

URBAN WATER INSTITUTE NEWSLETTER



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Urban Water Institute's Virtual Conference

UWI had its first multi-day all virtual conference – keeping our promise to keep you connected!

The water industry is special. It is a community of people dedicated to providing an essential service to all human beings, the environment and support for the economic engines driving society. We take our responsibility seriously and are bolstered by the many relationships we have developed over the years. Conferences provide the opportunity to enhance existing relationships and make new ones.

Due to the COVID restrictions we were not able to meet in Palm Springs in February as we have done for decades. But the virtual February 17-18, 2021 conference was a success! Many familiar names appeared on the registration list – a tribute to the loyalty of our members. Plus, perhaps due to the benefits of a virtual event, there were other, new participants. When travel costs are eliminated, that sometimes opens up the opportunity for others to participate. Even though we would rather see everyone in person, this virtual event was well attended with exceptional speakers that addressed topics relevant to today's water policies.

When we began designing the conference, we used a working title of "There must be some kinda way out of here." A familiar lyric from years ago resonated in our hearts and minds as we pondered the topics and speakers for this event. Through our planning process the conference logo and theme of 'a new way forward' emerged. Logically, we began with an informative opening session on the Washington DC and Sacramento political legislative scene. This turned out to be the highest attended session of the conference.

Eric Sapirstein of ENS and Eric O'Donnell of Townsend Public Affairs provided timely information on executive and legislative priorities. Due to the popularity of these presentations, we are dedicating the March UWI newsletter to a summary of these two presentations. Please know that you can also access these and all the presentations on the archives tab of the UWI website.



Available Online: "A New Way Forward" Virtual Conference

Review all conference presentations and discussions at: www.urbanwater.com/presentation-archives.

For more information about the UWI Virtual Conference, please contact Urban Water Institute at (949) 679-9676.

Legislative Update: Status Of Federal & State Governments

Report From The Nation's Capitol: Priorities, Possibilities, Politics FIRST 100 DAYS – BIDEN / HARRIS ADMINISTRATION

A change in the executive branch administration often includes a shift in priorities, new appointments, and generates new political dynamics. This administrative change is no exception. Eric Sapirstein shared what to expect in the first 100 days of the new administration as well as some insights beyond that.

COVID 19 Relief is at the top of the priority list. A snapshot of how the administration will provide that relief is provided below:

Financial Assistance (Personal)

- Reimburse sick/family leave

Financial Assistance (Home)

- Ratepayer assistance
- Emergency rental/ utility assist

Workers And Organizations

- State and local assistance
- Federal worker safety

Economy - You will probably notice a common theme in the relief approach – money. Expectedly, the economy will be the topic of much discussion and negotiation in the first 100 days.

The Economy is another key priority and is tied to many things, but notably to the COVID Relief package and the Infrastructure program.

The third item on Sapirstein's list of first 100 days priorities is Executive Orders. He provided some details on the key themes and the direction these executive orders are taking on the policy scene in Washington these days.

Executive Orders - 45 and counting, set the agenda for the following:

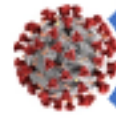
Key among the information Eric shared with us is the focus on climate change. It shows up in the top of all the policy lists and is something we are familiar with in the water utility business. An important measure is 'Buy America'. Eric noted this is not just a slogan – that it will be fiercely enforced.

Executive Branch & Environmental Appointments - Another area of interest to many in the natural resource and water community is the makeup of the top officials charged with carrying out the policies, priorities and principles of the new administration. That process of proposing leaders, having them vetted and ultimately confirmed is underway. But there are a few key criteria guiding these selections, noted below:

- Experienced & Seasoned Tested
- Diversity
- Pool From Hill, State & Local NGO

Eric pointed out a key litmus for these selections is identifying professionals who have been tested and have experience in the area of the appointment. There is also a strong commitment to diversity in all areas, and they are looking at candidates with former experience on the hill, from state and local government as well as with non-governmental organizations, or NGOs.

It is expected that the first 100 days will chart the efforts beyond. Those actions, appointments, and executive orders will be filled out within the priorities beyond April 30th.



COVID RELIEF TOP
PRIORITY



ECONOMY



EXECUTIVE ORDERS



NOMINATIONS /
APPOINTMENTS

We are already seeing that the first two topics of **Economic Recovery** and the **Infrastructure Program** are linked together. A robust infrastructure program is expected to bring benefits to the water business. These relationships will influence administrative actions beyond the first 100 days.

There are common themes developing:

- Build Back Better Plan - Tied To Buy America
- Infrastructure Core To Economic Recovery - "Buy America" Key
- Water Element - Spending For Projects & Tax Incentives
- Moving Forward Act Foundation - H.R. 2
- Reconciliation Potential Pathway



ECONOMIC RECOVERY



INFRASTRUCTURE



CLIMATE CHANGE



ENVIRONMENTAL JUSTICE

Legislative Update: Status Of Federal & State Governments *(continued)*



Programs and projects to address and adapt to **Climate Change** are among the top priorities for the new federal administration. Their strategy is to begin in a big and visible way with the operation and management of federal facilities and programs.

The approach is to link technological advances that enhance embedded green energy applications through a lens of **environmental justice**. The goal is to move towards sustainability in our resource and energy management applications.



