

State Water Contractors Legislative Update



March 23, 2023

2023 Legislative Session

- February 17: Bill introduction deadline
 - Approximately 2,600 bills introduced
- March 2023: Policy committees and budget subcommittees are beginning to meet
- March 30 – April 10: Spring Recess
- April 28: Policy committee deadline (for fiscal bills)



State Legislature - Composition

State Assembly

2021-22 LEGISLATIVE SESSION	2023-24 LEGISLATIVE SESSION
Democrats = 60	Democrats = 62 +2
Republicans = 19	Republicans = 18 -1
Independents = 1	Independents = 0 -1

State Senate

2021-22 LEGISLATIVE SESSION	2023-24 LEGISLATIVE SESSION
Democrats = 31	Democrats = 32 +1
Republicans = 9	Republicans = 8 -1

- **37 new members of Legislature (30%)**
- **Republican representation in State Legislature is at lowest level in more than a century**

Significant Policy/Fiscal Committee + Leadership Changes

COMMITTEE	THEN	NOW
Assembly Environmental Safety and Toxic Materials	Assemblymember Bill Quirk – Chair	Assemblymember Alex Lee - Chair
Assembly Water, Parks, and Wildlife	Assemblymember Megan Dahle – Vice Chair	Assemblymember Devon Mathis – Vice Chair
Assembly Budget Subcommittee #3 (Resources)	Assemblymember Richard Bloom – Chair	Assemblymember Steve Bennett – Chair
Senate Energy, Utilities, and Communications	Senator Ben Hueso – Chair	Senator Steven Bradford – Chair
Senate Natural Resources and Water	Senator Henry Stern – Chair	Senator David Min – Chair
Senate Natural Resources and Water	Senator Brian Jones – Vice Chair	Senator Kelly Seyarto – Vice Chair
Senate Budget Subcommittee #2 (Resources)	Senator Bob Wieckowski – Chair	Senator Josh Becker – Chair
Senate Minority Leader	Senator Scott Wilk	Senator Brian Jones

-Assemblymember Rebecca Bauer-Kahan (Chair, Assm. Water, Parks, and Wildlife) – 1-year tenure

-Senator David Min (Chair, Sen. Natural Resources and Water) – 3-months tenure

Governor's Proposed State Budget

- \$297 B proposed State Budget
 - Down from \$308 B last year
- Revenues projected to be approximately \$29.5 B below targets
 - Results in a **\$22.5 B projected budget shortfall for 2023-24**
 - Down from ~\$100 B budget surplus last year
- Ongoing uncertainty regarding revenues actualized during budget cycle
 - \$3.9 B in “trigger” cuts if revenue projections are not improved by May Revise



Governor's Proposed State Budget

- Governor's proposed State Budget retains approximately 98% of previously committed funding in the drought response and water resilience area
- Proposed reductions of \$194M within resources/climate budget
 - Would be restored in January 2024 if there is sufficient General Fund revenue (avoiding the "trigger" cuts)
 - Notable reductions
 - \$70M in PFAS cleanup funds
 - \$40M in water recycling support
- Limited new/supplemental investments are proposed
 - \$140M allocation for Oroville pumped storage
 - \$75M allocation for local assistance dam safety projects
 - Approximately \$200M in flood risk reduction and prevention programs
 - \$125M set-aside for drought contingency (for allocation during spring budget process)



State Water Contractors' High Priority Bills

- **Water Rights legislation**
 - AB 460 (Bauer-Kahan)
 - AB 1337 (Wicks)
 - SB 389 (Allen)
- **Information Management/Data Collection legislation**
 - AB 30 (Ward)
 - SB 361 (Dodd)
 - Budget Change Proposal – SWRCB's Water Rights Modernization program - \$31.5 M - State Budget
- **Resources Bond legislation**
 - AB 305 (Villapudua)
 - AB 1567 (Garcia)
 - SB 638 (Eggman)
 - SB 867 (Allen)

