



-VIA ELECTRONIC MAIL-

September 23, 2022

To: Stacy Taylor, Mesa Water District
From: Dennis Albiani, Annalee Akin, California Advocates
Subject: September 2022 Report

The 2021-2022 legislative session has come to a close. The final week involved over 1,000 bills being dispensed in the California Senate and Assembly, several budget details coming to light, and votes on the Governor's climate/energy package proposals. Unlike previous years, the end-of-session was challenging with staff separated from legislators. This new unique dynamic will continue for the next four years as the Capitol Building is being remodeled and staff offices are in the new "Swing-Space." The focus of many during the final days and hours were Governor Newsom's climate/energy package proposals he announced earlier in August, which included the following:

- Extending the operation of the Diablo Canyon Nuclear Power Plant. ([SB 846, Dodd, chaptered](#))
- Codifying statewide carbon neutrality goal to dramatically reduce climate pollution. ([AB 1279, Muratsuchi, chaptered](#))
- Ramping up our 2030 climate ambition. ([AB 2133, Quirk, failed passage off the Assembly Floor](#))
- Creating setback limitations for new oil and gas wells. ([SB 1137, Gonzalez, chaptered](#))
- Advancing natural and engineered technologies to remove carbon pollution. ([SB 905, Caballero, chaptered](#))

Once the Governor's priorities were announced, many outstanding legislative and budget issues were halted. The priority was to ensure the Governor used all his leverage to successfully accomplish his climate/energy goals. Over the final three-week push, several bills that had been defeated over the past two years were resurrected and given a second opportunity including SB 1157 (Hertzberg), a bill that restricts indoor water use to 42 gallons per capita daily in 2030. Nonetheless, the "writing was on the wall" that political capital was being expended to ensure success on all fronts. In the end, the Governor did not accomplish all his climate/energy proposals, but most were passed by the Legislature and have now been chaptered.

The Governor now has until September 30th at midnight to sign or veto legislation. So far the Governor has acted on over 400 bills, with a 5% veto rate and 651 bills remaining. As we receive notifications of the decisions made on bills of importance to Mesa Water District, we will provide updates in a timely manner.

Additionally, focus has begun to shift toward November's election which will entail a race between incumbents Cottie Petrie-Norris and Steven Choi in the newly drawn AD 73. The new AD 72, encompassing much of Petrie-Norris's current district, will bring a new member to the legislature – likely to be republican Diane Dixon, a current member of the Newport Beach City Council. Current Assemblymember Janet Nguyen is expected to become the Senator representing the new SD 36, which covers much of Mesa Water District's territory. As we get closer to the election, we will continue to provide you pertinent information on each race.

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: Governor's desk, pending a signature or veto.

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: Signed by the Governor.

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: Governor’s desk, pending a signature or veto.

SB 1157 (Hertzberg) Urban water use objectives.

This bill would change the standards for indoor residential water use, to reflect those recommended by DWR and the SWRCB. Specifically, it would change the indoor residential water use standards beginning January 1, 2025, to be 47 gallons per capita daily, and beginning January 1, 2030 – 42 gallons per capita daily.

Position: Oppose Unless Amended.

Status: Governor’s desk, pending a signature or veto.

Budget Update

Over the final weekend of the legislative session, the Governor and legislative leadership put together the final Budget Bill Jr. ([AB 179](#)) and the long-awaited Resources Budget Trailer Bill ([AB 211](#)) agreements. Both bills were passed in the final hours of the legislative session. Below are the details of the completed budget bills that are of importance to Mesa Water District:

Drought & Water Highlights (\$788 Million)

- \$190 million for water recycling with \$80 million for the Metropolitan Water District and \$10 million for the City of Ontario at the State Water Resources Control Board.
- \$50 million for Metropolitan Water District resilience projects.

