

-VIA ELECTRONIC MAIL-

August 21, 2020

MEMORANDUM

TO: Stacy Taylor, Mesa Water District

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

SUBJECT: August Report

The California Legislature returned to session on July 27th. Upon their return, there were various changes to policy committee schedules, floor sessions, legislative deadlines, and voting protocols (please see the key dates and deadlines section below). The most significant changes are the new voting protocols. The Senate is allowing Senators who receive prior permission the ability to vote remotely. Remote voting will only take place for policy committee hearings, not floor session. In the other house, the Assembly agreed to allow up to twelve members to use proxy voting during the final week of floor session – this does not affect policy committee hearings. These are drastic changes that have never been done before in the California legislature's 170 history, and many are questioning the legality.

Further, tensions were/continue to run very high between the Senate and Assembly. As you may recall from our early reports, when the pandemic began, members in both houses were asked to pare down their bill packages to focus on critical issues such as COVID-19, housing, homelessness, and wildfires. Many, if not all Senators, took this request in earnest. The Assembly, however, did not. The Assembly sent nearly 500 bills to the Senate, whereas the Senate sent only 150 bills to the Assembly, which is a huge challenge to deal with given the limited time left in the legislative calendar.

Moreover, many Assemblymembers were extremely upset by the number of their bills that were not set for policy bill hearings. In the conclusion of day one back from Summer Recess, the Speaker canceled all policy committee hearings for the next day resolve tensions with the Senate. With no indication of a resolution between the houses and much uncertainty, the legislative session resumed, and tensions remain.

As of yesterday, both the Senate Assembly dispensed with their fiscal committee(s) "suspense file" hearings/deadlines. This sets up the final remaining week of the legislative session. On the Assembly Floor there are roughly 160 Senate bills and on the Senate Floor there are roughly 310 Assembly bills. Now that the "table is set," we are in store for one of the most "unprecedented" ends of legislative session, with minimal access to the Capitol Building and Legislators.

2020 Legislative Tracking

AB 196 (Gonzalez) Workers' compensation: COVID-19: essential occupations and industries.

This bill would define "injury," for certain employees who are employed in an occupation or industry deemed essential in the Governor's Executive Order of March 19, 2020 (Executive Order N-33-20), except as specified, or who are subsequently deemed essential, to include coronavirus disease 2019

(COVID-19) that develops or manifests itself during a period of employment of those persons in the essential occupation or industry. The bill would apply to injuries occurring on or after March 1, 2020, would create a conclusive presumption, as specified, that the injury arose out of and in the course of the employment, and would extend that presumption following termination of service for a period of 90 days, commencing with the last date actually worked.

Status: This bill is on the Senate Floor.

Position: Watch

AB 664 (Cooper) Workers' compensation: injury: communicable disease.

This bill would define "injury," for certain state and local firefighting personnel, peace officers, certain hospital employees, and certain fire and rescue services coordinators who work for the Office of Emergency Services to include being exposed to or contracting, on or after January 1, 2020, a communicable disease, including coronavirus disease 2019 (COVID-19), that is the subject of a state or local declaration of a state of emergency that is issued on or after January 1, 2020. The bill would create a conclusive presumption, as specified, that the injury arose out of and in the course of the employment. The bill would apply to injuries that occurred prior to the declaration of the state of emergency. The bill would also exempt these provisions from the apportionment requirements.

Status: This bill is on the Senate Floor.

Position: Watch

AB 992 (Mullin) Open meetings: local agencies: social media.

This bill would exempt the participation in an internet-based social media platform by members of a legislative body, provided that a majority of the members do not discuss among themselves, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency and the internet-based social media platform is open to the public.

Status: This bill is on the Senate Floor.

Position: Watch

AB 1253 (Rivas) Local agency formation commissions: grant program. This bill requires the Strategic Growth Council (SGC), until July 1, 2025, to establish and administer a local agency formation commission (LAFCO) grant program to fund the dissolution of inactive special districts, prepare special studies and initiate other actions in disadvantaged communities.

Status: This bill was given up to another member to use as a gut-and-amend. This original bill is dead.

Position: Oppose Unless Amended Coalition

AB 1484 (Grayson) Mitigation Fee Act: housing developments.

This bill would prohibit a local agency from imposing a housing impact requirement adopted by the local agency on a housing development project, unless specified requirements are satisfied by the local agency, including that the housing impact requirement be roughly proportional in both nature and extent to the impact created by the housing development project.

