



• Communications and Legislation Committee Report

Summary

This report provides information on state legislative activities.

Attachments

State Legislative Matrix

Detailed Report

State of California Legislative Report

The Legislature returned from summer recess on August 1 to finish the 2021-2022 legislative session. During the first half of August, the Senate and Assembly Appropriations Committees met to hear bills that have a fiscal impact. Many bills were placed on the suspense file, including some of Metropolitan's priorities. The committees will take up the suspense file on August 11; staff will provide an update in committee. During next two weeks, the Legislature will vote on hundreds of bills and complete work on a \$19 billion climate-energy budget package. The session ends August 31.

State Budget Update

Before adjourning for their summer recess in July, the Legislature passed a budget bill and planned to work on the details of a \$19 billion climate-energy package when members returned in August. In a budget summary, the Legislature reported there is \$2.7 billion set aside for drought resilience and response in the climate-energy package, but the details need to be determined. As reported last month, some funding was authorized in a set of budget bill juniors for urban drought relief, conservation and turf replacement, recycled water, and PFAS treatment.

Governor Newsom is also pursuing funding and new policies for several initiatives to ensure California can achieve statewide carbon neutrality as soon as possible. Metropolitan and a coalition of environmental groups and labor continue to advocate for additional funding for drought emergency projects and recycled water.

Legislative Update

Attached is an updated State Legislative Matrix.

Staff have been working on amendments to SB 230 (Portantino, D-La Cañada Flintridge), the constituents of emerging concern bill, with the State Water Resources Control Board and legislative staff. The Assembly Appropriations Committee has asked to reinstate the PFAS exclusion despite recent amendments that had removed it at the State Water Board's request. The State Water Board would like to spend state and federal dollars designated for CEC research on investigations and scientific studies on PFAS chemicals and is concerned the exclusion would prevent that. Metropolitan and CMUA are trying to strike a balance that would ensure any new program would not interfere with the State Water Board's current work on PFAS, but allow monies appropriated to the CEC Action Fund to be used for PFAS studies.

Metropolitan's other sponsored legislation, AB 1845 (Calderon, D-Whittier), that authorizes alternative delivery methods for the design and construction of Pure Water Southern California and specified drought emergency projects is on the Senate Floor. If it passes, it will go back to the Assembly to concur with the Senate's amendments to the bill.

Metropolitan, working with CMUA and ACWA, was able to negotiate amendments to SB 1124 (Archuleta, D-Pico Rivera). The author's office has agreed to address our concerns that the bill circumvents the regulatory process for setting a drinking water standard for manganese. The amendments require the State Water Board to review the public health goal established by the Office Environmental Health Hazard Assessment and any

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monitoring results from the fourth Unregulated Contaminant Monitoring Rule to determine whether to establish a primary drinking water standard or to update the current secondary standard.

Last month, the Board voted to support AB 2108 (R. Rivas, D-Salinas): Water policy: environmental justice: disadvantaged and tribal communities if the bill were amended to address potential impacts to water rights throughout the state, including the Department of Water Resources' State Water Project rights. Staff registered the position with the Senate Appropriations Committee, and met with the sponsor, the California Coastkeeper Alliance, to negotiate amendments that would address Metropolitan's concerns. The author's office did not accept the amendments. The bill is on the suspense file in Senate Appropriations.

The following is an updated on some key bills Metropolitan is monitoring on behalf of the retail agencies. Metropolitan has no agency position on these bills.

ACWA and CMUA have been working on amendments to SB 222 (Dodd, D-Napa) to establish a low-income water rate assistance program. Both ACWA and CMUA currently oppose the bill unless it is amended to identify a dedicated funding source that does not raise water rates, among other concerns. The bill is on the suspense file in the Assembly Appropriations Committee. The associations and water agencies continue to work on amendments to resolve many of the retail water agency concerns; however, remaining issues need to be addressed.

SB 1157 (Hertzberg, D-Van Nuys) would lower the indoor water use standard and is on the suspense file in the Assembly Appropriations Committee. During this time, advocates for CMUA and WaterReuse California have been working with the author's office on amendments to include additional variances to accommodate unique challenges to water and wastewater operations. Most of the trade associations have moved to a watch position on the bill, except ACWA which remains opposed unless the bill is amended.

