



**COMMUNITY AND LEGISLATIVE AFFAIRS
COMMITTEE MEETING
OF THE BOARD OF DIRECTORS
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CALIFORNIA**

**WEDNESDAY, AUGUST 14, 2019
9:00 A.M.**

CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form, which is available on the table in the Board Room. Comments will be limited to three minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEMS

A. MINUTES

The Committee will be asked to approve the Community and Legislative Affairs Committee meeting minutes of June 12, 2019 and July 10, 2019.

2. INFORMATION ITEMS

A. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)

B. STATE LEGISLATIVE REPORT AND MATRIX – WEST COAST ADVISORS (WRITTEN)

C. FEDERAL LEGISLATIVE REPORT AND MATRIX – INNOVATIVE FEDERAL STRATEGIES (WRITTEN)

D. CALIFORNIA STRATEGIES MONTHLY REPORT (WRITTEN)

3. **GENERAL MANAGER'S COMMENTS**
4. **COMMITTEE MEMBER COMMENTS**
5. **COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**
6. **ADJOURN**

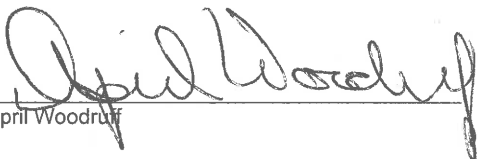
*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: sh

DECLARATION OF POSTING

I, April Woodruff, Board Secretary/Office Manager of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino on Thursday, August 8, 2019.


April Woodruff

**ACTION
ITEM
1A**



**MINUTES
COMMUNITY AND LEGISLATIVE AFFAIRS
COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA**

**WEDNESDAY, JUNE 12, 2019
9:00 A.M.**

COMMITTEE MEMBERS PRESENT

Paul Hofer, Chair
Kati Parker

COMMITTEE MEMBERS ABSENT

Jasmin Hall

STAFF PRESENT

Shivaji Deshmukh, General Manager
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Andrea Carruthers, Manager of External Affairs
Warren Green, Manager of Contracts and Procurement
Cathleen Pieroni, Manager of Government Relations
Matthew Poeske, Construction Project Manager
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

Eric Grubb, CVWD

The meeting was called to order at 9:08 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS

The Committee:

- ◆ Approved the Community and Legislative Affairs Committee meeting minutes of April 10, 2019.

Manager of Government Relations Cathleen Pieroni stated there were revisions to the original recommendation due to fast moving legislative changes. Ms. Pieroni stated that AB 217 (E.Garcia) has been removed, while SB 45 (Allen) and SB 1 (Atkins, Porantino, Stern) have been added to the recommendations. She suggested splitting the bills into two items – one for the Consent Calendar and one for Action.

- ◆ Recommended that the Board adopt the following positions:

1. Oppose for AB 756 (C.Garcia);
2. Support for AB 841 (Ting);
3. Support for AB 1588 (Gloria);
4. Support if Amended for SB 667 (Hueso); and

as a Consent Calendar Item on the June 19, 2019 Board meeting agenda.

- ◆ Recommended that the Board adopt the following positions:

1. Support for SB 200 (Monning);
2. Support for SB 414 (Caballero);
3. Support for ACA 1 (Aguiar-Curry);
4. Support if Amended for SB 45 (Allen);
5. Oppose unless Amended for SB 1 (Atkins, Portantino, and Stern);

as an Action Item on the June 19, 2019 Board meeting agenda

- ◆ Recommended that the Board adopt a support position on:

1. HR 1162 (Napolitano) – The Water Recycling Investment and Improvement Act;
2. HR 1764 (Garamendi) – To amend the Federal Water Pollution Control Act with respect to permitting terms; and
3. HR 2313 (Huffman) – Water Conservation Rebate Tax Parity Act;

as a Consent Calendar Item on the June 19, 2019 Board meeting agenda.

INFORMATION ITEMS

The following information items were presented or received and filed by the Committee:

- ◆ Public Outreach and Communications
- ◆ State Legislative Report and Matrix – West Coast Advisors
- ◆ Federal Legislative Report and Matrix – Innovative Federal Strategies
- ◆ California Strategies Monthly Report

GENERAL MANAGER'S COMMENTS

General Manager Shivaji Deshmukh stated that as a result of a joint ad hoc meeting held on June 5, 2019, a resolution will be brought forth in support of updating the Chino Basin Optimum Basin Management Program at the June 19 Board meeting.

COMMITTEE MEMBER COMMENTS

There were no Committee member comments.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

There were no Committee member requests for future agenda items.

With no further business, President Hofer adjourned the meeting at 9:56 a.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: AUGUST 14, 2019

DRAFT



**MINUTES
COMMUNITY AND LEGISLATIVE AFFAIRS
COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA**

**WEDNESDAY, JULY 10, 2019
9:00 A.M.**

COMMITTEE MEMBERS PRESENT

Jasmin A. Hall, Chair

COMMITTEE MEMBERS ABSENT

Paul Hofer

STAFF PRESENT

Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Jerry Burke, Deputy Manager of Engineering
Cathleen Pieroni, Manager of Governmental Relations
Craig Proctor, Source Control/Environmental Resources Supervisor
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

Eric Grubb, CVWD

The meeting was called to order at 9:00 a.m. There was no quorum.

With no further business, Board Secretary/Office Manager April Woodruff adjourned the meeting at 9:01 a.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: AUGUST 14, 2019

INFORMATION

ITEM

2A



Date: August 21, 2019

To: The Honorable Board of Directors
Committee: Community & Legislative Affairs

From: Shivaji Deshmukh, General Manager

ASD
08/14/19

Executive Contact: Kathy Besser, Executive Manager of Ext. Aff. & Policy Dev./AGM

Subject: Public Outreach and Communication

Executive Summary:

IEUA staff promoted Smart Irrigation Month in July. Hose nozzles were available for residents within IEUA's service area. Residents who followed IEUA on one of the Agency's social media platforms received an outdoor water saving kit as well. Marketing and outreach focused on smart irrigation tips were distributed through a press release, social media and advertisements.

August is recognized as Water Quality Month. Staff will be highlighting the importance of a high-quality water supply as well as featuring the Agency's new lab. Outreach will be conducted through social media channels.

Staff has reviewed the Garden in Every School® applications. Three schools have been selected for site evaluations that will take place in early September. The three selected schools are: Randall Pepper Elementary (Fontana), Loving Savior (Chino Hills), and St. Joseph (Upland).

Staff's Recommendation:

This is an informational item for the Board of Directors to receive and file.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

Fiscal Impact (explain if not budgeted):

Prior Board Action:

N/A

Environmental Determination:

Statutory Exemption

N/A

Business Goal:

IEUA is committed to providing a reliable and cost-effective water supply and promoting sustainable water use throughout the region.

IEUA is committed to enhancing and promoting environmental sustainability and the preservation of the region's heritage.

Attachments:

Attachment 1 - Background

Background

Subject: Public Outreach and Communication

August

- Water Quality Month
- August 7, Blood Drive, 8:00 a.m. – 1:00 p.m., HQB Event Room
- August 9, San Bernardino County Water Conference, 7:30 a.m. – 9:00 a.m. (Registration, Breakfast and Networking); 9:00 a.m. – 1:00 p.m. (Conference), DoubleTree Hotel-Ontario: 222 North Vineyard Avenue, Ontario

September

- September 19, IERCF and RP-4 Battery/Solar Project Dedication, Time and Exact Location TBD
- September 24, IEUA Leadership Breakfast: Keynote: Karla Nemeth, Director of the California Department of Water Resources, 8:00 a.m. – 9:30 a.m., DoubleTree Hotel: 222 N. Vineyard Avenue, Ontario.

October

- National Energy Awareness Month
- October 5-12, Water Professionals Appreciation Week
- October 12, Landscape and Water Conservation Fair, 10:00 a.m. – 2:00 p.m., Waterwise Community Center: 4594 San Bernardino Street, Montclair

Media and Outreach

- IEUA staff promoted *Smart Irrigation Month* in July. Hose nozzles were available for residents within IEUA's service area. Residents who followed IEUA on one of the Agency's social media platforms received an outdoor water saving kit as well. Marketing and outreach focused on smart irrigation tips were distributed through a press release, social media and advertisements.
- August is recognized as Water Quality Month. Staff will be highlighting the importance of a high-quality water supply as well as featuring the Agency's new lab. Outreach will be conducted through social media channels.
- Staff is working on the development of an Agency video that features Regional Water Recycling Plant No. 5 and highlights the treatment process.
- A *Kick the Habit* ad ran in the *Champion's Healthy Living* section on July 20.
- A *Smart Irrigation Month* ad ran in the *La Opinion* on July 19.
- A *Kick the Habit* ad will run in the *IE Magazine* September issue.
- A *Kick the Habit* ad will run in the *IE Magazine* October issue.
- The *Kick the Habit* digital banner ad continues to run in the *Fontana Herald News*.
- July: 11 posts were published to the IEUA Facebook page, 11 posts were published to IEUA's Instagram and 11 tweets were sent on the @IEUAWater Twitter handle.

- The top three Facebook posts, based on reach and engagement, in the month of July were:
 - 7/17: Solar Cup Board Meeting
 - 7/3: Independence Day Office Closure
 - 7/2: First Hose Nozzle Post
- The top three tweets, based on reach and engagement, in the month of July were:
 - 7/30: Add a Splash of Color and Save a Splash of Water Post
 - 7/17: Solar Cup Board Meeting
 - 7/4: Independence Day Office Closure
- The top three Instagram posts, based on reach and engagement, in the month of July were:
 - 7/17: Solar Cup Board Meeting
 - 7/2: First Hose Nozzle post
 - 7/24: Second Hose Nozzle post

For the month of July, there were 8,203 searches for a park in IEUA's service area on Yelp, where Chino Creek Wetlands and Education Park was viewed 622 times on a mobile device.

