire Shared Litigation Counsel and establish confidentiality and privilege concerning communications and work product of the Steering Committee and Executive Committee.

E. OCWD and Participating Producer agree that any Damages obtained in the PFAS litigation will be pooled and distributed to OCWD and Participating Producers proportionally to their respective claimed damages, such that each Participating Producer and

OCWD will recover the same percentage of their overall claimed damages in the manner shown on Exhibit A.

F. Participating Producers can decide at any time to discontinue participation in the litigation initiated by OCWD, but agree, if applicable, to pay to Shared Litigation Counsel, in accordance with any retainer agreement negotiated with Shared Litigation Counsel, for the withdrawing Producers share of Shared Litigation Counsel's reasonable attorneys' fees and cost incurred prior to the date of withdrawal (if any). Further, per the terms of any retainer agreement with Shared Litigation Counsel, the Participating Producers agree to maintain as confidential, and where applicable, to return, any communications and work product obtained via the litigation.

G. OCWD believes that it is in the best interest of OCWD and Producers impacted by PFAS to jointly initiate litigation as co-plaintiffs with Shared Litigation Counsel. However, if a Producer decides to pursue or initiate separate PFAS litigation ("Separate Litigation"), Producer shall notify OCWD of such intent thirty (30) days prior to formally filing the Separate Litigation. Producer in the Separate Litigation must comply with the following:

1. The Producer shall give OCWD the opportunity to review and comment on Separate Litigation documents (e.g., pleadings) prior to any Separate Litigation filing.
2. No PFAS related cost incurred by OCWD, or likely to be incurred by OCWD, and related to the Producers treatment system(s) (construction and/or O&M), will be asserted in a Producer's Separate Litigation.
3. In order to prevent duplicative claims for the same damages in separate lawsuits, assertion of which without OCWD's consent shall constitute a violation of this Agreement, OCWD must approve any PFAS related cost a Producer is seeking to recover prior to its assertion in Separate Litigation. However, OCWD shall not unreasonably withhold such approval, and shall consult in good faith with counsel for a Producer that wishes to initiate Separate Litigation in order to seek ways to accommodate the interests of both Parties, prior to disapproving any cost.
4. A Producer shall closely coordinate its separate legal action with OCWD, and, where requested in good faith by OCWD, support the positions taken by OCWD related to PFAS in court and in political, community and business forums.
5. A Producer shall not assert claims against OCWD in any litigation related to PFAS, or otherwise knowingly take positions that could result in OCWD or other Producers incurring liability related to PFAS as a result of the position asserted by the Producer in the Separate Litigation.

8. **EXPIRATION & TERMINATION.** This Agreement expires 30 years from the filing of the Notice of Completion. A Producer may terminate this Agreement upon providing 90 days written notice to OCWD. However, if a Producer terminates this Agreement prior to the 30 year date of expiration, the Producer shall reimburse OCWD for all of OCWD's unrecovered costs in constructing the Treatment System using the methodology described in footnote 5, plus any other reasonable expenses incurred by OCWD as a result of the early termination.

9. **NOTICE.** Any notice, instrument, payment or document required to be given or delivered under this Agreement shall be given or delivered by personal delivery or by depositing the same in a United States Mail depository, first class postage prepaid, and addressed as set forth in Exhibit B. Notice under this Agreement may also be provided to such other address as any Party may direct in writing to the other. Service of any instrument or document given by mail will be deemed complete upon receipt if delivered personally, or forty eight (48) hours after deposit of such instrument or document in a United States mail depository, first class postage prepaid, and addressed as set forth above.

10. **MISCELLANEOUS**

10.1 Further Assurances. The Parties shall execute and deliver any documents and cooperate in performing any acts necessary to further the intent of this Agreement.

10.2 Time is of the Essence. Time is of the essence in performing all obligations under this Agreement.

10.3 Counterparts. This Agreement may be executed in multiple counterparts, each of which is an original. All signatures taken together will be considered as one and the same agreement.

10.4 Force Majeure. Upon written notice by a Party, the respective duties and obligations of the Parties will be suspended for the time period that performance by the Party is prevented or substantially impeded by: workforce strikes; riots; fire; flood; federal, state or county regulatory action; pandemics, war; or terrorism.

10.5 Dispute Resolution. If a dispute arises between the Parties in connection with this Agreement, the Parties shall engage in a mediation before a third-party neutral.

10.6 Successors and Assigns. All of the terms, conditions and provisions of this Agreement inure to the benefit of and will be binding upon OCWD, the Producer, and their respective successors and assigns.

10.7 No Implied Waivers. If any term, condition or provision of this Agreement is breached by either Party and thereafter waived by the other Party, that waiver will be limited to

the specific breach so waived, and will not be deemed either to be a continual waiver or to waive any other breach under this Agreement.

10.8 No Obligation to Third Parties. The approval, execution and performance of this Agreement does not confer any rights upon any person or entity other than OCWD and the Producers. There are no third-party beneficiaries to this Agreement. Each Producer's obligations under this Agreement are to OCWD only, unless otherwise specifically stated herein (e.g., requirement to release or provide notice to other Producers).

10.9 Nature of Relationship. This Agreement does not create, and will not be construed or deemed to create, any agency, partnership, joint venture, landlord-tenant or other relationship between OCWD and any Producer except as specified in this Agreement.

10.10 Integration, Construction and Amendment. This Agreement represents the entire understanding of OCWD and each Producer as to the design and construction of PFAS treatment facilities for the Impacted Wells. No prior oral or written understanding will be of any force or effect with respect to those matters covered by this Agreement. This Agreement will be construed as if drafted by both OCWD and each Producer.

10.11 Modification, Variance and Most Favored Nation Provisions. Unless specifically authorized herein, this Agreement may not be modified, altered or amended unless in writing signed by authorized representatives of both OCWD and all Participating Producers, except that OCWD and any individual Producer may enter into a Producer-specific "Variance" that will be applicable only with respect to OCWD and that specific Producer. Except for where site-specific circumstances require unique considerations, OCWD shall interpret and administer this Agreement in a similar manner with each Producer. At least 30 days prior to approving any proposed Variance, OCWD will provide written notice of the proposed Variance to the other Producers and provide each with an opportunity to opt in to the same terms of that Variance. Upon approval of any Variance, OCWD shall provide a fully-executed version of the Variance to each Producer that has opted in under the Variance..

10.12 Severability. Each provision of this Agreement is severable from the whole. If any provision of this Agreement is found contrary to law, the remainder of this Agreement will continue in full force.

10.13 Authority.

A. Producer hereby agrees that funding provided by OCWD per this Agreement is in furtherance of OCWD's purpose of treating/purifying water in the Basin to facilitate beneficial use of locally produced groundwater water in order to increase production of groundwater containing PFAS from the Basin—to levels typical prior to setting of RLs for PFAS, and that Producer's production of water from the Basin is in lieu of Producer taking water from an

alternative non-tributary source, thereby furthering OCWD's efforts to remove or eliminate PFAS contaminants from the Basin.

B. By entering into this Agreement, each Party represents that it, and the other Parties to this Agreement, have proper legal authority to enter into this Agreement and to fund the work described herein. Each person executing this Agreement on behalf of a Party warrants that they are: (1) duly authorized to execute and deliver this Agreement on behalf of that Party, (2) by executing this Agreement, that Party is formally bound to the provisions of this Agreement, and (3) entering into this Agreement does not violate any provision of any other Agreement to which that Party is bound. No individual signing this Agreement shall have individual liability under this Agreement. As a condition of entering this Agreement, all Parties expressly waive any future challenge to the legal authority of the other Parties to enter into this Agreement, or to the authority of any other Party to fund the programs described in this Agreement.

10.14 Construction and Amendment. The terms of this Agreement will be construed in accordance with the plain meaning of the language used and will not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The headings of sections and paragraphs of this Agreement are for convenience or reference only and will not be construed to limit or extend the meaning of the terms, covenants and conditions of this Agreement. This Agreement may only be amended by the mutual consent of the Parties by an instrument in writing.

10.15 No Admissions. Nothing in this Agreement may be deemed an admission. Moreover, no language that may have previously been circulated in prior drafts of this Agreement, but subsequently removed at the request of a Producer, shall be used by either Party as evidence, or in any other manner, in litigation currently pending in Los Angeles Superior Court between OCWD and the Cities of Anaheim, Yorba Linda, Golden State Water Company, Mesa Water District, and East Orange County Water District on the one hand, and Irvine Ranch Water District (IRWD) on the other, Case No. BS168278 [Lead Case] Case No. BS175192 [Consolidated Case] (the "Litigation"), as such Litigation may be amended from time to time.

10.16 Additional Parties. Notwithstanding any other provision of this Agreement, OCWD is authorized to allow other Producers adversely impacted by PFAS but not named in this Agreement to become Parties to and execute this Agreement without obtaining the concurrence of the other Parties to this Agreement or otherwise modifying this Agreement (except to add an additional signature block).

10.17 Effective Date and Binding Effect. The date OCWD executes this Agreement shall be the Effective Date of this Agreement. Each Party executing the Agreement thereafter shall be bound by, and benefit from, the terms of this Agreement on the date that Party executes the Agreement, notwithstanding that other Parties have not yet executed the Agreement.

No Party shall be bound by this Agreement until such Party has executed this Agreement, nor shall any Party that has executed this Agreement owe any contractual duty to any Party that has not yet executed this Agreement until such other Party executes this Agreement. The timelines referenced in Sections 6.1(C) and 6.2 (G) of this Agreement shall begin to run on the date a Producer executes this Agreement if such date is after the Effective Date.

10.18 Electronic Signatures. Any Party may execute this Agreement using an "electronic signature," as that term is defined in California Civil Code Section 1633.2, or a "digital signature," as defined by California Government Code Section 16.5. An electronic or digital signature will have full legal effect and enforceability. Nothing in this Agreement requires any Party to use or accept the submission of any subsequent or related document containing an electronic or digital signature where written notice is otherwise required by this Agreement.

APPROVED AS TO FORM:

ORANGE COUNTY WATER DISTRICT

RUTAN & TUCKER, LLP

By: _____
Vicente Sarmiento, President

By:

Jeremy Jungreis
General Counsel, OCWD

By: _____
Michael R. Markus, General Manager

APPROVED AS TO FORM:

CITY OF ANAHEIM

By: _____
City Attorney

By: _____

APPROVED AS TO FORM:

CITY OF FULLERTON

By: _____
City Attorney

By: _____

APPROVED AS TO FORM:

CITY OF GARDEN GROVE

By: _____
City Attorney

By: _____

APPROVED AS TO FORM:

CITY OF ORANGE

By: _____
City Attorney

By: _____

APPROVED AS TO FORM:

CITY OF TUSTIN

WOODRUFF, SPRADLIN & SMART,
APC

By: _____
Dr. Allan Bernstein, Mayor

By: _____
David E. Kendig,
City Attorney, City of Tustin

ATTEST

CITY OF SANTA ANA

Daisy Gomez
Clerk of the Council

Kristine Ridge
City Manager

APPROVED AS TO FORM
SONIA R. CARVALHO, City Attorney

RECOMMENDED FOR APPROVAL

By:_____
John M. Funk
Assistant City Attorney

Nabil Saba
Acting Executive Director
Public Works Agency

APPROVED AS TO FORM:
ATKINSON, ANDELSON, LOYA, RUUD
& ROMO

**EAST ORANGE COUNTY WATER
DISTRICT**

By:_____
Jeffrey A. Hoskinson

By:_____
Lisa Ohlund, General Manager

APPROVED AS TO FORM:
HANSON BRIDGETT, LLP

IRVINE RANCH WATER DISTRICT

By:_____
Claire H. Collins

By:_____
Paul A. Cook, General Manager

APPROVED AS TO FORM:

SERRANO WATER DISTRICT

By: _____
S. Wayne Rosenbaum

By: _____
Jerry A. Vilander

APPROVED AS TO FORM:

YORBA LINDA WATER DISTRICT

By: _____
Andrew B. Gagen

By: _____

Exhibit A
Allocation of Recovery

Example of proportionally dividing damages assuming litigation, after paying Shared Litigation Counsel, results in a total damage pool of 75% of all damages (\$630M) claimed by all Participating Producers (total claims of \$839M). The column to the far right reflects each co-plaintiff's hypothetical recovery.

(Total Amount Claimed in Litigation by each co-plaintiff x .75)

Agency	PFAS Cost Incurred ⁽¹⁾ (Millions)	Percent of Total	Amount of Settlement Received	Assume receive 75% of cost settlement - \$630
OCWD	\$443	53%	\$332	
Anaheim	\$78	9%	\$58	
EOCWD	\$12	1%	\$9	
Fullerton	\$54	6%	\$40	
Garden Grove	\$42	5%	\$31	
IRWD	\$6	1%	\$5	
Orange	\$48	6%	\$36	
Santa Ana	\$54	6%	\$40	
Serrano	\$18	2%	\$14	
Tustin	\$18	2%	\$14	
YLWD	<u>\$66</u>	<u>8%</u>	<u>\$50</u>	
Total	\$839	100%	\$630 M	

(1) Total PFAS cost incurred by each agency including capital, O&M, MWD water purchases and other

(Dollar amounts shown are for illustrative purposes only and are not related to actual PFAS cost that may be incurred or damages recovered)

Exhibit B
Notice Addresses

Orange County Water District

PO Box 8300
18700 Ward Street
Fountain Valley, CA 92708
Attn: General Manager

City of Anaheim

Anaheim, CA _____
Attn: _____

City of Fullerton

Fullerton, CA _____
Attn: _____

City of Orange

Orange, CA _____
Attn: _____

City of Tustin

Tustin, CA _____
Attn: _____

City of Santa Ana

Santa Ana, CA _____
Attn: _____

East Orange County Water District

185 N. McPherson Road

Orange, CA 92869-3720

Attn:

Irvine Ranch Water District

15600 Sand Canyon Avenue

Irvine, CA 92618

Attn: General Manager

Serrano Water District

18021 Lincoln Street

Villa Park, CA 92861-6446

Attn:

Yorba Linda Water District

PO Box 309

Yorba Linda, CA 92885-0309

Attn:

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April 13, 2020
Prepared by: T. Fournier
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook



ACTION CALENDAR

COVID-19 RESPONSE – COMMERCIAL INVESTMENT PROPERTIES LEASE PAYMENT DEFERRALS

SUMMARY:

IRWD's commercial property manager, RiverRock Real Estate Group, has received requests from tenants at the Waterworks Business Park and Sand Canyon Professional Center properties for lease payment deferrals due to the COVID-19 pandemic impacts on their businesses. Staff recommends the Board authorize staff to implement a lease deferral program for IRWD's commercial investment properties for a period of up to 90 days, without incurring late fees or interest, and repayment of deferred rent amortized not to exceed 12 months for tenants who request assistance due to impacts from the COVID-19 pandemic.

BACKGROUND:

On March 4, 2020, the Governor Newsom proclaimed a State of Emergency in California as a result of the COVID-19 pandemic. On March 19, the Governor followed up with an order that required all individuals living in California to stay at their place of residence except as needed for essential services. As a result of the impacts on businesses related to COVID-19, and the stay-at-home order, staff has received lease payment deferral requests from five tenants at the Waterworks Business Park and one tenant at the Sand Canyon Professional Center.

Some tenants have contacted their respective insurance providers related to potential relief through their business interruption insurance. The general response from insurance companies has been that the coverage does not cover loss of income due to market conditions, a slowdown of economic activity, or suspensions and shutdowns implemented to limit the spread of a virus or bacteria, which would apparently include COVID-19.