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Topic	Bill Number Author	Status	Title – Summary	MWD Position	Effects on Metropolitan
Metropolitan-sponsored bills	SB 230 Portantino (D) Sponsors: Metropolitan and the California Municipal Utilities Association (CMUA)	Amended 6/22/2022 Assembly Appropriations Committee – Suspense File Hearing: August 11, 2022	State Water Resources Control Board: Constituents of Emerging Concern Program Seeks to expand statewide knowledge of Constituents of Emerging Concern (CECs) in drinking water sources and recommend CECs for further regulatory action.	CO-SPONSOR Based on October 2019 Board Action	Metropolitan and water agencies will benefit from State Water Board efforts to ensure CECs are addressed in a methodical and science-based manner, which will ultimately better protect public health. The bill would require the State Water Board to build its knowledge CECs in drinking water and authorizes the Board to convene a Science Advisory Panel to review and provide information on CECs for further regulatory action. The State Water Board would be required to present a final report to the Legislature on the work of the Science Advisory Panel.
Metropolitan-sponsored bills	AB 1845 Calderon (D) Sponsor: Metropolitan	Amended 6/16/2022 Senate Third Reading	Metropolitan Water District of Southern California: alternative project delivery methods Allows the Metropolitan Water District of Southern California to use alternative project delivery methods for the design and construction of a Regional Recycling Water Program and a	SPONSOR	Metropolitan is limited to the traditional Design-Bid-Build method for delivery of public works construction contracts which can be inefficient and inflexible for large, time-sensitive, and complex projects like Pure Water Southern California and emergency drought mitigation projects. Alternative delivery methods such as Design-Build, Progressive Design-Build, and Construction

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			limited set of drought-related projects.		Manager/General Contractor have the potential to expedite construction of critical new water infrastructure projects and reduce their overall costs. for subcontractors and designers.
Delta/State Water Project	SB 832 Dodd (D) Sponsor: Author	Amended 4/6/2022 Senate Appropriations Committee – Suspense File Held in Committee	Water rights: measurement of diversion Clarifies existing law that a person diverting 10 acre-feet or more of water per year under a registration is subject to existing water diversion measurement, recording, and reporting requirements. Also, authorize the State Water Board to modify water diversion measurement requirements to allow open satellite data methods to estimate evapotranspiration if the board makes certain findings regarding use of water for irrigation.	SUPPORT Based upon Board-adopted 2022 Legislative Priorities and Principles	Metropolitan supports metering and reporting of diversions to prevent unlawful diversion of State Water Project supplies in the Delta and other locations that may lead to additional regulatory burdens. Metropolitan is installing meters on its Delta Islands to comply with existing statutory requirements. While OpenET would be a useful tool for water management and could be used as an indicator of unlawful diversions in the Delta, it is a new methodology for California. The bill requires the State Water Board to conduct a five-year study to determine the adequacy of evapotranspiration methods as a substitute for conventional metering methods to comply with State Water Board reporting requirements.
Design-Build	SB 991 Newman (D)	Amended 6/20/2022	Public contracts: progressive design-build: local agencies	SUPPORT	SB 991 would benefit water agencies, including Metropolitan, by providing the option to use the Progressive Design-Build delivery method, which

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	Sponsors: Water Collaborative Delivery Association (formerly Design Build Council)	Assembly Floor Consent Calendar	Authorize local water and wastewater agencies to each use the progressive design-build (PDB) project delivery method for up to 15 public works projects each in excess of \$5 million.	Based on April 2022 Board Action	allows for greater collaboration between the project owner and the contractor through the design and construction phase thereby reducing project costs, risk, and schedules.
Governance	AB 2449 B. Rubio (D) Sponsor: Three Valleys Municipal Water District	Amended 6/30/2022 Senate Third Reading	Open meetings: local agencies: teleconferences Amends the Ralph M. Brown Act to allow local agencies until January 1, 2026 to use teleconferencing during non-emergencies without noticing their teleconference locations and making them publicly accessible under certain conditions.	SUPPORT Based on April 2021 Board Action	Metropolitan currently hosts teleconferencing public meetings in accordance with Executive Order, N-29-20. AB 2449 allows the option to hold teleconferenced meetings into the future after the COVID-19 public health emergency is over and the Executive Order is lifted as long as a quorum of the Board's directors participate in person; give notice and post agendas as prescribed; ensure that directors attending meeting participate through both audio and visual technology; and allow the public to address the Board in person or by teleconference. If there is a disruption to the call-in or streaming options, then no action can be taken by the board.

