



# Legislative Issues and Funding Opportunities Update

Board of Directors Meeting  
November 17, 2021



# Overview



- Staff actively participates in numerous industry associations to track and advocate for legislation at the local, state, and federal levels
  - Focus on legislation that may impact District operations and/or strategic planning considerations
- 2021 State Legislation Highlights
  - Wastewater Industry Bills (AB 818, SB 273, SB 323)
  - COVID-19 Bills (AB 654, AB 845)
  - State Budget Bills (SB 129, SB 170)
- Staff is closely monitoring potential federal funding opportunities for District capital projects
  - Infrastructure Investment and Jobs Act (HR 3684)

# Key California Legislative Dates



## 1<sup>st</sup> year of 2-year session

September  
10, 2021

- Last day for bill to pass legislature

October  
10, 2021

- Last day for Governor to sign or veto bills

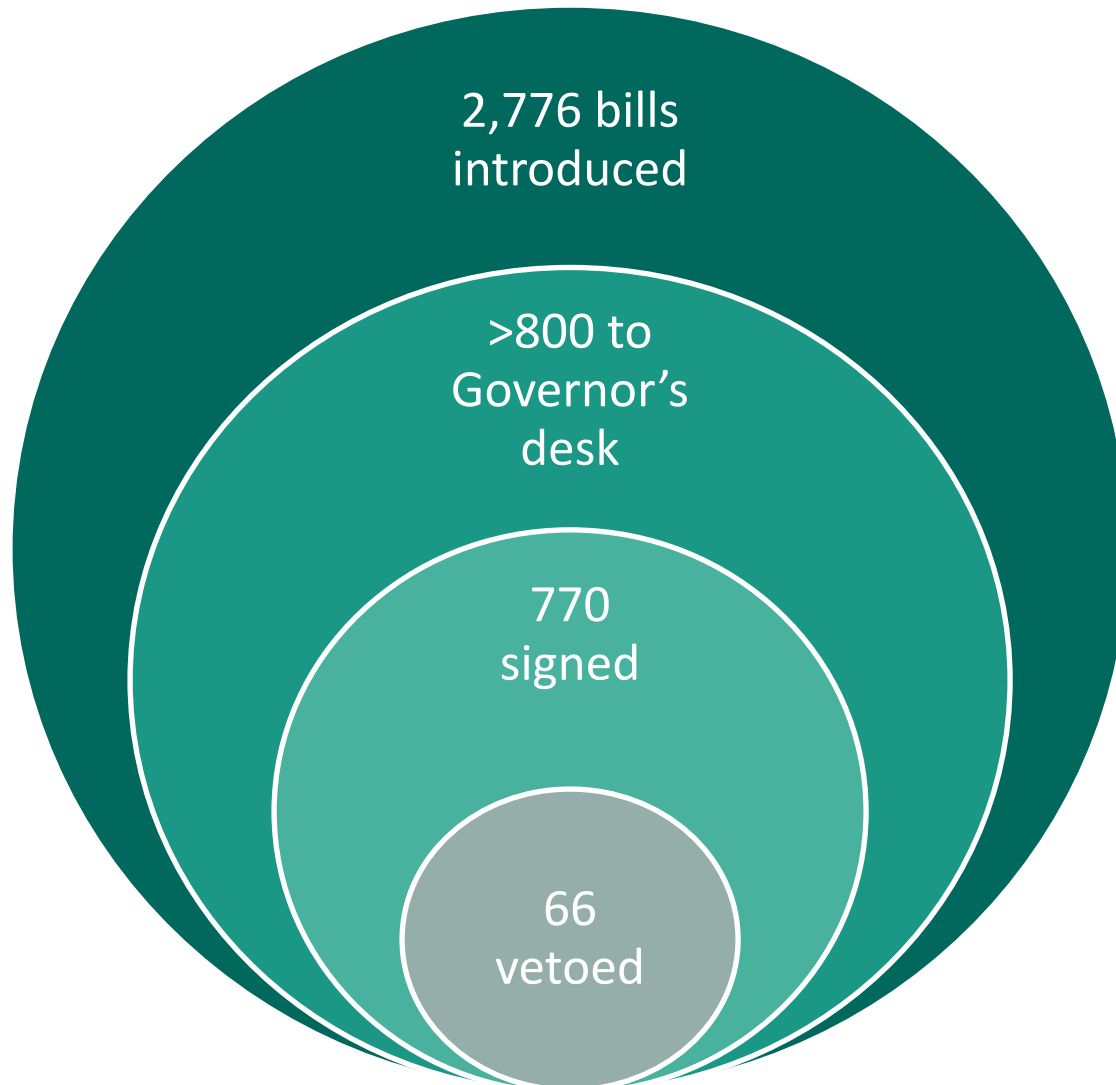
January 1,  
2022

- Most statutes take effect

January 3,  
2022

- Legislature reconvenes

# California Bills Overview – 2021



# Wastewater Industry Bills

## AB 818 (Bloom) Wipes Labeling

- CASA-sponsored bill
- Requires manufacturers of all wet wipes products to include “Do Not Flush” warnings and symbols on packages
- Labeling requirements take effect July 1, 2022
- Requires manufacturers to conduct education and outreach to California consumers
  - Requirements must be fulfilled in consultation with CASA, and campaign materials will be made available to California wastewater agencies to use for their own communications purposes