Education and Outreach Updates

- Staff has reviewed the Garden in Every School® applications. Three schools have been selected for site evaluations that will take place in early September. The three selected schools are: Randall Pepper Elementary (Fontana), Loving Savior (Chino Hills), and St. Joseph (Upland).

INFORMATION
ITEM
2B

July 30, 2019



West Coast Advisors
Strategic Public Affairs

To: Inland Empire Utilities Agency

From: Michael Boccadoro
Beth Olhasso
Maddie Munson

RE: July Report

Overview:

The legislature is on a four-week summer recess after working to move hundreds of bills through the final policy committees of the year. While some big issue bills were successfully passed, including safe and affordable drinking water and utility response to wildfires, other bills did not fare as well. Still, hundreds more will need to be dispensed within the final month of the legislative session when members return on August 12. SB 1 (Atkins, San Diego) continues to be the biggest bill left for the water community. The pro Tem's staff is still unwilling to remove provisions that could jeopardize the voluntary settlement agreements. The coalition opposed to the bill has spent significant time with the administration on the issue in the hopes that administration officials can convince the pro Tem that her bill would have significant negative consequences on the voluntary agreements, a key water policy for the Newsom Administration.

Per- and Polyfluoroalkyl Substances (PFAS) is the hottest topic within the Sacramento water community lately. The SWRCB Division of Drinking Water (DDW) is proposing to change the Notification and Response Levels for PFAS without a public process. These chemicals are prevalent in groundwater and recycled water and are extremely difficult to remove. DDW has agreed to work with water, wastewater and recycled water stakeholders this fall as they develop new Response Levels.

Water managers across the state continue to await the release of the highly anticipated Biological Opinions and the new operational criteria for the Central Valley Project and the State Water Project. Some anticipated a July 1 release for the BiOps but after the Trump Administrations added new biologists and attorneys to the team, the release has been delayed another two months. In the meantime, the Bureau of Reclamation has released the draft environmental impact statement for the project operations and will be taking public comment for 45 days.

The Newsom Administration made some long-awaited announcements, reappointing Karla Nemeth as Department of Water Resources director and Chuck Bonham as director of the Department of Fish and Wildlife. Newsom also named Marybel Batjer as the replacement for California Public Utilities Commission President Michael Picker.

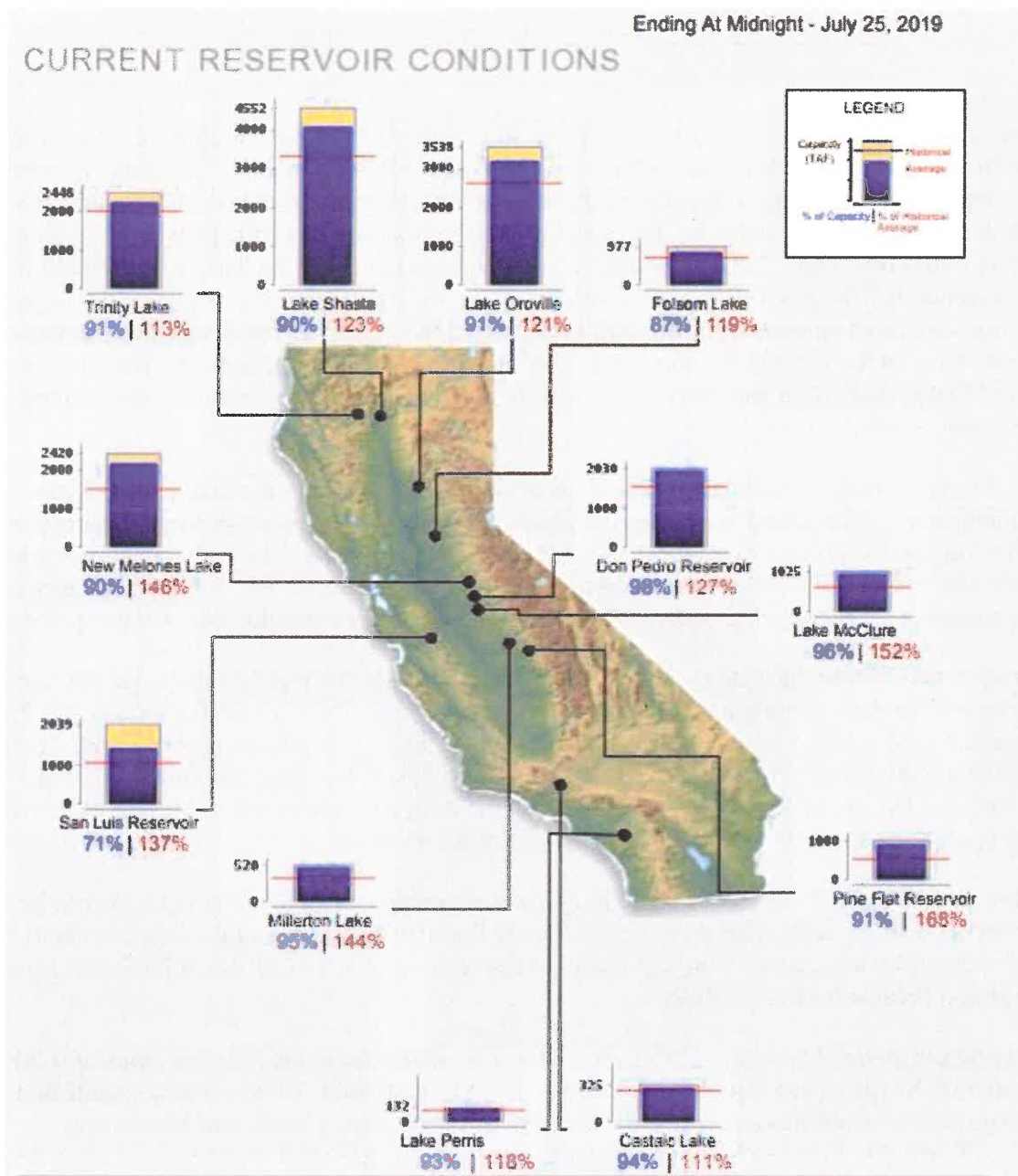
Addressing utility liability from wildfires has been a persistent topic the past few years as wildfires ravished both Northern and Southern California. The SB 901(Dodd, 2018) process established a "stress test" to govern how utilities can recover costs from 2017 wildfires (Tubbs and Mendocino Complex/North Bay fires in PG&E and Thomas fire in SCE). AB 1054 (Holden) addresses fires in

2019 and beyond, hoping to create a more stable economic environment and reduce the liability caused by worsening fire conditions and irresponsible utilities that have allowed their infrastructure to deteriorate.

Inland Empire Utilities Agency Status Report – July 2019

Water Supply Conditions

With warming summer temperatures comes snowpack melt. After a robust winter and spring, all major reservoir levels remain well above the average for this time of the year and many are near capacity.



Late in the water year, the Bureau of Reclamation decided to increase the Central Valley Project south of Delta contractors' allocations to 75 percent. State Water Project contractors remain at 75 percent. The limited allocations despite significant available supplies, are a vivid reminder of the problems with California's water supply system.

Per- and Polyfluoroalkyl Substances (PFAS)

The SWRCB Division of Drinking Water (DDW) quietly tried to change the Notification and Response Levels for PFAS. When DDW was under the CA Department of Public Health they could make changes to notification and response levels for substances without having to go through a public process, mostly because there was no decision-making body at CDPH. When DDW got brought over to the SWRCB, they retained those powers, even though they are now under the governance of state board members.

PFAS chemicals are generally used in cookware (non-stick pans), food packaging, polishes, waxes, paints, textiles, clothing, cleaning products, firefighting foam and many other commonly used products. PFAS can easily move through soil and into groundwater aquifers and are not known to breakdown in the environment. They are found in groundwater, recycled water and drinking water.

In 2016 the US EPA established a drinking water health advisory of 70 PPT. For context, 70 PPT would be similar to filling the Rose Bowl full of water and adding just a few drops of PFAS. In February of this year, the EPA released a PFAS Action Plan which calls for continued research and improving methods of detection.

There are three treatment methods for PFAS. Activated carbon works on the longer PFAS chains, but isn't proving to work on the shorter chains. Ion exchange and reverse osmosis are the other two treatment methods currently under study.

Controlling and eliminating PFAS has been a nation-wide movement, with over 30 states passing regulations or legislation to deal with the issue. California has started down the regulatory path with DDW quietly and without public notice proposing new notification and response levels for PFAS in the state. IEUA joined many other agencies in asking DDW to delay their new rules until a more robust public discussion could occur.

DDW agreed to delay the Response Level changes until October, but is likely to announce new Notification Level levels any day. Notification Levels do not require general public notification, only notification in the annual consumer confidence report. A bill on the Governor's desk, AB 756 (C. Garcia D- Bell Gardens) increases the public outreach requirements significantly should a Response Level be triggered.

There is significant concern that tertiary treated water could trigger a Response Level, should the levels be dropped, requiring the agency to either take the water out of production or increase treatment levels to take out the PFAS before use in purple pipe or recharged into the ground.

The water community is now extremely engaged in the issue. The issue has been elevated to Secretaries Blumenfeld and Crowfoot, the legislature, and the SWRCB members. WCA is actively participating in efforts to ensure there is a robust public process as the Response Level regulations are developed and will work with IEUA management and staff as the process moves along.

