
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

On Monday, the Legislature approved a budget bill, SB 154, which puts forth a plan for how the state will expend \$300 billion over the next fiscal year. While the passage of this bill meets the Legislature's constitutional obligation to approve a budget by June 15, the bill does not represent a comprehensive budget agreement with the Newsom Administration. As such, negotiations over a complete budget package will continue and a final budget will be implemented through additional budget trailer bills that are likely to materialize in the coming weeks.

The Legislature and Governor's Office still have some significant issues to resolve before a final budget can be reached, including economic relief for inflation and high gas prices, funding for key transportation priorities, and the overall level of funding that will be directed to ongoing programs versus one-time spending.

SB 154 will now head to the Governor's Desk for his consideration. It is possible that the Governor will not sign the bill immediately, but instead wait until a complete budget agreement is reached before acting on the measure. Ultimately, the Governor has until June 30 to take action on the budget bill, which may include line-item vetoes.

The budget bill is essentially a framework that includes priority areas and topline proposed spending amounts but does not include specific allocations and distribution methods. Details will be hashed out over the summer through various trailer bills and budget bill junior amendments, which will contain the implementing language and do not require adherence to constitutional deadlines.

Update on Brown Act Modernization Legislation

The month of June featured numerous developments related to Brown Act modernization legislation, which seeks to update flexibility allowances instated by Governor Newsom's executive orders, and subsequent legislation enacted by AB 361 (R. Rivas, Statutes of 2021). Developments included:

- **AB 1944 (Lee)** sought to expand Brown Act flexibility by allowing elected members of a local agency to use teleconferencing without identifying each teleconference location in the notice and agenda of the meeting or proceeding, regardless of the existing state of emergency. Some legislators voiced concerns about the bill's potential to jeopardize accountability for local officials to participate in person in meetings. As such, a series of stringent amendments were proposed to restrict the use of teleconferencing to cases of medical emergency and limit total number of meetings an elected official could participate remotely, along with other transparency requirements. **Assembly Member Lee has since announced he will hold the bill, meaning it will no longer progress during the 2022 Legislative Session.**
- **AB 2449 (Rubio)** allows, until January 1, 2028, members of a legislative body of a local agency to use teleconferencing without identifying each teleconference location in the notice and agenda of the meeting, and without making each teleconference location accessible to the public, under specified conditions. AB 2449 was amended to require a brief description of the reasoning for a member's remote participation on the meeting agenda, limits member teleconferencing to no more than three consecutive months, and sunsets at the beginning of 2028. Additionally, recent amendments added a provision that would amend the Brown Act beyond the scope of current law by adding various language access and other non-discrimination laws that are not currently within the existing statute. This would mean that all meetings subject to Brown Act requirements would be subject to these new requirements – not just those utilizing teleconferencing under specified conditions. As such, numerous local government and local agency associations are maintaining an Oppose Unless Amended position to the bill.

State Water Board Moves to Increase Water Conservation Efforts

Last month, the State Water Resources Control Board voted unanimously to implement a statewide ban on the watering of non-functional turf in the commercial, industrial, and institutional sectors, as well as regulations requiring local agencies to implement water use restrictions. These new regulations come amid projections that available water supplies may be 20% lower than average due to extreme weather conditions, which includes drought.

The regulation also requires all urban water suppliers to implement conservation actions under level two of their water shortage contingency plans. Level two water shortage contingency plans are meant to address up to a 20% shortage of water supplies. In addition to implementing level two actions, the regulation requires urban water suppliers to fast-track supply and demand assessments to plan for potential extended dry conditions. Level two actions often include limiting outdoor irrigation to certain days or hours, increasing patrolling to identify water waste, and increasing water conservation outreach communications.

However, about half of the state's 436 water suppliers (both urban water retailers and wholesalers) have not yet activated level two, and 36 have not submitted drought plans. Thus, the emergency regulation will require those suppliers who have not yet activated level two requirements to do so once the regulation becomes effective.

The approved regulation will be submitted to the Office of Administrative Law, or OAL, for approval.

Taxpayer Protection and Government Accountability Act

Last month, the California Business Roundtable (CBRT) announced they will not get the "Taxpayer Protection and Government Accountability Act" on the November 2022 ballot. Instead, they will try again for 2024.

The Taxpayer Protection and Government Accountability Act would amend the California Constitution to restrict the ability of the state, local governments, and the electorate to approve or collect taxes, fees, and other revenues. It would require voter approval of all state taxes, would further restrict local fee authority by limiting it to the "minimum amount necessary" to provide government services, and would require voter approval for local measures such as franchise fees. Its provisions would make it easier to challenge local revenue measures by increasing the burden of proof on local agencies while disallowing an agency's characterization of a measure from being considered in court.

The measure would prohibit city charter amendments that provide for any revenue whatsoever from being submitted to the electorate. It would also prohibit local agencies from placing advisory measures on the same ballot as any general revenue measure and would raise the threshold for voter approval of local revenue measures proposed by initiative to two-thirds. Notably, the threshold to pass this measure is only by majority vote.

To be placed on the November 2022 ballot, the measure must garner no less than 997,139 total signatures by August 2, 2022. On March 16, 2022, the Secretary of State's Office reported that the measure gathered 25% of its required signatures, signaling the proponent's campaign funding stability and momentum. However, with this news, the measure will no longer appear on the ballot for voter consideration.

Priority Legislation Updates

SB 1157 (Hertzberg) – Indoor Residential Water Use Standards (OC San Oppose Unless Amended)

SB 1157 lowers the statewide indoor residential water use standard from 55 gallons per capita daily (GPCD) to 47 GPCD beginning January 1, 2025 and from 50 GPCD to 42 GPCD beginning January 1, 2030. The water and wastewater community have been in an oppose unless amended positions since the bill was introduced this year. During the latest Assembly Water, Parks, and Wildlife Committee hearing, the Author agreed to accept Committee amendments that maintained the indoor residential water use targets, but also added further requirements for studies and variance considerations. Some of the water and wastewater community, including associations, have moved closer to a Neutral stance on the bill since the amendments have been adopted.

AB 2247 (Bloom) – PFAS Publicly accessible reporting platform (OC San Supports)

AB 2247 requires manufacturers of intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS) that are sold, offered for sale, or distributed into the state to register the PFAS or the product or product component containing intentionally added PFAS on a publicly accessible reporting platform created by the Department of Toxic Substances Control (DTSC) and the Interstate Chemicals Clearinghouse (ICC). OC San supports source control and information based bills such as AB 2247 that will help track and inform treatment decisions based on PFAS. AB 2247 was able to pass the Assembly Floor in May due in part to OC San's support and efforts to engage with members of the OC Delegation to advocate on their position.