



-VIA ELECTRONIC MAIL-

September 24, 2021

MEMORANDUM

Michael D. Belote

TO: Stacy Taylor, Mesa Water District

Dennis K. Albiani

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

*Faith Lane Borges**Cliff Costa*

SUBJECT: September Report

Anthony Molina

The legislative session ended on the evening of September 10th. The Senate and Assembly were able to pass all policy and budget-related issues without any complications, which is extremely different than the end of the previous year's legislative session. From the closing weeks of the legislative session, Legislators have sent the Governor roughly 700 bills to his Desk. The Governor will have until midnight on October 10th to sign or veto legislation. Bills with "Urgency Clauses" will take effect immediately upon signature, and others will take effect on January 1, 2022.

Moreover, with the legislative session ending, the primary focus was the Recall Election of Governor Newsom, just four days after the session adjourned. As the Recall Election date grew closer, polls began to project Governor Newsom defeating the Recall by double digits. As we know now, the polls were accurate, and the Governor defeated the Recall Election handily. As the results of ballot counting update daily, the "NO on the Recall" margin remains ahead by 2.9 million votes or by 25%. The Secretary of the State's Office has until Friday, October 22nd, to officially certify the election results.

As we move through the Fall Interim, we will provide Mesa Water District with updates on legislation and budget items that are acted upon by the Governor. Additionally, we will begin working with Mesa Water District staff to prepare for the upcoming legislative session, identifying priorities and opportunities for success.

ACWA Sponsored Legislation Update "Water and Sewer Service"

Mesa Water District led a like-minded coalition of stakeholders on this legislation through the entire legislative process. Mesa Water District was successful in its advocacy and obtained two significant amendments 1.) Requiring additional mail notification to ratepayers, and 2.) Reverting to the original language on the "effective date" in the bill when customers see the new rates on their water/sewer bill. The bill was signed by the Governor.

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: Signed by the Governor, 9/22/21.
Position: Support, if amended

Water Affordability Assistance

The author of this bill and the stakeholders worked diligently through the entire legislative process to reach agreements on several provisions in the legislation. However, a significant piece required for the bill to become operative was a “funding source.” Unfortunately, the author was unable to resolve this issue.

Additionally, during the final weeks of the legislative session, the Governor’s office requested that the Senator “hold” the bill and continue to work on the legislation through the Fall. The author agreed and moved the bill to the Assembly Floor’s Inactive File. The author’s office would like to move the bill early next year, if possible.

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 Floor, Inactive File
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 builds upon the Governor’s Executive Orders, allowing local legislative bodies to meet remotely during a state of emergency, as declared by the Governor, until January 2024. Additionally, this bill extends the current EO that enables state agencies and CSU boards to meet remotely for the next four months until January 2022. This bill had an “Urgency Clause” added

and was supposed to take effect immediately upon signature by the Governor. However, the Governor issues a new Executive Order waiving the application of AB 361 until October 1, 2021, when the provisions of a prior executive order that established requirements for public agencies to meet remotely during the COVID-19 emergency will expire.

EXECUTIVE ORDER N-15-21 TEXT: <https://www.gov.ca.gov/wp-content/uploads/2021/09/9.20.21-executive-order.pdf>

Status: Signed by the Governor, 9/16/21.
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 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

During the last week of the legislative session, the Legislature passed the final pieces of the 2021/22 State Budget. Closing out this budget included an additional Budget Bill Jr., [SB 170](#), making final budget adjustments and settling major outstanding budget packages in water and drought, wildfire prevention, and climate resiliency. Also, 15 additional trailer bills that added details and made edits to existing budget bills. Of the Budget trailer bills, [SB 155 "Resources"](#) has

provisions of importance to Mesa Water District. Below is a summary of the highlights from the Budget Bill Jr, SB 170, and the Resources trailer bill SB 155.

SB 170 – Budget Bill Jr.

Water and Drought Package

Provides \$4.6 billion over three years to respond to drought conditions and invest in a more resilient water future with funding for water recycling, sustainable groundwater management, cleaning up toxic contaminants, restoration of the Salton Sea and Clear Lake, and preventing flooding.

Wildfire Prevention Package

In addition to the \$536 million early action package, the budget provides \$988 million for wildfire prevention and forest health in the fiscal year 2021-2022. This equals a \$1.5 billion investment in this year alone to protect California's communities and wildlands from historic wildfires exacerbated by climate change and drought conditions. This budget also extends the state's commitment to funding these efforts in the future by continuously appropriating \$200 million a year from the Greenhouse Gas Reduction Fund until the fiscal year 2028-2029.

Climate Resiliency Package

Provides \$3.688 billion over three years to make needed climate resiliency investments or about \$2.5 billion more than what was proposed in the Governor's May Revision. A \$369 million down payment in this fiscal year provides funding to help plan for regional adaptation investments, plant trees to reduce extreme heat, increase air quality, and build healthy and sustainable communities with the Transformative Climate Communities program. Future investments will respond to extreme heat, build community resource centers, address sea-level rise, and help reach California's commitment to conserve at least 30 percent of California's land and coastal waters by 2030.

SB 155 – Resources Trailer Bill

Safe and Affordable Drinking Water (SADW) Eligibility

Expands the list of eligible funding recipients to include technical assistance providers and provides that a privately owned public utility may serve as a technical assistance provider.

Water Arrearages

Prohibits, until December 31, 2021, all community water systems from discontinuing water service to customers due to nonpayment.

California Environmental Quality Act (CEQA) Biodiversity

Exempts from CEQA projects that conserve, restore, protect, or enhance, and assist in the recovery of California native fish and wildlife, habitat upon which they depend or that restore or provide habitat for California native fish and wildlife, until January 1, 2025.

Regulatory

- **State Water Resources Control Board (SWRCB) "Curtailment Orders Issued to 4,500 Delta Water Users."** On August 20, 2021, the SWRCB announced that it had issued curtailment orders to approximately 4,500 of 6,000 water right holders in the Delta, including holders of pre-1914 appropriative water rights and riparian water rights. The duration of the curtailment orders varied

according to the location of each water right diverter. While curtailments are expected to end on September 30, 2021, the curtailment orders may serve as an example of similar curtailment orders to be issued by the SWRCB in the 2022 irrigation season.

- **The Governor made the following appointments:**
 - **Joel Ledesma, of Sacramento, has been appointed Deputy Director for Statewide Water and Energy at the California Department of Water Resources.** Ledesma has been Assistant General Manager at Northern California Power Agency since 2019. He held several positions at the California Department of Water Resources from 1991 to 2019, including Deputy Director of the State Water Project, Assistant Division Chief in the Operations and Maintenance Division, Chief of Plant Asset Management Office, Chief of Delta Field Division, Principal Hydroelectric Power Utility Engineer, Supervising Control Engineer and Electrical Engineer for the Project Operating Center.

Important Dates and Deadlines for 2021

October

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