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Regulatory Reform	AB 2313 Bloom (D) Sponsor: Author	Amended 6/30/2022 Senate Appropriations Committee – Suspense File Hearing: August 11, 2022	Water: judges and adjudications Would require the Judicial Council on or before January 1, 2025 to establish a program that provides training and education to judges in specified actions relating to water quality, groundwater, water transfers and water rights. Allows parties to file a notice for a water case to be assigned to a judge who has been through the training. Also requires the Judicial Council to identify independent and nonpartisan experts in water issues who will be available to any judge adjudicating a water dispute and authorizes judges to appoint special masters in water cases to investigate technical and legal issues among other duties.	SUPPORT Based upon Board-adopted 2022 Legislative Priorities and Principles	Metropolitan’s interests in enforcement of water quality law and water rights would be better served by judges, court staff, and special masters who have received training in the legal, scientific, and technical issues involving water quality, water rights and water transfers.
Regulatory Reform	SB 1065 Eggman (D) Sponsor:	Amended 6/22/2022 Assembly Appropriations	California Abandoned and Derelict Commercial Vessel Program Establishes the California Abandoned and Derelict	SUPPORT	SB 1065 will benefit water quality in the Bay Delta as abandoned and derelict vessels may cause sewage contamination and leakage of fuels and lubricants. Studies have shown that abandoned and derelict vessels are

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	Author	Committee – Suspense File Hearing: August 11, 2022	Commercial Vessel Program within the Natural Resources Agency to bring federal, state, and local agencies together to identify, prioritize and, upon appropriation, fund the removal of abandoned and derelict commercial vessels from waters of the state.		one of the stressors to the Delta and its species. SB 1065 would also provide protection to Metropolitan properties in the Delta in the event any vessel happens to be abandoned in any of the waters surrounding Metropolitan's Delta Islands.
Water Bond Infrastructure Funding	SB 559 Hurtado (D) Sponsors: Friant Water Authority, San Luis & Delta Mendota Water Authority, and State Water Contractors	Amended 8/30/2021 Assembly Inactive Two-year bill	Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund Establishes the Canal Conveyance Capacity Restoration Fund that would upon appropriation provide up to \$785 million for the Department of Water Resources (DWR) to help pay for subsidence repairs to the State Water Project and Central Valley Project water conveyance systems and for necessary road and bridge upgrades.	WATCH Based upon Board adopted 2021 State Legislative Priorities and Principles	Portions of the California Aqueduct, the Friant Kern Canal and the Delta Mendota Canal have lost capacity due to subsidence. The Fund would upon appropriation provide funding to DWR to support a 10-year program to restore the capacity of the canals and ensure a more secure water supply. Funds could be used to cover one-third of the cost to restore the capacity of the canals. A federal companion bill is envisioned that would provide one-third the cost and local partners would contribute the remaining one-third of the cost. The creation of the Fund is contingent upon all the following: an appropriation of funds; an agreement is executed to provide for local cost share; and the provision of adequate cost share as determined by the DWR Director. The August 8 Assembly

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					Amendments are problematic causing the State Water Contractors and Metropolitan to withdraw support for the bill.
Water Conservation	AB 2142 Gabriel (D) Sponsor: Association of California Water Agencies California Water Efficiency Partnership WaterNow Alliance	Amended 4/6/2022 Senate Appropriations Committee – Suspense File Hearing: August 11, 2022	Income taxes: exclusion: turf replacement water conservation program. Would provide an exclusion from gross income for any amount received as a rebate, voucher or other financial incentive issued by a local water agency or supplier for participation in a turf replacement water conservation program during the taxable years of January 1, 2022 through January 1, 2027.	SUPPORT Based upon Board adopted 2022 Legislative Priorities and Principles	Metropolitan supported the Making Conservation a Way of Life legislation and is working hard to promote indoor and outdoor conservation. Conservation rebates are key to success. California law previously exempted turf rebates from taxable income, but those provisions were allowed to sunset in December 2019. This bill would reinstate an important tax exemption for turf replacement rebates from gross income in California, aligning it with certain other permanently exempt efficiency rebates.
Water Quality	AB 1817 Ting (D) Sponsors: Breast Cancer Prevention Partners,	Amended 6/30/2022 Senate Third Reading	Product safety: textile articles: perfluoroalkyl and polyfluoroalkyl (PFAS). Prohibits as of January 1, 2025, any person from manufacturing, distributing, selling, or offering for sale in California any textile articles that contain “regulated	SUPPORT Based upon Board adopted 2022 Legislative Priorities and Principles	Metropolitan supports the removal or reduction of PFAS in manufactured products in order to protect source water quality. The May 9 amendments excludes from the PFAS prohibition certain textiles, e.g. personal protective equipment, and requires a manufacturer of textiles that contains PFAS to provide a person

