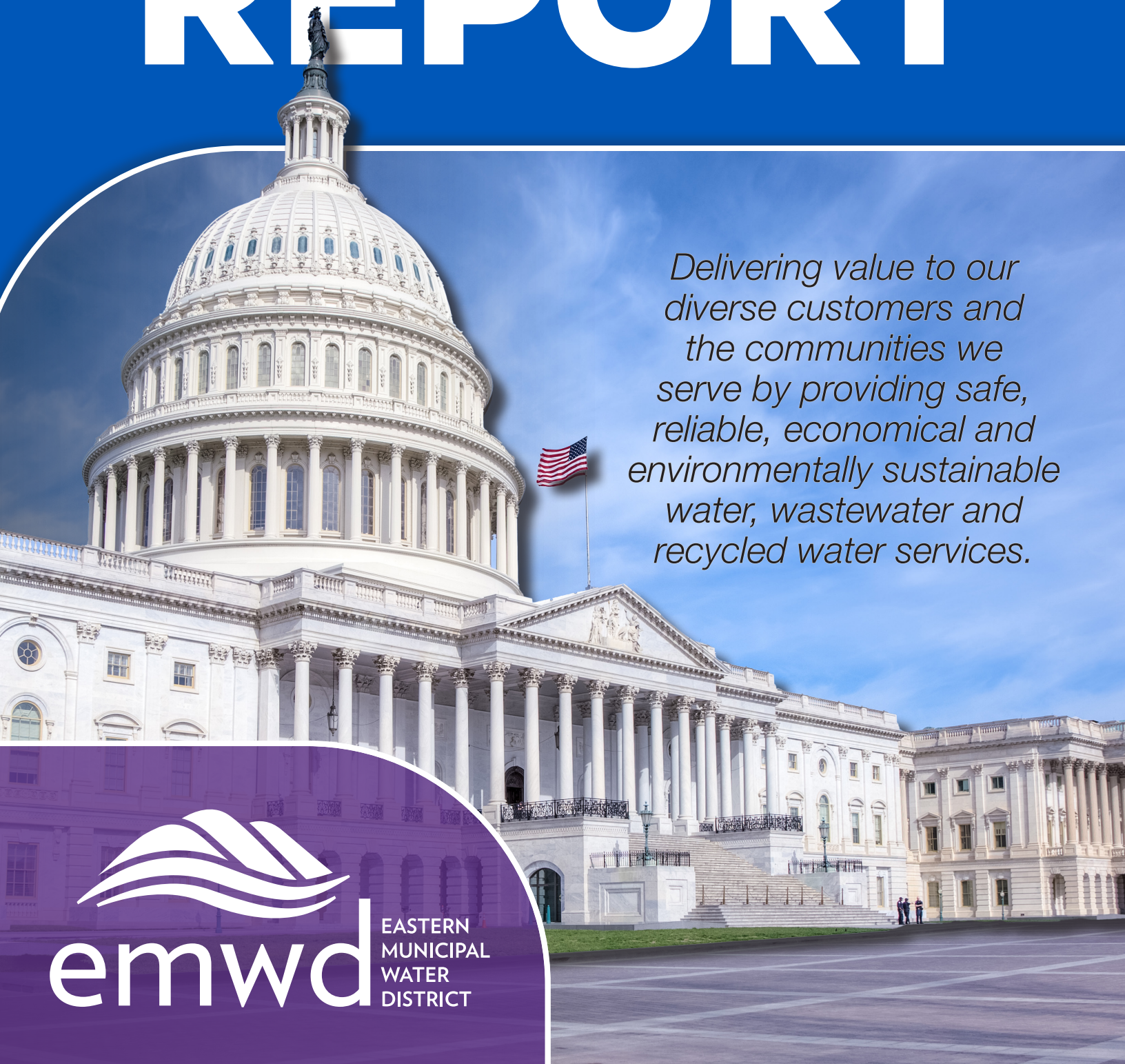


THE 2022 ANNUAL LEGISLATIVE REPORT



*Delivering value to our
diverse customers and
the communities we
serve by providing safe,
reliable, economical and
environmentally sustainable
water, wastewater and
recycled water services.*



A SUMMARY OF EMWD'S FEDERAL AND STATE LEGISLATIVE PROGRAMS

Mission, Vision, and Guiding Principles

MISSION

To deliver value to our diverse customers and the communities we serve by providing safe, reliable, economical and environmentally sustainable water, wastewater and recycled water services.

VISION

To provide an exceptional level of customer and community service, exceeding the performance of any other public or private entity.

GUIDING PRINCIPLES

EMWD embraces excellence in all facets of our business:

- **Community:** We will be actively engaged in promoting prosperity, environmental values and public health in the communities we serve.
- **Innovation:** We will creatively seek to improve the services we provide.
- **Integrity:** We will be honest and ethical in all of our interactions.
- **Leadership:** We will take a proactive role in leading industry policies, practices and initiatives on behalf of our customers, employees and community.
- **Respect:** We will be considerate, aware and caring.
- **Responsibility:** We will be accountable for our conduct in serving our customers, employees and community.
- **Safety:** We will ensure the safety of our employees and the public, without compromise.
- **Transparency:** We will ensure the decisions and investments we make are clearly communicated and easily understood.

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FEDERAL PROGRAM



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FEDERAL OVERVIEW

HIGHLIGHTS FROM THE SECOND SESSION OF THE 117TH CONGRESS

INTRODUCTION

The second session of the 117th Congress (calendar year 2022) was another active year in Washington, D.C. with a number of significant water policy related developments and issues coming to the fore. For EMWD, prior years of strategic planning, preparation, and advocacy bore tangible results as it was able to capitalize on multiple federal funding opportunities for a number of its key infrastructure priority initiatives.

In more regional terms, the impacts of the West-wide megadrought on the Colorado River and other water and power sources for millions of Americans drew outsized attention and activity by the Biden Administration and Congress, this included an injection of \$4 billion in drought recovery spending through the Inflation Reduction Act law. Additionally, federal actions to increase regulatory requirements over Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) chemicals entering the nation's water systems continued to heighten EMWD's attention and engagement on this issue.

The following report will provide further detail on EMWD's project funding achievements and several of the most salient federal water issues of 2022, including:

- Securing almost \$5 million in U.S. Army Corps of Engineers funding from the Infrastructure Investment & Jobs Act (IIJA) for the Desalination Program;
- Capturing \$10 million in IIJA funding from the Bureau of Reclamation's Title XVI program for EMWD's Purified Water Replenishment Project;
- Positioning EMWD to receive almost \$8 million in Congressionally directed grant funding for the following three of its priority projects: Quail Valley Sewer to Septic, Well 56 PFAS Removal and Wine Country Infrastructure;
- Tracking opportunities associated with the billions of dollars appropriated for Western Drought Funding in the Inflation Reduction Act;



- Advocating for commonsense federal legislation and regulations to address PFAS contamination in water systems;
- Monitoring Department of the Interior and Bureau of Reclamation activity related to Colorado River water curtailments;
- Working with EMWD's Congressional Delegation to address potential impacts associated with legislation to establish a Western Riverside County Wildlife Refuge;
- Supporting legislation efforts to reauthorization the key Water Infrastructure Improvements for the Nation Act (WIIN) Western Water grant programs for recycling (Title XVI), water storage, and desalination;
- Communicating to Federal Agencies concerns about implementation of Build America, Buy America requirements; and,
- Amending the tax code to ensure that water conservation rebates are not considered taxable income.



A critically important element to the success of EMWD's federal legislative program is its direct advocacy and engagement activities. Throughout the course of the year, EMWD conducted several virtual and in-person meetings with its Congressional Delegation, Committees, and top Federal agency personnel. As part of this effort, EMWD representatives embarked upon a successful trip to Washington, D.C. in mid-November. In addition, EMWD representatives hosted and attended productive meetings with Reps. Takano, Calvert and Issa, as well as Ranking Member Bruce Westerman in California.

As it relates to EMWD's Congressional delegation, we learned that the ten-year redistricting process resulted in modest geographical shifts regarding the future representation of EMWD's service area by its four House Members of Congress: Reps. Calvert, Takano, Issa, and Ruiz. Of most significance, Representative Issa will be picking up a little more territory in the southern part of the service area, which will include Murrieta. Importantly, as a result of the 2022 election, all four of EMWD's House Members will be returning to Congress.

EMWD RECEIVES \$4.5M THROUGH BIPARTISAN INFRASTRUCTURE LAW FOR DESALINATION PROGRAM

In January 2022, EMWD learned it was awarded nearly \$4.5 million by the United States Army Corps of Engineers (USACE) to further expand its groundwater desalination infrastructure. The multi-million award was made possible through additional funding the USACE received in its civil works program through the Infrastructure Investment and Jobs Act (IIJA), which is commonly referred to as the bipartisan infrastructure package. This USACE award was significant as it was only one of three projects of its type to be funded in the entire state of California.

This federal allocation will help complete brine pipeline access improvements and a study for future well sites. As part of the larger desalination program effort and partnership with the USACE, EMWD completed work on its Perris II Desalter, which began producing water this year and will greatly expand the use of groundwater in EMWD's local communities, groundwater that is too salty to drink absent the reverse osmosis treatment system.

EMWD's desalination program includes desalters, groundwater wells, pipelines, and connections to the Inland Empire Brine Line, which removes tens of thousands of tons of salt from the region each year and ultimately discharges it into the ocean.

EMWD extended gratitude to the USACE as well as to EMWD's entire Congressional Delegation for their letters of support for this funding allocation. This award would not have been possible without the long-standing endorsement of EMWD's Congressional Delegation for this important initiative. The \$4.7 million the project received in February 2021, along with the \$4.5 million with this January announcement, puts EMWD's desalination project in a unique category over these last two year.

REPRESENTATIVES CALVERT AND TAKANO SECURE \$3.5M FOR EMWD'S QUAIL VALLEY AND MEAD VALLEY PROJECTS

EMWD was thrilled to learn that Representatives Ken Calvert and Mark Takano were



successful in securing a total of \$3.5 million for EMWD's Quail Valley and Mead Valley infrastructure projects as part of the FY 22 Omnibus Appropriations measure, which was signed into law on March 15, 2022. Specifically, these requests made on behalf of EMWD were:

- \$2.5 million for the Quail Valley Septic to Sewer project (Rep. Ken Calvert)
 - To address the significant challenges presented by Quail Valley's failing septic tanks, EMWD is working to convert homes to direct sewer connections. The requested funds are intended to construct the first phase of the septic to sewer conversion project for Subarea 4. The overall project has been identified as a priority for both the California Water Resources Control Board and the Santa Ana Regional Water Regional Water Quality Control Board.
- \$1 million for the Mead Valley Water Booster Station Project (Rep. Mark Takano)
 - The Mead Valley Water Booster Station, constructed in 1964, is nearing the end of its useful life. This project aims to rehabilitate the exhausted pumps at the facility to ensure that a traditionally underserved community in Riverside County has access to clean drinking water.

These projects were funding under the U.S. EPA State and Tribal Assistance Grants (STAG) Account of the Interior-EPA section of the measure. EMWD expressed deep gratitude to Reps. Calvert and Takano for championing these EMWD projects as one of only ten earmarks that they were allowed to advance before the House Appropriations Committee.

REPRESENTATIVES TAKANO, CALVERT, AND ISSA ADVANCE \$8M IN EARMARK FUNDING FOR EMWD PROJECTS

Following the success in the FY 22 appropriations cycle, EMWD is now on track to receive approximately \$8 million in federal earmark funded in the FY 23 cycle, for a trio of critical infrastructure projects that will improve groundwater quality and supply and provide safe and reliable wastewater service throughout its service area. Reps. Mark Takano, Rep. Ken Calvert, and Rep. Darrell Issa specifically recommended these projects for inclusion in the FY 23 Interior-EPA spending bill after receiving project proposals from EMWD early in the year. EMWD's projects that were included in the most recent Interior-EPA House spending bill are:

- \$2.5 million for the Quail Valley Septic-to-Sewer Project (Rep. Ken Calvert)
 - This project will benefit and improve the quality of life in the disadvantaged community of Quail Valley and address the significant challenges presented by Quail Valley's failing septic tanks.
- \$2 million for the Wine Country Sewer Infrastructure Project (Rep. Darrell Issa)
 - This project will facilitate EMWD's installation of critical sewer infrastructure in two unserved areas in Riverside County's Southern Wine Country. These improvements will extend sewer service in a portion of the Southern Wine Country and provide infrastructure to support future economic development.
- \$3.6 million request for the Well 56 PFAS Removal Project (Rep. Mark Takano)

- This project provides EMWD funding to restore safe and clean drinking water supplies and protect the environment by removing harmful PFAS chemicals from groundwater. With treatment, PFAS will be removed, and water production from this facility will be safely restored to serve a community that has a significant disadvantaged population.



No other water agency received a larger total amount of funding in this spending measure under the EPA State and Tribal Assistance Grant account. All three of EMWD earmarks are pending finalization in an FY 23 omnibus appropriations measure which Congress will hopefully complete in a post-election lame duck session in December, 2022.

EMWD PROGRAM AWARDED \$10M GRANT THROUGH BIPARTISAN INFRASTRUCTURE LAW

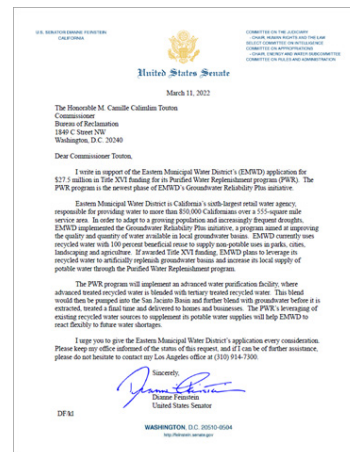
In August, 2022 EMWD was informed of its \$10 million award from the United States Bureau of Reclamation (USBR) to support the Purified Water Replenishment program through the Bipartisan Infrastructure Law.

The Purified Water Replenishment (PWR) program includes construction of an advance treatment facility adjacent to its existing San Jacinto Valley Regional Water Reclamation Facility. The new facility will further treat recycled water through microfiltration and reverse osmosis, resulting in a purified water source.

That water will then be piped to EMWD’s Mountain Avenue West Groundwater Replenishment Facility, where it will percolate into the local groundwater basin. After at least five years of natural soil aquifer filtration underground and blending with groundwater, the water will be pumped out, disinfected one final time, then used as a safe and reliable drinking water source. EMWD is in the design stage of its PWR program and is anticipated to begin construction of the facility in 2023.

EMWD’s PWR award was part of a larger USBR announced allocation of \$310 million in Title XVI water recycling and reuse initiatives throughout the West. The Bipartisan Infrastructure Law allocates a total of \$8.3 billion for USBR water infrastructure projects, including \$1 billion in WaterSMART recycling and reuse grants.

In receiving this funding, EMWD is also grateful to its entire Congressional Delegation for their letters of support for PWR project funding. These



support letters were integral to the successful outcome of this USBR Title XVI application. EMWD will be pursuing additional funding for the PWR program through this same program as it is eligible to receive up to a total of \$27 million in federal funds.

EMWD TO RECEIVE UP TO \$28 MILLION IN AMERICAN RESCUE PLAN ACT FUNDING

The American Rescue Plan Act (ARPA), which was signed into law in March of 2021, included \$350 billion to states and local government through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. Funds from the SLFRF program are designed to support state and local governments response to and recovery from the COVID-19 public health emergency. The ARPA legislation stated that an eligible use of SLFRF funding by state and local governments was investments to improve access to clean drinking water and to support vital wastewater and stormwater infrastructure.



While special districts, like EMWD, were not eligible to receive direct funding from SLFRF, the counties received substantial direct funding and were allowed to transfer funds to special districts for select purposes like water infrastructure. In a close partnership with Riverside County and Supervisors Jeffries, Washington, and Hewitt, a little over \$15 million thus far been directed to seven EMWD water and wastewater infrastructure projects in EMWD's service area. EMWD is extremely grateful to Supervisors Washington, Hewitt, and Jefferies for their support in allocating Riverside County SLFRF funding to several important water infrastructure projects in EMWD's district. Projects include:

- **Mead Valley Cajalco Corridor Sewer;**
- **Good Hope Olive Area Water System Improvements;**
- **Mead Valley Cajalco Water System Improvements;**
- **Mission Canyon II Pump Station Replacement;**
- **Southern Wine Country Sewer-DePortola/Anza Rd;**
- **Northern Wine Country – Warren Rd/East Benton;**
- **Los Alamos Hills Water Facilities; and possibly,**
- **Hewitt and Evans Treatment Facility;**
- **Well 37 Facility and Discharge Pipeline;**
- **Mission Canyon I Pipeline;**
- **State Street Pipeline Replacement;**
- **Water Booster Plant Improvements; and**
- **Olive Avenue Sewer System in Perris.**

INFLATION REDUCTION ACT OF 2022 INCLUDES \$4 BILLION FOR WESTERN DROUGHT FUNDING

On August 16, 2022, President Biden signed the “Inflation Reduction Act of 2022” into law. The measure features \$437 billion in new spending over a decade and raises approximately \$730 billion in new revenue. The package is geared toward stemming climate change impacts, and includes funding for Western drought, clean-energy manufacturing, electric-vehicle credits, and consumer energy perks. It also caps the amount seniors will pay for prescription drugs on annual basis and freezes premiums for low-income citizens who qualify for Obamacare for the next two years.

\$4 BILLION IN DROUGHT FUNDING INCLUDED

As a result of negotiations and concessions from the Senate Democratic leadership to secure the vote of Senator Krysten Sinema (D-AZ), \$4 billion was added to the Inflation Reduction Act for drought mitigation activities to help Western states impacted by historically low Colorado River reservoir levels as well as other basins experiencing comparable levels of long-term drought. The \$4 billion in funding, that will be administered by the Bureau of Reclamation, can be used for the following three activities:

- ***Compensation to farmers for voluntary reductions in water consumption;***
- ***Grants to water agencies and irrigation districts for conservation projects; and***
 - This will include funding for efforts like water recycling; replacing lawns for climate appropriate landscaping; and canal lining that will result in increasing the level of water in the Colorado River system.
- ***Mitigate the harmful effects of drought by funding environmental restoration projects on river systems and inland water bodies.***
 - A major beneficiary of this provision will be Southern California’s Salton Sea, as well as habitat projects that would benefit winter-run salmon in the Bay Delta.

The Bureau of Reclamation has four years to exhaust this funding (Sept. 30, 2026) and has broad implementation discretion within the following categories:

- **\$550 million** for disadvantaged communities to plan and construct water projects that will provide domestic water supplies to communities or households that do not have reliable access to drinking water.
 - Bureau of Reclamation will develop criteria defining eligible disadvantaged communities.
- **\$25 million** for the design, study, and implementation of projects (including pilot and demonstration projects) to cover water conveyance facilities with solar panels or for other solar projects associated with Bureau of Reclamation projects that increase water efficiency and assist in the implementation of legislation’s clean energy goals.
- **\$12.5 million** to address drought impacts for Indian Tribes that are impacted by the operation of a Bureau of Reclamation water project, including mitigating for the loss of Tribal trust resources.



In March, EMWD staff hosted leadership from the United States Bureau of Reclamation on a tour of EMWD facilities and a briefing on how our agencies can continue to have successful and mutually beneficial partnerships for the future.

Among the guests were Gary Gold, Deputy Assistant Secretary for Water and Science; Stacy Wade, Deputy Regional Director; and Jack Simes, Planning Officer. Leadership from the Soboba Band of Luiseño Indians was also present on the tour to discuss the longstanding efforts between the Tribe and EMWD.

The tour included stops at EMWD’s Desalination and recycled water facilities, and the Mountain Avenue West Groundwater Replenishment Facility, as well as a briefing on the Purified Water Replenishment program.

BUREAU OF RECLAMATION MANDATES BASIN STATES TO SIGNIFICANTLY REDUCE COLORADO RIVER WATER

In June 2022, Bureau of Reclamation Commissioner Camille Touton announced the Department of the Interior (DOI) would begin taking measures to reduce Colorado River water use by 2 to 4 million acre-feet in 2023 if the seven basin states did not develop a plan to reduce demands within a 60-day deadline. Touton warned that DOI would intervene if states could not reach an agreement. As it turned out, the States failed to meet the Commissioner’s deadline, and USBR announced an extension for a negotiating period but highlighted that states, tribes, and other stakeholders should be “prepared to implement additional substantial releases from Upper Basin Reservoirs,” as well as “additional administrative initiatives that would ensure maximum efficient and beneficial use of urban and agricultural water, and address evaporation, seepage and other system losses in the Lower Basin.”

The Department of Interior’s Assistant Secretary for Water and Science Tanya Trujillo emphasized the importance of an additional \$4 billion in funding for the Bureau of Reclamation in the Inflation Reduction Act that was signed into law on August 16, 2022, with one category of funding intended to compensate farmers that forgo water use.

In September, the California Colorado River Water Users informed Interior they would commit to up to a 400,000-acre-foot reduction. However, there have been calls on Capitol Hill from lawmakers in the other six basin states urging an equitable resolution and finger pointing that California needs



to carry a greater share of the reductions. On October 25, 2022, Senator Mark Kelly (D-AZ) sent a letter pressing the Department of the Interior Secretary Deb Haaland to implement a multi-state drought agreement for Colorado River water allocations. He expressed concern over the lack of progress on an agreement for a conservation plan to protect the reservoir levels at Lake Mead and Lake Powell. He addressed additional concerns over California's proposal to cut 9 percent of the state's allocation compared to Arizona's 20 percent mandatory Tier2a cuts in 2023 and called on Interior to create mandatory reduction plans through an agreement with Upper and Lower Basin states and Mexico.

