



-VIA ELECTRONIC MAIL-

November 4, 2022

To: Stacy Taylor, Mesa Water District
From: Dennis Albiani, Anthony Molina, Annalee Akin, California Advocates
Subject: November 2022 Report

As many people hope for a more “normal” holiday season, Sacramento is gearing up for many changes with new legislators, a tighter state budget, and new legislative ideas right around the corner. The post-election season will entail us working closely with Mesa Water District to get to know new members and lay the groundwork for a successful new two-year session.

November 8th’s election is the immediate focus and cause of change for the Orange County delegation in Sacramento. Incumbents Cottie Petrie-Norris and Steven Choi are the two candidates for the newly drawn AD 73, which encompasses the city of Costa Mesa and Irvine. The new AD 72, with much of Petrie-Norris’s current district, will bring a new member to the legislature – likely to be republican Diane Dixon, a current member of the Newport Beach City Council. Current Assemblymember Janet Nguyen is expected to become the Senator representing the new SD 36, which covers much of Mesa Water District’s territory. Stay tuned for updates post election day.

Mesa Water District Legislative Tracking with Bill Positions

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

This bill requests the California Council on Science and Technology in coordination with the Department of Water Resources, to undertake a comprehensive feasibility study of brackish water, ocean water, and groundwater desalination along the San Francisco Bay and submit the study to the Legislature no later than January 1, 2025.

Position: Support

Status: This bill was held on the Senate Appropriations Committee “Suspense File.”

AB 2041 (E. Garcia) California Safe Drinking Water Act: primary drinking water standards: compliance.

This bill will require the Division of Drinking Water (DDW) under the State Water Resources Control Board (SWRCB) would be required to devise a plan and determine funding to help small water systems comply with new drinking water regulatory standards.

Position: Support

Status: This bill was held on the Assembly Appropriations Committee’s “Suspense File.”

AB 2054 (Quirk-Silva) Corporation taxes: exempt organizations: mutual ditch or irrigation companies: public water system: mutual water companies.

This bill conforms to the California Revenue and Taxation Code with Section 501(c)(12) of the Internal Revenue Code, which provides federal tax-exempt status for mutual water companies.

Position: Support

Status: Signed by the Governor.

AB 2142 (Gabriel) Income taxes: exclusion: turf replacement water conservation program.

This bill would reinstate an important exemption for turf replacement rebates from gross income in California, aligning with certain other permanently exempt water efficiency rebates (E.g., toilet, clothes washers).

Position: Support

Status: Signed by the Governor.

AB 2449 (Rubio) Open meetings: local agencies: teleconferences.

This bill will eliminate the previously existing concept of teleconference locations and revise notice requirements to allow for greater public participation in teleconference meetings of local agencies. The bill does not mandate teleconferencing; it merely modernizes existing law to ensure greater public participation in meetings of local agencies that utilize teleconferencing. The bill also requires that a quorum of the governing body be physically present at a clearly identified meeting location for all public meetings.

Position: Support

Status: Signed by the Governor.

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.

Position: Oppose Unless Amended

Status: Vetoed by the Governor.

SB 1157 (Hertzberg) Urban water use objectives.

This bill would change the standards for indoor residential water use, to reflect those recommended by DWR and the SWRCB. Specifically, it would change the indoor residential water use standards beginning January 1, 2025, to be 47 gallons per capita daily, and beginning January 1, 2030 – 42 gallons per capita daily.

Position: Oppose Unless Amended.

Status: Signed by the Governor.

2023 Proposed Legislation

At the October State Legislative Committee Meeting, ACWA staff and State Legislative Committee (SLC) members discussed five legislative proposals for potential sponsorship or support. The only proposal that received a vote for sponsorship was regarding Proposition 218 Implementation. Mesa Water District is working diligently with stakeholders to continue vetting ACWA's proposals and addressing concerns, as there will be votes to determine positions on the remaining proposals at the January SLC meeting.

Legislative Proposal 1: Service Charges on the Property Tax Bill: Statutory Clarification

This proposal intends to provide increased flexibility for water agencies by allowing collection fixed charges for service via property tax bills.

ACWA SLC is expected to vote on sponsorship in January.

Legislative Proposal 2: Water Supply and Flood Risk Reduction Project Regulatory Permit Streamlining

This proposal seeks to streamline the regulatory permitting of water supply and flood risk protection by (1) reforming the process for which a regulatory permit application is deemed complete; (2) requiring the permit review and approval to be completed within 180 days of submittal of a complete permit application; (3) allowing Natural Community Conservation Plans to be used for mitigation required through Section 401 Water Quality Certifications; and (4) allowing state permitting agencies to enter into an agreement with an applicant to recover costs for supplemental consultation above the usual level of service.

