



-VIA ELECTRONIC MAIL-

February 18, 2022

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

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SUBJECT: February Report

Anthony Molina

Amidst the January Omicron surge in Sacramento, the legislative session continued to stay the course. Lawmakers hit several two-year bill policy deadlines in January, including, the “House of Origin” deadline. For those two-year bills that have passed, they will remain active for the year. Those bills that failed passage may be re-introduced by the author this year.

Moreover, legislators have begun to shift focus to their legislative bill packages to meet the bill introduction deadline of February 18th at 5:00 pm. To date, there have not been any announcements from legislative leadership on a per member “bill cap” this year, however, this is always subject to change. As the deadline rapidly approaches, we anticipate roughly 1,500 – 2,000 bills to be introduced in the coming days. We will be reviewing all bills and will pass along legislation of importance to Mesa Water District.

Additionally, we continue to learn about legislators making plans to seek reelection, pursue other opportunities, or resign. To date, at least 20 lawmakers have made formal announcements and we anticipate this will continue until the 2022 election filing deadline on March 11th. We will continue to share the political news with Mesa Water District as we receive it.

“Water Infrastructure Funding Act of 2022” Stalls

Supporters of a proposed November ballot measure to provide billions of dollars to build new dams, desalination plants, and other large water projects in California announced they are ending their campaign due to a lack of signatures and funding.

The initiative would have required that 2% of California’s General Fund, or about \$4 billion, be set aside every year to expand water supplies until 5 million acre-feet of additional annual water supply was created – dams and reservoirs, desalination plants, recycled water plants, and other projects such as upgrading canals and pipes could be funded, as could some conservation efforts.

The proposed ballot initiative needed 997,132 signatures of registered voters by April 29th to qualify, however, to date, volunteers obtained less than 100,000 signatures. Additionally, the campaign only raised \$165,000 of the targeted \$10 million-dollar goal. The campaign plans to rework the measure and try again on the November 2024 ballot.

2022 Introduced Bill Tracking

AB 1993 (Wicks) Employment: COVID-19 vaccination requirements.

This bill would require an employer to require each person who is an employee or independent contractor, and who is eligible to receive the COVID-19 vaccine, to show proof to the employer, that the person has been vaccinated against COVID-19. This bill would establish an exception from this vaccination requirement for a person who is ineligible to receive a COVID-19 vaccine due to a medical condition or disability or because of a sincerely held religious belief.

Status: Introduced, pending referral.

Position: Watch

AB 2016 (Bauer-Kahan) State Water Resources Control Board: desalination plant: feasibility study.

This bill would require the State Water Resources Control Board (Board) to undertake a comprehensive feasibility study of the potential impact of desalination plants within the state. The bill would authorize the Board to contract with an educational institution or related organization to conduct the feasibility study. Also, the bill would require the Board to prepare and present to the Legislature a report on the feasibility study on or before January 1, 2025.

Status: Introduced, pending referral.

Position: Watch

AB 2106 (Rivas) Water quality: permits.

This bill would require, on or before December 31, 2024, the State Water Resources Control Board to modernize its Stormwater Multiple Application and Report Tracking System (SMARTS) database.

Status: Introduced, pending referral.

Position: Watch

AB 2113 (Rivas) State Water Pollution Cleanup and Abatement Account: annual proceed transfers.

This bill would create within the Waste Discharge Permit Fund the Waterway Recovery Account, the Citizen Monitoring Account, the Community Capacity Building Account, and the Stormwater Innovation Account, and would annually transfer from the annual proceeds of the State Water Pollution Cleanup and Abatement Account, subject to a future legislative act, 50% to the Waterway Recovery Account, and 5% to each of the other 3 accounts created by the bill. The money in the accounts created by the bill are available for the State Water Resources Control Board (Board) to expend, upon appropriation by the Legislature, for the following purposes:

- Waterway Recovery Account – Bring impaired waters into attainment with water quality standards.
- Citizen Monitoring Account – Fund a Board program to increase water quality monitoring.

- Community Capacity Building Account – Create and fund a community capacity program to increase environmental justice community participation in Board outreach and regulatory processes.
- Stormwater Innovation Account – Fund for activities relating to stormwater best management practices.

Status: Introduced, pending referral.

Position: Watch

Two-Year Bill 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: Assembly Floor, Inactive File

Position: Oppose Unless Amended

SB 230 (Portantino) State Water Resources Control Board: Constituents of Emerging Concern

This bill would require the State Water Resources Control Board to establish, maintain, and direct a dedicated Constituents of Emerging Concern (CEC) in the Drinking Water Program to assess the state of information and recommend areas for further study on the occurrence of CECs in drinking water, and would establish the CEC Action Fund.

Status: Assembly Rules, Pending referral.

Position: Watch

Budget Update “Early Action” Items

Governor Newsom, Senate Pro Tem Atkins, and Assembly Speaker Rendon reached an agreement on “early action” budget items which included the following:

AB 84/SB 114 (Com. on Budget) Employment: COVID-19: supplemental paid sick leave.