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	Natural Resources Defense Council, and Clean Water Action		PFAS” as defined, and requires the manufacturer to use the least toxic alternative to regulated PFAS.		selling the product a certificate of compliance stating the textile product complies with the PFAS prohibition. The Senate Environmental Quality Committee amended the bill to exempt certain textiles or grant longer compliance periods to address concerns regarding the lack of an adequate PFAS substitute for some textiles.
Water Quality	AB 2108 R. Rivas (D) Sponsor: California Coastkeeper Alliance	Amended 6/16/2022	Water policy: environmental justice: disadvantaged and tribal communities. Requires that one of the five (5) Governor appointees to the State Water Resources Control Board (State Board) be qualified in the field of water supply and water quality relating to environmental justice or tribal communities and at least one of the seven (7) appointees to each Regional Board have specialized experience to represent environmental justice or tribal communities. Requires the State Board and each Regional Board to begin addressing issues of	SUPPORT IF AMENDED	Some provisions in the bill are ambiguous in ways that could be interpreted to authorize and require the State Board to reallocate water rights, including in the Bay-Delta watershed, to address injustices or inequities, jeopardizing the current and future Bay-Delta Water Quality Control Plan update processes and potentially diminishing State Water Project supplies. Metropolitan is seeking amendments to clarify the bill’s focus on process and water quality under the State and Regional Boards’ existing authority over water quality.

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			environmental justice and social equity as early as possible in project planning processes and when issuing waste discharge permits or updating state or regional water quality control plans or policies.		
Water Quality	AB 2247 Bloom (D) Sponsors: Environmental Working Group, Clean Water Action, and California Association of Sanitation Agencies	Amended 5/19/2022 Senate Appropriations Committee – Suspense File Hearing: August 11, 2022	Perfluoroalkyl and polyfluoroalkyl substances (PFAS) and PFAS products and product components: publicly accessible reporting platform. Requires the Department of Toxic Substances Control to develop a publicly accessible reporting platform to collect information about PFAS and products containing intentionally added PFAS by January 1, 2025. By July 1, 2025, manufactures will be required to register the PFAS or product containing intentionally added PFAS on the reporting platform.	SUPPORT Based upon Board adopted 2022 Legislative Priorities and Principles	Metropolitan supports the removal or reduction of PFAS in manufactured products to protect source water quality.
Water quality	AB 2771 Friedman (D) Sponsors:	Amended 6/13/2022	Cosmetic products: safety Prohibits as of January 1, 2025 any person or entity from	SUPPORT Based upon Board adopted	Metropolitan supports the removal or reduction of PFAS in manufactured products to protect source water quality.

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	Environmental Working Group, Breast Cancer Prevention Partners, The California Public Research Group (CALPIRG)	Senate Third Reading	manufacturing, selling, delivering, holding, or offering for sale in commerce any cosmetic product that contains PFAS.	2022 Legislative Priorities and Principles	
Water Quality	SB 1124 Archuleta (D) Sponsor: Author	Amended 6/23/2022 Assembly Appropriations Committee – Suspense File Hearing: August 11, 2022	Public health goal: primary drinking water standard: manganese Requires, on or before July 1, 2023, the Office of Environmental Health Hazard Assessment (OEHHA) to prepare a public health goal for manganese. Requires the state board, after OEHHA publishes a public health goal for manganese, to adopt a primary drinking water standard.	OPPOSE UNLESS AMENDED Based upon Board adopted 2022 Legislative Priorities and Principles	Metropolitan supports efforts to ensure all communities have a safe and reliable water supply by setting drinking water standards through the normal regulatory process. The bill circumvents that process and could compromise a rigorous scientific process backed by data and stakeholder engagement. Metropolitan is working with CMUA and ACWA to seek amendments to ensure that the State Water Board follows a science-based approach and does not presuppose and outcome.

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