
M E M O R A N D U M

To: Orange County Sanitation District
From: Townsend Public Affairs
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Subject: Monthly Legislative Report

State Legislative Update

The Legislature reconvened from summer recess on Monday, August 16. Since then, policy and fiscal committees have continued to meet and consider bills in order to meet deadline constraints. Of note is the appropriations deadline on August 27, which marks the last day for fiscal committees to meet and report bills. With the appropriations deadline comes the second house's "appropriations suspense file" hearing, where bills determined to have a significant fiscal impact are placed on "suspense" and either progress to the second house's floor for consideration or are held in committee and under submission. The suspense file hearing is expected to filter out active bills from progressing further in the legislative process.

With only three remaining weeks of the 2021 legislative session, there are a number of outstanding issues that are of interest to local governments. These include, but are not limited to:

Extension of Brown Act Flexibility

In response to the pandemic and the necessity of remote meetings to promote social distancing, Governor Newsom issued an Executive Order granting boards and agencies modified Brown Act requirements. After a previous extension of the original order, it is scheduled to expire September 30, 2021. The surge in cases resulting from the Delta Variant highlights the need for the continuation of Brown Act Flexibility. As of now, there are two avenues to pursue an extension:

- A new gubernatorial executive order or a re-extension of the existing executive order or;
- The passage of legislation such as AB 361 (Rivas) which, if passed, would grant local agencies approval to transition to remote meetings under modified Brown Act requirements without having to rely on a gubernatorial executive order. AB 361 is in the final stretch of the legislative process, requiring consideration from the Senate.

The Release of Key Budget Details

Despite the release of funding plans and implementing language for much of the State's Budget, there still remain a few pending Budget details. These include the cap-and-trade expenditure plan, which is expected to direct funding toward projects related to wildfire mitigation, forest management, and community hardening. Additionally, numerous transportation programs included in the State Budget are contingent on the passage of additional legislation to specify how funds are allocated.

In addition, several water agencies, led by Metropolitan Water District, are pushing for increased state investments for water use efficiency, local supply, and groundwater storage projects. Metropolitan is leading a coalition effort to request an additional \$1.3 billion in funding. That funding request includes:

- Water Use Efficiency:
 - \$200 million for rebates for leak detection, turf replacement, and commercial equipment
- Local Supply Projects:
 - \$650 million for water reuse and recycling
 - \$100 million for stormwater capture
 - \$100 million for groundwater remediation and wellhead treatment for PFAS
- Groundwater Storage
 - \$250 million for groundwater storage

Broadband Infrastructure Deployment

The Governor has signed SB 156, a trailer bill to implement the \$6 billion included in the original budget for broadband infrastructure construction, with priority given to underserved rural and urban communities throughout the State. The bill's major provisions include: \$2 billion for last-mile infrastructure to increase connectivity and affordability in underserved rural and urban areas, \$3.25 billion for statewide, open-access middle-mile network, and \$750 million to establish a new loan loss reserve account to provide collateral to local governments issuing bonds for municipal broadband deployment. In the final weeks of session, the passage of two important broadband infrastructure measures AB 14, (Aguiar-Curry) and SB 4 (Gonzalez), will help prioritize the deployment of broadband infrastructure in unserved and underserved communities throughout California through the ongoing collection of the California Advanced Services Fund surcharge. These bills also expand the definition of "unserved" communities to include areas with speeds slightly faster than dial up, which is now an outdated benchmark for determining access speeds. AB 14 has been placed on the Senate appropriations suspense file. SB 4 is expected to be considered by the Assembly Appropriations Committee next week.

Housing Reform Policies

This legislative session has featured a focus on housing reform policies. Numerous housing and land use reform bills have made their way through the legislative process further than similar bills have in previous sessions. For example, SB 9 (Atkins), which would require cities and counties to permit ministerially either a housing development of up to two units, or the subdivision of a parcel into two equal parcels, has passed through both house's policy committees will move to the Assembly Floor for consideration. Another bill of interest, AB 215 (Chiu), which would have created a new, mid-cycle housing needs progress determination process between HCD and underperforming jurisdictions, has now been significantly amended to remove the mid-cycle review process with HCD while enhancing the legal enforcement tools of the agency. AB 215 is expected to be considered by the Senate Appropriations Committee next week.

In addition to these priority items being discussed by the Legislature, there are several other COVID related items that are still a high priority in Sacramento.

Governor Announces Testing and Proof of Vaccination Mandate

Governor Newsom announced a new mandate requiring all state and healthcare workers to provide proof of vaccination or be tested at least once per week. In addition, the Governor hopes to encourage all local governments and other employers to adopt a similar protocol. Beginning August 2, all state employees will be required to show proof of vaccination or begin mandatory COVID testing once per week. Beginning August 9, all healthcare and congregate facility workers will adopt the same protocol and must be in full compliance by August 23. Those operating in acute care facilities may be required to be tested twice per week. Implementation of this new mandate will be accomplished via public health order.

