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Subject: Legislative Advisory: Session Ends with Actions on Several Water-Related Bills



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ACWA ADVISORY

LEGISLATIVE ADVISORY | LEGISLATIVE SESSION ENDS

Aug. 31, 2018

Legislative Session Ends with Actions on Several Water-Related Bills

Oct. 1 Outreach Award Deadline Also Approaches

The last month of the 2017-2018 Legislative Session included numerous amendments to and actions on bills of interest to ACWA members. The following is an update on actions on key bills as of the Aug. 31 end of session.

Twist on Statewide Water Tax - Voluntary Remittance on Water Bills - SB 845 (Monning)

SB 845 (Monning), a last-minute twist on the proposed statewide water tax, died the last day of session.

In 2017, Sen. Bill Monning (D-Carmel) advanced SB 623 to create a Safe and Affordable Drinking Water Fund that would primarily be funded by: 1) taxes on the sale of fertilizers and the operations of dairies; and 2) a statewide water tax for retail residential and business customers. Creation of a fund was not an issue, but ACWA and its members strongly opposed the proposed statewide water tax as a funding mechanism. The Assembly Appropriations Committee referred the bill to the Assembly Rules Committee last August where it remained parked for the remainder of the session.

In 2018, the Brown Administration proposed a budget trailer bill based on the SB 623 framework. ACWA led a coalition of more than 200 organizations, including ACWA members and other stakeholders that, recommended funding alternatives but opposed the proposed statewide water tax. One of the funding alternatives that ACWA suggested was the use of a limited amount of General Fund dollars in combination with federal funds, general obligation bond funds, and the proposed agricultural taxes.

On June 8, 2018, the Legislature’s Budget Conference Committee rejected the budget trailer bill that proposed the statewide water tax and instead set aside \$23.5 million for safe drinking water. This positive legislative action immediately followed the voters’ approval on June 5 of ACWA–supported Proposition 68 with its \$250 million in general obligation bond funds for safe drinking water, prioritized for disadvantaged communities. (ACWA-supported Proposition 3 will be on the ballot in November with its proposal for \$500 million from the General Fund for safe drinking water also prioritized for disadvantaged communities.)

Despite those actions, on Aug. 16, Sen. Monning gutted and amended SB 845 with a last-minute twist on the water tax proposals. This majority-vote bill would have required more than 3,000 community water systems to add a voluntary remittance with an opt-out feature to local water bills in order to generate funding for the proposed Safe and Affordable Drinking Water Fund.

Local water customers would have had the option to pay the voluntary remittance, opt out, or pay a different amount. Refunds would have been allowed in some cases. ACWA led the large coalition that opposed this measure because it would be highly inefficient and expensive to have more than 3,000 water systems change their billing systems and hire staff to implement very different billing practices.

Also on Aug. 16, Sen. Monning gutted and amended SB 844 to propose an updated version of the agricultural taxes proposal. He double joined this two-thirds vote bill to SB 845, so neither bill would go into effect unless they both were chaptered into law.

After two weeks of intensive advocacy, communication and outreach by both the proponents and the ACWA-led coalition, SB 845 died at the Assembly Appropriations Committee without a hearing.

SB 844 met the same fate at the Assembly Appropriations Committee.

Thanks to ACWA members who communicated their concerns about SB 845 to their legislators.

ACWA members with questions on SB 845 or SB 844 should contact ACWA Deputy Executive Director for Government Relations [Cindy Tuck](#).

Water Service Shut-Offs - SB 998 (Dodd)

After months of intense advocacy by ACWA, its members, and other coalition stakeholders, [SB 998](#) (Dodd) passed out of both houses of the legislature and landed on Gov. Jerry Brown’s desk.

ACWA led an opposition coalition comprised of several statewide associations, including the California Municipal Utilities Association, the League of California Cities, the California Special Districts’ Association, the California Association of Mutual Water Companies, and the American Water Works Association, California-Nevada Section.

Despite a strong coalition effort accompanied by multiple member agencies directly contacting their own local legislators urging them to oppose the bill, SB 998 secured enough votes for passage. ACWA will send a veto request letter and ask member agencies to reinforce the veto message with their own letters to the governor.

SB 998 would create a one-size-fits-all statewide program for water service shut-offs that would, among other things: 1) prevent service disconnection for at least 60 days for delinquent customers; 2) create a cap on reconnection fees for low-income customers that may or may not cover the actual cost to physically reconnect, triggering Prop. 218 concerns for some public water agencies; and 3) expand authority to both the State Water Resources Control Board and the attorney general to enforce provisions of the bill.

ACWA's Fall Conference & Exhibition in San Diego will feature a program that will discuss exactly what the bill requires, and accompanying strategies for complying with the new law from a panel of subject matter experts. We also plan to brief member agencies during some Region meetings this fall to help inform implementation efforts.

ACWA members with questions about SB 998 can contact Director of State Legislative Relations [Wendy Ridderbusch](#).

Consolidation - AB 2050 (Caballero)

[AB 2050](#) passed out of both houses of the legislature and is on the governor's desk. This bill would provide additional authority to the State Water Board to order the consolidation of water systems that consistently fail to provide safe and affordable drinking water. While AB 2050 would not remove the State Water Board's current authority to mandate consolidation as provided by SB 88 (Chapter 27, Statutes of 2015), it would create an alternative procedure for the State Water Board to prescribe consolidation that would be locally driven, issue no mandates for compliant water systems, and would create economies of scale by merging under-performing water systems.