Water Bond Proposal Filed with Secretary of State

Joe Caves, with Conservation Strategy Group, recently filed a nearly \$9 billion water bond initiative with the Secretary of State: Wildfire Prevention, Safe Drinking Water, Drought Preparation and Flood Protection Bond Act of 2020. [Click for full text](#)

The bond has six chapters/broad funding areas:

- Chapter 3: \$3.5 Billion for wildfire prevention and community resilience from climate change impacts
- **Chapter 4: \$2.2 Billion for safe drinking water, protecting water supply and water quality from climate change (see below for details on this chapter)**
- Chapter 5: \$975 million for protecting fish and wildlife from climate risk
- Chapter 6: \$200 million for protecting agricultural land from climate risk
- Chapter 7: \$770 million for protecting costal lands, bays and oceans from climate risk
- Chapter 8: \$230 million for climate resilience, workforce development and education

Chapter 4- Safe Drinking Water, Protecting Water Supply and Water Quality from Climate Risks- \$2.2 Billion

- \$600 million for water supply and water quality. Includes groundwater projects to reduce contaminant loading to groundwater or dilute existing groundwater contamination, among other
- \$200 million for groundwater sustainability projects that provide wildlife habitat and support implementation of SGMA
- \$500 million for the protection and restoration of rivers, lakes and streams to improve climate resilience, water supplies, water quality and other benefits
- \$500 million for multi-benefit flood management
- \$400 million for recycled water

The proponents would need to gather over 600,000 valid signatures to qualify the measure for the 2020 ballot. There is some discussion that the introduction is an attempt to broaden SB 45 (Allen) to include more water funding. SB 45 is currently focused on wildfire, drought and flood protection. SB 45 is still in the Senate and is unlikely to move in the final month of the legislative session, but it is likely that discussions on this matter will occur during the interim, before the legislature returns in January.

Federal Fishery Officials Move Closer to Updated Project Operation Criteria

The U.S. Bureau of Reclamation (Bureau) has been working to update the operational criteria of the Central Valley Project and coordination with the State Water Project, in accordance with the National Environmental Policy Act (NEPA). As an important step in the process, the Bureau released a [draft environmental impact statement on the project operations](#) with updates to temperature management at Shasta Dam, habitat and salinity measures in the Sacramento-San Joaquin Delta and management of fish entrainment at the state and federal pumps in the South Delta. [In a release](#), the Bureau stated, “these proposed actions aim to give water operators more flexibility to deliver water, optimize power generation and protect threatened and endangered species.”

The Bureau is seeking public comment on the report for the next 45 days at listening sessions and through written comments.

Because the action will affect species listed under the Endangered Species Act (ESA), the Bureau must consult with the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (USFWS). In accordance with both the ESA and NEPA, the federal fisheries agencies have

been working to update the decade old Biological Opinions for both Salmon and Smelt that largely dictate the operational criteria and the actions the Bureau is allowed to take. President Trump issued an Executive Order last October to expedite the process, requesting new BiOps and operational criteria by this Summer.

Many involved in the process had projected a July 1 release for the BiOps. However, with the complex nature of the peer reviewed, scientific documents and outside criticism have delayed the release.

[KQED reported](#) that federal biologists were set to release the documents, but just days before the Trump administration brought in additional lawyers, administrators and biologists to “refine” and “improve” the BiOps, delaying their release for another two months. Environmental groups have been publicly critical of the legitimacy of the pending scientific findings.

Newsom Appoints Key Water and Energy Officials

Governor Newsom made the long-awaited announcement of who will lead the Department of Water Resources and the Department of Fish and Wildlife under his administration. Newsom opted to reappoint Karla Nemeth as director of DWR and Chuck Bonham as director of CDFW. Both Nemeth and Bonham were originally appointed during the Brown administration. Nemeth’s prior experience has made her intimately aware of the Delta and various efforts to improve conveyance. She has been seen as an ally to the water user community. Both she and Bonham have also been working closely on the voluntary agreements.

Newsom also announced the much anticipated replacement for CPUC President Michael Picker, who announced his retirement earlier this year. During the signing ceremony for AB 1054 (Holden) the Governor announced that [Marybel Batjer will take over the post](#). Batjer is currently serving as the Secretary of the California Government Operations Agency, a role Newsom created to modernize government processes, including the ongoing issues at the DMV. Batjer will complete her work this month as the head of the DMV Strike Team before taking over at the CPUC. While Batjer’s resume does not include a lot of work with energy or water utilities, she is known for implementing and reforming complicated corporate and governmental structures. She has previously worked in the administrations of President Ronald Reagan, Governor Arnold Schwarzenegger and Nevada Governor Kenny Guinn.

Wildfire Liability Update

There are two, possibly three, separate tracks for addressing liability from catastrophic wildfires in recent years. The SB 901(Dodd, 2018) process established a “stress test” to govern how utilities can recover costs from 2017 wildfires (Tubbs and Mendocino Complex/North Bay fires in PG&E and

Thomas fire in SCE). AB 1054 (Holden, 2019) addresses fires in 2019 and beyond. Leaving a gap for 2018 which includes the Camp Fire in PG&E and the Woolsey Fire in SCE. A summary of each process follows:

SB 901 Stress Test- 2017 Wildfires

The CPUC recently adopted the cost recovery mechanism for utilities to recover costs from 2017 wildfires. Under the stress test, the CPUC considers a utility’s financial situation when reviewing applications to recover wildfire-related costs. It caps shareholder exposure to wildfire liability by ensuring that costs allocated to shareholders would not damage the utility’s ability to provide service.

Essentially, the CPUC would calculate the IOUs ability to take on liability and additional debt while still maintaining an investment-grade credit rating. As discussed in previous reports, the now final decision on the Stress Test precludes PG&E from benefiting from under the process while they are in bankruptcy. PG&E sharply criticized their exclusion, noting that the stress test could help resolve liabilities from the North Bay wildfires allowing it to more easily and effectively emerge from bankruptcy.

While the stress test decision at the CPUC was unanimous, several members of the commission articulated the same concerns raised in the proceeding. Most notably that there is serious concern that the stress test could shift significant liability to ratepayers.

2018 Camp Fire and Woolsey Fire

The one hole in all the legislative and regulatory action is for 2018 liability. While the Camp Fire liability is wrapped up in the PG&E bankruptcy, the liability from Woolsey Fire in SCE territory is left out of the SB 901 stress test and not covered under recently adopted AB 1054 rules for 2019 and beyond. Legally, this leaves 2018 under the old rules of strict liability/inverse condemnation for SCE. Liability from the Camp Fire, which all signs point to PG&E being liable and likely negligent in, will be considered in the bankruptcy proceeding. AB 1054 requires PG&E shareholders to cover that liability as part of the eventual emergence from bankruptcy.

AB 1054 (Holden) 2019 and beyond

On July 11, the California Assembly provided the final legislative approval of a complicated bill responding to recent utility caused catastrophic wildfires, with a vote of 63-8. After several months of legislative hearings and debate, the Governor's office and a handful of legislators revealed the lengthy bill and quickly moved the bill through the process. Quick action was deemed necessary because of the Governor's self-imposed July 12th deadline in hopes that the legislation would prevent another credit downgrade for the state's two major Investor Owned Utilities that are not currently in bankruptcy.

The lively debate on the Assembly floor recognized the cost implications to ratepayers. Several members, including the authors of the bill, committed to work with the Governor on follow up measures that would help to mitigate the impacts of rising electricity rates on commercial and industrial ratepayers, including water agencies.

Almost immediately after the bill's passage by the Assembly, the [Governor issued a statement](#) thanking and congratulating the legislature on their work on the issue and signed the bill on July 12.

Summary

AB 1054 includes numerous provisions related to addressing wildfires caused by utility infrastructure:

- Bolster safety oversight
- Recover costs from damages to third parties
- Establish \$21+ billion dollar wildfire fund to address future damages
- Provide utility employee protection
- Limit ratepayer exposure to PG&E liability during bankruptcy
- Only applicable to wildfires in 2019 and beyond

Safety Oversight

AB 1054 requires the state's three main investor owned utilities (IOUs), PG&E, SCE AND SDG&E to make \$5 billion in aggregate safety investments (system hardening) without return on equity, thereby reducing the cost to ratepayers.

The measure also establishes the California Wildfire Safety Advisory Board (CWSAB), consisting of seven members to advise and make recommendations related to wildfire safety for both IOUs and public owned utilities (POUs).

Recovery of Costs

AB 1054 seeks to clarify the current “prudent manager” standard used to determine whether a utility can recover costs arising from a covered wildfire. The measure allows cost recovery if the costs and expenses are determined just and reasonable based on reasonable conduct by the electrical corporation. It considers factors both within and beyond the utility’s control, including humidity, temperature, and winds.

Wildfire Fund

AB 1054 establishes a Wildfire Fund to pay eligible claims arising from a covered wildfire. The fund will be jointly funded by utility shareholders and utility ratepayers. Utility shareholders will contribute \$7.5 billion initially and an additional \$3 billion over 10 years (\$300 million per year) to the wildfire fund. Ratepayer contributions will include a non-bypassable energy usage charge of \$0.005 (half cent/kWh) for 15 years to securitize \$10.5 billion for the wildfire fund. The total ratepayer charge equates to \$13.5 billion (or roughly \$900 million a year).

The measure requires utilities (shareholders) to repay monies to the fund when they are found imprudent with limits. Ratepayers will have no obligation to repay monies to the fund.

The measure limits insurance subrogation of liability to the fund, to not exceed 40% in utility caused fires where the utility acted prudently.

Utility Employee Protection

AB 1054 expands employee protection measures to include the sale of all or a material portion of the assets of the electrical corporation, including the voluntary or involuntary change in ownership of assets to a public entity (municipalization). The successor employer is required to maintain all wages, hours, and other benefits for three years for all employees.

PG&E Bankruptcy

AB 1054 requires PG&E to resolve all pre-bankruptcy claims and achieve a CPUC approved reorganization plan that is both consistent with the state’s climate goals and renewable portfolio standards and determined to be neutral to the ratepayers of the IOU. In other words, PG&E shareholders are responsible for all liability claims from 2017 and 2018 wildfires, a liability estimated at approaching \$30 billion.

