



-VIA ELECTRONIC MAIL-

January 21, 2021

MEMORANDUM

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TO: Stacy Taylor, Mesa Water District

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

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SUBJECT: January Report

Anthony Molina

The 2022 legislative session is back underway but has already hit a few road bumps with several legislators and their staff's testing positive for COVID-19 (E.g., 27 Assemblymembers missed the second floor session upon return to Sacramento). Nonetheless, legislative deadlines continue to be approached, with policy and fiscal committees currently taking place. As a reminder, all two-year bills must be out of their "House of Origin" by January 31st to remain active. Those bills that do not meet the deadline are considered "dead" for the remainder of the year.

Furthermore, the Governor presented his January Proposed Budget for fiscal year (FY) 2022/23). This year's proposed \$286.4 billion budget is the State's largest budget to date and includes a \$46.7 billion surplus. Governor Newsom outlined his top priorities for the year including COVID response, climate, homelessness, public safety, and cost of living inequality.

Additionally, as anticipated with the newly drawn redistricting maps, legislators have made several announcements over the past three weeks that include resignations from office, announcements of running for newly drawn seats, and messages announcing that some will not be seeking reelection for their final term in office. This will continue over the next several months until legislators hit the deadline to file paperwork to run for reelection.

As detailed above, there are several moving pieces in Sacramento. However, we commit to keeping Mesa Water District apprised of new detailed information as we receive it.

Governor Newsom Extends Pandemic Executive Order Enabling Public Agencies to Continue Meeting Remotely

Governor Newsom signed an executive order to extend the sunset of [AB 361](#), which the Governor signed in September to extend the flexibilities provided in a prior executive order enabling public agencies to meet remotely during the COVID-19 emergency. Under the signed order, state bodies are permitted to continue holding public meetings via teleconference through March 31, 2022. The text of the order can be found [HERE](#).

2021 - 2022 Legislative Tracking

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.

Status: Assembly Floor, Inactive File

Position: Oppose Unless Amended

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, or a waste discharge requirement or waiver of a waste discharge requirement for a discharge, to surface water that causes or contributes to an exceedance of an applicable water quality standard in receiving waters, or from authorizing a best management practice permit term to authorize a discharge to surface water that causes or contributes to an exceedance of an applicable water quality standard in receiving waters.

Status: Two-year bill. This bill will not be advancing. The bill author and sponsor are deciding whether to introduce a new bill in this legislative session.

Position: Oppose

AB 588 (E. Garcia) California Safe Drinking Water Act: compliance.

This bill would authorize the State Water Resources Control Board (Board) to set a period from 30 days to three years for reaching compliance with a new drinking water regulation. The bill would also require the Board to identify actions to assist water systems to achieve compliance with a new regulation.

Status: Two-year bill. This bill will not be advancing.

Position: Support

AB 703 (Rubio) Open meetings: local agencies: teleconferences.

This bill will eliminate the previously existing concept of “teleconference locations”; will revise existing law to ensure minimum standards for public participation; and will revise notice requirements to allow for greater public participation in teleconference meetings of local agencies. The bill does not require teleconferencing but modernizes existing law to ensure greater public participation in meetings of the legislative bodies of local agencies which choose to utilize teleconferencing.

Status: Two-year bill. This bill will not be advancing.

Position: Support

AB 1434 (Friedman) Urban water use objectives: indoor residential water use.

This bill would incrementally lower the indoor water use standard starting January 1, 2023, to reach a standard of 40 gallons per capita daily starting in 2030. The bill also removes the requirement for the Department of Water Resources, in consultation with the State Water Resources Control Board, to submit a report on the result of its indoor water use studies and make recommendations regarding the existing standards.

Status: Two-year bill. This bill will not be advancing. The bill author and sponsor are planning to introduce a new bill this legislative session.

Position: Oppose

Bonds

Both bond proposals bills have been put to a halt for the immediate future. The Senate moved their bond proposal to the Senate Floor "Inactive File" and the Assembly moved their bond proposal to the Assembly Rules Committee. At this time both bills will be held until leadership in both houses decides to move forward with each proposal in the legislative process. To make it on the November 2022 ballot, either bill must pass the Legislature before June 2022.

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.

Status: This bill was gut and amended into an organic waste funding bill. We will remove this bill from the legislative tracking list in our next report.

Position: Watch

AB 1500 (E. Garcia) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022.

This bill would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,700,000,000.

Status: Assembly Rules Committee

Position: Watch

Budget

Governor Gavin Newsom submitted his fiscal year (FY) 22/23 proposed Budget. The Governor's Budget proposes spending \$286.4 billion in total state funds, consisting of approximately \$213.1 billion from the General Fund, \$65.3 billion from special funds, and \$8 billion from bond funds. The five major topics of this year's Budget include COVID-19, climate change, homelessness, cost of living inequality, and public safety.

