



-VIA ELECTRONIC MAIL-

April 25, 2022

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

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The Legislature has returned from Spring Recess and is now making the push to meet the fiscal policy bill deadline of Friday, April 29<sup>th</sup>. There will be several policy hearings during the next week that will decide the fate of many bills. Upon the completion of the policy committee hearings, Legislators and their staff will begin prioritizing their bill packages for their respective house's Appropriations "Suspense File" hearing. This is a unique time that will start to shape the second half of the legislative year.

Moreover, the topic of water and drought has been significant over the past month. There are several actions items that have occurred which include the announcement of the Governor's Drought Emergency Package of \$22.5 million dollars, the State Water Resources Control Board warning letters to water rights holders, the Governor's Executive Order on Drought, and the announcement on the Voluntary Agreements Memorandum of Understanding. Each of the issues listed is significant and will have an impact on California's water in the short and long term. This report provides detailed information on each of the action items listed above.

Lastly, given the resignations within the Legislature this year, there have been five Special Elections that have taken place. All the Special Elections will replace Members of the California State Assembly. Below are the results as of April 25, 2022:

Assembly District 11 – Lori Wilson (Winner, Sworn-in April 6<sup>th</sup>)  
Assembly District 17 – Matt Haney vs David Campos (Winner, Swearing-in TBD)  
Assembly District 49 – Mike Fong (Winner, Sworn-in February 22<sup>nd</sup>)  
Assembly District 62 – Robert Pullen-Miles vs Tina McKinnor (June 5<sup>th</sup> Runoff)  
Assembly District 80 – David Alvarez vs Georgette Gomez (June 5<sup>th</sup> Runoff)

As noted above, three of the five Special Elections are complete, with Assemblymembers Mike Fong and Lori Wilson being sworn-in as the newly elected officials – Matt Haney will be sworn-in very soon. As for the other two special elections that head to a runoff, there will be a short period of time before we know the results. Should you have any questions with regards to the Special Elections or the upcoming June Primary Elections, please do not hesitate to reach out.

**Mesa Water District Legislative Tracking with Bill Positions**

**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.

**Status: Support**

**Position: Assembly Environmental Safety and Toxic Materials Committee. The bill hearing date is April 26<sup>th</sup>.**

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

This bill that 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.

**Status: Support**

**Position: Assembly Revenue and Taxation Committee. The bill hearing date is April 26<sup>th</sup>.**

**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).

**Status: Support**

**Position: Assembly Revenue and Taxation Committee. The bill is on the Revenue and Taxation "Suspense File."**

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

This bill will eliminate the previously existing concept of teleconference locations and will revise notice requirements to allow for greater public participation in teleconference meetings of local agencies. The bill does not require teleconferencing, rather it modernizes existing law to ensure greater public participation in meetings of the legislative bodies of local agencies who choose to utilize teleconferencing.

**Status: Support**

**Position: Assembly Local Government Committee. The bill hearing date is May 5<sup>th</sup>.**

**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.

**Status: Oppose, Unless Amended**

**Position: Senate Appropriations Committee. The bill has been moved to the “Suspense File.”**

**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.

**Status: Oppose**

**Position: Senate Floor**

### Two-year Bill 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**

**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 a dedicated Constituents of Emerging Concern (CEC) in the Drinking Water Program to assess the state of information and recommend areas for further study on the occurrence of CECs in drinking water, and would establish the CEC Action Fund.

**Status: Assembly Rules, Pending referral.**

**Position: Watch**

## **Budget Update**

In preparation for the Governor's May Revise, the Administration has highlighted the state's budget investment over the past year and a half. To recap, the Governor and the Legislature have invested \$5.2 billion over three years to support the immediate drought response and build water resilience statewide. This year's budget includes funding to secure and expand water supplies; bolster drought contingency planning and multi-benefit land repurposing projects; support drinking water and wastewater infrastructure, with a focus on small and disadvantaged communities; advance Sustainable Groundwater Management Act implementation to improve water supply security and quality, and support wildlife and habitat restoration efforts.

