



WaterReuse – Inland Empire Chapter State and Federal Outlook

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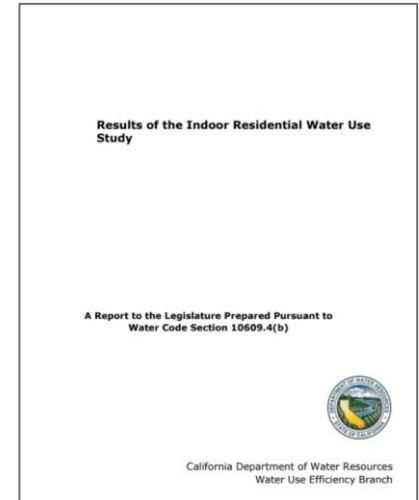
Changes in Legislature and in Key Legislative Committees

- Driven by retirements, reappointments, and redistricting
- Currently, 28 members to retire, term out or run for different office ahead of 2022 election
- Assembly Committee leadership changes
 - New Appropriations Chair:
 - Assembly Member Chris Holden
 - New Water, Parks & Wildlife Chair:
 - Assembly Member Rebecca Bauer-Kahan
 - **Assembly Member Bauer Kahan has expressed interest in exploring bills for water recycling and desal funding**
- New Senate Majority Leader:
 - Senator Mike McGuire



State Legislative Issues on the Horizon

- AB 1434 (Friedman)
 - Originally proposed targets (prior to DWR recs):
 - January 1, 2023 - January 1, 2025, **48 GPCD**
 - January 1, 2025 - January 1, 2030, **44 GPCD**
 - Beginning January 1, 2030, **40 GPCD**
 - Arbitrary conservation targets
 - Bill abandoned after being amended to reflect DWR recommendations
- Anticipating similar urban water conservation legislation
 - As of February 15, 2022, no bill introduced
- Notable members of the Legislature calling for investments in water recycling
 - Senator Stern
 - Assembly Member Bauer-Kahan
 - Senator Wieckowski



Regulatory Issues on the Horizon

- *Conservation as a California Way of Life*
- Ongoing WUE efficiency standards
 - Implementation of AB 1668 (2018) and SB 606 (2018)
 - Lack of economic impact analysis
 - Impacts to water affordability and DACs
- Consequences of reduced flows from indoor water use efficiency standards
 - Negative impacts to:
 - Water recycling and wastewater treatment systems



State Budget Outlook FY 22-23

- CalEPA Secretary Jared Blumenfeld noted that needs for recycled water projects estimated at over \$10 billion
 - \$12 billion in Los Angeles Basin alone
- FY 21-22 drought package contained \$350 million in statewide funding
 - Funding for water recycling coupled with GW cleanup
- FY 22-23 budget does not contain provisions specific to recycled water
- Anticipated federal funding
 - Clean Water SRF
 - California competing with other states for federal funding
- WaterReuse California budget request letter
 - **\$750 million** in grant funding and creation of “large project” funding category

Rough Political Climate for Biden & Democrats

- Low mark for Democratic Congress and Biden White House
 - \$1.75 trillion “Build Back Better” social spending/tax package implosion
 - BBB viewed as the centerpiece of Democrats domestic agenda
 - Democrats unable to pass their landmark voting reform legislation
- Biden disapproval numbers hit a high in January
 - Inflation looms large
- White House/Congressional direction to achieve legislative goals uncertain
- Filling Breyer Supreme Court vacancy presents near-term opportunity for a Biden-Senate Democratic victory



Federal Updates, Recent Highlights

Recycled Water Champion, Senator Alex Padilla



USBR Increased the Title XVI Cap from \$20 million to \$30 million, Jan 14



Guide Implementation of the IIJA

- Guide the implementation of Infrastructure Investment and Jobs Act:
 - Title XVI-WIIN Water Reuse Grant Program, \$550m
 - Large-Scale Water Reuse Projects Grant Program, \$450m
 - Desalination funding, \$250m
 - State Revolving Fund Programs, \$12 B in direct appropriations for each of the SRFs over five years
 - Alternative Water Source Grants Pilot Program, \$125 m (BBB, not yet enacted)



