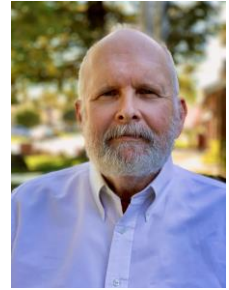


## Legislative Update

Richard Markuson  
Region 9 Legislative Advocate



**Welcome to Sacramento:** Democrat Isaac Bryan was sworn in as the newest member of the Assembly after winning the 54<sup>th</sup> District special election in May and narrowly topping 50 percent to avoid a runoff in Los Angeles. He replaces Sydney Kamlager, who moved to the state Senate after winning her special election. “At 29, I just became the newest member of the California State Legislature. I know my Momma is proud. Now the work begins,” Bryan said on Twitter.

### 2021-22 Legislative Session – BIG Budget News

Governor Newsom, facing a Fall recall election, must have breathed a sigh of relief when State revenues soared in the past year – leading to a budget surplus of either \$76 (DOF) or \$38 billion (LAO) to spend on a plethora of programs. While interest groups and the Legislature are still digesting the finer details – here are some key takeaways; The LAO notes:

- “Despite a historic surge in revenues, the Governor continues to rely on budget tools from last year. Specifically, he uses \$12 billion in reserve withdrawals and borrowing to increase spending. The state will need these tools to respond to future challenges when federal assistance might not be as significant. We urge the Legislature not to take a step back from its track record of prudent budget management.”
- The Governor’s May Revision estimates the state will collect \$16 billion in revenues in excess of the State Appropriations Limit this year. However, the ultimate amount of a potential excess will depend on decisions by the Legislature. Ultimately while the SAL will be an important consideration in this year’s budget process, the Legislature has substantial discretion in how to meet the constitutional requirements.
- The May Revision includes roughly 400 new proposals. While the surplus is large enough to make significant inroads in addressing a few key policy priorities, it is unlikely sufficient to do so across the number of issues contemplated in the May Revision. If the Legislature preferred to make surer substantial progress in a few key areas, it could allocate the surplus in a more targeted manner that reflect its top priorities.”

Let’s look at some specific infrastructure proposals. The Governor recently issued a drought emergency proclamation for 41 counties, representing 30% of the state’s population. The May Revision builds on the \$757 million proposed in January to improve the state’s water infrastructure, drought response, and capacity to adapt to and recover from changed conditions. Specifically, the revised budget includes \$4.35 billion to be spent over four years. This reflects \$2.8 billion General Fund, \$1.5 billion in ARP funds, and \$10.5 million bond and special funds.

About \$3.5 billion would be spent in 2021-22. Some of the proposals included in this package are as follows:

- \$1.47 billion (\$85 million General Fund and \$1.39 billion federal funds) over two years for drinking water and wastewater infrastructure, with a focus on historically disadvantaged communities. Funding will also be used for groundwater supply projects and planning, cleanup of contaminated groundwater, water recycling projects, and treatment systems on drinking water wells.
- \$989 million (\$949 million General Fund, \$30 million federal funds, and \$10 million bond and special funds) to meet the state's water supply needs and build the capacity to endure dry conditions.
- \$726 million General Fund to improve ecological conditions and help species cope with climate change.
- \$440 million General Fund over two years to better manage energy consumption tied to water management.
- \$371 million General Fund over two years to facilitate groundwater recharge, a critical water management practice. This funding will also be used to support flood risk reduction projects and advance studies to provide local water managers better data for local decision-making.

The May Revision also proposes \$1 billion in ARP funds for direct payments to water systems to cover overdue payments on water bills accumulated by households during the pandemic.

For transportation, the May revision proposes to prioritize six “investments:”

- Move the state away from yesterday's fossil fuel-based technologies to tomorrow's cleaner transportation technologies, including zero-emission vehicles and the associated infrastructure.
- Advance projects statewide to improve rail and transit, bringing California's transportation network into this century—including advancement of the nation's first truly high-speed rail project.
- Help complete high-priority projects to move people throughout the state seamlessly in time for the Los Angeles Olympics in 2028.
- Accelerate vital safety projects and important “fix-it-first” projects on state highways and bridges and target critical highway/rail grade separations and grade crossing improvements on key corridors throughout the state.
- Improve safety and access for bicyclists and pedestrians.
- Create thousands of good-paying jobs, reduce at least 26 million metric tons of CO2 from the environment, and make investments that address inequities in the transportation system by improving transportation choice and access in disadvantaged communities.

You can read the Governor's lengthy summary [here](#).

