



-VIA ELECTRONIC MAIL-

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MEMORANDUM

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TO: Stacy Taylor, Mesa Water District

Dennis K. Albiani

FROM: Dennis K. Albiani, Anthony Molina, California Advocates, Inc.

Faith Lane Borges

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SUBJECT: August Report

Anthony Molina

Lawmakers have returned from Summer Recess and have kicked off the fourth and final quarter of this year's legislative session. The rapid push to the end of the legislative session, which ends on September 10th, will include several legislative actions such as the fiscal deadline, the floor amendment deadline, and final floor votes on bills.

Simultaneously, lawmakers and the Administration will also finalize a handful of big-ticket budget items in the natural resources and environmental space on water and drought resiliency, climate resiliency, and wildfire resiliency. These items all have an allocated funding appropriation; however, the details are not final. Details will be forthcoming extremely soon.

As we actively engage on behalf of Mesa Water District in final policy and budget-related items, we commit to communicating timely information to ensure positive outcomes on all issues of significance to Mesa Water District.

ACWA Sponsored Legislation Update "Water and Sewer Service"

Mesa Water District continues to be very active and lead a like-minded coalition of stakeholders on this legislation. Mesa Water District advocated and obtained a significant amendment in the Assembly Judiciary Committee to require additional mail notification to ratepayers. Due to this amendment, the bill was keyed fiscal and was referred to the Assembly Appropriations Committee. Additionally, Mesa Water District continued to advocate and work with the appropriate Appropriations Committee legislators and consultants for an amendment to change the bill back to the original language of the "effective date" when customers see the new rates on their water/sewer bill. Mesa Water District was also successful in obtaining this amendment.

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.

Status: Assembly Floor

Position: Support, if amended

Water Affordability Assistance

This bill is a priority for ACWA and its member agencies. ACWA has led on the issue and has worked closely with Senator Dodd's staff to improve the bill throughout the legislative process. A few outstanding issues that ACWA is looking to address was the following:

- Identifying a permanent funding solution
- A commitment for no water tax on ratepayers
- Establishing an "estimated" funding formula that would not be implemented as "household-to-household."

As currently drafted, the bill would not be implemented until a funding source is identified – this may be done this year or next year if that state has adequate funds to fund the program. Also, Senator Dodd has stated, he has no intention for this bill to become a local water tax on ratepayers – if this did take place, it would make this bill a 2/3 vote or require a new bill. And lastly, Senator Dodd's staff is working with ACWA on accepting their final amendments request on an "estimated" funding formula. Should the amendment be taken, ACWA will remove their opposition from the bill and move to a "watch" position.

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: Assembly Appropriations Committee "Suspense File" Candidate. Hearing August 26th.
Position: Oppose Unless Amended**

2021 Legislative Tracking

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: This bill is dead.
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 Floor

Position: Support

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

This bill requires, until December 31, 2023, that city councils and boards of supervisors in jurisdictions with over 250,000 residents provide both in-person and teleconference options for the public to attend their meetings.

Status: Senate Floor

Position: Watch

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

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

Bonds

Both bond proposals bills have been put to a halt for the immediate future. The Senate moved their bond proposal to the Senate Floor "Inactive File" and the Assembly moved their bond proposal to the Assembly Rules Committee. At this time both bills will be held until leadership in both houses decides to move forward with each proposal in the legislative process. To make it on the November 2022 ballot, either bill must pass the Legislature before June 2022.

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, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,510,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

Status: Senate Floor – Inactive File

Position: Watch

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, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,700,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs.

Status: Assembly Rules Committee

Position: Watch

Budget Update

As stated in the introduction, the Budget and Budget trailer bills continue to evolve as details for significant items in the natural resources, water, and environmental space continue to be negotiated by lawmakers and the Administration. While there have already been several actions taken on the budget related to natural resources and water, below is a list of the highlights that the Governor signed before the Summer Recess

- **Department of Water Resources**
 - \$101 million one-time to DWR for immediate drought support.
 - \$663 million one-time to DWR for local assistance related to drought relief.
 - \$200 million for small community drought relief
 - \$100 million for urban community drought relief
 - \$200 million for multi benefit projects
 - \$60 million for Sustainable Groundwater Management Act implementation
 - \$100 million water conveyance
 - \$3 million for emergency drought support

- **State Water Resources Control Board**
 - \$1 billion dollars to the SWRCB and CSD for relief to reduce customer water bills due to the COVID 19 pandemic.
 - \$1.385 billion one-time to SWRCB
 - \$650 million of which will be available for drinking water projects
 - \$650 million for wastewater projects
 - \$85 million for groundwater cleanup and water recycling projects
 - \$4.2 million in reimbursement authority and 21.0 permanent positions to oversee cleanup of contaminants including PFAS

Additionally, below are the outstanding budget investment packages to be addressed in the coming weeks. Finally, we continue to advocate on behalf of Mesa Water District for competitive grants for inland brackish and coastal seawater desalination projects to be included in the final Water and Drought Resilience package.