Analysis

While the measure is far from perfect and costly from a ratepayer perspective, it appears to be a vast improvement over SB 901 enacted last year that left ratepayers exposed to significant ongoing liability costs. Under current law ratepayers are exposed to significant costs associated with

California’s strict liability standard for utility caused wildfires. Ratepayers are also currently exposed to significant costs relating to IOU credit rating downgrades due to wildfire risk that significantly increase utility borrowing costs. AB 1054 limits ratepayer exposure to \$13.5 billion and ensures utility shareholders are picking up a portion of liability moving forward.

Fiscal Impact

\$0.005/kWh (half cent) for each kilowatt used for the next 15 years. This money will be refunded to the ratepayers if not used for wildfire liability.

Indirect Fiscal Impacts

Ratepayers, including water agencies, will also face ongoing rate impacts associated with system hardening and wildfire mitigation efforts moving forward. However, at least \$5 billion of these costs will not include the normal IOU return on equity (ROE), which results in significant net savings of approximately \$2.5 billion. Ratepayer exposure to increased costs of borrowing are also reduced. Finally, ratepayer exposure under strict liability is limited to \$13.5 billion statewide.

Legislative Update

The legislature spent the first two weeks of July feverishly pushing bills through their second house policy committees before the deadline and the start of summer recess. Members are in their districts from July 12 to August 12 when they will return to Sacramento for the final month of the 2019 legislative session.

Clean, Safe and Affordable Drinking Water:

After several years of negotiation, a safe drinking water package was passed by the legislature and signed by the Governor. As reported in detail in previous reports, the negotiations between the two houses got a little messy, but ultimately, a deal was reached. Part of the deal was included in the FY 2019-2020 budget and second part was in SB 200 (Monning) which was signed by the Governor on July 24.

The final compromise approved by the conference committee:

- FY 19-20—in main budget bill
 - \$100 million in Greenhouse Gas Reduction Funds for Safe Drinking Water
 - \$30 million General Fund for Safe Drinking Water
- FY 2020-FY 2035- In SB 200
 - 5% GGRF continuous appropriation from GGRF
 - General fund backstop if GGRF does not produce \$130 million
 - \$130 million cap
- \$3.4 million General Fund for SWRCB administrative costs

With the passage of these measures, the state will now refocus its efforts on the Low Income Water Rate Assistance (LIRA) program at the State Water Resources Control Board. Implementation of this program was on hold while the safe drinking water issue was worked out at the legislature, but is expected to pick back up again soon.

The LIRA program looks to address rate assistance for low income customers, similar to the CARE program on the electric side. There have been several ideas outlines for how to pay for this type of program including a water tax, general fund, and a bottled water tax. WCA will work with agency staff to keep the Board informed as activities surrounding LIRA heat up.

SB 414 (Caballero): Small System Water Authority Act of 2019: SB 414 is Eastern Municipal Water District's re-introduction of AB 2050 (Caballero) from 2018. The bill seeks to address the drinking water issue by enhancing long-term sustainable systems. SB 414 looks at how to manage districts with failing water systems and establish a new category of public water agency by way of merging formerly non-compliant drinking water systems in order to sustainably provide the technical, managerial, and

financial capabilities necessary to ensure the consistent delivery of safe drinking water. A similar measure was vetoed in 2018. The bill got tied to the Senate package for safe and affordable drinking water, but was ultimately not considered in the final package, so it is back on the regular policy committee track. The bill passed out of both the Environmental Safety and Toxic Materials Committee and the Local Government Committee in the Assembly and is now in Appropriations Committee.

Recycled Water:

AB 292 (Quirk): AB 292 builds on previous legislation, AB 574 (Quirk, 2017) which IEUA supported, and recent work by the SWRCB to remove the terms “direct potable reuse” and “indirect potable reuse” in state code in order to better align the terms with how the water agencies are using recycled water. AB 574 (Quirk) created four distinct types of potable reuse projects – “Indirect Potable Reuse for Groundwater Recharge”, “Reservoir Water Augmentation”, and Direct Potable Reuse, which includes two subcategories, “Raw Water Augmentation” and “Treated Drinking Water Augmentation.” With the more precise definitions added by AB 574, the terms “indirect” and “direct” only add to confusion about potable reuse and proposed projects. The term “Direct Potable Reuse” also implies that purified recycled water is going directly into the drinking water supply, which is not the case with Raw Water Augmentation projects. For example, opponents of a groundwater recharge project in the

Central Coast incorrectly labeled the project “Direct Potable Reuse” and the confusion in the statute made this difficult to correct. This bill is sponsored by WateReuse California. The bill passed out of the Assembly without a single no vote. Senate Environmental Quality also passed the bill out unanimously and the measure passed out of the Natural Resources and Water Committee. It awaits action in the Senate Appropriations Committee.

AB 1180 (Friedman): AB 1180 will require the SWRCB to update the state’s non-potable recycled water regulations by 2023. These regulations have not been revised since 2000. An update to these regulations, incorporating the knowledge and lessons learned from nearly two decades of non-potable water recycling, will help the state to achieve its ambitious goals for recycled water use. The bill also promotes recycled water use for dual plumbed building and for commercial, industrial and institutional

(CII) uses by requiring the Water Board, through its update of Title 17 backflow regulations, to include the use of a change over device, such as a swivel ell. This bill is also sponsored by WateReuse. The bill passed out of the Assembly without a single no vote and was passed out of the Senate Environmental Quality Committee on June 5.

SB 1 (Atkins)

As previously reported, SB 1 by pro Tem Atkins, is an attempt to backstop any environmental regulations the Trump administration tries to roll back. The State Water Contractors and other water agencies have raised serious concerns about key provisions of the bill. A coalition of business (California Chamber of Commerce) and water interests has formed to try to secure amendments to address those concerns.

The main opposition argument is that the language would handcuff the CA Department of Fish and Wildlife (DFW) from being able to apply new science, new adaptive management practices or consider current hydrologic conditions, by locking in the current biological opinions, and incidental take permits in place as of January 19, 2017. It would also allow the state to add federally listed endangered species to the California Endangered Species Act, bypassing the whole public process.

Locking these permits in place would essentially end any discussion of voluntary agreements (VAs). The VA process began after the State Water Resources Control Board issued a draft plan for 40 percent unimpaired flows on the San Joaquin River (a second phase would consider unimpaired flows on the Sacramento River). Massive backlash led to the start of talks to create VAs. VA talks have been fruitful and are close to completion. The VAs will rely on a series of measures to sustainably manage flows, restore habitat and protect native species. If the 2017 rules are locked into place, the VAs could fall apart and the state would have to start at the beginning of the unimpaired flows process again.

The proponents of the bill, lead by the Defenders of Wildlife, are believed to be seeking these changes because they are unhappy with the VAs and because they would like to get two species, orca whales and steelhead trout, listed under the CA Endangered Species Act.

Because this bill is authored by the pro Tem, and clearly a top priority for her as it is the first bill introduced in the year, opponents know that defeating the bill is unlikely. The oppose unless amended coalition, including MWD, ACWA and the State Water Contractors, has offered a set of amendments that would take care of their opposition without compromising the pro Tem's goal of protecting California from of federal rollback on environmental regulations. The Newsom administration has gotten involved because of the implications for the VAs and is trying to bring parties together to come up with a solution.

The bill has moved through the Assembly fairly easily. At this point in the legislative process it seems the only way to get the necessary changes is with the help of the Administration, which has a vested interested in seeing the VAs succeed. The coalition working to get the necessary amendments is meeting with the proponents and the administration to secure those amendments. The administration seems to be understanding the implications this bill will have on the VAs. It is still unclear if they will put enough pressure on the pro Tem that she will amend the bill.

IEUA BILL POSITIONS—July 30, 2019

Bill Number	Author/Sponsor	Title and/or Summary	Summary	IEUA Position
AB 292	Quirk WateReuse	Recycled water: raw water and groundwater augmentation	This bill would eliminate the definition of “direct potable reuse” and instead would substitute the term “groundwater augmentation” for “indirect potable reuse for groundwater recharge” in these definitions. The bill would revise the definition of “treated drinking water augmentation.”	SUPPORT Sen. Appropriations Committee
AB 405	Rubio	<i>Sales and use taxes: exemption: water treatment</i>	<i>Would exempt from Sales and Use Tax the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, chemicals used to treat water, recycled water, or wastewater regardless of whether those chemicals or other agents become a component part thereof and regardless of whether the treatment takes place before or after the delivery to consumers.</i>	SUPPORT <i>Held in Approps</i>
AB 533	Holden MWD	<i>Income taxes: exclusion: water conservation or efficiency programs: water runoff management improvement programs</i>	<i>This bill, for taxable years beginning on or after January 1, 2019, and before January 1, 2024, would provide an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a water service provider for any water conservation or efficiency program or water runoff management improvement program, as provided.</i>	SUPPORT <i>Held in Approps</i>
AB 557	Wood	<i>Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program</i>	<i>Would appropriate \$9,250,000 from the General Fund to the Department of Water Resources in the 2019–20 fiscal year to operate the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.</i>	SUPPORT <i>Held in Approps</i>
AB 654	Rubio	<i>Public records: utility customers: disclosure of personal information</i>	<i>Would authorize a local agency to disclose the name, utility usage data, and home address of utility customers to an officer or employee of another governmental agency when the disclosure is not necessary for the performance of the other governmental agency’s official duties but is to be used for scientific, educational, or research purposes, and the requesting agency receiving the disclosed material</i>	SUPPORT <i>2- year bill</i>