Additionally, in late March, the Governor advanced an additional \$22.5 million to bolster the state's drought response. Of this funding, \$8.25 million will be used to increase educational and outreach efforts, including through the Save Our Water campaign, which is providing Californians with water-saving tips via social media and other digital advertising. Governor Newsom's January proposal included \$750 million in additional drought funding, \$250 million of which was set aside as a drought reserve to be allocated in the spring, based on conditions, and need.

The Governor's May Revision is set to be released in mid-May. As we learn of new budget information, we will provide it to Mesa Water District in a timely manner.

## **Regulatory**

### **State Water Resources Control Board Letter to Water Rights Holders "Prepare for More Drought Impacts Due to Ongoing Dry Conditions"**

As drought conditions persist throughout California, the State Water Resources Control Board mailed early warning letters to approximately 20,000 water rights holders.

The letter highlights the critical conditions facing our state and urges right holders to plan for potential shortages by reducing water use and adopting practical conservation measures. The letter also warns right holders to prepare for curtailments in certain watersheds if dry conditions continue or worsen. A copy of the letter can be found [HERE](#).

Most of California is experiencing a severe drought due to the driest January and February on record. As we head into a third dry year, reservoir levels are significantly below average. The letter reminds water rights holders that accurate and timely reporting of water use data is critical for managing the state's water resources, including protecting lawful diversions and more precisely curtailing when needed.

### **Governor Newsom Announces Executive Order on Drought**

Following the driest first three months of a year in the state's recorded history, Governor Newsom is calling on local water suppliers to move to Level 2 of their Water Shortage Contingency Plans, which require locally appropriate actions that will conserve water across all sectors and directing the State Water Resources Control Board to consider a ban on the watering of decorative grass at businesses and institutions.

In an executive order, the Governor ordered the State Water Resources Control Board

(SWRCB) to evaluate the adoption of regulations banning irrigation of “non-functional” turf (or grass), such as decorative grass adjacent to large industrial and commercial buildings. The ban would not include residential lawns or grass used for recreation, such as school fields, sports fields, and parks. The Department of Water Resources estimates this ban alone will result in potential water savings of several hundred thousand acre-feet. An acre-foot of water serves the needs of approximately three households for a year.

As the drought persists into the third year and conditions worsen amidst dry, hot weather, the order called on the SWRCB to consider requiring urban water suppliers to activate, at a minimum, Level 2 of their customized Water Shortage Contingency Plans. These plans, required by state law, are developed by local water agencies to navigate drought and each plan is customized based on an agency’s unique infrastructure and management. Triggering Level 2 of these plans involves implementing water conservation actions to prepare for a water shortage level of up to 20 percent. For example, in many communities, this would mean reducing the number of days that residents can water outdoors, among other measures.

To further conserve water and strengthen drought resiliency in this critically dry year, the Governor is encouraging suppliers, where appropriate, to consider going above and beyond the Level 2 of their water shortage contingency plans, activating more ambitious measures. The Governor has also ordered state agencies to submit funding proposals to support the state’s short- and long-term drought response, including emergency assistance to communities and households facing drought-related water shortages, facilitating groundwater recharge and wastewater recycling, improvements in water use efficiency, protecting fish and wildlife, and minimizing drought-related economic disruption.

A copy of the executive order can be found [HERE](#).

### **State, Federal Agencies Announce Agreement with Local Water Suppliers to Improve the Health of Rivers and Landscapes**

State, federal, and local water leaders announced a broad agreement on measures to provide additional water flows and new habitats to help improve conditions in the Sacramento-San Joaquin River Delta watershed.

The [Memorandum of Understanding](#) (MOU) signed outlines terms for a transformational eight-year program that would provide substantial new flows for the environment to help recover salmon and other native fish, create new and restored habitats for fish and wildlife, and provide significant funding for environmental improvements and water purchases. It also outlines a governance and habitat monitoring framework with clear metrics and goals to allow state, federal, and local partners to analyze progress, manage adaptively and decide whether the program should be continued, modified, or ended after eight years.

The state has been actively working with local water agencies since 2016 to develop enforceable agreements to provide additional river flows and new habitats to help change the trajectory of declining native fish species. Following the release of a framework document in February 2020, state agencies have continued to work with local water agencies to refine elements of agreements that would enable adaptive, holistic management and deliver environmental improvements more quickly than a regulatory proceeding that would likely be contentious.