Status: This bill was gut and amended. This bill is currently in Senate Rules and is remaining two-year bill.

Position: Watch

AB 2107 (Rodriguez) Local government: securitized limited obligation notes.

This bill would extend that authorization to a special district to issue, securitized limited obligation notes for the acquisition or improvement of land, facilities, or equipment until December 31, 2024.

Status: This bill is on the Senate Floor. This bill is on the consent calendar.

Position: Watch

AB 2560 (Quirk) Water quality: notification and response levels: procedures.

AB 2560 will provide greater transparency and clarify the notification level (NL) and response level (RL) process to provide all water agencies clear and consistent information as they can continue to provide safe, clean and affordable drinking water to their constituents. Specifically, AB 2560 requires the State Water Board to do the following: Post on its internet website that it has initiated the development of a NL or RL and additionally post a draft NL or RL when it's available; Submit a draft NL or RL for external peer review; and, take a formal action to finalize the NL or RL.

Status: This bill is on the Senate Floor. This bill is on the consent calendar.

Position: Support Coalition

SB 414 (Caballero) Small System Water Authority Act of 2019.

This bill establishes the Small System Water Authority Act of 2019, which both authorizes the creation of small system water authorities and requires consolidation of failing water systems.

Status: This bill was held on the Assembly Appropriations suspense file. This bill is dead.

Position: Support Coalition

SB 668 (Rubio) Fire hydrants: water suppliers: regulations. This bill would require the State Water Resources Control Board, by December 1, 2021, to develop and adopt regulations for reporting and inspections regarding public water suppliers. The bill would also require that the regulations adopted by the board ensure water suppliers' compliance with local standards for fire safety.

Status: This bill is on the Assembly Floor and was ordered to the "Inactive File." This is a remaining two-year bill.

Position: Watch

SB 1099 (Dodd) Emergency backup generators: critical facilities: exemption.

This bill would require air districts to adopt a rule, or revise its existing rules, to allow critical facilities with a permitted emergency backup generator to use that emergency backup generator during a deenergization event or other loss of power, and to test and maintain that emergency backup generator, without having the usage, testing, or maintenance count toward that emergency backup generator's time limitation on actual usage and routine testing and maintenance. The bill would also prohibit air districts from imposing a fee on the issuance or renewal of a permit issued for those critical facility emergency backup generators.

Status: This bill was referred to the Assembly Natural Resources Committee. This bill is being held by the committee for the remainder of the year.

Position: Support

SB 1159 (Hill) Workers' compensation: COVID-19: critical workers.

This bill would, until an unspecified date, define "injury" for a critical worker, as described, to include illness or death that results from exposure to coronavirus disease 2019 (COVID-19) under specified circumstances. The bill would create a disputable presumption, as specified, that an injury that develops or manifests itself while a critical worker is employed arose out of and in the course of the employment.

Status: This bill is on the Assembly Floor.

Position: Watch

SB 1185 (Moorlach) Natural gas-powered generators: operation during deenergization events.

This bill would allow businesses and homeowners to install, maintain and use a back-up natural gas generator onsite for use in the event of a public safety power shut-off (PSPS) event. Specifically, this bill would prohibit an air district or the California Air Resources Board (CARB) from adopting or maintaining regulations that limit the use of a federally compliant natural gas-powered generator during a PSPS event. The bill additionally stipulates that any use of a natural gas generator during a PSPS event would not count toward any time limitation included in the permit issued for that generator.

Status: This bill was referred to the Assembly Natural Resources Committee. This bill is being held by the committee for the remainder of the year.

Position: Watch

Economic Stimulus Package

Upon return from Summer Recess, California Democrats announced a \$100 billion stimulus plan that would borrow money from the federal government, expand tax credits for low-income Californians and offer help for small businesses to prop up the state's economy.

Senate President Pro Tem Toni Atkins, and Assembly Speaker Anthony Rendon, endorsed the proposal. The group also includes other legislative leaders who are backing the proposal which includes Senate Majority Leader Bob Hertzberg, and Budget Committee leaders Senator Holly Mitchell, and Assemblyman Phil Ting.

