

**ECONOMIC IMPACT STATEMENT**

DEPARTMENT NAME <b>State Water Resources Control Board</b>	CONTACT PERSON <b>Conny Mitterhofer</b>	EMAIL ADDRESS <b>conny.mitterhofer@waterboard</b>	TELEPHONE NUMBER <b>+1 (916) 341-5720</b>
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 <b>Updates to the Water Diversion and Use and Water Measurement and Reporting Regulations</b>			NOTICE FILE NUMBER <b>Z</b>

**A. ESTIMATED PRIVATE SECTOR COST IMPACTS** *Include calculations and assumptions in the rulemaking record.*

1. Check the appropriate box(es) below to indicate whether this regulation:
- |  |   |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts business and/or employees | <input checked="" type="checkbox"/> e. Imposes reporting requirements   |
| <input checked="" type="checkbox"/> b. Impacts small businesses          | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input checked="" type="checkbox"/> c. Impacts jobs or occupations       | <input checked="" type="checkbox"/> g. Impacts individuals              |
| <input type="checkbox"/> d. Impacts California competitiveness           | <input type="checkbox"/> h. None of the above (Explain below):          |

-

*If any box in Items 1 a through g is checked, complete this Economic Impact Statement.  
If box in Item 1.h. is checked, complete the Fiscal Impact Statement as appropriate.*

2. The State Water Resources Control Board estimates that the economic impact of this regulation (which includes the fiscal impact) is:
- (Agency/Department)
- ☒ Below \$10 million
- ☐ Between \$10 and \$25 million
- ☐ Between \$25 and \$50 million
- ☐ Over \$50 million *[If the economic impact is over \$50 million, agencies are required to submit a [Standardized Regulatory Impact Assessment](#) as specified in Government Code Section 11346.3(c)]*

3. Enter the total number of businesses impacted: 9,900 (see att.)

Describe the types of businesses (Include nonprofits): All regulated businesses are private water right holders.

Enter the number or percentage of total businesses impacted that are small businesses: 5% (see att.)

4. Enter the number of businesses that will be created: 0 eliminated: 0

Explain: The proposed update to SB 88 is not expected to create or eliminate businesses in California. See attachment.

5. Indicate the geographic extent of impacts: ☒ Statewide
- ☐ Local or regional (List areas): -

6. Enter the number of jobs created: 0 and eliminated: 0

Describe the types of jobs or occupations impacted: The proposed update to SB 88 is not expected to create or eliminate jobs in California. See attachment.

7. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here? ☐ YES ☒ NO

If YES, explain briefly: -

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**ECONOMIC IMPACT STATEMENT (CONTINUED)****B. ESTIMATED COSTS** *Include calculations and assumptions in the rulemaking record.*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ 2.17M + \$151K/yr
- a. Initial costs for a small business: \$ 516 (see att.) Annual ongoing costs: \$ 0 Years: 1
- b. Initial costs for a typical business: \$ 516 (see att.) Annual ongoing costs: \$ 0 Years: 1
- c. Initial costs for an individual: \$ 516 (see att.) Annual ongoing costs: \$ 0 Years: 1
- d. Describe other economic costs that may occur: The proposed update will impact private water right holders' reporting costs as well as expenses related to new measurement and telemetering equipment. See attachment.
2. If multiple industries are impacted, enter the share of total costs for each industry: Water right holders subject to the SB 88 regulation are the only party on which the proposed update imposes obligations and that, as a consequence, would incur costs. See att.
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted. \$ 0 (see att.)
4. Will this regulation directly impact housing costs? ☐ YES ☒ NO  
If YES, enter the annual dollar cost per housing unit: \$ 0  
Number of units: 0
5. Are there comparable Federal regulations? ☐ YES ☒ NO
- Explain the need for State regulation given the existence or absence of Federal regulations: The Water Board is proposing to revise the SB 88 regulation to improve the data quality and usability as well as to improve the overall clarity of the text. See attachment.
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ 0

**C. ESTIMATED BENEFITS** *Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. Briefly summarize the benefits of the regulation, which may include among others, the health and welfare of California residents, worker safety and the State's environment: The proposed update is anticipated to improve the accuracy, consistency, and usability of water diversion data, which is essential for effective water management. It will help streamline reporting for water right holders and make data analysis more efficient for the Water Board. See att.
2. Are the benefits the result of: ☐ specific statutory requirements, or ☒ goals developed by the agency based on broad statutory authority?  
Explain: The proposed update to the SB 88 regulation is based on feedback from existing diverters. See attachment.
3. What are the total statewide benefits from this regulation over its lifetime? \$ 0 (see att.)
4. Briefly describe any expansion of businesses currently doing business within the State of California that would result from this regulation: Existing manufacturers of measurement and telemetering devices, engineering consulting firms, contractors, and related businesses that assist diverters likely would not need to expand production. See attachment.

**D. ALTERNATIVES TO THE REGULATION** *Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: Alternative 1 considers only two of the requirements proposed in the SB 88 regulation update. Alternative 2 considers all the requirements in the proposed update and makes one of them relatively more stringent. See attachment.

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2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation: Benefit: \$ 0 Cost: \$ 4.7M + \$465K/yr

Alternative 1: Benefit: \$ 0 Cost: \$ 0.6M + \$27K/yr

Alternative 2: Benefit: \$ 0 Cost: \$ 6.1M + \$694K/yr

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives:

The proposed SB 88 regulation update and alternatives could yield benefits that are not possible to quantify given the existing data. See attachment.

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs?