But, as [CalMatters' Laurel Rosenhall reports](#), the budget is far from being set in stone. Lawmakers will spend the next month negotiating details with Newsom while various interest groups lobby for their bounty share. [Among them](#): advocates for undocumented residents, who

want the state [to establish a dedicated relief fund](#) and expand health care coverage to all undocumented Californians; business groups, who want the state to pay down a more significant portion of its [immense unemployment insurance fund debt](#); and public health officials, who questioned why Newsom didn't propose more funding for their agencies.

We'll know next month how your dollars were spent.

## Legislation

[AB 43 \(Friedman\)](#) Grants Caltrans and local authorities greater flexibility in setting speed limits based on recommendations the Zero Traffic Fatality Task Force made in January 2020.

Approved by Assembly 65-3-10. Now in Senate Transportation. ASCE position: **Watch**

[AB 377 \(Rivas, Robert \)](#) Requires that by January 1, 2025, the State Water Resources Control Board and the Regional Water Quality Control Boards evaluate impaired state surface waters and report to the Legislature a plan to bring all water segments into attainment by January 1, 2050. Two-year bill.

[AB 747 \(Mathis\)](#) Appropriates \$20,000,000 from the General Fund to the State Water Resources Control Board to provide a grant to a joint powers authority composed of the Tule River Indian Tribe and the City of Porterville for a water treatment facility. Two-year bill.

[AB 754 \(Mathis\)](#) Allows the Department of Water Resources (DWR) to extend the deadline to submit a groundwater sustainability plan (GSP) by up to 180 days for an agency developing a GSP for a medium- or high-priority basin. Assembly floor. ASCE position: **Watch**

[AB 1010 \(Berman\)](#) Requires architects to complete five hours of continuing education training on zero net carbon design for every two-year licensing period. Approved by Assembly 71-2-5 ASCE position: **Watch**

[AB 1037 \(Grayson\)](#) AB 1037 requires state infrastructure projects by specific agencies greater than \$50 million to deploy digital construction technologies. Approved by Assembly 75-0-3. ASCE position: **Watch**

[AB 1047 \(Daly\)](#) Would require the Transportation Agency to improve the SB 1 internet website's capability to provide a comprehensive one-stop reporting interface available to the public. Two-year bill.

[AB 1161 \(Garcia, Eduardo\)](#) Requires the Department of Water Resources to purchase power from projects constructed using project labor agreements. Two-year bill.

[AB 1195 \(Garcia, Cristina\)](#) Creates the Southern Los Angeles County Human Right to Water Collaboration Act. Requires the State Water Resources Control Board to appoint a Commissioner to implement the Safe and Affordable Funding for Equity and Resilience (SAFER) Program in southern Los Angeles County. Approved by Assembly 56-19-3. ASCE position: **Watch**

**AB 1329 (Nazarian)** Requires the California Building Standards Commission (CBSC) to develop, adopt, and publish building standards requiring that new construction be designed and built to a functional recovery standard for earthquakes. Assembly floor. ASCE position: **Support**

**AB 1434 (Friedman)** Lowers the indoor residential water use standard from 55 gallons per capita daily (gpcd) to 48 gpcd beginning January 1, 2023, from 52.5 gpcd to 44 gpcd starting January 1, 2025, and from 50 gpcd to 40 gpcd beginning January 1, 2030. Two-year bill.

**AB 1447 (Cooley)** Establishes the Rural California Infrastructure Act and the Rural California Infrastructure Fund to provide fairground maintenance, disaster preparedness, highway or street maintenance, and historic or cultural preservation projects. Held in Assembly Appropriations.

**AB 1500 (Garcia, Eduardo)** Enacts the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Act of 2022 (Act), a \$6.7 billion general obligation bonds to address the impacts of climate change, and places the Act on the November 8, 2022, general election ballot. Assembly Rules Committee. ASCE position: **Watch**

**ACA 1 (Aguilar-Curry)** This measure would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. Assembly Local Government. ASCE position: **Support**

**SB 22 (Glazer)** Would place on the ballot the Public Preschool, K–12, and College Health and Safety Bond Act of 2022 as a state general obligation bond act that would provide \$15,000,000,000 to construct and modernize education facilities. It requires the department of general services to prioritize projects for funding, which includes the use of a project labor agreement (PLA). Senate floor.