- Water and Drought Resilience: \$730.7 million
- Climate Resilience: \$3.7 billion over three years
- Wildfire Prevention & Resilience: \$758 million plus additional special funds over three years
- Cap-and-Trade Spending Plan: \$720 million

Regulatory

- **State Water Resources Control Board “Delta Watershed Curtailments:**
 - The State Water Resources Control Board, following hours of debate and comment, voted 5-0 to impose an “emergency curtailment” order covering the rivers of the Sacramento-San Joaquin Delta watershed — essentially the entire Central Valley. It’s the most dramatic step taken to date by state regulators since the drought was officially declared in most of California’s counties — and surpasses any of the moves made during the previous drought. The emergency regulation must be approved by the Office of Administrative Law and filed with the Secretary of State before it becomes effective and curtailment orders can be issued. Of the 6,600 water right holders in the Delta watershed, approximately 5,700 could be ordered to curtail diversions as early as this month under the authority provided by the regulation. The remainder, who hold older water rights or riparian rights, could be subject to curtailment if conditions worsen.
- **California Department of Community Services & Development:**

- Below is a link to the main webpage for the California Arrearage Payment Program which has information on the survey and other important resources/events:
<https://www.csd.ca.gov/Pages/CAPP.aspx>.
- **Department of Water Resources:**
 - Paul Gosselin has joined Department of Water Resources (DWR) as the Deputy Director for Sustainable Groundwater Management. In this capacity, Paul will oversee DWR's groundwater management activities statewide, including the implementation of the Sustainable Groundwater Management Act (SGMA). Paul has extensive experience in local groundwater management, and environmental regulations and leadership.
- **The Governor made the following appointments:**
 - **Jamie Callahan, of Sacramento, has been appointed Chief of Staff and Policy Advisor to the Chair for the California Air Resources Board.** Callahan has served as Deputy Cabinet Secretary in the Office of Governor Gavin Newsom since 2019. She served as Chief Executive Officer of the 2018 Global Climate Action Summit. Callahan was Director of External and International Affairs for the Office of Governor Edmund G. Brown Jr. from 2015 to 2019, where she served in various roles from 2011 to 2015.
 - **Shereen D'Souza, of Oakland, has been appointed Deputy Secretary for Climate Policy and Intergovernmental Relations at the California Environmental Protection Agency.** D'Souza has been an Environmental Protection Specialist for the U.S. Environmental Protection Agency, Region 9 since 2019. She was a Consultant from 2017 to 2019 and 2010 to 2013, a Foreign Affairs Officer for the U.S. Department of State from 2013 to 2017 and Director of the California Food and Justice Coalition from 2008 to 2010. D'Souza was Program Manager of Oakland Based Urban Gardens from 2004 to 2007 and a Volunteer with the U.S. Peace Corps in Honduras from 2001 to 2004.
 - **Craig Scholer, 36, of Watsonville, has been appointed Deputy Secretary for Legislative Affairs at the California Environmental Protection Agency.** Scholer has been Chief of Staff in the Office of Assemblymember Mark Stone since 2018, where he served in multiple positions from 2012 to 2018, including Legislative Director and Senior Legislative Aide. He was Campaign Manager for the Campaign of Assemblymember Sharon Quirk-Silva in 2018. Scholer was an Analyst for the Santa Cruz County Board of Supervisors in the Office of Supervisor Mark Stone in 2012.
 - **Caroline Thomas Jacobs, of El Cerrito, has been appointed Director of the Office of Energy Infrastructure Safety at the California Natural Resources Agency.** Thomas Jacobs has been Director of the Wildfire Safety Division at the California Public Utilities Commission since 2019. She served in several positions in the Governor's Office of Emergency Services from 2014 to 2019, including Chief of Response Headquarters Operations and Statewide Data Sharing Coordinator. She was Regional Project Manager for the Bay Area Urban Area Security Initiative at the California Resiliency Alliance from 2013 to 2014 and East Bay Hub Planner at the Contra Costa County Sheriff's Office, Emergency Services Division in 2013. Thomas Jacobs was a Consultant for Emergency Preparedness Services from 2010 to 2013 and a Senior Manager for Worldwide Apple Retail Service from 1999 to 2007.

Important Dates and Deadlines for 2021

August

- 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.
- Sept. 14 – Recall Election Day

October

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