Staff recommends the Board authorize staff to implement a lease payment deferral program for IRWD's commercial investment properties. Staff also recommends the deferral program allow tenants to defer lease payments up to 90 days, with a repayment plan that amortizes the deferred rent over the following 12-month period without incurring late fees or interest, for tenants impacted by COVID-19 who request rent deferral assistance. The deferral amount related to current tenant requests would result in approximately \$227,000 in deferred payments over the 90-day period; this amount could increase if additional requests are received. Based on discussions with industry professionals, similar rent deferral programs are being developed and implemented by other commercial property owners.

IRWD's special counsel (Jackson-Tidus) is drafting a proposed lease amendment based on the above parameters that will be executed by tenants and IRWD.

FISCAL IMPACTS:

The proposed deferral program would allow tenants to defer lease payments up to 90 days, with a repayment plan that amortizes the deferred rent, not to exceed 12-months. The deferral amount related to the current tenant requests would result in approximately \$227,000 in deferred payments between April 2020 and June 2020.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on April 7, 2020.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE STAFF TO IMPLEMENT A LEASE DEFERRAL PROGRAM FOR IRWD'S COMMERCIAL INVESTMENT PROPERTIES FOR A PERIOD OF UP TO 90 DAYS, WITHOUT INCURRING LATE FEES OR INTEREST, AND REPAYMENT OF DEFERRED RENT AMORTIZED FOR A PERIOD NOT TO EXCEED 12 MONTHS FOR TENANTS WHO REQUEST ASSISTANCE DUE TO IMPACTS FROM COVID-19.

LIST OF EXHIBITS:

Exhibit "A" – Summary of Current Lease Deferral Requests

Exhibit "A"

**IRVINE RANCH WATER DISTRICT
Summary of Lease Payment Deferral Requests
3/31/2020**

	S/F	Expiration Date	April	May	June	Total Estimated Rent Deferral	Amortization (Months)	Amortized Monthly Deferred Rent	Average (1) Monthly Payments
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Medical Center

Suite 100	12,031	05/31/22	\$45,048	\$46,175	\$46,175	\$137,398	12	\$11,450	\$57,625
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Waterworks

Unit 30	3,363	12/31/20	\$5,210	\$5,210	\$5,210	\$15,630	6	\$2,605	\$7,815
Unit 36	7,630	12/31/21	\$9,995	\$9,995	\$9,995	\$29,985	12	\$2,499	\$12,761
Unit 40	3,707	03/03/22		\$5,835	\$5,835	\$11,670	12	\$973	\$3,890
Unit 42	3,923	02/29/24	\$5,940	\$5,940	\$5,940	\$17,819	12	\$1,485	\$4,455
Unit 48	3,363	01/31/25	\$4,876	\$4,876	\$4,876	\$14,629	12	\$1,219	\$6,169

\$71,069 \$78,031 \$78,031 \$227,131

(1) Includes Annual Base Rent Increases during payback period

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April 13, 2020
Prepared by: R. Jacobson
Submitted by: C. Clary
Approved by: Paul A. Cook



ACTION CALENDAR

SERRANO SUMMIT / LENNAR PROMISSORY NOTE REQUEST TO EXTEND MATURITY

SUMMARY:

A secured promissory note between IRWD and Lennar Homes of California tied to the Serrano Summit residential property in Lake Forest is scheduled to be paid in full on April 30, 2020. Lennar has expressed an interest in extending the maturity of the secured promissory note for an additional seven-month period. Staff recommends the Board authorize the General Manager to execute an amendment to the current promissory note for a seven-month extension to December 1, 2020, at the current interest rate of 4.00% to be applicable to both the principal and the accrued interest amount as of April 30, 2020 and other terms modified as noted below.

BACKGROUND:

In September 2017, Lennar purchased the Serrano Summit property from IRWD. Terms of the transaction included 60% of the purchase price (\$81.6 million) being financed by a promissory note in favor of IRWD, with principal and interest due at maturity. The note is secured by a Deed of Trust, with the Serrano Summit residential property as security. The initial note terms included an annual interest rate of 4.0% (simple interest) with a scheduled maturity date of September 1, 2019, or upon the issuance of the first building permit at the site – whichever were to occur earlier. In March 2019, the Board approved an extension of the note with a new maturity date of April 30, 2020.

Since acquiring the Serrano Summit site from IRWD, Lennar has added significant value to the property by completing installation of all the primary neighborhood infrastructure (streets, utilities, storm drains, etc.), grading of residential lots and recently opening model homes for two neighborhoods. New homes are currently under construction and for sale.

Based on recent discussions, Lennar is prepared to pay off the principal and interest on the scheduled maturity date but did express an interest in extending the maturity date by seven months to December 1, 2020. Staff recommends the Board approve an extension of the note maturity date at the current interest rate of 4.00% that will apply to both the principal and accrued interest as of April 30, 2020, calculated to be \$90.5 million. Based on the April 30, 2020 note balance amount, interest earned for the seven-month period ending December 1, 2020 will be approximately \$2.1 million.

Proposed Note Modification – Partial Release of Lots:

During the proposed seven-month extension, it is anticipated that Lennar will begin completing and selling the first homes in the project. Based on discussions with the District's legal counsel (Jackson-Tidus), the amended note terms would include the partial release of certain lots secured

by the Deed of Trust in order to provide clear title to homeowners. To compensate for the reduction in lots, the amended note terms would provide for a pro rata (total lots released divided by the total approved lots) principal paydown to IRWD of the note balance, plus a 10% premium, prior to any partial releases approved by the District.

No other terms of the note will be modified by the recommended amendment.

Based on a review of Lennar's current average borrowing rate for similar land-secured financing arrangements, and current reinvestment opportunities available to the District, staff believes that the proposed terms are fair to both IRWD and Lennar.

FISCAL IMPACTS:

IRWD's promissory note currently earns an interest rate of 4.00% per year, or annualized interest of \$3.62 million. The proposed note extension would provide interest income of approximately \$2.1 million for the seven-month period ending December 1, 2020.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act (CEQA), Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on April 7, 2020.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE CURRENT PROMISSORY NOTE BETWEEN IRWD AND LENNAR HOMES OF CALIFORNIA FOR A SEVEN-MONTH EXTENSION TO DECEMBER 1, 2020, AT THE CURRENT INTEREST RATE OF 4.00%, TO BE APPLICABLE TO BOTH THE PRINCIPAL AND ACCRUED INTEREST AMOUNT AS OF APRIL 30, 2020, AND INCLUDING PARTIAL RELEASE PROVISIONS AS STATED.

LIST OF EXHIBITS:

None.

April 13, 2020

Prepared by: D. Cotton

Submitted by: C. Clary

Approved by: Paul A. Cook



ACTION CALENDAR

ELECTRONIC BILL PRESENTMENT AND PAYMENT SOLUTION

SUMMARY:

Implementing a new Electronic Bill Presentment and Payment Solution (EBPP) will provide IRWD customers with an updated web portal allowing them to receive bills in an electronic format and provide services for on-line and on-demand electronic payments. The new solution will be integrated with IRWD's current WaterSmart portal, and will provide real-time payment functionality and dynamic water usage visibility – thereby increasing operating efficiency and improving customer satisfaction. In addition to traditional payment methods, customers will have access to enhanced payment options including multi-lingual Interactive Voice Response (IVR) / Automated phone payments, pay-by-text, mobile wallet, PayPal, Venmo, and Amazon Pay. WaterSmart will serve as the official “landing page” for all customers who access their accounts electronically.

Staff recommends the Board authorize the General Manager to execute a five-year agreement with Paymentus for Electronic Bill Presentment and Payment Solution for IRWD customers for the transaction rates stated in the Paymentus proposal.

BACKGROUND:

IRWD currently uses a custom-built EBPP solution which was developed several years ago. The existing EBPP portal has not kept pace with advances in technology and customer expectations. The current system, available through IRWD's website, allows customers to log into their IRWD accounts, view and pay their bills, and sign up for electronic (paperless) billing and auto-pay. IRWD customers currently pay a small fee associated with their electronic payments.

Over the past 10 years, IRWD's customer base and customer expectations have grown substantially. Customers are interested in receiving real-time, meaningful, and personalized account information. The existing customer portal provides a linked third-party website provided by Fiserv Solutions, which only supports bank account payment methodology (although IRWD also accepts credit cards for one-time payments through Fiserv). The third-party site has a different look and feel from IRWD's portal and does not link customers to their WaterSmart information. The existing agreement with Fiserv expires on August 1, 2020.

In 2012, IRWD partnered with WaterSmart Software, Inc. to develop and implement a program to provide enhanced water use information to IRWD customers. The pilot program targeted single-family customers to test the success of providing customers with easy-to-understand information regarding their water use. Based on the amount of water savings and positive customer responses, the program has since expanded into a full-scale program targeting over-allocation single-family, and Commercial, Industrial and Institutional (CII) customers. Enrolled customers access the WaterSmart customer portal to receive individualized water use

data, including comparisons use to the water usage of similar households, to inform them about typical and efficient water use, IRWD programs, and incentives for water use efficiency. Given the success of the WaterSmart program and portal, staff recommends integrating the new EBPP solution with WaterSmart.

Requests for Qualifications (RFQ)

In November 2019, staff provided a Request for Qualifications (RFQ) for an EBPP Solution to four firms: ACI Worldwide, Fiserv, InvoiceCloud, and Paymentus. Staff received and evaluated the responses and identified two firms, Paymentus and Invoice Cloud, to present system functionality demonstrations. It was determined that the best functionality for IRWD was provided by Paymentus, which also integrates with Oracle Customer Care and Billing, WaterSmart, and other systems and functions necessary for enhanced customer service and support. An evaluation of the functionality of Paymentus and Invoice Cloud is attached as Exhibit “A”. For reference, the Statement of Qualifications and Pricing Proposal from Paymentus is provided as Exhibit “B” and the Statement of Qualifications and Pricing Proposal from the InvoiceCloud provided as Exhibit “C”.

Overview of the Paymentus EBPP Solution:

The Paymentus EBPP solution, integrated with the current WaterSmart portal, will allow IRWD to provide enhanced real-time payment functionality and dynamic water usage visibility, which will increase operating efficiency and improve IRWD customer satisfaction. In addition to traditional payment methods, customers will now have access to enhanced payment options such as multi-lingual IVR / Automated phone payments, pay-by-text, mobile wallet, PayPal, Venmo and Amazon Pay. Customers will recognize the WaterSmart portal which sends out approximately 40,000 monthly water reports, coupled with the ease and convenience of processing a payment, setting an account on autopay, and finding easy-to-understand account information – all in one portal.

Paymentus offers IRWD and its customers lower convenience fee options and no cost for set up of the EBPP portal or monthly maintenance. The District has approximately 76,000 customers receiving monthly eBills and nearly 100,000 electronic payments are processed each month. The current and proposed rate options are summarized below for comparison:

Monthly Delivered eBills	Fiserv Current Rate <i>paid by IRWD</i>	Paymentus Proposed Rate <i>paid by IRWD</i>
1 – 49,999	\$0.30	\$0.00
50,000 – 500,000	\$0.28	\$0.00

Fee for Processing Payments	Fiserv Convenience Fee <i>paid by customer</i>	Paymentus Proposed Convenience Fee <i>paid by IRWD</i>
Credit or Debit Card	\$2.95	\$1.49
Electronic Check	\$2.95	\$0.18
Auto-Pay Electronic Check	\$2.95	\$0.18 when over 30,000 accounts

IRWD currently pays Fiserv approximately \$22,000 per month for delivery of eBills. In addition, based on current volumes, customers pay approximately \$200,000 in fees per month to Fiserv for credit, debit and electronic check payments. With the conversion to Paymentus, staff recommends IRWD pay the debit, credit, and electronic check fees that in the past have been paid by the IRWD customers. Based on current volumes of electronic billing, the added cost to IRWD would approximately offset the avoided cost of the District paying for delivery of the eBills.

FISCAL IMPACTS:

Based on the current IRWD customer eBill participation rate and current electronic payment volumes, the cost is neutral and is included in the FY 2020-21 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS

This item was reviewed by the Water Resources Policy and Communications Committee on April 2, 2020.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A FIVE-YEAR AGREEMENT WITH PAYMENTUS FOR ELECTRONIC BILL PRESENTMENT AND PAYMENT SOLUTION FOR IRWD CUSTOMERS FOR THE TRANSACTION RATES STATED IN THE PAYMENTUS PROPOSAL.

LIST OF EXHIBITS:

Exhibit "A" – Paymentus and InvoiceCloud Functionality Comparison

Exhibit "B" – Paymentus Statement of Qualifications and Pricing Proposal – Under Separate Cover

Exhibit "C" – InvoiceCloud Statement of Qualifications and Pricing Proposal – Under Separate Cover

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PAYMETUS AND INVOICE FUNCTIONALITY
COMPARISON

EXHIBIT A

	Current Legacy	Invoice Cloud	Paymentus
GENERAL WEBSITE FEATURES			
WaterSmart Integration	No	Yes	Yes
Single Sign On between WaterSmart and Payment Portal	No	Yes	Yes
Social Media Login (Facebook/Google)	No	Yes	Yes
Mobile App	No	No	Yes
PAYMENT OPTIONS			
Real Time CC&B Integration Payments	No	Yes	Yes
Pay Now (One time nonregistered Payments)	Yes	Yes	Yes
AutoPay	Yes	Yes	Yes
Pay by Text	No	Yes	Yes
Can pay multiple bills in one transaction	No	Yes	Yes
24/7 IVR	Yes	Yes	Yes
Scheduled Payments	Yes	Yes	Yes
Facebook Messenger (chatbot)Payments	No	No	Yes
Paypal	No	No	Yes
Venmo	No	No	Yes
Amazon Pay	No	No	Yes
Apple/Google Wallet	No	No	Yes
Alexa	No	No	Yes
Digital Disbursements (Refunds)	No	No	Yes
Kiosks	No	Yes	Yes
EMAIL FEATURES			
eBill Presentment (Online)	Yes	Yes	Yes
Secure PDF - Ebill Presentment	Yes	No	Yes
Links from emails into shopping cart	No	Yes	Yes
Combined Email Notifications	No	Yes	Yes
Pay Now in Emails	No	Yes	Yes
Auto Paper Bill if 3 Emails Bounce	No	Yes	No
Email Reminders	No	Yes	Yes
AGENT DASHBOARD			
Comprehensive Agent Dashboard	No	Yes	Yes
ADB - real time search and reporting	Yes	Yes	Yes
Process Cash Payments	Yes	No	Yes
Generate Paper Receipts	Yes	Yes	Yes
Generate Electronic Receipts	No	Yes	Yes
Outbound Call Campaigns	No	No	Yes
MISC			
Chatbot	No	No	Yes
Can handle non-recurring invoices	No	Yes	Yes
PCI Level 1	Yes	Yes	Yes
End to end indemnification/ Discounted (absorbed) pricing	No	Not Standard	Yes
LOCKBOX			
Upload of lockbox file	No	Not Standard	Yes
WHAT CUSTOMER COULD SEE OPNLNE (Account Payment History)			

Cash	No	No	Yes
Checks	No	Yes	Yes
Credit Cards	Yes	Yes	Yes
Auto Pay (Online)	Yes	Yes	Yes
Online Bank Direct Payments	No	Yes	Yes
Lockbox Payments	No	No	Yes

REQUEST FOR QUALIFICATIONS

Customer Electronic Bill Presentment and Payment (EBPP) Solution

Prepared for:

Irvine Ranch Water District

December 13, 2019

Paymentus

User Experience Drives Us
Innovation Is Our Engine

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The contents of this proposal are proprietary and confidential and contain Paymentus trade secrets. No part of this proposal may be shared without prior written consent from Paymentus. If information needs to be released as part of a legally required open records request, Paymentus requires written notice of the same. Paymentus may then provide a redacted version that will exclude the confidential, non-public information including the trade secrets.

