

I. Introduction

July marked the beginning of a month-long legislative recess. The Legislature's return to Sacramento on August 1st will begin the four-week sprint to adjourning for the 2016-17 Legislative Session. A few upcoming deadlines to be aware of: August 12th will mark the last day for any bills with a fiscal impact to pass out of Appropriations and beginning on August 15th, the Governor will have 30 days to act on any bills passed by the Legislature.

II. Federal Legislation

Turning to Capitol Hill, on July 14th Congress began its seven-week summer recess with a number of significant issues awaiting their return in the fall. However, with the November election looming, the expectation is that major issues like energy reform and any potential compromise on California drought legislation, will be put off until after November 8th.

However, before recessing for the Summer, the House passed HR 4582 by Congressman Jeff Denham, who represents the Northern San Joaquin Valley. As the Council may recall, HR 4582, known as the Save Our Salmon Act, attempts to further protect California salmon and steelhead populations by eliminating the doubling requirement for striped bass that was first established by the Central Valley Project Improvement Act in 1992. Introduced in February, this measure could be considered by the Senate as part of the larger water package this Fall.

III. Budget

On the budget front, Governor Brown signed the state's spending plan for the current fiscal year on June 27th. In addition to setting aside \$2 billion for the state's rainy day reserve and providing an additional

\$4.2 million for a suite of actions related to Delta Smelt resiliency, the \$171 billion budget included no line-item vetoes from the Governor; marking the first-time this gubernatorial authority has not been exercised since 1982, during Governor Brown's second term in office.

On a related note, Governor Brown also signed SB 837 in late June, a budget trailer bill, largely aimed at making clarifying and technical changes to last year's Medical Cannabis Regulation legislation. However, included in the measure, is a provision that provides the State Water Board with the authority to regulate water utilized for growing cannabis. In addition to being the first state in the country to regulate this effort, what's particularly significant is that as many as 50,000 growers in California may now be required to obtain state permits for the irrigation water they consume. To put that into context, the Water Board currently regulates approximately 40,000 water rights in the entire system.

IV. State Legislature – AB 2444 (Garcia/Park Bond)

And then finally this morning, while many measures have stalled throughout the course of the legislative process here in Sacramento, one item that is still pending and will be considered in the coming weeks is AB 2444 by Assemblymember Eduardo Garcia, a Democrat from Coachella. This \$3.1 billion Park Bond would finance a variety of activities including park maintenance, coastal protection, and climate adaptation, with priority given to projects that include water efficiency or storm water capture elements.

In terms of items that may be of particular interest to the Council, the Bond would provide: \$15 million to the Delta Conservancy to support its core mission; \$340 million to the Wildlife Conservation Board to support projects that promote the recovery of endangered species and improve climate adaptation of natural systems; and \$80 million to assist communities, including Delta counties such as Solano and

Contra Costa, with sea level rise planning efforts. In addition, the proposed bond would allow up to 10 percent of the funds allocated to be used for planning and monitoring purposes.

IV. State Legislature – AB 2444 (Garcia/Park Bond/Cont.)

In order to qualify for the November ballot, AB 2444 will require a 2/3 vote by both houses of the Legislature. Should the Park Bond make it onto the November Ballot, it will be the 18th Initiative going before voters this Fall, the most since 1914, when 48 measures appeared, including Proposition 5, which established the current water rights system in the state and created the State Water Commission, the predecessor to the State Water Board.