



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 9, 2023

SUBJECT: 2022 STATE WATER LEGISLATIVE UPDATE

ISSUE:

Receive an update on 2022 State water legislation.

RECOMMENDATION:

That the Board of Public Utilities receive and file a 2022 State water legislative update.

BACKGROUND:

The Legislative Affairs Manager actively engages with state legislators, and stakeholder and community organizations on policy issues to advance and protect the interests of Riverside Public Utilities (RPU) and its customers as policy and budget bills progress through the legislative process. While several policy and budget bills passed this year that will affect RPU, this report will discuss key water legislation signed into law from the 2021-2022 legislative cycle.

DISCUSSION:

California is suffering from a cycle of repeated severe drought conditions brought on by climate change. Only six years after the state's last historic drought ended, California is now in the midst of what scientists refer to as a "megadrought," with nearly 99% of the state experiencing drought conditions. While these conditions are estimated to be the worst dry period in 1,200 years, experts warn even more severe and frequent droughts are almost a guarantee.

In order to address the emerging drought crisis, in his first months in office, Governor Newsom issued an Executive Order, N-10-19, calling on state agencies to create a comprehensive *Water Resilience Portfolio*. On July 28, 2020, Governor Newsom released a final version of the Water Resilience Portfolio, the Administration's blueprint for equipping California to manage extreme droughts and floods and rising temperatures, while addressing long-standing challenges that include declining fish populations, over-reliance on groundwater and lack of safe drinking water in disadvantaged communities.

The portfolio prioritized four key goals and actions organized into four categories: Maintain and Diversify Water Supplies, Protect and Enhance Natural Ecosystems, Build Connections, and Be Prepared. In January 2022, the Administration released a progress report documenting its efforts

to implement the Portfolio over the previous 18 months.

In August 2022, Governor Newsom released *California's Water Supply Strategy: Adapting to a Hotter, Drier Future*, which focuses on increasing and diversifying the state's water supply as part of the Administration's more focused approach to address water shortages and modernize California's water systems.

This report focuses on three new laws in two policy areas – water quality and water conservation that further the goals outlined in Governor Newsom's *Water Resilience Portfolio* and *Water Supply Strategy*. Attachments are provided with the full bill language for the three bills summarized below.

Water Conservation

Senate Bill 1157 (Hertzberg) – Urban Water Use Objectives

SB 1157 (Hertzberg) implements the joint recommendation of the Department of Water Resources (DWR) and State Water Resources Control Board for indoor residential water use standards by reducing the statewide indoor residential water use standard from 55 gallons per capita daily (gpcd) to 47 gpcd beginning January 1, 2025, and from 50 gpcd to 42 gpcd beginning January 1, 2030.

SB 1157 also requires DWR to study and report to the Legislature on the impacts to wastewater and recycled water systems, and progress of achieving the updated indoor standards.

Under SB 1157, an urban water supplier retains the existing flexibility to meet their water use objectives as an aggregate whole – calculated to also include water use standards for outdoor irrigation for residential, commercial, industrial, and institutional facilities, and system water loss – and are not required to meet targets by each individual sector or by individual residence.

Water Quality

Senate Bill 230 (Portantino) – Statewide Constituents of Emerging Concern Drinking Water Program (Attachment)

Senate Bill (SB) 230, supported by RPU, requires the State Water Board to establish and maintain a dedicated program for Constituents of Emerging Concern (CEC) to proactively improve the understanding of their occurrence and public health significance in drinking water sources. CECs are a diverse group of synthetic or naturally occurring chemicals or microorganisms that are not currently regulated in drinking water. In recent years, scientists have discovered new ways to detect CECs in very small amounts. Given this capability, researchers will continue to detect new, unregulated CECs that could include pharmaceuticals, personal care products, or industrial chemicals in trace amounts.

SB 230 provides the State Board the authority to create a Science Advisory Panel for a period of three years to gather and develop information for the program and provide a report to the Legislature on the work of the panel by June 1, 2026. The program is required to provide opportunities for public participation through periodic stakeholder meetings and workshops. After five years, the state board would decide whether to sunset or continue the program.

Additionally, SB 230 will establish in the State Treasury the CEC Action Fund and be administered by the State Water Board. Monies in the fund could be used to establish and maintain the panel, collect occurrence data, develop standardized analytical methods to detect CECs, and support

research to fill information gaps. SB 230 also authorizes the Board, upon appropriation to provide financial assistance to water systems that can show testing drinking water in compliance would impose a financial hardship.

Assembly Bill 1817 (Ting) – Product safety: textile articles: perfluoroalkyl and polyfluoroalkyl substances (PFAS)

Assembly Bill (AB) 1817 prohibits any person from manufacturing, distributing, selling, or offering for sale in the state any new, not previously owned, textile articles that contain regulated PFAS and requires a manufacturer to use the least toxic alternative when removing regulated PFAS in textile articles to comply with the measure.

AB 1817, also known as The Safer Clothes and Textiles Act, also requires manufacturers to provide those that offer the product for sale or distribution in the state with a certificate of compliance stating that the textile article is in compliance with these provisions and does not contain any regulated PFAS.

Exemptions to the AB 1817 include some textiles and fabrics used for safety reasons where PFAS fire retardant qualities and other benefits would prove to be invaluable, including vehicle component parts, personal protective equipment (PPE), military clothing, industrial filters, and lab clothing.

AB 1817 prohibitions become effective beginning January 1, 2025.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 4 - Environmental Stewardship** and **Goal 4.2** – Sustainably manage local water resources to maximize and ensure safe, reliable, and affordable water to our community.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – By being transparent and communicating the potential future impact of legislation, RPU can plan the best course of action to move forward
2. **Equity** – Evolving law and policy impacts all customers supplied by RPU energy and water; it is important to consider how these policies may impact customers differently and address inequities that may be unfair.
3. **Fiscal Responsibility** – RPU strives to provide high quality energy and water at a low cost to our customers. Policies that have cost impacts should provide benefits comparable to their costs.
4. **Innovation** – RPU supports state legislative policy that that provides the public with innovative solutions utilizing technology and science in a transparent, public process.
5. **Sustainability & Resiliency** – RPU supports state policies that enable the protection and growth of its groundwater supply and its local energy resources and assets.

FISCAL IMPACT:

There is no fiscal impact associated this action.

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Attachments:

1. Senate Bill 230 (2021-2022)
2. Assembly Bill 1817 (2021-2022)
3. Senate Bill 1157 (2021-2022)
4. Presentation