

A. 2025 State Legislative Overview by KP Public Affairs

Agenda Item: 5A

November 20, 2024

TO: THE BOARD OF DIRECTORS

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FROM: Craig D. Miller, P.E., General Manager

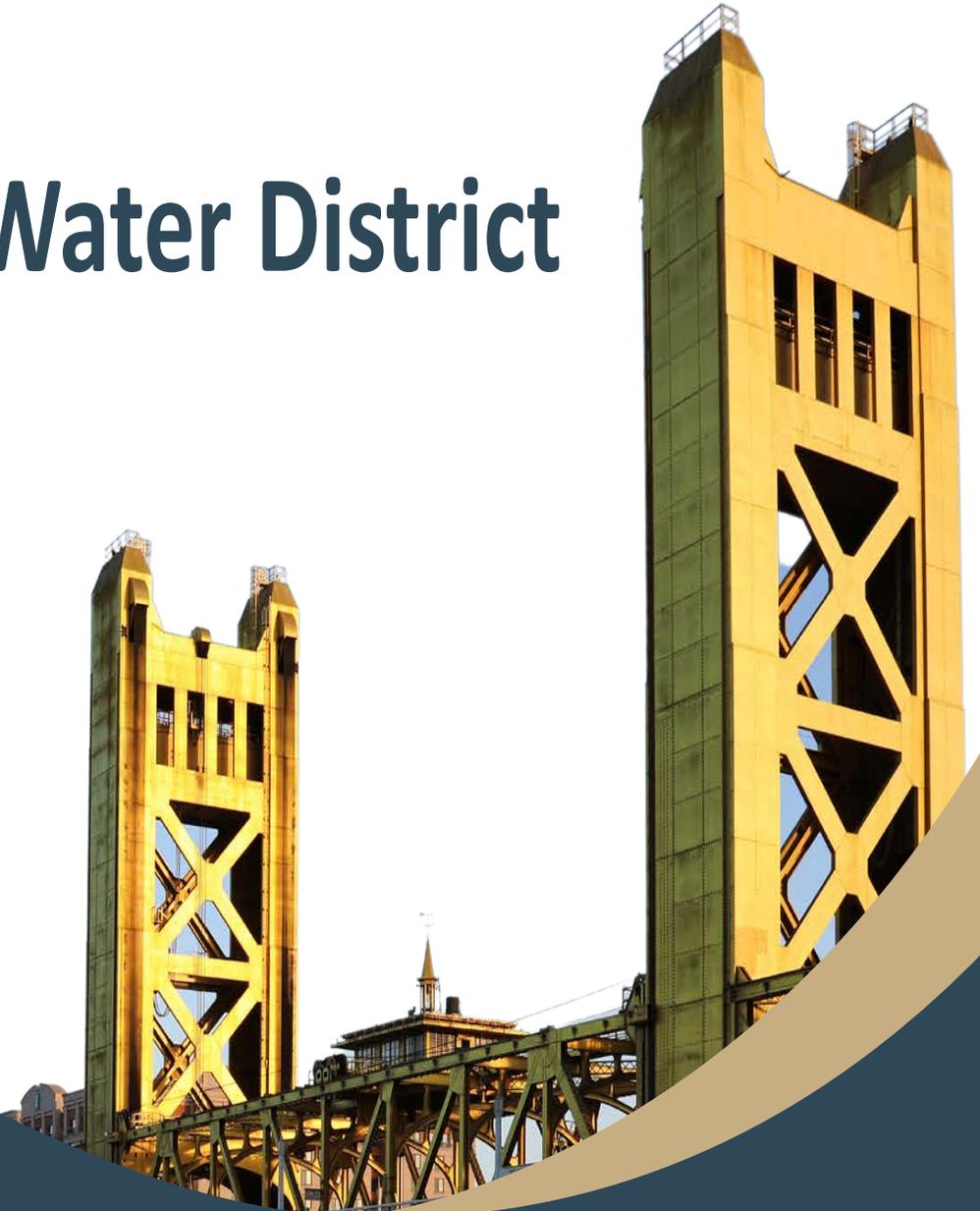
2025 STATE LEGISLATIVE OVERVIEW BY KP PUBLIC AFFAIRS

November 20, 2024

Western Municipal Water District

2025 Legislative Overview

Presentation by: Ed Manning and Brenda Bass



State Political Dynamics Going into 2025

Legislative leaders remain the same

- Senate Majority Leader Mike McGuire (D – Healdsburg, terms out in 2026)
- Assembly Speaker Robert Rivas (D-San Benito, terms out 2030)
- Senate leadership changes imminent due to term limits

Governor Newsom's term ends in 2026

- Only two years left in office and no immediate national role (at least for now), Governor will focus on key legacy issues (i.e., climate change and clean energy) with focus on affordability
- Special session calls reflect desire to continue to set legislative policy

Election year influence

- 36 new legislators will be elected, 25% of the legislature will be new

Budget challenges remain but getting better

- State's \$45 billion budget deficit for 2024-25 addressed with cuts, delays and shifts
- Two-year structural deficit still exists, but LAO notes state is \$7 billion ahead of projections

The image shows the California State Capitol building in Sacramento, California, featuring its iconic dome and classical architecture. The building is centered in the background, flanked by lush green trees. The sky is a mix of blue and light purple, suggesting a sunset or sunrise. The title '2024 Water Bill Highlights' is overlaid in white text on the left side of the image.

