



**LEGISLATION TRACKING**  
Letters of Support/Opposition

**ITEM NO.**  
**5.1**  
**REVISED**

| Date      | Bill/Initiative   | Title  | Stand                 | Notes  | Leg. Policy* | Status  |
|-----------|---|--|-----------------------|--|--------------|---|
| 2/19/2021 | House-version of the \$1.9 trillion COVID-19 Relief Package                       | State and local government emergency assistance provisions   | Support               | Sent our own letter to Congressman Mike Garcia   | 12.0         | Letter sent 2/19/21   |
| 3/4/2021  | SB 45 (Portantino)  | Wildfire Prevention, Safe Drinking Water, Drought Preparation and Flood Protection Bond Act of 2022  | Support If Amended    | Signed on to coalition letter from The State Water Contractors (SWC)<br>Date of Hearing: Mar 16, 21 Senate Natural Resources & Water Committee | 7.0          | Letter sent 3/5/21  |
| 3/4/2021  | SB 369 (Pan)  | Yolo Bypass Cache Slough Partnership Multibenefit Program  | Support               | Signed on to coalition letter from The State Water Contractors (SWC)   | 2.0          | Letter sent   |
| 3/22/2021 | SB 323 (Caballero)  | Water and Sewer Service: Legal Actions   | Support               | Sent our own letter Senate Committee on Governance and Finance Chair, Mike McGuire   | 9.0          | Letter sent   |
| 3/24/2021 | AB 1500 (E. Garcia and Mullin)  | Wildfire Prevention, Safe Drinking Water, Drought Preparation and Flood Protection Bond Act of 2022  | Support If Amended    | Signed on to coalition letter from The State Water Contractors (SWC)   | 7.0          | Letter sent   |
| 3/24/2021 | SB 45 (Portantino)  | Wildfire Prevention, Safe Drinking Water, Drought Preparation and Flood Protection Bond Act of 2022  | Support If Amended    | Signed on to coalition letter from The State Water Contractors (SWC)<br>Date of Hearing: Apr 8, 21 Senate Natural Resources & Water Committee  | 7.0          | Letter sent 3/24/21   |
| 3/24/2021 | SB 559 (Hurtado)  | State Water Resiliency Act of 2021 (including repairs to SWP due to subsidence)  | Support               | Signed on to coalition letter from The State Water Contractors (SWC)   | 2.0          | Updated letter sent 5/26/21   |
| 3/24/2021 | AB 1161 (E. Garcia)   | Eligible Renewable Energy and Zero-Carbon Resources  | Oppose                | Signed on to coalition letter from The State Water Contractors (SWC)   | 3.0          | Letter sent 3/30/21   |
| 3/30/2021 | SB 626 (Dodd)   | Construction Manager/General Contractor Procurement Method - would allow Design Build and Construction Manager/General Contractor processes which could accelerate project delivery (i.e., SWP facilities) | Support               | Signed on to coalition letter from The State Water Contractors (SWC)   | 9.0          | Letter sent 6/22/21; Assembly Water, Parks and Wildlife Committee - July 1, 21 (ATTACHED) |
| 4/12/2021 | Valley Industry Association (VIA) SCV Helping Hand                                | Establish funding opportunities for local small businesses to provide financial aid for debt payments  | Support               | Sent our own letter to Congressman Mike Garcia   | 9.0          | Letter sent 4/13/21   |
| 4/22/2021 | AB 979 (Frazier)  | Sacramento-San Joaquin Delta: Sea Level Rise Analysis Report   | Oppose                | Signed on to coalition letter from The State Water Contractors (SWC)   | 10.0         | Letter sent 4/22/21   |
| 5/12/2021 | Forest Health Program Grant Application FY 2020-21/2021-22 Funding Opportunity    | Santa Clara River Water Arundo Removal and Fire Resilience Program   | Support               | Sent our own letter to Ca. Department of Forestry and Fire Protection (CALFIRE)  | 10.0         | Letter sent 5/13/21   |
| 5/26/2021 | Drought Relief and Water Infrastructure Investments for Inclusion in State Budget | Support for critical funding for drought relief and water infrastructure projects  | Support               | Signed on to coalition letter from The State Water Contractors (SWC)   | 9.0          | Letter sent 5/26/21   |
| 6/30/2021 | SB 222 (Dodd)   | Water Rate Assistance Program  | Oppose Unless Amended | Sent our own letter to Assembly Member Chris Holden  | 9.0          | Letter sent 6/30/21 (ATTACHED)  |
| 7/14/2021 | AB 148 (Committee on Budget, Chair Ting)  | Public Resources   | On Watch              | California Water and Wastewater Arrearage Payment Program (CWWAPP) at the State Water Resources Control Board (SWRCB)                          | 9.0          | Summary from Ca. Municipal Utilities Association (ATTACHED)                               |

