



August 19, 2022

To: Stacy Taylor, Mesa Water District
From: Dennis Albiani and Anthony Molina, California Advocates
Subject: August 2022 Report

The 2021-2022 legislative session is rapidly coming to a close, with only 8 days of legislative business remaining. Within this short timeframe, there will be key benchmarks such as the final floor amendment deadline and removing or placing bills from the inactive file for the home stretch.

Last week, each respective house held its Appropriations "Suspense File" hearings to meet the fiscal deadline. The California State Senate had 491 bills on its "Suspense File" and passed out 368 bills to the Senate Floor. The California State Assembly had 292 bills on the "Suspense File," and 213 bills passed to the Assembly Floor. In total, there are roughly 1,017 bills that are pending between both houses that will require action by the end of the legislative session on August 31st.

In addition, there are several pieces of the Budget that have yet to be resolved, which includes a large \$21 billion dollar climate and energy package. There have been ongoing negotiations between the Governor and legislative leadership in both houses to tie up loose ends. To date, the details for the \$1.465 billion for drought resilience and response have not been daylighted. As we received information over the next week, we will share it immediately with Mesa Water District leadership.

Lastly, upon the adjournment of this year's legislative session, the focus will quickly shift to the November 8th General Election – this is now less than three months out. Specifically, within the Mesa Water District service area, the main California race of focus will include the newly drawn 73rd Assembly District. The race will include incumbents Steven Choi (R) and Cottie Petrie-Norris (D). Petrie Norris beat Choi in the Primary Election by 13 percentage points, which will be a large margin for Choi to overcome in November. Stay tuned!

Mesa Water District Legislative Tracking with Bill Positions

AB 2016 (Bauer-Kahan) State Water Resources Control Board: desalination plant: feasibility study.

This bill requests the California Council on Science and Technology in coordination with the Department of Water Resources, to undertake a comprehensive feasibility study of brackish water, ocean water, and groundwater desalination along the San Francisco Bay and submit the study to the Legislature no later than January 1, 2025.

Position: Support

Status: This bill was held on the Senate Appropriations Committee “Suspense File.”

AB 2041 (E. Garcia) California Safe Drinking Water Act: primary drinking water standards: compliance.

This bill will require the Division of Drinking Water (DDW) under the State Water Resources Control Board (SWRCB) would be required to devise a plan and determine funding to help small water systems comply with new drinking water regulatory standards.

Position: Support

Status: This bill was held on the Assembly Appropriations Committee’s “Suspense File.”

AB 2054 (Quirk-Silva) Corporation taxes: exempt organizations: mutual ditch or irrigation companies: public water system: mutual water companies.

This bill conforms to the California Revenue and Taxation Code with Section 501(c)(12) of the Internal Revenue Code, which provides federal tax-exempt status for mutual water companies.

Position: Support

Status: This bill was held on the Assembly Appropriation Committee’s “Suspense File.”

AB 2142 (Gabriel) Income taxes: exclusion: turf replacement water conservation program.

This bill would reinstate an important exemption for turf replacement rebates from gross income in California, aligning with certain other permanently exempt water efficiency rebates (E.g., toilet, clothes washers).

Position: Support

Status: Senate Floor.

AB 2449 (Rubio) Open meetings: local agencies: teleconferences.

This bill will eliminate the previously existing concept of teleconference locations and revise notice requirements to allow for greater public participation in teleconference meetings of local agencies. The bill does not mandate teleconferencing; it merely modernizes existing law to ensure greater public participation in meetings of local agencies that utilize teleconferencing. The bill also requires that a quorum of the governing body be physically present at a clearly identified meeting location for all public meetings.

Position: Support

Status: Senate Floor.

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.

Position: Oppose Unless Amended
Status: Assembly Floor.

SB 892 (Hurtado) Cybersecurity preparedness: food and agriculture sector and water and wastewater systems sector.

This bill requires companies in the food and agriculture industry to report to the California Department of Food and Agriculture and California Cybersecurity Integration Center (CSIC) instances of a verified cyber threat or cyberattack within 30 days. It also requires actors in the water and wastewater sector to disclose risk assessments and emergency response plans to CSIC and state water authorities. Finally, the bill directs Cal-OES and CSIC to develop plans to increase outreach for cybersecurity preparedness as well as identify potential funding sources that support cybersecurity.

Position: Oppose, Unless Amended
Status: Assembly Floor.

SB 1157 (Hertzberg) Urban water use objectives: indoor residential water use.

This bill would eliminate the option of using the greater of 52.5 gallons per capita daily and the greater of 50 gallons per capita daily as the standard for indoor residential water use. The bill would instead require that from January 1, 2025, to January 1, 2030, the standard for indoor residential water use be 47 gallons per capita daily, and beginning January 1, 2030, the standard be 42 gallons per capita daily.

Position: Oppose Unless Amended
Status: Assembly Floor.