ACWA supported AB 2050 and has worked with the sponsors, Eastern Municipal Water District and the California Municipal Utilities Association, throughout the legislative process. AB 2050 provides a real solution to addressing the very serious water issues facing many Californians and allocates over \$50 million from the General Fund for this effort. ACWA will continue to express support for AB 2050 and encourage its signing.

ACWA members with questions on AB 2050 should contact ACWA Senior Legislative Advocate [Adam Quinonez](#) at (916) 441-4545.

Groundwater – AB 2649 (Arambula)

As introduced, [AB 2649](#) (Arambula) stated the legislature's intent to enact legislation that would increase groundwater recharge. ACWA agrees that diverting surplus surface water for groundwater recharge is a necessary component of successful Sustainable Groundwater

Management Act (SGMA) implementation. Over the intervening months, ACWA staff worked with Assembly Member Arambula (D-Fresno) and his staff, State Water Board staff, and environmental groups to develop language that would create a temporary permit process for the diversion of surface water for groundwater recharge.

Though much progress was made and general consensus was reached with the State Water Board, late in the session the author decided to hold the bill and potentially revisit the issue in 2019. As a result, AB 2649 was gutted and amended to address another issue. ACWA staff will continue to work with the State Water Board on an administrative solution that would create a permanent process for groundwater recharge permitting.

ACWA members with questions on AB 2649 should contact ACWA Senior Legislative Advocate [Adam Quinonez](#) at (916) 441-4545.

Drinking Water Testing for Microplastics – SB 1422 (Portantino)

[SB 1422](#) passed out of both houses of the legislature and is headed to the governor for his signature. Sen. Portantino (D-La Canada Flintridge) proposed a new State Water Board program that would require testing for microplastics in drinking water and reporting the results to the public, despite the lack of information on health effects of microplastics in drinking water. ACWA had a “Not-Favor-Unless Amended” position on SB 1422 and partnered with the California Municipal Utilities Association and the California Water Association in seeking amendments. The coalition did obtain key amendments, including that: 1) the State Water Board be required to adopt a standard testing methodology and accredit qualified laboratories for the testing; and 2) the testing would be limited to four years as opposed to a requirement for testing into perpetuity. The final amendments, however, did not address all of the coalition’s concerns. For example, the bill does not include adequate public process requirements for the development of this testing program. ACWA will request a veto on SB 1422.

ACWA members with questions on SB 1422 should contact ACWA Deputy Executive Director for Government Relations [Cindy Tuck](#).

Testing for Lead in Drinking Water at Day Care Centers – AB 2370 (Holden)

With a “Favor-if-Amended” position, ACWA worked with Assembly Member Chris Holden (D-Pasadena) and the Environmental Working Group on [AB 2370](#), a bill that would help protect infants and young children from exposure to lead at day care centers. The author recognized that day care centers are typically businesses, and the testing program should be different from the program for testing for lead in drinking water at schools. The author accepted many of ACWA’s suggested amendments, including (among others): 1) deleting the proposed requirement that public water systems conduct the testing; 2) limiting the testing to buildings built before 2010; and 3) deleting the proposed “lead-free” water standard for day care centers (a standard that cannot be implemented technically). AB 2370 is now headed to the governor for his action.

ACWA members with questions on AB 2370 should contact ACWA Deputy Executive Director for Government Relations [Cindy Tuck](#).

Renewable Energy – SB 100 (de León)

[SB 100](#) (de León) passed out of both houses and is headed to the governor’s desk. It contains two primary provisions. The first is a mandate that would increase the current Renewable Portfolio Standard (RPS) requirements from 50% renewable energy by 2030 to 60% renewables by 2030. The second provision is a planning goal to be used by state agencies, of achieving 100% renewable and zero-carbon energy sources for the state by 2046. It is this second provision that causes concern for ACWA members. Though it is just a planning goal, ACWA is concerned that in defining the term “zero-carbon” state agencies will take an approach similar to that of the RPS program. Under the current RPS program, large hydroelectric generation (over 30MW) is not considered eligible.

ACWA adopted an “Oppose Unless Amended” position on SB 100 requesting amendments that define “zero-carbon” to include all hydroelectric generation. Though the bill passed both houses without including this definition, a significant portion of the floor debate focused on securing a future for hydroelectric generation, owing to the fact that ACWA and others have been meeting with legislative members throughout the year to express this concern.

ACWA will continue to express opposition to this bill and request that the governor veto SB 100.

ACWA members with questions on SB 100 should contact ACWA Senior Legislative Advocate [Adam Quinonez](#) at (916) 441-4545.

Outreach Awards

ACWA also reminds members that Oct. 1 is the last day to submit outreach interaction forms to receive credit for your agency outreach and be honored at the 2018 Fall Conference & Exhibition.

The ACWA Outreach Program plays a key role in the association’s advocacy efforts. Contacts made by ACWA members with legislators, key regulators and administration officials have directly affected the outcomes of numerous decisions this session and helped advance the association’s legislative and regulatory agenda. The Outreach Interaction Form is available [online](#).

ACWA members with questions about the Outreach Awards should contact ACWA Director of Member Outreach & Engagement [Tiffany Giammona](#) at (916) 441-4545.





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