INTERIOR ANNOUNCES IRA DROUGHT FUNDING AVAILABILITY-COLORADO RIVER CONSERVATION PROGRAM



On October 12, 2022, the Department of the Interior announced the Lower Colorado River Basin System Conservation and Efficiency Program. The new program will pay up to \$400 per acre-foot of water conserved each year, funded through the \$4 billion made available through the Inflation Reduction Act. The program will accept water reduction proposals from Arizona, California, and Nevada. The program will pay only for water left in the Colorado River system and will not include official allocations of Colorado River water that may not be in use. Approved proposals will enter into one-year agreements and be paid on a sliding scale, starting at \$330 per acre-foot of water saved per year and up to \$400 per acre-foot for a three-year agreement. Two of the three components opened for submission on October 12, 2022 and will close on November 21, 2022.



The third component will begin accepting proposals for long-term efficiency improvements aimed at multi-year conservation methods in early 2023. EMWD is watching this new funding opportunity closely and contemplating projects that could be funded through this program.

HOUSE AND SENATE FUND KEY WATER PROGRAM IN FY 2023 APPROPRIATIONS MEASURES

At the writing of this report, we are still awaiting the final outcome of the FY 23 omnibus spending measure. However, this past summer the House and Senate Appropriations Committees advanced their respective versions of the twelve FY 23 spending measures.

A breakdown of the FY 23 House and Senate funding levels of the Bureau of Reclamation, Environmental Protection Agency, and Army Corps of Engineers programs of most interest to EMWD are as follows:

- **Bureau of Reclamation (overall)**
 - Enacted FY 22 level: \$1.87 billion
 - House FY 23 level: \$1.89 billion
 - Senate FY 23: \$1.93 billion
- WIIN Title XVI
 - Enacted FY 22 level: \$17.5 million
 - House FY 23 level: \$20 million
 - Senate FY 23: \$20 million
- Legacy Title XVI
 - Enacted FY 22 level: \$35.69 million
 - House FY 23: \$43.6 million
 - Senate FY 23: \$35 million
- WIIN Desalination
 - Enacted FY 22 level: \$10.5 million
 - House FY 23 level: \$12 million
 - Senate FY 23: \$12 million
- WIIN Water Storage
 - Enacted FY 22 level: \$117.25 million
 - House FY 23: \$134 million
 - Senate FY 23: \$134 million
- WaterSMART Grant Programs
 - Enacted FY 22 level: \$45.5 million
 - House FY 23 level: \$70 million
 - Senate FY 23: \$55 million
- CO River Drought Contingency (projects to improve long-term efficiency of operations in the Lower Colorado River Basin)
 - Enacted FY 22 level: \$25 million
 - House FY 23 level: \$50 million
 - Senate FY 23 level: \$40 million
- Conveyance/Canal Subsidence
 - Enacted FY 22 level: not less than \$5 million
 - House FY 23: not less than \$10 million
 - Senate FY 23: not less than \$22 million
- U.S. Environmental Protection Agency (overall)
 - Enacted FY 22 level: \$11.5 billion
 - House FY 23 level: \$10 billion
 - Senate FY 23: \$10.6 billion

- Clean Water SRF
 - Enacted FY 22 level: \$1.638 billion (minus \$443.6 million due to earmark project funding)
 - House FY 23 level: \$1.751 billion (minus \$553.4 million due to earmark project funding)
 - Senate FY 23 level: \$1.688 billion (minus \$335.6 million due to earmark project funding)
- Drinking Water SRF
 - Enacted FY 22 level: \$1.126 billion (minus \$397.7 million due to earmark project funding)
 - House FY 23 level: \$1.3 billion (minus \$381.2 million due to earmark project funding)
 - Senate FY 23 level: \$1.176 billion (minus \$229.6 million due to earmark project funding)
- Sewer Overflow and Stormwater Reuse Grant Program
 - Enacted FY 22 level: \$43 million
 - House FY 23 level: \$280 million
 - Senate FY 23 level: \$51 million
- Alternative Water Source Grant Program
 - Enacted FY 22 level: \$0
 - House FY 23 level: \$10 million
 - Senate FY 23 level: \$ 4 million
- Mid-Sized and Large Drinking Water System Infrastructure, Resilience, and Sustainability Program
 - Enacted FY 22 level: \$0
 - House FY 23 level: \$10 million
 - Senate FY 23 level: \$0
- Enhanced Aquifer Use and Recharge Program
 - Enacted FY 22 level: \$0
 - House FY 23 level: \$5 million
 - Senate FY 23 level: \$0
- Stormwater Control Infrastructure Project Grant Program
 - Enacted FY 22 level: \$0
 - House FY 23 level: \$5 million
 - Senate FY 23 level: \$0
- Stormwater Infrastructure Technology Grant Program
 - Enacted FY 22 level: \$0
 - House FY 23 level: \$5 million
 - Senate FY 23 level: \$0
- WIFIA
 - Enacted FY 22 level: \$63.5 million
 - House FY 23 level: \$72.1 million
 - Senate FY 23 level: \$75 million
- U.S. Army Corps of Engineers (overall)
 - Enacted FY 22 level: \$8 billion
 - House FY 23 level: \$8.89 billion
 - Senate FY 23: \$8.9 billion
- USACE Section 219 Program Funding
 - Enacted FY 22 level: \$13 million
 - House FY 23 level: \$57.8 million
 - Senate FY 23: \$13 million

SENATOR FEINSTEIN INTRODUCES THE WESTERN RIVERSIDE NATIONAL WILDLIFE REFUGE ACT (S. 4669)

In late July, Sen. Feinstein introduced the “Western Riverside National Wildlife Refuge Act” (S. 4669). This legislation is a modified version of Rep. Calvert’s measure H.R. 976, the “Wildlife Refuge Conservation and Recreation for the Community Act.” The purpose of both the Calvert and Feinstein bills is to establish a national wildlife refuge in western Riverside County as a means for the federal government to meet its obligation to preserve almost 30,000 acres as part of the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP). As part of the MSHCP agreement, the state of California is also required to acquire and preserve roughly 30,000 acres of land in western Riverside County. EMWD has been working closely with both Rep. Calvert and Sen. Feinstein’s offices on this legislation over the last years on language that will maintain access and right-of-way to existing EMWD water and wastewater facilities, as well as address plans for future water facilities in the area that will be considered for refuge designation. Other water agencies, such as Metropolitan Water District of Southern California, Rancho California Water District, Orange County Water District, EMWD, and Riverside County Flood Control Agency, have raised concerns with potential impacts of the legislation on their jurisdictions. EMWD service area is only about 40 percent built out, and therefore must preserve the option to construct new facilities, primarily water tank sites that are located in the foothills, where sensitive habitat can also be located. EMWD is continuing to work with Sen. Feinstein, Rep. Calvert in the final months of the 117th Congress should this measure be considered for inclusion as part of a larger FY 23 Omnibus spending package.

IIJA BUILD AMERICA, BUY AMERICA ACT (BABA) PROVISIONS CONCERN EMWD AND WATER SECTOR

As reported, the Bipartisan Infrastructure Law (IIJA) contained provisions to expand existing federal Buy America requirements. Of concern to EMWD, and the water community at large, the law requires recipients of federal funding dollars to:

- Use only U.S. made “manufactured products”
 - Current rules only require iron and steel to be made in U.S.

The IIJA defines “manufactured products” as those that have at least 55 percent domestic content, measured by their costs.

A waiver process is outlined in the legislation. Waivers will be considered:

- One condition is a finding that applying the domestic-content preference “would be inconsistent with the public interest.”
- A waiver also could be granted if an agency finds that there are insufficient U.S.-sourced quantities available of types of iron, steel, manufactured products or construction materials.
- The third waiver condition is a finding that using U.S. materials would raise the project’s overall cost by more than 25 percent.

The IIJA’s Buy America provisions – called Build America, Buy America or BABA – took effect on May 14, 2022, and will apply to all federal financial assistance programs for infrastructure funded

through the law.

Each Federal agency has been developing program guidance for BABA implementation as to how it applies to their specific programs that assist public entities, such as water agencies, in advancing infrastructure projects. EPA, Department of Interior, and other agencies have issued short-term BABA waivers, but many of these waivers expire in early 2023.

In September 2022, a group of water sector organizations and technology companies sent a letter asking the U.S. Environmental Protection Agency (EPA) to expand BABA waivers for all EPA-funded water and wastewater infrastructure projects through the end of 2024. Additionally, the associations and companies are asking for clear guidance on how to implement the new requirements and secure a manufactured product waiver, quick approval, and issuance of National Waivers for manufactured products not adequately produced in the United States, and for more transparency in the waiver issuance process. Letter signatories include: ACWA, WaterReuse, NACWA, NWRA, CASA AWWA, and AWMA.

Also in September 2022, EMWD sent a letter to the Department of the Interior requesting a BABA waiver apply to all Title XVI projects that already had feasibility studies approved prior to May 15, 2022.



EMWD SUPPORTS INTRODUCTION OF SEN. FEINSTEIN'S STREAM ACT (S. 4231)

In May, 2022 Sen. Dianne Feinstein introduced the “*Support to Rehydrate the Environment, Agriculture and Municipalities Act*” (STREAM Act). While the Bipartisan Infrastructure Law provided a significant, one-time infusion of funding to the Bureau of Reclamation’s Western Water grant programs that the STREAM seeks to reauthorize, the programs authorities technically expired in December 2021 jeopardizing the inclusion of new projects that can get funding through the annual appropriations process. The most significant reauthorizations contained in the legislation are to the Title XVI, Desalination, and Water Storage project programs.

Five Year Programmatic Reauthorization levels included in the STREAM Act are:

- \$750 million for groundwater, surface storage, and conveyance projects
- \$300 million for water recycling projects (Title XVI)
- \$250 million in environmental funding, including \$150 million for competitive grants for habitat restoration
- \$150 million in desalination funding
- \$100 million for drinking water assistance to disadvantaged communities

- \$50 million for natural water retention and release projects
- \$150 million for RIFIA loans (30-year Treasury rate) for water supply projects which would make available \$8 billion to \$12 billion in lending authority

EMWD wrote a letter of support for Sen. Feinstein's STREAM Act in advance of the bill's introduction.

SENATE COMMITTEE HOLDS KEY HEARING ON SERIES OF WESTERN WATER BILLS

The Senate Energy and Natural Resources Subcommittee on Water and Power convened a hearing on May 25, 2022, on 15 water and hydropower related bills. Among the measures which were featured at the hearing included Sen. Feinstein's recently introduced STREAM Act (S. 4231) as well as a second Feinstein bill, S. 1179, the Canal Conveyance Capacity Restoration Act, that would authorize significant funding to address subsidence that has plagued California's water delivery systems, including the California Aqueduct.

Sen. Padilla's legislation to address issues associated with the Salton Sea (S. 2693) was also on the hearing docket as was Sen. Cortez Masto's (D-NV) S. 2334, a bill to authorize a Reclamation administered large-scale water recycling grant program. Such a program has received first time funding of \$450 million under the Bipartisan Infrastructure Law. This hearing is the first step in the possible development of a comprehensive omnibus water and public lands bill that may be considered in a post-lame duck session at the end of the calendar year. The outcome of the November election will shape the prospects of whether such a measure will come together.

SENATOR PADILLA INTRODUCES WATER EFFICIENCY LEGISLATION

On May 19, 2022, Sen. Alex Padilla and Rep. Jerry McNerney of the Central Valley introduced the Water Efficiency, Conservation and Sustainability Act (S. 4279 and H.R. 7847). The bill would authorize two new grant programs under EPA for water agencies, and other eligible entities, to adopt conservation programs and to provide payments to households - with an emphasis on disadvantaged communities - to install water saving technologies such as faucets, advanced and flow metering infrastructure, washers, toilets, and dishwashers. EMWD wrote a letter to Sen. Padilla formally expressing EMWD's support for this legislation.



HOUSE ADVANCES DROUGHT AND WILDFIRE PACKAGE

In the last week of July, the House passed a mega-legislative package called the “Wildfire Response and Drought Resiliency Act” (H.R. 5118), which consists of 48 bills that the House Natural Resources Committee advanced over the 117th Congress related to: wildfire, drought/water, tribal water rights, climate resiliency, and environmental justice. Provisions of interest to EMWD contained in the bill include authorizations/reauthorizations of:

- USBR competitive Title XVI grant program (\$600 million authorization over the five years; and raises the per project cap to \$50 million)
- USBR large-scale water recycling program (\$700 million over five years)
- USBR “Available legal authorities” to prevent key reservoirs of the Colorado River from declining to critically low water elevations (\$500 million)
- USBR competitive desalination grant program (\$260 million over five years)
- A \$250 million authorization for activities to address issues related to the Salton Sea (\$250 million)
- \$50 million for a new, EPA administered water conservation and efficiency grant program

EPA SEEKS TO DESIGNATE PFAS CHEMICALS UNDER CERCLA

On August 26, 2022, EPA published a proposed rulemaking that would designate two PFAS chemicals, perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS), as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), known as the “Superfund.” If finalized, the rule would trigger PFOA and PFOS reporting, which would provide the Agency with improved data that could be used to protect public health by requiring cleanups and recovering cleanup costs to improve waste management. If the rule is finalized, releases of the PFAS chemicals that meet or surpass the reportable amount would be required to be reported to the National Response Center, state or tribal emergency response commissions, and the local or Tribal emergency planning committees. The proposed rule is an action Administrator Regan has taken under the Agency’s PFAS Strategic Roadmap and aims to protect communities against negative health impacts and risks from certain PFAS chemicals.

Concerns about regulating PFAS are related to the structure of the Superfund law itself. In following the requirements of the statute, the proposed rule would require the polluter pay by allowing EPA to seek to recover cleanup costs from a potentially responsible party or to require such a party to conduct the cleanup. This would mean that municipal drinking water and wastewater utility ratepayers could face a financial liability to clean up PFAS that was legally disposed of following the water treatment process.

In a number of examples offered by national and regional trade associations, for drinking water systems, if PFAS is removed from source water to comply with a drinking water regulatory standard, the utility then becomes the possessor of filtration media that contain those PFAS. The utility must then dispose of these filters, typically by sending them to a hazardous waste landfill in accordance with applicable law. However, should that landfill ever become a Superfund site, then the water utility could be treated as a polluter, and be responsible for a portion of the cleanup costs.

Wastewater utilities would face similar liability through no fault of their own because they receive PFAS chemicals through the wastewater that arrives at the treatment plant. This wastewater can come from domestic, industrial, and commercial sources and may contain PFAS constituents. While these contaminants are not generated by the utility, the utility is responsible for treating it under the requirements of the Clean Water Act.



EPA SETS STRINGENT HEALTH ADVISORIES FOR CERTAIN PFAS CHEMICALS IN DRINKING WATER

On June 15, 2022, EPA issued four drinking water health advisories for PFAS chemicals. The advisories indicate the level of drinking water contamination below which adverse health effects are not expected to occur. The Agency's interim drinking water advisories set new thresholds for perfluorooctanoic acid (PFOA) and perfluorooctane sulfonic acid (PFOS), replacing the 2016 advisories set at 70 parts per trillion. The advisories warn that concentrations of the PFAS chemicals found in drinking water may pose health threats even at levels near zero.

EPA is also issuing final advisories for perfluorobutane sulfonic acid and its potassium salt (PFBS) and for hexafluoropropylene oxide (HPFO) dimer acid and its ammonium salt ("GenX" chemicals). EPA is urging states, tribes, territories, and drinking water utilities with PFAS contamination in drinking water to continue informing residents, conducting additional monitoring of PFAS levels, and sourcing the contamination. The advisories contain technical information for federal, state, and local agencies to help address PFAS in drinking water.

EPA MAKES \$5 BILLION IN GRANT FUNDING AVAILABLE FOR PFAS CONTAMINATION IN DRINKING WATER

EPA also announced in June that the agency is making available \$5 billion in grant funding through the Bipartisan Infrastructure Law for the Emerging Contaminants in Small or Disadvantaged Communities program from FY 2022-2026. The program encourages small and underserved communities to apply. The funding will be administered through the Clean and Drinking Water State Revolving Funds (SRFs) and used to address PFAS chemicals in drinking water.

HOUSE AND SENATE DEMOCRATS INTRODUCE PFAS LEGISLATION

On May 6, Rep. Chris Pappas (D-NH) and Sen. Kirsten Gillibrand (D-NY) introduced identical versions of the "Clean Water Standards for PFAS 2.0 Act," aimed to target industries associated with pollution from PFAS substances in water supply. The legislation would set deadlines for EPA to develop water criteria for PFAS and limits on industrial discharges into rivers and streams and local water treatment plans. The legislation would expand EPA's current standards into nine priority industry categories including: Organic Chemicals, Plastics and Synthetic Fibers (OCPSF); pulp,

paper, and paperboard; textile mills; electroplating; metal finishing; leather tanning and finishing; paint formulating; electrical and electrical components; and plastics molding and forming.

The legislation includes a provision to authorize \$200 million per year in grants from FY 2022-2026 to assist publicly owned treatment works in implementing the program. President Joe Biden's EPA has made regulating PFAS a "top priority," but affected communities and advocacy groups argue that the agency has not moved quickly enough. However, some federal lawmakers are pushing legislation to fill perceived gaps in EPA's current approach and are targeting more of the chemicals and areas that the agency has not yet singled out. The "PFAS Action Act," H.R. 2467, which has passed the House twice but stalled in the Senate, remains the most ambitious proposal.

Prospects are bleak that PFAS legislation, such as the "Clean Water Standards for PFAS 2.0 Act" or the "PFAS Action Act" will advance in the 117th Congress.

FEDERAL LEGISLATION INTRODUCED TO STOP THE DELTA CONVEYANCE PROJECT

On September 19th, Representative Josh Harder (D-CA) introduced the "Stop Delta Tunnels Act" (H.R. 8849) to prohibit the U.S. Army Corps of Engineers (Corps) from issuing a federal permit for the State of California to build the Delta Conveyance Project (Delta Tunnel). The Delta Tunnel project would divert water from the Sacramento River and deliver this to Southern California. Representative Harder has voiced opposition to the Delta Tunnel project for the last several years, arguing that bypassing the Sacramento-San Joaquin Delta in his district and diverting the water to Southern California is "theft." The Delta Tunnel project is supported by Governor Gavin Newsom and California's Metropolitan Water District. California's Department of Water Resources (DWR), the project sponsor, issued an Environmental Impact Report for comments and review in July, which closes on December 16th.

Additionally, Representative John Garamendi (D-CA), one of the bill's cosponsors, sent a letter to the Corps on September 20th requesting the Agency reject the project, citing the harmful effects it could have on the Delta's ecosystems. Garamendi's letter was co-signed by six other Democratic House Members who represent the Bay Area and Northern California.



BIDEN ADMINISTRATION AND SCOTUS BOTH GRAPPLE WITH WOTUS

In September, EPA's draft final rule to define "Waters of the U.S.," or WOTUS, was sent to the White House Office of Management and Budget to undergo review. The Biden administration's move to redefine which waters fall under federal jurisdiction is the latest chapter in a decades long saga that's involved shifting regulations, lawsuits and intense lobbying that's ensnared environmentalists, the agricultural sector and developers. EPA released a draft proposal of the rule late last year, which will formally scrap the Trump-era WOTUS regulation and reinstated pre-2015 Clean Water Act rules that were also updated to reflect Supreme Court decisions. EPA is also planning to address additional changes in a separate, second rulemaking that will consider further refinements. It's unclear when EPA will issue the second proposed WOTUS rule.

However, complicating the Biden EPA's WOTUS revise efforts is the pending Supreme Court decision (*Sackett v. EPA*) where oral arguments were taken up by the high court on October 3. The ruling on that case could curb EPA's authority and ability to regulate isolated wetlands, tributaries and ephemeral streams as WOTUS under the Clean Water Act. The justices mainly wrestled with the definition of the word "adjacent" as Congress didn't define "adjacent," which appears in a parenthetical in US code, when it updated the law in 1977. Then-Justice Anthony Kennedy's "significant nexus" test outlined in the court's fractured 2006 ruling in *Rapanos v. U.S.* aimed to clarify the adjacency question. The idea meant that any pollution or development causing pollution in a tributary of a navigable river or lake would affect the biology and chemistry of the larger water body. Currently, USEPA and the Army Corps of Engineers rely on "adjacency" when determining if a stream or wetland is close enough to a tributary of a larger water body to have a "significant nexus" with it. The plaintiffs in the *Sackett* case challenged the test, and though it's not clear they're headed for a Supreme Court victory, the justices on Monday seemed to be searching for a way to clarify which wetlands near federally protected waters fall under federal jurisdiction.

Given the confusion caused by the definition of WOTUS, the Supreme Court will have its hands full trying to craft a jurisdictional standard that can stand the test of time. Because of the importance of the case for wetlands all over the U.S., Supreme Court Justice Kavanaugh stated during oral arguments, "We have to get it right." The Supreme Court decision on the *Sackett v. EPA* case is anticipated in early 2023.

