



Legislative Update

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May saw the return of committee hearings in the State Capitol – but in an entirely new format. Eschewing the usual setting in multiple hearing rooms, the Legislature met exclusively in 4202 and 4203 and on the floor of the two houses. While some in-person witnesses were accommodated – most testifying occurred via telephone.

Assemblyman **Jim Frazier**, chair of Assembly Transportation Committee, responded to the California High-Speed Rail Authority’s 2020 Business Plan — “Once again, it seems the High-Speed Rail Authority has released in the 2020 Draft Business Plan a proposal for its future that it can’t afford and that won’t deliver what is promised. Every version of the Business Plan has increased costs and reduced scope and no longer resembles the vision promised in the 2008 ballot measure. Despite efforts by myself and some of my colleagues, the Authority continues to propose electrifying a segment of a train line in the Central Valley that will add billions of dollars to the project and provide little or no benefit. I believe there is a way to rescue this project from failure, but I think it requires honest evaluation and true cost-benefit analysis, neither of which the Authority has ever been able to provide. Every iteration of the business plan comes with new promises without results. It is going to take a lot of explanation for me to believe that, this time, the Authority’s cost and ridership estimates are legitimate and this is something the state should continue to invest in.”

Legislation update

[AB 2038](#) (Committee on Transportation) Transportation: omnibus bill. Transportation omnibus bill. This bill makes several non-substantive, non-controversial changes to provisions of law related to transportation. Specifically, this bill: 1) Makes conforming changes in language related to parking offenses; 2) Removes a reference to an obsolete code section and replaces it with a relevant reference; 3) Deletes an obsolete reporting requirement; 4) Repeals provisions related to a two-year pilot program. Approved by Assembly Transportation. (Y:15 N:0 A:0)

[AB 2285](#) (Committee on Transportation) Transportation. Makes various non-controversial changes to transportation-related statutes. Specifically, this bill: 1) Extends the requirement for a person driving a vehicle to slow down and move over for certain stationary vehicles displaying flashing amber or emergency lights on the freeway to also apply on local streets and roads; 2) Extends the pilot program for alternative license plates and vehicle registrations issued by the DMV until January 1, 2023; 3) Continuously appropriates interest earnings derived from revenues deposited in the

RMRA to Caltrans for maintenance of the state highway system or purposes of the SHOPP; 4) Extends by one year, until January 1, 2022, the requirement that CARB dedicates 20% of California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program (Clean Truck Program) to support early commercial deployment of existing zero- and near-zero-emission heavy-duty trucks. Approved by Assembly Transportation. (Y:15 N:0 A:0) (P)

[AB 2560](#) ([Quirk](#) D) Water quality: notification and response levels: procedures. Requires the State Water Resources Control Board to post on its internet website and distribute through e-mail that it has initiated the development of a Notification Level (NL) or Response Level (RL) for a contaminant and the draft NL or RL along with supporting documentation. Approved by Assembly E.S. & T.M. (Y:9 N:0 A:0)

[AB 2800](#) ([Quirk](#) D) Climate change: infrastructure planning. Existing law requires the Natural Resources Agency to update its climate adaptation strategy, known as the Safeguarding California Plan by July 1, 2017, and every three years after that, by coordinating adaptation activities among lead state agencies in each sector. This bill eliminates the sunset on the Climate-Safe Infrastructure Working Group. Approved by Assembly Natural Resources Committee (Y:8 N:3 A:0) ASCE position: **Support**

[AB 3213](#) ([Rivas, Luz](#) D) High-Speed Rail Authority: high-speed rail service: priorities. This bill would require the High-Speed Rail Authority, in directing the development and implementation of intercity high-speed rail service, to prioritize projects based on specified criteria. Approved by Assembly Transportation Committee (Y:15 N:0 A:0)

[AB 3256](#) ([Garcia, Eduardo](#) D) Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020. Proposes the Wildfire Prevention, Safe Drinking Water, Climate Resilience, Drought Preparation and Flood Protection Bond Act of 2020 (Bond), subject to voter approval in the November 3, 2020, statewide general election. This bill proposes the issuance of \$6.98 billion in general obligation bonds to implement its provisions. Approved by Assembly Natural Resources Committee (Y:7 N:1 A:3)

[AB 3278](#) ([Patterson](#) R) High-Speed Rail Authority: passenger train service. Clarifies that the prohibition contained in Proposition 1A of 2008 on operating subsidies for passenger train service applies to high-speed train service using the high-speed train system owned by the CHSRA, regardless of whether the service is provided directly by HSRA or provided by a third party under a lease agreement with HSRA. Approved by Assembly Transportation Committee (Y:12 N:1 A:2)

