



-VIA ELECTRONIC MAIL-

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MEMORANDUM

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TO: Stacy Taylor, Mesa Water District
FROM: Dennis K. Albiani, Anthony Molina, California Advocates, Inc.
SUBJECT: May Report

The Legislature is operating at full throttle! Over the past month, the Legislature hit two major milestones for the year – the policy committee deadline and the fiscal deadline. This sets the stage for the next rapidly approaching “House of Origin” deadline. The “House of Origin” deadline means all bills must pass out of their respective houses to remain active for the year – this must take place by June 4th. Furthermore, this week, the Senate President Pro Temp, Toni Atkins, and Speaker Anthony Rendon announced an agreement that legislators will only be allowed to advance a total of twelve bills each for the 2021 legislative year. Legislators will have to choose which twelve bills they would like to send to the opposite house.

In addition to actively engaging in the legislative process on behalf of Mesa Water District, we are also participating in various budget discussions on pandemic recovery, water resiliency, and drought emergency. The Governor and Legislature must pass a balanced state budget by June 15th or lawmakers will forgo their pay. To highlight, California is operating on its strongest fiscal footing in state history. The Governor presented a historic May Revise budget spending plan of \$268.1 billion and recognized the state has a \$75.5 billion surplus with \$26 billion additional dollars coming from the federal government. The Governor also made a significant commitment in the May Revise of \$2 billion to direct relief toward utility expenses, which specifically included, \$1 billion to be set aside for water arrearages.

As both the legislative process and budget negotiations continue to progress over the next month, we will continue to identify opportunities to proactively engage on behalf of the Mesa Water District. Stay tuned for timely updates!

ACWA Sponsored Legislation Update “Water and Sewer Service”

Mesa Water District continues to be very active on this legislation. Mesa Water District has taken a “support if amended” position on the bill and continues to lead a coalition of water agencies on the issue. Mesa Water District has drafted amendments to the bill, presented them to the Senator and staff. In follow-up the author of the bill has rejected Mesa Water District’s proposed amendments which were intended to protect the interests and rights of all public water and sewer agency ratepayers including small not-for-profit private suppliers in California; and, strike a sensible balance between sufficiently limiting public water and sewer agencies’ financial and legal exposure while providing transparency and responsibility to ratepayers

including small not-for-profit private suppliers, so that they understand the new time restrictions for challenging an agency's rates if they believe they were not lawfully enacted.

The bill has currently passed out of the Senate and has been referred to the Assembly Local Government Committee. The bill cannot be heard in the Assembly policy committee until after June 7th. Mesa Water District will continue to lead the coalition and work to get the proposed amendments included in SB 323.

SB 323 (Caballero) Local government: water or sewer service: legal actions.

This bill would authorize a local agency or interested person to bring a validation action in a superior court to determine the validity of a fee or charge for water and sewer service. The proposal would require an interested party bring an action within 120 days after the local agency adopts the fee or charge. Mesa Water District has requested amendments

Status: Assembly Local Government Committee

Position: Support, if amended

California Coastkeeper Alliance Sponsored Legislation "Clean Water Act"

This bill that has caught the attention of water districts, dischargers, and industry. We have met with the author's office, sponsors, and other stakeholders with questions and concerns. It is a very aggressive measure that may reduce the regional and state water board's ability to balance the interests of water quality improvements with cost-benefit. The author's office amended the bill for the third time this year with another set of proposed amendments on deck. The bill remains very problematic.

AB 377 (Rivas) Water quality: impaired waters.

This bill would require all California surface waters to be fishable, swimmable, and drinkable by January 1, 2050. The bill would prohibit the state board and regional boards from authorizing an NPDES discharge, or a waste discharge requirement or waiver of a waste discharge requirement for a discharge, to surface water that causes or contributes to an exceedance of an applicable water quality standard in receiving waters, or from authorizing a best management practice permit term to authorize a discharge to surface water that causes or contributes to an exceedance of an applicable water quality standard in receiving waters.

Status: Two-year bill.

Position: Oppose

Bonds

We are actively engaged in both the Senate and Assembly bond conversations on behalf of Mesa Water District. We have participated in ACWA working groups and testified in all policy committee hearings. ACWA did accept Mesa Water District's specific ask to include \$150 million for projects and competitive grants for brackish and seawater desalination projects. We will now work to have this language included in both bond proposals. Additionally, given the recent announcements of the water resilience and emergency drought packages by the Governor and the Senate, both bond proposal may be put on pause for the year, as the Administration and the Legislature look to fund immediate shovel ready projects to prepare for California's drought.