1. COVER LETTER

December 13, 2019

Tony Mossbarger
Director of Administrative Services
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618

Dear Tony:

We understand the importance of this initiative for IRWD and are fully committed to helping you advance your current billing and payment offering with a single-platform solution built on leading edge technology. Paymentus will help you meet all of your objectives with heightened customer satisfaction, improved efficiency, lower costs, all-in-one payment visibility and reporting, unmatched stability and so much more.

With more than 1,500 clients, including experience serving 950 utilities, you can trust that Paymentus has the resources and the know-how to deliver an ideal customer experience with intuitive self-serve capabilities that are configured to your needs with greater transparency across all phases and touchpoints. This includes important benefits that we believe are especially important for IRWD and your customers:

- Improve customer engagement and satisfaction with expanded user-friendly ways to collect payments including, not only legacy options (web, mobile, IVR, card, ACH), but also enhanced channels methods such as text, email, mobile wallet, chatbots, social media, PayPal, Venmo, Amazon Pay and much more.
- Increase productivity and customer support with a powerful, stable platform and proprietary technology that helps you steer clear of PCI exposure in all channels, including your call center.
- Eliminate the siloed workflows and systems with integrated suite of billing, payment and communication capabilities built on a single code base. Also, as an Oracle CC&B Gold-Level Certified Partner, we have an established API that will make the transition quick and seamless. We also have extensive experience integrating with both InfoSend and WaterSmart.

Paymentus delivers unmatched levels of expertise and commitment to do the right thing. With no hidden fees, full transparency and a 99.3% client retention rate, Paymentus has raised the bar on what organizations should expect from an outsource partner.

As a fully hosted, single-vendor solution, Paymentus alleviates the burden, pitfalls, and fees of coordinating disparate systems that can over complicate the management of the billing and payments operation. With one connection and one integration, you get access to the full spectrum of services and capabilities we offer. You choose when and how you to enable them, whether it's today or down the line as your needs change.

Thank you for this opportunity. We are excited to share more information about our capabilities and how Paymentus will help IRWD create a secure, modern and nimble digital experience tailored especially for your strategies today and as they evolve over time. Our team is ready to learn more about your needs and answer your questions.

Regards,

A handwritten signature in blue ink, appearing to read 'Jerry Portocalis', with a stylized flourish extending to the right.

Jerry Portocalis

Senior Vice President

980-255-3000

JPortocalis@paymentus.com

2. DESCRIPTION OF APPROACH

Describe typical approach for projects similar to this.

Paymentus Response

Solution Approach

Paymentus is solely dedicated to digital customer engagement and payment solutions. Our investments in R&D and infrastructure are significant and focused 100% on strategies for creating a level of bill payer engagement not previously available. Our mission is to uncover and help remove the roadblocks our clients are facing from limited resources, compliance burdens, disparate systems, complex hierarchies, old technology and more. With more than 1,500 clients and decades of experience, you can be sure that we've seen it all.

Our omni-channel approach provides consistent, yet contextual experiences with a 360-degree view across all touchpoints. It removes the distinctions between channels to create a single view of the customer through their individual journeys with proactive service, personalized interactions and messages at the right time. Paymentus helps you to deliver experiences that leaves your customers feeling their interests and preferences are a priority, while at the same time speeding revenue collection, optimizing operational efficiencies and helping you to achieve your desired business results.

Implementation Approach

Paymentus is fully capable of meeting IRWD's requirements and timeline with the technology and resources that we have in place today. We have extensive experience transitioning clients to our hosted solutions from your existing provider and other legacy providers. This firsthand experience has allowed us to refine our processes to improve efficiency and minimize the work for both parties.

The adaptability of our platform allows us to configure the solution to meet your unique business requirements while you take advantage of improved usability and expanded options that only Paymentus offers. Our capacity, rock-solid infrastructure, experience, flexible data integration, knowledgeable staff and streamlined implementation process has proven to provide a smooth transition for countless organizations similar to IRWD.

In general, we use a risk-based project management approach with best practice disciplines as defined by the Project Management Institute (PMI). Each activity is scheduled, executed, monitored and reported upon within a comprehensive project plan developed in conjunction with our clients. Paymentus provides a fully managed implementation with a team of specialists led by a Project Manager and Technical Implementations Manager. We do much the work so your technical staff can remain focused on their core objectives.

The most critical path of the implementation will be defining the scope and business requirements. While many aspects of a solution build are common for all implementations, the data elements, rules and controls will be defined specifically to IRWD's specific business needs. We will work collaboratively with your team to identify the best opportunities for enhancement that focus on your key objectives and take advantage of the expertise and insights of the Paymentus team.

Whether it's sharing insights or knowledge, making process and technology recommendations, collecting requirements, creating a plan, executing on the development work or testing, Paymentus will be in constant communication to ensure continuous alignment with IRWD's vision.

A Senior Sales Engineer from our Client Solutions team will engage in discovery sessions with IRWD to design a high level project scope for integration of payment channels, backend communication, migration elements and any unique needs. All of these factors will be taken into consideration and planned accordingly to avoid any delays or unnecessary hurdles. This information will be provided to the Paymentus project team who will, in turn, complete an integration guide specific to IRWD that includes details of all configurations of the service.

This includes working with your existing file formats and integrating with established APIs. We will make any modifications and customizations needed to support your latest goals and strategies as well as migrating stored AutoPay and wallet information to minimize disruption for your customers.

We look forward to continued discussions and discovery to achieve the best possible solution.

3. TEAM EXPERTISE

Brief description of general qualifications, the experience of the team assembled for this project, and a list of key personnel that would be available to work on this project.

Paymentus Response

General Qualifications

We are committed to deliver long-term value for IRWD with not only powerful technology but also the partnership, guidance and insights that you expect and deserve. Our in-house experts will work with you to navigate the changing market demands and emerging technologies to ensure our customer-facing solutions and back-office tools help you reach the next level of superior performance.

Our management and operations team consists of electronic payment, presentment and processing experts. The Paymentus team has decades of experience in building, delivering, operating and supporting some of the largest EBPP implementations nationwide. Our flexibility and expertise have been key to our success and ability to build longstanding partnerships.

Paymentus leaders and team members are highly experienced in their fields and hold a broad variety of certifications. Including the following:

- Capability Maturity Model Integration (CMMI)
- Information Technology Infrastructure Library (ITIL)
- Project Management Institute (PMI) Certified
- Certified Information Security Manager (CISM)
- Certified Payment Professional (CPP)
- Treasury Professional (CTP)
- Certified Information Systems Security Professional (CISSP)
- Certified Anti-Money Laundering Specialist (CAMS)
- Section 508 compliance certification

We are dedicated to helping our clients to deliver a superior self-service customer experience that leads to greater service satisfaction, customer retention and increased adoption for electronic payments and paperless billing. We've helped hundreds of clients improve their customer satisfaction and are a proud partner to several top J.D. Power satisfaction score earners.

Key Personnel

Paymentus has 700 electronic bill presentment and payment experts dedicated to developing, delivering and supporting solutions for our clients. We believe our attention to detail and focus on continually improving the customer and client experience is key to our success and the reason behind our enviable 99.3% client retention rate.

All of our energies and 100% of our staff are solely dedicated to digital billing and payment solutions. We serve many clients of similar size/complexity to IRWD, which attests to the ability of our systems and services to handle and execute successfully. Because we aren't distracted by corporate-led initiatives driven to support other services or markets, Paymentus is able to provide the attention and the quality of service our clients deserve.

Paymentus will assign an Executive Sponsor and a team of seasoned professionals to support your billing and payment needs. We provide end-to-end support across all facets of the customer billing, payment and communication lifecycle including project management, operations support, account management, treasury, adoption marketing, call center, compliance and more.

Project Team

Paymentus provides a fully managed implementation with a team of technical professionals with the experience and technical specialization to cover all essential activities. The implementation will be led by the Project Manager and Technical Implementation Manager with oversight by **Mark Solan, Vice President, Client Implementations**. Mark has more than 25 years of technology and business management experience, giving him the unique ability to develop, communicate and implement technology solutions in a manner that clearly demonstrates value to business unit leaders and stakeholders.

The Project Manager (PM) will serve as a liaison, ensuring that communications are timely and accurate, activity is coordinated and any issues are dealt with seamlessly and immediately. The Technical Implementation Manager (TIM) will lead, manage and coordinate IRWD's implementation from project kick-off to go-live and customer training. The TIM is responsible for overall contract coordination and is your primary point of contact for technical items. The TIM will communicate directly with IRWD to manage expectations and deliver services on time and on budget. The TIM will manage ongoing operational requirements for IRWD such as change requests, configuration updates and technical and operational inquiries.

Account Management

The account management and client support teams are led by **David Shapiro, Senior Vice President of Client Operations**. David has deep experience in the payments industry, working in senior roles in the marketplace for over twenty years. Previously David was a Senior Vice President at Western Union responsible for all aspects of the Consumer Bill Payment business segment including a number of products and services.

We will assign a dedicated Paymentus Account Manager (AM), who along with their Director will manage day-to-day execution and success of the partnership, including timely and relevant communication for requests. The role of the AM is to understand your business and serve as a liaison to an extended matrix of Paymentus technical resources and subject matter experts. Your AM and their Director are available during business hours and after-hours to ensure you have full access and resources to support your needs.

Your Paymentus AM will work closely with your team to build a trusted partnership that includes the following actions and responsibilities:

- Share advice and best practices to help you achieve your short- and long-term goals
- Provide industry, compliance and regulatory updates
- Recommend services for cost reduction and improved process efficiency
- Act as your liaison to an extended matrix of Paymentus technical resources and subject matter experts
- Respond to inquiries and gathering feedback for improving our services
- Introduce new features
- Propose strategies in partnership with Paymentus marketing to drive customer adoption/utilization

Client Services

In keeping with our commitment to transparency and giving clients the information they need when they need it, we provide instant access to system and service metrics as well as our case management system. IRWD team members will have real-time, online access to transaction activity and items included in the SLAs via the Agent Dashboard.

IRWD staff members who have a question, issue or technical request can initiate a case 24/7 via their Account Manager, email, toll-free client support line or directly through the Agent Dashboard. It is reviewed by our Client Services Team with acknowledgement sent to the originator within 15 minutes that includes a case number for tracking purposes.

After initial triage of the case, the appropriate team lead from business, development, operations or implementation is assigned to address the issue. Each request/case is monitored and tracked with regular updates provided so IRWD and Paymentus leadership is aware of the status.

Your Account Manager will act in coordination with the Client Services team to ensure your immediate and ongoing concerns are addressed. If and when necessary, there is a defined escalation path up to the highest levels of our company.

Customer Support

Paymentus provides multilingual, live agent support from Paymentus call centers, which are staffed with specially trained payment experts to support your customers and your CSRs with any system- and payment-related questions/issues. Our goal is one call resolution and our call center representative support ONLY the Paymentus solution – no other products or divisions.

We measure our success through tangible results in the form of flawlessly completed payments as well as performance and quality metrics that exceed our clients' expectations and SLAs.

Live Chat and Chatbot Support

Efficient and effective customer support, which helps reduce call volume in your call center, is available through our Chatbot. The Paymentus chatbot uses machine learning and artificial intelligence to improve the speed and quality of every interaction, providing a personalized experience. It can be configured to account for your brand personality and compliance requirements.

Paymentus leadership will also be involved with the ongoing support of IRWD. These leaders have the power and influence to shape decision-making at all levels.

4. COMPARABLE PROJECTS

List and description of 3 most recent/relevant successfully implemented EBPP solutions for a water utility.

Paymentus Response

Paymentus provides services for hundreds of water utility clients nationwide. This includes serving a number of public sector water utilities where operations are further complicated by challenges such as strained internal resources, specialized reporting needs, heavy compliance burdens and more.

Understanding that this RFQ is subject to open records requests, we ask that specific client information be coordinated through your Paymentus contact, Terri Forbes, as our discussions mature. We are very interested in providing you with client references of similar or larger size, having migrated from your existing provider (and others) and using the same services as you are evaluating. Please let us know if this is not acceptable and we will work with you to provide additional information in an agreeable and more private forum.

Following are examples of some of the challenges that Paymentus has helped clients overcome and we believe are relevant to IRWD.

Challenge	Limited efficiencies and visibility brought on by too many disparate billing and payment systems.
Solution	Paymentus has helped many clients by transitioning all of their billing, payment and customer messaging onto our single platform solution as part of a single implementation. This allows for a full, consistent and complete view across payment methods and channels with complete interoperability between functions and the elimination of data latency that plagues legacy systems, which have been pieced together through partnerships or acquisitions. All interactions are managed centrally, giving the client everything they need to understand both the revenue cycle and customer journey no matter what channel or method they choose.

Challenge	Lack of resources (time, money and/or expertise) to manage integration of the billing and payment platform with other applications that are part of the client’s infrastructure including billing system/CIS, print vendor, water usage system, etc.
Solution	<p>Paymentus has the most bi-directional integrations of anyone in the industry; having integrated with over 450 different CRM, billing and customer information systems. Our ability to manage projects that require sophisticated data mapping that span across multiple systems is unmatched.</p> <p>As an Oracle CC&B Gold-Level Certified Partner, Paymentus has an established API that makes the transition quick and seamless. We also have multiple integrations with WaterSmart and InfoSend.</p>

Challenge	Risk of customer disruption due to transition to new platform
Solution	<p>We have perfected the transition process for clients moving to Paymentus from legacy platforms. This includes working with existing file formats and integrating with established APIs.</p> <p>Our standard protocol includes migrating customer data (at no added cost) to prevent disruption or require users to duplicate unnecessary actions (e.g. re-enroll, re-populate known information, etc.). The Paymentus project team works with each client to understand the data to migrate and devise a schedule to make certain there is no payment interruption.</p>

Our process is designed to fit our clients’ needs, not the other way around. With both longstanding clients and clients that have only recently made the switch to Paymentus, we have gained extensive firsthand experience and know-how that improves the efficiency and minimizes the work for both parties. Our average implementation time across all clients is 56 days.

Paymentus will collaborate closely with the IRWD team to gain a true understanding of your goals and business challenges so we can implement the solution set that you choose quickly, with low risk and optimized solution configurations.

5. SOLUTION OVERVIEW

Today's customers are more knowledgeable and empowered. The rise of mobile technology and social media gives the average customer the ability to access information and share their experience anytime, anywhere. Focusing on Customer Experience (CX) gives any business a boost, from improved satisfaction and loyalty to increased revenue and profits.

With this initiative, IRWD understands the importance of CX in your billing and payment interactions, which are essential and recurring touchpoints with your customers. You want to match customer expectations to your ability to execute a cross-channel engagement strategy that maximizes your reach and adds value beyond of your core water utility business.

Paymentus will help you to achieve

More efficient interactions

More meaningful communication

More desirable results

More actionable insights

While multi-channel enables your customers to interact with your business through a number of touchpoints, each interaction is distinct and disparate. Our omni-channel approach provides consistent and contextual experiences with a 360-degree view across ALL touchpoints. It removes the distinctions between channels to create a single view of the customer with personalized interactions and messaging at the right time.

Paymentus is at the forefront of the industry, delivering innovative technology and fresh perspectives that are disrupting the status quo of legacy providers. No company in the industry dedicates more time, attention and money to user experience and engagement. Whether the user is a customer, CSR or administrator, we simplify the experience and provide instant access to information and services through a growing array of digital channels. Businesses who use the Paymentus platform are widely recognized by J.D. Power, Forrester and other industry analysts for delivering experiences that delight customers.

