

-VIA ELECTRONIC MAIL-

February 17, 2021

MEMORANDUM

TO: Stacy Taylor, Mesa Water District

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

SUBJECT: February Report

As the political musical chairs continues to take place in California and Washington D.C., business within the Legislature is moving forward. In a traditional year, the primary focus would be getting bills introduced and referred to policy committees. However, given the challenges of the COVID-19 pandemic, the Legislature has been forced to adapt by changing the normal course of business. For example, this year's budget cycle has already kicked off. Budget-sub committees are meeting and discussing the Governor's January Budget proposal which provides "early action" and "regular action". Early action items refer to Fiscal Year 2020/2021, while regular action items reflect the Fiscal Year 2021/2022. The goal of the Legislature is to have "early action" items dispensed with by legislative Spring Recess. All "regular action" items will follow the traditional budget track and be a part of negotiations following the Governor's May Revise.

Meanwhile, Legislators are continuing to introduce their bill packages for the year. While neither house has restriction on the number of bills a Member may introduce, Members have been asked to use their best judgement on issues brought forward this year. To date, there have been 433 Senate Bills and 683 Assembly Bills introduced. We are likely to see around 1,000 – 1,500 bills introduced by this Friday's bill introduction deadline. As we continue to monitor bill introductions and the budget, we will notify Mesa Water District of any key issues and provide updates in a timely manner.

ACWA Sponsored Legislation Update "Water and Sewer Service"

Last week, Senator Anna Caballero (D-Salinas), introduced SB 323 on "Local Government: Water or Sewer Service: Legal Actions," which is the ACWA sponsored legislative proposal for the year. At this moment, Mesa Water District has not taken a formal position on the bill, however, they are proactively engaged on this legislation. Over the past two weeks we have met with the author's office, the Consumer Attorneys of California (opposition), and drafted amendments. The proposed draft amendments would do the following:

- 1) Create an "opt in" for any district that chooses to pass an ordinance (this makes the district do an affirmative act to restrict the right to action).
- 2) The resolution can require 120 days or more depending on the desire of the district (retains local control over date and contents of what fees can be challenged).
- 3) For fees subject to Prop 218 (the constitutional cites).

- 4) Requires notice of the public hearing to landowners under Prop 218 rules.
- 5) Clarifies the notice must arrive 45 days prior to the hearing.

We believe the amendments provide a balanced approach, by keeping local control intact, providing transparency to landowners, and following the proper constitutional procedures set forth under Prop 218. We are committed to striking a balanced solution for this measure. We will keep Mesa Water District informed of all conversation related to this legislation.

SB 323 (Caballero) Local government: water or sewer service: legal actions.

This bill would authorize a local agency or interested person to bring a validation action in a superior court to determine the validity of a fee or charge for water and sewer service. The proposal would require an interested party bring an action within 120 days after the local agency adopts the fee or charge.

Status: Introduced, pending referral.

Position: Watch

California Coastkeeper Alliance Sponsored Legislation "Clean Water Act"

This is another bill that has caught attention of water districts, dischargers, and industry. We have met with the authors office, sponsors, and other stakeholders with questions and concerns. It is a very aggressive measure that may reduce the regional and state water boards ability to balance the interests of water quality improvement with cost benefit.

AB 377 (Rivas) Water quality: impaired waters.

This bill would require all California surface waters to be fishable, swimmable, and drinkable by January 1, 2050. The bill would prohibit the state board and regional boards from authorizing an NPDES discharge, waste discharge requirement, or waiver of a waste discharge requirement that causes or contributes to an exceedance of a water quality standard, or from authorizing a best management practice permit term to authorize a discharge that causes or contributes to an exceedance of a water quality standard in receiving waters. The bill would prohibit, on or after January 1, 2030, a regional water quality control plan from including a schedule for implementation for achieving a water quality standard that was adopted as of January 1, 2021, and would prohibit a regional water quality control plan from including a schedule for implementation of a water quality standard that is adopted after January 1, 2021.

Status: Assembly Environmental Safety and Toxic Materials

Position: Watch

2021 Legislative Tracking

SB 45 (Portantino) Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022.

This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, 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.

Status: Senate Natural Resources and Water

Position: Watch

SB 52 (Dodd) State of emergency: local emergency: sudden and severe energy shortage: planned power outage.

This bill would expand the definition of “sudden and severe energy shortage” to include a “deenergization event,” defined as a planned power outage, and would make a deenergization event one of those conditions constituting a state of emergency and a local emergency.

Status: Senate Governmental Organization

Position: Watch

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 moneys in the fund available upon appropriation by the Legislature to the state board to provide, as part of the Water Affordability Assistance Program established by the bill, 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: Senate Energy, Utilities and Communications

Position: Watch

SB 223 (Dodd) Discontinuation of residential water service.

The bill would require the State Water Resources Control Board (State Water Board) to provide technical assistance to very small community water systems. The bill would require the State Board to establish a bridge loan program to assist very small community water systems that may suffer revenue loss or delayed collection while complying with this chapter. To the extent funding is available, partial loan forgiveness would be made available to systems that offer debt forgiveness to low-income residents with past due accounts. This bill would also require an urban water supplier and an urban and community water system to update policies to comply this chapter by July 1, 2022.

Status: Senate Energy, Utilities and Communications

Position: Watch

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 an ongoing, dedicated program called the Constituents of Emerging Concern Program to assess the state of information and recommend areas for further study on the occurrence of constituents of emerging concern (CEC) in drinking water sources and treated drinking water. The bill would require the state board to convene, by an unspecified date, the Science Advisory Panel to review and provide recommendations to the state board on CEC for further action. The bill would require the state board to provide an annual report to the Legislature on the ongoing work conducted by the panel.