SB 45 (Portantino) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.

This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which would authorize the issuance of bonds in the amount of \$5,510,000,000 to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

Status: Senate Floor

Position: Support, if amended

AB 1500 (E. Garcia) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.

This bill would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, which would authorize the issuance of bonds in the amount of \$6,700,000,000 to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs.

Status: Assembly Floor

Position: TBD (Possible Support, if amended, consistent with ACWA's proposed amendments)

2021 Legislative Tracking

SB 222 (Dodd) Water Affordability Assistance Program.

This bill would establish the Water Affordability Assistance Fund in the State Treasury to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers and ratepayers experiencing economic hardship in California. The bill would make money in the fund available upon appropriation by the Legislature to the state board to provide direct water bill assistance, water bill credits, water crisis assistance, affordability assistance, and short-term assistance to public water systems to administer program components.

Status: Senate Floor

Position: Oppose Unless Amended

SB 223 (Dodd) Discontinuation of residential water service.

The bill would require the State Water Resources Control Board (Board) to provide technical assistance to very small community water systems. The bill would require the Board to establish a bridge loan program to assist very small community water systems that may suffer revenue loss or delayed collection while complying with this chapter. To the extent funding is available, partial loan forgiveness would be made available to systems that offer debt forgiveness to low-income residents with past due accounts. This bill would also require an urban water supplier and an urban and community water system to update policies to comply this chapter by July 1, 2022.

Status: Senate Appropriations Committee, "held" on the "suspense file.

Position: Oppose

AB 361 (Rivas) Open meetings: local agencies: teleconferences.

This bill would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting for the purpose of declaring or ratifying a local emergency, during a declared state or local emergency, when state or local health officials have imposed or recommended measures to promote social distancing, and during a declared local emergency provided the legislative body makes certain determinations by majority vote.

Status: Senate, pending referral.

Position: Support

AB 339 (Lee) State and local government: open meetings.

This bill will require all meetings to include an opportunity for members of the public to attend via a telephonic option and an internet-based service option. The bill would require all meetings to include an in-person public comment opportunity, except for circumstances during a declared state or local emergency. The bill would require all meetings to provide the public with an opportunity to comment on proposed legislation in person and remotely via a telephonic and an internet-based service option. The bill would also require the legislative bodies of the local agency to provide interpretation services as requested and have a system to process requests for interpretation services and publicize that system online.

Status: Assembly Floor

Position: Watch

AB 588 (E. Garcia) California Safe Drinking Water Act: compliance.

This bill would authorize the State Water Resources Control Board (Board) to set a period from 30 days to three years for reaching compliance with a new drinking water regulation. The bill would also require the Board to identify actions to assist water systems to achieve compliance with a new regulation.

Status: Two-year bill.

Position: Support

AB 703 (Rubio) Open meetings: local agencies: teleconferences.

This bill will eliminate the previously existing concept of "teleconference locations"; will revise existing law to ensure minimum standards for public participation; and will revise notice requirements to allow for greater public participation in teleconference meetings of local agencies. The bill does not require teleconferencing but modernizes existing law to ensure greater public participation in meetings of the legislative bodies of local agencies which choose to utilize teleconferencing.

Status: Two-year bill.

Position: Support

AB 1434 (Friedman) Urban water use objectives: indoor residential water use.

This bill would incrementally lower the indoor water use standard starting January 1, 2023, to reach a standard of 40 gallons per capita daily (GPCD) starting in 2030. The bill also removes the requirement for the Department of Water Resources, in consultation with the State Water Resources Control Board, to

submit a report on the result of its indoor water use studies and make recommendations regarding the existing standards.

Status: Two-year bill.

Position: Oppose

Budget

Governor Newsom Reveals Priorities of the \$100 Billion-dollar “California Comeback Plan”

Governor Newsom traveled the state in a campaign like fashion to roll out his \$100 billion dollar “California Comeback Plan,” announcing several priorities throughout the week. The Governor’s May projects California to have a \$75.5 billion-dollar operating budget surplus and an additional \$26 billion coming from the federal government. Below are a list of the highlights and investment that have been announced as a part of the of the Governor’s plan to accelerate the post pandemic recovery of California:

- Governor Newsom’s plan represents the highest level of state school funding in California history, investing an additional \$20 billion to support the potential of every California student and make the structural change necessary to reduce barriers while increasing opportunities across the board, including massive investments in K-12 public schools, creating universal Pre-K and college savings accounts for 3.7 million low-income children in public schools.
- \$12 billion dollars to expand the Golden State Stimulus to middle-class families -- creating the biggest state tax rebate in United States history. Two out of three Californians will benefit from a stimulus check of at least \$600 dollars. Families with kids will also receive an additional \$500 dollars.
- \$12 billion dollar plan to tackle the issue of homelessness will be the largest investment of its kind in California history. This investment will provide 65,000 people with housing placements, more than 300,000 people with housing stability and create 46,000 new housing units.
- \$5.1 billion investment over 4 years for drought infrastructure, preparedness, and response to ensure a more climate resilient system.
- \$2 billion dollars of direct relief toward utility expenses. Specifically, \$1 billion will be set aside for water bills.
- \$5.2 billion for rent payments. The Governor plans to double the rental assistance in California to get 100% of back rent paid and future support for renters. This proposal would be retroactive for those who have already received 80% assistance.
- \$4 billion dollar expansion of the state’s COVID-19 Small Business Relief Grant program.
- \$7 billion to expand broadband access to underserved communities.

After announcing his May Revise and key spending plans, the Governor must now negotiate with the Legislature on balancing the state’s budget. The Governor and lawmakers have until June 15th at midnight to come to an agreement.

Governor Newsom Announces \$5.1 Billion for Water Infrastructure and Drought

Governor Newsom proposed a \$5.1 billion dollar package of immediate drought response and long-term water resilience investments to address immediate, emergency needs, build regional capacity to endure drought and safeguard water supplies for communities, the economy, and the environment. The

Governor's proposal comes as part of his week-long tour highlighting the Administration's comprehensive recovery plan tackling the most persistent challenges facing California. In addition to the \$5.1 billion investment, the Governor is proposing \$1 billion to help Californians pay their overdue water bills. The Governor announced the package in Merced County while visiting the San Luis Reservoir, which sits at less than half of capacity.

The Governor's \$5.1 billion proposed investment, over four years, aligns with his July 2020 Water Resilience Portfolio, a roadmap to water security for Californians in the face of climate change. It is shaped by lessons learned during the 2012-16 drought, such as the need to act early and gather better data about water systems. Specifically, the package includes the following:

- \$1.3 billion for drinking water and wastewater infrastructure, with a focus on small and disadvantaged communities.
- \$150 million for groundwater cleanup and water recycling projects.
- \$300 million for Sustainable Groundwater Management Act implementation to improve water supply security, water quality and water reliability.
- \$200 million for water conveyance improvements to repair major water delivery systems damaged by subsidence.
- \$500 million for multi-benefit land repurposing to provide long-term, flexible support for water users.
- \$230 million for wildlife corridor and fish passage projects to improve the ability of wildlife to migrate safely.
- \$200 million for habitat restoration to support tidal wetland, floodplain, and multi-benefit flood-risk reduction projects.
- \$91 million for critical data collection to repair and augment the state's water data infrastructure to improve forecasting, monitoring, and assessment of hydrologic conditions.
- \$60 million for State Water Efficiency and Enhancement Program grants to help farmers reduce irrigation water use and reduce greenhouse gas emissions from agricultural pumping.
- \$33 million for fisheries and wildlife support to protect and conserve California's diverse ecosystems.
- \$27 million for emergency and permanent solutions to drinking water drought emergencies.

Senate Budget Plan on Drought, Safe Drinking Water, Water Supply Reliability, and Ratepayer Assistance

Senate Democrats laid out a \$3.41 billion plan to address the statewide drought conditions. The plan would direct \$3.41 billion in federal and state funds—a combination of one-time federal dollars from the American Rescue Plan, one-time dollars from the General Fund, and an acceleration of General Obligation Bonds.

A diverse array of investments would provide drought relief through community-based drinking water and water supply projects, water-use efficiency projects, and sustainable groundwater management; improve water supply reliability; and assist California families, businesses, and utilities by addressing the backlog of bills and arrearages that have accumulated through the pandemic.

Specifically, the following funds are included in the Senate's plan:

- \$1 billion helping ratepayers, community water systems, wastewater treatment works, and public utilities recover from COVID-19 economic impacts.
- \$500 million in immediate community assistance for water and drought relief.
- \$500 million emergency drought water-use efficiency.
- \$350 million sustainable groundwater management.
- \$200 million resilient water infrastructure projects.
- \$200 million recycled water.
- \$200 million stormwater management.
- \$285 million protecting fish & wildlife from drought impacts.
- \$100 million water quality.
- \$75 million water data and forecast improvement.