2024 Water Bill Highlights

AB 460 (Bauer-Kahan)

- Amended significantly to resolve concerns and narrowed to only increase fines/penalties for illegal diversions. Passed and signed.

AB 1337 (Wicks)

- Would have expanded State Water Board's ability to curtail water rights. Stalled and died in SNRW.

AB 2257 (Wilson)

- Creates administrative process required before a Prop 218 case can be filed. Passed and signed.

AB 2079 (Bennett)

- Would have prevented installation of new groundwater wells on unworkable criteria. Failed passage in SNRW.

SB 867 (Allen)

- Climate Bond passed, approved by voters in Proposition 4.

SB 1255 (Durazo)

- Would have created an onerous low-income water rate assistance (LIRA) program. Held in Assembly Appropriations.

SB 366 (Caballero)

- Would revise the California Water Plan sets a 9 million AF target of additional water by 2040, with direction to DWR to and require DWR to select a further water supply target for 2050. Passed, but vetoed by Governor.

WMWD 2025 State Legislative Priorities

1. Support legislation that establishes bold water supply targets for California to hit by 2040 and 2050, thereby increasing the State's overall water supply resiliency for urban, agriculture, economic, and environmental use, and significantly increases the California's resiliency against all weather conditions.
2. Oppose measures that would delay or halt the Delta Conveyance Project or Sites Reservoir.
3. Support measures that would help streamline and modernize the permitting process for water-related projects under the California Environmental Quality Act and the California Endangered Species Act.
4. Support legislation that assists water agencies in establishing low-income water rate assistance (LIWRA) programs, but includes all the following:
 - a) Flexibility for agencies to create a program the best suits their customers' needs.
 - b) Exemptions for water agencies who already have their own LIWRA programs.
 - c) Protection from violations to Proposition 218.
5. Support legislation that deters water theft and protects critical public water infrastructure.

2025 Legislative Landscape

1. California Water for All education effort to continue

2. Water Rights

- 2022 PCL White Paper may continue to be source of proposals for legislative reforms

3. Affordability

- Low Income Rate Assistance (LIRA) issue will come back, with potentially competing pathways

4. Drought

- If drought conditions return, we expect drought response and further water use legislation

5. Groundwater management

- Pattern of activity in this space that will likely continue, particularly if 2025 is a dry year

6. Proposition 4 – Climate Bond Implementation

7. Housing, Infrastructure Permitting

- Assembly Select Committee listening sessions are considering regulatory red tape that hinders “climate resilient” infrastructure projects, including water projects

2025 Regulatory Landscape

State Water Board – Water Rights Proceedings

- Sites water rights hearing ongoing
- Delta Conveyance Project water rights proceedings to begin in near future

Other State Water Board Regulatory Actions on Horizon

- Considering permanent minimum instream flows in Scott/Shasta, which may be precedential for other watersheds
- Drinking Water MCL Updates
 - 6 constituents identified as priorities in 2024 are still pending MCL development, including PFOA, PFOS, Arsenic, and Disinfection Byproducts
- Continued water rights data modernization efforts

Potential Reactions to Federal Regulatory Changes



Ballot Initiative Impacts – Proposition 4

Authorizes Bonds for Safe Drinking Water, Wildfire Prevention, and Protecting Communities and Natural Lands for Climate Risks – Added to ballot via SB 867

- \$610 million for safe drinking water and water quality improvement projects, such as:
 - PFAS and hexavalent chromium monitoring and remediation, treating contaminated groundwater that is a major source of drinking water, etc.
- \$75 million for regional conveyance
- \$110 million for multiple-benefit stormwater management
- \$386.25 million for water recycling
- \$75 million each for storage and conservation
- \$15 million for water data management

2025 Key Legislative Dates

January 6

- Legislature reconvenes

January 10

Governor releases proposed 2024-25 budget

February 21

- Deadline to introduce new legislation

April 26

- Deadline to pass bills from policy committees

May 23

- Deadline to pass bills from fiscal committees

June 6

- Deadline to pass bills from house of origin

June 15

- Deadline to pass state budget

July 18

- Deadline for second house policy committees
- Summer recess begins

August 29

- Second house fiscal committee deadline

September 12

- Deadline to pass all bills from Legislature

October 12

- Deadline for Governor to sign/veto bills

Thank You!