Status: Senate Environmental Quality

Position: Watch

SB 403 (Gonzalez) Drinking water: consolidation.

This bill authorizes the state board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water or where a disadvantaged community is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water. This bill would authorize the state board to also order consolidation where a water system serving a disadvantaged community is at risk of failing to provide an adequate supply of safe drinking water or where a disadvantaged community is substantially reliant on domestic wells that are at risk of failing to provide an adequate supply of safe drinking water.

Status: Introduced, pending referral.

Position: Watch

AB 62 (Gray) Income taxes: credits: costs to comply with COVID-19 regulations.

This bill would provide a tax credit for essential and small businesses seeking to comply with COVID-19 regulations adopted by the Occupational Safety and Health Standards Board on November 19, 2020, relating to COVID-19 prevention and approved by the Office of Administrative Law.

Status: Assembly Revenue and Taxation

Position: Watch

AB 339 (Lee) State and local government: open meetings.

This bill would require all meetings, including gatherings using teleconference technology, to include an opportunity for all persons to attend via a call-in option or an internet-based service option that provides closed captioning services and requires both a call-in and an internet-based service option to be provided to the public. The bill would require all meetings to provide the public with an opportunity to comment on proposed legislation, as provided, and requires translation services to be provided for the 10 most-spoken languages, other than English, in California, and would require those persons commenting in a language other than English to have double the amount of time as those giving a comment in English, if time restrictions on public comment are utilized, except as specified. The bill would require instructions on how to attend the meeting to be posted at the time notice of the meeting is publicized.

Status: Introduced, pending referral.

Position: Watch

Regulatory

- The State Water Resources Control Board Drinking Water COVID-19 Financial Impacts Survey was released. The survey results show public water systems throughout California are facing heightened financial challenges during the COVID-19 pandemic, as about 1.6 million residential water customers, or 12% of all households, have been unable to pay their bills, according to the State Water Resources Control Board's comprehensive survey. The complete survey background, information, and summary can be found [HERE](#).
- The Legislative Analyst' Office released their analysis and recommend support the Department of Water Resources Adopt \$60 Million budget proposal to provide additional financial assistance to GSAs to help ensure effective implementation of SGMA, but minimize administrative

complexity by appropriating all the funds in the budget year for one consolidated grant program rather than providing half of the requested funds through early action in the current year as proposed by the Governor. The report can be found [HERE](#).

- The Legislative Analyst’s Office released their analysis and recommendation to support the California Natural Resources Agency \$125 “Budget Change Proposal” for habitat restoration projects along the Sacramento and San Joaquin Rivers. The report can be found [HERE](#).
- The Governor made the following appointments:
 - **H. David Nahai, 68, of Los Angeles has been appointed to the Los Angeles Regional Water Quality Control Board.** Nahai has been President of David Nahai Consulting Services Inc. and Partner at Lewis, Brisbois, Bisgaard and Smith since 2010. He was General Manager and CEO of the Los Angeles Department of Water and Power from 2007 to 2009, Vice President of the Los Angeles Department of Water and Power Board of Commissioners from 2005 to 2006 and President of the Los Angeles Department of Water and Power Board of Commissioners from 2006 to 2007.
 - **Michael Mendez, 43, of Long Beach, has been appointed to the Los Angeles Regional Water Quality Control Board.** Mendez has been an Assistant Professor in the Department of Urban Planning and Public Policy at the University of California, Irvine since 2019. He was a Faculty Fellow and Associate Research Scientist at the Yale School of the Environment from 2016 to 2019 and a Postdoctoral Scholar and Lecturer at the University of San Francisco Department of Environmental Science from 2015 to 2016.
 - **Darcie Houck, 51, of Davis, has been appointed to the California Public Utilities Commission.** Houck has served as Chief Counsel for the California Energy Commission since 2019. She was an Administrative Law Judge at the California Public Utilities Commission from 2016 to 2019, a Partner at Fredericks Peebles & Morgan from 2005 to 2016 and Staff Counsel and Policy Advisor at the California Energy Commission from 2000 to 2005. Houck is a member of the California Indian Law Association, California Lawyers Association, Schwartz-Levi Inn of Court, Women Lead and the Association of Women in Water, Energy, and Environment.

Important Dates and Deadlines for 2021

February:

- Feb. 19 – Last day for bills to be introduced.

March:

- Mar. 25 – Spring Recess begins upon adjournment (J.R. 51(a)(2)). (add to calendar)
- Mar. 31 – Cesar Chavez Day observed.

April

- Apr. 5 – Legislature reconvenes from Spring Recess.
- Apr. 30 – Last day for policy committees to meet and report to fiscal committees’ fiscal bills introduced in their house.

May

- May 7 – Last day for policy committees to meet and report to the floor non-fiscal bills introduced in their house.
- May 14 – Last day for policy committees to meet prior to June 7.
- May 21 – Last day for fiscal committees to meet and report to the floor bills introduced in their house. Last day for fiscal committees to meet and report to the floor bills introduced in their house.
- May 31 – Memorial Day

June

- Jun. 1-4 – Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees.
- Jun. 4 – Last day for each house to pass bills introduced in that house.
- Jun. 7 – Committee meetings may resume.
- Jun. 15 – Budget Bill must be passed by midnight.