Following is a brief overview of our extensive capabilities built on a single core and designed to help you achieve a level of customer engagement not available with legacy systems. IRWD will choose the features, functionality and implementation approach (e.g., hosted, API, modal, IFrame, hybrid) that supports your specific digital billing and payment needs today and well into the future.

Online Payments



A decade ago, just flipping the switch on for web payments was enough to stay competitive; but today, consumers have more choices and are more connected than ever. They expect better, more personalized experiences from every digital touchpoint with you.

The Paymentus solution offers multiple options for integration into our electronic billing and payment solution from fully-hosted UIs to a client-hosted solution using our tokenized payment API. We support single sign-on and provide any programming requirements for integration with your systems and website.

For our hosted UI, Paymentus offers maximum flexibility that leverages your style sheets, allowing you to choose the logos, fonts, interstitials, banners, specialized fields and more. Our online channel is easy to navigate and simple to understand with automated technologies to help prevent user errors and ensure security and privacy. We designed the user interface with maximum configurability to meet our clients' unique needs for branding, specialized fields, layout and flow that integrate seamlessly with your existing online presence, CIS and other backend systems. All aspects of the service are also available via API, Iframe or modal.

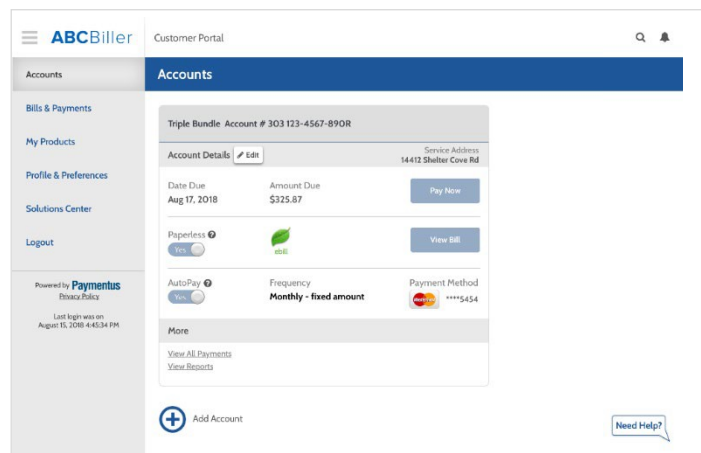
Pay Now (Unregistered)

This user experience does not require registration or a logon and provides a way for your customers to make a one-time payment quickly and easily.

Customer Portal (Registered)

Our enrolled customer experience (single sign-on, if desired) provides robust billing, payment and user preference functionality via a highly secure self-service portal.

The navigation bar on the left of the screen helps customers find the content and options they are looking for quickly and easily.



Mobile Payments



Having a strong mobile strategy is critical to customer satisfaction, revenues and overall success. To optimize the value of this channel, you need to deliver a seamless experience with “always on” access that encourages self-service.

Paymentus delivers greater convenience for busy, on-the-go customers and helps to increase adoption of lower cost paperless payments. Since there is no single formula or perfect methodology, we offer multiple options to align our solution with your business strategy.

Mobile Web

Our responsive design optimizes the web experience for smartphones and tablets, providing an ideal viewing experience with minimal resizing, panning and scrolling required.



Mobile App

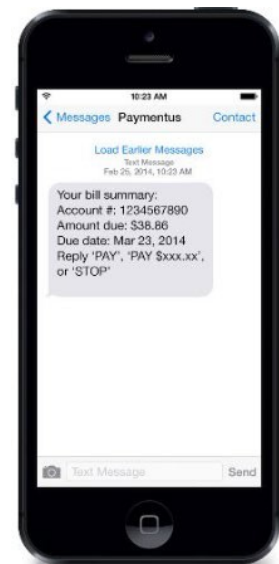
We offer an API for billing and payment functionality in your existing app or a ready-made app that we can brand especially for IRWD and make available to your customers via Google Play and iTunes.

Mobile App with Swipe Capability

Your field personnel can take payments from customers using the mobile app integrated with the Agent Dashboard and equipped with swipe capability for end-to-end encryption.

Pay-by-Text

Communicate directly with customers via text message billing statements and payment capability. It doesn't get any easier than this. Our service allows your customers to opt-in to receive a text message with their current balance and due date. Customers can remit payment directly within the text dialogue with a simple reply. No paper statements or repeat payment reminder calls required.



IVR Payments

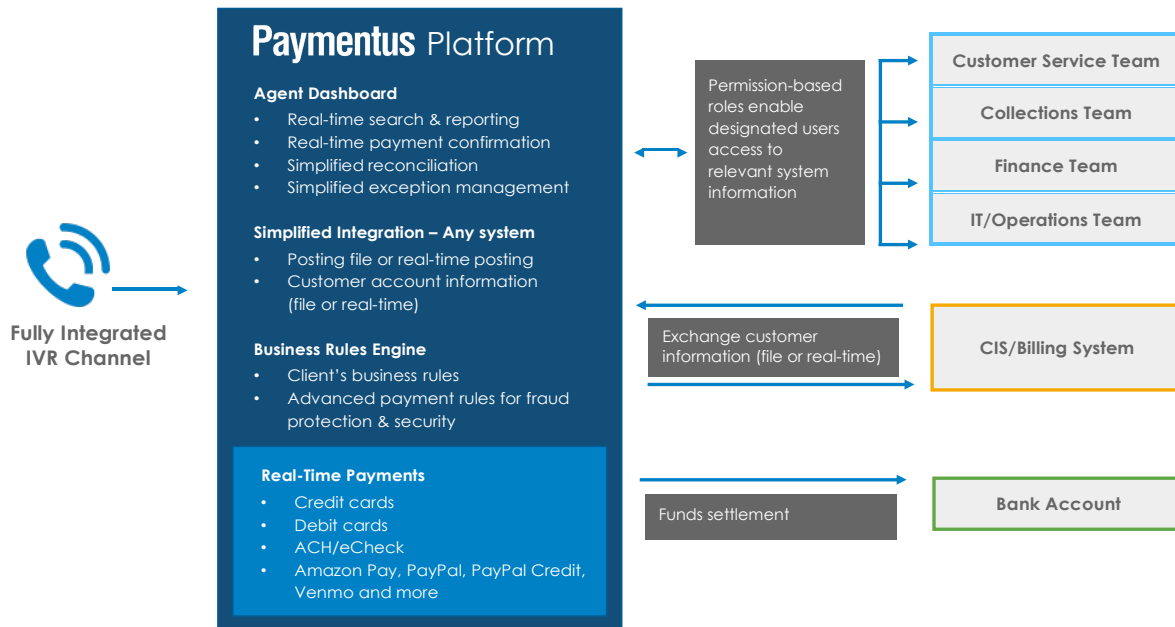


The IVR is a 24/7 channel that many of your customers rely on to make a payment quickly and effectively. The IVR dramatically reduces the number of calls your staff handles, lowers collection costs and overhead and frees up staff to handle other important tasks.

Paymentus provides a fully integrated IVR payment channel with customized greetings and highly configurable prompts, flows and trees. Our purposeful design approach supports voice prompts with different languages including English, Spanish and French as well as teletypewriter (TTY) devices for ADA compliance. Customers can “zero-out” or transfer automatically upon detection of difficulty to speak with a customer service representative.

Paymentus owns our IVR technology and, unlike traditional providers, does not rely on third party vendors for this important customer touchpoint. We do not charge a fee for integration services, airtime (minutes used), maintenance, monitoring or upgrades.

We have achieved an industry-leading 90+% success rate for completed calls and payment transactions. This tremendous success can be attributed to the significant investment that Paymentus makes in simplifying the experience for callers, integrating with the billing system and striking the right balance between security and compliance requirements and usability.



Social Payments

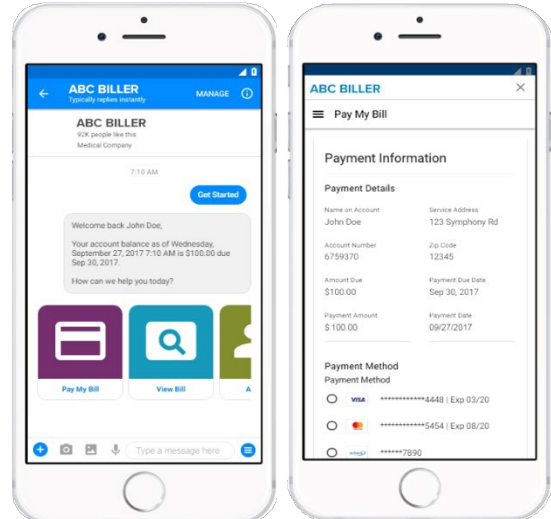


Social networks are a natural link with your customers. Taking advantage of the accessibility and connectivity to expand billing and payment functionality is a natural evolution for customers and service providers. It allows you to stand out from the competition and increase engagement and satisfaction.

Facebook Payments

Paymentus has integrated with Facebook to provide our full suite of billing and payment options using a chatbot in Facebook Messenger.

For one-time payments, the customer enters account information for validation. For registered customers, we link their social media account to their profile in our system. We send eBills and two-way notifications to Facebook Messenger so payments can be made directly.



Social Login

The #1 breakage point in the payment flow is authentication. Users abandon the payment because they don't remember their login or password. To ease accessibility and improve customer satisfaction, you can allow users to link social login details (e.g., Google, Facebook) with their IRWD account(s).

Emerging Payments



Innovators are coming up with new and unexpected ways to pay at a record pace. This presents opportunities for advancements and trends that can have a profound impact on your business.

As a market leader in customer engagement, bill presentment and payment technology, Paymentus continues to innovate and invest in the latest technologies to create frictionless customer experiences. We provide the flexibility, automation and integration capabilities that grow with you – not hold you back.

Advanced Payment Methods

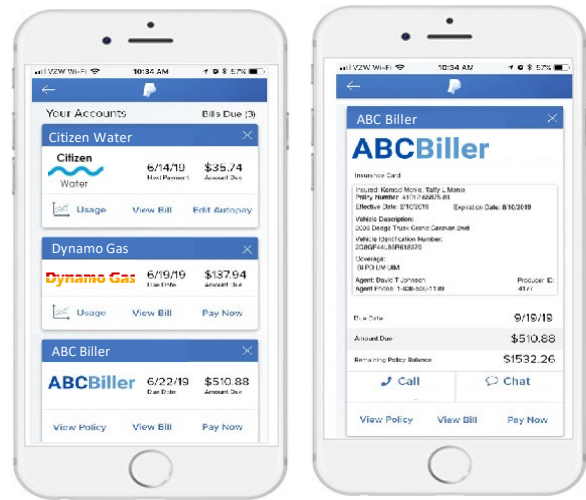
In the U.S., digital wallets are projected to overtake credit cards as the most popular online payment method in 2020. More and more consumers are using this method of payment because they are seen as more secure, simple and convenient. Paymentus will help you take advantage of the positive correlation between choice and satisfaction – moving from legacy to these advanced payment methods including:

- PayPal
- Venmo
- PayPal Credit
- Amazon Pay
- And more

PayPal App

Paymentus is the engine that is powering PayPal's soon-to-be-released bill pay capabilities. PayPal is the most used digital wallet in world with over 277 million active users. Sixty-four percent of U.S. adults have used PayPal for a transaction in the last year.

From the PayPal app, customers can view bills, receive notifications, send messages, make single payments, set up AutoPay and much more. Payments post in real-time or via daily batch.



Apple/Google Wallet

Paymentus enables bill presentation, notifications and payment capabilities that leverage native wallet functionality available through Apple and Android devices.

Customers can enroll easily and have future bills sent directly to their mobile wallet.

Chatbot

Chatbots are key to efficient and effective customer support. The Paymentus chatbot uses machine learning/artificial intelligence to improve the speed and quality of every interaction. It can be configured for your brand personality and compliance requirements.

Chatbot technology is also incorporated into our patented Secure Service™ technology for your call center. Secure Service allows you to avoid exposing CSRs to payment information and steer clear of PCI exposure across all phone and digital channels.

Voice Assistants

Voice assistant technology is now an active participant in homes across the world and we have harnessed its power to make payments more user friendly than ever before. Additionally, they benefit businesses because they are trainable, controllable and always learning. Basic inquiries and tasks that previously required a call to customer support, today can be addressed easily by voice-based assistants integrated with the Paymentus platform.

Skills powered by Paymentus are capable of not only answering questions, but also delivering value-added insights to customers.

Examples include:

- *Your current bill is due this week. Would you like to make a payment now?*
- *Your eBills are now being sent to johnb@gmail.com. Thank you for going paperless.*
- *Your current month's usage is 50% higher than the previous month.*

Integration with Alexa

Amazon has teamed with Paymentus to provide an easier way for customers to manage their bills with Alexa.

Much like the experience of receiving billing and payment information via web and IVR, your customers can securely access their account using Alexa devices.



AutoPay/Recurring Payments



Automatic payments are incredibly convenient for customers and they offer numerous benefits for your organization; especially when you have a partner to manage the security and administration challenges of the program.

With AutoPay, your customers can setup worry-free automatic recurring payments, choosing the frequency and method of payment from the options you define.

The service includes management of enrollments, notification preferences, schedules, payment methods and more. Additionally, your CSRs can be given permission to set-up AutoPay on behalf of a customer.

Most important, our PCI-certified platform ensure that pay accounts are never captured or stored in IRWD systems.

The screenshot displays a 'Payment Details' form. Under the 'Frequency' section, there are radio buttons for 'Bi-Monthly', 'Bi-Weekly', 'On the due date of each bill', 'Monthly - fixed amount', 'Monthly - bill amount', and 'Weekly'. Below this is an 'End Date (Optional)' field with a calendar icon. The 'Schedule Notification Preferences' section includes radio buttons for 'Receive email notification', 'Receive SMS notification', and 'Receive Phone notification'. A dropdown menu is set to 'Do not remind me' with a note 'in advance of a scheduled payment'. At the bottom are 'Back' and 'Confirm Schedule' buttons.

Digital Disbursements



Consumer dissatisfaction with paper checks is at an all-time high, expectations for the on-demand money movement is becoming the default. Companies that deliver the speed and ease of digital payments, benefit from an increase in customer satisfaction.

With our digital disbursements solution, Paymentus simplifies business to consumer payments, providing you with a low cost, accurate and consistent way to deliver claim, refund and other types of “push” payments.

While the value of digital payments to the customer is easy to see, you must also ensure transactions are cost-effective, efficient and secure. Our solution gives you the ability to track activity in real-time, perform automated reconciliation, reduce manual efforts and lower costs.

Our disbursement capabilities are configurable and include a dynamic workflow to support even complex payout scenarios. Each action taken is tracked and can be linked to the user and payee to assist with reconciliation, compliance adherence and fraud prevention.

eBill Presentment



Achieve next level results with bill presentment services that help speed payment collection, maximize customer satisfaction and reduce the costs associated with printing and mailing paper bills.

Paymentus offers a flexible approach that will allow IRWD to construct the eBill offering that best meets your business needs and engagement strategies. Whether you host the UI or take advantage of our user-friendly interfaces and notification tools, we help you maximize paperless adoption while lowering your cost of bill delivery and payment collection.