EPA ESTABLISHES INTERAGENCY WATER REUSE WORKING GROUP

On May 26, 2022, EPA announced a Water Reuse Interagency Working Group established under the Bipartisan Infrastructure Law. The group consists of officials across 15 federal agencies and will be responsible for developing tools and coordinating actions to advance water reuse strategies across the nation. Agencies participating with EPA in the group include but are not limited to: the Bureau of Reclamation; Army Corps of Engineers; FEMA; USDA; and OMB. These federal partners will be responsible for working with states, tribes, and water sector partners to advance the Group's mission to build capacity for communities pursuing water reuse. EPA will monitor and report the Group's activities and findings to Congress biannually starting in 2024.

DHS ANNOUNCES STATE AND LOCAL CYBERSECURITY GRANT PROGRAM

On September 16, 2022, the Department Homeland Security (DHS) announced a new cybersecurity grant program specifically for state, local, and territorial governments. Local governments are eligible for the funding as sub-recipients through their respective state. The State and Local Cybersecurity Grant Program provides \$1 billion in funding to state and local entities over four years, with \$185 million available for FY 22, to support efforts to address cyber risk to their information systems. The aim of the grant funding is to help government agencies be better equipped to address cybersecurity risks, strengthen the cybersecurity of their critical infrastructure, and ensure resilience against persistent cyber threats for the services they provide their customers/communities. EMWD reviewed this grant opportunity and may have advanced a project by the application deadline of November 16, 2022.

WATER UTILITIES FACE STRONGER CYBERSECURITY REPORTING REQUIREMENTS

Language contained in the FY 2022 omnibus, which was signed into law in March, will soon require utilities and businesses to report cyber hacks to the federal government within 72 hours. The bill also will require utilities and businesses to report to the federal government within 24 hours if they make a payment in response to a ransomware attack. The reporting requirements would take effect after the Department of Homeland Security (DHS) adopts rules to implement them. DHS will have to publish a notice of proposed rulemaking by March 2024 and issue a final rule no later than 18 months after that time. EMWD will be monitoring the development and progress of the DHS rulemaking process on this topic.

CONGRESS PASSES CONTINUING RESOLUTION

Fate of FY 23 Omnibus Will Be Determined in Post-Election Lame Duck Session

Once again, Congress was unable to pass a new slate of annual spending bill before the current fiscal year (FY 22) ended on September 30. None of the 12 appropriations bills were signed into law on time due to ongoing disagreements over funding levels and policy riders. This situation is not uncommon. In fact, the last time Congress was able to pass all twelve appropriations bills by the October 1 deadline was 1996. As a result, Congress passed a “Continuing Resolution,” also known as a CR, to keep the federal government open and running until December 16. This will give them time to attempt to negotiate a larger spending package in a post-election lame ducks session.

Congress is scheduled to come back six days after the elections for what could be a bustling lame-duck session. The two large legislative package that Congress will focus on enacting during the lame duck are: the FY 2023 Omnibus Appropriations measure and must-pass annual defense authorization bill. As part of the Omnibus, Congress will have to consider including emergency supplemental funding to address Hurricane Ian aid. Then there are several issues that Congress punted to the lame duck including permit streamlining for energy projects and a biennial Water Resources Development Act which authorizes new, or modifies existing, Army Corps of Engineers studies and projects.

The productivity of the lame duck will be colored by the outcome of the midterm elections. At the writing of this report, control of the Senate is too close to call. However, the House of Representatives is projected to see enough Republican gains on November 8th to give control of that chamber back to the GOP. The Democrat party currently controls the House by less than ten seats.

If Republicans do win enough races to take control of the House in the 118th Congress (starting next year), the current Democratic-controlled Congress will attempt to get as much done as possible in the lame duck. However, this objective would be more challenging for Democrats if the Republicans take control of both the House and Senate with the election. In such a scenario, there is expected to be a push by Senate Republicans to gum up the effort to pass of an FY 23 omnibus before the end of the calendar year and instead force the passage of another CR into next year. This outcome would allow Congressional Republicans to re-write the FY 2023 spending bills in 2023.

FEDERAL LEGISLATION BY SUBJECT

| Bill Number, Author | Title | Position |
|---------------------|-------|----------|
|---------------------|-------|----------|

BONDS

| | | |
|-------------------|-------------------------|---------|
| S 479, Wicker (R) | Advance Refunding Bonds | Support |
|-------------------|-------------------------|---------|

CLEAN WATER ACT

| | | |
|---------------------|-----------------------------|-------|
| S 2168, Braun M (R) | Navigable Waters | Watch |
| S 2517, Paul Ra (R) | Navigable Waters | Watch |
| S 2567, Capito (R) | Definition of Waters | Watch |
| S 3456, Capito (R) | Waters of the United States | Watch |

CLIMATE

| | | |
|-----------------------|--|---------|
| HR 6461, Peters S (D) | National Climate Adaptation | Support |
| HR 6492, Jayapal (D) | Climate Resilience Workforce | Watch |
| HR 8090, Porter (D) | Reclamation Climate Change and Water Program Funding | Watch |
| S 3531, Coons (D) | National Climate Resilience Strategy | Support |

CLIMATE CHANGE

| | | |
|--------------------|---|-------|
| HR 744, Clarke (D) | Federal Emergency Management Agency Climate Change Plan | Watch |
|--------------------|---|-------|

CONSERVATION

| | | |
|--------------------------|---|-------|
| HR 4832, Lee (D) | Open Access Evapotranspiration Data Program | Watch |
| S 2568, Cortez-Masto (D) | Open Access Evapotranspiration Data Program | Watch |

COVID-19

| | | |
|---------------------|---|-------|
| HR 199, Delgado (D) | Coronavirus Prevention and Response Funding | Watch |
|---------------------|---|-------|

DAM SAFETY

| | | |
|------------------------|---------------------------|-------|
| HR 2309, Dingell D (D) | Dam and Hydropower Safety | Watch |
| HR 4375, Kuster (D) | Dam Rehabilitation | Watch |
| S 2356, Feinstein (D) | Dam Rehabilitation Funds | Watch |

| Bill Number, Author | Title | Position |
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DAMS/STORAGE

HR 4915, McClintock (R)..... Permit Processing Support

DESALINATION

HR 4712, Levin (D)..... Desalination Project Development Support

DROUGHT

HR 737, Valadao (R) California Operational Flexibility and Drought Relief..... Support

HR 4018, Valadao (R) Drought Relief..... Watch

S 953, Wyden (D)..... Drought Preparedness Watch

EMERGENCY PLANNING

HR 1066, Neguse (D)..... Fire Management Assistance Cost Share Flexibility Support

S 1836, Cornyn (R) Emergency Maintenance Projects..... Watch

ENDANGERED SPECIES ACT

HR 866, Calvert (R)..... Fish Spawning Interior Functions Vestment..... Support

HR 930, Gohmert (R)..... Nonnative Endangered Species Treatment Support

HR 3973, Biggs (R) Endangered Species Downlisting..... Support

HR 4370, Pfluger (R)..... Economic Cost of Endangered Species Act Support

ENERGY

HR 8383, Kuster (D)..... Corps of Engineers Facility Hydropower Development Watch

HR 940, LaMalfa (R) Electric Utility Rights of Way Categorical Exclusion Watch

HR 2482, Panetta (D)..... Microgrid Property Tax Credits..... Watch

S 4540, Daines (R)..... Corps of Engineers Facility Hydropower Development Watch

ENERGY/ALTERNATIVE ENERGY

HR 806, Dingell D (D)..... Clean Energy and Sustainability Accelerator Watch

HR 848, Thompson M (D)..... Renewable Energy and Energy Efficiency Incentives..... Watch

HR 1512, Pallone (D) Climate Crisis Watch

HR 1588, McMorris Rodger (R) Hydropower Licensing Process..... Support

| Bill Number, Author | Title | Position |
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ENVIRONMENTAL PERMITTING

| | | |
|------------------------|---|---------|
| HR 47, Biggs (R) | Recreational Public Access Increase | Watch |
| HR 644, Calvert (R) | Environmental Review Responsibilities Authorization | Support |
| HR 692, Cheney (R) | Agency Judicial Review Venue Rule | Watch |
| HR 878, Huffman (D) | Federal Lands Restoration and Development | Watch |
| HR 1162, Neguse (D) | Departments of Agriculture Appropriations | Support |
| HR 1174, Rosendale (R) | Land Management Plan Consultation | Watch |
| HR 1881, Garamendi (D) | Federal Water Pollution Control Act | Support |
| HR 1915, DeFazio (D) | Federal Water Pollution Control Act | Support |
| HR 2008, Craig (D) | Federal Water Pollution Control Act | Support |
| HR 2049, Panetta (D) | Forest and Rangeland Renewable Resources Planning Act | Watch |
| HR 2612, LaMalfa (R) | Forest Landscape Projects | Watch |
| HR 2816, Schrier (D) | Remediation Program | Watch |
| HR 3218, Rouzer (R) | Water Pollution Control Programs | Support |
| HR 4516, Garcia M (R) | Critical Response Actions | Watch |
| S 277, Cruz (R) | Water Transfer Exemptions | Support |
| S 487, Wyden (D) | Supplemental Appropriations | Support |
| S 866, Stabenow (D) | Forest and Rangeland Renewable Resources Planning Act | Support |
| S 2285, Sinema (D) | Urban Water Federal Partnership Program | Support |

EQUITY/INCLUSION

| | | |
|-----------------------|---|-------|
| HR 516, Bush C (D) | Environmental Justice Mapping Committee | Watch |
| HR 2021, Grijalva (D) | Environmental Justice and Civil Rights | Watch |
| HR 2434, Ruiz (D) | Environmental Justice | Watch |
| S 101, Markey (D) | Environmental Justice Mapping Committee | Watch |
| S 872, Duckworth (D) | Environmental Justice and Civil Rights | Watch |
| S 1347, Duckworth (D) | Environmental Justice | Watch |
| S 2630, Booker (D) | Cumulative Impact Consideration in Permitting Decisions | Watch |

FUNDING/FEES

| | | |
|------------------------|--|---------|
| HR 2919, Dingell D (D) | Vibrant Economy Investment | Watch |
| S 1248, Bennet (D) | Outdoor Restoration Fund Establishment | Support |
| S 2650, Merkley (D) | Hazardous Fuels Reduction Projects | Watch |

GRANTS/LOANS

| | | |
|-----------------------|--|---------|
| HR 2334, Miller C (R) | Innovative Mobility and Technology Deployment Grants | Support |
| HR 2781, Harder (D) | Water Supply Research | Support |

| Bill Number, Author | Title | Position |
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GRANTS/LOANS (CONT.)

| | | |
|-----------------------|-------------------------------------|---------|
| HR 3751, Carbajal (D) | Publicly Owned Treatment Works | Support |
| HR 4972, Quigley (D) | Advanced Energy Technology Research | Watch |
| S 722, Merkley (D) | Energy Policy Act of 2005 | Watch |

GROUNDWATER

| | | |
|-----------------------|--|---------|
| S 1179, Feinstein (D) | Subsidence Projects Financial Assistance | Support |
|-----------------------|--|---------|

HABITAT

| | | |
|------------------------|--|---------|
| HR 4574, Obernolte (R) | Reforestation Activities | Support |
| HR 5453, Huffman (D) | Fishery Resource Disaster Relief Program | Watch |
| HR 5733, Herrell (R) | Critical Habitat | Watch |
| HR 7654, Mullin (R) | Stop National Environmental Policy Act Expansion | Watch |
| S 2807, Wyden (D) | Watershed Pilots | Support |
| S 2923, Wicker (R) | Fishery Resource Disasters Improvement | Watch |
| S 3315, Lummis (R) | Basis for Determination for Endangered Species | Watch |

HABITAT CONSERVATION

| | | |
|------------------------|--|-------|
| HR 211, McClintock (R) | Wildlife Species Conservation | Watch |
| HR 263, Quigley (D) | Captive Wildlife Safety Act Clarification | Watch |
| HR 491, Vargas (D) | California New River Restoration Program | Watch |
| HR 803, DeGette (D) | Wilderness Preservation System Lands Designation | Watch |
| HR 972, Calvert (R) | Wildlife Refuge Establishment | Watch |
| S 4669, Feinstein (D) | Western Riverside National Wildlife Refuge | Watch |

HUMAN RESOURCES

| | | |
|----------------------|--|-------|
| HR 4274, Lofgren (D) | Limitations on Pay for Wildland Firefighters | Watch |
|----------------------|--|-------|

INFRASTRUCTURE

| | | |
|----------------------|---|-------------------|
| HR 5315, Stanton (D) | Drone Infrastructure Inspection Grant Program | Support and Amend |
|----------------------|---|-------------------|

INFRASTRUCTURE FINANCING

| | | |
|-------------------------|---|---------|
| HR 610, Speier (D) | San Francisco Bay Restoration Grant Program | Watch |
| HR 1015, Napolitano (D) | Water Recycling and Reuse Project Grants | Support |
| HR 1352, Lawrence (D) | Trust Fund for Water and Sewer Infrastructure | Watch |

| Bill Number, Author | Title | Position |
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INFRASTRUCTURE FINANCING (CONT.)

| | | |
|------------------------|---|-----------------------|
| HR 1563, Garcia M (R) | Water Infrastructure Improvements | Watch |
| HR 1848, Pallone (D) | National Infrastructure | Watch |
| HR 2552, Costa (D) | Subsidence Impact Financial Assistance | Watch |
| HR 2682, Crow (D) | Outdoor Restoration Fund | Support |
| HR 2810, Ryan T (D) | Infrastructure Program Materials | Oppose Unless Amended |
| HR 2979, Garamendi (D) | Final Loan Maturity Date | Support |
| HR 3023, Costa (D) | Budgetary Treatment | Watch |
| HR 3282, McKinley (R) | Drinking Water Program Funding | Watch |
| HR 3701, Delgado (D) | Water Infrastructure Grant Programs | Support |
| HR 5376, Yarmuth (D) | Inflation Reduction Act | Watch |
| HR 7119, Davids (D) | Water Infrastructure Finance and Innovation | Support |
| HR 8127, Schrier (D) | Water Infrastructure Finance and Innovation Act | Watch |
| S 2185, Barrasso (R) | Bureau of Reclamation Program Authorization | Support |
| S 4231, Feinstein (D) | Water Infrastructure | Support |

INVASIVE SPECIES

| | | |
|--------------------|----------------------|---------|
| HR 1389, Welch (D) | Plant Protection Act | Support |
|--------------------|----------------------|---------|

OTHER

| | | |
|----------------------|---------------------------------|---------|
| HR 5689, DeFazio (D) | Private Nonprofit Organizations | Support |
|----------------------|---------------------------------|---------|

PFAS

| | | |
|------------------------|---|---------|
| HR 2467, Dingell D (D) | Hazardous Substances | Watch |
| HR 2751, Dean (D) | Polyfluoroalkyl Exposure Remedy | Watch |
| HR 3291, Tonko (D) | Water System Assistance | Watch |
| HR 3622, Pappas (D) | Water Quality Criteria | Oppose |
| HR 4381, Fletcher (D) | Firefighting Foam Guidance | Watch |
| HR 4463, Levin A (D) | Disposal of Perfluoroalkyl Substances | Watch |
| HR 4692, Maloney S (D) | Testing of Perfluoroalkyl and Polyfluoroalkyl Substance | Watch |
| HR 4976, Slotkin (D) | PFAS Contamination Remediation | Support |
| HR 5987, Ross D (D) | PFAS Data Call | Watch |
| S 231, Peters G (D) | PFAS Exposure Protection | Watch |
| S 1121, Shaheen (D) | Polyfluoroalkyl Substance Exposure Registry | Watch |
| S 1334, Gillibrand (D) | Polyfluoroalkyl Substance Exposure Research | Watch |
| S 1907, Gillibrand (D) | Water Quality Criteria | Oppose |
| S 4161, Gillibrand (D) | PFAS Effluent Standards and Water Quality Criteria | Support |

| Bill Number, Author | Title | Position |
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RECYCLED WATER

| | | |
|-------------------------|------------------------------------|---------|
| HR 3112, McNerney (D) | Recycled Water Projects | Favor |
| HR 4099, Napolitano (D) | Water Recycling and Reuse Projects | Support |

SAFE DRINKING WATER

| | | |
|------------------------------|---|---------|
| HR 2164, Schakowsky (D) | Safe Drinking Water Act | Watch |
| HR 3286, Ruiz (D) | Drinking Water Distribution Systems | Watch |
| HR 3293, Blunt Rochester (D) | Drinking Water and Wastewater Service Assistance | Support |
| HR 3300, Smith C (R) | Lead Service Lines Replacement | Watch |
| HR 3423, Meng (D) | Drinking Water Fountain Replacement | Support |
| HR 4284, Ruiz (D) | Disadvantaged Communities Water Assistance | Support |
| HR 4805, Clarke (D) | School Filtration Stations | Support |
| HR 8018, Pingree (D) | Drinking Water Quality Improvement Grants | Watch |
| S 914, Duckworth (D) | Safe Drinking Water Act | Support |
| S 2272, Padilla (D) | Lead Reduction Project Funding | Support |
| S 3893, Wyden (D) | Grants for Decentralized Drinking Water Systems | Watch |
| S 4081, Baldwin (D) | Drinking Water Quality Improvement Product Grants | Watch |

SALTON SEA

| | | |
|---------------------|---------------------|-------|
| HR 3877, Ruiz (D) | Salton Sea Projects | Favor |
| S 2693, Padilla (D) | Salton Sea Projects | Favor |

SEWER

| | | |
|--------------------------|--|---------|
| HR 6591, McClain (R) | Disposable Nonwoven Wipes Flushability | Support |
| HR 4602, Lowenthal A (D) | Do Not Flush Labeling | Support |
| S 3956, Merkley (D) | Do Not Flush Labeling Requirements | Watch |

TRANSPORTATION

| | | |
|--------------------------|--|--------|
| HR 2476, Malliotakis (R) | Congestion Pricing Program Prohibition | Oppose |
|--------------------------|--|--------|

WATER AFFORDABILITY

| | | |
|-------------------|----------------------------|-------|
| HR 616, Tlaib (D) | Water Shutoffs Prohibition | Watch |
|-------------------|----------------------------|-------|

WATER DISCHARGE

| | | |
|----------------------|---|-------|
| HR 587, Peters S (D) | Pollutant Discharge Permitting Requirements | Watch |
|----------------------|---|-------|

| Bill Number, Author | Title | Position |
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WATER QUALITY

| | | |
|------------------------|---|--------|
| HR 3255, Norcross (D) | Lead Reduction Efforts | Watch |
| HR 3267, Boyle B (D) | Primary Drinking Water Maximum Contaminant Level Goal | Watch |
| S 2406, Gillibrand (D) | Maximum Contaminant Levels | Oppose |

WATER RIGHTS

| | | |
|---------------------|---|---------|
| S 855, Barrasso (R) | Use Agreement on Transfer of Water Rights | Support |
|---------------------|---|---------|

WATER SUPPLY

| | | |
|-------------------------|---|---------|
| HR 2660, Latta (R) | National Waters Definition | Watch |
| HR 3404, Huffman (D) | Drought Preparedness | Watch |
| HR 5438, Cartwright (D) | Water Efficient Products | Support |
| HR 6088, Gallego (D) | Smart Water Infrastructure Technology | Support |
| HR 7847, McNerney (D) | Public Water System Efficiency and Conservation | Support |
| S 3282, Kelly (D) | Smart Water Infrastructure Technology Grants | Support |
| S 4279, Padilla (D) | Public Water System Efficiency and Conservation | Support |
| S 4695, Cramer (R) | Western Water Cooperative Committee Establishment | Watch |

WILDFIRE

| | | |
|--------------------------|--|---------|
| HR 939, LaMalfa (R) | Wildfire Mitigation Activities Environmental Exemption | Watch |
| HR 3442, Schrier (D) | Prescribed Fire | Support |
| HR 3532, O'Halleran (D) | Wildfire Assessment | Support |
| HR 3534, Panetta (D) | Forest Restoration Projects | Support |
| HR 4664, Moore B (R) | Emergency Fireshed Management Areas | Watch |
| HR 6336, Neguse (D) | Wildfire Activity Improvement | Support |
| HR 6903, McClintock (R) | Activities to Suppress Wildfires | Watch |
| S 704, Wyden (D) | Secretary of Energy Grant Program | Support |
| S 1734, Wyden (D) | Prescribed Fire Use | Support |
| S 1855, Feinstein (D) | Wildfire Resilience | Support |
| S 2404, Cortez-Masto (D) | Wildfire Activity | Support |
| S 2436, Risch (R) | Emergency Fireshed Management Areas | Watch |

