



EXHIBIT 16-A

Final Minutes Legislative Advocacy Committee Meeting Thursday, March 20, 2025, at 10:00 a.m. Meeting Location: Zoom

Call to Order / Roll Call

Chair Paull called the meeting to order at 10:03 a.m.

Committee Members Present

Ian Oglesby, Chair
George Riley (Alternate)
Karen Paull

Committee Members Absent

Kate Daniels

District Staff Members Present

David Stoldt, General Manager
Sara Reyes, Board Clerk

District Staff Members Absent

None

District Counsel Present

Michael Laredo, De Lay & Laredo

Additions and Corrections to the Agenda

None

Comments from the Public

Chair Oglesby opened the public comment period; however, no comments were directed to the committee.

Action Items

1. Consider Adoption of Committee Meeting Minutes from September 30, 2024

Chair Oglesby introduced this item and opened public comment; however, no comments were directed to the committee.

On a motion by Riley, seconded by Oglesby, the minutes of the September 30, 2024, committee meeting were approved on a 2-0 vote: 2 Ayes (Riley and Oglesby), 0 Noes, and 1 Abstention (Paull).

Discussion Items

2. Report from The Ferguson Group on Federal Legislative and Regulatory Activities

Chair Oglesby introduced this item and opened public comment; however, no comments were directed to the committee.

General Manager Stoldt noted that The Ferguson Group (TFG) has provided a Quarterly Legislative Report and a Legislative Tracker, both of which will be reviewed by TFG.

Roger Gwinn with TFG provided an update on recent congressional actions, specifically focusing on the continuing resolution passed to avoid a government shutdown. Key points included:

- **Continuing Resolution:** Congress passed a resolution to maintain federal funding at fiscal year 2024 levels, with some exceptions.
- **Funding Adjustments:** Increases in defense and immigration enforcement funding, reductions in IRS and Bureau of Reclamation funding.
- **Impact on Local Projects:** No earmarks included in the resolution, affecting projects like the Monterey Peninsula stormwater project and the Seaside Municipal Well Water Security Project.
- **Future Plans:** The Corps of Engineers must develop a funding plan within 60 days.

Update on pending water legislation and related topics. Key points included:

- **WIFIA Legislation:** New legislation is expected to extend the repayment period for water infrastructure projects from 35-40 years to up to 55 years, offering more flexibility and lower annual debt service costs.
- **Recycling Program Funding:** The ceiling for available funding under the recycling program was raised from \$30 million to \$40 million in the final days of the Biden Administration. The Trump Administration has the flexibility to maintain or adjust this ceiling.
- **Water Resources Development Act:** Congress will begin work on the new act, with a focus on providing more flexibility for non-federal sponsors to receive funds on a grant basis rather than through federal management. This was not included in the 2024 act but will be pursued in the upcoming process.

Chris Cummins with TFG provided updates on legislative tracking and grant opportunities. Key points included:

- **HR 338 (Every Drop Counts Bill):** This bill focuses on groundwater recharge, proposing a 25% grant for such projects. It aims to expand funding available under the bipartisan infrastructure law's small storage program. The bill has bipartisan support and will be marked up in the House soon.
- **HR 1871 (Water Conservation Rebate Tax Parity Act):** This bill, introduced by Rep. Huffman, aims to make water conservation rebate programs more accessible by providing tax exemptions, benefiting both the public and utilities.
- **Grant Opportunities:** Agencies are finishing their reviews per the Trump Administration Executive Order, and grant opportunities are being republished. The Fish and Wildlife Service is expected to release a fish passage funding opportunity soon.

3. Report from JEA & Associates on Legislative Status and Bill Tracking

Chair Oglesby introduced this item.

General Manager Stoldt noted that JEA & Associates has provided a memo and a Sacramento Bill Tracker, both of which will be reviewed by JEA & Associates.

John Arriaga from JEA & Associates, reflected on the changes and challenges since December, highlighting several key points:

- **New Legislative Session:** The 2025-2026 session began with many new legislators, with about one-third of the Assembly being new members.
- **Bill Introductions:** Over 2,500 bills were introduced by the end of February.
- **Governor's Budget:** Initially projected a surplus, but unexpected expenses, such as dealing with devastating fires, have impacted the budget.
- **Wildfire Legislation:** New legislation focuses on wildfire protection and addressing issues like

water availability and fire hydrant functionality.

- **Federal Changes:** The new Administration's actions have had significant impacts on California, including the loss of federal dollars and the abolition of certain positions.
- **Moratorium Discussions:** Ongoing discussions about lifting the moratorium, with some interest and enthusiasm from state officials.

Laurie Johnson from JEA & Associates, provided an update on the state budget, highlighting several key points:

- **Initial Budget:** The budget initially looked stable with a projected surplus, but recent events have changed the outlook.
- **Impact of Wildfires:** Devastating fires in LA required significant funding, impacting the budget.
- **Federal Uncertainty:** Cuts to Medicaid and uncertainty in disaster aid from the federal government have added to the financial strain.
- **Climate Bond:** The Governor planned to use the climate bond to support state investments in water, climate resiliency, and wildfire protection. However, funds have already been diverted to address immediate needs, reducing the available amount.
- **Rainy Day Fund:** The RainyDay Fund and other special funds have around \$18-20 billion remaining, but the budget situation remains uncertain.
- **Future Cuts:** Given the current financial challenges, the state may need to make budget cuts.

Legislative activities and related issues. Key points included:

- **Bill Introduction Limits:** Leaders have reduced the number of bills Senators and Assembly members can introduce to 35 over a two-year period, aiming for more focused and thoughtful policy-making.
- **Volume of Bills:** Despite the limits, over 2,500 bills were introduced, many of which are intent or spot bills that need substantive content soon.
- **Legislative Drama:** The Speaker removed five Republicans from their vice-chair positions for disrupting legislative work, causing some fallout.
- **Governor's Actions:** The Governor ordered state workers back to the office, impacting the Sacramento region and state finances.
- **Coordination with ACWA:** The team is coordinating with ACWA on policy issues, focusing on bills relevant to the Monterey Peninsula Water Management District (MPWMD).

4. General Managers Report on Proposed Legislation – Three Items

General Manager Stoldt discussed Senate Bill 473, sponsored by Steve Padilla, which aims to enforce decoupling for water utilities. He explained that decoupling allows utilities to recover lost revenues due to conservation efforts. However, he expressed concerns that this bill, backed by investor-owned utilities like California American Water, might not genuinely promote conservation, but rather protect utility revenues. Mr. Stoldt mentioned that ACWA is reviewing the bill, and he asked the committee if they should oppose it. He noted that opposing the bill might appear as opposing water conservation, which they are not. The bill's sponsor, the California Water Association, has strong ties to investor-owned utilities. He suggested that if they decide to oppose the bill, it would require significant effort and resources.

5. Schedule next meeting

The group discussed scheduling a quarterly meeting and will coordinate with District staff.

Suggest Items to Be Placed on a Future Agenda

No items were presented.

Adjournment

There being no further business, Chair Oglesby adjourned the meeting at 11:48 p.m.

/s/ Sara Reyes

Sara Reyes, Board Clerk to the
MPWMD Water Supply Planning Committee

Approved by the MPWMD Water Supply Planning Committee on July 28, 2025.
Received by the MPWMD Board of Director's on August 18.

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