This bill requires employers that employ more than 25 employees to provide California employees with paid sick time for COVID-19 related absences. While the Act is similar to California’s prior COVID-19 supplemental sick leave law that expired on September 30, 2021, it also has key differences with respect to the amount of leave available, how it can be used, and what information employers must display on wage statements or sick leave notices provided to employees. The Act and its provisions apply retroactively to January 1, 2022, and expire on September 30, 2022

AB 87/SB 113 (Com. on Budget) Economic relief: COVID-19 pandemic.

This bill restored business tax credits, including research and development credits and net operating losses, that were limited during the COVID-19 Recession. Additionally, this bill provided tax relief for recipients of federal relief grants for restaurants and shuttered venues and added funding for the Small Business Covid-19 Relief Grant Program.

AB 147/SB 115 (Com. on Budget) Budget Act of 2021.

This is the 5th Budget Bill Junior over the two-year session which makes several technical and substantive changes to the Budget Act of 2021. The most substantive change is the \$1.9 billion from the General Fund to California Emergency Relief Fund for purposes related to the COVID-19 state of emergency.

All the budget items listed above have been passed by both houses of the Legislature. Also, they have been signed and chaptered by Governor Newsom. As we continue to track the budget actions, we will provide updates on any further “early action” items that may be put on an expedited timeline.

Additionally, Budget Subcommittee hearings in both houses have started vetting the Governor’s proposed January Budget. As key issue items are discussed, we will engage and participate as directed by Mesa Water District staff. The Budget process will begin to evolve as we get closer to Spring Recess. At that time, the Legislature begin rejecting some of the Governor’s proposed January Budget ideas and inserting their Budget priorities.

Regulatory

- This week, the Assembly Water, Parks, and Wildlife held a hearing on the Sustainable Groundwater Management Act (SGMA) – the progress and implementation. It was a straightforward discussion by the panels and overall, a solid overview.

Panel 1 – Sustainable Groundwater Management Act (SGMA) 101

Fran Pavley, former State Senator

Roger Dickinson, former Assemblymember

Former Assemblymember Roger Dickinson and former Senator Fran Pavley discussed the original intent of the legislation and the background on their motivation. However, Pavley did state – with no cite – 90% of California agriculture is exported and how long can we support exporting water-thirsty crops.

Panel 2 – SGMA implementation status/the good and bad in groundwater sustainability plans (GSP)

Paul Gosselin, Deputy Director, Sustainable Groundwater Management Program,
Department of Water Resources

James Nachbaur, Director, Office of Research, Planning and Performance, State Water
Resources Control Board

Natalie Stork, Senior Engineering Geologist, Office of Research, Planning and Performance, State Water Resources Control Board

Gosselin went over the compliance, who needs to comply, and some statutory structure and requirements. He then discussed how they review the plans and walked through the districts that are in full compliance, others that need more, and then some of the areas of common deficiency. SWRCB talked mostly about enforcement and what occurs in the future if entities do not comply. They discussed larger challenges in areas where there are no water districts serving the local areas and some other compliance issues. Adjudication was also discussed.

Panel 3 – SGMA on-the-ground: Local agency perspective on governance and implementation

Sierra Ryan, Water Resources Manager, Santa Cruz County

Valerie Kincaid, Partner, Parris, Kincaid and Wasiewski LLP, representing Kern Groundwater Authority

David Morrison, Director of Planning, Building, and Environmental Services, Napa County

Sierra discussed Stan Cruz’s issues and the process to submit their plans. Valerie Kincaid discussed basic challenges, governance options, and successes. David Morrison bragged about how Napa has managed groundwater for almost 60 years and had no problem with compliance.

This is the first of several hearings the committee plans to hold on SGMA. These hearings will ensure timely information, updates, and progress of SGMA from the regulatory agencies and locals.

- **The Governor has made the following appointments:**
 - **Nora Vargas, of Chula Vista, has been appointed to the California Air Resources Board.** Vargas has served as a Supervisor on the San Diego County Board of Supervisors since 2021. She was a Board Member of the California State Teachers’ Retirement System from 2015 to 2020, Vice President of Community Engagement for Planned Parenthood of the Pacific Southwest from 2009 to 2019 and Executive Director of the Latino Issues Forum from 2007 to 2009. Vargas is an Advisory Board Member of Hispanas Organized for Political Equality and a Board Member of the National Association of Latino Elected and Appointed Officials.

Key Dates and Deadlines

February

Feb. 18 – Last day for bills to be introduced
Feb. 21 Presidents’ Day Observed.

March

None

April

Apr. 1 – Cesar Chavez Day observed.

Apr. 7 – Spring Recess begins upon adjournment.

Apr. 18 – Legislature reconvenes from Spring Recess.

Apr. 29 – Last day for policy committees to hear and report to fiscal committees' fiscal bills introduced in their house.

May

May 6 – Last day for policy committees to hear and report to the floor nonfiscal bills introduced in their house.

May 13 – Last day for policy committees to meet prior to May 31.

May 20 – Last day for fiscal committees to hear and report to the floor bills introduced in their house. The last day for fiscal committees to meet prior to May 31.

May 23-27 – Floor session only. No committee may meet for any purpose except for Rules Committee; bills referred pursuant to Assembly Rule 77.2, and Conference Committees.

May 27 – Last day for each house to pass bills introduced in that house.

May 30 – Memorial Day.

May 31 – Committee meetings may resume.