Budget Update

Upon return from Summer Recess, budget conversations have been held behind closed doors between the Governor, his administration, and legislative leadership. As stated in the last report, the Legislature has earmarked \$21 billion dollars for the “Climate Change Package,” which includes \$1.465 billion for “Drought Resilience and Response.” The details for the “Drought Resilience and Response Package” have yet to be announced. It is rumored that the budget trailer bill language will be released within the next few days. As we learn more details of this specific budget package, we will share them promptly with Mesa Water District.

Additionally, it should be noted that the Governor has primarily shifted his focus and attention to extending the operation of Diablo Canyon Nuclear Power Plant past its retirement deadline of 2025 to 2030. The Governor has also spent the last two weeks promoting a set of “Climate Proposals,” which include the following:

- Adopting a more aggressive schedule in reducing greenhouse gasses by raising the 2030 target from 40 percent below 1990 levels to 55 percent below.
- Establishing setbacks of 3,200 feet for new oil wells and ensuring pollution control for existing wells within that distance of homes, schools, or parks.
- Creating clean electricity targets of 90 percent by 2035 and 95 percent by 2040, with the goal of 100 percent clean electricity retail sales by 2045.
- Creating a regulatory framework for carbon capture and storage that will require the state to develop an achievable carbon removal target.

The Governor and his administration have been briefing legislators and are attempting to identify authors to carry the proposals. Thus far, the effort has been unsuccessful. However, it is our understanding that if the administration is unable to solidify authors, the backup plan is to move these proposals into budget trailer bills. We will provide timely updates as we learn more.

Regulatory

Governor Newsom Names Amelia Yana Garcia Gonzalez New Secretary for Environmental Protection as Secretary Jared Blumenfeld Steps Down

Governor Gavin Newsom announced that Amelia Yana Garcia Gonzalez will serve as California's next Secretary for Environmental Protection after Secretary Jared Blumenfeld steps down in September. Garcia Gonzalez previously served in various leadership roles at CalEPA focused on environmental justice and tribal affairs.

Secretary Blumenfeld, who has led the California Environmental Protection Agency (CalEPA) since 2019, will go on to serve as the inaugural President of the Waverley Street Foundation, a new global climate change nonprofit focused on community-driven climate solutions.

Amelia Yana Garcia Gonzalez, 38, of Oakland, has served as Special Assistant Attorney General in the California Attorney General's Office since 2021. She was Deputy Secretary for Environmental Justice, Tribal Affairs, and Border Relations at the California Environmental Protection Agency from 2019 to 2021, where she was Assistant Secretary for Environmental Justice and Tribal Affairs from 2017 to 2019. Garcia Gonzalez was an Attorney at Earthjustice from 2015 to 2017, and at Communities for a Better Environment from 2013 to 2015. She was a Legal Research Attorney at the San Francisco County Superior Court from 2012 to 2013, and a post-graduate Law Clerk at Kazan, McClain, Lyons, Greenwood, and Harley, A Professional Law Corporation from 2011 to 2012.

Department of Water Resources Releases Draft Environmental Impact Report for Delta Conveyance Project

The California Department of Water Resources (DWR) released the Draft Environment Impact Report (Draft EIR) for the Delta Conveyance Project, marking an important step in evaluating a key strategy to adapt to a changing climate and provide clean, reliable water for future generations. The release of the Draft EIR gives the public an opportunity to formally weigh in on a proposed infrastructure modernization project that has been significantly changed in response to public comment. The proposal follows Governor Newsom's direction in 2019 to downsize previous concepts for improving Delta conveyance. The Draft EIR can be found [HERE](#) for review.

State Water Resources Control Board “Urban Water Use Update”

Statewide water use in June was 7.6% lower than in June 2020, and more than double the statewide savings in May (3.1%), putting California solidly back on track toward saving water. During the hot and dry summer, water use typically increases substantially because plants are thirstier. So, the fact that we saw more water savings in June suggests that aggressive actions taken by the state and by local suppliers are taking hold. On July 29, Governor Gavin Newsom convened local water leaders for the second time in recent months to call for their continued action to drive down urban water use and help Californians make permanent changes to adapt to a hotter and drier future. At the meeting, the Governor again urged leaders of the state’s largest urban water suppliers to continue local efforts to cut back water usage in the face of limited supplies due to extreme heat and dry weather. He also underscored the urgency of reporting monthly water use data as quickly as possible so the state can more effectively monitor progress in real-time. The full “June 2022 Urban Water Conservation Update” can be found [HERE](#).

Key Dates and Deadlines

Aug. 15 - 31. – Floor session only.

Aug. 25 – Last day to amend bills on the floor.

Aug. 31 – End of Session at midnight. Fall recess begins.

September

Sep. 30 – Last day for Governor to sign or veto bills passed by the Legislature.

November

Nov. 8 – General Election