IEUA BILL POSITIONS—July 30, 2019

			<i>agrees to maintain it as confidential in accordance with specified criteria.</i>	
AB 756	Christina Garcia	Public water systems: perfluoroalkyl substances and polyfluoroalkyl substances.	Would authorize the State Water Resources Control Board to order a public water system to monitor for perfluoroalkyl substances and polyfluoroalkyl substances. The bill would require a community water system or a nontransient noncommunity water system, upon a detection of these substances, to report that detection, as specified. The bill would require a community water system or a nontransient noncommunity water system where a detected level of these substances exceeds the response level to take a water source where the detected levels exceed the response level out of use or provide a prescribed public notification.	OPPOSE Governor's Desk
AB 841	Ting	<i>Drinking water: contaminants: perfluoroalkyl and polyfluoroalkyl substances</i>	<i>Would require the Office of Environmental Health Hazard Assessment to adopt and complete a work plan within prescribed timeframes to assess which substances in the class of perfluoroalkyl and polyfluoroalkyl substances should be identified as a potential risk to human health, as provided. The bill would require the office, as part of those assessments, to determine which of the substances are appropriate candidates for notification levels to be adopted by the state board. The bill would require the Office of Environmental Health Hazard Assessment, by January 1, 2022, to provide to the Legislature an update on the assessment.</i>	SUPPORT 2- Year Bill
AB 1180	Friedman WateReuse	Recycled Water	The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law requires, on or before January 1, 2020, the state board to adopt standards for backflow protection and cross-connection control through the adoption of a policy handbook, as specified. This bill would require that handbook to include provisions for the	SUPPORT

IEUA BILL POSITIONS—July 30, 2019

			use of a swivel or changeover device to supply potable water to a dual-plumbed system during an interruption in recycled water service.	Senate Approps
AB 1194	Frazier	Sacramento-San Joaquin Delta: Delta Stewardship Council	Would increase the membership of the Delta Stewardship Council to 13 members, including 11 voting members and 2 nonvoting members	OPPOSE 2-year bill
AB 1204	Rubio ACWA	Public water systems: primary drinking water standards: implementation date.	Would require the adoption or amendment of a primary drinking water standard for a contaminant in drinking water not regulated by a federal primary drinking water standard or that is more stringent than a federal primary drinking water standard to take effect 3 years after the date on which the state board adopts or amends the primary drinking water standard. The bill would authorize the state board to delay the effective date of the primary drinking water standard adoption or amendment by no more than 2 additional years as necessary for capital improvements to comply with a maximum contaminant level or treatment technique.	SUPPORT 2-year bill
AB 1588	Gloria	Drinking water and wastewater operator certification programs	Current law requires the State Water Resources Control Board to issue a water treatment operator certificate and water distribution operator certificate by reciprocity to any person holding a valid, unexpired, comparable certification issued by another state, the United States, prescribed territories or tribal governments, or a unit of any of these. Current law requires the board to classify types of wastewater treatment plants for the purpose of determining the levels of competence necessary to operate them. This bill would require the board to evaluate opportunities to issue a water treatment operator certificate or water distribution operator certificate by reciprocity, or a wastewater certificate by examination waiver, to persons who performed duties comparable to those duties while serving in the United States military, as specified.	SUPPORT Senate Appropriations Committee

IEUA BILL POSITIONS—July 30, 2019

AB 1672	Bloom CASA	Product labeling: flushable products	Current law regulates the labeling requirements on various consumer products. This bill would express the intent of the Legislature to enact legislation to prohibit the sale or advertisement of any nonwoven disposable product labeled as “flushable” or “sewer and septic safe” if that product fails to meet specified performance standards.	SUPPORT 2-Year Bill
ACA 1	Aguiar-Curry	Local government financing: affordable housing and public infrastructure: voter approval	The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.	SUPPORT Assembly Floor
SB 1	Atkins Defenders of Wildlife	California Environmental, Public Health, and Workers Defense Act of 2019	Current state law regulates the discharge of air pollutants into the atmosphere. The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species, and generally prohibits the taking of those species. This bill would require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified.	OPOSE UNLESS AMENDED Assembly Appropriations Committee

IEUA BILL POSITIONS—July 30, 2019

SB 200	Monning	Safe and Affordable Drinking Water Fund	Would establish the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long term. The bill would authorize the board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the board to fund grants, loans, contracts, or services to assist eligible recipients.	SUPPORT Chaptered
SB 204	Dodd Delta Interests	State Water Project: Contracts	<i>Would require the Department of Water Resources to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of project-wide significance with substantially similar terms intended to be offered to all contractors, or that would permanently transfer a contractual water amount between contractors.</i>	WATCH 2- year bill
SB 307	Roth National Parks Conservation Association	Water conveyance: use of facility with unused capacity	This bill would prohibit a transferor of water from using a water conveyance facility that has unused capacity to transfer water from a groundwater basin underlying desert lands, as defined, that is in the vicinity of specified federal lands or state lands to outside of the groundwater basin unless the State Lands Commission, in consultation with the Department of Fish and Wildlife, finds that the transfer of the water will not adversely affect the natural or cultural resources of those federal and state lands.	OPPOSE Governor's Desk
SB 332	Hertzberg	Ocean Discharge	<i>Would declare, except in compliance with the bill's provisions, that the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water. The bill would require each wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers to reduce the facility's annual flow as</i>	OPPOSE UNLESS AMENDED

IEUA BILL POSITIONS—July 30, 2019

	NRDC		<i>compared to the average annual wastewater discharge baseline volume, as prescribed, by at least 50% on or before January 1, 2030, and by at least 95% on or before January 1, 2040. The bill would subject the owner or operator of a wastewater treatment facility, as well as the affiliated water suppliers, to a civil penalty of \$2,000 per acre-foot of water above the required reduction in overall volume discharge for the failure to meet these deadlines.</i>	<i>Held in Approps</i>
SB 414	Caballero Eastern MWD/ CMUA	Small System Water Authority Act of 2019	Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.	SUPPORT Assembly Appropriations Committee
SB 667	Hueso		Would require the Department of Resources Recycling and Recovery to develop, on or before January 1, 2021, and would authorize the department to amend, a 5-year needs assessment to support innovation and technological and infrastructure development, in order to meet specified organic waste reduction and recycling targets, as provided. The bill would require, on or before June 1, 2021, the department, in coordination with the Treasurer and the California Pollution Control Financing Authority, to develop financial incentive mechanisms, including, among other mechanisms, loans and incentive payments, to fund	SUPPORT IF AMENDED Assembly Appropriations Committee

IEUA BILL POSITIONS—July 30, 2019

			and accelerate public and private capital towards organic waste diversion and recycling infrastructure.	
SB 669	Caballero ACWA/CMUA	Safe Drinking Water Trust	Would establish the Safe Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board. The bill would require the state board to administer the fund to assist community water systems in disadvantaged communities that are chronically noncompliant relative to the federal and state drinking water standards and do not have the financial capacity to pay for operation and maintenance costs to comply with those standards, as specified.	Held in Approps
AJR 8	Quirk	Invasive species: federal Nutria Eradication and Control Act of 2003	Would urge the United States Congress to specifically add California to the Nutria Eradication and Control Act of 2003 and to authorize an appropriation of \$4,000,000 to help the state implement a nutria eradication program.	SUPPORT Chaptered

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Comprehensive Government Relations

MEMORANDUM

To: Kathy Besser
From: Letitia White, Jean Denton, Drew Tatum, Shavenor Winters
Date: August 2, 2019
Re: July Monthly Legislative Update

Spending Agreement, Debt Ceiling Negotiations

Over the course of the summer, Congress and the White House have been in ongoing negotiations to reach an agreement to increase government spending for two years and adjust the debt ceiling. An announcement that an agreement had been reached came on Monday, July 22.

With the final legislative text and corresponding budget tables quickly released for HR 3877, the Bipartisan Budget Act (BBA) of 2019, the House was able to consider the legislation before leaving for their August district work period. The BBA passed the House by a vote of 284-149 with 219 Democrats voting for the bill and 16 opposing it. 65 Republicans supported it and 132 voted against it. The Senate considered the measure on Thursday, August 1 and passed it by a vote of 67 to 28.

The legislation calls for offsetting \$77.4 billion of the spending increase, giving the Trump administration and Republicans about half of the savings they sought.

President Donald Trump announced the existence of the deal on Twitter, noting that it was a real compromise between the House, Senate, and White House.

The 2-year proposal calls for increasing the discretionary spending caps for fiscal years 2020 and 2021 above the levels set in the Budget Control Act of 2011. The compromise would increase fiscal 2020 spending limits on non-defense programs by \$24.5 billion over current levels, to \$621.5 billion. In addition, it would provide an extra \$2.5 billion to account for a census funding adjustment, not subject to the spending caps.

Another \$8 billion in non-defense spending would also be included in the Overseas Contingency Operations (OCO) account for both fiscal 2020 and fiscal 2021, as is currently the case.

Under the deal, defense spending caps for fiscal 2020 would be increased by \$19.5 billion over current levels, to \$666.5 billion. Another \$71.5 billion would be included in the OCO fund, an increase of \$2.5 billion over the current OCO level.

For fiscal 2021, which begins October 1, 2020, non-defense spending limits would be raised to \$626.5 billion. Defense spending caps would increase to \$671.5 billion, with another \$69 billion in the Department of Defense's contingency war account.

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In addition, the agreement suspends the debt ceiling for two years, through July 31, 2021, and no additional restrictions will be placed on the Treasury Secretary's extraordinary measures authorities. The Department of the Treasury is currently using extraordinary measures in order not to breach the debt ceiling since the suspension that had been in effect expired in March of this year.

The President signed the measure into law on Friday, August 2.

Senate Releases Transportation Bill

The Senate Environment and Public Works Committee approved by a vote of 21-0, its surface transportation reauthorization bill on Tuesday, July 30. The legislation would boost highway spending while streamlining environmental permitting and standing up new programs to address climate change. While the measure has bipartisan support in Congress, it's picked up outside detractors from the left and the right, who argue it does not do enough to break an increasingly unsustainable status quo.