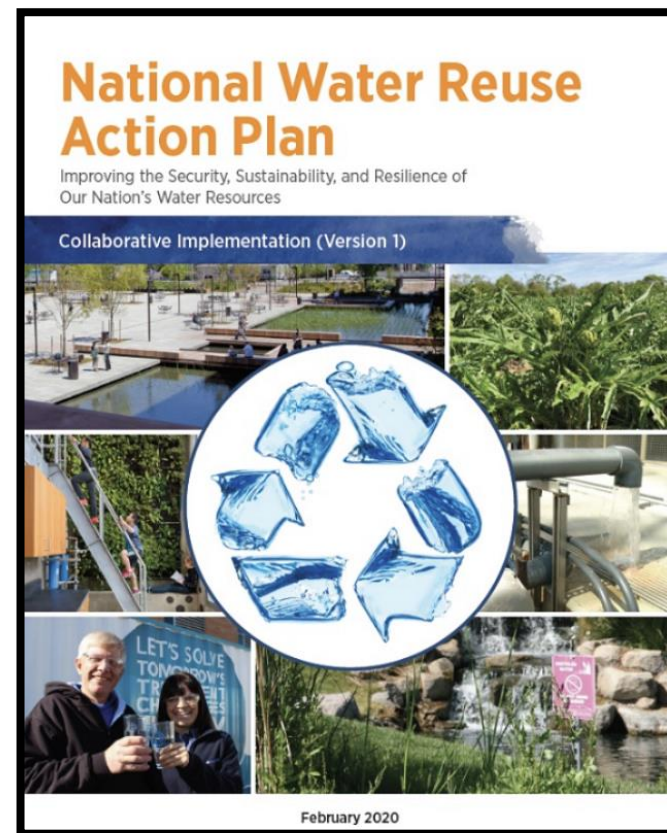
Working through limitation of “Buy America”

- “Buy America” provisions
 - Applies to all federal agencies
 - Only US made “manufactured products” allowed
 - Limited waiver provisions
 - OMB/Made in America Office required to standardize across agencies by mid-November



Interagency Collaboration

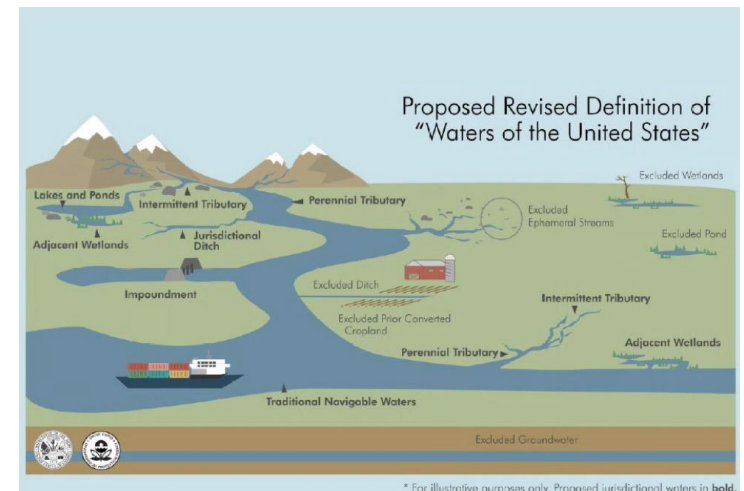
- Guide the establishment and work of the federal Interagency Working Group on Water Reuse
 - IIIJA directs the U.S. EPA to establish the Working Group, and to coordinate with stakeholders
 - EPA expected to set up Working Group in Spring of 2022
- Implementation of the Nation Water Reuse Action Plan (WRAP)
 - WRAP Continues to grow and evolve
 - 21 WaterReuse actions moving forward
 - IJIA formalized the WRAP and established the interagency working group on water reuse.



Waters of the United States

- Waters of the U.S. Rule
 - Submitted public comments on February 7
 - Ask that recycled water systems are excluded from the definition of WOTUS

EPA and Army Take Action to Provide Certainty for the Definition of WOTUS





Questions?

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