

- Legislative Report

Summary

June 2007 update on federal and state legislation.

Attachments

None

Detailed Report

Federal Legislative Update (as of 6/22/07)

Legislation

S. 24 (Boxer): A bill to amend the Safe Drinking Water Act to require a health advisory and monitoring of drinking water for perchlorate. Referred to the Senate Committee on Environment and Public Works. Hearing yet to be scheduled. Metropolitan in support and working with Senator Boxer's staff on the legislation.

S. 150 (Boxer): A bill to amend the safe Drinking Water Act to protect the health of pregnant women, fetuses, infants, and children by requiring a health advisory and drinking water standard for perchlorate. Referred to the Senate Committee on Environment and Public Works. Hearing yet to be scheduled. Metropolitan in support and working with Senator Boxer's staff on the legislation.

H.R. 1747 (Solis): A bill to amend the Safe Drinking Water Act to require a national primary drinking water regulation for perchlorate. 4/25/07: Hearing held by the House Energy and Commerce Subcommittee on Environment and Hazardous Materials. Metropolitan in support and working with Congresswoman Solis' staff on the legislation.

H.R. 6 (Rahall): The Clean Energy Act of 2007 relates to denial of deduction for income attributable to domestic production of oil, natural gas, or primary products thereof; relates to amortization of geological and geophysical expenditures for certain major integrated oil companies; relates to incorporating price thresholds applicable to royalty suspension provisions; relates to eligibility for new leases and transfer of leases authorizing the production of natural gas; relates to reserves for investments in renewable energy and energy efficiency. H.R. 6 passed 65-27 without the renewable portfolio and tax package. Legislation is now headed to conference. Staff monitoring the legislation closely.

S. 1115 (Bingaman): Promotes the efficient use of oil, natural gas, and electricity; reduces oil consumption; heightens energy efficiency standards for consumer products and industrial equipment; relates to other purposes. Staff monitoring the legislation closely.

H.R. 2337 (Rahall): A bill to promote energy policy reforms and public accountability, alternative energy and efficiency, and carbon capture and climate change mitigation, and for other purposes. Staff monitoring the legislation closely.

Other Legislation/Issues of Note

Moab Tailings Clean-up

On June 20, the Department of Energy announced the selection of its Moab contractor, a Utah Company, EnergySolutions. This is proposed to be a one-year contract followed by up to four one-year extensions for a total amount of \$98.4 million. The first year of the contract requires the contractor to propose a plan of removal for the radioactive tailings with specifics regarding methods, and costs.

Board Report (Legislative Report)

Appropriations

The appropriations discussion continues in the House and Senate. Issues related to reviewing and including Congressional earmarks have delayed House consideration of several appropriations bills. It appears the appropriations process will not be completed by the end of September and a Continuing Resolution may be required for funding at the outset of FY 2008.

On the House side, the House Appropriations Committee has considered and reported out 7 of the 12 annual appropriations bills. Four bills have been considered or passed by the House including the Energy and Water bill. The Interior bill is expected to be considered by the House before the July 4 recess. Final passage of the Energy and Water bill in the House may not take place until after the July 4 recess.

The Senate Appropriations Committee has reported out 3 of the 12 bills, including the Interior and Environment Appropriations Subcommittee bill. The Senate Energy and Water bill is expected to be marked up and reported out before the July 4 recess.

On June 15, Representative Grace F. Napolitano (Norwalk), Chairwoman of the House Subcommittee on Water & Power, joined her colleagues Jim Costa (Fresno), John Linder (Georgia), Bart Stupak (Michigan), and George Radanovich (Mariposa) in announcing the establishment of the bipartisan Congressional Water Caucus.

Key Legislative Dates

July 2 - Vallejo City Council Chambers, Vallejo, CA: House Committee on Natural Resources, Subcommittee on Water and Power: Oversight Hearing on "Extinction is Not a Sustainable Water Policy: The Bay-Delta Crisis and the Implications for California Water Management". (Witnesses: To be announced).