The bill provides \$287 billion in highway spending from the Highway Trust Fund over five years, of which \$259 billion, or over 90%, is distributed to states by formula. The five-year funding level is more than a 27% increase above the current authorization (FAST Act) and will be the largest highway bill in history. The legislation maintains each state's share of highway formula funding and expands the flexibility and eligible uses of formula funds provided out of the Highway Trust Fund.

The panel's five-year draft bill would address climate change for the first time in such legislation, providing a \$1 billion grant program for electric vehicle charging stations and other alternative fuel vehicles, and congestion mitigation grants, in addition to the climate section.

The measure would provide \$4.9 billion over five years, through both formula and competitive grant funding, to help states improve the resiliency of their infrastructure to natural disasters and extreme weather. Under the measure, the Transportation Department would oversee interagency coordination and reviews required under the National Environmental Policy Act before issuing a single decision for the permitting process, signed by all relevant agencies, within two years,

The bill also increases funding for the Nationally Significant Freight and Highway Projects program, known as "INFRA," by providing \$5.5 billion over five years. The bill increases funding flexibilities, and prioritizes certain critical interstate projects. The bill increases the minimum amount (from 10 percent to 15 percent) of INFRA funds to go towards smaller projects. The bill sets aside \$150 million per year for a pilot program that prioritizes projects offering a higher non-federal match. The bill also creates new grant administration transparency requirements.

In addition, the legislation, is the first-ever surface transportation reauthorization to reference electric scooters. In a section about the creation of a "center of excellence" for new mobility and automated vehicles, the legislation clarifies that "new mobility" includes docked and dockless bicycles, as well as e-scooters and transportation network companies like Lyft and Uber.

Finally, the bill codifies core elements of the “One Federal Decision” policy for highway projects including establishing: a 2-year goal for completion of environmental reviews; a 90-day timeline for related project authorizations; a single environmental document and record of decision to be signed by all participating agencies; and an accountability and tracking system managed by the Secretary of Transportation (Secretary). Project sponsors with the flexibility to apply the core elements of the “One Federal Decision” policy to highway projects that require an environmental assessment. The bill provides flexibility to the Department of Transportation (DOT) during the environmental review process, allowing the agency to set a schedule for projects, and limiting a possible extension request for other participating agencies to only one year. In addition, the bill requires the Secretary to provide a list of categorical exclusions applicable to highway projects to regulatory agencies and directs those agencies to publish a notice of proposed rulemaking to adopt relevant categorical exclusions within one year.

House Transportation Chairman Peter DeFazio (D-OR), who will lead the House’s bill, weighed in saying, the Senate bill “demonstrates bipartisan consensus on the need for resilient infrastructure, alternative fuel corridors, and serious efforts to reduce congestion.”

However, he also noted, “there is still a big question about how we pay for these investments.”

Committee members also considered a bill (S. 1992) to repeal almost \$7.6 billion in rescissions from the Federal Highway Administration scheduled under the FAST Act (Public Law 114-94) for July 2020. The funds would then be available for use toward the new America’s Transportation Infrastructure Act. The measure was ordered to be reported out of committee on Tuesday, July 30.

The President tweeted in support of the legislation saying, “Senate is working hard on America’s Transportation Infrastructure Act...” He added that the measure would have a significant impact on highways and roads across the U.S.

Legislation Introduced to Address Congressional Budget and Spending Process

On Tuesday, July 30 Senate Budget Committee Chairman Mike Enzi (R-WY) released several proposals to fix America’s budget and spending process. The bill is based on feedback from hearings and meetings with members of Congress, state officials, the administration, and stakeholder groups. Chairman Enzi noted the proposals reflect suggestions from members of both sides of the aisle and from groups that span the political spectrum. He said these ideas are rooted in fixing “our broken budget and spending process” and are in favor of a system that works for everyone.

The measure includes four proposals focused on budget and spending process reform:

- The first proposal would re-orient the budget process around long-term planning and shift the federal government to a biennial budgeting and spending system.

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- The second proposal would boost congressional budget enforcement and help ensure that members of Congress and the leadership of each committee are held accountable for their fiscal decisions.
- The third proposal would ensure that the Congressional Budget Office (CBO) continues to serve a vital role in the budget and legislative processes by increasing transparency in the agency's estimating methods.
- The fourth proposal would improve how budget resolutions are considered on the Senate floor and would help ensure that the budget is considered in a deliberate but efficient manner.

Committee staff are expected to release the comprehensive proposals in September.

Previous efforts to significantly alter the process have failed to garner enough support to move through Congress. Most notably in 2018 the Joint Select Committee on Budget and Appropriations, which was formed as part of a previous budget cap deal, ended up scaling back major overhaul suggestions in favor of only one recommendation which was never considered by Congress.

Senate Working to Strike Deal on Judges

Senate leaders are preparing to put more federal judges on the bench before Capitol Hill shuts down for the August district work period.

Senate Majority Leader Mitch McConnell (R-KY) filed for cloture, or a limit on debate, for 19 judicial nominations. Notably, the list includes two who were first nominated by President Barack Obama and later re-nominated by President Donald Trump.

The Judiciary Committee has approved 46 judicial nominees that have not yet been confirmed. McConnell said he wants the U.C. agreement under discussion to include an unspecified, "significant" number of those.

Among the languishing nominations are judges that Obama nominated as far back as the summer of 2015 to serve in courts in New York, Maryland, and Rhode Island.

The Senate confirmed thirteen more judicial nominees before adjourning for the August district work period. Six other nominees are expected to get a vote once the Senate returns.

Disaster Aid Reports

Under legislation considered in the House, the Office of Management and Budget (OMB) would have to submit an annual report to Congress on all disaster-related assistance the federal government provided in the preceding fiscal year.

The measure, H.R. 1984, Disclosing Aid Spent to Ensure Relief Act, introduced by Rep. Scott Peters (D-CA) requires a report to accompany the president's annual budget request, beginning with the fiscal 2022 budget, and would have to be published on the OMB website.

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The report would cover costs from disaster response, recovery, and mitigation, as well as loans and administrative costs. It would break out spending by disaster, agency, and account. The bill's reporting requirements would cost less than \$500,000 annually, subject to appropriation, according to a cost estimate from the Congressional Budget Office.

Under the Budget Control Act of 2011 (Public Law 112-25), OMB calculates an allowable adjustment to annual discretionary spending caps based on a rolling average of disaster aid spending from the previous 10 years. Currently, the agency does not release a single annual estimate of disaster spending, according to Representatives Scott Peters (D-CA) and Mark Meadows (R-NC), the bill's sponsors. Eleven agencies and departments manage accounts that include disaster spending, according to the Transportation and Infrastructure Committee's report and analysis of the bill. The measure passed the House measure by a voice vote on Wednesday, July 24.

House to Consider Energy—Water Integration Legislation

Introduced by Rep. Eddie Bernice Johnson Chairwoman of House Science, Space, and Technology H.R.34, the Energy and Water Research Integration Act of 2019, the Department of Energy would be required to integrate water issues in its research and development programs.

The bill also would direct the department to establish a committee to improve data collection and reporting on the relationship between energy and water production, also known as the energy-water nexus.

About 45% of all water withdrawn from ground or surface sources in the U.S. is used for energy production, according to a 2015 U.S. Geological Survey report.

The measure would stipulate that it can't be construed to require state, local, or tribal governments to take any action that could increase "financial burden" by restricting its water use. The department would have to integrate water-related considerations into its various research, development, and demonstration programs. As part of that directive, it would have to advance technologies that consider the effects of "climate variability" on water supplies, minimize freshwater consumption, and increase water use efficiency.

A strategic plan to carry out the integration would have to be developed within one year of enactment, and would need to consider advanced cooling technologies and potential improvements to existing cooling systems; energy, renewable energy, and fuel production; water supply, treatment, reuse, and delivery; biomass production; carbon capture and storage; and microgrid systems that can provide energy and water resources in remote or disaster recovery areas.

The DOE would be required to coordinate and avoid duplicative efforts across the department, national laboratories, and other federal agencies. It also would need to consult with research and academic institutions, the private sector, public utility commission (PUCs), and state, local, and tribal governments on the plan.

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The DOE would have to update the plan within three years of enactment and at least once every five years.

House Holds Hearing on Water Resources Development Acts

Earlier this month, the House Subcommittee on Water Resources and Environment held a hearing to discuss the development and implementation of Water Resources Development Acts (WRDA) – which are principal legislative vehicles to authorize studies, projects, and policies carried out by the U.S. Army Corps of Engineers – Civil Works. The purpose of this hearing was to provide Members with an opportunity to review the Corps’ implementation of the most recent congressionally authorized WRDAs, enacted in 2014, 2016, and 2018. Chairwoman Grace Napolitano (D-CA) also highlighted that the hearing marked the beginning of consideration for the 2020 Water Resource Development Act.

The Water Resources Development Act of 2018 was signed into law as Title I of the America’s Water Infrastructure Act by President Trump on October 23, 2018. WRDA 2018 authorized 14 Chief’s Reports, authorized four new Post Authorization Change Reports, 10 new feasibility studies, and requested that the Corps expedite completion of 32 existing feasibility studies. As part of implementing WRDA 2018, the Corps must also consider whether or not to issue new guidance for specific programs to aid in the execution of the provision

Reps. John Garamendi (D-CA), Doug LaMalfa (R-CA), and other California members expressed the desire to see a quicker timeline for completion on these critical projects in their districts.

In addition, the witnesses providing testimony acknowledged the devastating effects of flooding, and in the wake of recent earthquakes in southern California, Rickey Dale James-Assistant Secretary of the Army for Civil Works- also stated that future technology built by the Corps will be seismic resistant.