# Wastewater Industry Bills

## SB 273 (Hertzberg) Stormwater Treatment



- CASA co-sponsored bill with CA Coastkeeper Alliance
  - Authorizes wastewater treatment facilities to voluntarily divert and treat stormwater and dry weather runoff

# Wastewater Industry Bills

## SB 323 (Caballero) Prop. 218



- For fees or charges implemented after January 1, 2022, requires that written notifications include a statement of the 120-day statute of limitations for challenging a new, increased or extended fee or charge

# 2021 State Legislation Highlights

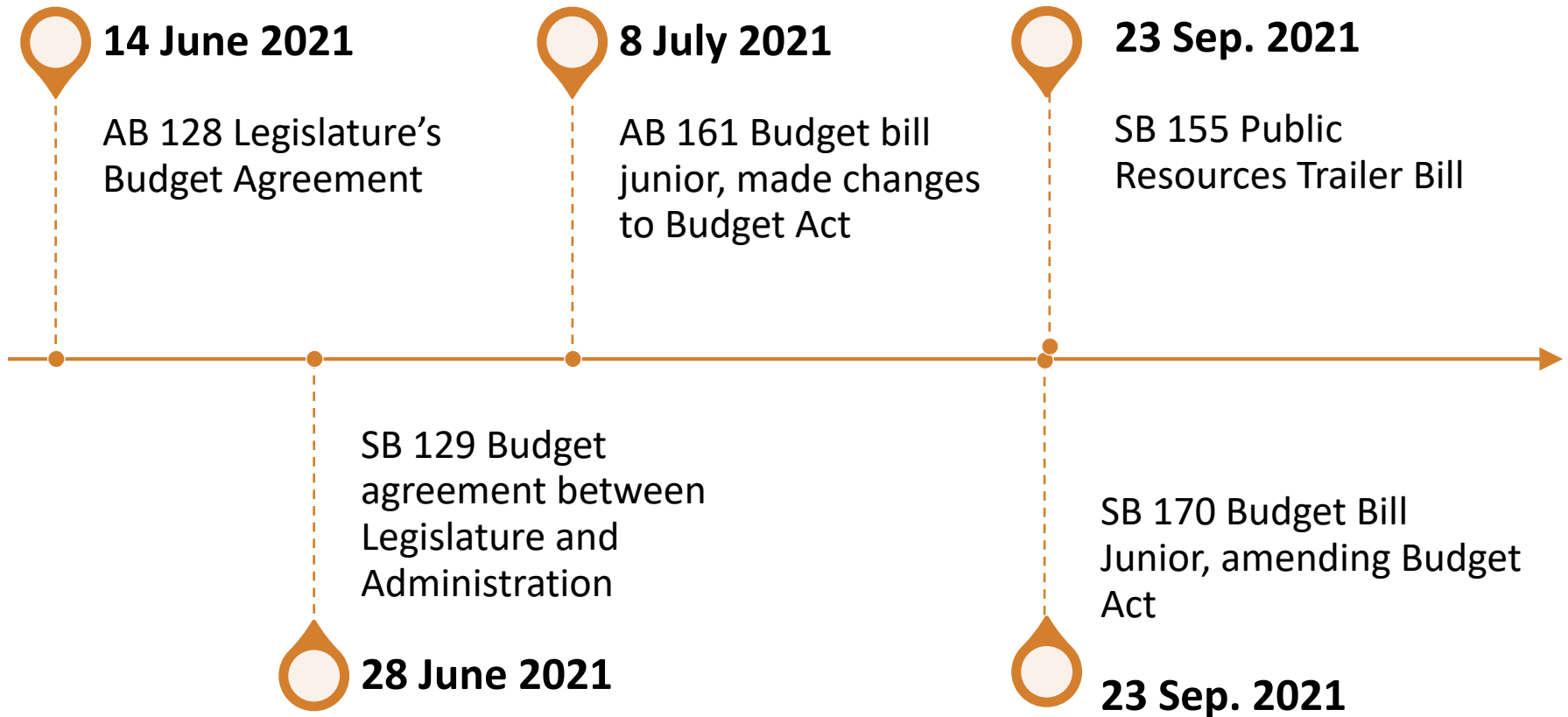
## COVID-19 Bills



- AB 654 (Reyes) Exposure Notification
  - Clarifies existing reporting requirements for employers regarding instances of COVID-19 exposures and outbreaks in the workplace
  - Defines “close contact” and “high risk exposure period”
  - Urgency statute – took effect October 5, 2021
- AB 845 (Rodriguez) Disability Retirement – COVID presumption
  - Requires public retirement system to presume that disability retirement due to COVID-19 illness arose out of the member’s employment (allows evidence to rebut)
  - Primarily affects first responders and certain job classifications, but member also includes those who test positive following an outbreak in the workplace



# 2021 State Legislation Highlights Budget Bills (\$262.6B)



# Budget Bills

## SB 129 – Budget Act of 2021



- \$100M in COVID-19 relief for special districts
  - Criteria: For an independent special district reporting fiscal impacts due to COVID-19 public health emergency:
    - Unanticipated costs during March 4, 2020 to June 15, 2021; and/or,
    - Loss of revenue – using all revenue fund sources for FY20/21 compared against revenue from all fund sources FY18/19
  - Application period October 1-29, 2021

# Budget Bills

## SB 170 Budget Bill Junior “Drought Resilience”



\$650M – drinking water projects

\$650M – wastewater projects

- Prioritize DACs<sup>1</sup> and septic to sewer conversions
- May be used by State Water Board as state share of SRFs
- Up to 10% for DAC technical assistance

\$200M – groundwater cleanup and water recycling projects

\$30M – assistance to drinking water systems to address PFAS<sup>2</sup>

<sup>1</sup>DAC = Disadvantaged Community

<sup>2</sup>PFAS = Per- and Polyfluoroalkyl Substances

# Budget Bills

## SB 170 Budget Bill Junior “Circular Economy”



\$20M organics management infrastructure (including composting and in-vessel digestion)



\$10M to expand food waste co-digestion at existing WWTPs



\$130M for waste reduction

\$70M grants for compost and in-vessel digestion projects

\$60M grants to jurisdictions to implement SB 1383