ACTIVITY ON FEDERAL ISSUES

| DATE | TO | SUBJECT |
|-------------|---|---|
| 1/3/22 | The Honorable Michael Connor, Lt General Scott Spellmon, Senator Alex Padilla | Letter of Support for Eastern Municipal Water District's South Perris Desalination Program (Phase II) |
| 2/9/22 | Damaris Christensen Stacey Jensen | Revised Definition of "Waters of the United States"; Docket ID No. EPA-HQ-OW-2021-0602 - |
| 2/17/22 | Senator Dianne Feinstein | Request for liability exemption for clean water agencies regarding PFAS |
| 2/17/22 | Senator Alex Padilla | Request for liability exemption for clean water agencies regarding PFAS |
| 2/23/22 | Honorable Ken Calvert, Representative Mark Takano, Jamil Dada, Cindy Roth | Congratulations on successfully Securing KC-46A at March Air Reserve Base |
| 3/11/22 | From Senator Dianne Feinstein to the Honorable Camille Touton | Eastern Municipal Water District's (EMWD) application for \$27.5 million in Title XVI funding for its Purified Water Replenishment program (PWR). |
| 3/14/22 | Honorable Ken Calvert | Thank You for your Continued Support; EMWD's Quail Valley Septic to Sewer Conversion Project |
| 3/14/22 | Representative Mark Takano | Thank you for Your Continued Support, EMWD's Mead Valley Booster Station Project |
| | Gary Gold, Stacy Wade, Jack Simes | Thank you for Your Partnership |
| 5/23/22 | Representative Mark Takano | Thank you for supporting EMWD's Well 56 PFAS Removal Project |
| 5/23/22 | Honorable Ken Calvert | Thank you for supporting EMWD's Quail Valley Septic to Sewer Conversion Project |
| 5/26/22 | Senator Alex Padilla | EMWD Supports S. 4279, The Water Efficiency, Conservation, and Sustainability Act |
| 5/26/22 | Representative Jerry Nerney | EMWD Supports H.R. 7847, The Water Efficiency, Conservation, and Sustainability Act |

ACTIVITY ON FEDERAL ISSUES

| DATE | TO | SUBJECT |
|-------------|--|--|
| 6/23/22 | Representative Mark Takano | Thank you for Your Unwavering Support, EMWD's PFAS Remediation Project |
| 6/23/22 | Representative Darrell Issa | Thank you for Securing Funding for EMWD's Wine Country Sewer Infrastructure Project |
| 8/2/22 | Stacey M. Jensen | Army Civil Works Policy Priorities Request for Input |
| 8/2/22 | Senators Dianne Feinstein and Alex Padilla | Request to Include the Water Conservation Rebate Tax Parity Act in the Inflation Reduction Act of 2022 |
| 9/16/22 | Honorable Deb Haaland and Camille Touton | Request for Buy America, Build America Act Waiver |
| 10/2/22 | Camille Touton | Eastern Municipal Water District's Demand Reduction Actions |

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STATE PROGRAM



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STATE OVERVIEW

HIGHLIGHTS FROM THE 2022 LEGISLATIVE SESSION

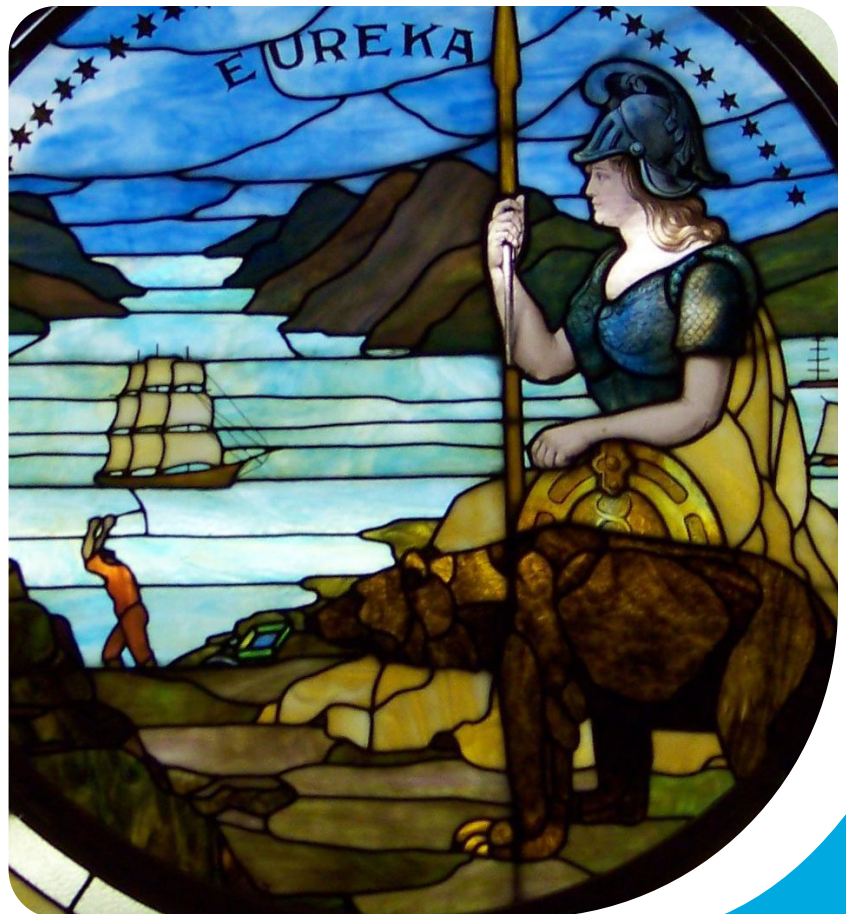
INTRODUCTION

The priority and focus of Eastern Municipal Water District's (EMWD) State Legislative Program is to promote EMWD's interest at the state level and communicate regularly with state legislators, regulators, and opinion leaders on issues of concern to EMWD and its ratepayers. This is accomplished through a multi-pronged approach that incorporates both internal and external expert feedback, formal correspondence on priority bills, briefings with legislators, continuous bill monitoring, and testifying at committee hearings, when appropriate. The following section of the 2022 Annual Legislative Report details the EMWD's approach and specific actions completed to effectively communicate EMWD's position, needs, and concerns as they relate to activities of the State Legislative Session.

As the legislative session drew to a close on August 31, 2022, a total of 4,476 bills had been introduced. Of those bills 1,500 were introduced by the Senate, and 2,976 by the Assembly. A total of 1,166 bills from both houses made it to the Governor's desk for his consideration. 997 were signed into law and 169 were vetoed, raising the Governor's veto rate to 14.5 percent from 7.9 the year prior.

EMWD reviewed 1,166 bills covering a multitude of subject areas that address EMWD's operations in the priority categories of water and wastewater systems operations; external funding sources; local and imported water supplies; and climate change, resiliency, and regulatory compliance. In response to these bills, EMWD Governmental Affairs staff submitted 671 letters of support, opposition, concern, or other commentary.

The remaining "State Program" portion of this report details the specific bills of interest to EMWD and is broken down into the following sections: Legislative Review Process, Legislative State Matrix, Correspondence, Governor's Veto Messages, Glossary of Terms, Standing Committee Abbreviations, Legislative Bill Positions and Policy Principles.



HIGHLIGHTS FROM THE 2022 STATE LEGISLATIVE SESSION



The 2022 state legislative session signaled a return to normalcy in Sacramento. Many members resumed holding in-person meetings in their swing-space offices and the limit on the number of bills that a member had been able to introduce due to restrictions related to the COVID-19 Pandemic was repealed by legislative leadership, allowing members to resume introducing standard bill packages.

2022 also marked another budget surplus year, with the state coffers continuing to benefit from the bull market and increased revenue from personal-gains taxes. The Governor's January 2022 budget outlined

a spending plan from a total budget of \$286.4 billion, of which \$213 billion would be available from the General Fund. The plan outlined five priority sections including, "Fighting COVID with Science, Combatting the Climate Crisis, Confronting Homelessness, Tackling the Cost of Living, and Keeping our Streets Safe". Within the funding allocated to address climate change, \$750 million was committed for drought resiliency efforts. Additionally, \$2.1 billion was appropriated to help the state meet its climate goals through the use of Nature Based Solutions. From this tranche of funding, \$325 million has been allocated to the 30x30 conservation program, and \$175 million has been reserved for the state's Extreme Heat Framework.

The budget surplus, which totaled over \$70 billion, was the cause of much excitement for stakeholders across the state, including members of the water and utilities sectors, with the anticipation that the surplus funds would be used for major infrastructure projects and other generational investments.

EMWD began to participate in coalition efforts aimed at advocating for budget allocations, specifically for recycled water grant funding due to the demonstrated need for investments in southern California, and throughout the state, amid the worsening drought. On April 6, 2022, members of EMWD's legislative delegation, and notable members from both houses, signed onto a bipartisan letter championed by Senator John Laird calling on the Governor, Senate Pro Tem Atkins, Assembly Speaker Rendon, and Budget Committee Chairs Skinner and Ting, to revise the Governor's budget language to include \$750 million in grant funding for recycled water.

Although drought was a main issue of concern for the Legislature and the Administration, the focus of budget negotiations toward the end of session began to shift away from major budgetary allocations for

“Although drought was a main issue of concern for the Legislature and the Administration, the focus of budget negotiations toward the end of session began to shift away from major budgetary allocations for water infrastructure, and towards the State's energy shortfalls.”

water infrastructure, and towards the State's energy shortfalls. A very hot and dry summer stressed the energy grid, and it was apparent that additional state resources would be needed to avoid blackouts and outages. Governor Newsom became heavily engaged in the budget process and worked with members of the Legislature and his cabinet to pass a budget that would address California's highest priorities. What started as a promising opportunity to increase the state's resiliency to the drought, became a battle to keep the lights on.



Following tense weeks of negotiations, the Legislature ultimately supported most of the Governor's climate priorities, including his proposed controversial reauthorization of the Diablo Canyon nuclear facility, which has provided a reliable source of power during times of unpredictability and stress on the grid. The proposal received more than two-thirds support by each house. Both houses extracted concessions and succeeded in putting their own imprints on the Governor's climate package. The lower house – larger and with greater ideological diversity – was more vocal in their differences. The Senate – a smaller caucus with larger districts and longer terms – was less overt in their shaping of the core policies.

When budget negotiations were complete and passed, the \$54 billion Climate Investment Package, contained only \$1 billion for water and drought investments. Most of those investments focused on water recycling, conservation, on-farm efficiency, turf removal, and ecosystem/fish habitat restoration. The breakdown of budget allocations that are relevant to water, wastewater, and recycled water operations is as follows:

- \$100 million for water recycling projects;
- \$43.7 million from the California Emergency Relief Fund for water rights modernization;
- \$100 million to protect salmon species;
- \$122 million for multibenefit projects and programs that support aquatic habitat and drought resilience;
- \$56 million for implementation of the Sustainable Groundwater Management Act (SGMA);
- \$210 million available in FY 23-24 for the planning, design, and construction of water recycling projects that produce potable recycled water to supplement drinking water supplies;
- \$100 million available in FY 23-24 to address perfluoroalkyl and polyfluoroalkyl Substances (PFAS);
- \$50 million for the Metropolitan Water District of Southern California (MWD) to improve and expand its infrastructure;
- \$80 million for MWD to support the design of large-scale regional recycled water projects; and
- \$10 million from the California Emergency Relief Fund for grants to water agencies and public agencies through the Urban Community and Multi-Benefit Drought Relief Program to fund



drought resilience and identification and assessment of climate risks on a watershed basis.

Although the final budget bills were signed into law on September 27, 2022, the process of secure the amounts outlined in the budget will be underway in the coming year. EMWD staff plan on continuing to work internally, along with our contract lobbyists and associations, to securing funding that is currently available, and work to inform the process for future funding programs and processes.

While budget negotiations stole much of the limelight, major changes took places to the member make-up of the Legislature. In what has been dubbed “The Great Resignation”, nearly 26 members of the Legislature announced their departure from the Legislature, or their plan to not seek reelection. This group includes notable Assembly Democrat, Lorena Gonzalez, who in the first weeks of the legislative

session, announced that she would be resigning to assume the position as head of the California Labor Federation. Additionally, members of EMWD’s legislative delegation, including Assembly Members Jose Media and Chad Mayes, announced that they would not be seeking reelection. It is presumed that this shift comes due to the redistricting boundaries taking effect in 2023, and increased competition for Assembly and Senate seats from members within the same party.

Further instability came to the Legislature in May when Assembly Member Robert Rivas announced that he had secured enough votes from colleagues to assume the position of Assembly Speaker. The Speaker, an incredibly powerful political position within the capitol, is tasked with presiding over the Assembly in a chief leadership role and controls the flow of legislation and committee assignments. Assembly Member Anthony Rendon has held the role for over 6 years, and the very public announcement from Assembly Member Rivas resulted in increased political tension from within the Democratic party. Following the announcement, the caucus held private deliberations and Rivas’ challenge remained on the table for many months. It was not until November 10, 2022, that Assembly Member Rendon announced that he would maintain his position as speaker until June 2023, at which point Rivas would assume the role.

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As the legislative session evolved over the course of the year, it became apparent to see that significant changes have begun to shape the post-COVID political landscape, currently and for future years. EMWD Governmental Affairs staff worked diligently to stay abreast of the legislative ongoings in 2022. The remainder of the Annual Legislative Report State Overview outlines major events that impacted the water industry throughout the last year.



CALIFORNIA ENDURES A THIRD YEAR OF DROUGHT



December 2021 was recorded as one of the wettest months in California's history. The abundance of rain and snowfall seemed like a good omen for the year to come, however, January through April of 2022 marked one of the driest periods in the state's history. The change in weather conditions caused the Department of Water Resources (DWR) to begin warning of a third year of consecutive of drought conditions, raising concerns across the state on what that could entail for water supplies already stressed by the previous two years of drought conditions



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In March 2022, Governor Newsom and his administration announced additional

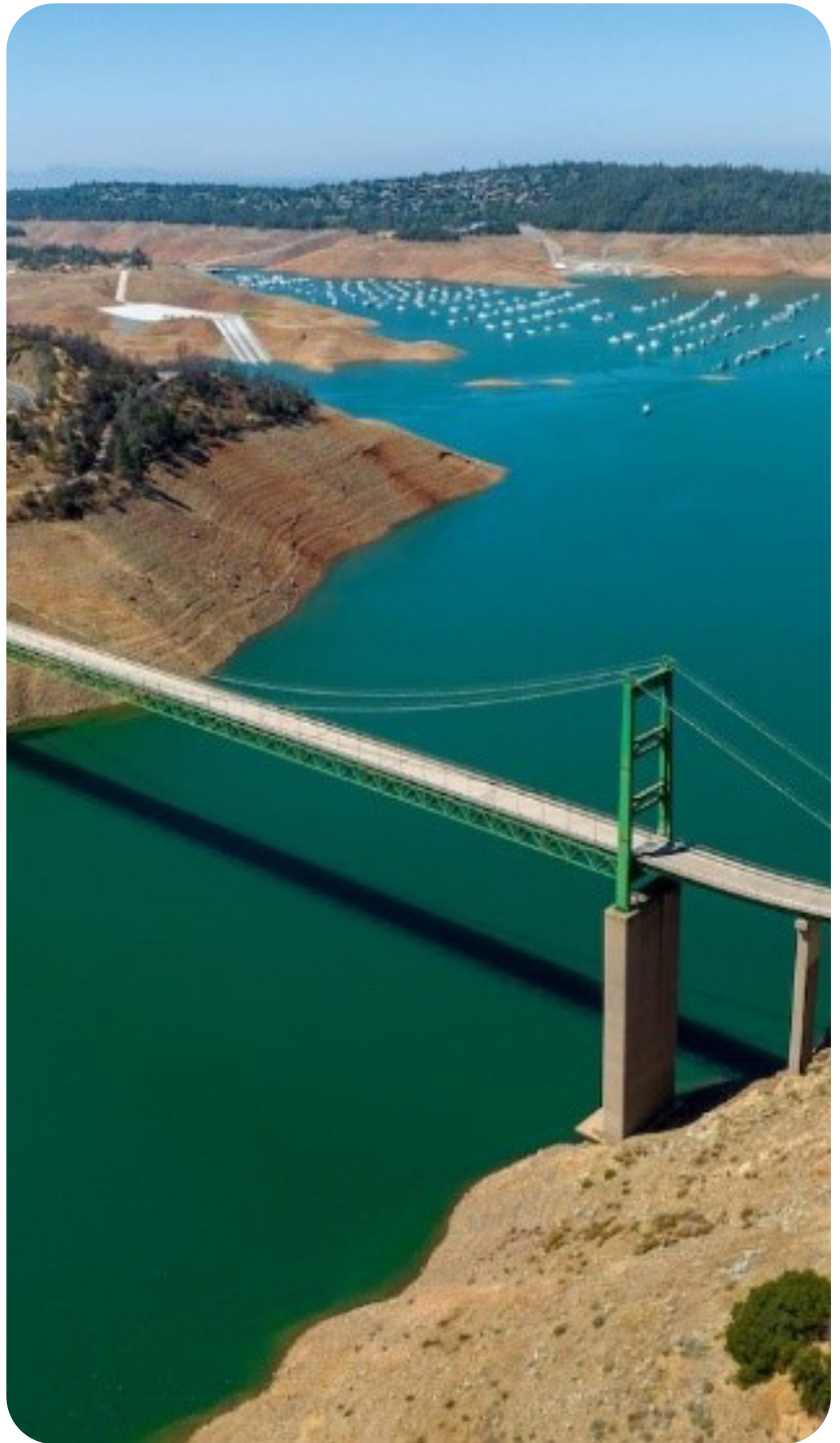
measures aimed at combating the worsening drought conditions. Beginning on Friday, March 18, 2022, DWR reduced the allocation for State Water Project (SWP) Contractors from 15 percent to 5 percent. DWR officials noted that aridification, a term used by state officials to describe the more frequent arid and warm climate conditions being observed across the West, was a major contributing factor to the reduced SWP allocation. Less rainfall had led to lower amounts of snowfall in California's mountain ranges, paired with reduced levels of snowmelt runoff caused by dryer soils, amounted to significantly lower flows reaching reservoirs across the state. It became abundantly clear that the State's snowpack, which had once been treated as a major reservoir, could no longer be depended upon as a source of fresh water. Following this, DWR announced \$180 million would be awarded through the agency's Urban and Multibenefit Drought Relief Grant Program, including

\$2 million for the Metropolitan Water District to conduct a regional turf replacement program to increase urban water conservation.

On Monday, March 28, 2022, Governor Newsom signed Executive Order N-7-22 urging residents and water agencies to bolster regional conservation efforts. The order outlined various regulations that were set to be considered for adoption by State Board in coordination with DWR by May 25, 2022. The order contains provisions specific to management in nonfunctional turf that will also be considered for adoption, which included defining nonfunctional turf, as well as a ban on the irrigation of nonfunctional turf in commercial, industrial, and institutional sectors.

In response to the Governor's actions, EMWD submitted a letter to State Board Chairman, Joaquin Esquivel, and DWR Director, Karla Nemeth, highlighting the positive steps EMWD has taken to promote urban water conservation, and the removal of nonfunctional turf. The letter also supported the use of existing drought contingency plans to support and encourage conservation that allows for local control, and calls for a coordinated effort between regulators, and local agencies.

Throughout the spring months, it became apparent that hydrologic conditions across the state were not improving. In response to the worsening conditions, on May 24, 2022, the State Board voted to adopt emergency drought regulations aimed at helping the state reach its conservation goals by prohibiting the irrigation of nonfunctional turf with potable water in Commercial, Industrial, and Institutional (CII) areas. The regulation also required water suppliers to implement conservation actions under Level 2 of their Water Shortage Contingency Plans. During the State Board's deliberation, several water agencies provided public comment requesting exemption from the regulations, given their agencies have access to ample water supply. In response to these comments, State Board staff amended the regulatory language to include greater flexibility for the agencies that meet specific criteria. These



amendments stated that a water supplier could forgo the requested water use reductions if the supplier did not draw groundwater from a critically over-drafted basin and did not rely on imported water from the State Water Project, the Central Valley Project, or the Colorado River. These agencies must also meet the requirement that their average use is 55 gallons per capita daily as compared to usage in 2020.

The situation worsened for Southern California Agencies in June when the Metropolitan Water District implemented their own drought restrictions for various agencies in the north-west region of their service area. MWD's Board of Directors unanimously approved a resolution calling for residents to reduce non-essential water use for agencies that relied solely on the State Water Project for their deliveries. These restrictions impacted roughly 6 million people being served by the following agencies: Los Angeles Department of Water and Power, the Inland Empire Utilities Agency, the Las Virgenes Municipal Water District, Calleguas Municipal

Water District, Three Valleys Municipal Water District and Upper San Gabriel Valley Municipal Water District. Residents served by these agencies were limited in the amount of water they could use.

As of November 2022, these emergency drought regulations remain in place, but residents across the state have responded to the Governor's call to conserve water. Staff from the State Board's Office of Research, Planning, and Performance have consistently provided updates to the Board on the State's progress to meet the requested 15 percent reduction relative to 2020 levels. As of May 2022, conservation levels have steadily increased, with the state collectively using 10.5% less water in August 2022 as compared to August 2020. In November 2021, EMWD moved to Stage 3a of the agency's drought contingency plan and EMWD customers have heeded the call as well by consistently using less water on a per capita basis as compared to 2020. EMWD staff have conducted extensive outreach and

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education efforts to residential customers, CII customers, and homeowners associations, to make them aware of how the state regulations may impact their communities, and how they can continue to promote conservation.

Although conservation levels continue to show promise, there is still concern that the State Board and the Administration could impose harsher restrictions in the new year if drought conditions persist, and residents fail to meet the requested 15 percent reduction. EMWD's goal is to work with the administration and MWD to ensure that a one-size-fits-all strategy is not utilized if additional restrictions are implemented.