Energy Storage Research Gains Bipartisan Support in Senate

“Energy storage holds such great promise in the fight against climate change,” Sen. Susan Collins (R-ME) said at a Senate Energy and Natural Resources subcommittee hearing on July 9. “Advancing the next generation of energy storage technology will allow us to integrate more renewables such as wind and solar.”

Bruce J. Walker, Assistant Secretary of Energy overseeing the Office of Electricity at the Department of Energy, spoke in support several energy storage bills at the hearing. Energy storage, such as large batteries, connected to the power grid will be “disruptive” and can “revolutionize” the energy industry, he said.

Long-term energy storage is “key to modernizing the grid” and the near-term transition to a renewable energy economy, Sen. Martin Heinrich (D-NM) said at the hearing.

The subcommittee considered five energy storage bills, and all but the Reducing the Cost of Energy Storage Act have bipartisan support:

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- The Better Energy Storage Technology Act (S. 1602), sponsored by Senator Susan Collins, would establish a federal electric power grid-scale energy storage research and development program.
- The Promoting Grid Storage Act (S. 1593), sponsored by Senator Tina Smith (D-MN), would establish an Energy Department energy storage research and grant program.
- The Expanding Access to Sustainable Energy Act (S. 1183), sponsored by Senator Amy Klobuchar (D-MN), requires the Energy Department to award grants to rural electric cooperatives to help them design energy storage projects.
- The Reducing the Cost of Energy Storage Act (S. 1741), sponsored by Senator Ron Wyden (D-OR), would require the Energy Department to establish a program that would help cut the cost of energy storage technology.
- S. 2048, sponsored by Sen. Angus King (I-ME), would establish a federal demonstration initiative for long-duration energy storage technologies

Senate Panel Holds Hearing on Bureau Issues

During a hearing on water issues earlier this month, Senator Martha McSally (R-AZ) stated that her subcommittee will work to revamp several bills meant to help combat drought conditions in Western states after state water officials and others at a hearing called for more flexibility and other tweaks.

“You know, there might be some modifications as we’ve heard today from witnesses testifying before the Senate Energy and Natural Resources Water and Power Subcommittee”, Senator Martha McSally said after the hearing.

McSally added that she hopes to revise the bills—which would give the Interior Department more flexibility to construct and expand water projects and provide more funding for water storage projects—in hopes of moving the measures this fall through the full Energy and Natural Resources Committee.

McSally sponsored the bills, along with other subcommittee members including Senators Cory Gardner (R-CO) and James Risch (R-ID), to help local and state water authorities respond to worsening drought in the West.

Dwindling water supplies have been further strained by demands from residential development and agriculture, in some cases pitting those users against each other and leading to squabbling between neighboring states that often rely on the same river or reservoir for supplies.

The three bills include the Aquifer Recharge Flexibility Act (S. 1570), the Drought Resiliency and Water Supply Infrastructure Act (S. 1932), and the Water Supply Infrastructure Rehabilitation and Utilization Act (S. 2044).

The McSally-Sinema infrastructure rehabilitation and utilization bill includes a provision to help pay for “extraordinary maintenance” projects that are “often accompanied with a price tag too high” to recoup from ratepayers, McSally said. For example, the Imperial Diversion Dam along

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the California-Arizona border needs \$50 million in renovations. But the water districts operating it aren't the actual owners of the infrastructure and thus "don't have access to many of the traditional finance tools needed for funding these critical repairs," McSally said.

Her bill would set up an account within the Bureau of Reclamation to fund such maintenance projects, essentially allowing water district operators to repay the costs with interest over a longer span of time to make such projects affordable.

Bureau of Reclamation Commissioner Brenda Burman cited vast funding challenges for boosting water reliability and ensuring adequate water supplies for future generations.

She was generally supportive of the legislative proposals, but said the bureau sees areas that should be clarified, including provisions needed to streamline the last big water projects law—the 2016 Water Infrastructure Improvements for the Nation Act, known as the WIIN Act.

"We'd like to work with the committee and keep working with you to strengthen these three bills," Burman said, and discuss some other authorities under the 2016 act.

Interior Department Announces BLM Western Move

The Interior Department will move most leadership staff from Bureau of Land Management's (BLM) Washington, D.C. office to 12 western states as part of its reorganization effort, but Interior will retain core D.C. base functions in Washington, D.C.

Nearly 300 positions currently in D.C. will be spread across BLM's western regions and landscapes "in order to optimize BLM's presence where the needs are greatest," according to a letter from Interior Assistant Secretary for Land and Minerals Management Joe Balash. BLM will also send 27 employees to Grand Junction, Colorado to set up a Western headquarters.

While some lawmakers, including Colorado's senators, applauded the move, it brought questions from those who oversee BLM's budget. Senator Tom Udall (D-NM), the Ranking Member on the Senate Interior-Environment Appropriations Committee, said Congress needs more information. He added, "based on what I know so far, I have serious reservations about this plan, and the department needs be transparent about how much it will cost and what it will really mean for public lands," he said. "And the administration must work with Congress before it implements any sweeping relocation proposal."

Interior has said it will cost \$5.6 million to start making the moves.

Bill Number (linked to the legislation on Congress.gov)	Sponsor/ Cosponsor	Title and/or Summary	Summary/Status	Latest Action
n/a		Status of the 12 annual appropriations bills in the House	<p>The House has passed 10 of its 12 annual appropriations bills in three pieces of legislation. The first 9 passed in 2 separate minibus packages and the final bill went on its own.</p> <p>The two remaining bills have advanced through the House Appropriations Committee and await action by the full House.</p>	<p>H.R.2740, First minibus (passed 226 - 203): Defense; Energy and Water: Labor-HHS; and State-Foreign Operations.</p> <p>H.R.3055, Second minibus (passed 227 - 194): Agriculture; Commerce-Justice-Science; Military Construction - VA; Interior-Environment; and Transportation-HUD.</p> <p>H.R.3351, Stand along legislation (passed 224-196): Financial Services.</p> <p>Not yet completed: Homeland Security; and Legislative Branch.</p>

n/a		Status of the 12 annual appropriations bills in the Senate	The Senate has not yet introduced or passed any of its twelve annual appropriations bills.	<p>Senate Appropriations Chairman Shelby has indicated he would move to hand down subcommittee allocations, known as 302(b)s, to Senate Appropriations Subcommittee Chairmen the first week of August.</p> <p>Subcommittee chairs are preparing to move quickly once they receive their allocations with the goal of having their bills ready to be packaged or taken up on the floor individually.</p> <p>Senate Subcommittee markups are expected to begin the week of September 9th.</p>
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H.R. 3877	Rep. John Yarmuth (D-KY)	Bipartisan Budget Act of 2019	<p>The measure would amend the Balanced Budget and Emergency Deficit Control Act of 1985, to establish a congressional budget for fiscal years 2020 and 2021 and to temporarily suspend the debt limit for two years- through July 31, 2021. Once the debt ceiling suspension lifts in 2021, the measure would not prohibit the Treasury Department from utilizing extraordinary measures.</p> <p>The 2-year proposal calls for increasing the discretionary spending caps for fiscal years 2020 and 2021 above the levels set in the Budget Control Act of 2011. The compromise would increase fiscal 2020 spending limits on non-defense programs by \$24.5 billion over current levels, to \$621.5 billion. Defense spending caps for fiscal 2020 would be increased by \$19.5 billion over current levels, to \$666.5 billion. Another \$71.5 billion would be included in the OCO fund, an increase of \$2.5 billion over the current OCO level.</p>	<p>The legislation was introduced in the House on July 23, 2019 and then referred to the Committee on the Budget, and in addition to the Committees on Rules, and Ways and Means.</p> <p>The measure was then considered and passed the House with a vote of 284 to 149. The Senate followed suit and passed the measure on August 1, 2019 with a vote of 67 to 28. The President signed the measure into on August 2, 2019.</p> <p>Now that an agreement on budget caps has been reached Senate Appropriations Chairman Shelby has indicated he will hand down subcommittee allocations, known as 302(b)s.</p>
H.R. 1764	Rep. John Garamendi (D-CA)	The bill to amend the Federal Water Pollution Act	The legislation would amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.	<p>Introduced on March 15 and then referred to the Subcommittee on Water Resources and Environment.</p> <p>This legislation has bipartisan cosponsorship.</p>

S. 1790	Sen. Jim Inhofe (R-OK)	<p>National Defense Authorization Act, 2020</p> <p>Note: Included a rider on PFAS</p>	<p>The National Defense Authorization Act, 2020 is the annual authorization for Defense programs.</p> <p>This year, the legislation included legislation aimed at addressing the risks and challenges associated with per- and polyfluoroalkyl substances (PFAS). This provision will ensure that the EPA sets a national drinking water standard for PFAS and PFOS. It will also require industrial manufactures and users to notify the public when PFAS chemicals are released into the environment. The EPA will also have to issue guidance on how to dispose of and destroy PFAS. The legislation also provides authorization for funding for monitoring and sampling, and requires better interagency coordination on PFAS chemicals.</p>	Passed the Senate on Thursday, June 27, 2019, though an amendment vote was held the following day.
H.R.1497	Water Quality Protection and Job Creation Act of 2019	Rep. Peter DeFazio (D-OR)	<p>Reauthorizes sections of the Federal Water Pollution Control Act that provide grants to States and interstate agencies, including:</p> <p>State Management Assistance: Section 106(a); Watershed Pilot Projects: Section 122(c); Alternative Water Source Projects Pilot Program: Section 220(d); Sewer Overflow and Stormwater Reuse Municipal Grants: Section 221(f)1; and State Water Pollution Control Revolving Funds.</p>	Introduced on March 6 and referred to the Subcommittee on Water Resources and Environment of the House Transportation Committee.

