

-VIA ELECTRONIC MAIL-

May 19, 2020

MEMORANDUM

TO: Stacy Taylor, Mesa Water District

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

SUBJECT: May Report

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As of Monday, May 4<sup>th</sup>, both the California State Senate and Assembly returned for legislative session. Both houses have updated their legislative processes, procedures, and deadlines. Leadership and the chairs of the standing policy committees have asked their colleagues to please limit their bill packages to bills that focus on COVID-19 response and recovery. Standing policy committee hearings are taking place four days a week in both houses' Chambers and the largest committee rooms in the state capitol. Nearly every standing policy committee will hold one policy committee hearing, in contrast some committees who do not believe the bills in their committees' jurisdiction are related to COVID-19 response and recovery have canceled their hearing (e.g., Assembly Agriculture Committee).

Furthermore, both the Senate and Assembly have revised legislative calendars for the remainder of the 2020 legislative session. The one change in the calendars that does not sync up is the "Summer Recess." The Assembly will begin their recess on June 19<sup>th</sup> and return July 13<sup>th</sup>. The Senate will not break for recess until July 3<sup>rd</sup>; however, both are scheduled for a July 13<sup>th</sup> return. Beginning July 13<sup>th</sup>, both calendars will be harmonized for the remainder of the legislative session. In the revised "dates and deadlines" section below, you can view the adjustments that were made.

Additionally, on May 14<sup>th</sup>, Governor Newsom rolled out his \$203.3 billion-dollar May Revise budget proposal, which is an \$18.9 billion-dollar reduction from his proposed January budget. According to the Governor and his administration, California is in a \$54.3 billion-dollar deficit – the largest in state history. The May Revise noted that California has a current unemployment rate of 18% and growing. Further, the May Revise stated that the state would draw down \$16.2 billion from the rainy-day fund over three years – this year will be \$8.3 billion. Also, the state will be canceling \$6.1 billion in program expansions across the board. And lastly, it should also be noted, that when Governor Newsom was wrapping up his press conference on the May Revise, he made a short statement about the "Split Roll Initiative," mentioning that it is "one of most important proposals out there," without endorsing it.

As legislative committees progress and the budget takes shape, we commit to provide timely updates to Mesa Water District.

**Economic Recovery/Climate Resiliency/Water Bonds**

Until the Governor presented his May Revise, there were four "Climate Resiliency/Water Bonds" in play this legislative session. Each plan covered watershed, resource conservation, fire resiliency, and water

infrastructure. However, the Governor announced that he will be pulling his climate resiliency bond proposal from moving forward. Reading the tea leaves, it's highly likely that the conversation around bonds may slow down or no longer exist in the near future.

Should a legislative proposal proceed, pass the legislature, and be signed it will be placed on the ballot for the voters to approve or disapprove at the November General Election. Below are the remaining legislative proposals from bonds:

**AB 352 (E. Garcia) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.**

This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$3,920,000,000 pursuant to the State General Obligation Bond Law to finance a wildfire prevention, safe drinking water, drought preparation, and flood protection program. The bill would provide for the submission of these provisions to the voters at the November 3, 2020, statewide general election.

**Status: This bill was referred to the Senate Environmental Quality Committee. This is a two-year bill.  
Position: Watch**

**AB 3256 (E. Garcia) Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.**

This bill would enact the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,980,000,000 (Billion) pursuant to the State General Obligation Bond Law. The bond would finance projects for economic recovery, wildfire prevention, safe drinking water, drought preparation, and flood protection program.

**Status: This bill passed the Assembly Natural Resources Committee. This bill is now in the Assembly Appropriations Committee.  
Position: Watch**

**SB 45 (Allen) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.**

This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, 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. This bill would provide for the submission of these provisions to the voters at the November 3, 2020, statewide general election.

**Status: Assembly Rules, pending referral.  
Position: Watch**

## **COVID-19 Water Response Bill**

**AB 2095 (Cooper) Public water systems: reduction of water charges: customers impacted by COVID-19.**

This bill would authorize a public water system to reduce the water charges imposed on a customer impacted by COVID-19 during the duration of the impact provided that the reduction does not increase the water charges imposed on another ratepayer.

**Status:** This bill has been referred to the Assembly Local Government Committee. This bill will be held by the author for the remainder of the year.

**Position:** Watch

## **2020 Legislative Tracking**

**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:** Senate Rules, pending referral.

**Position:** Watch

**AB 1924 (Grayson) Housing development: fees.**

This bill would require that a fee levied or imposed on a housing development project by a local agency be proportionate to the square footage of the proposed unit or units.

**Status:** This bill has been double referred to Assembly Local Government and Housing and Community Development. This bill will be held by the author for the remainder of the year.