The State Water Resources Control Board is required to update its Bay-Delta Water Quality Control Plan to protect native fish, wildlife, and other “beneficial uses” of water, including municipal, domestic, and agricultural water supplies.

The MOU signed seeks to meet those objectives through an integrated program that includes habitat creation, new flows for the environment above existing regulatory requirements, funding for environmental improvements and water purchases, and a new, collaborative science program for monitoring and adaptive management.

Habitat creation would range from targeted improvements in tributaries to large landscape-level restoration in the Sacramento Valley. Improvements include the creation of spawning and rearing habitat for salmon and smelt, completion of high-priority fish screen projects, restoration and reactivation of flood plains, projects to address predation, and fish passage improvements. Local water agency managers signing the MOU have committed to bring the terms of the MOU to their boards of directors for their endorsement and to work to settle litigation over endangered species protections in the Delta.

Signatories to the agreement also committed to finalizing the following elements:

- Up to 824,000 acre-feet of additional flow to and through the Delta in the ecologically important window of January through June. Target flow volumes vary depending upon how wet or dry a year is, and flows made available under the agreement will be above current regulatory conditions.
- 20,000 acres of additional floodplain habitat
- 20,000 acres of rice cropland inundated in ways to improve the generation of microscopic plants and animals that provide fish food
- Over 5,000 acres of additional tidal wetlands and associated floodplain
- Nearly 3,300 acres of additional spawning, and instream and floodplain juvenile rearing habitat
- A new state multi-disciplinary restoration unit to accelerate permitting and implementation of habitat projects
- Annual reports informing adaptive management and describing the status and trend of native fish populations and whether commitments by voluntary agreement parties are being met
- Triennial reports and public workshops in years three and six of the agreement to analyze progress
- A “red,” “yellow,” or “green” decision by state water quality regulators in year eight to determine if the voluntary agreements are achieving ecological objectives and should be continued, modified, or ended.

Water agencies in the Bay Delta watershed that do not sign onto the approach outlined in the MOU would need to comply with regulatory requirements established by the State Water Board.

Implementation of the agreements outlined in the MOU is estimated to cost \$2.6 billion, to be shared by water users and the state and federal governments. Water agencies will self-assess fees to support the implementation of the voluntary agreements. Water users and the state will make flows available through a combination of reduced diversions, year-by-year purchases of water, long-term or permanent purchase of water, and voluntary following of agricultural or pasture lands.

## Governor's Appointments

**Clare Mendelsohn of Deerton, MI, has been appointed Deputy Secretary for Public Policy at the California Environmental Protection Agency.** Mendelsohn was Forest Supervisor for the U.S. Forest Service at the White Mountain National Forest from 2017 to 2020, where she was Deputy Forest Supervisor from 2015 to 2017. She was Director of the Western Regional Environmental Office for the U.S. Air Force from 2002 to 2013 and Special Projects Manager in the Clean Energy and Climate Change Section, Air Division for the U.S. Environmental Protection Agency, Region 9 in 2012. Mendelsohn was Senior Operational Research Analyst for the Air Force Studies and Analyses Agency in 2002 and Chief of the Environmental Operations Branch for the Materiel Command of the U.S. Air Force Office of Environmental Management in 2001.

**Joe Stephenshaw, 47, of Sacramento, has been appointed Senior Counselor on Infrastructure and Fiscal Affairs in the Office of the Governor.** Stephenshaw has been Staff Director for the Senate Budget and Fiscal Review Committee since 2017. He has held several positions in the California Legislature since 2008, including serving as a Policy Consultant in the Office of the Senate President pro Tempore, a Special Advisor to the Speaker of the Assembly, and as a Budget Consultant for both the Assembly Budget Committee and the Senate Budget and Fiscal Review Committee. Stephenshaw was a Budget Analyst for the California Department of Finance from 2005 to 2008.

## Key Dates and Deadlines

### **April**

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.

### **June**

June 15 – Budget Bill must be passed by midnight.

June 30 – Last day for a legislative measure to qualify for the Nov. 8 General Election ballot.

### **July**

July 1 – Last day for policy committees to meet and report bills.

Summer Recess begins upon adjournment, provided Budget Bill has been passed.