\* Reference to applicable section of Legislative Policy Guidelines  
Updated: July 14, 21  
Represents changes since last distribution.



June 22, 2021

Assembly Member Eduardo Garcia  
 California State Assembly  
 State Capitol, Room 4140  
 Sacramento, CA 95814

Re: SB 626 (Dodd): Department of Water Resources: Construction Manager/General Contractor Procurement Method - **SUPPORT**

Assembly Water, Parks and Wildlife Committee – July 1, 2021

Dear Assembly Member Garcia:

On behalf of the State Water Contractors (SWC) and 12 of its member agencies, we wish to convey support for SB 626 by Senator Bill Dodd.

The SWC is an organization representing 27 of the 29 public water entities that hold contracts with the California Department of Water Resources (DWR) for the delivery of State Water Project (SWP) water.<sup>1</sup> Collectively, the SWC members provide a portion of the water supply delivered to approximately 27 million Californians, roughly two-thirds of the state’s population, and to over 750,000 acres of irrigated agriculture. Water supply delivered to the Bay Area, San Joaquin Valley,

<sup>1</sup> The SWC members are: Alameda County Flood Control & Water Conservation District, Zone 7; Alameda County Water District; Antelope Valley East Kern Water Agency; Central Coast Water Authority; City of Yuba City; Coachella Valley Water District; County of Kings; Crestline-Lake Arrowhead Water Agency; Desert Water Agency; Dudley Ridge Water District; Empire-West Side Irrigation District; Kern County Water Agency; Littlerock Creek Irrigation District; Metropolitan Water District of Southern California; Mojave Water Agency; Napa County Flood Control & Water Conservation District; Oak Flat Water District; Palmdale Water District; San Bernardino Valley Municipal Water District; San Gabriel Valley Municipal Water District; San Geronimo Pass Water Agency; San Luis Obispo County Flood Control & Water Conservation District; Santa Clara Valley Water District; Santa Clarita Valley Water Agency; Solano County Water Agency; Tulare Lake Basin Water Storage District; and, Ventura County Watershed Protection District.

Central Coast and Southern California from the SWP is diverted from the Sacramento-San Joaquin River Delta.

SB 626 would give DWR the ability to use Design Build and Construction Manager/General Contractor (CM/GC) procurement processes for construction contracts. This authority would accelerate project delivery and allow DWR to advance critical public safety, infrastructure and habitat restoration projects in a more expeditious and efficient manner. Our comments are directed to facilities of the SWP, although we understand the proposed procurement authorization would apply to construction contracts department wide.

The SWP is a collection of 700 miles of canals, pipelines, reservoirs and hydroelectric power facilities that deliver water to its customers. This complex water grid is the largest state-owned and operated water delivery system in the world and drives California's quality of life and economic vitality. Adapting and updating this 60-year old system is essential to building a more resilient water supply for the future, one that can withstand the long-lasting impacts of climate change while delivering the public benefit of clean, reliable and affordable water.