STATE AUDITOR RELEASES SCATHING REPORT ON STATE WATER RESOURCES CONTROL BOARD

On May 25, 2021, Assembly Member Rudy Salas, then chair of the Joint Legislative Audit Committee (JLAC) issued a letter signed by members of the Legislature calling for the committee to approve a performance audit of the State Water Resource Control Board and the State Board's efforts to utilize their programs and funding mechanisms to help provide Californians with clean drinking water. These programs included the California Drinking Water State Revolving Fund (DWSRF), Clean Water State Revolving Fund (CWSRF), the Safe and Affordable Funding for Equity and Resilience (SAFER) program, and the State Board's Technical Assistance Funding (TAF) program.

Amid the worsening drought, there has been increased desire from members of the legislature, the environmental justice community, and water providers statewide, to ensure that residents, primarily those who reside in disadvantaged communities, have reliable access to clean and affordable water. In the letter from Assembly Member Salas, he noted that the State Board reported that 345 out of the 7,800 public water systems in the state fail to meet safe drinking water standards, mostly impacting small and rural disadvantaged communities in the Central Valley.



In June 2021, the requested was approved by the JLAC for the State Auditor to review the following aspects of the State Board's operations including their coordination with technical assistance providers, their ability to review and process applications for funding, and the ability of projects funded by the State Board to be completed in a reasonable amount of time.

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On July 26, 2022, the California State Auditor released their final report, which stated that the agency, “...Lacks the Urgency Necessary to Ensure That Failing Water Systems Receive Needed Assistance in a Timely Manner”. The report found that nearly one million Californians face possible long-term, negative health outcomes, including an increased risk of liver and kidney problems, as well as cancer, because they receive unsafe drinking water from a failing water system.

The Auditor’s Office noted that the State Board has the funding necessary to assist failing systems in addressing



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their water quality issues, however the lack of goals and metrics in the State Board’s application processes, and the overall delay in administering funding, has inhibited the State Board’s ability to distribute funding and technical assistance quickly and equitably. Since 2017, the timeframe for the State Board to review funding applications, and administer funding, has doubled in average from 17 months to 33 months.

The report also noted that the State Board has failed to perform adequate follow-up with their assigned technical

assistance providers, who are often assigned to small, struggling water systems, to assist them with various aspects of project management. One example described within the report stated that the State Water Board assigned a high-priority technical assistance project for South Kern Mutual Water Company to one of its providers in December 2019. However, the State Water Board did not recognize until 10 months later that the provider had not performed work on the project, and eventually the State Water Board had to assign the project to another provider.

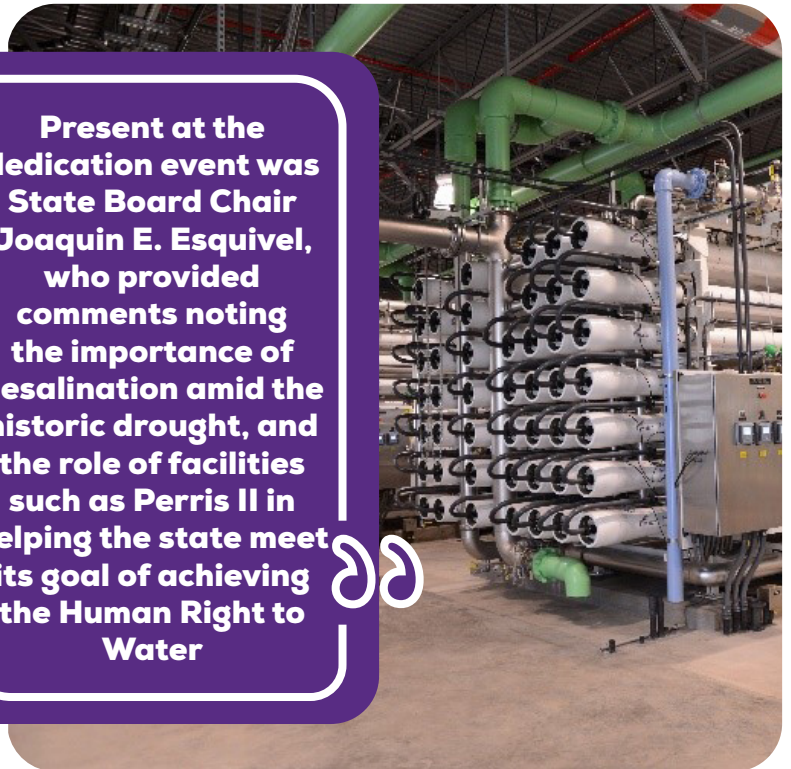
Within the report, the State Auditor made several recommendations for the State Board and the Legislature to consider. These recommendations included amending state law to require the State Board to include timeline goals and performance metrics in their annual reports to the Legislature, streamlining of their application and financial review processes, increasing transparency in their funding processes, and ensuring that the agency is adequately staffed in order to process applications and monitor ongoing projects in a timely manner.

Although the State Board disagreed with certain report conclusions, the State Board leadership and staff generally agreed with the State Auditor’s recommendations and stated it would work to implement them in order to improve the efficiency of their processes and procedures.

EMWD COMMISSIONS PERRIS II DESALINATION FACILITY



Present at the dedication event was State Board Chair Joaquin E. Esquivel, who provided comments noting the importance of desalination amid the historic drought, and the role of facilities such as Perris II in helping the state meet its goal of achieving the Human Right to Water



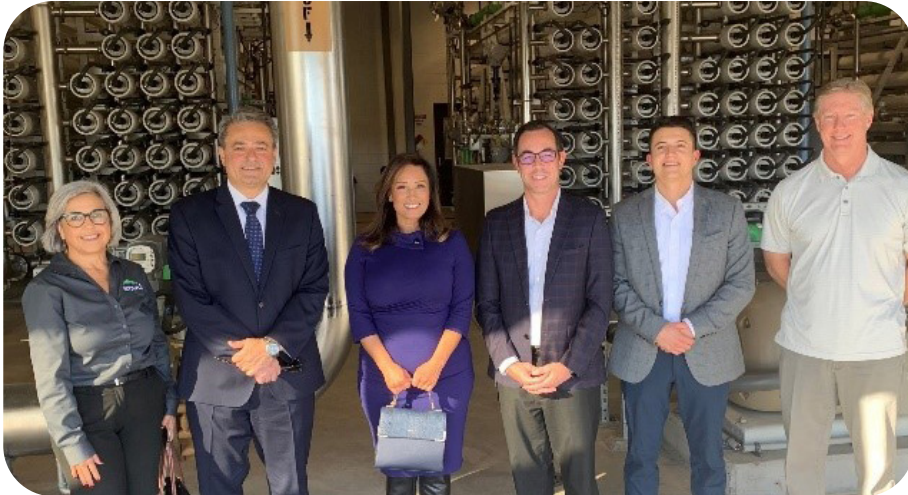
In June, EMWD celebrated the commissioning of its new Perris II groundwater desalination complex. The facility, which is now the third desalination facility in EMWD's portfolio, will treat approximately 5.4 million gallons of water per day using reverse osmosis technology in order to provide enough drinking water for more than 15,000 households each year. The project comes at a critical time, and the drought-resilient water source will play a key role in helping EMWD meet the needs of our growing communities.

The project was made possible by forging and maintaining strong relationships with state and federal partners, including the State Board. The facility was funded in part by approximately \$22.5 million in grant funding from the State Board through Proposition 1, the 2014 voter-approved water bond. Present at the dedication event was State Board Chair Joaquin E. Esquivel, who provided comments noting the importance of desalination amid the historic drought, and the role of facilities such as Perris II in helping the state meet its goal of achieving the Human Right to Water.

EMWD staff made a strong effort throughout 2022 to invite local officials and other key stakeholders to tour the facility. This outreach provides EMWD staff with an opportunity to educate the individuals who represent EMWD's service area to understand the investments that EMWD makes in order to increase the region's resiliency to drought. In October, EMWD Board President Phil Paule



and staff hosted State Senator Rosilicie Ochoa Bogh and her staff for a tour of the desalination complex and provided her with an overview of the District's efforts to serve our mutual constituents.



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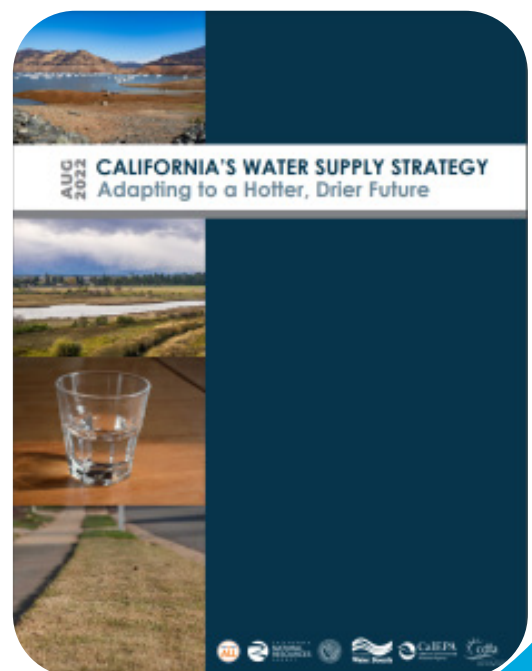
GOVERNOR NEWSOM RELEASES 2022 CALIFORNIA WATER SUPPLY STRATEGY

In August, Governor Newsom released a document titled "California's Water Supply Strategy: Adapting to a Hotter, Drier Future", which builds on the State's Water Resilience Portfolio released in July, 2020.

The document outlines a strategy for California to increase water supplies, and prepare for prolonged periods of drought and extreme climate events including:

- Creating storage space for up to 4 million acre-feet of water, allowing California to capitalize on big storms when they do occur and store water for dry periods;
- Recycling and reusing at least 800,000 acre-feet of water per year by 2030, enabling better and safer use of wastewater currently discharged to the ocean;
- Freeing up 500,000 acre-feet of water for new purposes each year by permanently eliminating water waste and using water more efficiently; and
- Making new water available for use by capturing stormwater and desalinating ocean water and salty water in groundwater basins, diversifying supplies and making the most of high flows during storm events.

Although increased conservation is considered to be a component of the new Water Supply Strategy, the document notes that conservation will not be enough to alleviate worsening drought conditions.



Though no specific budgetary allocations were outlined in the document, the strategy notes that an additional \$2.8 billion dollars would be awarded in FY 22-23 for drought relief to severely impacted communities, water conservation, environmental protection for fish and wildlife, and long-term projects to strengthen drought resiliency. The Governor also described in the report how he intended to leverage existing federal funding to implement components of the strategy.



A critical component of the document was the Governor noting his commitment to streamlining regulatory processes that currently inhibit or delay the development of water and wastewater infrastructure. Locally and statewide, there has been a growing consensus that the State's aggressive environmental regulations can delay and inhibit major investments from being successful. In May, the California Coastal Commission voted unanimously to deny the Poseidon Desalination plant located in Huntington Beach. Although this facility had received the support of Governor Newsom, the Coastal Commission, and the environmental justice community, successfully argued against the project, citing environmental and regulatory concerns.

The release of the Water Supply Strategy was met with lukewarm reception, both from water providers and the environmental justice community. Water agencies and associations throughout the state released statements in support of the document but

noted that the goals outlined in the document would require extensive funding and coordination, as well as a less stringent regulatory environment in order to be successful. The environmental justice community responded more critically, noting that the strategy did not acknowledge potential hazards to the natural environment, including impacts to endangered fish species.

The implementation of the California Water Supply Strategy will continue into the new year and it is anticipated that the Governor's administration will be working with members of the Legislature to sponsor a bill package that aims to introduce legislation reflecting the goals outlined in the document.

A critical component of the document was the Governor noting his commitment to streamlining regulatory processes that currently inhibit or delay the development of water and wastewater infrastructure.

The implementation of the California Water Supply Strategy will continue into the new year and it is anticipated that the Governor's administration will be working with members of the Legislature to sponsor a bill package that aims to introduce legislation reflecting the goals outlined in the document.

EMWD ENGAGES ON CONSEQUENTIAL LEGISLATION

Although EMWD reviewed over 1,000 bills at the onset of the legislative session, one bill in particular became the focus of EMWD's advocacy efforts. SB 1157 (Hertzberg) Urban Water Use Objectives, which would eliminate the previously established option of using the greater of 52.5 gallons per capita daily (GPCD) and the greater of 50 GPCD as the standard recommended by DWR and the State Board for indoor residential water use. The bill would instead require that from January 1, 2025, to January 1, 2030, the standard for indoor residential water use be 47 gallons per capita daily and beginning January 1, 2030, the standard be 42 gallons per capita daily.



SB 1157 was not a new concept, and legislation that had aimed to reduce the indoor residential water use standard had been the focus of various legislators since the introduction of SB 606 (Hertzberg, 2018) and AB 1668 (Friedman, 2018), which were a pair of bills that further sought to

codify the goals outlined in Governor Jerry Brown 2016 Executive Order establishing “Conservation as a California Way of Life”. In 2021, Assembly Member Laura Friedman introduced AB 1434, that intended to further ratchet down the indoor GPCD limits, however, the bill was made inactive for the remainder of the 2021 legislative session, and in February 2022, Senator Hertzberg began to champion this effort with the introduction of SB 1157.

SB 1157 caused major concern not because of an opposition from water providers to increase and promote indoor conservation, but because the aggressive timeline established could have potentially detrimental impacts to wastewater and recycled water infrastructure, and water affordability. EMWD joined the Association of California Water Agencies (ACWA) coalition, which established an aggressive and organized advocacy approach at the onset of SB 1157's introduction. EMWD and ACWA took an “oppose unless amended” (OUA) position, with the intent to continue working with the author and the administration to make them aware of impacts that SB 1157 could have if implemented.

In June, SB 1157 went before the Assembly Water Parks and Wildlife Committee. Prior to the hearing, ACWA, met with members and other association groups to discuss proposed amendments to the bill which were drafted by committee staff, that would require the State Board to complete additional studies to evaluate the impacts of urban water conservation on affordability, as well as impacts to wastewater infrastructure and capital investments. The additional studies would

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also allow the State Board to consider adopting additional variances to unique water efficiency challenges. Moreover, the amendments stated that if these studies found the impacts to be substantial, the State Board may make recommendations to the Legislature to establish a more appropriate timeframe to achieve the 2030 indoor residential use standard.



Although at this point the bill still contained problematic provisions, ACWA staff noted that the cooperation of Senator Hertzberg is a positive development. Based on this progress, several agencies and associations, including EMWD, removed their opposition to the bill and assumed a ‘neutral’ position, with the intent of continuing to discuss amendments with Senator Hertzberg which would focus on including language allowing for additional water use efficiency variances, and language that would make the implementation of a 2030 standard contingent on studies to be conducted by DWR.

Throughout the remainder of the legislative session, EMWD General Manager Joe Mouawad and staff met with members of EMWD’s legislative delegation and other key members to discuss efforts to amend SB 1157. EMWD focused on proposing amendments which includes the use of both a complete exemption from the bill, as well as a “sliding scale”, which would incentivize the use of recycled water by allowing agencies to increase their indoor limits by 5 GPCD if 20 percent of their total supply is derived from recycled sources, and 1 GPCD for every 10 percent thereafter up to 7 GPCD. Senator Roth was supportive of the proposed amendments and verbally committed to meeting with Senator Hertzberg to provide him with the amended language and continue discussing stakeholder’s concerns.

Ultimately, SB 1157 was passed by both houses on the final day of the legislative session and sent to the Governor for his signature. Although language specific to a variance for recycled water was not included in the final bill language, Governor Newsom issued a statement following the signing of the bill encouraging the State Board to create variance language that reflected local investments in recycled water and infrastructure. This does not mark the end of the road for SB 1157 and other efforts aimed at increasing indoor water use efficiency, and the implementation of the bill will be a top priority for EMWD going into 2023.

Governor Newsom issued a statement following the signing of the bill encouraging the State Board to create variance language that reflected local investments in recycled water and infrastructure.

OPPORTUNITIES FOR 2023

The 2022 legislative session proved to be incredibly productive for EMWD, and the water community at large. In observing the challenges and outcomes of the last legislative session, EMWD staff (and the Board of Directors) have established a set of priorities for the coming year. These priorities include securing FY 22-23 and 23-24 budget appropriations and informing the administration's process for allocating funding for future years; monitoring the implementation of SB 1157 and working with our associations to weigh-in on the impact studies to be completed by DWR; tracking and analyzing the development and execution of the 2022 Water Supply Strategy, specifically with regard to legislation introduced with the intent of helping the administration meet the goals outlined in the document; monitoring the development of income-qualified water rate assistance programs and ensuring that proposed programs are funded in a sustainable and equitable manner; continuing to explore options to expand teleconferencing under the Ralph M. Brown Act; monitoring California Public Utilities Commission efforts as they relate to energy grid demand events; and tracking the progress of policies and projects related to the Bay Delta, including the Delta Conveyance Project.

2023 begins a new two-year legislative session, and we can anticipate that the social and political landscape in the Capitol will continue to change dramatically. Governor Newsom recently announced that he would be ending the State's COVID-19 State of Emergency at the end of February 2023, marking the phase-out of a nearly 3-year long period of various public health mandates and restrictions under which the Legislature operated. Additionally, dozens of new legislators will begin their first terms as elected officials, and EMWD hopes to capitalize on this opportunity by embarking on a campaign to educate new members and their staffs on the priorities for our region.

EMWD will embrace these changes and continues to advocate for our customers' best interests by using our legislative platform to continue to forge productive working relationships with key stakeholders locally and in Sacramento to promote and inform sound policies and bring taxpayer dollars back to EMWD customers.



LEGISLATIVE REVIEW PROCESS

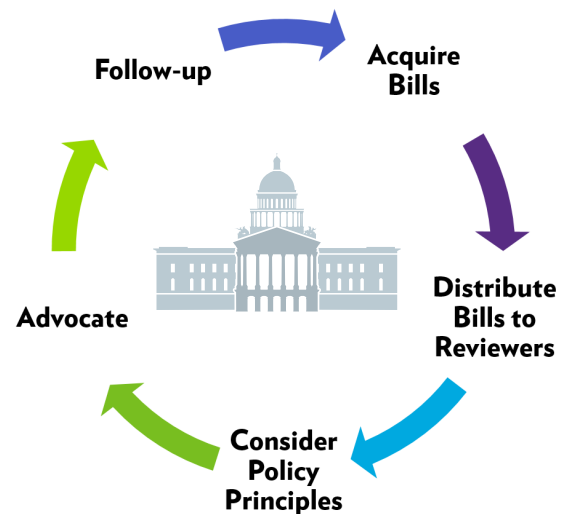
ACQUIRE BILLS Governmental Affairs staff reviews and evaluates all introduced legislation to determine relevance to EMWD.

DISTRIBUTE BILLS TO REVIEWERS Relevant bills are distributed to the Legislative Action Team members for review. Committee members provide: analysis of impact to EMWD, if any; recommended EMWD legislative position; and recommended amendments, if any.

CONSIDER POLICY PRINCIPLES Consider related Board adopted Policy Principles. Ten policy principles have been adopted by the EMWD Board of Directors: Water Recycling, Biosolids, Groundwater Management, Desalination, Water Use Efficiency, Bay Delta/ State Water Project, Integrated Regional Water Management Plans, Water Infrastructure Financing, Governance, and Renewable Energy/Energy Management.

ADVOCATE Generate and distribute legislative reports consisting of bill information and recommended positions. Advocate EMWD's position with letters, emails, phone calls, and meetings with legislators and their staff. Form coalitions with other organizations as necessary.

FOLLOW-UP Acknowledge legislators who vote in favor of EMWD's positions with phone calls and thank you letters; continue dialogue with others.



EMWD'S LEGISLATIVE ACTION TEAM



Members, top row, left to right: Matthew Melendrez, Assistant General Manager of Operations and Maintenance; Dan Howell, Senior Director of Administrative Services; John Adams, Chief Financial Officer; Jolene Walsh, Director of Policy and Governmental Affairs; Joe Opris, Director of Human Resources.

Members, bottom row, left to right: Doug Hefley, Director of

Safety, Risk, and Emergency Management; Al Javier, Director of Environmental and Regulatory Compliance; Pacal Cornejo-Reynoso, Governmental Affairs Analyst; Laura Nomura, Deputy General Manager; Rhonda Cooper, Public and Governmental Affairs Specialist.

Contributors, not pictured: Sam Robinson, Energy Program Manager; Vincent Lopez, Grants and Project Control Manager; Charles Kamweru, Director of Customer Service; Gordon Ng, Principal Water Resources Specialist; Tom Henderson, Principal Engineering Geologist.