**Position:** Watch

**AB 2093 (Gloria) Public records: writing transmitted by electronic mail: retention.**

This bill would require all public records transmitted via e-mail to be retained for at least two years. It would also clarify that e-mails and other electronic public records are subject to the CPRA's retention standard thereby establishing the two-year standard statewide for all public agencies.

**Status:** This bill passed the Assembly Judiciary Committee. This bill is now in the Assembly Appropriations Committee.

**Position:** Oppose Coalition

**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 passed the Assembly Local Government Committee on consent. This bill has been moved to the Assembly Floor and recommended to the consent calendar.

**Position:** Watch

**AB 2182 (Rubio) Emergency backup generators: water and wastewater facilities: exemption.**

This bill would provide flexibility for all critical service providers to use and maintain emergency power generators for Public Safety Power Shutoff (PSPS) events. This flexibility would be accomplished by: (1) confirming that backup power generation during PSPS events is considered emergency use of generators; (2) ensuring that generator use for PSPS events is not limited by any time constraints; and, (3) by providing testing and maintenance flexibility for these backup generators due to the strenuous nature of their use during PSPS events.

**Status: This bill has been referred to the Assembly Utilities and Energy Committee. This bill has been pulled by the author and will be held for the remainder of the year.**

**Position: Support Coalition**

**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 passed the Assembly Environmental Safety and Toxic Materials Committee on consent. This bill is not in the Assembly Appropriations Committee.**

**Position: Support Coalition**

**SB 996 (Portantino) State Water Resources Control Board: Constituents of Emerging Concern Program.**

This bill would establish a "Constituent of Emerging Concern" (CEC) Drinking Water Program at the State Water Board that would identify, evaluate, and prioritize actions for CECs in drinking water sources. A dedicated funding source would be created to establish and maintain the program in the State Treasury. This fund would additionally support the creation of a Science Advisory Panel to assist the State Water Board in its considerations when prioritizing and making regulatory determinations for CECs, as well as a Stakeholder Advisory Group that would advise the State Water Board in meeting the purposes of the CEC program.

**Status: This bill has been referred to the Senate Environmental Quality Committee. This bill has been pulled by the author and will be held for the remainder of the year.**

**Position: Support Coalition**

**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 has been referred to Senate Environmental Quality Committee. Currently this bill has not been set for hearing.**

**Position: Support**

**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 has been referred to the Senate Environmental Quality Committee. Currently this bill has not been set for hearing.**

**Position: Watch**

**Two-Year Bills Pending**

**AB 134 (Bloom) Safe Drinking Water Restoration.** This bill Establishes a framework to identify and address drinking water needs throughout the state in order to ensure the long-term sustainability of drinking water service and infrastructure and to prevent the likelihood of additional and continuing failed water systems.

**Status: This bill was been double referred to the Senate Environmental Quality Committee and the Senate Natural Resources Committee. This is a two-year bill.**

**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 was double referred to the Senate Governance and Finance Committee and the Senate Natural Resources and Water Committee. This is now a two-year bill.**

**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 a two-year bill.**

**Position: Watch**

**SB 414 (Caballero) Small System Water Authority Act of 2019.** This bill promotes the regionalization of failing systems through the creation of Small System Water Authorities, which would then have additional governance oversight and financial resources. The bill sought to address failing water systems in California by authorizing the creation of small system water authorities that would have powers to absorb, improve, and competently operate noncompliant public water systems.

**Status:** This bill is in the Assembly Appropriations Committee on the “suspense file.” The hearing for this bill was postponed by the committee. This is now a two-year bill.

**Position:** Support

**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 now a two-year bill.

**Position:** Watch

### Workers Compensation

Governor Newsom signed an Executive Order (EO) on workers compensation for all employees during the COVID-19 crisis. The EO creates a rebuttable presumption for the period of March 19, 2020 (Date of Stay-At-Home Order) to July 5, 2020 (60-days from today’s Order), whereby ANY employee that was directed to go to work during that time period that tests positive or is diagnosed with COVID-19, that the injury is presumed to have taken place in the workplace. Specifically, the EO does the following:

- If diagnosed with COVID-19, the diagnosis must be confirmed by a positive test within 30 days of diagnosis.
- Employees qualify if they test positive or are diagnosed within 14-days of going to work.
- Apportionment does apply
- Temporary Disability requires recertification every 15 days as opposed to the normal 45.
- Does not enhance existing workers’ compensation benefits structure (e.g., no housing and other living expenses as proposed other venues).
- Period to deny claims is shortened from 90-days to 30-days.
- The Department of Industrial Relations will not collect the state portion of death benefits. (Approximately \$250k per death without dependents)

A link to the text of the EO can be found [HERE](#).

Workers compensation is a high priority topic that will continue to be discussed through the remainder of this legislative session. Currently, there are four legislative proposals on the workers compensation directly related to the COVID-19 pandemic that will be addressed this year.