In addition to the Presidential election there were some shifts in the House and Senate in Washington DC. Generally, the divide in the House is tightening up and the Senate majority barely moved in the direction of the Democrats.



Sacramento State Legislative Update

Eric O'Donnell provided us with a snapshot of the Governor's budget – defining his priorities. He also noted some bills he is following, focusing on some that relate to the water business.

The California Governor's budget proposals are itemized below, followed by proposed spending amounts that signal the priorities.

Top Legislative Priorities	Governor's Budget Proposal Overview January Budget	California Budget Timeline
<ul style="list-style-type: none"> Covid-19 Response Wildfire Prevention Climate Change Broadband Infrastructure Public Safety Social Justice Housing 	<ul style="list-style-type: none"> Proposed expenditures: \$227.2 Billion \$15.5 Billion projected budget surplus (Projected budget deficits begin in 2022) \$22 Billion in reserves 	<ul style="list-style-type: none"> Late January – Early May: Budget Subcommittees hold hearings on elements of Governor's January Budget Proposal Mid-May: Governor releases May Revise Late-May – Early-June: Budget Subcommittees meet to consider May Revise proposals and incorporate legislative priorities Early-June: Governor and Legislative Leaders finalize budget June 15th: Deadline for Legislature to approve final budget July 1st: Beginning of 2021-22 Fiscal Year

Governor Budget Breakdown

COVID-19 Relief

- \$4.4B proposed in emergency response
- \$2B for coronavirus testing
- \$473M for contact tracing
- \$372M for vaccine administration

Economic Recovery

- \$4.5B proposed in economy recovery
- \$1.1B immediate relief for small businesses

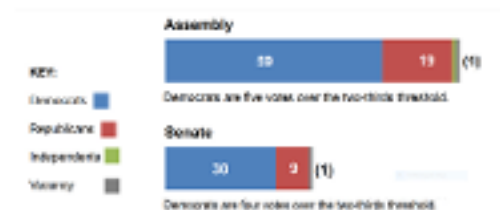
Climate Change

- \$1B to support the Forest Management's Task Force's Wildlife and Forest Resilience Action Plan
- \$248.6M for restoration of natural areas and ecosystems
- \$6.5M for coastal protection

Natural Resources

- \$60 million for grants to support local planning and implementation of Groundwater Sustainability Plans
- \$365.2 million over the next four years to support flood response activities
- Funding necessary to maintain full implementation of the Safe and Affordable Drinking Water Program

Not surprisingly the California Legislative Political Dynamics remain the same as in the past:



Democrats will not need Republicans votes to pass tax measures, urgency clauses, or ballot measures.

Legislative Update: California Bills Of Importance

Eric O'Donnell presented a status report on some bills that have the potential to affect the water utility business.

Four bills are summarized below. AB 337 is one that has been introduced previously and continues to high on the water industry's radar. And yes, there is yet another water bond in the works.

AB 59 (Gabriel)

Details

- Changes the statute of limitations for legal challenges for new or increased connection or capacity fees
- Could result in legal challenges years after fees schedules are implemented
- Would require that fees collected in excess of the amount needed to provide the service be refunded back to the rate payers
- Establishes that data cannot be used to defend the protest that was not made available to the public

Status

- Referred to the Assembly Local Government Committee and the Assembly Housing and Community Development Committee
- Has not been assigned a hearing date

AB 337 (Rivas & Hertzberg)

Details

- Would require all California surface waters to be fishable, swimmable, and drinkable by January 1, 2050
- Would enhance and develop strict enforcement protocols at the SWRCB that subvert current NPDES and contaminant practices
- Prohibits certain permits from being less stringent than previous permits
- Does not include adequate funding to implement, or sufficient definitions and clarification to enforce

Status

- Referred to the Assembly Environmental Safety and Toxic Materials Committee
- Has not yet been assigned a hearing
- Significant opposition already

AB 339 (Lee)

Details

- Would require a local agency to provide a call-in or internet-based service for public meetings that includes a closed captioning feature
- Would require that local agencies translate agendas and meeting instructions into languages that are spoken by 5 percent of the local agency's jurisdiction

Status

- Amendments expected in the next two weeks regarding the language requirements
- Has not yet been assigned to Committees
- Cannot be heard prior to March

Status Updates On All Bills Can Be Found At
leginfo.legislature.ca.gov

Yes, there is a water bond in the works!

SB 45 Portantino

Details

- \$5.5 billion climate and resiliency bond
- \$2.2 billion for wildfire prevention and climate resiliency
- \$1.5 billion for safe drinking water and natural resource protection
- \$1 billion for protecting coastal resources from climate change
- November 2022 ballot

Status

- Referred to the Senate Natural Resources and Water Committee and the Senate Governance and Finance Committee
- Has not yet been assigned a hearing



These two legislative update reports provide a glimpse into the policy framework and budgetary commitments in Washington DC and Sacramento. You can find Eric Sapirstein's and Eric O'Donnell's PowerPoint presentations on the UWI website along with the other presentations from the conference. See the link below.

Thanks to all who attended our conference virtually – and please feel free to review the presentations on the website!

www.urbanwater.com/presentation-archives