Online Presentment

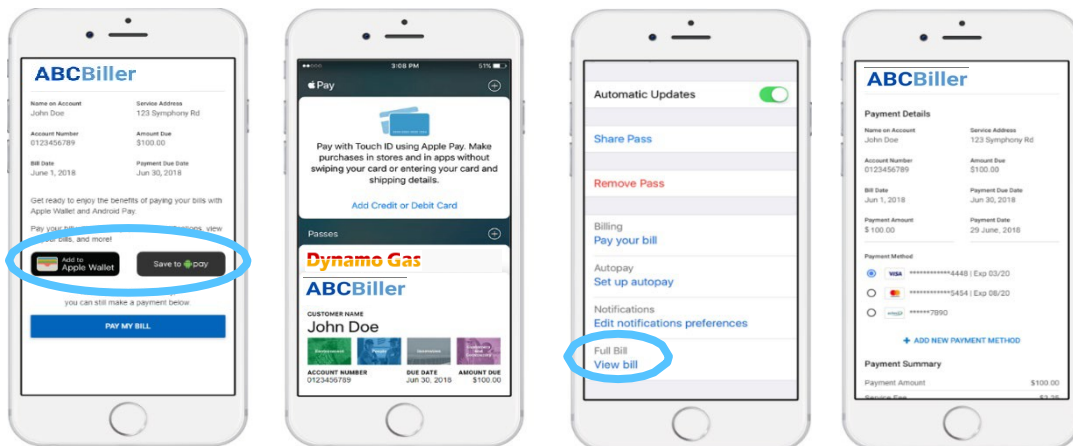
Our responsive design optimizes the web experience for PCs, laptops, smartphones and tablets. With our hosted user interface, your customers have a consistent experience every time on any device. When a new bill is available, the solution sends an email notification to the customer with a link to view and pay the bill securely via the website.

Secure PDF

Your customers will receive an email with an attached PDF bill summary that displays the account number, amount due, due date, masked payment method and the field where the customer can enter the amount and make a payment all within the secure PDF attachment.

Mobile Wallet eBill Card

With this option, customers can receive their bill automatically each month within the wallet on their mobile device and pay the bill with a payment method saved on their profile.



In-Person Payments



We all agree that in-person payments are a must, but the customer experience is often an afterthought. Organizations that create a quick, friendly, secure experience will strengthen relationships with customers and the communities they serve.

PayPal

Consumers can load cash to their PayPal App at more than 70,000 stores including Walmart, CVS, Walgreens, ACE Cash Express, Dollar General and 7-Eleven. The cash is 'digitized' and made available in a PayPal wallet that can be used to pay a bill via the PayPal app, giving your customers access to expanded functionality and the ability to manage their account.

Point of Sale Devices

For over-the-counter payments in your service centers, Paymentus supports electronic devices that populate card information automatically into the Agent Dashboard. This fully encrypted process ensures the highest level of compliance and security and allows you to move away from handling and exposing staff to credit card information. The customer service agent is only required to enter the payment amount and customer account number.

Kiosk

With kiosks, IRWD will make it convenient for your customers to pay in the lobby versus at the counter – saving valuable time for your staff and eliminating exposure to PCI data. Customers are guided through a few simple prompts to complete the payment on their own with confirmation provided once the transaction is completed.

Kiosks can be set up to accept direct entry of card numbers or be equipped with swipe devices for fully encrypted payment acceptance. They can be connected to the internet via a channel that does not transmit data over IRWD's network.

Retail Locations

We also have extensive experience implementing walk-in services at well-known and conveniently located retail stores your customers already visit. Paymentus partners with MoneyGram for retail walk-in cash payments. Our platform is integrated directly with this leading service so that all cash payments made through MoneyGram can be viewed in real-time on the Paymentus Agent Dashboard.

Agent Dashboard



Full visibility and control over your outsourced billing and payment environment is a must-have so you know exactly what’s going on at all times and can effectively support your customers.

The Agent Dashboard is a dynamic web-based tool that is designed for IRWD to support your customers across ALL channels, ALL pay types and ALL customers. This powerful tool can be deployed easily across the customer service, collections and finance and treasury teams with role- and permission-based access that is self-administered by IRWD. It’s a one-stop shop for your staff to perform a broad array of business intelligence and customer care functions including all of the following:

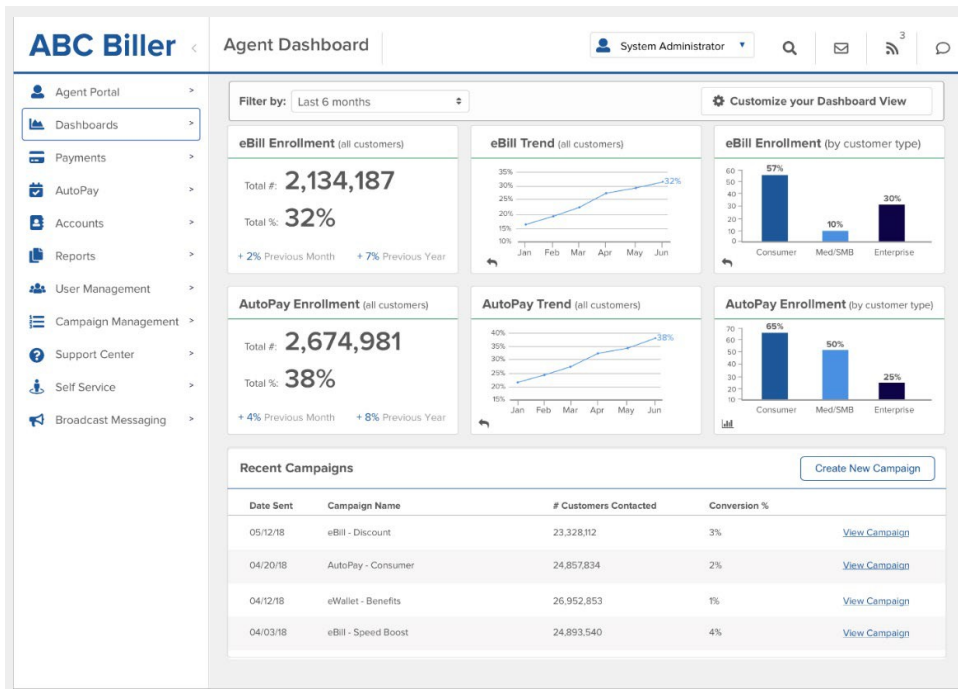
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Customer Care</p> <ul style="list-style-type: none"> • Accept customer payments • View payments in real time • Cancel payments in real time • Live chat with customers • Search for payments • View bills and suppress paper 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Administration</p> <ul style="list-style-type: none"> • Suspend and block accounts and/or payment methods • View other channel payments (lockbox, bank, walk-in, etc.) • Control customer and CSR access • View and download reports • Generate ad hoc reports
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Operations</p> <ul style="list-style-type: none"> • Manage file exchanges • View system uptime • Open and track status of cases/tickets 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Analytics</p> <ul style="list-style-type: none"> • View and track payment metrics across all channels • Access Big Data tools that go beyond standard statistics

As an additional benefit for clients that want a consolidated view of all payments, we can support the option to display out-of-band customer payments from lockbox, bank, walk-in and other channels not hosted by Paymentus. There is no need for separate integrations with any of the third party services that IRWD may use today or in the future; instead, we use our established connection with you to synchronize the information.

Reporting

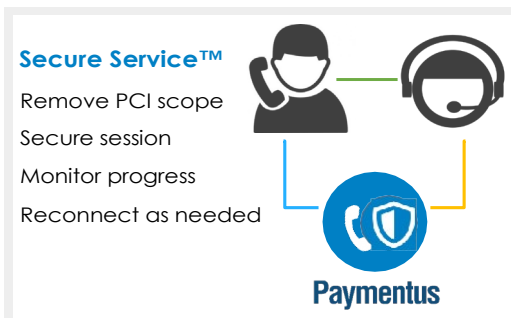
Paymentus provides a powerful and comprehensive suite of reports that are available in real-time through the Agent Dashboard. You can schedule reports to run at defined intervals and email them to recipients automatically.

Our platform also captures and shares extensive telemetry on all activity in the platform (IVR, payments, accounts, users, admins, etc.) at both the singular and aggregate level.



Secure Service™

Our proprietary, patent-pending payment technology will allow IRWD to avoid exposing CSRs to payment information and steer clear of PCI exposure across all phone and digital channels.



The CSR engages our secure environment when it's time for the customer to provide payment details. All information carries over with no need to re-authenticate. As the customer enters the payment, the CSR can monitor progress to ensure payment success.

Feedback

The Paymentus solution has a configurable feature to collect live feedback from your customers with securely masked screenshots on pages if they have issues, questions or suggestions. This feedback includes information about the customer, their account, their IP address and much more to investigate and solve issues, providing high-touch customer satisfaction.

User Management

All users of the Paymentus Agent Dashboard have their own login ID and password. IRWD will have the ability to assign internal administrators who can manage user roles and permissions. Specific functionalities available to each role and user are defined based on your business requirements.

Enterprise Communications Manager



Timely and relevant communication with customers is crucial to the success of your business. You need the tools to help you engage your customers, create revenue opportunities and achieve real business results.

With an eye on maximizing value for our clients and taking advantage of existing touchpoints with customers, Paymentus offers a powerful communications tool called Enterprise Communications Manager (ECM). We developed ECM to address requests from clients to be able to send automated messages to customers that would alleviate the time and cost of paper notices or having CSRs make outbound calls to customers for reasons such as payment reminders, service interruptions, emergencies and more. Messages can be targeted to the specific customer type so that you can provide timely, relevant information and help influence desirable customer behavior.

ECM allows you to create the message, select the customers and upload the file through the Agent Dashboard. Messages can be sent via email, outbound IVR or SMS text. There is also an option to broadcast messages online in the Pay Now portal, Customer Portal or Agent Dashboard. It's easy to learn and easy to implement.

Paymentus

Delivered to	Irvine Ranch Water District (IRWD)
Date	January, 28, 2020

Paymentus Solution Components *(~~Indicates feature is included~~)*

- Online Quick Pay (stand alone with sso or integrated with embedded Watersmart)**
Allow customers to view and pay bills online without having to register an account. (mobile-optimized interface)
- Self-Service Customer Portal (stand alone with sso or integrated with embedded Watersmart)**
Engage customers with a wealth of online services to enhance their total experience. View payment/consumption history. Manage paperless and autopay settings, eWallet and multiple accounts. (mobile-optimized interface)
- Pay-by-Email / Secure PDF eBilling**
“push” eBilling with interactive PDFs allows customers to pay directly from their email inbox.
- Pay-by-Text**
Review balances and make payments without opening an envelope or going online.
- IVR / Automated Phone Payments**
Easy-to-use, rapid payment service allows customers to hear their balance and make a payment.
- Paperless eBilling**
Email bill reminders. Opt in/out of paper bill. Historical statement summaries and bill renderings.
- Staff Portal & Agent Dashboard**
Single sign-on access to manage the full customer experience. Administer all payment types and channels in real-time. Access decision-making analytics. Manage outbound notifications. Agent Assisted payments at the counter.
- Paymentus Payment Processing Services**
Level 1 PCI Compliant. Secure credit/debit/eCheck processing. Real-time data with simplified reconciliation for all payment channels and payment types.
- Outbound Customer Notifications**
Deliver payment reminders and other time-critical notifications by phone/text/email.
- PayPal, PayPal Credit and Venmo payment offerings**
Set-up PayPal, PayPal Credit and Venmo payment choices (No additional cost).
- AmazonPay payment offerings**
Set-up AmazonPay payment choices (No additional cost).

Option 1 Full Solution Pricing for Compliant Convenience Fee – ~~Please note that we are only charging~~ transaction rates. No other fees exist for Interchange, Technology or gateway fees. This is a unique pricing model hundreds of our water clients enjoy to have predictable and budget friendly solutions while having full access to all platform features at no cost. In addition, it reduces the layers and creates an end to end PCI complaint solution with a single vendor. We would recommend as you compare vendors pricing to reach out and review, clarify or provide additional pricing models.

Setup Fees	\$0.00
Software Costs	\$0.00
Integration Costs with Oracle or Watersmart	\$0.00
Annual Subscription	\$0.00
Annual Support Fees	\$0.00
Gateway Fees/PCI Compliance Fee	\$0.00
Credit/Debit Transaction Fees – One-time payment & recurring Convenience Fee	\$2.45 Credit Cards with Visa, Discover and MasterCard logos, includes all technology solutions listed above at no additional cost per transaction
eChecks –One-time payment & recurring Convenience fee Compliant Model*	\$2.45 cents per item, includes all technology solutions listed above at no additional cost per transaction, Paymentus will also migrate all existing ACH at no cost to bring all payments under one secure solution.
Online Bank Direct – online Bank Payment consolidation transaction fee	\$0.10 cents per transaction. Waived setup fee of \$2,500.00.

We are open to a variety of pricing models and can offer additional options for your consideration. We look forward to your input and collaboration to create pricing that meets your requirements.

* Recurring ACH transactions only – free for first 30,000 recurring monthly transactions and then \$0.18 per transaction above the 30,000 threshold.

Option 2 – Technology Only Pricing Absorb Model – Please note that we are only charging technology rates. No other fees exist for Interchange as these will be provided by your current provider. You have limitations in reporting consolidation, multiple systems to reconcile, in addition, massive accounting in a convenience fee model would be an extra step by IRWD. Cost is generally higher than Option 1. Lastly, some features are not able to be deployed due to the limitations of legacy payment processors. Paymentus supports this model but Option 1 is recommended given the current needs IRWD has expressed to the Paymentus team.

Setup Fees	\$0.00
Software Costs	\$0.00
Integration Costs with Oracle or Watersmart	\$0.00
Annual Subscription	\$0.00
Annual Support Fees	\$0.00
Gateway Fees/PCI Compliance Fee	\$0.00
Technology Fee per transaction	\$0.58 cents per transaction billed to IRWD processing fees not included
Online Bank Direct – online Bank Payment consolidation transaction fee	\$0.10 cents per transaction. Waived setup fee of \$2,500.00.

Option 3 – Full Solution Absorb Model

Please note that we are only charging transaction rates. No other fees exist for Interchange, Technology or gateway fees. This is a unique pricing model hundreds of our water clients enjoy to have predictable and budget friendly solutions while having full access to all platform features at no cost. In addition, it reduces the layers and creates an end to end PCI complaint solution with a single vendor. We would recommend as you compare vendors pricing to reach out and review, clarify or provide additional pricing models.

Setup Fees	\$0.00
Software Costs	\$0.00
Integration Costs with Oracle or Watersmart	\$0.00
Annual Subscription	\$0.00
Annual Support Fees	\$0.00
Gateway Fees/PCI Compliance Fee	\$0.00
Credit/Debit Transaction Fees – One-time payment & recurring Convenience Fee	\$1.49 Credit Cards with Visa, Discover and MasterCard logos, includes all technology solutions listed above at no additional cost per transaction
eChecks –One-time payment & recurring Convenience fee Compliant Model*	\$0.18 cents per item, includes all technology solutions listed above at no additional cost per transaction, Paymentus will also migrate all existing ACH at no cost to bring all payments under one secure solution.
Online Bank Direct – online Bank Payment consolidation transaction fee	\$0.10 cents per transaction. Waived setup fee of \$2,500.00.

We are open to a variety of pricing models and can offer additional options for your consideration. We look forward to your input and collaboration to create pricing that meets your requirements.

* Recurring ACH transactions only – free for first 30,000 recurring monthly transactions and then \$0.18 per transaction above the 30,000 threshold.

Paymentus

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Charlotte, NC 28277

<https://www.paymentus.com/>



Innovating the Customer Experience

Customer Engagement, Electronic Bill Presentment & Electronic Bill Payment

November 13, 2019
Pricing Valid for 60 Days

Irvine Ranch Water District

Carlyn Altheide
Sr. Director of Sales

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Introduction

Invoice Cloud is pleased to provide Irvine Ranch Water District with a comprehensive proposal for SaaS customer engagement, electronic bill presentment and payment services.