The Budget reflects \$34.6 billion in budgetary reserves, which include the following:

- \$20.9 billion in the Rainy-Day Fund for fiscal emergencies.
- \$9.7 billion in the Public School System Stabilization Account.

- \$900 million in the Safety Net Reserve
- \$3.1 billion in the state's operating reserve.
- The Budget accelerates the paydown of state retirement liabilities as required by Proposition 2 with \$3.9 billion in additional payments in 2022-23 and nearly \$8.4 billion projected to be paid over the next three years.

The Budget projects the State Appropriations Limit, or "Gann Limit," will likely be exceeded in the 20/21 and 2021/22 fiscal years. Any funds above this limit are constitutionally required to be allocated evenly between schools and a tax refund. An updated calculation of this limit, and proposals to address it, will be included in the May Revision.

The economic forecast, finalized last November, does not consider the surge of the Omicron variant. Thus, the COVID-19 Pandemic remains a risk to the forecast. Strong stock market performance has significantly increased volatile capital gains revenue that is approaching its prior peak levels (as a share of the state's economy) in 2000 and 2007. A stock market reversal could lead to a substantial decrease in revenues. Given the state's history of boom-and-bust cycles, additional deposits into the state's reserves would further prepare the state for future economic slowdowns. However, deposits into the reserves count towards the State Appropriations Limit. Therefore, any additional deposits would have to be carefully balanced against other spending priorities.

Drought Resilience and Response

The 2021 Budget included a historic investment of \$5.2 billion over three years to advance water resilience and drought response. This investment provides immediate assistance to struggling communities and prepares for more severe, climate-induced drought and flood conditions in the long term.

The Budget builds on this investment by including an additional \$750 million one-time General Fund to support drought resilience and response. Significant investments include:

Water Conservation Programs—\$180 million for grants to large urban and small water suppliers to improve water efficiency, address leaks, reduce demand, provide water use efficiency-related mapping and training, support turf replacement, and maintain a drought vulnerability tool. These investments advance water conservation as Californians work to achieve the Governor's 15-percent voluntary water conservation target and as local water districts adapt to forthcoming efficiency standards.

Urban and Small Community Drought Relief—\$145 million for local emergency drought assistance and grants to local water agencies facing the loss of water supplies.

Fish and Wildlife Protection—\$75 million to mitigate immediate drought damage to fish and wildlife resources and build the resilience of natural systems.

Multi benefit Land Repurposing—\$40 million to increase regional capacity to repurpose irrigated agricultural land to reduce reliance on groundwater while providing community health, economic well-being, water supply, habitat, renewable energy, and climate benefits.

Groundwater Recharge—\$30 million to provide grants to water districts to fund planning, engineering, water availability analyses, and construction for groundwater recharge projects.

On-Farm Water Conservation—\$20 million to bolster the State Water Efficiency and Enhancement Program, which provides grants to implement irrigation systems that save water on agricultural operations.

Technical Assistance and Drought Relief for Small Farmers—\$10 million to provide mobile irrigation labs, land use mapping and imagery, irrigation education, and direct assistance to small farmers and ranchers who have experienced water cost increases of more than 50 percent.

Drought Contingency—\$250 million as a drought contingency set aside to be allocated as part of the spring budget process, when additional water data will be available to inform additional drought needs.

Regulatory

- **State Water Resources Control Board Emergency Regulations**
Californians could soon be hit with fines as high as \$500 for wasting water. The State Water Resources Control Board unanimously approved yearlong emergency regulations that ban practices such as hosing down sidewalks and driveways with drinking water, washing cars without a shutoff nozzle on the hose, and irrigating lawns and gardens too soon after rain. The new rules underscore that California is still gripped by drought, though a recent deluge of rain and snow has helped. The state Department of Water Resources resumed operations Tuesday at the Lake Oroville hydropower plant after shutting it off in August due to low water levels. A copy of the new regulations can be found [HERE](#).
- **California Natural Resources Agency “Water Resiliency Portfolio” January 2022 Progress Report**
In April 2019, Governor Newsom issued an Executive Order directing state agencies to develop recommendations to enable water security for all Californians. His Executive Order N-10-19 called on the California Natural Resources Agency, California Environmental Protection Agency, and California Department of Food and Agriculture to develop a “water resilience portfolio,” described as a set of actions to meet California’s water needs through the 21st century. The Governor emphasized the need for actions that provide multiple benefits, utilize natural infrastructures such as forests and floodplains, embrace new technologies, encourage regional approaches, and build integration across state government and partnerships across diverse interests.

Below is a link to the January 2022 Progress Report that lists each of the 142 separate actions in the final Water Resilience Portfolio, with a description of progress made since the Portfolio was released in July 2020. State agencies will continue to track progress and issue periodic reports. Please see the link below to view the report. The January 2022 Progress Report can be found [HERE](#).

