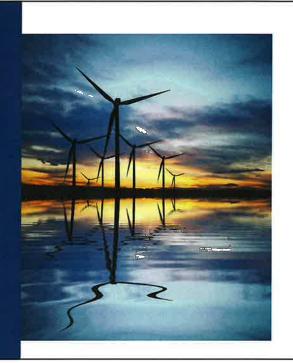
2022 Legislative Update

Briefing from CMUA

Mesa Water District January 25, 2022





California Municipal Utilities Association

VISION: CMUA is the leading voice for California utilities, enhancing our communities.

MISSION: CMUA partners with community owned utilities to support reliable, sustainable, affordable services through advocacy, education and relationships.

VALUES:

- Innovative
- Knowledgeable
- Trustworthy
- Member-focused
- Flexible

- Collaborative
- Responsive
- Proactive
- Accountable
- Excellence









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2021 Legislative Review

- Budget ask for water, wastewater and electric/gas arrearages
- Water Affordability
- Water Conservation
- Infrastructure and other Investments





3

2022-2023 Governor's Budget Proposal

- \$286.4 Billion budget proposal (all funds)
- Focused on five pillars:
 - Fighting COVID-19
 - · Combating Climate Change
 - · Confronting Homelessness
 - · Addressing the Cost of Living
 - Improving Safety
- \$45 billion estimated surplus
 - Expect to hit reserve cap of 10% of budget
 - Gann Limit implications expenditures on infrastructure and subventions to local governments are not counted toward the limit



2

2022-2023 Governor's Budget Proposal

- Water investments
 - Second year of \$5.2 billion in infrastructure, drought and other funding
 - Additional \$750 million for 2022-2023, focused on water use efficiency and drought (\$250 million set aside for later discussions depending on drought conditions)
- \$22.5 billion in climate investments
- CMUA budget recommendations include more funding for (not inclusive):
 - Safety and reliability of existing dams
 - · Water use efficiency
 - · Water recycling & desalination
 - Innovation
 - Cybersecurity
 - Workforce Development





2022 Legislative Forecast

- Water Issues: Affordability, water project funding, drought, water quality (e.g. LCR)
- Water/Energy Nexus Issues: Brown Act changes, climate resilience (Senate Climate Working Group), employment
- Continuing to legislate amidst COVID
- Interesting tidbits





Regulatory Issues

- Water
 - Water Use Efficiency: Indoor, Outdoor, Water Loss
 - Water Quality: Hex Chromium, Microplastics
- Water/Energy Nexus
 - CalOSHA ETS
 - Advanced Clean Fleets
 - Clean Transportation Funding





Contact Info

Danielle Blacet-Hyden, Deputy Executive Director 916-847-8444,

www.cmua.org