Through charges for participation in the SWP, SWC members have funded and continue to fund **all** capital projects, operations and maintenance of the SWP, and extensive ecosystem restoration projects required as mitigation in SWP permits. The efficient and timely delivery of projects and improvements to existing facilities is of critical importance to the SWC and all of the ratepayers it represents. Projects using Design Build or the CM/GC procurement method can begin earlier and take less time because of overlapping design and construction phases, will help reduce overall costs to water ratepayers and project risks and will support DWR in expediting critical water infrastructure improvements that will improve California's water supply climate resiliency.

The new project delivery methods proposed in SB 626 will improve DWR's existing design-bid-build method and can help mitigate the effects of aging infrastructure and complex projects associated with climate change and habitat restoration. If you have any questions, please do not hesitate to contact me at (916) 447-7357 or by email at [jpierre@swc.org](mailto:jpierre@swc.org). Thank you for your consideration.

Sincerely,



Jennifer Pierre, General Manager  
State Water Contractors



Dwayne Chisam, General Manager  
Antelope Valley East Kern Water Agency



Jennifer Spindler, General Manager  
Crestline-Lake Arrowhead Water Agency



Jeff Kightlinger, General Manager  
Metropolitan Water District of Southern  
California



Jim Barrett, General Manager  
Coachella Valley Water District



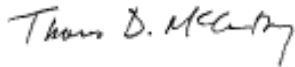
Heather Dyer, General Manager  
San Bernardino Valley MWD



Mark S. Krause, General Manager  
Desert Water Agency



Lance Eckhart, General Manager  
San Geronio Pass Water Agency



Thomas D. McCarthy, General Manager  
Kern County Water Agency



Matthew Stone, General Manager  
Santa Clarita Valley Water Agency



Kathy Cortner, General Manager  
Mojave Water Agency



Darin Kasamoto, General Manager  
San Gabriel Valley Municipal Water District



Bart Broome, Assistant Office for  
State Government Relations  
Santa Clara Valley Water District

cc: Pablo Garza, Chief Consultant, Assembly Water, Parks and Wildlife Committee  
Calvin Rusch, Policy Consultant, Assembly Republican Caucus

Senator Bill Dodd  
Marisol Prieto-Valle, Office of Senator Bill Dodd



June 30, 2021

**VIA EMAIL**

The Honorable Chris Holden  
Chair, Assembly Committee on Utilities and Energy  
State Capital, Room 5132  
Sacramento, CA 95814

**Re: SB 222 (Dodd) – Water Rate Assistance Program**  
**Position: Oppose Unless Amended**

Dear Chair Holden,

It is with some regret that I provide you with this letter of opposition (unless amended) to SB 222 (Dodd).

Water agencies in California face ever increasing demands for resources to meet the requirements of water quality, system and resource planning, maintenance and replacements, energy efficiency and other important needs. These costs unavoidably impact the affordability of water service for our customers.

One example is the rising costs of providing safe drinking water to our community. As we learn more about the legacy chemicals in our environment and our water, we are faced with significant new costs to assure our customers have safe water to drink. My own agency finds itself with not one, but three different groundwater contaminants we are addressing - perchlorate, volatile organic compounds, and now PFAS chemicals. While it is vitally important that we implement groundwater treatment to remove and contain these chemicals, it is quite expensive. The latest emerging contaminant, PFAS chemicals, have impacted 20 of our production wells. We have fast tracked the first treatment facility for three wells and have several more in the construction, design or planning stages. In our recently approved five-year rate case, the new costs for PFAS treatment capital and operating expense account for more than half of the projected increases.

We were aware of SB 222 as a proposal for a statewide approach to assisting water ratepayers below 200% of the household poverty level, and this seemed a better vehicle to develop a program that would not depend on funding from within individual water agencies with different mixes of low-income ratepayers, the constraints of Proposition 218, and other competing fiscal challenges (such as groundwater cleanup costs) that all customers are being asked to pay for.