The highlights of the plan include the following:

- The plan would let Californians pre-pay their income taxes in exchange for future vouchers to quickly collect billions of dollars to spur the economy.
- California would borrow federal dollars to continue unemployment insurance benefits at risk of being cut.
- Legislators want to expand the earned income tax credit for low-income workers and undocumented Californians with individual taxpayer identification number holders. Governor Newsom for the first time in the 2020-2021 budget opened the tax benefit to undocumented immigrants with young children.
- Finally, the economic package would prioritize California's "green economy" by funneling money to wildfire mitigation strategies and combating climate change by providing new incentives for electric vehicles and energy-efficient buildings.

Specifically, below are the investments in the "green economy" highlights:

- Improve the environment, combat climate change, and create green infrastructure and jobs with investments including, but are not limited to, the following efforts:
- Invest in wildfire prevention and vegetation management activities.
- Fight sea level rise and protect wetlands and communities from climate change impacts.
- Improve clean water delivery and recycling infrastructure.
- Create a dedicated fund to incentivize light and heavy-duty, including passenger clean vehicles, as well as expedite and expand electric vehicle charging infrastructure projects.
- Make buildings more energy efficient with greener HVAC and water systems, as well as clean energy generation and battery energy storage systems.
- Streamline the CEQA through targeted, and limited, use of the AB 900 process – including for housing – to ensure environmental leadership projects get built.

While the plan includes many priority topics to help Californians, through conversations, it's very unclear, what if any proposal will make it through with nearly twelve days remaining in the legislative session. For more details of the proposal, please find the framework outline attached above as a supporting documentation.

Regulatory

- July 15th, the director of the Department of Finance, Keely Martin Bosler, wrote a letter to the Senate and Assembly Budget committees providing an update on the cap-and-trade program. Given the revenue shortfalls at the quarterly auctions, the letter stated that all ten agencies with cap-and-trade programs are set to lose 14% of their funds appropriated in the 2019-2020 budget, evenly across the board (see the chart in the attached document). The largest cut in terms of dollars is at the California Air Resources Board (CARB), the agency responsible for cleaning up the state's air pollution. CARB lost \$81 million from the \$557 million from cap-and-trade originally budgeted for its low-carbon transportation program, which includes clean vehicle vouchers and grants for new, advanced technologies for cars and heavy-duty engines. Also, to note, the legislature still has not finalized how to spend the proceeds from cap-and-trade in the current budget year. We will see a plan in the coming weeks once the August quarterly auction revenues are report. The DOF letter can be found [HERE](#).
- July 28th, the Governor, the California Natural Resources Agency, the California Environmental Protection Agency, and the California Department of Food and Agriculture released a final version of the Water Resilience Portfolio. The final product is a blueprint for equipping California to cope with more extreme droughts and floods, rising temperatures, declining fish populations, over-reliance on groundwater and other challenges. The portfolio outlines 142 state actions to help build a climate-resilient water system in the face of climate change. The actions tie directly to Administration efforts to carry out recent laws regarding safe and affordable drinking water, groundwater sustainability and water-use efficiency. They also elevate priorities to secure voluntary agreements in key watersheds to improve flows and conditions for fish, address air quality and habitat challenges around the Salton Sea and protect the long-term functionality of

the State Water Project and other conveyance infrastructure. A copy of the Water Resiliency Portfolio can be found [HERE](#).

Important Dates and Deadlines for 2020

Senate Calendar

August Deadlines:

- August 21st Last day for fiscal committees to meet and report bills
- August 24th – 31st Floor Session only. No committees, other than conference and Rules committees, may meet for any purpose.
- August 25th Last day to amend bills on the Floor.
- August 27th Last day to amend bills on the floor for Chaptering purposes only CHAPTERING AMENDS ONLY
- August 31st Last day for each house to pass bills, except bills that take effect Immediately or bills in Extraordinary Session. Final recess begins upon adjournment.

September Deadlines:

- September 30th Last day for Governor to sign or veto bills.

Assembly Calendar

August Deadlines:

- August 14th Last day for policy committees to meet and report bills.
- August 21st Last day for fiscal committees to meet and report bills
- August 24th – 31st Floor Session only. No committees, other than conference and Rules committees, may meet for any purpose.
- August 25th Last day to amend bills on the Floor.
- August 27th Last day to adopt chaptering out amendments.
- August 31st Last day for each house to pass bills, except bills that take effect Immediately or bills in Extraordinary Session. Final recess begins upon adjournment.

September Deadlines:

- September 30th Last day for Governor to sign or veto bills.