Regulatory

- On April 21st, Governor Newsom directed state agencies to take immediate action to bolster drought resilience and prepare for impacts on communities, businesses, and ecosystems if dry conditions extend to a third year. In addition, the Governor proclaimed a regional drought emergency for the Russian River watershed in Sonoma and Mendocino counties, where reservoirs are at record lows following two critically dry years and accelerated action may be needed to protect public health, safety and the environment. The Governor has directed state agencies to work with regional and local governments – including groundwater sustainability agencies – to identify watersheds, communities, public water systems and ecosystems that may require coordinated state and local actions to address drought impacts and protect people, natural resources and economic activity. The text of the emergency proclamation can be found [HERE](#).
- Governor Gavin Newsom significantly expanded his April 21st drought emergency proclamation to include Klamath River, Sacramento-San Joaquin Delta, and Tulare Lake Watershed counties where accelerated action is needed to protect public health, safety, and the environment. In total, 41 counties are now under a drought state of emergency, representing 30 percent of the state’s population. The new drought emergency proclamation added the following counties: Del Norte, Humboldt, Siskiyou, Trinity, Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Fresno, Glenn, Kern, Kings, Lake, Lassen, Madera, Mariposa, Merced, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Joaquin, Shasta, Sierra, Solano, Stanislaus, Sutter, Tehama, Tulare, Tuolumne, Yolo and Yuba counties. The text of the emergency proclamation can be found [HERE](#).
- The Governor made the following appointments:
 - **Virginia Madueno, 55, of Riverbank, has been appointed to the Delta Stewardship Council.** Madueno has been Managing Partner at SanGuard LLC since 2020, Co-Owner and Director of Marketing Communications at World Tile Design and Showroom since 2014, and President and CEO at Imagen LLC since 2003. She was a Member of the City Council for the City of Riverbank from 2005 to 2012, where she was Mayor from 2009 to 2012. She was a Community Organizer at Clean Water Action from 2009 to 2011 and a Public Information Officer for Stanislaus County from 1989 to 2001. She serves as a member of the Boating and Waterways Commission and on the Board of Trustees of Gallo Center for the Arts.
 - **Gabriel J. Tiffany, 47, of Sacramento, has been appointed Chief Deputy Director at the Department of Conservation.** Tiffany has been Chief Financial Officer at the Sacramento

County Superior Court since 2019. He held multiple positions at the California Department of Fish and Wildlife from 2007 to 2019, including Deputy Director of Administration, Assistant Deputy Director of Administration and Budget Officer. Tiffany held multiple positions at the California Department of Finance from 2000 to 2013, including Principal Program Budget Analyst and Finance Budget Analyst. He was a Research Analyst at the Lady Bird Johnson Wildflower Center from 2004 to 2005 and a Consultant at School Facility Consultants from 1996 to 1999.

Important Dates and Deadlines for 2021

April

- Apr. 30 – Last day for policy committees to meet and report to fiscal committees' fiscal bills introduced in their house.

May

- May 7 – Last day for policy committees to meet and report to the floor non-fiscal bills introduced in their house.
- May 14 – Last day for policy committees to meet prior to June 7.
- May 21 – Last day for fiscal committees to meet and report to the floor bills introduced in their house. Last day for fiscal committees to meet and report to the floor bills introduced in their house.
- May 31 – Memorial Day

June

- Jun. 1-4 – Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees.
- Jun. 4 – Last day for each house to pass bills introduced in that house.
- Jun. 7 – Committee meetings may resume.
- Jun. 15 – Budget Bill must be passed by midnight.

July

- Jul. 2 – Independence Day observed
- Jul. 14 – Last day for policy committees to meet and reports bills.
- Jul. 16 – Summer Recess begins upon adjournment.

August

- Aug. 16 – Legislature reconvenes from Summer Recess.
- Aug. 27 – Last day for fiscal committees to meet and report bills.
- Aug. 30 – Sept. 10 – Floor session only. No committee may meet for any purpose except Rules Committee.

September

- Sept. 3 – Last day to amend bills on the floor.
- Sept. 6 – Labor Day Observed
- Sept. 10 – Last day for any bill to be passed. Interim Recess begins upon adjournment.

October

- Oct. 10 – Last day for Governor to sign or veto bills passed by the Legislature.