# Federal Funding Opportunities

## District Strategic Plan

### Goal 3 – Fiscal Responsibility

(Manage financial resources effectively to meet funding needs and maintain fair and reasonable rates)

- **Strategy No. 1**

Conduct long-term horizon financial planning to minimize potential for sharp rate increases due to unanticipated funding needs

- **Key Objective:** Seek the lowest cost of capital through applicable federal, state, and local grant and low-interest loan programs, and update financing assumptions in financial model



# Infrastructure Investment and Jobs Act (H.R. 3684)



Passed the Senate on Aug. 10, House Nov. 6

- **\$12.8B appropriation over 5 years CWSRF**
- \$35.7B appropriation over 5 years DWSRF
- \$125M authorization over 5 years Alternative Water Source Projects (AWSP)
- **\$550M appropriation over 5 years for Title XVI and WIIN Grant water recycling programs**
- \$450M appropriation for large-scale water recycling projects (>\$500M cost)
- \$1.2B for water storage and groundwater
- \$25M for desalination
- \$400M WaterSMART

# Build Back Better Act (H.R. 5376)



- Framework pared down from \$3.5T to \$1.75T
- Some infrastructure funding
  - \$125M AWSP
  - \$100M large scale water recycling
  - \$1.8B for combined sewer overflow/sanitary sewer overflow (CSO/SSO) project needs
- Most funding focused on education, health care, housing, family care, and climate change



# Western Recycled Water Coalition



- 15 Members share cost for federal lobbyist (Key Advocates) and lead agency (Delta Diablo)
- Pursue federal funding for water recycling projects
- H.R. 3112 Project Authorization Bill





# Strategic Actions to Pursue Funding



- Engage in California CWSRF process for targeted District capital projects
  - Selection process is competitive with limited funding available relative to candidate projects
  - Demonstrate project viability and District interest in receiving federal funding
- Investigate availability of additional funding sources and application to District projects
  - “Community Project Funding” requests to Members of Congress – tee up for next federal budget cycle
  - State and Tribal Assistance Grants (STAG)
  - WIFIA Loans – Water Infrastructure Finance & Innovation Act

# Upcoming Engagements

- CASA State Legislative and Federal Legislative Committees will meet in December to determine legislative priorities for 2022
- Opportunities to discuss priorities
  - With Peers: CASA Winter Conference (January 19-21, 2022)
  - With Members of Congress: CASA Washington, D.C. Forum (February 28-March 1, 2022)
    - Staff to provide key discussion points in coordination w/CASA