[SB 795](#) ([Beall](#) D) Economic development: housing: workforce development: climate change infrastructure. This bill allocates \$10 billion over five years to several existing housing, homelessness, and pre-apprenticeship programs, as well as creating two new infrastructure financing programs at the Governor's Office of Business and Economic Development (Go-Biz) Approved by Senate Housing Committee (Y:8 N:2 A:1)

[SB 974 \(Hurtado D\)](#) California Environmental Quality Act: small disadvantaged community water system: exemption. Exempts from CEQA projects that primarily benefit a small disadvantaged community water system by improving the water system's water quality, water supply, or water supply reliability; by encouraging water conservation; or by providing drinking water service to existing residences within a disadvantaged community where there is evidence of contaminated or depleted drinking water wells. Approved by Senate EQ Committee (Y:6 N:0 A:1)

[SB 1238 \(Hueso D\)](#) Department of Transportation: highways and roads: recycled plastics study and specifications. This bill requires Caltrans to conduct a study to assess the feasibility, cost-effectiveness, and life-cycle environmental benefits of including recycled plastics in asphalt used as paving materials, and, depending on the findings, authorizes Caltrans to develop specifications for the use of recycled plastics in asphalt. Approved by Senate Transportation Committee (Y:12 N:0 A:2)

New Reports of Interest

Caltrans released a report on the [Business Logo Sign Program](#), that evaluates the program, which was established in 1978 to allow businesses to place their logos on freeway signs in rural areas, "defined as populations of less than 5000." Once the population surpasses 10,000, Caltrans replaces business logos with generic signs unless the logos were placed before January 1, 2003, or were placed through legislation. The report finds there are 38 areas in the state with populations over 10,000 where logos for 236 businesses are on freeway signs and two of those areas, one along Hwy. 65 in Lincoln and the other along Hwy. 80 in Truckee, were established by legislative exemption. The report recommends allowing the areas established through legislation to sunset on January 21, 2021, and to not expand the program to other areas.

The Legislative Analyst released "[The 2020-21 Budget: California's Spring Fiscal Outlook](#)," that presents "two potential scenarios – a somewhat optimistic 'U-shaped' recession and a somewhat pessimistic 'L-shaped' recession – and assumes a baseline level of expenditures." The report finds there would be an \$18.1 billion deficit under U-shaped recession and a \$31.4 billion deficit under L-shaped recession; either way, "budget deficits persist until at least 2023-24 with multiyear deficits summing to \$64 billion in the U-shaped recession and \$126 billion in the L-shaped recession."

The DWR released its' final [Agreement in Principle](#) for the State Water Project Contract Amendment for the Delta tunnel. It sets forth terms of an agreement between state water project public water agencies and DWR for amending supply contracts to pay for construction and maintenance of tunnel; topics include how public water agencies may opt-out of costs and benefits and how an agency may assume additional costs and benefits.

The California Energy Commission released "[Energy Insights](#)" to show "changes in supply and demand since March." The findings include: "1) Average weekday demand

for electricity in California declined by more than 4 percent in late March and 9 percent in April compared to the same time last year. 2) Residential energy use by customers in the three investor-owned utilities increased by 8.9 to 12.4 percent for 2020 year-to-date compared to the same period last year, but this was offset by substantial reductions in commercial and industrial demand. 3) Natural gas demand during April 2020 was up about 6 percent, compared to April 2019. 4) In the Pacific Gas & Electricity service territory, natural gas demand for electricity generation was up about 12 percent for April 2020 compared to April 2019. 5) Gasoline production declined 47.5 percent; jet fuel production dropped 68.3 percent; and diesel production decreased 33.2 percent.”

Pacific Research Institute released a study titled “[Legislating Energy Prosperity](#).” It finds “California implements 218 different energy efficiency regulations, incentives, and tax programs that reduce job and income growth across the state,” also finds CO2 emissions “peaked in 2007” and have since “fallen over 14 percent nationally but only by 9 percent in California;” recommends changing California’s approach to “unlock potential economic opportunities that include more affordable gasoline, more affordable electricity, badly-needed new job opportunities, and higher family incomes while still achieving the same goal of lowering GHG emissions.”

Appointments of Interest

By Governor:

As deputy director of the State Water Project at the California Department of Water Resources: **Ted Craddock**, El Dorado Hills, acting deputy director since 2019.