

To: Orange County Sanitation District
From: Townsend Public Affairs, Inc.
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Subject: Legislative and Public Affairs Agenda Report

State Political Update

The Legislature will return from Interim Recess on January 6, 2020 to start the second year of the current two-year session. When they return, they face quick deadlines to pass all legislation from last year that did not make it out of its house of origin. The second year of a two-year session is slightly condensed, resulting in quicker policy and appropriations deadlines for bills.

All bills that did not make it out of their first house in 2019 will need to pass their respective house by January 31, 2020. Additionally, legislators will have another opportunity to introduce new legislation in 2020 and will have to do so by the deadline on February 21, 2020.

Although there were several major policy topics addressed this year including housing, homelessness, and public safety, there are still several topics of interest to OCSD that did not make it past the finish line. Potential topics for 2020 that are of interest to OCSD include development impact fees, flushable wipes, ocean discharge reduction mandates, and a potential natural resources/climate change bond.

Utility Power Shutoffs

In response to the wildfires that have erupted across the state the past few months, utility companies have initiated blackouts throughout several local communities. Millions of customers have gone without power to prevent fallen or compromised power lines from sparking a wildfire. In response, Governor Newsom has appointed members to the California Wildlife Safety Advisory Board, a board of independent expert advisors that will advise the California Public Utilities Commission on wildfire safety measures. This Board was established as outlined in AB 1054 (Holden – D, Pasadena) which was signed into law in July 2019.

Additionally, the Governor appointed members to the California Catastrophe Response Council. The Council was established as part of AB 111, the wildfire agencies budget trailer bill. The Council will oversee the operations and management of the Wildfire Fund to pay eligible claims resulting from a wildfire determined to be caused by an electric utility. The Council will direct the Wildfire Fund administrator to prepare and present its operation plans on an annual basis.

Senate Pro Tempore Atkins has also announced the formation of a Senate working group that will study the issue of public safety power shut offs. The members of the working group are the following Senators:

- Susan Rubio (D – West Covina)
- Mike McGuire (D – San Rafael)
- Hannah-Beth Jackson (D – Santa Barbara)
- Ben Hueso (D – Chula Vista)
- Benjamin Allen (D – Redondo Beach)
- Henry Stern (D – Calabasas)
- Nancy Skinner (D – Oakland)
- Jerry Hill (D – San Mateo)
- Scott Wiener (D – San Francisco)

In addition to the working group, the Senate Energy, Utilities and Communications Committee conducted an oversight hearing on November 18 to “begin investigating and reviewing options to address the serious deficiencies with the PSPS process”.

Representatives from the Investor Owned Utilities, the Governor’s Office, and the CPUC were on hand for several hours to present, answer questions, and consider solutions to Public Safety Power Shutoffs (PSPS) especially as they relate to local and regional public safety concerns. A significant amount of time was also spent discussing other intricacies of related issues including technological solutions as well as funding sources for utility hardening.

TPA anticipates several bills will be introduced next year to address the PSPS process and other issues surrounding power shut offs. We expect that many of these bills will be gut and amends when the Legislature returns in January 2020, as the issue will still be fresh on legislators’ minds.

To that end, SB 378 (Wiener – D, San Francisco) will be amended to require the CPUC to create a process where businesses, individuals, and local governments can recover costs as a result of a PSPS. Early draft amendments to the bill would:

- Promote better collection of data on utility equipment in order to assess the risk level prior to a blackout
- Ensure that customers cannot be billed for transmission, distribution, and other costs during a planned blackout
- Prevent utility companies from spending funds that oppose the formation of a new municipal utilities

TPA will continue to provide timely updates on this issue as it progresses this year and into 2020.

Housing Development Fee Legislation

Beginning this month, Assemblymember Tim Grayson (D – Concord) started to conduct roundtable discussions regarding housing development fees and subsequent 2020 legislation. The Assemblymember intends to use these public hearings and discussions about impact fees with developer advocates and local government representatives to learn more about the issue and brainstorm solutions. We anticipate that the public hearings will result in a housing impact fee bill or package that could significantly impact cities and special districts.

TPA has been working with California Special Districts Association, the League of California Cities, the California State Association of Counties, and others who are part of local government advocacy groups to develop a strategy coming out of these roundtable stakeholder meetings. The goal of TPA and the local government lobby is to ensure that any housing impact fee bill or package does not jeopardize or change OCSD's ability to levy vital connection or capacity fees. TPA anticipates this issue will be a major topic of discussion in the 2020 legislative session and will continue to provide updates as they become available.