It is disappointing to have to indicate our current opposition (unless amended) to this bill. However, the current program described in SB 222 has several flaws. If these flaws are addressed, that could significantly improve the proposal, and potentially lead to support from my agency and others. I understand some amendments have been made by the author and appreciate those that have occurred thus far. My hope is that there is still time in this legislative session for SB 222 to

create a reasonable, efficient, and effective statewide low-income water rate assistance program. The objective should be a focused and formulaic program that keeps administrative and implementation costs down so that more of the program funding can go toward assisting low-income households. A simple program can provide much-needed assistance quickly.

Following are our concerns as described in ACWA's recent June 17 letter, which we concur with and urge the Committee and Author to address.

**1) SB 222 does not propose a funding source for a program that is estimated to cost over \$600 million per year.** The State Water Resources Control Board's (State Water Board) estimate for a water LIRA program in its AB 401 report from 2020 is over \$600 million per year.<sup>1</sup> The funding source should be progressive - not regressive. For example, a water tax (which the Legislature has appropriately rejected multiple times in recent years) would be a regressive funding source and should not be used to fund this water affordability program. We request that Senator Dodd amend the bill to state that it is **not** the Legislature's intent to fund the program with a water tax.

<sup>1</sup> *Recommendations for Implementation of a Statewide Low-incomes Water Rate Assistance Program*, Table 1, Page 11.

**2) The implementing agency - the Department of Community Services and Development (Department) – should be charged with approving the funding plan – as opposed to having two State agencies approve it.** In subdivision (a) of proposed Section 116931.1, SB 222 proposes that both the Department **and** the State Water Board would adopt the Fund Expenditure Plan for the program. A consultative role for the State Water Board is one thing, but having two agencies approve the plan would be inefficient and unnecessary. We note the most recent amendments address part of this concern. We suggest the following amendment, which also includes the addition of a public workshop:

**Suggested Amendment to Proposed Section 116931.1(a)**

116931.1 (a) The department and state board shall, in consultation with the state board and advisory group described in subdivision (b) of Section 116931 and after a public workshop and public hearing, adopt an annual fund expenditure plan.

**3) Instead of creating a needs analysis and having three state agencies develop affordability challenge metrics,** we suggest that the part of the funding that would have gone to that work go to assisting low-income households. SB 222 proposes the Department, the State Water Board and the California Public Utilities Commission develop a set of metrics. Again, this type of proposal is going to divert funding to implementation that could go toward assisting low-income households. If the bill creates an efficient, formulaic program (e.g., with a flat benefit (\$X per month) set in the statute), **Section 116931.1 (c) is not needed and can be deleted.**

**4) The proposal for the California Public Utilities Commission to establish a mechanism for electrical and gas corporations to share their customer data with the Department for the corporations' energy customers who are enrolled in, or eligible to be enrolled in, the California Alternate Rates for Energy (CARE) program and the Family Electric Rate Assistance (FERA) program is unnecessary.** There is strong concern in the public water agency




context about the lack of rigor in eligibility verification for the CARE and FERA programs, which leaves that program vulnerable to fraud. There are other state programs that already assist low-income households. Sharing of customer data by electric and gas corporations should not be necessary. The cost for the development of the proposed mechanism would be an unnecessary cost. **Proposed Section 116931.2 should be deleted.**

**5) SB 222 proposes a cap on state administration costs but does not propose a cap on state implementation costs.** Proposed Section 116932 would limit the use of Fund dollars for “administrative” purposes to 10 percent of the annual deposits into the Fund. The AB 401 Report estimates the program costs at over \$600 million per year, so that gives a ballpark indication of the annual deposit amount. Having a cap on administrative costs is appropriate. However, the SB 222 language parallels the SB 200 administrative cap language in Subdivision (e) of California Health and Safety Code Section 116766. In the State Water Board’s development of the Fiscal Year 2020-21 Fund Expenditure Plan for SB 200’s Safe and Affordable Drinking Water Fund, the State Water Board differentiated between “administrative” purposes and “implementation” purposes. For example, while five percent of the \$130 million for this Fiscal Year would have been \$6.5 million, the State authorized many new positions, and the SB 200 FEP included \$12.8 million for staff costs. The State Water Board accomplished this under the “implementation” label. Since SB 222 includes a program implementation article, the bill should address this issue (e.g., with a cap on State implementation costs).