☐ YES☒ NO

Explain: The proposed update to SB 88 does not mandate the use of specific technologies or equipment. The prescriptive procedure to report standardized data to the Board's reporting platform is essential to the regulation's effectiveness.

**E. MAJOR REGULATIONS** *Include calculations and assumptions in the rulemaking record.*

***California Environmental Protection Agency (Cal/EPA) boards, offices and departments are required to submit the following (per Health and Safety Code section 57005). Otherwise, skip to E4.***

1. Will the estimated costs of this regulation to California business enterprises **exceed \$10 million**? ☐ YES ☒ NO

***If YES, complete E2. and E3  
If NO, skip to E4***

2. Briefly describe each alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: -

Alternative 2: -

(Attach additional pages for other alternatives)

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: Total Cost \$ - Cost-effectiveness ratio: \$ -

Alternative 1: Total Cost \$ - Cost-effectiveness ratio: \$ -

Alternative 2: Total Cost \$ - Cost-effectiveness ratio: \$ -

4. Will the regulation subject to OAL review have an estimated economic impact to business enterprises and individuals located in or doing business in California exceeding \$50 million in any 12-month period between the date the major regulation is estimated to be filed with the Secretary of State through 12 months after the major regulation is estimated to be fully implemented?

☐ YES☒ NO

*If YES, agencies are required to submit a Standardized Regulatory Impact Assessment (SRIA) as specified in Government Code Section 11346.3(c) and to include the SRIA in the Initial Statement of Reasons.*

5. Briefly describe the following:

The increase or decrease of investment in the State: The proposed update might increase capital expenditure, but the increase is negligible and not sufficiently large to affect production levels of existing in-state manufacturers. See attachment.

The incentive for innovation in products, materials or processes: The proposed update relies on well-established measurement and telemetry technologies, and thus the impact on innovation in products, materials, or processes is negligible. See att.

The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents, worker safety, and the state's environment and quality of life, among any other benefits identified by the agency: The proposed update is expected to improve the accuracy, consistency, and usability of water diversion data, and streamline reporting. See att.

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**FISCAL IMPACT STATEMENT****A. FISCAL EFFECT ON LOCAL GOVERNMENT** *Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*

- ☐ 1. Additional expenditures in the current State Fiscal Year which are reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ \_\_\_\_\_

- ☐ a. Funding provided in \_\_\_\_\_  
Budget Act of \_\_\_\_\_ or Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_

- ☐ b. Funding will be requested in the Governor's Budget Act of \_\_\_\_\_  
Fiscal Year: \_\_\_\_\_

- ☒ 2. Additional expenditures in the current State Fiscal Year which are NOT reimbursable by the State. (Approximate)  
(Pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code).

\$ 2.4M (see att.)*Check reason(s) this regulation is not reimbursable and provide the appropriate information:*

- ☐ a. Implements the Federal mandate contained in \_\_\_\_\_

- ☐ b. Implements the court mandate set forth by the \_\_\_\_\_ Court.

Case of: \_\_\_\_\_ vs. \_\_\_\_\_

- ☐ c. Implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_

Date of Election: \_\_\_\_\_

- ☐ d. Issued only in response to a specific request from affected local entity(s).

Local entity(s) affected: \_\_\_\_\_  
\_\_\_\_\_

- ☒ e. Will be fully financed from the fees, revenue, etc. from: adjustment to service charges, fees, or assessments over time (see att.)

Authorized by Section: 17556 of the Government Code;

- ☐ f. Provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each;

- ☐ g. Creates, eliminates, or changes the penalty for a new crime or infraction contained in \_\_\_\_\_

- ☐ 3. Annual Savings. (approximate)

\$ \_\_\_\_\_

- ☐ 4. No additional costs or savings. This regulation makes only technical, non-substantive or clarifying changes to current law regulations.

- ☐ 5. No fiscal impact exists. This regulation does not affect any local entity or program.

- ☒ 6. Other. Explain Local government agencies are projected to incur annual costs of approximately \$310,000 in subsequent State Fiscal Years. See attachment.

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**FISCAL IMPACT STATEMENT (CONTINUED)****B. FISCAL EFFECT ON STATE GOVERNMENT** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*☒ 1. Additional expenditures in the current State Fiscal Year. (Approximate)\$ 65,000 (see att.)*It is anticipated that State agencies will:*☒ a. Absorb these additional costs within their existing budgets and resources.☐ b. Increase the currently authorized budget level for the \_\_\_\_\_ Fiscal Year☐ 2. Savings in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

☐ 3. No fiscal impact exists. This regulation does not affect any State agency or program.☒ 4. Other. Explain State government agencies are projected to incur annual costs of approximately \$4,000 in subsequent State Fiscal Years. See attachment.**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.*☐ 1. Additional expenditures in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

☐ 2. Savings in the current State Fiscal Year. (Approximate)

\$ \_\_\_\_\_

☒ 3. No fiscal impact exists. This regulation does not affect any federally funded State agency or program.☐ 4. Other. Explain \_\_\_\_\_

FISCAL OFFICER SIGNATURE

 **Renée Milano**Digitally signed by Renée Milano  
Date: 2025.07.10 08:53:17 -07'00'

DATE

7/10/2025

*The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.*

AGENCY SECRETARY

 **Brandy Hunt**Digitally signed by Brandy Hunt  
Date: 2025.07.16 11:55:32 -07'00'

DATE

*Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD. 399.*

DEPARTMENT OF FINANCE PROGRAM BUDGET MANAGER

Digitally signed by Andrew March  
Date: 2025.08.07 13:29:35 -07'00'

DATE

August 7, 2025