



























October 9, 2024

The Honorable Buffy Wicks Assembly Select Committee on Permitting Reform 1021 O Street, Suite 8140 Sacramento, CA 95814

RE: Assembly Select Committee on Permitting Reform

Dear Chair Wicks:

The undersigned organizations represent a broad cross-section of California water including: public and private water agencies, wastewater providers, recycled water, agriculture, and business. We want to thank you for your leadership on this important issue, as well as the time and dedication of the members of the Assembly Select Committee on Permitting Reform (Select Committee), as we collectively work on innovative solutions to adapt California's infrastructure and practices for climate change. We write specifically to emphasize the critical nature of including water supply development, treatment, and distribution in the conversations of the Select Committee. Permit reform, climate change, and housing are inextricably linked to water; without these generational investments in water, California will not be able to maintain its current way of life.

Building and Maintaining Water Infrastructure is Critical to our Future

In the face of climate change and population growth, water and wastewater providers have spent the last several decades planning and implementing solutions to create efficiencies, maintain and increase water supply, manage for floods, and respond quickly to climate-driven emergency situations. Private industry has also made major investments and implemented innovative practices to more efficiently utilize this limited resource. Adapting to climate change requires substantial rehabilitation and modification of existing water facilities and significant investments in new water infrastructure. As detailed in <u>California's Water Supply Strategy</u> released by Governor Newsom's Administration in August 2022, California must make a substantial number of new investments in water management, including significantly increase above and below-ground storage capacity to mitigate for our disappearing snowpack. In addition, new and enhanced conveyance facilities are essential for moving collected and stored water, connecting suppliers with different supply sources, transferring water among water users, recharging groundwater, and storing water for multiple purposes, including environmental purposes. Development of alternative water supplies – including recycled water and potable reuse, desalination,

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and stormwater management – will also be critically important to advancing California's water and climate resilience.

While the need for water supply and flood protection infrastructure is evident, getting these critical projects approved and built can be a significant challenge. Even after the California Environmental Quality Act (CEQA) process is complete, the permitting process can be mired in delays caused by overlapping jurisdictions of state and federal agencies, confusion over what's required for a completed application, and state agency and project applicant staffing issues. [See Attachment 1 for a breakdown of required permits for a dam retrofit project as an example. Other types of water-related projects involve similarly complex and lengthy permitting processes among multiple agencies, as well.] Local agencies have made, and continue to make, significant investments in these projects; according to the Public Policy Institute of California (PPIC), local funding accounts for about 84 percent of the funding for water supply development projects, with the State and Federal investments at 13 percent and three percent respectively. As delays occur, costs increase, and depending on the size of the project, delays can ultimately cost water rate payers and taxpayers tens of millions of dollars. This regulatory gridlock can also lead to worse environmental outcomes and delay projects that will benefit the environment. It is imperative that permitting processes provide the needed protections they are intended to without unduly delaying or preventing these critical investments in our future.

Permitting Must Look at the Watershed-Scale for Better Environmental Outcomes and Efficiencies

One way that permitting could be reformed to provide better outcomes for both the environment and infrastructure projects is to implement permitting at the watershed scale. Supporting climate adaptation will require watershed-scale management that benefits people, species, and ecosystems alike. The Public Policy Institute of California (PPIC) has released several reports emphasizing the importance of watershed-scale management. In Advancing Ecosystem Restoration with Smarter Permitting, one of the key takeaways is that California needs to shift emphasis from single-species management to ecosystem-based management at the watershed scale. Another report, Priorities for California's Water, advocates for ecosystem-based management in order to improve ecosystem health for a wide range of benefits and ultimately because it is the most effective way to support protected species and prevent the need for further listings. Permitting agencies often work within a narrow lens when examining an issue within their purview, which can lead to outcomes that fail to consider the larger impacts of permitting decisions. By emphasizing a watershed-scale approach for permitting, water projects are likely to have a more significant benefit to both people and ecosystems.

The undersigned organizations appreciate your time and dedication to this critical issue as the State works toward climate adaptation. Attached to this letter are a few brief examples of permitting delays and challenges for your consideration as the Select Committee continues this important work. We are available for questions and appreciate your support.

Sincerely,

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cc: Honorable Members, Assembly Select Committee on Permitting Reform Steve Wertheim, Staff, Assembly Select Committee on Permitting Reform Jeff Bellisario, Executive Director, Bay Area Council Economic Institute Adrian Covert, Senior Vice President, Public Policy, Bay Area Council

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Attachment 1 - Permitting Process Example

There are a myriad of agencies and permits that are involved in large water infrastructure projects. The sheer number of permits required while simultaneously coordinating with multiple agencies and various staff members inevitably leads to confusion and project delays. Below is an example of the variety of permits required for a project related to a dam retrofit. In a situation like this, if the dam is not retrofitted in a timely manner, it could spell disaster for the water system and the people that rely on it. A streamlined permitting process is needed so that projects that protect people and wildlife can be executed in a reasonable timeframe.

Jurisdiction	Agency	Permit / Approval / Consultation
Federal	Federal Energy Regulatory Commission (FERC)	Provides licensing and oversight of the safety of dams and acts as lead on National Environmental
	,	Policy Act compliance.
	National Marine Fisheries Service	Magnuson-Stevens Act – Essential Fish Habitat impact assessment.
	U.S. Army Corps of Engineers	Section 404 of the Clean Water Act – permit or permit amendment for discharge of dredged or fill materials.
	U.S. Fish and Wildlife Service	Federal Endangered Species Act – Authorization under incidental take for Covered Species and Activities.
		Federal Endangered Species Act – Consultation for non-Covered Species or Activities.
State	California Department of Fish and	Lake or Streambed Alteration Agreement for any
	Wildlife	portion of the project that might have impacts.
		California Endangered Species Act – Authorization
		under incidental take provisions for Covered
		Species and activities.
		California Endangered Species Act - Permit for
		Non-Covered Species or Activities.
	California Department of Water	Approval of repairs or alterations to a dam or
	Resources - Division of Safety of Dams	reservoir.
	Dams	Approval of dam safety and dam repairs or alterations.
	State Water Resources Control	Clean Water Act – water quality certification.
	Board	Clean Water Act – Notification under Construction
		Stormwater General Permit.
		Water rights license amendments.
Regional/Local	Air quality boards	Authorities to Construct and Permits to Operate
		stationary source equipment
	Counties	Approval of access/activities on County owned
		land and consultation on the reestablishment of
		recreational facilities Other County approvals as applicable
	Cities	Other County approvals as applicable
	Cities	Encroachment permit, temporary right of entry Other municipal approvals as applicable
		Other municipal approvals as applicable