STATE LEGISLATION BY SUBJECT

| Bill Number, Author | Title | Position | Status |
|---------------------|-------|----------|--------|
|---------------------|-------|----------|--------|

AIR QUALITY

| | | | |
|---------------------|---|-------|--------|
| AB 1001, Garcia (D) | Mitigation Measures for Air and Water Quality Impacts | Watch | Failed |
|---------------------|---|-------|--------|

BONDS

| | | | |
|-----------------------|---|-------------------|--------|
| AB 2387, Garcia E (D) | Safe Drinking Water, Wildfire Prevention, Drought | Support and Amend | Failed |
|-----------------------|---|-------------------|--------|

BUDGET

| | | | |
|---------------------|--------------------|-------|-----------|
| AB 178, Ting (D) | Budget Act of 2022 | Watch | Chaptered |
| AB 180, Ting (D) | Budget Act of 2021 | Watch | Chaptered |
| AB 203, Budget Cmt | Public Resources | Watch | Chaptered |
| SB 154, Skinner (D) | Budget Act | Watch | Chaptered |

CEQA

| | | | |
|----------------------|---|---------|-----------|
| AB 1642, Salas (D) | California Environmental Quality Act: Water System Well | Support | Chaptered |
| AB 1774, Seyarto (R) | California Environmental Quality Act: Water Conveyance | Watch | Failed |

CLIMATE CHANGE

| | | | |
|-----------------------|--|--------------------|-----------|
| ACR 109, Garcia E (D) | Extreme Heat: State Response | Support if Amended | Chaptered |
| SB 852, Dodd (D) | Climate Resilience Districts: Formation: Funding | Watch | Chaptered |

COVID-19

| | | | |
|-------------------|--|-------|--------|
| AB 84, Budget Cmt | COVID 19: Supplemental Paid Sick Leave | Watch | Failed |
|-------------------|--|-------|--------|

DEI

| | | | |
|-----------------------|---|---------|-----------|
| AB 2877, Garcia E (D) | Safe and Affordable Drinking Water Fund: Tribes | Support | Chaptered |
|-----------------------|---|---------|-----------|

| Bill Number, Author | Title | Position | Status |
|---------------------|-------|----------|--------|
|---------------------|-------|----------|--------|

DELTA

AB 1811, Fong M (D).....Local Flood Protection: Planning: Climate Change WatchChaptered

DESALINATION

AB 2016, Bauer-Kahan (D)State Water Resources Control Board: Desalination Plant Support and Amend Failed

AB 2740, Dahle M (R)Water Resources: Desalination Watch Failed

DROUGHT

AB 2451, Wood (D).....State Water Resources Control Board: Drought Planning Watch Failed

DWR

SB 890, Nielsen (R).....Department of Water Resources: Water Storage Fund..... Support in Concept Failed

ENERGY

SB 833, Dodd (D)Community Energy Resilience Act of 2022..... Watch Failed

SB 846, Dodd (D)Diablo Canyon Powerplant: Extension of Operations..... WatchChaptered

SB 1020, Laird (D)Clean Energy, Jobs, and Affordability Act of 2022..... WatchChaptered

ENVIROMENTAL PERMITTING

AB 1791, Nazarian (D)Rent Control: Local Ordinances: Residential Units Watch Failed

ENVIROMENTAL JUSTICE

AB 2108, Rivas R (D).....Water Policy: Environmental Justice WatchChaptered

ENVIRONMENT

AB 1640, Ward (D).....Regional Climate Adaptation and Resilience Action Plans Support.....Failed

FINANCE/FEES

AB 2536, Grayson (D).....Development Fees: Impact Fee Nexus Studies WatchChaptered

FUNDING/FEES

AB 2419, Bryan (D).....Environmental Justice: Federal Infrastructure..... Oppose unless Amended Failed

GOVERNANCE

SB 1254, Hertzberg (D).....Drinking Water: Administrator: Managerial Services..... Support.....Chaptered

| Bill Number, Author | Title | Position | Status |
|---------------------|-------|----------|--------|
|---------------------|-------|----------|--------|

GROUNDWATER

| | | | |
|----------------------|--|---------|--------|
| AB 2201, Bennett (D) | Groundwater Sustainability Agency: Extraction Permit | Watch | Failed |
| SB 1220, Hurtado (D) | Sustainable Groundwater Management Act: Groundwater | Support | Failed |

LAFCO

| | | | |
|------------------------|--|--------------------|-----------|
| AB 2081, Garcia E (D) | Municipal Water Districts: Water Service: Indian Lands | Watch | Chaptered |
| SB 938, Hertzberg (D) | The Local Government Reorganization Act of 2000 | Support in Concept | Chaptered |
| SB 1449, Caballero (D) | Office Of Planning and Research: Grant Program | Watch | Vetoed |

MISCELLANEOUS

| | | | |
|----------------------|---|----------|-----------|
| AB 2142, Gabriel (D) | Income Taxes: Exclusion: Turf Replacement Program | Support | Chaptered |
| AB 2531, Grayson (D) | Housing Data: Collection and Reporting | Watch | Failed |
| SB 459, Allen (D) | Political Reform Act of 1974: Lobbying | Concerns | Chaptered |
| SB 892, Hurtado (D) | Cybersecurity Preparedness: Food and Agriculture Sector | Watch | Chaptered |

MWD

| | | | |
|-----------------------|--|---------|-----------|
| AB 1845, Calderon (D) | Metropolitan Water District of Southern California | Support | Chaptered |
|-----------------------|--|---------|-----------|

PFAS

| | | | |
|-----------------------|--|---------|-----------|
| AB 1817, Ting (D) | Product Safety: Textile Articles: PFAS | Support | Chaptered |
| AB 2247, Bloom (D) | Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) | Support | Vetoed |
| AB 2771, Friedman (D) | Cosmetic Products: Safety | Support | Chaptered |

PUBLIC WORKS

| | | | |
|---------------------------|--|----------|-----------|
| AB 1717, Aguiar-Curry (D) | Public Works: Definition | Watch | Vetoed |
| AB 1851, Rivas R (D) | Public Works: Prevailing Wage: Hauling | Concerns | Chaptered |
| AB 1886, Cooper (D) | Public Works: Definition | Watch | Failed |

RECYCLEDWATER

| | | | |
|----------------------|---|-----------------------|--------|
| AB 2811, Bennett (D) | Building Standards Commission: Recycled Water | Oppose unless Amended | Failed |
|----------------------|---|-----------------------|--------|

SAFE DRINKING WATER

| | | | |
|-----------------------|---|-----------------------|--------|
| SB 1144, Wiener (D) | Water Efficiency and Quality Assessment Reports | Oppose unless Amended | Vetoed |
| SB 1150, Gonzalez (D) | Pure and Safe Drinking Water | Watch | Failed |

| Bill Number, Author | Title | Position | Status |
|---------------------|-------|----------|--------|
|---------------------|-------|----------|--------|

STORMWATER

AB 2106, Rivas R (D) Water Quality: Permits..... Watch Vetoed

SWRCB

AB 2041, Garcia E (D)..... California Safe Drinking Water Act..... Watch Failed

SB 1069, Umberg (D) State Grant Programs: Negotiated Cost Rate Agreements Watch Failed

SB 1219, Hurtado (D) 21st Century Water Laws and Agencies: Committee Watch Failed

TRANSPARENCY

AB 1944, Lee (D) Local Government: Open and Public Meetings Support..... Failed

AB 2449, Rubio (D)..... Open Meetings: Local Agencies: Teleconferences Support..... Chaptered

AB 2647, Levine (D)..... Local Government: Open Meetings Watch Chaptered

WATER

AB 2078, Flora (R) Atmospheric Rivers: Research, Mitigation, and Climate..... Support..... Failed

AB 2163, Rubio (D)..... San Gabriel Basin Water Quality Authority Act Watch Chaptered

AB 2313, Bloom (D)..... Water: Judges and Adjudications Watch Failed

SB 1197, Caballero (D)..... Water Innovation and Drought Resiliency Act of 2022 Support..... Failed

SB 1469, Bradford (D) Water Corporations: Rates..... Watch Chaptered

WATER AFFORDABILITY

SB 222, Dodd (D) Water Rate Assistance Program Oppose unless Amended Vetoed

WATER QUALITY

AB 1724, Stone (D)..... State Owned Washing Machines: Microfiber Filtration Support if Amended Failed

AB 1784, Smith T (R)..... Water Quality, Supply, and Infrastructure Improvement Watch Failed

AB 1931, Rivas (D)..... Community Water Systems: Lead Service Lines Watch Failed

AB 2605, Villapudua (D)..... Water Quality: State Certification Watch Failed

SB 230, Portantino (D)..... State Water Resources Control Board Support if Amended Chaptered

SB 1124, Archuleta (D) Public Health Goal: Primary Drinking Water Standard..... Watch Failed

SB 1426, Caballero (D)..... Cannabis: Water Pollution Crimes Support..... Failed

WATER RIGHTS

AB 1865, Bennett (D)..... Court Fee Waiver: Water Rights Cases..... Support..... Failed

SB 832, Dodd (D) Water Rights: Measurement of Diversion..... Watch Failed

SB 1146, Grove (R)..... Water Rights: Reasonable and Beneficial Use of Water Watch Failed

SB 1205, Allen (D) Water Rights: Appropriation..... Oppose..... Chaptered

| Bill Number, Author | Title | Position | Status |
|---------------------|-------|----------|--------|
|---------------------|-------|----------|--------|

WATER SUPPLY

ACA 13, Mathis (R)Water Infrastructure Projects: Minimum Funding..... WatchFailed

WATER USE EFFICIENCY

AB 2742, Friedman (D)Water Meters: Urban Water Suppliers WatchChaptered

SB 1157, Hertzberg (D).....Urban Water Use Objectives..... NeutralChaptered

WILDFIRE

SB 12, McGuire (D).....Local Government: Planning and Zoning: Wildfires..... WatchFailed

ACTIVITY ON STATE ISSUES

| TITLE | SENT | PURPOSE OF LETTER |
|--|-------------|--------------------------|
| AB 2046 (Medina) Inland Rising Fund | 24 | Letter of Support |
| AB 2142 (Gabriel) Income Taxes Exclusion: Turf Replacement | 44 | Letter of Support |
| AB 2247 (Bloom) PFAS | 60 | Letter of Support |
| AB 2449 (Rubio) Open Meetings: Local Agencies: Teleconference | 15 | Letter of Support |
| AB 2811 (Bennett) Building Standards Commission: Recycled Water | 12 | Statement of Opposition |
| SB 12 (McGuire) Local Government Planning and Zoning: Wildfires | 8 | Statement of Opposition |
| SB 222 (Dodd) Low-Income Water Rate Assistance | 167 | Statement of Opposition |
| SB 1020 (Laird) Clean Energy Jobs, and Affordability Act of 2022 | 84 | Statement of Opposition |
| SB 1157 (Hertzberg) Urban Water Use Objectives | 97 | Statement of Opposition |
| SB 1197 (Rubio) Water Innovation and Drought Resiliency Act of 2022 | 27 | Letter of Support |
| SB 1254 (Hertzberg) Drinking Water: Administrator: Managerial and Other Services | 47 | Letter of Support |
| SB 1426 (Caballero) Cannabis: Water Pollution Crimes | 20 | Letter of Support |
| EMWD Supports the Appointment of Nicole Morgan to the SWRCB | 10 | Letter of Support |
| EMWD Supports the Appointment of Dorene D'Adamo to the SWRCB | 10 | Letter of Support |

| TITLE | SENT | PURPOSE OF LETTER |
|---|-------------|--------------------------|
| EMWD Supports Governor's January Budget Proposal | 7 | Letter of Support |
| EMWD Supports CBMWD's Recycled Water Funding Request | 3 | Letter of Support |
| EMWD Recommendations on Governor's Conservation Executive Order | 17 | Provide Comments |
| EMWD State Legislative Delegation: Consumer Confidence Report (2021) | 8 | Informative Letter |
| Glenn Farrel: Congratulations on your appointment as the Executive Director of CalDesal | 1 | Congratulations |
| EMWD State Legislative Delegation: Thank You for Supporting EMWD's EPA STAG Funding Request | 4 | Thank You |
| Mr. Richard Stapler, Chief of Staff, Senator Richard Laird: Thank You for Meeting with EMWD to Discuss Recycled Water Funding | 1 | Thank You |
| EMWD State Legislative Delegation: Thank You for Your Participating in EMWD's Lobbying Day | 7 | Thank You |



GOVERNOR'S VETO MESSAGES

EMWD TRACKED BILLS

BILL NUMBER: AB 2106
SEPTEMBER 28, 2022

To the members of the California State Assembly:

I am returning Assembly Bill 2106 without my signature.

This bill would require the State Water Resources Control Board (Water Board) to develop a new, statewide commercial, industrial, and institutional stormwater permit. The bill also requires the Water Board to update its stormwater data system and conduct a series of hearings evaluating its stormwater program.

I support efforts to improve stormwater permitting and reporting, as outlined in our 2022 Water Supply Strategy, which sets a priority of helping local governments to develop stormwater capture projects with the goal to increase annual supply capacity. The Water Board has existing authority to set priorities, make findings, and determine the necessity of new stormwater regulations. This bill would result in significant new costs in the millions of dollars that would substantially increase waste discharge fees or require ongoing General Fund.

Changes to stormwater management would be best addressed in our budget process, working with existing authorities, and outlined in the Water Supply Strategy implementation steps. With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending. For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom, Governor

BILL NUMBER: AB 2247
SEPTEMBER 29, 2022

To the members of the California State Assembly:

I am returning Assembly Bill 2247 without my signature.

This bill requires the Department of Toxic Substances Control (DTSC) to contract with a multistate chemical data collection entity to create a publicly accessible reporting platform where manufacturers must annually register products or product components sold or distributed in the state containing perfluoroalkyl and polyfluoroalkyl substances (PFAS).

Through the Safer Consumer Products Program, DTSC utilizes technical expertise and best available data to protect consumers and the environment. DTSC also partners closely with U.S. EPA, which is currently undergoing rulemaking to require reporting of PFAS. Based on this activity, this bill may be premature.

This bill is estimated to cost millions of dollars that would result in increased Environmental Fee rates or General Fund resources for the new contract, staff support, and state oversight responsibilities. With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending.

The Legislature sent measures with potential costs of well over \$20 billion in onetime spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process. For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom, Governor

BILL NUMBER: SB 222
SEPTEMBER 28, 2022

To the members of the California State Senate:

I am returning Senate Bill 222 without my signature.

This bill establishes a Water Rate Assistance Program and Water Rate Assistance Fund to provide water affordability assistance for drinking and wastewater services to low-income ratepayers. The State Water Resources Control Board would be required to administer the program, and community water systems and wastewater systems would be subsequently required to provide rate assistance to residential ratepayers. This is a permanent program that would not be implemented or initiated until funding is provided. At this time, there is no sustainable, ongoing funding identified.

Lowering costs and making sure that Californians have access to safe and affordable drinking water is a top priority of this administration. The last two budgets have provided billions in rebates, debt relief, assistance grants, and free support services. For water costs alone, the 2021-22 Budget provided \$1 billion to the State Water Board for the California Water and Wastewater Arrearage Payment Program, which cleared unpaid water and wastewater debts resulting from the pandemic. This year, our 2022-23 budget added an additional \$200 million to the Low-Income Household Water Assistance Program at the Department of Community Services and Development. These are programs that were both approved and funded by the Legislature.

I commend the author and stakeholders for their work during this Legislative session to craft a vision for such a program. However, this bill does not have any funding identified, and because it is an ongoing program that would require all community water systems and wastewater systems to participate, signing this policy would result in significant General Fund pressures in the billions of dollars to continuously provide such assistance.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process. For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom, Governor

BILL NUMBER: SB 1144
SEPTEMBER 29, 2022

To the members of the California State Senate:

I am returning Senate Bill 1144 without my signature.

This bill requires public schools and state buildings to complete a water efficiency and quality assessment report on their facilities and create a Legionella Management Program for every building over ten stories high with a cooling tower system. Operating agencies would be required to take various remediation and mitigation actions based on the results.

Improving the quality of drinking water in our state's buildings and schools is a priority we share. California's Safe Drinking Water Act tasks the State Water Board with ensuring that public water systems provide uncontaminated, quality, potable water to consumers. The Board regulates water systems; however, oversight of internal plumbing at the individual building level is not a function of the Board. Developing new expertise to adequately implement this bill and develop regulations would require significant new staff and resources.

The scope of this bill is broad, including not just public schools, charter schools, and state buildings, but also buildings leased, maintained, and occupied by a state agency. Implementing this policy would result in substantial, ongoing General Fund and Prop 98 costs in the hundreds of millions of dollars not accounted for in the budget.

With our state facing lower-than-expected revenues over the first few months of this fiscal year, it is important to remain disciplined when it comes to spending, particularly spending that is ongoing. We must prioritize existing obligations and priorities, and this bill could force state agencies and public schools to choose between its implementation and other critical needs.

The Legislature sent measures with potential costs of well over \$20 billion in one-time spending commitments and more than \$10 billion in ongoing commitments not accounted for in the state budget. Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process. For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom, Governor



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POLICY PRINCIPLES



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POLICY PRINCIPLES

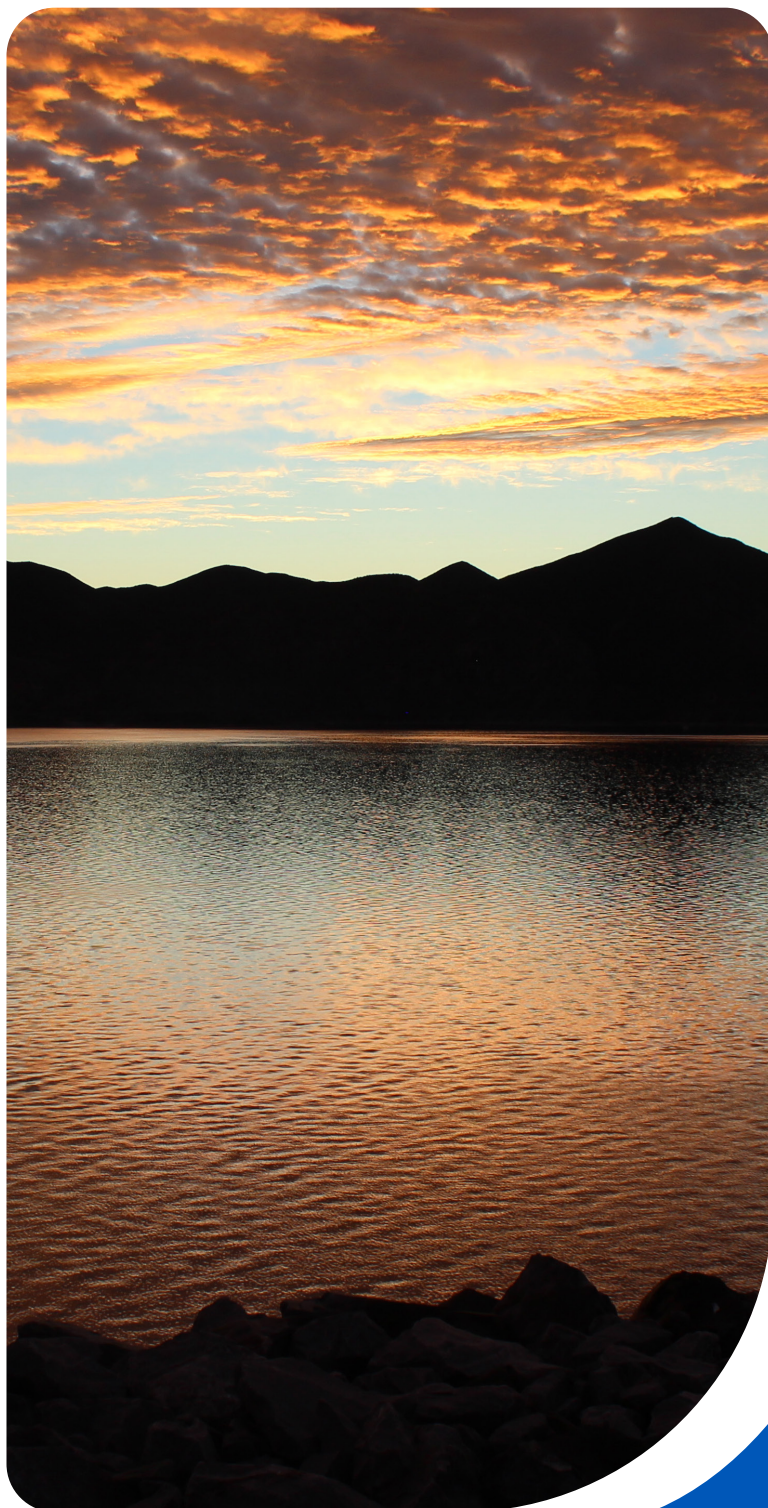
2022 STATE AND FEDERAL LEGISLATIVE PROGRAM

INTRODUCTION

Eastern Municipal Water District (EMWD) has adopted a strategic objective to “Conduct a highly productive and effective federal, state and local advocacy representation program to effectively influence legislation, regulation and funding in a manner that responds to a shifting political landscape, benefits EMWD’s customers and consistently demonstrates industry leadership.” To achieve this objective, the Public and Governmental Affairs Department builds and maintains relationships with legislative and administrative leaders, their staff, and other opinion leaders, and involves all appropriate EMWD disciplines to formulate positions on legislative and policy issues.

In order to achieve EMWD’s strategic objective for policy and community engagement, Government Affairs staff develop Legislative Policy Principles to guide these investments. These principles are consistent with EMWD’s mission statement, values and beliefs and are developed through careful consideration of EMWD’s strategic plan and other foundational planning documents.