Water Rights Legislation

Bill/Author	Summary	Status	SWC Position
AB 460 (Bauer-Kahan)	Would authorize the SWRCB to issue – on its own motion or upon petition of another party – an interim relief order to implement or enforce provisions of law.	Referred to Assembly Water, Parks, and Wildlife Committee and Assembly Judiciary Committee	OPPOSE
AB 1337 (Wicks)	Would provide statutory authority for the SWRCB to restrict water diversions through regulation	Referred to Assembly Water, Parks, and Wildlife Committee and Assembly Judiciary Committee	OPPOSE
SB 389 (Allen)	Would authorize the SWRCB to investigate the diversion and use of water from a stream system to determine whether the diversion and use are based upon appropriation, riparian right, or other basis of right.	Referred to Senate Natural Resources and Water Committee	OPPOSE

Information Management/Data Collection Legislation

Bill/Author	Summary	Status	SWC Position
AB 30 (Ward)	Would require DWR to research, develop, and implement new observations, prediction models, novel forecasting methods, and tailored decision support systems to improve predictions of atmospheric rivers and their impacts on water supply, flooding, post-wildfire debris flows, and environmental conditions.	Referred to Assembly Appropriations Committee	SUPPORT
SB 361 (Dodd)	Would require DWR and the SWRCB – upon appropriation of funds by the Legislature – to reactivate, upgrade, and install new stream gages and adopt a set of standards and processes for assessing, tracking, and reporting the accuracy of stream gages, evapotranspiration data, water meters, and other critical data inputs for water management.	Hearing – Senate Natural Resources and Water Committee – March 28	SUPPORT
Budget Change Proposal	\$31.5 million in Governor’s proposed budget to the SWRCB for Water Rights Modernization continuation	Assembly/Senate Budget Subcommittee process	SUPPORT

Resources/Flood Bond Measures

Bill/Author	Summary	Status	SWC Position
AB 305 (Villapudua)	Legislative vehicle for a flood protection general obligation bond act - California Flood Protection Bond Act of 2024.	Introduced in Assembly	WATCH
AB 1567 (Garcia)	Would place a \$15.1 billion resources bond measure on the 2024 general election ballot.	Referred to Assembly Water, Parks, and Wildlife Committee and Assembly Natural Resources Committee	SUPPORT IF AMENDED
SB 638 (Eggman)	Would place a \$4.5 billion flood protection and climate resiliency bond measure on the 2024 general election ballot.	Hearing – Senate Natural Resources and Water Committee – March 28 Also referred to Senate Governance and Finance Committee	WATCH
SB 867 (Allen)	Would place the Drought and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity, and Nature-Based Climate Solutions, Climate Smart Agriculture, and Park Creation and Outdoor Access Bond Act on the 2024 general election ballot	Hearing – Senate Natural Resources and Water Committee – March 28 Also referred to Senate Governance and Finance Committee	SUPPORT IF AMENDED

State Water Contractors' Next Tier Bills

- **Energy legislation**
 - Electricity transmission
 - Access to renewable/zero-carbon resources
 - Grid regionalization
 - Centralized procurement
- **Permit streamlining legislation**
 - SB 23 (Caballero) – ACWA-sponsored
- **Water management legislation**
 - SB 366 (Caballero) – CMUA-sponsored



Additional SWC Legislative Interests - 2023

- Support for \$140M proposed in Governor's budget to complete work related to Oroville pumped storage project
- Modify budget control language to provide that net revenues from Oroville pumped storage operations are reinvested in the SWP to offset/mitigate SB 1020 implementation costs
- Provide additional state investments in SWP infrastructure to implement greater efficiencies and flexibility opportunities (consistent with SB 49 report) that would also help offset water rate impacts
- Provide for a stand-alone SWP public benefit investment chapter in any legislatively-drafted Infrastructure/resources/climate resilience bond measure for 2024 ballot
 - **Infrastructure improvements** – conveyance subsidence repairs, flood control, South Delta channel restoration
 - **Renewable energy/zero-carbon goals** – investments to implement SB 49 report recommendations, offset/mitigate SB 1020 implementation costs

QUESTIONS?