**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:** Senate Labor Committee, pending a hearing date.

**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:** Senate Labor Committee, pending a hearing date.

**Position:** Watch

**AB 3329 (Daly) Unemployment insurance compensation: COVID-19 pandemic: temporary benefits.**

This bill would provide, until July 1, 2022, following the termination of the Federal Pandemic Unemployment Compensation amount provided pursuant to the CARES Act or any other federal supplemental unemployment compensation payments for unemployment due to the COVID-19 pandemic, that an individual's weekly benefit amount as otherwise provided for by existing unemployment compensation law be increased by \$100 for the remainder of the duration of time the individual is entitled to receive benefits with respect to a valid claim for a benefit year, notwithstanding the weekly benefits cap. The bill would prohibit any unemployment compensation benefits authorized by the bill to be charged against the reserve account of any employer.

This bill would also provide, until July 1, 2022, that for any new claims filed with an effective date on or after July 1, 2020, an individual's weekly benefit amount shall not be less than \$167. The bill would specify that its provisions do not impact the maximum amount of unemployment compensation benefits payable to an individual or any nonmonetary eligibility criterion.

**Status:** This bill has been pulled by the author for the remained of the legislative session.

**Position:** Watch

**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 passed the Senator Labor Committee. This bill is now in the Senate Appropriations Committee.

**Position:** Watch

**Governor's May Revise**

**WORKERS COMPENSATION**

The Governor signed an Executive Order to create a time-limited rebuttable presumption for accessing workers' compensation benefits applicable to Californians who must work outside of their homes during the stay at home order, among other things.

## **May Revise Highlights Continued**

### **DEPARTMENT OF WATER RESOURCES**

The state is not in a fiscal position to expand programs given the drastic budget impacts of the COVID-19 Recession. The following proposal is withdrawn from the Governor's Budget:

- **Sustainable Groundwater Management Act Implementation**—\$40 million General Fund. The state remains committed to supporting local communities' transition to sustainable groundwater use, and the Department of Water Resources will allocate \$26 million of existing Proposition 68 bond funds to local agencies in critically overdrafted basins to help defray the cost of implementation projects. In addition, a state interagency team will be created to work with stakeholders to identify tools and strategies to address the economic, environmental, and social effects of changing land use and agricultural production. Additional funding for SGMA-related projects may be considered for inclusion in future infrastructure investments.

### **ENVIRONMENTAL PROTECTION**

The May Revision includes \$3.9 billion for programs included in this Agency. The impacts of climate change and environmental pollution continue to be an urgent threat to the environment and vulnerable populations. For these reasons, the May Revision continues to prioritize the state's limited resources on emergency preparedness and protecting vulnerable populations.

### **CAP AND TRADE EXPENDITURE PLAN**

The Governor's Budget proposed a \$965 million Cap and Trade Expenditure Plan, which continued support for several existing ongoing programs while prioritizing community air protection, where emissions have a disproportionate impact on disadvantaged populations in both urban and rural communities.

In light of current economic conditions, there is significant uncertainty surrounding the amount of Cap and Trade proceeds that will be generated in the upcoming auctions, which could result in lower auction proceeds than previously estimated as statewide emissions of greenhouse gases have decreased significantly.

The May Revision maintains the Governor's Budget Cap and Trade Expenditure Plan, and establishes a "pay-as-you-go" budget mechanism to authorize budget act expenditures based on actual proceeds received at each quarterly auction. This proposed budget mechanism will prioritize initial auction proceeds for the following programs – in this order:

- Air Quality in Disadvantaged Communities: AB 617 Community Air Protection Program
- Safe and Affordable Drinking Water



- Agricultural diesel emission reduction (FARMER Program)
- Forest Health and Fire Prevention, including implementation of the requirements of Chapter 391, Statutes 2019 (AB 38).

The top priority programs above will be continuously funded, with 65% of the quarterly auction revenues. The remaining programs will receive discretionary funding with the remaining 35% of the quarterly auction revenues (e.g., healthy soils).