Guided by the Legislative Policy Principles, which are adopted by the EMWD Board of Directors, and incorporate the professional opinion of EMWD’s staff, the Government Affairs Team communicates EMWD’s position and actively advocates on pertinent legislative issues. Each Policy Principle category identified below includes a policy goal that will be pursued consistent with the related objectives outlined on the following pages.



OVERARCHING PRINCIPLES

The following four principles are overarching requests of the legislature and the administration that EMWD will be actively pursuing to preserve and protect effective and high-quality water service for our ratepayers, businesses and communities we serve. The overarching principles represent the consistent messaging and requests that will be integrated into all areas of EMWD's policy requests, and they include the following:

- Preserve and protect local control;
- Recognize and respect regional differences and diversity;
- Pursue funding to address mandates, technology innovations, and offset costs for development of projects to further diversify and improve the resilience of EMWD's water supply portfolio; and
- Encourage and actively pursue integration and deployment of tested and reliable technologies to streamline, support, and protect District operations.




WATER SYSTEM OPERATION


Policy Goal: Ensure the safe and reliable delivery of water, wastewater, and recycled water service in an effective, transparent, economical, and affordable manner, while also preserving the ability of water service providers to attract and retain a high quality, inclusive, and reliable workforce.

GOVERNANCE

- Support and inform the implementation of SB 200 (Monning, 2019) and advancement of the overarching Safe and Affordable Funding for Equity and Resilience (SAFER) program to ensure:
 - Adherence to the principles established in these historic efforts:
 - Promote effective deployment of technical, managerial, and financial protocols; and
 - Further safeguard the limited resources available to achieve the stated mission of delivering safe and reliable drinking water for all Californians.
- Support system consolidations and regionalization, where appropriate, for the delivery of safe and reliable drinking water, when accomplished through a public and transparent process.

- Support the utilization of allocation based tiered rates to effectively advance the State’s dual priorities of conservation and the affordable delivery of water service.
 - Support consensus-based reforms to Cortese-Knox-Hertzberg that ensures thorough communication with affected entities, and results in the effective and reliable deployment of public services.
 - Support the consideration of narrow reforms to Proposition 218, preserving responsible rate-setting functions, while enabling water providers to establish a local low-income water rate assistance program when non-ratepayer revenues are not available or sufficient.
- 
- Communicate concern and propose strategies for the reconciliation of mandates and administrative actions that signal conflicting state policies or priorities.
 - Oppose efforts that would result in the inability of water service providers to charge customers the full cost of service, apply connection fees, or establish standby charges.
 - Oppose efforts to mis-characterize reserve funds as “cash on hand” for the purpose of prescribing the use of reserves or mandating a shift of these critical resources.

ADMINISTRATION

- Support the development of pathways for young people to enter water and wastewater service careers and support public agencies.
 - Work with the legislature and regulators to ensure that policy changes or regulatory requirements related to employer responsibilities are clearly defined and lack ambiguity that jeopardize District operations and leave public agencies vulnerable to legal challenge.
 - Preserve the ability of public agencies to pursue locally negotiated strategies to address employee benefits, hiring, and termination policies and agreements.
 - Express concern and opposition when transparency measures jeopardize critical infrastructure, result in the disclosure of ratepayer personal data, or result in unnecessary costs to public agencies.
- 

TECHNOLOGY AND SECURITY

- Support efforts that would advance EMWD’s Geographic Information System Master Plan which is geared towards supporting district operations and provides real-time field data.
- Oppose efforts that would jeopardize water and wastewater plant security or expose sensitive infrastructure.
- Oppose actions that would require a water service provider to store, secure, communicate, or track data that is not germane to core district functions.

GENERAL OBLIGATION BONDS AND OTHER FUNDING STREAMS

Policy Goal: Preserve the responsible and transparent use and development of general obligation bonds, revenue bonds, formation of community service districts, and other reliable funding streams as effective tools to advance projects, programs, and necessary infrastructure geared towards the sustainable delivery of public services.

- Advocate for the distribution of general obligation bond funding in a regionally equitable manner to ensure that traditionally underfunded regions have an opportunity to access these resources.
- Support application of the “beneficiary pays” principle to those capital improvements and infrastructure projects that provide a direct and measurable benefit to ratepayers.
- Support the continued and effective deployment of State Revolving Funds (SRF) that provide valuable resources to advance critical infrastructure.
- Support the use of general obligation bonds that provide broad public benefit, funds projects in disadvantaged communities, and ensures an equitable division of grant and loan opportunities.
- Support the development of general obligation bonds or other funding streams that provide flexibility to local entities to leverage funds with other state, federal, or local resources.
- Oppose policies and efforts that would jeopardize EMWD’s bond rating and standing in the municipal bond market.

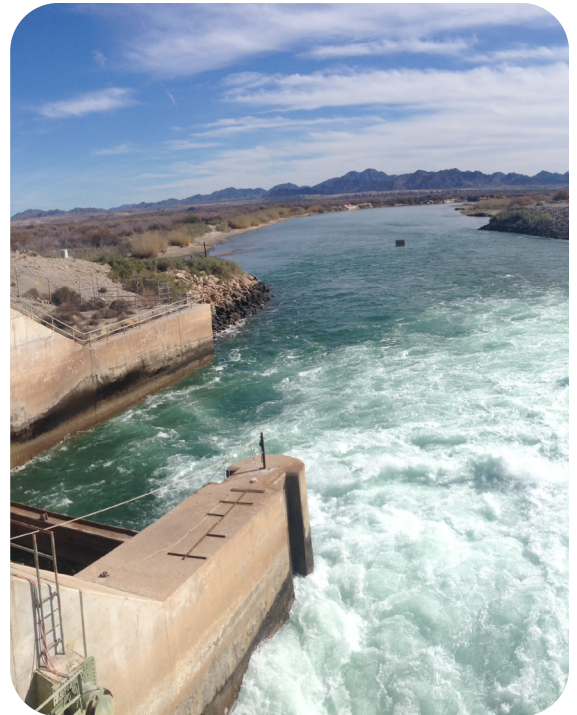


LOCAL AND IMPORTED WATER SUPPLIES

Policy Goal: Implement the co-equal goals of water supply reliability and environmental sustainability in the Sacramento-San Joaquin Bay Delta (Delta) to ensure the delivery of adequate and reliable supplies of water to all Californians, while simultaneously aggressively pursuing the development of long lasting and robust local water supplies.

IMPORTED WATER SUPPLIES

- Support a comprehensive strategy in the Sacramento-San Joaquin Delta (Delta) that includes investment in Delta Conveyance and ecosystem restoration.
- Support efforts to effectively address subsidence of critical California water conveyance systems.
- Support the development of voluntary agreements as a means to improve habitat and flows in the Delta.
- Support implementation of the 2020 Water Resilience Portfolio in a manner that recognizes the need to advance regionally appropriate solutions, while also carefully balancing the need for reliable imported water supplies.
- Support continued collaboration in the Colorado River Basin, including investments in science, and salinity management.

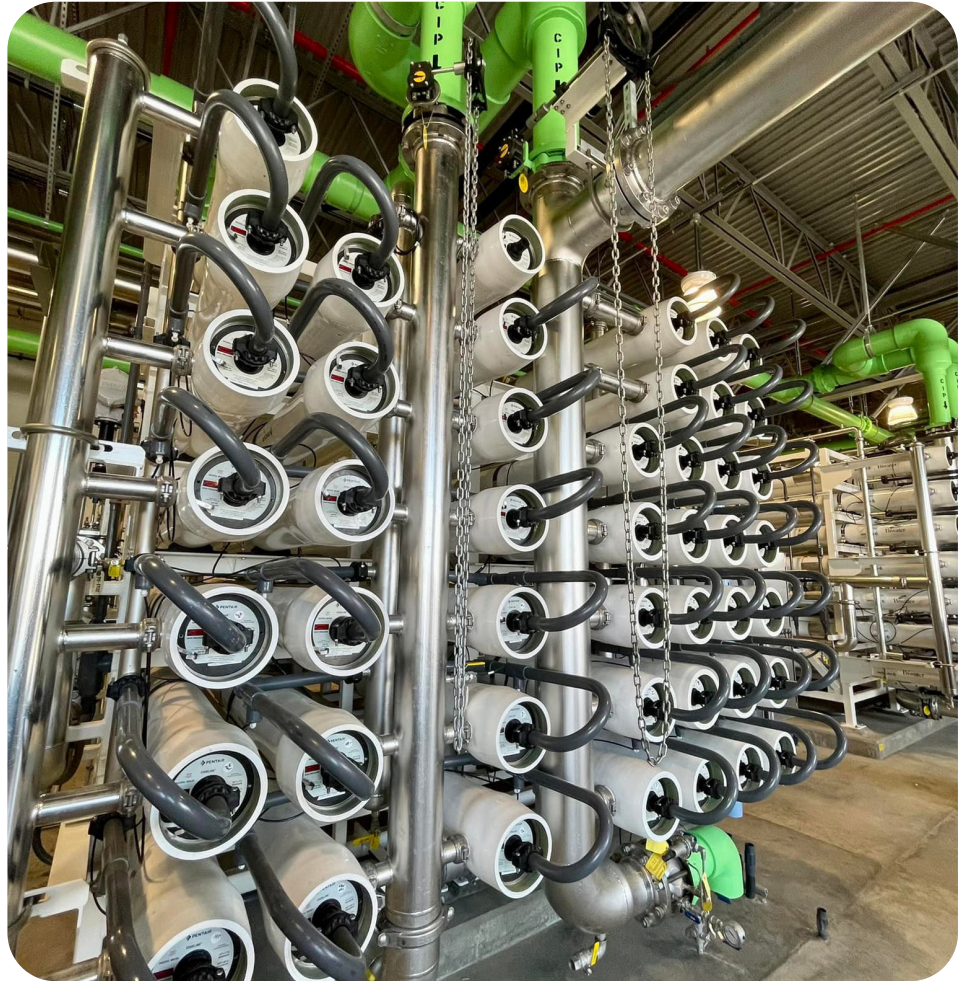


GROUNDWATER STORAGE AND MANAGEMENT

- Support reliable communication, timely plan review, and technical assistance to groundwater sustainability agencies as they seek to advance the goals of the Sustainable Groundwater Management Act (SGMA).
- Support flexibility for Sustainable Groundwater Agencies as they seek to pursue monitoring and project implementation, hold groundwater pumpers accountable, and determine involvement with other government agencies, including counties which have a key role well permit approvals.
- Support and pursue opportunities for local integrated groundwater management and provide flexibility for local water managers to seek interregional and watershed scale planning efforts.
- Support regulations and permit streamlining to help EMWD advance its indirect potable reuse and other innovative reuse and groundwater recharge programs.

BRACKISH GROUNDWATER DESALINATION

- Seek opportunities to advance partnerships with universities, state and federal agencies, private business, and other institutions for the development of improved desalination and brine disposal and concentration technologies, and support innovations to address groundwater impairments.
- Support the recognition that brackish desalination plays a major role in meeting California's future water needs.
- Oppose efforts that would reduce or eliminate the ability to utilize the brine line due to mandatory reductions in ocean water discharge.



WASTEWATER

- Support efforts to inform the public on proper disposal of materials including nonwoven disposable wipes, fats, oils, and grease to protect and support reliable sewer-system operation.
- Promote the collection of stormwater data and monitoring techniques to quantify actual costs, feasibility, and water resource benefits prior to advancing stormwater capture directives and preserve the flexibility of wastewater treatment plant operators to make these investments.
- Prioritize septic-to-sewer conversion opportunities and continue to bring awareness to the needs and impacts that exist in some of the communities within the EMWD service area.
- Support cost effective management of biosolids and oppose regulatory hurdles that unnecessarily restrict the transportation or land application of biosolids.
- Oppose efforts to designate PFAS as a hazardous substance under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), establishing a potential chain-of-liability exposure for water and wastewater providers, or provide a municipal exemption for water and wastewater agencies.

RECYCLED WATER

- Support recycled water use goals that expand its use as a sustainable and efficient water supply.
- Support the use of recycled water for recreational use in a manner that protects public health and safety.
- Support salinity management opportunities as a strategy to improve the sustainability and reliability of recycled water resources.
- Support the completion of research that is consistent with the California Water Reuse Action Plan to complete the following:
 - Measurement and removal of contaminants at increasingly lower regulated levels;
 - Revising regulatory requirements and their application to recycled water end users;
 - Prepare and respond to climate change impacts including flood and drought;
 - Examine the effectiveness of alternative treatment trains; and
 - Advancing new and increased uses of recycled water.
- Support efforts to support and incentivize the expanded application of potable reuse projects.
- Support recycled water use for recharge in groundwater basins while ensuring water quality that protects public health.
- Require consultation and communication with public agencies that operate a centralized recycled water system when seeking to expand use of graywater or onsite recycled water systems.
- Oppose efforts advancing or mandating the application of graywater or onsite recycled water systems in areas that have invested in a dedicated centralized recycled water system, or where such decentralized systems will jeopardize current or future investments in centralized recycled water systems.
- Oppose efforts that would restrict or eliminate the ability of water or recycled water system operators to mandate the use and regular testing of backflow prevention devices.



WATER CONSERVATION AND INTEGRATED WATER MANAGEMENT PLANNING

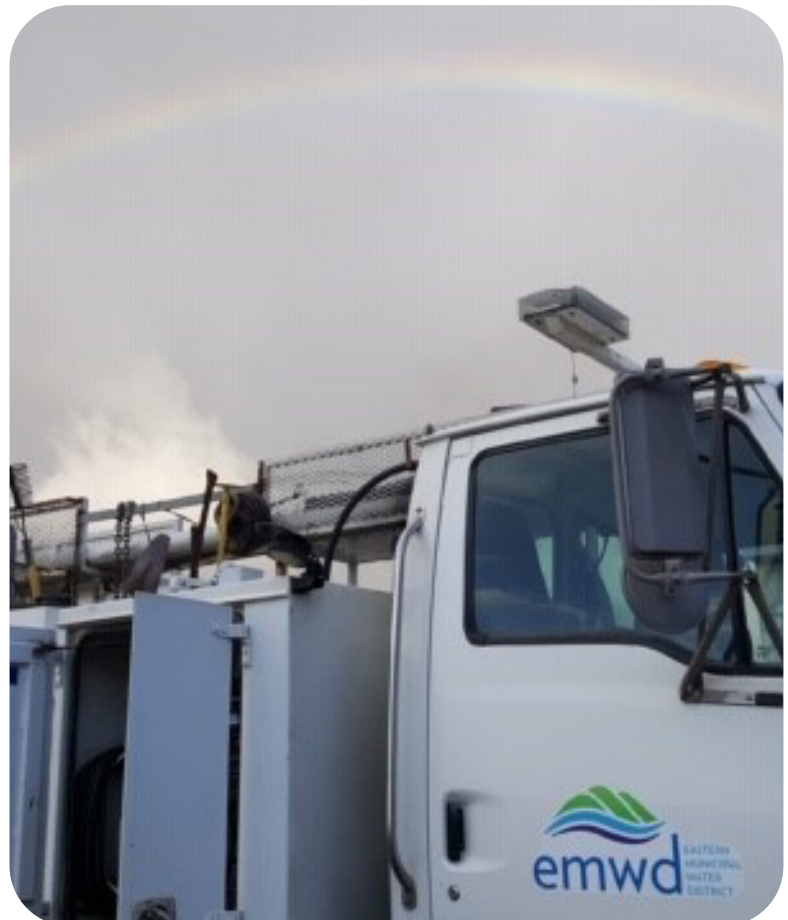
- Support measures at the state and federal level to make water conservation rebates exempt from being considered taxable income.
- Support coordination with local planning and land-use agencies to require water efficient landscaping in new development.
- Ensure that all conservation mandates consider secondary impacts to aggressive indoor water use efficiency standards on potable reuse and wastewater operations, such as greater observance of the “heat island” effect due to indiscriminate removal of irrigated landscaping.
- Oppose mandated conservation measures that circumvent a local water providers conservation objectives.

CLIMATE CHANGE, RESILIENCY, AND REGULATORY COMPLIANCE

Policy Goal: Deploy effective techniques and strategies to address climate change and ensure water resilience, while recognizing the unique characteristics and challenges of each region. Further ensure that all efforts to address climate change, water quality, and other regulatory mandates are grounded in science and advanced through a transparent and collaborative manner.

CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS REDUCTION

- Support collaboration and communication between all state and federal agencies to create opportunities for partnerships.
- Support voluntary water transfers as a means to address water supply resiliency and reduce the impacts of drought.
- Support the pursuit of voluntary methods to address and advance biodiversity, conservation, and preservation related efforts related to advancing 30 x 2030 strategies.
- Support cost-effective solutions to address state and local air quality measures and reduce greenhouse gas emissions.
- Support coordinated emergency response mechanisms to reduce vulnerability to wildfire, flood, drought, and other climate change-related events.



ENVIRONMENTAL AND REGULATORY COMPLIANCE

- Support the continued availability of exemptions from air quality regulators as public agencies pursue conversion of fleet vehicles to alternative fuel and zero-emission vehicles, recognizing that some technologies are not readily available or may be cost-prohibitive.
- Support cooperative efforts between public agencies and regulators as they develop state and federal policies and regulatory requirements to address:
 - Air quality mandates;
 - Reduce thresholds for criteria and toxic pollution reporting;
 - Address constituents of emerging concern;
 - Pursue costly and time-consuming data requests;
 - Advance mandatory electrification requirements.
- Support efforts to advance a “polluter pays” principle to hold polluters accountable.
- Support control methods for the mitigation and elimination of invasive species.
- Support Public Safety Power Shutoff (PSPS) policies that would narrow the scope and duration of PSPS events and encourage more timely notification procedures.
- Support reforms to inverse condemnation laws to allow for those utilities that are negligent in their duties to still be held accountable.
- Support reasonable reforms to the California Environmental Quality Assessment (CEQA) that would establish process reliability and reduce unnecessary or unfounded legal challenges.

ENERGY AND RENEWABLE ENERGY

- Support funding opportunities for investment in back-up energy storage, and other infrastructure needs to prepare public agencies to address PSPS events, prepare for broader deployment of zero-emission fleet vehicles, and support efforts to manage energy use.
- Support an “all-of-the-above” approach as a tool to reduce energy reliance and advance a broader renewable energy portfolio.
- Support broader acknowledgement and investment in cogeneration at wastewater treatment plants as a reliable renewable fuel source.
- Support efforts to promote biosolids as an alternative, renewable fuel source and promote the use of innovate products derived from biosolids.