- **California Redistrict Commission Final Redistricting Maps**

The California Citizens Redistricting Commission formally presented new maps to California's top elections official, Secretary of State Shirley Weber, creating new lines for 52 congressional districts (one fewer than previously), 40 state Senate districts, 80 Assembly districts, and four Board of Equalization districts. Members defended their months of sometimes chaotic work as they handed off the completed maps to govern congressional and legislative elections for the next ten years, barring successful court challenges. The final report of the maps can be found [HERE](#).

- **Cal/OSHA Updates COVID-19 FAQs to Align with CDPH Guidance on Isolation and Quarantines**
In December 2020, Governor Newsom issued [Executive Order N-84-20](#), which states that the recommended isolation and quarantine periods in the ETS will be overridden by any CDPH applicable isolation or quarantine recommendation if the ETS periods are longer than those recommended by CDPH.

Cal/OSHA posted fact sheets and updated its [FAQs on COVID-19 Prevention Emergency Temporary Standards](#) (ETS) to incorporate new guidance from the California Department of Public Health (CDPH) on isolation and quarantine periods and to reflect revisions adopted by the Occupational Safety and Health Standards Board on December 16, 2021, that went into effect.

The fact sheets posted include:

- [What Employers Need to Know About the December 16 Standards](#)
- [COVID-19 Isolation and Quarantine – What Employers and Workers Need to Know](#)

- **The Governor has made the following appointments:**
 - **Saul Gomez, 44, of Sacramento, has been appointed Undersecretary at the California Natural Resources Agency.** Gomez has been Deputy Executive Director at the California Public Utilities Commission since 2019. He was Program Officer at the Resources Legacy Fund from 2018 to 2019, Deputy Cabinet Secretary in the Office of Governor Edmund G. Brown Jr. from 2016 to 2018, Deputy Secretary for Energy and Special Assistant for Oil, Gas and Geothermal Resources at the California Natural Resources Agency from 2014 to 2016 and Executive Director for the California Alternative Energy and Advanced Transportation Financing Authority from 2013 to 2014.
 - **Norma Camacho of Camarillo has been appointed to the Los Angeles Regional Water Quality Control Board.** Camacho has been a Member of the Stillwater Sciences Board of Directors since 2021. She was Chief Executive Officer and Chief Operating Officer at the Santa Clara Valley Water District from 2012 to 2020. Camacho held several positions at the Ventura County Public Works Agency from 1990 to 2012, including Director of the Watershed Protection District, Deputy Executive Officer of the PMA CEO's Office, and Senior Analyst.
 - **Marissa Christiansen of Los Angeles has been appointed to the Los Angeles Regional Water Quality Control Board.** Christiansen has been President and Chief Executive Officer at Friends of the Los Angeles River since 2018. She has held multiple positions since 2016, including Senior Director of Policy and Advocacy and Executive Director. She was Senior Manager of Alliances at XPRIZE from 2013 to 2015 and Assistant to the City Manager at the City of Redondo Beach from 2012 to 2013. Christiansen was Director of the South Bay Initiative at the Los Angeles County Bicycle Coalition from 2010 to 2012

and an Associate of Corporate Operations and Real Estate at the Walt Disney Company from 2007 to 2009.

- **Anna Naimark, 36, of Sacramento, has been appointed Deputy Secretary and Special Counsel for Water at the California Environmental Protection Agency.** Naimark has been Tribal Negotiations Advisor to Governor Newsom since 2019. She was a Senior Program Examiner at the White House Office of Management and Budget from 2014 to 2018, Human Rights Expert and Political Officer at the United States Mission to the U.N. Human Rights Council in 2016 and Research Fellow for the Open Society Foundations in 2014.

Key Dates and Deadlines

January

Jan. 21 – Last day for any committee to hear and report to the floor bills introduced in that house in the odd-numbered year. Last day to submit bill requests to the Office of Legislative Counsel.

Jan. 31 – House of Origin Deadline for two-year bills.

February

Feb. 18 – Last day for bills to be introduced

Feb. 21 Presidents' Day Observed.

March

None

April

Apr. 1 – Cesar Chavez Day observed.

Apr. 7 – Spring Recess begins upon adjournment.

Apr. 18 – Legislature reconvenes from Spring Recess.

Apr. 29 – Last day for policy committees to hear and report to fiscal committees' fiscal bills introduced in their house.

May

May 6 – Last day for policy committees to hear and report to the floor nonfiscal bills introduced in their house.

May 13 – Last day for policy committees to meet prior to May 31.

May 20 – Last day for fiscal committees to hear and report to the floor bills introduced in their house. The last day for fiscal committees to meet prior to May 31.

May 23-27 – Floor session only. No committee may meet for any purpose except for Rules Committee; bills referred pursuant to Assembly Rule 77.2, and Conference Committees.

May 27 – Last day for each house to pass bills introduced in that house.

May 30 – Memorial Day.

May 31 – Committee meetings may resume.