I must therefore indicate our opposition to the current version of SB 222 unless it is amended to address these concerns and request your “NO” vote when the Assembly Committee on Utilities and Energy hears the bill.

Sincerely,

  
Matthew G. Stone  
General Manager

cc: The Honorable Bill Dodd  
Honorable Members, Assembly Committee on Utilities and Energy  
Ms. Jane Park, Consultant, Assembly Committee on Utilities and Energy  
Mr. Gregory Melkonian, Consultant, Assembly Republican Caucus

AB 148 (Committee on Budget) - California Water and Wastewater Arrearage Payment Program (CWWAPP) at the State Water Resources Control Board (SWRCB)

*Highlights*

- **Nearly \$1 billion in funding administered by the SWRCB available for residential and commercial customers with arrears accrued during COVID-19 pandemic.** Total amount available for arrearages is \$985 million (accounting for SWRCB administrative costs). The program covers bills that are at least 60 days past due for both commercial and residential customers accrued during the COVID-19 pandemic relief period, which is March 4, 2020 – June 15, 2021. Active and inactive accounts are covered as are those customers already enrolled in payment plans. The SWRCB will establish guidelines for community water systems (CWS) to prioritize residential customers and those with the largest arrearages. Drinking water arrearages and water enterprise revenue shortfalls (not defined) will be top priority with wastewater arrearages eligible if there are sufficient funds available.
- **SWRCB will survey community water systems and develop guidelines for distribution.** Within 90 days of receiving funds, the SWRCB will survey CWS to determine arrearages and water enterprise revenue shortfalls, and adopt a resolution establishing guidelines for application requirements and reimbursement amounts.
- **Initial 60-day application timeframe for community water systems.** CWS will have an initial 60 days to apply for funds. The SWRCB will contact any CWS that do not apply during the initial timeframe to help them apply. Applications need to include, with supporting documentation, the total amount of outstanding past-due bills that have accumulated during the COVID-19 pandemic bill relief period and water enterprise revenue shortfalls during the same period.
- **Funds distributed on a proportional basis if there are insufficient funds.** If reported arrearages and water enterprise revenue shortfalls exceed the total funding available, funds will be distributed on a proportional basis. Small systems will receive their proportional amounts first but not a higher percentage.
- **Wastewater arrearages eligible if there is enough funding.** After the survey and application process is completed, if there is funding still available, the SWRCB will establish a program for wastewater arrearages.
- **Community water systems to directly credit customer accounts, offer payment plans.** There is no attestation process for customers; CWS are required to allocate payments directly to customer accounts within 60 days of receiving funds. CWS must also provide customers with arrearages a notice they may enter into a payment plan for any remaining debt in accordance with SB 998 requirements.



- ***Prohibitions on the discontinuation of water service.***  
CWS are not allowed to discontinue water service until (1) September 30, 2021 or (2) if a customer has been offered an opportunity to participate in a payment plan, when the customer misses the enrollment deadline or defaults on the payment plan, whichever is later.
- ***Deadlines for the SWRCB to get funding out the door.*** The SWRCB is required to begin distributing the funds no later than November 1, 2021 and shall complete the distribution by January 31, 2022.
- ***Any remaining funding due back to the SWRCB within six months.*** Within six months of receiving it, the CWS must return any money not allocated to customer accounts back to the SWRCB.
- ***Some money allowed for administrative costs.*** CWS may use up to three percent (up to \$1 million) for administrative costs.
- ***Coordination required for dual utilities.*** The SWRCB is required to coordinate with the Community Services and Development Department (CSD), which will be operating a similar program for energy arrears. This will help ensure consistency for dual utilities dealing with both the SWRCB and CSD.