ACWA SLC is expected to sponsor subject to approval of bill language.

Legislative Proposal 3: Water Law: Judges and Adjudications

This proposal would designate judges to participate in water law judicial training so they would be able to hear and quickly resolve water cases.

ACWA SLC is expected to vote on sponsorship in January after further conversations with stakeholders.

Legislative Proposal 4: Proposition 218 Implementation

This proposal includes two possible legislative solutions addressing issue exhaustion: (1) Requiring the party challenging a property-related fee or special assessment to exhaust administrative remedies by objecting to the ratemaking proposal or new assessment during the ratemaking process and to have raised the Proposition 218 compliance issues; and (2) Authorizing local agencies to adopt their own issue exhaustion procedures that supplement Proposition 218's protest hearing procedures. Concerns such as constitutionality were expressed, so we will continue to work with Mesa Water District and appropriate entities on this proposal.

ACWA SLC voted to sponsor this proposal.

Legislative Proposal 5: Bonus Incentives and/or Variances for Desalinated Supplies

This proposal seeks to include a bonus incentive or variance for desalinated water supply in the calculation of an urban water retail water supplier's urban water use objective. ACWA SLC is expected to vote on sponsorship in January.

ACWA SLC is expected to vote on sponsorship or support in January.

Regulatory

California Coastal Commission Unanimously Approved a Coastal Development Permit to Proceed with the Doheny Ocean Desalination Project

The Doheny Ocean Desalination Project would create a new, reliable, local, and drought-proof water supply that would also provide emergency water supplies should the delivery of imported water be disrupted due to earthquakes or other natural disasters. The facility's proposed location between Pacific Coast Highway and Stonehill Drive next to San Juan Creek is within 100 yards of existing regional water transmission lines. SCWD would build the facility on property that SCWD already owns, and the infrastructure is already in place with the Joint Regional Water Supply System to distribute desalinated water to SCWD customers and south Orange County, significantly reducing costs and construction impacts. The facility would have a capacity of up to 5 Million Gallons per Day (MGD).

US Interior Department Initiates Significant Action to Protect Colorado River System

On October 28th the UC Department of the Interior (DOI) published a [Notice of Intent](#) to prepare a supplemental Environmental Impact Statement and revise the current interim operating guidelines for Glen Canyon and Hoover Dams in 2023 and 2024. DOI's U.S. Bureau of Reclamation continues to urge the seven states that depend upon the Colorado River to find agreement among themselves on how to cut water use to preserve at least two million acre-feet of water in the reservoirs to avoid levels that are too low to allow generation of power or distribution of water. The action announced October 28th builds on steps announced in August 2022 as part of Reclamation's release of the [Colorado River Basin August 2022 24-Month Study](#), as well as additional actions announced in September 2022 to [reduce water consumption](#) across the Basin in light of critically low water supplies and dire hydrological projections.

California's COVID-19 State of Emergency to end on February 28, 2023

Governor Newsom announced the COVID-19 "State of Emergency" will end on February 28, 2023. In selecting an end date, officials stated that they wanted to ensure healthcare providers had additional flexibility to handle a potential surge of infections during January and February. The Governor's administration also plans to work with state legislators on regulations to allow nurses to continue ordering and dispensing COVID drugs like Paxlovid and ensure lab workers can continue processing COVID tests.

Governor's Appointments

The Governor made the following appointments:

Mona Badie, 43, of Gold River, has been appointed Public Advisor at the California Energy Resources Conservation and Development Commission (California Energy Commission). Badie has been Advisor to Commissioner Monahan at the California Energy Commission since 2021, where she was an Advisor to Vice Chair Scott from 2020 to 2021 and an Attorney from 2015 to 2020. She was an Attorney at the California Department of Housing and Community Development from 2010 to 2015 and an Attorney at Legal Services of Northern California and California Rural Legal Assistance from 2005 to 2010. Badie earned a Juris Doctor degree from the University of California, Davis School of Law.

Key Dates and Deadlines

November

Nov. 8 – General Election

Nov. 30 – Adjournment sine die at midnight

December

Dec. 5 – 2023-2024 Regular Legislative Session convenes for Organizational Session

January

Jan. 4 – Legislature Reconvenes for 2023-2024 Legislative Session