H.R. 1508	Rep. Blumenauer (D-OR)	Move America Act of 2019	The measure would amend the Internal Revenue Code of 1986 to provide for Move America bonds and Move America credits.	Introduced on March 5 and then referred to the House Committee on Ways and Means. Note: All tax issues are likely to be addressed as part of a larger tax package. The Ways and Means Committee is considering forming a tax extenders package, which would be the most likely venue for this legislation.
H.R. 1744	Rep. Mark Takano (D-CA)	S.T.O.R.A.G.E. Act (Storage Technology for Operational Readiness And Generating Energy Act) Energy Storage Systems by Electric Utilities	The bill would provide for the consideration of energy storage systems by electric utilities as part of a supply side resource process, and for other purposes.	The bill was introduced on March 13 and the referred to the Committee on Energy and Commerce, and in addition to the Committee on Science, Space, and Technology.
S. 146	Sen. John Hoeven (R-ND)	Move America Act of 2019	A bill to amend the Internal Revenue Code of 1986 to provide for Move America bonds and Move America credits- which provide tools to finance additional transportation, water, and information infrastructure capital investments, through an approach that provides assistance for financing of infrastructure to all States, rural and urban.	Introduced in the Senate on January 16th
H.R.1162	Rep. Grace Napolitano (D-CA)	Water Recycling Investment and Improvement Act	This legislation would create a competitive grant program for the funding of water recycling and reuse projects by raising the authorization cap for the Title XVI program from \$50 million to \$500 million. The legislation would also raise the authorization cap from \$20 million to \$30 million for the Reclamation Wastewater and Groundwater Study and Facilities Act.	Introduced in the House on February 13. The House Natural Resources Subcommittee on Water, Oceans, and Wildlife held a hearing on the legislation on June 13.

H.R.579	Rep. Scott Tipton (R-CO)	Water Rights Protection Act of 2019	This bill would prohibit the conditioning of any permit, lease, or other use agreement on the transfer of any water right to the United States by the Secretaries of the Interior and Agriculture, and for other purposes.	Introduced in the House on January 15th. Referred to the Conservation and Forestry Subcommittee of the Agriculture Committee on 2/7 and to the Water, Oceans, and Wildlife Subcommittee of the House Natural Resources Committee on 2/4. A similar amendment was submitted to the House Rules Committee for consideration in the Interior-Environment Appropriations bill, but was not made in order by the Committee for floor consideration.
H. R. 855	Rep. Scott Peters (D-CA)	STRONG (Strengthening the Resiliency of our Nation on the Ground Act) Act	The bill would work to minimize the economic and social costs resulting from losses of life, property, well-being, business activity, and economic growth associated with extreme weather events by ensuring that the United States is more resilient to the impacts of extreme weather events in the short- and long-term, and for other purpose	Introduced in the House and referred to the Subcommittee on Economic Development, Public Buildings, and Emergency Management on February 7th.
S. 361/H.R. 807	Sen. Cory Gardner (R-CO) / Rep. Ken Buck (R-CO)	Water and Agriculture Tax Reform Act of 2019	The measure would work to amend the Internal Revenue Code of 1986 to facilitate water leasing and water transfers to promote conservation and efficiency.	Introduced referred to the Committee on Finance (Senate) and Ways and Means Committee (House).
H.R. 420	Rep. Earl Blumenauer (D-OR)	Regulate Marijuana Like Alcohol Act	The bill would decriminalize marijuana and sets up legal framework to regulate marijuana.	Introduced in the House n January 8th

S.420 /H.R. 1120	Sen. Ron Wyden (D-OR) / Rep. Earl Blumenauer (D-OR)	Marijuana Revenue and Regulation Act	A bill to amend the Internal Revenue Code of 1986 to provide for the taxation and regulation of marijuana products, and for other purposes.	<p>The bill was introduced in the Senate on February 14th and was referred to the Subcommittee on Conservation and Forestry.</p> <p>Introduced in the House on February 14th and was referred to the Subcommittee on Conservation and Forestry.</p>
H.R.34	Rep. Eddie Bernice Johnson (D-TX)	Energy and Water Research Integration Act of 2019	The legislation would ensure consideration of water intensity in the Department of Energy's energy research, development, and demonstration programs to help guarantee efficient, reliable, and sustainable delivery of energy and clean water resources.	The bill was introduced in the House on January 3rd. It was marked up and ordered to be reported by the House Science and Technology Committee on May 1, 2019 and was passed by the House on July 23, 2019 by voice vote.
H.R. 2313	Rep. Jared Huffman (D-CA)	Water Conservation Rebate Tax Parity Act	The measure would amend the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures and storm water management measures.	<p>The bill was introduced in the House on April 12 and then referred to the Committee on Ways and Means.</p> <p>Note: All tax issues are likely to be addressed as part of a larger tax package. The Ways and Means Committee is considering forming a tax extenders package, which would be the most likely venue for this legislation.</p>

S.1419	Sen. James Lankford (R-OK)	Early Participation in Regulations Act	The legislation would direct agencies to issue advanced notices for rules costing more than \$100 million annually. The bill would require agencies must outline the problem the rule intends to solve and listen to the public's input on the subject.	<p>On May 13, the bill was introduced into the Senate. It was then referred to the Committee on Homeland Security and Governmental Affairs. On July 19 the Committee on Homeland Security and Governmental Affairs ordered the measure to be reported favorably with an amendment in the nature of a substitute.</p> <p>The legislation has bipartisan cosponsorship.</p>
H.R. 3794	Rep. Paul A. Gosar (R-AZ)	Public Land Renewable Energy Development Act of 2019'	The bill would work to promote the development of renewable energy on public lands	<p>The measure was introduced in the House on July 17, 2019 and was then referred to both the Committee on Natural Resources and the Committee on Agriculture.</p> <p>The measure was later referred to the Subcommittee on Energy and Mineral Resources where a hearing was held on the legislation.</p>
S. 1344	Sen. Cory Booker (D-NJ) and Tim Scott (R-SC)	Reinstate Opportunity Zone Data Mandates	<p>The bill would require the Secretary of the Treasury to collect data and issue a report on the opportunity zone tax incentives enacted by the 2017 tax reform legislation.</p> <p>The reporting requirements were part of the original legislation as introduced, but they were not incorporated in H.R.1 (the tax package) when it was advanced in the House and Senate.</p>	<p>The legislation was introduced in the Senate on May 7, 2019.</p> <p>The legislation has bipartisan cosponsorship.</p>
Enacted Legislation				

H.J.Res.31	Rep. Lucille Roybal-Allard (D-CA)	<p>Consolidated Appropriations Act, 2019 (Conference Reports for the Agriculture, Commerce-Justice-Science, Financial Services-General Government, Interior-Environment, State-Foreign Operations, and Transportation-HUD Appropriations bills).</p>	<p>The House and Senate came to an agreement on a Conference Report for the 7 remaining FY19 appropriations bills after holding an official conference on the FY19 Homeland Security Appropriations bill. The Homeland Security section contained approximately \$1.3 billion for border fencing in the Rio Grande Valley of Texas and slight reduction in funding for ICE detention beds. The other 6 appropriations bills contained conference reports similar to those that had been previously been released.</p>	<p>The bill was introduced on January 22nd and was passed by both the Senate and the House before being signed into law on February 15th. This bill's enactment finalized full year funding for all federal agencies for fiscal year 2019 through September 30, 2019.</p>
S.47	Sen. Lisa Murkowski (R-AK)	<p>Natural Resources Management Act (renamed the John D. Dingell, Jr. Conservation, Management, and Recreation Act)</p> <p>Included the following provisions:</p> <ul style="list-style-type: none"> California Desert Protection and Recreation Act of 2019 Bureau of Reclamation Transparency Act Santa Ana River Wash Plan Land Exchange Act 	<p>This bill sets forth provisions regarding various programs, projects, activities, and studies for the management and conservation of natural resources on federal lands. Specifically, the bill addresses: Land conveyances, exchanges, acquisitions, withdrawals, and transfers; the Santa Ana River Wash Plan Land Exchange Act; national parks, monuments, memorials, wilderness areas, other conservation and recreation areas; and federal reclamation projects. For California, the legislation included the Santa Ana River Wash Plan Land Exchange Act and the California Desert Protection and Recreation Act of 2019, which was a compromise between individual bills introduced by Senator Dianne Feinstein and Congressman Paul Cook in previous Congresses.</p>	<p>Introduced in the Senate on January 8th. The legislation passed the Senate by a vote 92 - 8 on February 12th. The measure was then taken up by the House and passed by a vote of 363-62. The bill was signed into law by President Trump on March 12, 2019.</p>

**INFORMATION
ITEM
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CALIFORNIA STRATEGIES, LLC

Date: July 31, 2019
To: Inland Empire Utilities Agency
From: John Withers, Jim Brulte
Re: July 2019 Activity Report

1. This month Jim Brulte and John Withers participated in the monthly senior staff meeting which was attended by senior Executive Management Team staff on July 1st.
2. Regional Contract
 - Reviewed the activities to date regarding the regional contract including the March Workshop which addressed predesign efforts, roles, and cost benefits
 - Evaluated the various stakeholder projects and in September will consider alternatives
 - Discussed the regional water allocation and recycled water issues and impacts
 - Evaluated O&M Costs
3. Chino Basin Program
 - Reviewed the Communication Strategy to key stakeholders
 - Discussed recycled water interties
 - Reviewed issues raised by advisory committee related to water ownership
4. Rate Study
 - Discussed the workshop
 - Discussed proposed draft connection fees and approach to implementation and political adoption process
5. Discussed personnel changes and potential impacts on IEUA
6. Member Questions and Answers
 - Answered questions from IEUA Board members and the GM since the meeting included leadership changes at City of Fontana on the implications of those changes