Invoice Cloud's value proposition covers a wide spectrum. We specialize in being able to take a payment for anything online, via a mobile phone, over the counter, over the phone (IVR) or through our self-service bill pay kiosk offering. Invoice Cloud's end user experience is state of the art, and the administrative tools for reporting and reconciliation available for your staff are second to none. Our integration experience with more than 90 unique software platforms and as a Tier 1 partner with Harris, Invoice Cloud is uniquely well positioned to provide Irvine Ranch Water District and its customers the payment and e-billing experience they desire.

When IC was created in 2009, the guiding philosophy of our founders was to create a true SaaS EBPP platform that would accelerate collections, improve security, reduce costs, and enhance the customer experience. Our goal was to provide the payment experience typically found in Fortune 100 companies such as American Express or AT&T, to local government and utility companies that do not have the resources necessary to build this type of platform themselves. Building a pure SaaS platform was paramount in the development of our company because our founders recognized that SaaS would allow IC to be a leader in the delivery of new technology and reduce the burden of maintenance and PCI compliance for our billers. Today, IC works with more than 1100 clients across all 50 states and in 2018, processed 38M transactions for \$7.2B.

Company Mission

"Provide the highest adopting integrated electronic payment solutions to forwarding thinking clients."

- Focus on utility and municipal market
- TRUE Software-as-a-Service EBPP
- Inc. 500 Fastest Growing Private Companies of 2015 - #428
- Management with deep experience in:
 - Secure payment processing, gateways
 - Billing software and integrations to CIS systems
- Industry's highest adoption with IC clients achieving more than 50% electronic payment adoption through IC payment sources.



115%

INCREASE

e-Payments

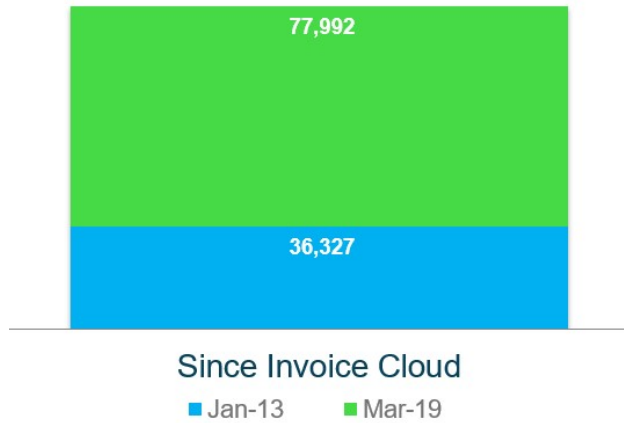


Figure 1. IC's E-Adoption Rates for SEMCO Energy.

Since Go-Live with IC's EBPP platform, SEMCO has also experienced more than 51,523 customers enrolling in paperless billing through Invoice Cloud.



Figure 2. City of Escondido's Call Center Results

Since Go-Live with Invoice Cloud, the City has enjoyed a 69% REDUCTION of inbound payment related calls. Electronic payments have also increased by 64% from the prior vendor, in 9 months.

Irvine Ranch Water District Goals & Objectives

Goals & Objectives	Invoice Cloud
1. Future proof IRWD’s customer experience with a true Software-as-a-Service EBPP platform. Stay ahead of payment and engagement technology with a SaaS partner.	✓
2. Provide a tight, real-time CC&B integration that will eliminate manual tasks related to Reporting, Shut-Off, Online Bank Payments, saving time, effort and frustrations for your CSR staff.	✓
3. Provide CSR staff with detailed reporting on payments and email statistics – easily change/remove emails, block payments methods (supported by web services), track email notification bounce back and click-through status.	✓
4. Improve customer communications by sending out automated, event-driven email and text reminders and notifications (all sent by Invoice Cloud on behalf of the Irvine Ranch Water District).	✓
5. Implement a customer engagement, e-billing and payment solution that will expand your payment options for Payers, significantly increasing the number of customers adopting paperless and electronic payments.	✓
6. Implement a paperless program that has proven to be the most effective in the U.S.—with many built in features that automatically encourages payers to enroll in paperless, without any effort needed by the utility. Maximizing ‘paperless’ enrollments will maximize print/mail cost savings for the Irvine Ranch Water District.	✓
7. Reduce inbound phone calls for payment and website related assistance and complaints making CSRs more efficient and improving the CSR employee’s experience.	✓
8. Provide customers with an enhanced ‘One Time Payment’ (40% of people prefer this way to pay) that allows customer to still see 24 months of bill history without logging in , enroll in ‘paperless,’ sign up for text or e-mail reminders, and pay via Credit Card or ACH (this is a huge factor in increasing e-adoption).	✓

The Invoice Cloud Platform

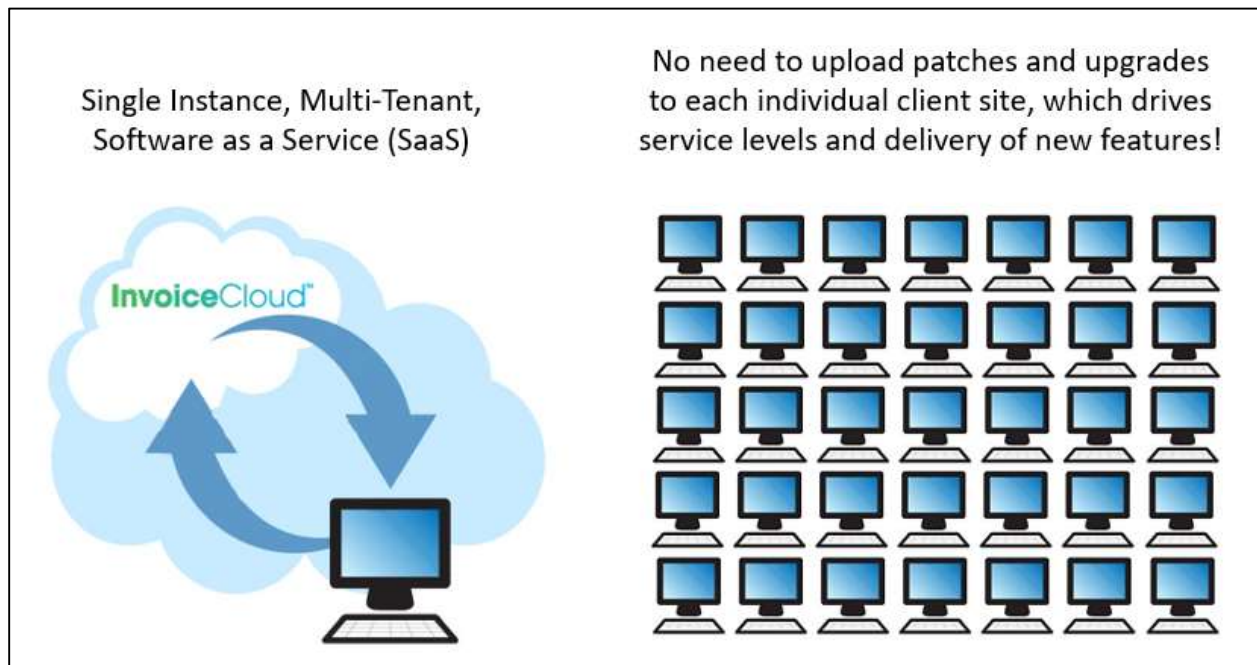
IC achieves the highest e-adoption rates by providing extensive web and mobile payment options, catering to more payers' preferences. We recognize that everyone uses the internet and, more importantly, pays their bills differently. We continually develop new, omni channels methods to improve access to and use of bill payment.



Irvine Ranch Water District and its customers would receive the following benefits from implementing Invoice Cloud:

- Security** - Invoice Cloud provides a secure, private and Payment Card Industry (PCI) Level 1 Compliant solution that is certified by Trustwave's Trust Commerce Program. Level 1 PCI compliance is the highest in the industry. Invoice Cloud maintains full compliance with Cardholder Information Security Program (CISP) regulations and National Automated Clearinghouse Association (NACHA) rules and guidelines, as well as Personally Identifiable Information (PII). Data is secure during collection and transmission via TLS with 256 bit encryption or better. We are responsible for the security of all cardholder data in the IC system, relieving the City of all PCI requirements. IC uses two levels of encryption, called Double Encryption Methodology (DEM), even though only one is required by PCI. By using two separate encryption layers, in the unlikely event that a hacker ever stumbled over a valid data element, he/she would have to go through an entirely new process to find a second.

- **Software as a Service (SaaS) Architecture – Invoice Cloud is a TRUE SaaS provider** (single instance, multi-tenant), so we don't need to upload patches and upgrades to each individual client site. Other competitors host client software and make it available over the web but it is not true SaaS. Competitors who claim SaaS/Hosted are NOT single instance multi-tenanted platforms. Each of their implementations is a "snowflake" (stack) that needs individual patching and updating, which consumes engineering time and causes serious support challenges. When Invoice Cloud provides an enhancement to the system, everyone gets it automatically and can elect to use it or not. Consider the simplicity of supporting a single instance of software that is multi-tenanted versus the challenge of having to keep track of what version each client is on, and what that means, for hundreds of clients.



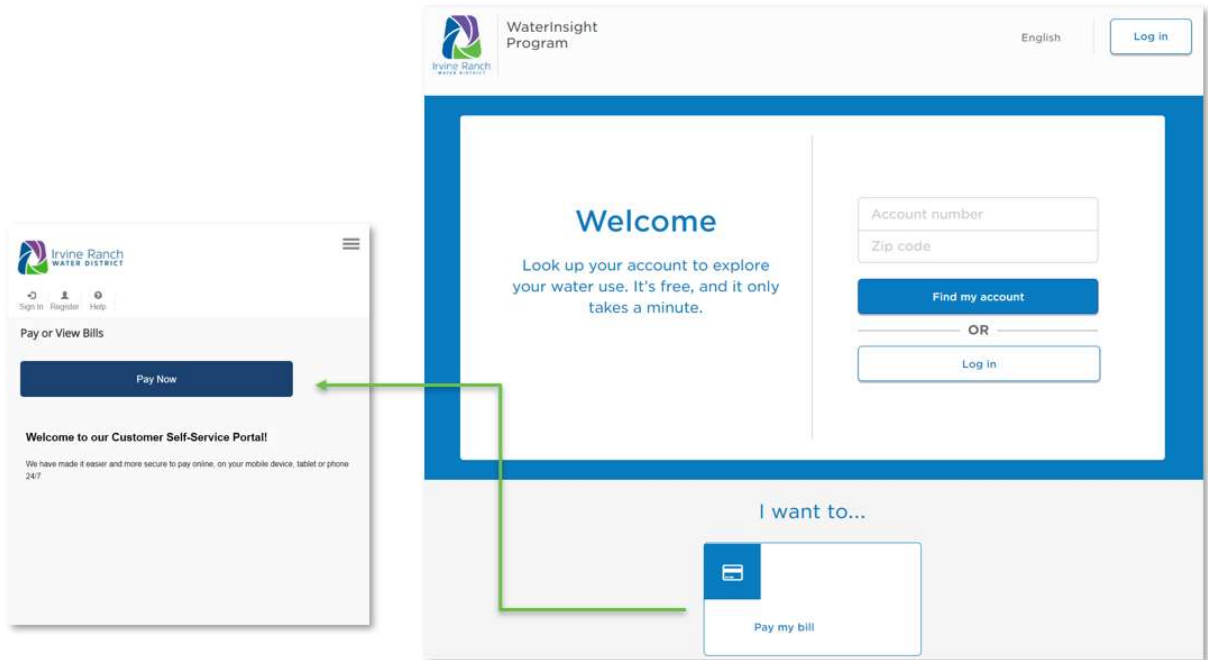
Customer Engagement, Electronic Bill Presentment & Payment

- **Extensive Customer Portal to view and/or pay bills:**
 - View *24 months of billing and payment history* (no registration required)
 - Store bank account and/or credit card information on the Invoice Cloud secure site for future payments, scheduled payments, or AutoPay
 - Sign up for AutoPay, schedule a single payment, or create their own 'budget' payment schedule with Flex Pay
 - Payers can view payment history online, even if their payments were made in cash at the window because we synchronize with your CIS. Improves 24/7 customer self-serve options.
- **Improve communications with payers by offering a comprehensive, automated e-mail communication platform:**
 - Invoice Cloud provides 27 e-mail templates branded as the Biller, each sent to their payers based on certain events. Here are a few examples:
 - 3 e-mail reminders per bill (crucial for driving e-adoption—online payments and paperless); once a payment is made once, payer will get an e-mail reminder next bill run even if not signed up for paperless.
 - Email and SMS Text Messaging Reminders available
 - **OneClickPay** – Registered users can go directly to their shopping cart from email reminders.
 - Payment confirmation receipt
 - AutoPay/Scheduled payment reminder
 - Credit Card expiration notification (if the credit card on file is expiring)
 - ACH Reject notification
- **Extensive Web and Mobile payment options—all self-serve between Invoice Cloud and your payers:** As of 2017, more than half of all internet users—51.12%—accessed the internet from mobile devices, which is why we designed our online payment portal to be mobile responsive.
 - *Accept payments in any manner - Web, Mobile, IVR, Pay by Text, Over the Counter, Kiosk - through a single source.*
 - 'One Time Pay'—no registration required and Shopping Cart functionality allowing your customers to pay more than one invoice in a single transaction: *this is CRITICAL for driving online payment adoption*
 - **View invoice and real time balance from IC email notifications, no log in required**
 - Scheduled Payments – schedule a single payment for a **future** date
 - AutoPay – recurring monthly payments paid on a date determined by the Biller
 - Flex-Pay – payers create their own 'budget' payment schedule within a billing cycle
 - Account Linking: pay multiple bills at once for multiple properties, plus manage all accounts through one registration
- **Mobile Responsive Site Design:**
 - Responsive design provides 'app-like' experience without requiring the download of an app.

- **40% of Invoice Cloud's payments are through mobile devices (smartphones and tablets)**
- **Pay by Text**
 - Allows registered Payers with a default payment method to pay with one reply via text! Pay by Text is Non-registered users can continue to the mobile responsive site for payment.
- **Remind Me – Calendar Payment and Reminder System**
 - Remind Me that allows one-time payers to set calendar events or SMS text reminders of a pending invoice and receive a link to their shopping cart to initiate a one-time payment.
 - Every Biller can customize the calendar event body.
- **Pay by Phone, IVR**
 - Our SaaS IVR is owned by Invoice Cloud and offers callers account balance lookups and real time payment posting to your CIS. We host our IVR in a PCI-compliant environment and actively maintain and support it 24/7/365. We can handle high volumes of calls during peak call periods.
 - Real time account balances and payments made by credit card or e-check. IC IVR includes the ability to send a payment receipt to emails on file, saved payment methods, and call transfer to your Call Center.
 - No implementation costs
 - English, Spanish and multiple languages available
 - Toll free or local phone number
 - Accepts full and partial payments, as well as overpayments
 - Custom greeting and limited custom prompts available, convenience fee disclosure if applicable
 - Works in tandem with IC Biller Portal Maintenance Windows
 - Works with touch tone prompts
- **Online Bank Direct™:**
 - IC offers our clients the ability to register and electronically receive customer payments directly through the customer's online banking channels through Online Bank Direct™ (OBD). OBD eliminates paper checks issued by online banking sites; the Biller receives electronic deposits instead, saving its staff time and effort. Paid staff no longer need to manually compare citizen names and amounts to the bank issued checks and then enter them into the appropriate citizen file. They also do not need to deliver paper checks to the Biller's preferred bank for processing and deposit.
- **Self-service Bill Payment Kiosks:**
 - Invoice Cloud has an integrated bill payment Kiosk solution that will accept cash, check, and debit/credit cards. Self-service kiosks reduce customer wait time in line with average payment times of 60 seconds or less. Kiosk leverages the existing integration with CIS including payment posting so no additional integration points are required to add the IC kiosk.
- **Cloud Store™:**

EXHIBIT "C"

- The IC Cloud Store platform allows our Billers to take payments online for non-invoiced or low volume payments, such as Utility Deposits, Permits and Licensing.
- **Cash Payments at Retail Locations**
 - Allow your payers to pay in cash at their local 7-11, Walgreens, CVS or Walmart. All done with a reusable barcode provided to the payer that the cashier scans with the rest of their shopping items.



