
MONTHLY LEGISLATIVE UPDATE

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

STATE UPDATE

The Legislature has transitioned from the bill introduction period into the early stages of policy committee deliberations and budget oversight activity. Lawmakers introduced more than 1,800 bills ahead of the deadline, including several hundred placeholder “spot” bills that are expected to be amended with substantive language in the coming weeks, signaling a wide-ranging legislative agenda for the final year of the two-year session.

As March progresses, committee activity is expected to increase steadily throughout the month as additional bills become eligible for hearings. At the same time, budget committees and subcommittees continue to review departmental proposals and expenditures tied to the Governor’s January budget proposal, providing lawmakers with an early opportunity to examine funding priorities and program implementation.

Looking ahead, several key deadlines will shape the pace of legislative activity. Bills with fiscal impacts must advance out of policy committees and move to fiscal committees by April 24, while non-fiscal measures must clear policy committees by May 1 to reach their respective house floors. Together, these milestones mark the beginning of a more intensive phase of the legislative process as policymakers move from bill introductions to active policy and budget deliberations.

CALIFORNIA WATER PLAN 2028

Governor Newsom recently [announced](#) the [California Water Plan 2028](#), describing it as the most comprehensive water planning effort undertaken by the state to date. The initiative seeks to modernize California’s planning framework in response to increasingly variable hydrologic conditions, including prolonged drought and more intense storm cycles. It emphasizes stronger coordination across regions and sectors, updated data and modeling, and clearer statewide benchmarks to better align local and state strategies. A central component of the announcement is the establishment of a statewide goal to develop an additional 9 million acre-feet of water supply by 2040.

As described by the administration, this represents the first consolidated, statewide supply target of its kind, intended to address projected gaps between future water demand and available supplies. State officials indicated that meeting this objective will require a combination of conservation efforts, expanded storage capacity, groundwater recharge, and other strategic supply investments.

The target builds in part on [SB 72 \(Caballero, 2025\)](#), which revises the process for developing the California Water Plan and strengthens accountability. The measure expands advisory committee representation to include tribes, labor, and environmental justice stakeholders, updates the interim 2050 planning benchmarks to better reflect long-term urban, agricultural, and environmental needs, and requires cost-benefit analysis and public workshops during future plan updates.

GROUNDWATER RECHARGE PERMIT OVERSIGHT HEARING

The Assembly Committee on Water, Parks, and Wildlife held an oversight hearing on March 10, on the implementation of [AB 658 \(Arambula, 2019\)](#), which created a five-year temporary water rights permit to support groundwater recharge during periods of high river flows. Assembly Member Joaquin Arambula, the bill's author, joined the committee discussion and emphasized the importance of capturing water during wet periods as California continues to experience increasingly variable hydrologic conditions.

State Water Resources Control Board Chair, Joaquin Esquivel, provided an overview of the evolution of temporary recharge permits, noting the shift from earlier 180-day permits to the five-year authorizations established under AB 658. Although the law took effect in 2019, the first five-year permits were not issued until 2023 following prolonged drought conditions. The longer permit term is intended to provide greater planning certainty for recharge projects and support the state's broader goal of expanding groundwater recharge capacity. During the discussion, he also highlighted key elements of the permitting framework, including environmental safeguards and restrictions on certain recharge locations, and suggested that shifting from the current formal protest process to a public comment framework could help reduce permitting delays.

The hearing highlighted both the opportunities and implementation challenges associated with the five-year recharge permits authorized under AB 658 (Arambula, 2019), including permitting costs and timelines, technical requirements for water availability analyses, and the need for infrastructure investment to support expanded groundwater recharge statewide. Committee discussion suggested that future legislative or administrative changes may be considered to further streamline the permitting process and support the state's groundwater recharge goals.

LAWMAKERS CONDUCT OVERSIGHT HEARING ON CAP-AND-INVEST RULEMAKING

The Joint Legislative Committee on Climate Change Policies convened to examine proposed amendments to California's reauthorized Cap-and-Invest program, the state's primary market-based mechanism for reducing greenhouse gas emissions through 2045. The hearing focused on regulatory updates released by the California Air Resources Board (CARB) to implement AB 1207 and SB 840, which extended the program and introduced new design requirements emphasizing emissions targets, affordability, and program transparency.

CARB outlined several proposed changes, including aligning post-2030 allowance budgets with the state's climate targets, revising allowance allocations to electric utilities based on updated emissions and load data, and gradually transitioning free allowances from natural gas suppliers to electric utilities. CARB also proposed mechanisms intended to stabilize year-to-year allowance supply and reduce revenue volatility for the Greenhouse Gas Reduction Fund (GGRF), which supports a range of climate and resilience programs.

While no formal action was taken, legislators signaled continued oversight of CARB's rulemaking as the program evolves. TPA continues to engage in Cap and Invest discussions to identify opportunities to advocate for OC San priorities. The outcome of these changes may influence future climate funding priorities and energy cost trends that affect OC San and infrastructure planning statewide.

OC SAN LEGISLATIVE POSITIONS

OC San staff and Townsend Public Affairs monitor current and upcoming legislation. Per the Board approved Legislative and Regulatory Plan, OC San has submitted two position letters:

Assembly Bill (Ward) 2180 - Proposition 218 Omnibus Implementation Act

AB 2180 clarifies how local governments may demonstrate compliance with the constitutional requirement that fees not exceed the proportional cost of service. The bill allows agencies to use any reasonable method to allocate service costs among parcels, supported by existing or reasonably estimated data. The bill is sponsored by the Association of California Water Agencies.

AB 2180 will be heard in the Assembly Local Government Committee on March 25.

OC San's Position: Support. Page 24 section K (h) of the Legislative and Regulatory Plan and is consistent with previous bill concepts that TPA has discussed with OC San staff and the Board.

Assembly Bill (Johnson) 2381- Local Agency Public Construction Act: Municipal Water Districts: Sanitation Districts: Lowest Responsible Bidder

AB 2381 amends the Local Agency Public Construction Act to update competitive bidding requirements for municipal water districts and sanitation districts. Specifically, the measure increases the threshold for public works contracts that must be awarded to the lowest responsive and responsible bidder from \$35,000 to \$220,000. The bill is sponsored by the Elsinore Valley Municipal Water District.

AB 2381 was referred to the Assembly Committee on Local Government will be heard as early as March 23.

OC San's Position: Support. Page 23 section J (e) of the Legislative and Regulatory Plan.