- \$56 million for the Sustainable Groundwater Management Act, including technical assistance for small farmers.
- \$224.5 million for watershed restoration.
- \$16.75 million ongoing for Forecast Informed Reservoir Operations.
- \$25 million General Fund to the Office of Planning and Research (OPR) for the Save Our Water Campaign.
- \$4 million General Fund to the Department of Water Resources (DWR) for studying salmon reintroduction.
- \$6.8 million in General Fund to various departments for expediting large-scale habitat projects.
- \$67 million to Wildlife Conservation Board (WCB) for the Land Acquisition and Habitat Enhancement Program for the purposes of watershed climate resilience in Southern California.
- “Water Drought Response Interim or Immediate Relief” Adds to the definition of "interim or immediate relief" certain activities to increase water conservation and drought resilience planning and includes post-performance monitoring as an eligible cost for interim or immediate relief.

Energy Highlights (\$859 Million Total)

- \$100 million to support the Hydrogen Program at the California Energy Commission (CEC), and \$5 million to the Governor’s Office of Business and Economic Development to support hydrogen hubs.
- \$100 million to support the Industrial Grid Support and Decarbonization Program at the CEC.
- \$25 million to support the Food Production Investment Program at the CEC.
- \$162 million to support the Equitable Building Decarbonization program, of which \$50 million is to support the TECH initiative.
- \$20 million to support the adoption of ultra-low-global-warming potential refrigerants.
- \$45 million to support Offshore Wind Infrastructure.
- \$100 million to support Oroville Pump Storage.
- \$200 million for energy transmission projects, with the first round supporting the Salton Sea region.
- \$50 million to support carbon removal projects.
- \$235 million to support zero-emission vehicles and infrastructure.

Regulatory

State Water Resources Control Board: Governor Newsom Announces Water Strategy for a Hotter, Drier California

Hotter and drier weather conditions spurred by climate change could reduce California’s water supply by up to 10% by 2040. To replace and replenish what we will lose to thirstier soils, vegetation, and the atmosphere, Governor Gavin Newsom announced California’s latest actions to increase water supply and adapt to more extreme weather patterns caused by climate change.

The announcement follows \$8 billion in state investments over the last two years to help store, recycle, de-salt, and conserve the water it will need to keep up with the increasing pace of climate change, generating enough water in the future for more than 8.4 million households by

2040. The actions outlined in a strategy document published by the Administration called "[California's Water Supply Strategy, Adapting to a Hotter, Drier Future](#)" call for investing in new sources of water supply, accelerating projects, and modernizing how the state manages water through new technology.

Governor Announces California Office of Emergency Services Director to Retire

Governor Gavin Newsom announced the upcoming retirement of Mark Ghilarducci, Director of the California Governor's Office of Emergency Services. Director Ghilarducci has served in this role since 2012 and will retire at the end of the year.

Governor's Appointments

The Governor made the following appointments:

Madeline Drake of Sacramento, has been appointed Assistant Secretary of Biodiversity and Habitat at the California Natural Resources Agency.

Drake has been Interim Biodiversity Coordinator at the California Department of Fish and Wildlife since 2021. She was a Senior Fish and Wildlife Biologist at the U.S. Fish and Wildlife Service from 2017 to 2021 and a California Sea Grant Fellow at the California Department of Parks and Recreation from 2016 to 2017.

Jennifer Phillips, 35, of Sacramento, has been appointed Assistant Secretary of Climate Change at the California Natural Resources Agency.

Phillips has been Senior Policy Advisor at the U.S. Climate Alliance since 2020. She was Senior Scientist at the California Governor's Office of Planning and Research from 2018 to 2020, Climate Policy Advisor at the California Ocean Protection Council from 2015 to 2018, and Special Assistant to the Administrator at the National Oceanic and Atmospheric Administration from 2014 to 2015, where she was Sea Grant Knauss Marine Policy Fellow from 2013 to 2014.

Key Dates and Deadlines

September

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

November

Nov. 8 – General Election

December

Dec. 5 – 2023-2024 Regular Legislative Session convenes for Organizational Session