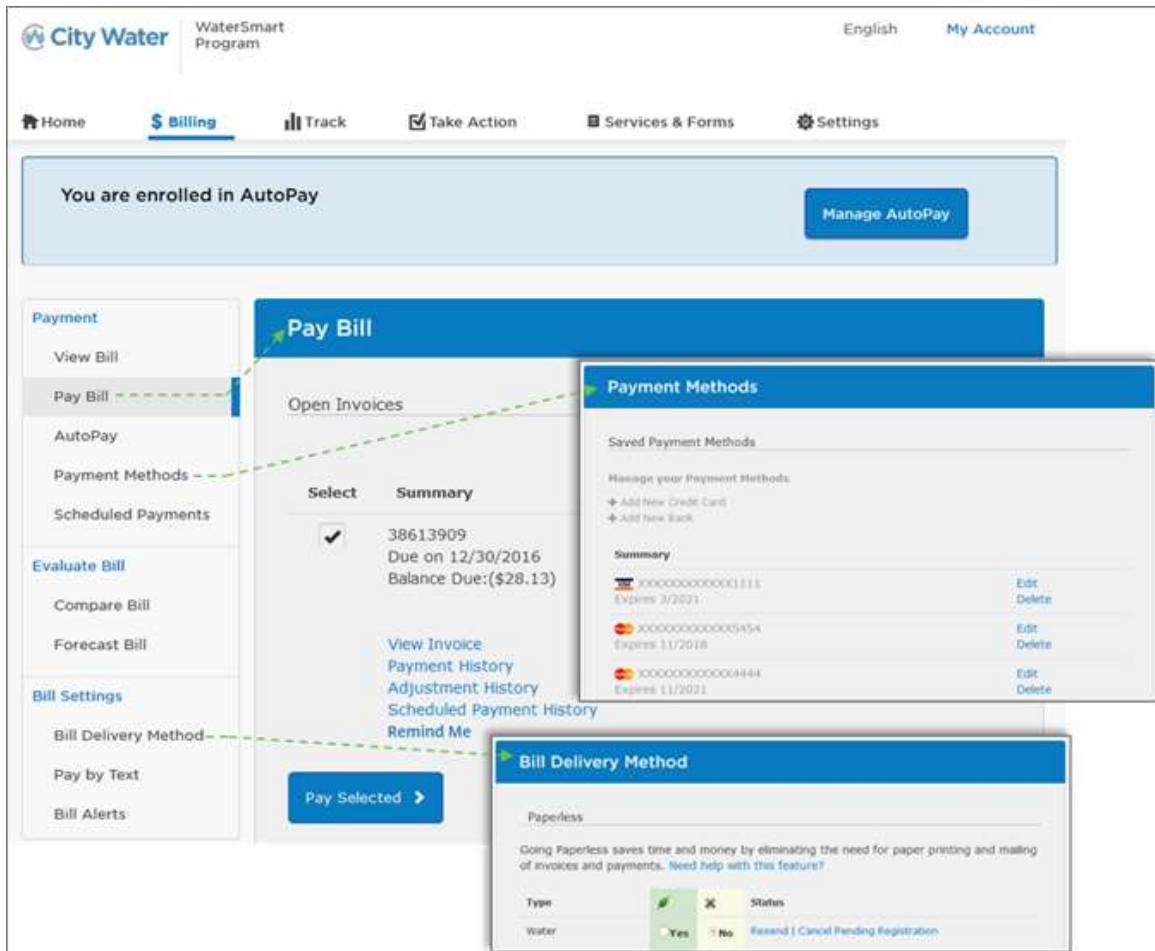


WaterSmart Single Sign On

IC is accessible from WaterSmart's portal as a secure, PCI Level 1-compliant SSO, which we integrate during implementation at no cost. This helps Irvine Ranch Water District improve e-adoption by customers who like to see their consumption data when making payments or looking up billing history, no additional log in required.

WaterSmart embeds Invoice Cloud's EBPP through iframes, an HTML element that allows an external webpage to be embedded in an HTML document. Unlike traditional frames, which are used to create the structure of a webpage, iframes can be inserted anywhere within a webpage layout. This is the most requested look and feel requested by utilities today, and only IC supports it.

With iframes, IC works with WaterSmart customize the complete look and feel of our SSO embedded iframes. By clicking on an action tab, like AutoPay, Payment Methods, or Bill Delivery Method, IC simply opens in a customizable iframe or in a separate dialog box directly from WaterSmart. This means no more second tab experiences and, from the customer's perspective, simply part of the WaterSmart CSS--not a separate product. We can edit our iframes and APIs to provide a seamless look and feel, match the WaterSmart branding, and make the payment process for customers very easy.



Customer Notifications

With Invoice Cloud, Irvine Ranch Water District receives not just a payment processing service, but a customer engagement platform. We provide multiple bill reminders to customers by email, as well as 27 other event-driven notifications about expiring credit cards, receipts, and new payment options, through the internet channels customers use every day. IC increases collection rates through our customer engagement and robust payment methods. **According to recent research, the highest percentage of surveyed U.S. adults who missed a payment--35%-did so simply because they forgot.** When customers miss a payment, this results in higher expenditures by the Irvine Ranch Water District, who must then expend follow-up through the collection process. That's why Invoice Cloud is more than a payment web site; we partner with our clients as a customer engagement platform.

With these e-mailed bill reminders going out to your payers, it is a great opportunity to plug different areas of the Commission or use to advertise products and or services.

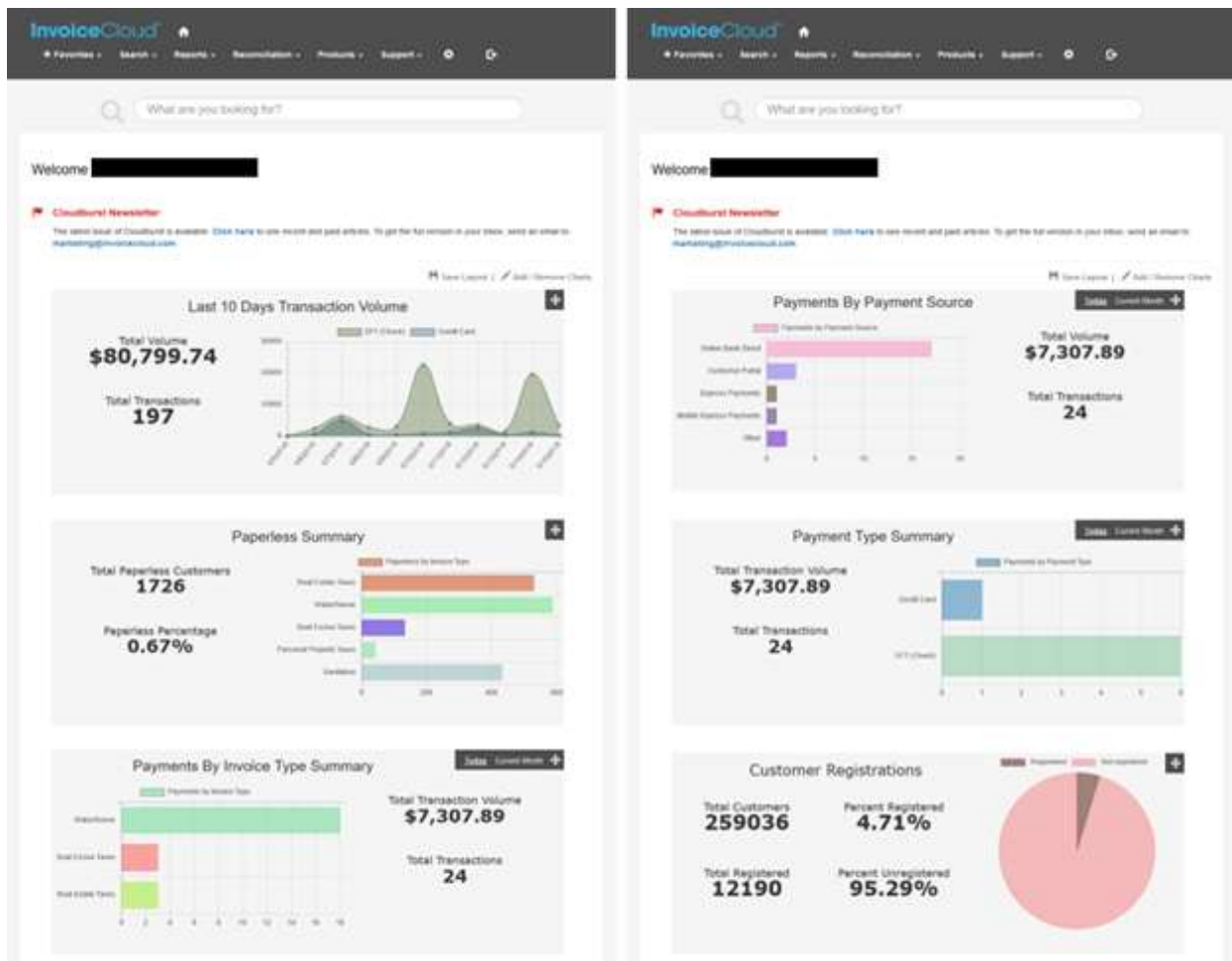
We improve collection rates and reduce the volume of delinquent bills by helping Irvine Ranch Water District actively engage with its customers, providing up to three automated email and SMS text reminders when balances are due and helping market ways to set recurring and AutoPay payments.

Having a social media presence is pretty much the norm today, but it's all in how you market your social media that will make it successful and advertising plays a big roll. Our clients have found the bill reminders are very powerful in getting the word out.

Our three-email system is critical because every customer's budget varies; some pay immediately after receiving a bill, some pay later due to a paycheck, and some pay just before the bill is due. Meanwhile, the original email notification that most of our competitors send is buried under weeks of other less important messages. When paired with our many ways to pay (e.g., online, through a text message, at CVS), Irvine Ranch Water District customers know when to pay, wherever is most convenient for them.

Billers Portal: Reporting, Reconciliation and CSR Payments

IC's Biller Portal offers extensive reporting tools for reconciliation and data mining, making life easier for Irvine Ranch Water District. The first page of our Biller Portal provides Irvine Ranch Water District an interactive dashboard, containing a variety of charts with metrics from all areas (e.g., payment volume, paperless, and registration). These charts include Last 10 Days Payment Summary, Payments by Payment Source Summary, Payments by Payment Type Summary, AutoPay Payments by Invoice type Summary, Payments by Invoice Type Summary, Paperless by Invoice Type Summary, Registered Customers Summary, and Active Customers Summary. Our reports present focused, salient content to our clients. Irvine Ranch Water District can rearrange these charts to user preference at any time.

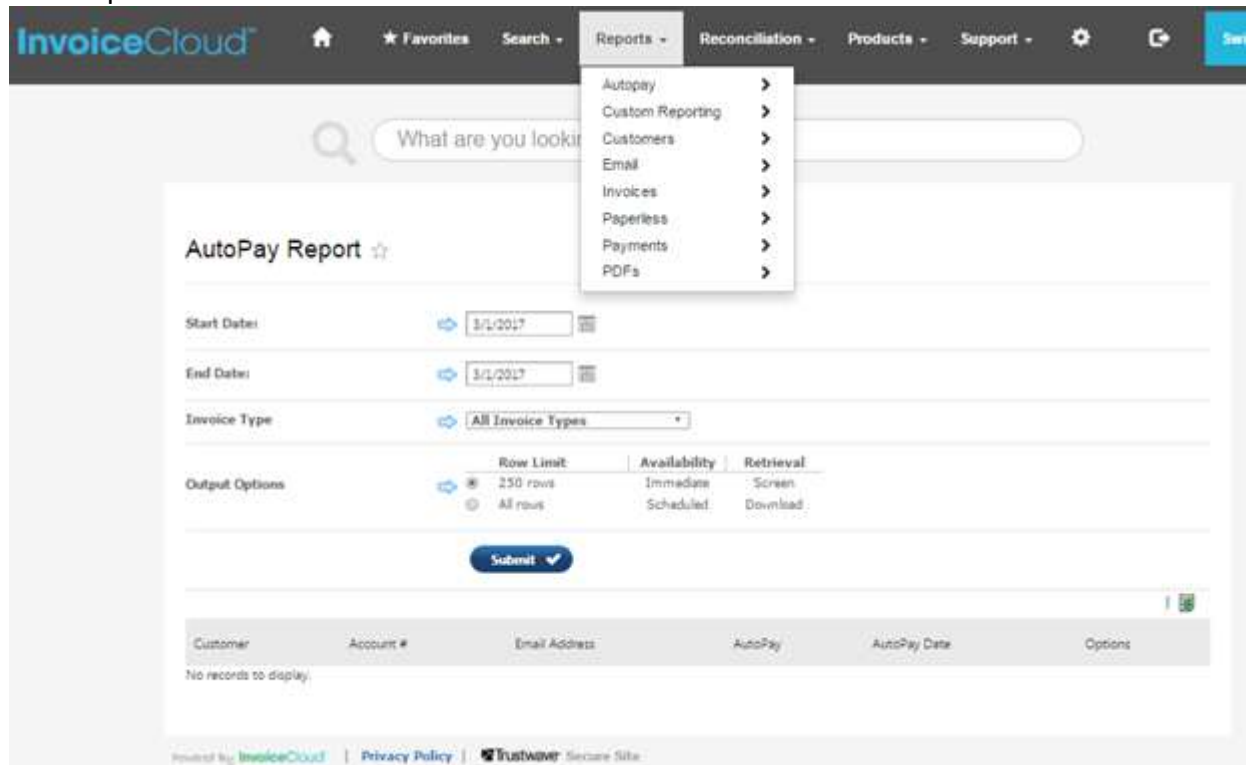


The Biller Portal is available 24/7/365 and is 100% self-service for the user. Based on permissions set by the Biller, admin users will have access to features such as:

- Blocking certain Customers from making ACH and/or Credit Card Payments.
- Updating an email address for a Customer.
- Entering a courtesy email address for a Customer or Landlord.
- Sending an invoice notification for a bill that a Customer says he/she didn't receive.
- Setting up AutoPay for a Customer at Customer's request.
- Setting up paperless billing for a Customer at Customer's request.

- Reviewing payment and/or email history.
- Updating phone number for a Customer at Customer's request.
- Issuing a credit on an over payment.

Billers Portal offers many standard and ad hoc reports with date ranges and drill down options to view detail. All reports are available 24/7 through the Biller Portal. Most of the standard reports can be defined by date range, payment type or bill type criteria, in addition to criteria particular to the report (like name or email for the customer report) to produce targeted results. Our system uses open architecture and is Open Database Connectivity (ODBC) compliant to allow data extraction and facilitate reporting. All IC data can be drilled down and then exported to CSV.