July 2-6 - House and Senate Recess (Independence Day District Work Period).

August 6-31 - House and Senate Summer Recess.

October 26 - Target Adjournment of the 110th Congress/First Session.

State Legislative Update (as of 6/22/07)

Legislation

June 1 was the deadline for the respective fiscal committees to move bills from the suspense file to the floor of the house-of-origin, resulting in amendments to bills that included cost-containment mechanisms that would otherwise exceed the \$150,000 threshold of the fiscal committees. Among the amended measures were:

- AB 503 by Assemblyman Sandre Swanson (D-Oakland): Previous version of the measure required all public agencies to provide an 8-hour notice to employees required to work overtime; Metropolitan and other public agencies opposed the bill. On June 1 the bill was amended converting it into a study bill, in which the California Research Bureau is charged with the responsibility of conducting a report that will outline all issues associated with providing the 8-hour notice. With the amendments, AB 503 passed the Assembly on a 46-32 vote.
- AB 640 by Assemblyman Hector De La Torre (D-South Gate): Prior version of the bill required a water replenishment district serving more than one groundwater basin to calculate a separate rate for each basin, based upon specified criteria; Metropolitan opposed the bill. On June 6 the bill was amended converting it into a study bill, in which the Department of Water Resources would be directed to study basin-specific charges, including the underflow. With the amendments, AB 640 passed the Assembly on a 67-3 vote.
- AB 885 by Assemblyman Chuck Calderon (D-Whittier): Would amend the MWD Act to retain the current composition and minimum number of directors representing each member agency as of January 1, 2007. In addition, it would require Metropolitan to recommend governance proposals to the Legislature by January 1, 2009. Metropolitan opposed the bill. This measure passed the Assembly on a 47-32 vote.

Board Report (Legislative Report)

- AB 1420 by Assemblyman John Laird (D-Santa Cruz): As sponsored by Metropolitan Water District and the Natural Resource Defense Council, would encourage implementation of water conservation measures deemed locally cost effective by urban water supplies, based upon current best management practices. This measure passed the Assembly on a 49-28 vote.
- AB 1481 by Assemblyman Hector De La Torre (D-South Gate): As sponsored by the City of Los Angeles and Metropolitan, the bill would require the State Water Resources Control Board to adopt a general permit, with waste water discharge requirements, for landscape irrigation utilizing recycled water. This measure passed the Assembly on a 77-1 vote.

State Budget

Subsequent to the Senate and Assembly reviewing and approving its own version of the FY 07/08 budget, a two-house Budget Conference Committee has convened to reconcile differences between the Senate and Assembly version of the budget. The Budget Conference Committee is comprised of Assembly Members John Laird (D-Santa Cruz), Chair; Mark Leno (D-San Francisco); and Roger Niello (R-Sacramento) and Senators Denise Ducheny (D-San Diego), Vice Chair; Mike Machado (D-Linden); and Dennis Hollingsworth (R-Murrieta).

As of mid-June, numerous items remain unresolved in the resources/water, education and health/social services areas of the budget. Working groups of key legislative and department staff as well as representatives from the Legislative Analyst's Office are meeting to make recommendations to the conferees on the aforementioned issue areas.

Prior to the adoption of a budget, the Big 5 – which is comprised of Governor Schwarzenegger, Senate President Pro Tem Don Perata (D-Oakland), Senate Republican Leader Dick Ackerman (R-Tustin), Assembly Speaker Fabian Nunez (D-Los Angeles) and Assembly Republican Leader Mike Villines (R-Clovis) – will meet to negotiate the “big picture” policy and fiscal issues in the state spending plan.

Key Legislative Dates

June 30 – Last day the Governor has to sign a budget prior to the beginning of the new fiscal year.

July 13 – Last day for policy committees to meet.

July 20 – Summer recess begins subject to enactment of a budget.

August 20 – Session reconvenes.

September 14 – Last day of the 2007 legislative session.