



TO: Rebecca Long
FROM: Eric Sapirstein
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SUBJECT: Washington Update

Over the past month, Congress slowly began addressing both continued COVID-19 federal assistance, as well as more routine matters like fiscal year 2021 spending bills. Washington, D.C. is slowly reopening, which is allowing for a semblance of normal operations to begin. To this end, the House and Senate are scheduled to be in session for most of July and recessing for the traditional August break. While Congress will be in session, a number of Members are likely to remain in their congressional districts, working remotely since they can vote by proxy.

The following summarizes the outlook for legislative efforts in the coming weeks of interest to OCSD.

OCSD's Recent Actions Taken

OCSD Staff and ENS have been working with Senator Feinstein and Harris, and our House congressional delegation to address issues of concern related to COVID-19 funding opportunities. As such, three comment letters were submitted to the OC Delegation and Senators in support of the stimulus bill and inclusion of Special Districts. This includes two comment letters on the CARES Act and one on the HEROES Act.

HEROES Act (H.R. 6800) Phase IV Coronavirus Package

Efforts to address the continuing economic impacts of the virus continue. Following House passage of H.R. 6800, the Senate is expected to debate its version of a relief package in mid-July. The key issue of dispute is the cost of the assistance package. H.R. 6800 is a \$3 trillion bill. Senate Republicans would like to limit the cost to \$1 trillion. The White House appears to have a \$2 trillion package in mind. Without regard to the actual funding level, it now appears that wastewater utility ratepayer assistance, payroll tax credits for mandatory leave, and access for assistance through the Federal Reserve's Municipal Facility (purchase local debt) for Special Districts will be part of any final agreement.

On this last point, OCSD's letters to Senators Feinstein and Harris on this matter seemed to support the priority for such assistance, as the Senators wrote to the Federal Reserve Chairman and the Treasury Secretary urging such access. A copy of

the letter was provided to OCSD staff. Once enacted, the program will provide OCSD with a potential source of assistance if it wishes to reduce its debt burden.

Liability Waivers for COVID-19

One issue that continues to gain traction is providing some level of liability protection to employers that seek the return of employees. Private sector stakeholders, notably the Chamber of Commerce and National Association of

Manufacturers are seeking to secure a comprehensive liability waiver. Opposition from union stakeholders and the NGO community exists. Nonetheless, as noted above, this effort is focused on making the matter a part of any final COVID-19 package. After participating in a water sector stakeholder conference call on the policy issue, it seems highly unlikely that the public sector will work actively on the issue. Instead, national water sector groups can be expected to provide input to Congress on issues of concern without taking a position. For California, the Governor's recently issued Executive Order, making contracting COVID-19-related illnesses a workplace matter could limit the impact of any federal waiver.

Infrastructure Legislation Moving in House

After three years of posturing, Congress and the White House may be on the verge of addressing infrastructure. As reported earlier, the priority to restart the economy is becoming a priority. To this end, the House is expected to debate and pass, the Moving Forward Act (H.R. 2) by July 2. A selected summary of the measure is attached. For OCSD, the key point is the significant commitment of resources for clean water needs, including \$40 billion for the SRF program and \$600 million to support water recycling projects.

The massive, almost 3,000-pages, bill contains billions of dollars for water, wastewater, and ecosystem infrastructure programs. It also provides for assistance to disadvantaged communities. The prospect that the measure will pass as introduced is slim. It is a starting point for negotiations later this summer between Congress and the White House. The president has stated that he would like to sign an infrastructure bill into law. In the past he has urged passage of at least a \$1 trillion package and H.R. 2 while carrying a higher price does address the key areas of interest to the White House.