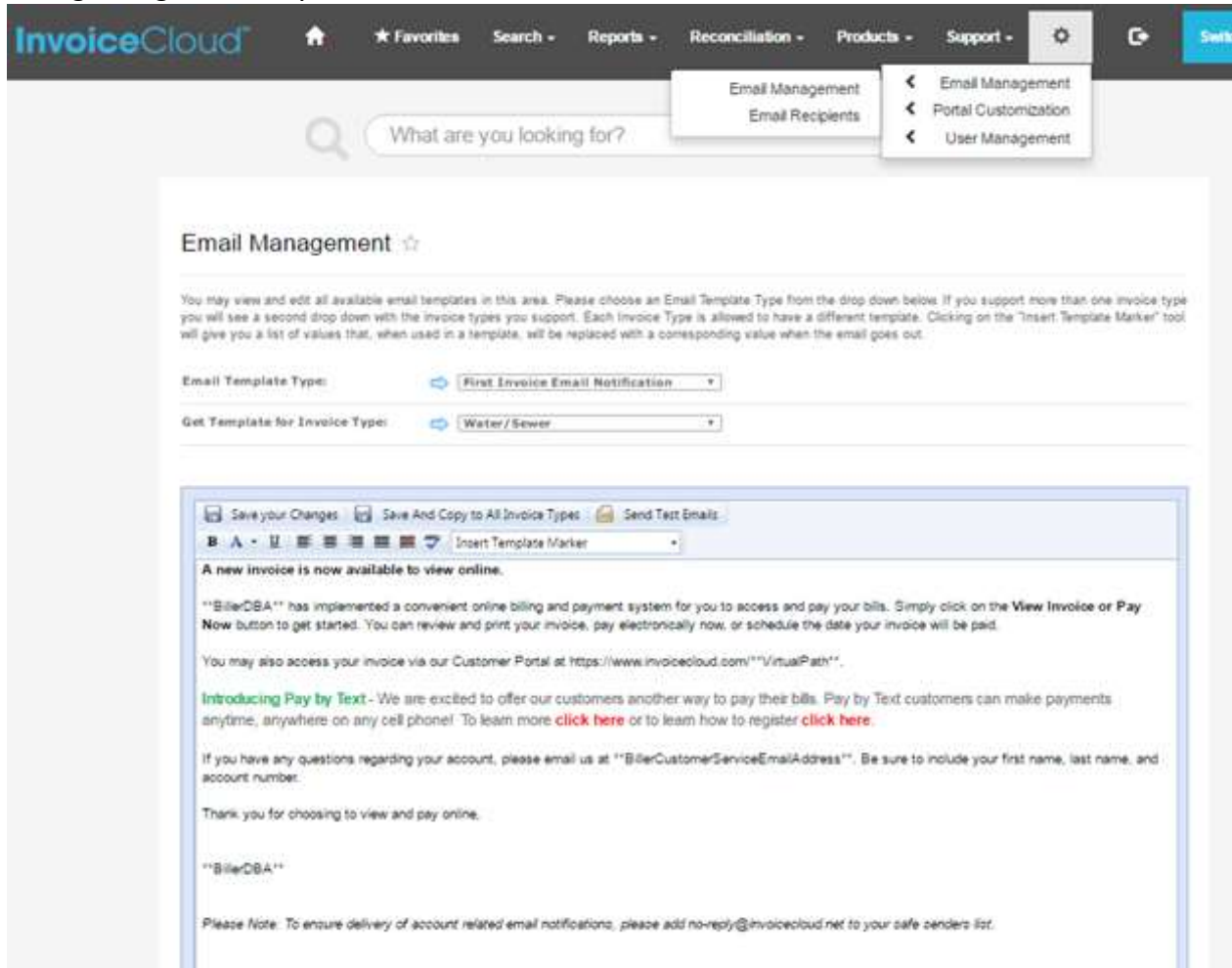


Irvine Ranch Water District can change the images on its Customer Portal, emails, and invoices at any time, 100% self-service.

Email Templates. IC provides 27 email templates that fosters high self-service and customer communications, all triggered by events and customer activity. The service's multiple email notification capability will allow Irvine Ranch Water District to achieve unprecedented online payment and paperless adoption rates and provide the easiest to use, most comprehensive EBPP system on the market.

Email notifications are completely customizable using the Biller Portal's built-in MS Word-style editor. All notifications are template driven so that Irvine Ranch Water District can customize the messaging on the notification and use them, if desired, to alert customers to current or pending Biller events or due dates. In addition, templates are invoice based, so Irvine Ranch Water District can have different information in the email messaging on an Invoice by Invoice

basis. We provide both Word and HTML views, the ability to insert variable fields, such as Invoice Due Date into the body of the email, embed images, URL's, and send test emails prior to saving changes in the system.



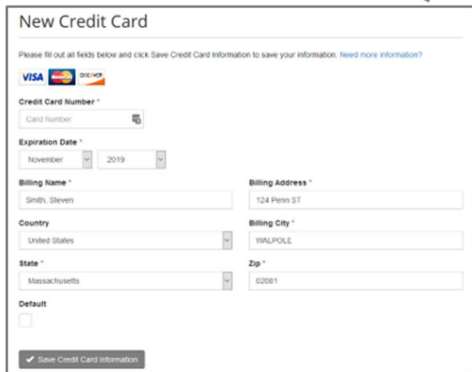
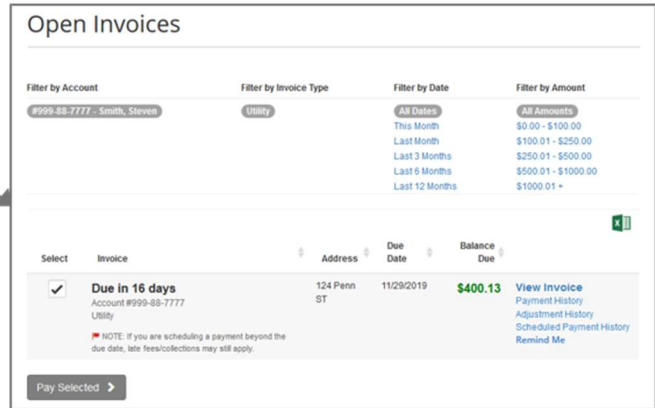
CSRConnect:

Irvine Ranch Water District CSRs over-the-phone payments from within CIS through our CSRConnect interface. CSRConnect allows a CIS Application to develop a connection to Invoice Cloud and be redirected to areas within the Customer Portal or One Time Payment Routes, which provides a superior CSR user experience. With CSRConnect, the CSR can process a payment without logging into the IC Biller Portal. We connect fields via API, which allows IC to dynamically create or update a customer as well as the customer's current invoice details and balance.

- **CSRConnect dynamically creates a \$0.00 invoice on the fly, allowing a CSR to take payment for a new customer over the phone through our One Time Payment route before their first invoice has been issued.**
- Similarly, the CSR can use CSRConnect to set-up and enroll a new customer in AutoPay or Paperless Billing online.

Six Landing Options:

- 1 = Open Bill Listing
- 2 = Paperless Settings
- 3 = AutoPay Settings
- 4 = Password Change
- 5 = Payment Options
- 6 = Closed Bill Listing



More Ways to Engage

Cloud Store™

Cloud Store allows Billers to accept payments for non-invoiced services such as Engineering Fees, Miscellaneous Accounts Receivable, Citations, Airport Fees, Permitting, Dog License, or Parks and Recreation. Cloud Store Billers will have access to detailed reporting functionality in our Biller Portal as well as Shopping Cart functionality through the One Time Payment channel.

The screenshot displays the Dartmouth Cloud Store interface. At the top left is the Town of Dartmouth logo. Navigation links for 'Sign In' and 'Contact Us' are at the top right. A central heading reads 'Pay or View Bills' with a subtext 'Please select an item below to get started.' Below this is a grid of category buttons: Taxes, Utility, Harbormaster, Dartmouth Schools, Police, Board of Health, Municipal Lien Certificates, and Sewer Release. A blue arrow points from the 'Board of Health' button to a detailed form titled 'Animal Permit Renewal only'. The form includes a disclaimer: 'Please take the time to fill out ALL of the following fields. Any required fields are denoted with an asterisk (*). Click for more information.' The form fields are: Town of Dartmouth Resident Status (Owner), Name, Address, Mailing Address (if different), State, Zip Code, Telephone Number, Alternate Telephone Number, Property Owner Name, Email Address, Property Owner Telephone Number, and Payment Amount (35). A 'Confirm Your Information' button is at the bottom.

Online Bank Direct™

Online Bank Direct eliminates paper checks issued by online banking sites. Irvine Ranch Water District will be able to register through Invoice Cloud with online banking networks (Fiserv and MasterCard RPPS) to electronically deposit citizen payments.

Electronically depositing these payments will save biller staff time and effort. They will no longer need to manually compare citizen names and amounts to the bank issued checks and then enter them into the appropriate citizen file. The IC Online Bank Direct electronic payments (like lock box files) are matched (when possible) to the payer's account, processed and uploaded into the biller's CIS system. Invoice Cloud provides a unique exception handling process whereby, using AI Invoice Cloud will search through the District's invoices and present a short list of potential matches along with a Rating score. Once the CSR matches a payment correctly to an account, IC will remember the match and automatically process the next payment without a new exception flag.

Online Bank Direct - Pending Entries Search or Navigate

4 of 8 | Back | Forward | Mark For Return | Custom Search | No Invoice | Finalize My Selections | Exit Pending Payments

Guy Sicilia Date 10/4/2017

PAY TO THE ORDER OF Valley Water Systems \$ DOLLARS

MEMO 21327002

This Payment will be applied to the following selected Invoice. If incorrect, please select the correct Invoice.

Customer Name: ➡ GUY THOMAS SICILIA JR
 Account #: ➡ 213270.02
 Invoice #: ➡ 3198753
 Invoice Amount: ➡ \$44.87
 Amount Due: ➡ \$44.87

Please select an Invoice you would like to apply this Payment to. If applicable, we have pre-selected the Invoice that we believe is a match with this Payment. If this is incorrect, please select the correct Invoice. You may also search for other Invoices by using click on Custom Search option in the toolbar.

Rating	Invoice #	Inv. Date	Account #	Customer	Inv. Amt.	Amt. Due	Options
<input checked="" type="checkbox"/> ■■■■■	3198753	9/25/2017	213270.02	GUY THOMAS SICILIA JR	\$44.87	\$44.87	
<input type="checkbox"/> ■■■■■	3200701	9/25/2017	000000236040	HIEP NGUYEN	\$45.74	\$45.74	
<input type="checkbox"/> ■■■■■	2638693	4/25/2016	314100.04	PAUL J. OSTIGUY	\$176.95	\$44.89	
<input type="checkbox"/> ■■■■■	3198339	9/25/2017	213340.01	GUY GAGNON	\$12.18	\$12.18	

Bill Payment Kiosks

Invoice Cloud offers an integrated bill payment Kiosk solution that will accept cash, check, and debit/credit cards. Self-service kiosks reduce customer wait time in line with average payment times of 60 seconds or less. Kiosk leverages the existing EBPP integration with your CIS including payment posting, so no additional integration points are required to add the IC kiosk.

IC Standard Indoor Kiosk:

64.2" High, 21.8" Wide, 28" Deep

- Decrease foot traffic and expand payment hours
- Fast & Secure Payment Channel- Payments made in 60 seconds or less
- Cash, Check & Card
- Branded Interface Design and Functionality
- Multiple Account Look-up Options – Account Number, QR Code, Phone Number, Address
- Touch screen, ADA compliant, email or paper receipts



Pricing

Customer Engagement, Electronic Bill Presentment & Payment	
Project Initialization	
Project Management, CIS Integration and Development, Deployment, Training <ul style="list-style-type: none"> SSO / Water Smart SSO Integration InfoSend PDF Linking 	\$25,000 No Charge for IRWD due to existing CC&B and WaterSmart integrations.
Account Access	
Monthly Access Fee for Branded Customer and Biller Portals -- includes UNLIMITED administrative users <ul style="list-style-type: none"> <i>The monthly access fee covers maintenance, support, upgrades/enhancements and full access to the Invoice Cloud service for the Biller and its customers.</i> 	\$150
HelpDesk Support	
Access to IC HelpDesk and client services team. <ul style="list-style-type: none"> <i>IC will assign a dedicated Customer Success Manager to work with the District and support the HelpDesk</i> 	No Charge
Marketing	
Consultation and graphic design services to promote customer self-service and electronic adoption.	No Charge
Platform Service Fees	
<i>See Options Below</i>	
Bill Presentment	
Bill/Invoice Presentment Fee, per Bill Image per Cycle <ul style="list-style-type: none"> PDF Linking with InfoSend, No Charges from IC for the Setup 	\$0.02
Online Bank Direct™ – Online Bank Payment Consolidation, Fiserv & MasterCard RPPS	
Per transaction fee	\$0.25
Pay-by-Phone IVR	
IVR Surcharge – fee per transaction over the electronic payment fees <ul style="list-style-type: none"> No per minute fees, no fees for dropped calls Supports multiple invoice types English & Spanish languages included 	\$0.95
Other	
Email Engine with 27 Templates, Pay by Text, Remind Me, OneClickPay	No Additional Charges

Option 1: Platform Service Fees	
Convenience Fee Model: E-Check/ACH, Visa, MasterCard, Discover <ul style="list-style-type: none"> • <i>Applies to all IC Payment Sources Except AutoPay by E-Check/ACH</i> 	\$2.95 per transaction -\$800 max on cards with multiple service fees
AutoPay E-Check/ACH: fee per transaction, Paid by the District <ul style="list-style-type: none"> • <i>IC AutoPay Feature</i> • <i>Assumes migration of IRWD's existing CIS AutoPay profiles to Invoice Cloud</i> 	\$0.55

Option 2: Platform Service Fees	
Convenience Fee Model: Visa, MasterCard, Discover <ul style="list-style-type: none"> • <i>Applies to all Credit/Debit Card Payments, All IC Payment Sources</i> 	\$3.95 per transaction -\$800 max on cards with multiple service fees
E-Check/ACH: fee per transaction, Paid by the District <ul style="list-style-type: none"> • <i>Applies to all IC Payment Sources</i> • <i>Assumes migration of IRWD's existing CIS AutoPay profiles to Invoice Cloud</i> 	\$0.55

Option 3: Platform Service Fees	
Visa, MasterCard, Discover & American Express – Paid by the District <ul style="list-style-type: none"> • <i>Applies to all Credit/Debit Card Payments, All IC Payment Sources</i> • <i>IC will ensure District receives UTILITY rates on interchange from all card brands (varies based on card used)</i> • <i>Standard limit on cards is \$125,000</i> 	\$0.55 per transaction or authorization PLUS pass-through Chase Paymentech fees, card brand interchange, fees, dues, and assessments
E-Check/ACH: fee per transaction, Paid by the District	\$0.55 per transaction

Notes:

- *\$125,000 max on e-check/ACH in all models, with no restrictions from IC*
- Conservative estimate to IRWD for credit card pass-through fees – 1%
 - Average payment amount over 1 year - \$117
 - Est cost for pass-through fees = \$1.17 or \$1.67 with Invoice Cloud's fee
 - Frequently, we see <10% of all cards used equating to half the monthly interchange costs due to rewards cards and commercial cards used
 - If 2600 customers pay by card, the estimated cost would be \$4,342. If 13,000 (5x) customers pay by card, the estimated cost would be \$21,710

Example:

Alameda County WD has been live with Invoice Cloud since June 2018. Upon conversion to IC, ACWD eliminated their BillMatrix CC convenience fee and began to absorb credit card fees for the first time.

- The average transaction volume went from 3,697 to 20,001 each month. (5.4X growth in cards used, as of Oct 2019, 17 months live).
- E-Check went from about 12,000 each month down to 4,452, on average.

Other Stats:

- 6,000 new customers have enrolled in paperless billing
- 1200 pay by text payments added
- IVR payments increased by 600 each month
- OBD reduced from 12,000 to 10,000 on average