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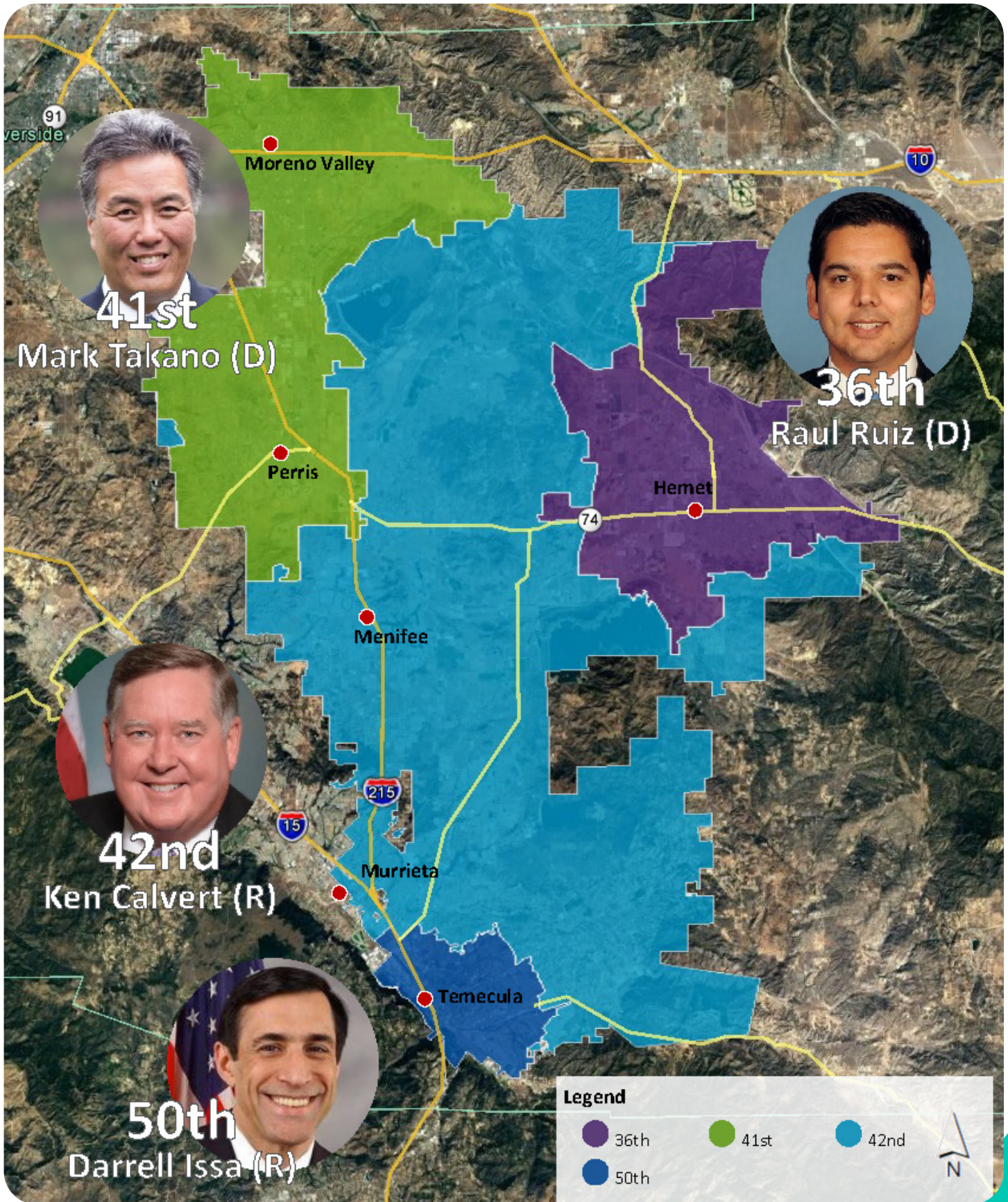


LEGISLATIVE MAPS

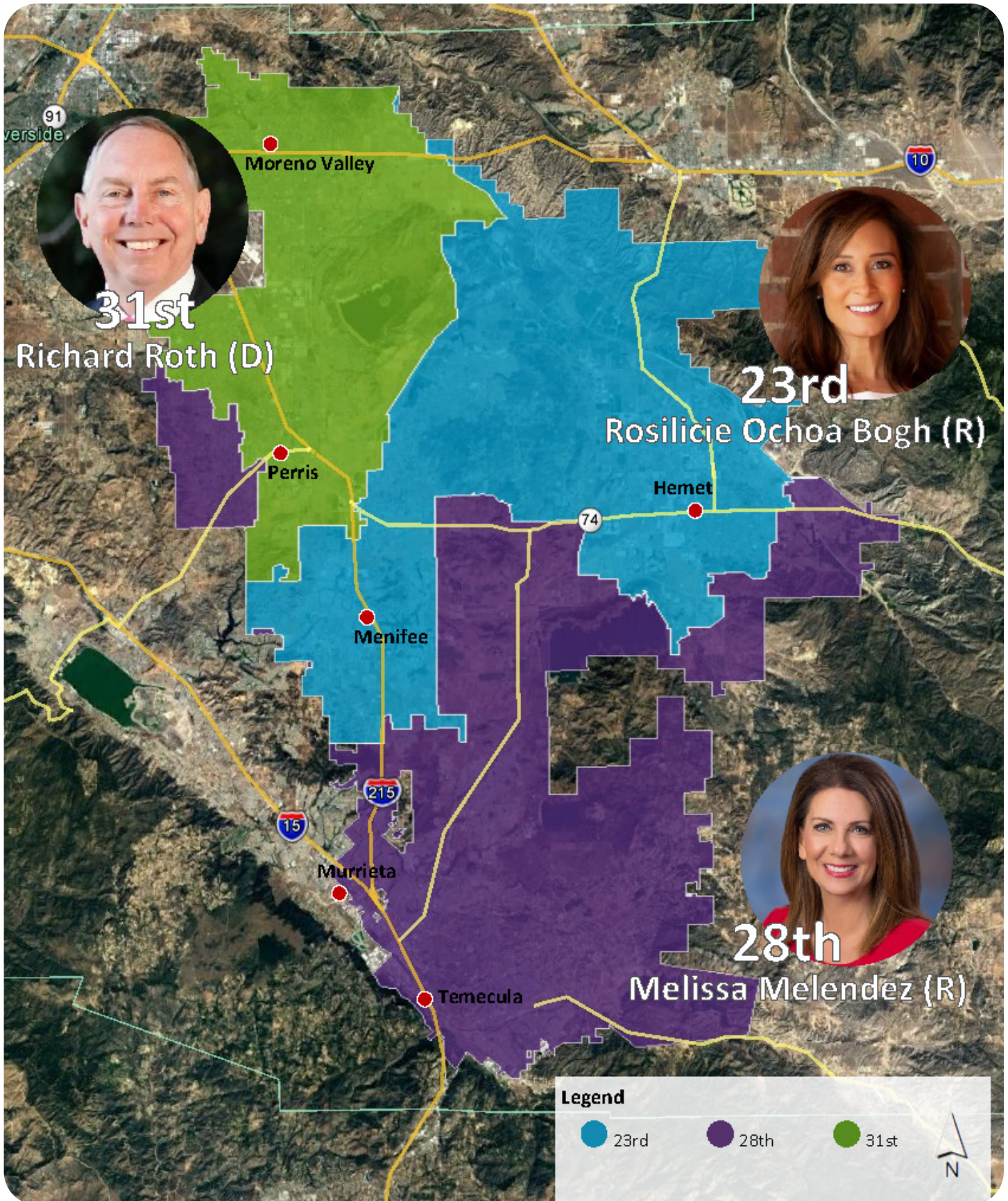


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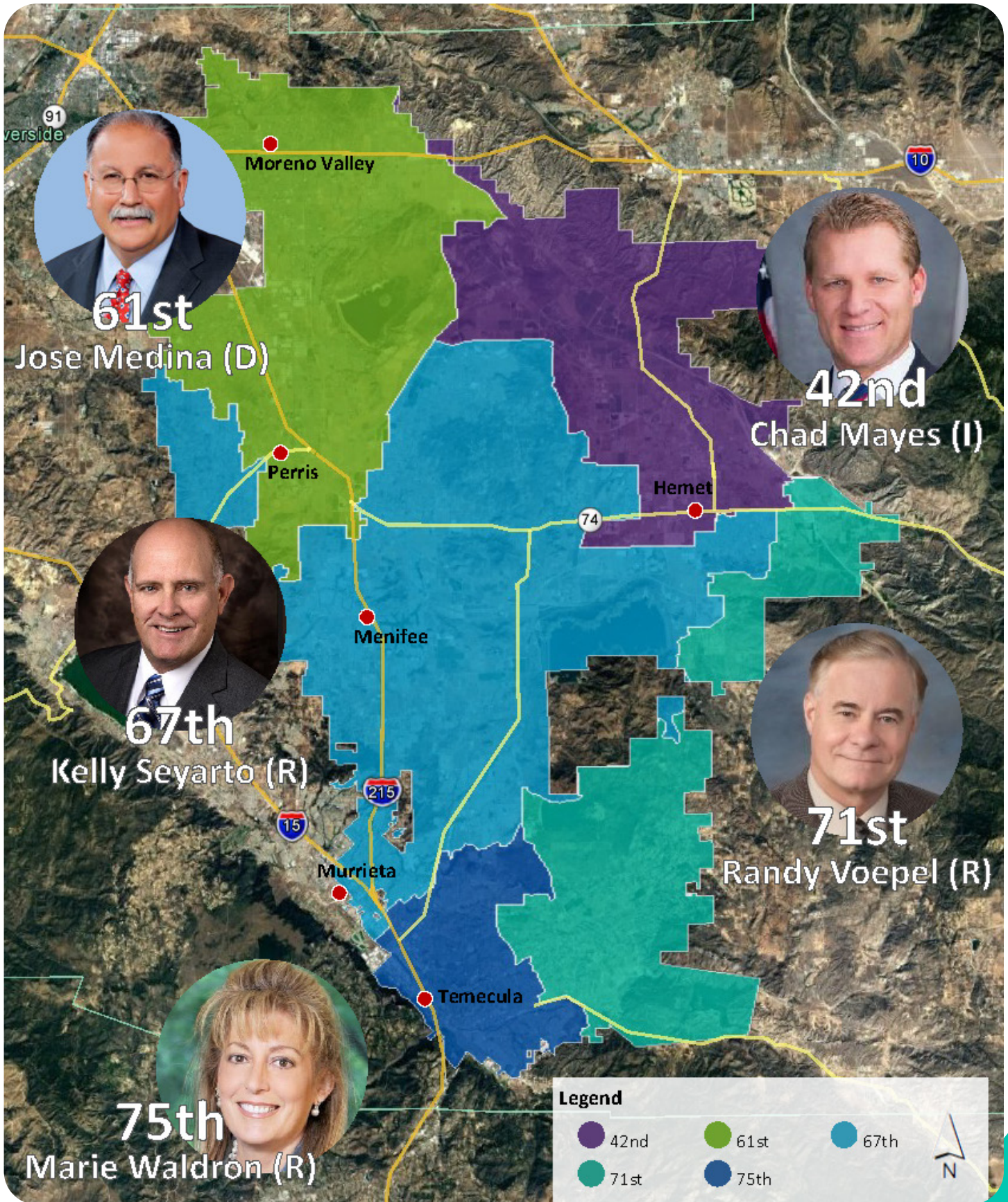
EMWD SERVICE AREA | U.S. HOUSE OF REPRESENTATIVES



EMWD SERVICE AREA | STATE SENATORIAL DISTRICTS



EMWD SERVICE AREA | STATE ASSEMBLY DISTRICT





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APPENDIX



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GLOSSARY OF TERMS

AB

State Assembly Bill

ACA

Assembly (authored) Constitutional Amendment: A proposed change in the state Constitution, which, after approval of two-thirds of the legislators, is submitted to the voters

ACR

Assembly Concurrent Resolution: A measure that can be introduced in either house but must be approved by both houses and filed with the Secretary of State to take effect. These measures usually involve the business of the Legislature

AJR

Assembly Joint Resolution: A legislative opinion on matters pertaining to the federal government, often urging passage or defeat of legislation pending before Congress

Chaptered

When a bill has been passed by the Legislature and enacted into law, the Secretary of State assigns the bill a “chapter number” which is subsequently used to refer to the measure in place of the bill number

(D)

Democratic Party Affiliated

Failed

A bill that does not pass the Legislature

Gutted and Amended

When amendments to a bill remove the current contents in their entirety and replace them with different provisions

HR

Bill originating in the House of Representatives

(I)

Independent

LAT

Legislative Action Team (EMWD)

Measure

A bill, resolution or constitutional amendment considered by the Legislature

(R)

Republican Party Affiliated

S

A bill originating in the United States Senate

SB

State Senate Bill

SCA

Senate (authored) Constitutional Amendment (see ACA)

SCR

Senate Concurrent Resolution (see ACR)

SJR

Senate Joint Resolution (see AJR)

SR

Senate Resolution

Two-Year Bill

A bill that does not pass the Legislature in the first year of the two-year session, can be considered in the second year

Veto

The Governor’s formal rejection of a measure passed by the Legislature

LEGISLATIVE BILL POSITIONS

| POSITION | POSITION DEFINITION AND ACTION |
|--|---|
| Sponsor Priority: A | The legislation is initiated by EMWD. District staff/counsel drafts the bill, requests ACWA, CASA, or another organization to co-sponsor the bill, and then finds a member of the Legislature to introduce the bill. Staff works to advance the measure through the legislative process by writing letters and contacting legislators and the Governor's office; negotiates with stakeholders to address concerns and solicits support. Attends committee hearings to provide testimony and technical information. |
| Support Priority: A | The legislation furthers the goals of the District and is consistent with its Strategic Plan. District staff notifies the author and sponsor of the bill, in writing, that the District supports the measure, then sends support letters, and contacts other members of the Legislature and committee consultants to solicit support. Monitors progress of the bill, watches for amendments that may change the District's position. Works with coalitions or organizations such as ACWA, CASA, CSDA, MWD, and SAWPA to encourage the bill's passage. |
| Support if Amended Priority: A | Generally positive legislation, however if amendments were made the District could support it. District staff works with the author and sponsor of the bill, and organizations such as ACWA, CASA, CSDA, MWD, and SAWPA to incorporate amendments that will align the bill to the District's mission and goals. Monitors the bill for amendments that may change the District's position. |
| Oppose Priority: A | The legislation will have a detrimental effect on the District and its constituents. District staff notifies the bill's author and sponsor, members of the Legislature, committee consultants, and the Governor's office of District concerns and requests opposition. Staff works with coalitions and/or organizations such as ACWA, CASA, CSDA, MWD, and SAWPA to kill the bill. Testifies at hearings against the bill and continues to monitor and urge opposition. |
| Oppose Unless Amended Priority: A | Generally negative legislation; however with specific amendments the District may remove its opposition. District staff works with the bill's author and sponsor, and organizations such as ACWA, CASA, CSDA, MWD, and SAWPA to amend the bill so the District is not negatively impacted by the measure. |

LEGISLATIVE BILL POSITIONS

| POSITION | POSITION DEFINITION AND ACTION |
|--|---|
| <p>Favor/Support Not Favor/Oppose Priority: B</p> | <p>The District agrees or disagrees with certain provisions, but the bill will not have a significant impact on the District. District staff monitors, as well as supports or opposes these bills in concept; no action is taken.</p> |
| <p>Concerns Priority: A</p> | <p>The legislation includes elements that are concerning or could negatively impact the District, however the author has expressed an interest in working with stakeholders on the issue. Provides an opportunity for the District to engage in conversations on legislation with a willingness to modify the position if the circumstances or outstanding language is addressed. Submits letters, engages on working groups, and works with coalitions to draft amendments to the bill language.</p> |
| <p>Watch Priority: C</p> | <p>The bill does not have a direct impact on the District. District staff monitors the bill and watches for amendments that may alter the bill and prompt District action.</p> |
| <p>Neutral Priority: D</p> | <p>The bill has no impact on the District. No action or monitoring is required.</p> |

BILL CATEGORY EXPERTS

| SUBJECT | COMMITTEE MEMBER(S) | DISTRICT EXPERT(S) |
|--|----------------------------------|---------------------------|
| Air Quality and Priority Reserve | Al Javier | Alison Torres |
| Alternative Energy Sources | Dan Howell, Matthew Melendrez | Sam Robinson |
| Assessment, Fees, and Charges | Laura Nomura | John Adams |
| Beneficiaries Pay Principle | Jolene Walsh, | |
| Biodiesel/Biogas | Al Javier, Matthew Melendrez | Abdiel Picazo |
| Biosolids | Al Javier, Matthew Melendrez | |
| Brown Act/Open Meeting Laws | | Steven O'Neill |
| Delta Solution (BDCP, budget, environmental water account, governance, water storage, water conservation) | Jolene Walsh | |
| California Endangered Species Act | Al Javier | |
| California Environmental Quality Act | Al Javier | |
| Colorado River Resources | Jolene Walsh | |
| Commissions and Agencies | Jolene Walsh | |
| Community Facilities District | Laura Nomura, John Adams | Thomas Hayes |
| Constituents of Emerging Concern | Al Javier | Matthew Melendrez |
| Cross-Connection Control/Backflow | Al Javier | Jim Lee |
| Desalination and Brine Disposal | Matthew Melendrez | Phil Lancaster |
| Elections, Initiative, and Referendum | Jolene Walsh | |
| Eminent Domain, Inverse Condemnation | | Chris Teague |

BILL CATEGORY EXPERTS

| SUBJECT | COMMITTEE MEMBER(S) | DISTRICT EXPERT(S) |
|---|-------------------------------|-----------------------------------|
| Employment and Employee Relations (prevailing wage, public agency employees) | Joe Opris | Cory Elmore |
| Energy and Utilities (conservation, demand reduction, generation, rates/regulation (PUC)) | Matthew Melendrez, Dan Howell | Sam Robinson |
| Finance and Investments | Laura Nomura | Traci Lee, Thomas Hays |
| Fish and Wildlife Protection | Al Javier | |
| Flood Protection, Flood Plain Management, and Levees | Al Javier, Jolene Walsh | John Ward |
| Grants and Loans | | Vincent Lopez, Nicolette Jonkhoff |
| Graywater | Al Javier | Jim Lee |
| Grease Traps/Interceptors | Matthew Melendrez | |
| Groundwater/Conjunctive Use/IRRP | Al Javier | Tom Henderson |
| Identity Theft | | Mike Malone, Steven O'Neill |
| Information Systems | | Mike Malone |
| Insurance and Liability | Doug Hefley | |
| Integrated Regional Water Management Planning | | |
| LAFCO | Dan Howell | |
| Land Use and Planning | Dan Howell | |
| Metropolitan Water District of SoCal | Jolene Walsh | |
| Natural Community Conservation Plans (NCCP's) | Al Javier | |
| Natural Disasters | Matthew Melendrez | Doug Hefley |

BILL CATEGORY EXPERTS

| SUBJECT | COMMITTEE MEMBER(S) | DISTRICT EXPERT(S) |
|--|---------------------------------|--|
| Notary Public | | Michelle Herrington |
| Occupational Safety and Health | Doug Hefley | |
| Parks, Recreation and Body Contact | Al Javier | Jim Lee |
| Political Reform Act | | |
| Pollution Prevention | Al Javier | |
| Prevailing Wage/Labor Compliance | Dan Howell | Bruce Mitzel, Amy Eichperger |
| Property Tax and ERAF | | Thomas Hays |
| Public Contracts (Competitive Bidding)/ Public Works | Dan Howell | Bruce Mitzel, Amy Eichperger, Chris Teague |
| Public Employees Retirement System (PERS) | Joe Opris | Tracy Perez |
| Public Records Act | | Michelle Herrington |
| Recycled Water | Al Javier, Matthew Melendrez | Jim Lee |
| Redevelopment | Laura Nomura | |
| Regional Boards | Al Javier, Matthew Melendrez | |
| Reserves for special districts | Laura Nomura | |
| Safe Drinking Water | Al Javier | Michelle Karras |
| Salinity Management | Al Javier | Tom Henderson |
| Source Control | Al Javier | |
| State Boards | Al Javier, Matthew Melendrez | |

BILL CATEGORY EXPERTS

| SUBJECT | COMMITTEE MEMBER(S) | DISTRICT EXPERT(S) |
|---|-------------------------------|--------------------------------------|
| State Budget | Laura Nomura, Jolene Walsh | |
| Subdivision Map Act | | |
| Urban Water Management Planning Act | | |
| Wastewater Treatment | Matthew Melendrez | Lanaya Alexander |
| Water Bonds | | Vincent Lopez, Nicolette JonKhoff |
| Water Quality (Hazardous substances/toxics, nonpoint sources, solid waste, underground storage tanks) | Al Javier | |
| Water Quality Laboratory | Al Javier | Andrew Rozenstraten |
| Water Resources Development | Tom Henderson | |
| Water Rights | Tom Henderson | |
| Water Softeners | Al Javier | |
| Water Supply Assessments | | Lanaya Voelz Alexander |
| Water Transfers (water marketing, wheeling) | | |
| Water Use Efficiency, Water Conservation | | Lanaya Voelz Alexander |
| Watershed Protection | Al Javier | |
| Wetlands | Al Javier | |

STANDING COMMITTEE ABBREVIATIONS

SENATE COMMITTEES

| | |
|--|----------|
| Agriculture | AGRI |
| Appropriations..... | APPR |
| Banking and Financial Institutions | BF&I |
| Budget and Fiscal Review..... | B&FR |
| Business Professions and Economic Development..... | BP&ED |
| Education | ED |
| Elections and Constitutional Amendments | ELEC&CA |
| Emergency Management | EM |
| Energy, Utilities and Communications..... | EU&C |
| Environmental Quality | EQ |
| Governance and Finance | GOV&FIN |
| Governmental Organization..... | GO |
| Health | HEALTH |
| Housing | HOUSE |
| Human Services | HUMANSVS |
| Insurance..... | INS |
| Judiciary | JUD |
| Labor, Public Employment and Retirement..... | L,PE&R |
| Military and Veterans Affairs..... | M&VA |
| Natural Resources and Water | NR&W |
| Privacy and Consumer Protection | P&CP |
| Public Safety | PUBSAFE |
| Rules..... | RULES |
| Transportation | TRANS |

STANDING COMMITTEE ABBREVIATIONS

ASSEMBLY COMMITTEES

| | |
|---|-------------|
| Accountability and Administrative Review | ACTBTY&ADMR |
| Aging and Long-Term Care | A<C |
| Agriculture | AGRI |
| Appropriations..... | APPR |
| Arts, Entertainment, Sports Tourism and Internet Media..... | AEST&IM |
| Banking and Finance..... | B&F |
| Budget..... | BUDG |
| Business and Professions | BUS&PROF |
| Communications and Conveyance | COM&CONV |
| Education | ED |
| Elections and Redistricting..... | E&R |
| Environmental Safety and Toxic Materials | ENVS&TOXM |
| Governmental Organization..... | GO |
| Health | HEALTH |
| Higher Education..... | HIED |
| Housing and Community Development | H&CD |
| Human Services | HUMANSVS |
| Insurance..... | INS |
| Jobs, Economic Development, and the Economy | JED&E |
| Judiciary | JUD |
| Labor and Employment..... | L&E |
| Local Government..... | LGOV |
| Military and Veterans Affairs..... | M&VA |
| Natural Resources..... | NATRES |
| Public Employment and Retirement..... | PE&R |
| Public Safety | PUBSAFE |
| Revenue and Taxation | REV&TAX |
| Rules..... | RULES |
| Transportation | TRANS |
| Utilities and Energy..... | U&E |
| Veterans Affairs | VA |
| Water, Parks, and Wildlife..... | WP&W |

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THE 2022 ANNUAL LEGISLATIVE REPORT



SERVING
OUR COMMUNITY
TODAY AND
TOMORROW

EASTERN MUNICIPAL WATER DISTRICT
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WWW.EMWD.ORG
951.928.3777 EXT. 3430



WATER • WASTEWATER • RECYCLED WATER