State Rental Assistance Metrics

The Governor announced that the California Rent Relief program continues to build momentum with over \$1 billion in rental assistance requested through the state-administered program and increasing rates of application and disbursement. The State's rental assistance program allows tenants to access rental funds directly if their landlord chooses not to participate and ensures landlords can receive compensation even if their otherwise income-qualified tenants have already vacated a unit.

The Program provides a total of \$5.2 billion to now cover 100 percent of back-rent and all prospective rent for several months into the future for income-qualified tenants. The Program also includes \$2 billion for past-due water and utility bills and more money than ever for tenant legal assistance. This new supportive funding adds to the recent extension of the State's eviction moratorium.

COVID Impact on Access to State Capitol Building

California has reinstated a mask mandate for all lawmakers and employees at the state Capitol, regardless of vaccination status, following an outbreak of coronavirus cases in the building. All individuals who contracted the coronavirus were staff, four of whom were fully vaccinated. The announcement from the Secretary of the Senate and the Assembly Chief Administrative Officer was followed by a letter from Legislative Leadership to Senate and Assembly staff.

Priority Legislation

The below bills have been identified by TPA and OC San staff as priority bills that would have an impact on OC San.

AB 339 (Lee) – State and local government: open meetings. (OC San: Watch)

AB 339 was amended to remove the above provisions and instead narrow the scope to only require large cities and counties (over 250,000 in population) to include an opportunity for members of the public to attend via a telephonic option or an internet-based service option. This includes the ability to provide public comment both in person and remotely via a telephonic or an internet-based service option.

Status: AB 339 Currently on the Senate Floor.

AB 361 (Rivas) – Open meetings: local agencies: teleconferences (OC San: Support)

Would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting for the purpose of declaring or ratifying a local emergency, during a declared state of emergency or local emergency, as those terms are defined, when state or local health officials have imposed or recommended measures to promote social distancing, and during a declared local emergency provided the legislative body determines, by majority vote, that meeting in person would present imminent risks to the health or safety of attendees. The bill would sunset on January 1, 2024.

Status: AB 361 Currently on the Senate Floor.

AB 377 (Rivas) – Water quality: impaired waters (OC San: Watch)

AB 377 has recently been significantly amended. The bill now requires the State Water Board and Regional Boards to evaluate impaired state surface waters using the most current integrated report, and report to the Legislature a plan to bring all water segments into attainment by January 1, 2050. AB 377 also creates the Waterway Recovery Account in the Waste Discharge Permit Fund. Authorizes funds within the Waterway Recovery Account to be available for the State Water Board to expend, upon appropriation by the Legislature, to bring impaired water segments into attainment. Requires an enforcement action taken pursuant to this bill to result in sufficient penalties, conditions, and orders to ensure the person subject to the enforcement action is no longer causing or contributing to the exceedance in a surface water quality standard in a surface water of the state.

Status: AB 377 is a two-year bill and will not be moving forward in 2021.

AB 818 (Bloom) - Solid waste: premoistened nonwoven disposable wipes (OC San: Support)

Would require certain premoistened nonwoven disposable wipes manufactured on or after July 1, 2022, to be labeled clearly and conspicuously with the phrase “Do Not Flush” and a related symbol. The bill would prohibit a covered entity from making a representation about the flushable attributes, benefits, performance, or efficacy of those premoistened nonwoven disposable wipes. The bill would establish enforcement provisions, including authorizing a civil penalty not to exceed \$2,500 per day, up to a maximum of \$100,000 per violation, to be imposed on a covered entity who violates those provisions.

Status: AB 818 Currently on the Senate Floor.

AB 1500 (E. Garcia) // SB 45 (Portantino) – Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022 (OC San: Watch)

AB 1500 and SB 45 would have established a general obligation bond that would appear on the November 2022 ballot. These bond bills would provide funding for a wide variety of natural resources and climate resilient projects including wildfire prevention, safe drinking water and water quality, protecting fish, wildlife, and agriculture from climate risks, and protecting coastal resources.

This proposal and conversations around a climate focused bond were put on hold in 2020 largely due to the COVID-19 pandemic. However, the framework of Governor Newsom's Budget includes record surpluses and federal influxes of pandemic relief dollars. The Governor and the Legislature both agree that direct water funding through the Budget in 2021 is critical, especially as California continues to experience one of the driest periods on record. This agreement, which is still being negotiated, would preclude the need for a general obligation bond this year

Status: AB 1500 and SB 45 have both been held in their respective Rules Committees and are currently not expected to move forward this year.