**SB 45 (Portantino)** This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which authorizes the sale of \$5.595 billion in general obligation bonds upon approval by voters at the November 2021 statewide general election. Bond funds would be used for projects related to wildfire prevention, safe drinking water, drought preparation, and flood protection. Senate floor. ASCE position: **Watch**

**SB 83 (Allen)** This bill would establish the Sea Level Rise Revolving Loan Program through the Coastal Conservancy and the I-Bank collaboration. Senate floor. ASCE position: **Watch**

**SB 222 (Dodd)** Would establish the Water Rate Assistance Program, with an unknown source of funding, administered by the Community Services Development Department (CSD) in consultation with the State Water Resources Control Board, to help provide water affordability assistance, for both drinking water and wastewater services, to low-income ratepayers. Senate floor. ASCE position: **Watch**

[SB 223 \(Dodd\)](#) makes numerous changes to expand provisions related to prohibiting discontinuation of residential water service due to nonpayment. Two-year bill.

[SB 273 \(Hertzberg\)](#) Authorizes a municipal wastewater agency to acquire, construct, expand, operate, maintain, and provide facilities to manage stormwater and dry weather runoff. In Assembly.

[SB 403 \(Gonzalez\)](#) Authorizes the State Water Resources Control Board to consolidate a receiving water system and an at-risk water system under specified circumstances. Passed by Senate 27-7-6. ASCE position: **Watch**

[SB 407 \(Archuleta\)](#) Expands the definition of land surveying Two-year bill.

[SB 414 \(Jones\)](#) Senate Bill 414 extends when a local agency hears an appeal to 45 days after an appellant files a request and makes conforming changes. SB 414 also creates a different definition of “cadastral surveying” to mean a survey that creates, marks, defines, retraces, or reestablishes the boundaries and subdivisions of the public land of the United States, or any other field survey of a cadaster that is a public record, survey, or map of the extent and ownership of land. Passed by Senate 37-0-3. ASCE position: **Watch**

## Reports of Interest

Public Policy Institute of California released [California’s Latest Drought in 4 Charts](#). It finds the current drought is in its second year and that “the past two years were comparable to the worst of the 2012–16 drought in two key ways,” says “April 2019 to March 2021—a period including the past two rainy seasons—was the fourth driest two-year period on record,” also finds strong regional differences such as “the North Coast and Sacramento River watersheds have been the epicenter of dryness and high temperatures, in contrast to the central and southern focus of the 2012–16 drought” and that storage in the Sacramento watershed and San Joaquin Valley are low, although not as bad as in 2014 and both regions finds the “snowpack is better than it was in 2014 and 2015—but not enough to provide significant drought relief.”

They also released “[Anticipating and Addressing the Impacts of the Drought](#),” finding that during the last drought, reductions in surface water deliveries in the San Joaquin Valley “led to extensive groundwater pumping, lower groundwater tables, and dry wells” and that the same could occur this time and estimates “almost 2,400 Central Valley wells could be affected this year, with an additional 900 wells next year.”

The Arizona Republic published [Hoover Dam, symbol of the modern West, faces a new test with an epic water shortage](#) that examines the Colorado River’s ability to supply water to the west.

The California Energy Commission has released its annual [report](#) on the Electric Program Investment Charge (EPIC) program that invests in clean energy research, finds that since 2012 the program has “supported more than 380 projects with \$846 million in funding resulting in 3,500 jobs and \$3.5 billion in private investment raised by awardees;” also highlights research underway on non-lithium-ion technologies capable of “providing up to 20 times the duration of

lithium-ion-based counterparts” and says the Energy Commission invested \$43 million last year in EPIC funds for non-lithium energy storage demonstration projects.

The Legislative Analyst’s Office released “[An Initial Look at Effects of the COVID-19 Pandemic on Local Government Fiscal Condition](#),” it finds “the impact on local government’s finances as a result of these revenue changes varies widely because local governments’ reliance on each type of revenue differs,” also finds “some local governments have received substantial flexible federal resources while others received less and an entire type of local government—special districts—in most cases received no direct federal assistance;” recommends if the Legislature takes additional actions for local governments that it should “consider using a targeted methodology to allocate such funds.”

They also released “[What Can We Learn From How the State Responded to the Last Major Drought?](#),” it summarizes “the major activities, spending and policy actions undertaken by the state to respond to the severe drought that occurred between 2012 and 2016,” lessons from the previous drought include; “taking action soon can help the state prepare to address issues before conditions worsen; large water supply projects can help with future drought resilience, but typically are not able to address urgent conditions; drought conditions increase the risk of severe wildfires; and some entities that are particularly vulnerable to drought effects are small drinking water systems, rural communities, and fish and wildlife.”

### **Appointments of Interest by the Governor**

To the California Coastal Commission: **Meagan Harmon**, Santa Barbara, Santa Barbara City Councilmember since 2019 and associate at Hepner & Myers LLP since 2020.