## **CLIMATE RESILIENCE**

The state is not in a fiscal position to expand programs given the drastic budget impacts of the COVID-19 Recession. The following proposal is withdrawn from the Governor’s Budget:

- **Climate Resiliency Bond Proposal** – \$4.75 billion
- **Climate Catalyst Fund**—\$250 million General Fund

## **Regulatory**

- On April 21<sup>st</sup>, California Attorney General Xavier Becerra has filed a [motion](#) for a preliminary injunction in the state’s lawsuit that seeks to halt expanded federal water export operations in the Central Valley based on biological opinions updated in February.
- On April 28<sup>th</sup>, the State Water Contractors (SWC) [filed a lawsuit](#) against the California Department of Water Resources (DWR) and California Department of Fish and Wildlife (CDFW) over the [March 31 Incidental Take Permit \(ITP\)](#) for the long-term operation of the State Water Project (SWP).
- On April 28<sup>th</sup>, the Tehama Colusa Canal Authority, San Luis & Delta-Mendota Water Authority, Friant Water Authority, and several Sacramento River Settlement Contractors filed a lawsuit to Protect the Central Valley Project (CVP). A coalition of water providers filed suit to protect the CVP and the farms, businesses, residents and wildlife refuges it serves in 17 California counties.
- On Monday, May 11th, U.S. District Judge Dale Drozd, issued a preliminary injunction that through May 31<sup>st</sup> in the state’s lawsuit that seeks to halt expanded federal water export operations in the Central Valley based on biological opinions updated in February.

## **Key Appointments**

**Ted Craddock, 53, of El Dorado Hills, has been appointed deputy director of the State Water Project at the California Department of Water Resources, where he has served as the acting deputy director since 2019.** Craddock has served in multiple other positions at the California Department of Water Resources since 1994, including assistant deputy director of the State Water Project, project manager of Oroville Spillways Emergency Recovery, chief of utility operations for the Hydropower License Office, program manager of the East Branch Extension, advisor to the State Water Project deputy director, and civil engineer. Craddock is a member of the American Society of Civil Engineers and the United States Society on Dams.

**Jennifer Norris, 51, of Sacramento, has been appointed deputy secretary for biodiversity and habitat at the California Natural Resources Agency.** Norris has served as fish and wildlife administrator for the United States Fish and Wildlife Service since 2013, where she was deputy field supervisor from 2011 to 2013, assistant field supervisor from 2010 to 2011, critical habitat coordinator from 2009 to 2010, Rio Grande ESA coordinator from 2006 to 2009 and fish and wildlife biologist from 2004 to 2006. She was a biologist at the New Mexico State Land Office from 2001 to 2004.

## Important Dates and Deadlines for 2020

### Assembly Calendar

**May Deadlines:**

- May 4<sup>th</sup> Assembly reconvenes from Joint Recess
- May 22<sup>nd</sup> Last day for policy committees to hear and report to fiscal committees' fiscal bills introduced in the Assembly.
- May 25<sup>th</sup> Memorial Day. (Observed Holiday)
- May 29<sup>th</sup> Last day for policy committees to hear and report to the floor non-fiscal bills introduced in the Assembly.

**June Deadlines:**

- June 5<sup>th</sup> Last day for fiscal committees to hear and report to the floor bills introduced in the Assembly.
- June 15<sup>th</sup> Budget Bill must be passed by midnight.
- June 15<sup>th</sup> – 19<sup>th</sup> Assembly Floor session only. No committee may meet for any purpose except for Rules Committee.
- June 19<sup>th</sup> Last day for the Assembly to pass bills introduced in that house. Summer Recess begins for the Assembly upon adjournment, provided Budget Bill has been passed.
- June 25<sup>th</sup> Last day for a legislative measure to qualify for the November 3<sup>rd</sup> General Election ballot.

**July Deadlines:**

- July 3<sup>rd</sup> Independence Day (Observed Holiday)
- July 13<sup>th</sup> Legislature reconvenes from Summer Recess
- July 31<sup>st</sup> Last day for policy committees to hear and report fiscal bills to fiscal committees.

### Senate Calendar

**May Deadlines:**

- May 11<sup>th</sup> - Senate Reconvenes from Joint Recess.
- May 25<sup>th</sup> Memorial Day (Observed Holiday)
- May 29<sup>th</sup> Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house.

**June Deadlines:**

- June 5<sup>th</sup> Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house. Last day for policy committees to meet prior to June 8<sup>th</sup>.
- June 15<sup>th</sup> Budget Bill must be passed by midnight.
- June 19<sup>th</sup> Last day for fiscal committees to hear and report to the floor bills introduced

- in their house. Last day for fiscal committees to meet prior to June 29<sup>th</sup>.
- June 22<sup>nd</sup> – 26<sup>th</sup> Floor Session Only. No committees, other than conference or Rules committees, may meet for any purpose.
  - June 25<sup>th</sup> Last day for a legislative measure to qualify for the November 3<sup>rd</sup> General Election ballot.
  - June 26<sup>th</sup> Last day for each house to pass bills introduced in that house.

**July Deadlines:**

- July 2<sup>nd</sup> Summer Recess begins upon adjournment provided Budget Bill has been passed.
- July 3<sup>rd</sup> Independence Day (Observed Holiday)
- July 13<sup>th</sup> Legislature reconvenes from Summer Recess.
- July 31<sup>st</sup> Last day for policy committees to hear and report fiscal bills to fiscal committees.