



TO: Rebecca Long

FROM: Eric Sapirstein

DATE: January 18, 2021

SUBJECT: Washington Update

---

The past month has been one of historical transition as Congress completed action on an omnibus spending bill and a fourth COVID-19 relief bill that the president signed into law. The 117<sup>th</sup> Congress convened on January 3 when new members, including OC San's Representative Young Kim and Michelle Steel, were sworn into office. At the time of this writing, committee assignments had not been officially announced. Also, when Congress convened earlier in the month, it adopted rules governing the House that included extension of the Climate Crisis Committee, signaling a commitment to address climate policy in the coming year.

In the Senate, Vice President-elect Kamala Harris officially resigned her Senate seat, making California Secretary of State Alex Padilla the new California Senator. Padilla is filling his office with seasoned congressional staff. This action suggests he will start his Senate career with all speed. With the Georgia Senators expected to be sworn into office, along with Padilla, the Senate will be in Democrat control with a 50/50 split broken by Harris' vote as the Senate President. However, given the potential for division in both parties, it is unclear how often a Harris tie breaking vote would be necessary.

With the approaching Inauguration, the Biden Transition Team announced the selection of US Environmental Protection Agency's (USEPA's) senior leaders. North Carolina's Department of Environment leader, Michael Regan will become the Administrator. Janet McCabe, previously the Office of Air Assistant Administrator under President Obama, will serve as the Deputy Administrator; a position generally considered the day-to-day manager of the agency. The appointments signal a priority for enforcement of environmental mandates and the reinstatement of climate policy as a priority for the agency.

### ***Omnibus and COVID-19 Relief***

At the end of 2020, congressional leaders reached agreement on a massive omnibus spending bill, COVID-19 relief package, renewal of the Water Resources Development Act, and authorization of renewable energy mandates. The action means that the remainder fiscal year 2020 was funded at essentially current spending levels eliminating the potential for further program disruptions. Also, Congress and the White House reached an agreement to fund extensions of pandemic relief programs and in a new effort included a limited \$638 million to provide grants nationwide for the loss of ratepayers' payments to water and wastewater agencies because of economic and health impact of COVID-19.

### ***President-Elect Releases Next Pandemic Response Package***

President-elect issued the American Rescue Plan that he intends to work with Congress to pass expeditiously to reverse the pandemic's health and economic impacts. The plan builds upon the fourth package enacted into law in December that provided assistance to support arrearages related to utility services. Under the plan, a series of provisions could benefit OC SAN'S.

- **Emergency Rental Assistance Program**  
Provides \$30 billion for direct emergency rental assistance payments to states and local governments with 200,000 residents or more. The plan envisions cities and states making payments directly to landlords or wastewater agencies on behalf of renters. If a landlord refuses to accept the rental assistance, cities and states can give assistance directly to the renter, who could then make payments to an agency.
- **Low-Income Household Drinking Water and Wastewater Emergency Assistance Program**  
Provides an additional \$5 billion in grants to assist low-income households pay their water utility bills by providing grants to public water and wastewater agencies to reduce arrearages and to support needs to pay for water services. The funds will be made available to agencies through a new Low-Income Household Drinking Water and Wastewater Emergency Assistance Program that states can distribute via existing networks such as Low-Income Home Energy Assistance Program (LIHEAP).
- **Paid Mandatory Sick and Family Leave**  
The Plan would provide for reimbursement of mandatory paid sick and family leave through September 30, 2021. This would enhance earlier efforts to simply provide tax credits to public agencies for the provision of leave. A maximum federal benefit of \$1,400 per month would be available.

- **Occupational Safety and Health Administration (OSHA) Assistance**  
The plan envisions the implementation of a COVID-19 OSHA protection standard to cover frontline essential works to protect workers from unsafe conditions and retaliation.
- **Support of State and Local Governments**  
The plan envisions \$350 billion in emergency funding for state, local, and territorial governments to ensure that they are in a position to keep front line public workers on the job and paid.

### ***Infrastructure***

Once Congress completes action on the fifth COVID-19 relief package, it is expected to turn attention of a national infrastructure initiative that would likely merge core infrastructure needs with climate policy priorities. The positive outlook for infrastructure is grounded in a sense that a national infrastructure funding program could reverse the COVID-19 created economic challenges and create employment. The starting point of any package appears to be the Moving Forward Act that the House passed last year. This almost \$2 trillion bill placed a priority on funding the State Revolving Fund program as well as new programs to provide grants to help wastewater agencies adopt technologies that could modernize the treatment process.

The outlines of any infrastructure policy remains to be developed in the coming months. However congressional staff indicate that the latter part of spring could see Congress moving aggressively to pass a bill.