



2022 Legislative and Regulatory Plan

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Legislative Public Affairs Committee

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Kim Carr	Member-At-Large
Anthony Kuo	Member-At-Large
Andrew Nguyen	Member-At-Large
John Withers	Board Chairman
Chad Wanke	Board Vice-Chairman

Introduction

The Orange County Sanitation District (OC San) recognizes the need for an active local, state and federal legislative and regulatory advocacy program to ensure that the interests of the ratepayers and the Board of Directors (Board) are protected and supported. The legislative and regulatory team actively engages, pursues, and monitors activities in California and Washington, D.C. and takes appropriate action in support of or opposition to legislative and regulatory initiatives.

Each year, the Board of Directors adopts a Legislative and Regulatory Plan , which is a summary of OC San’s goals, key issues, and policy positions. The legislative and regulatory policies in this document were developed taking into consideration OC San’s priorities, the wastewater industry and policy needs. These Board-approved policies serve as OC San’s official positions of support or opposition on issues of importance to the agency. The Legislative and Regulatory Plan is a dynamic document, adopted annually and is modified to meet the needs of OC San as federal, state, and local policymaking agendas change throughout the year.

The legislative and regulatory team, in conjunction with the Board, may take appropriate action consistent with the Legislative and Regulatory Plan , including, but not limited to, drafting position letters, advocating to legislators and their staff, and proposing and/or commenting on legislation and regulations.

Procedure for Taking Positions

1. Staff will track bills and proposed regulations of greatest interest to OC San, particularly those that fall within the goals and objectives identified by the Board and included in this plan. Staff will monitor bills and proposed regulations being watched by similar agencies within our region (Los Angeles County Sanitation Districts, South Orange County Water Authority, Orange County Water District, Irvine Ranch Water District, Municipal Water District of Orange County, etc.) as well as state, federal and national associations such as California Association of Sanitation Agencies (CASA), Southern California Alliance of Publicly Owned Treatment Works (SCAP), California Special Districts Association (CSDA), Association of California Water Agencies (ACWA), Association of California Cities Orange County (ACC-OC), League of California Cities (LOCC), and National Association of Clean Water Agencies (NACWA).
2. For those bills and proposed regulations that are being tracked and where there is clear policy direction stated in the Board-adopted Legislative and Regulatory Plan , Public Affairs and Regulatory staff can send letters to legislators and regulators and give direction to the lobbyists to advocate that position.

3. When Regulatory Affairs is deciding to issue a comment letter on proposed regulations, they first review the Board approved criteria established in the Legislative and Regulatory plan. If the proposed position meets the established criteria, then the Regulatory Affairs team will work with OC San’s member associations including but not limited to Southern California Alliance of Publicly Owned Treatment Works (SCAP), California Association of Sanitation Agencies (CASA), and National Association of Clean Water Agencies (NACWA). When appropriate, the member association(s) will take the lead and advocate on our behalf. Otherwise, a comment letter will be submitted from OC San directly. This will be decided by both the Regulatory Affairs team with input from the Public Affairs Office. Additionally, the Regulatory Affairs team will work directly with OC San’s Administration Manager and other manager’s as appropriate when crafting an official comment letter.
4. When an issue is not urgent, all legislative letters will be hand-signed by the Board Chairman or Vice-Chairman. If a matter is urgent, staff may use the electronic signature, so long as a clear policy direction exists, and the General Manager or Designee approves the letter.
5. When a bill does not fall within the scope of the Legislative and Regulatory Plan or is a controversial issue, staff will seek direction from the Legislative and Public Affairs Committee.
6. If a bill does not fall within the scope of the Legislative and Regulatory Plan , but the Association of California Cities Orange County (ACCOC), the California Association of Sanitation Agencies (CASA), the California Special Districts Association (CSDA) or the National Association of Clean Water Agencies (NACWA) has adopted a position, staff may follow this position but must inform the Legislative and Public Affairs Committee of such action at the next regularly scheduled meeting.

Guiding Priorities

- Oppose redundant regulatory and legislative requirements that cause undue constraints on efficient operations;
- Support legislative regulatory streamlining that promotes affordability, public health, and the environment;
- Maintain local control over governance of special districts and other local entities; and
- Obtain financial assistance for OC San projects through grants, loans, and legislative directed funding.

Federal Priorities

- **Funding/Finance**
 - Advocate for national infrastructure program that includes wastewater infrastructure needs.
 - Advocate for robust federal water infrastructure funding of existing programs in addition to national infrastructure initiative, including State Revolving Fund, Water Infrastructure Finance and Innovation Act (WIFIA), Smart Water Infrastructure Grants, and Water Recycling. Additionally, advocate for federal support assistance for workforce training.
 - Secure competitive and direct federal grants assistance in support of green infrastructure, renewable energy, biosolids management, and water and organic management recycling projects assistance.
 - Monitor and obtain federal grants for funding of traditional wastewater treatment needs, alternative renewable energy, bioenergy, water recycling, biosolids beneficial use, and beach protection.
 - Support development of infrastructure policies and legislation that will close funding gaps and encourage direct grants assistance in support of projects and programs addressing resiliency needs that protect the OC San investments from natural disasters.

- Work with U.S. Department of Energy and EPA to identify and support efforts to secure funding assistance for the OC San’s energy-water nexus project demonstrations such as super critical water oxidation and/or future biosolids/biogas projects.
- Support legislation, policies and regulations that offer to provide below market bonding rate assistance to construct treatment facilities, including credit assistance, Build America Bonds, Municipal Facility Assistance and infrastructure banks. Focus should include modernizing wastewater treatment facilities including energy and water use efficiency as well as sustainable energy recovery technologies, core infrastructure assistance related wastewater treatment, funding of final stage of water recycling needs, and related demonstration of evolving technologies to address brine line needs.
- Secure federal support of OC San’s capital project needs to aid in the budget decision making process for the coming fiscal year.
- Promote restoration of federal deductibility of state and local tax payments and oppose elimination or restriction on the use or availability of tax-exempt financing for public infrastructure.
- Support maximum funding in annual federal appropriations for the Clean Water Act State Revolving Fund (CWSRF).
- Support legislation to revise the SRF allocation formula to allow for appropriate and fair share of funding to California consistent with United States EPA study (20 percent increase in share).
- Support removal of private activity Bond State Volume Cap as part of national infrastructure initiative on water and wastewater facilities to allow for innovative financing approaches.
- **Innovative Technology**
 - Work with Congress and United States Environmental Protection Agency (EPA) to enhance the WaterSense Program to increase the use of energy and water use efficient technologies at OC San while protecting against treatment cost increases related to program rulemaking.
 - Work with Congress to authorize and fund direct assistance to support innovative technology adoption.
- **Contaminants of Emerging Concern**
 - Work with Congress to advance federal assistance to support the treatment of forever chemicals and to protect public agencies from liability for per- and polyfluoroalkyl acids (PFAS) presence in biosolids and wastewater.
 - Provide that any funding regime be derived from the manufacturers of PFAS chemicals to provide federal grants and low-interest loans to agencies impacted.
 - Oppose regulations or legislation that would address PFAS as a class of constituents.
 - Oppose designation of PFAS as hazardous substances under Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
 - Secure liability exemption for wastewater agencies if PFAS or other “forever” chemicals defined as a hazardous substance under CERCLA or are regulated as a class. Work with the EPA on emerging regulatory issues of concern including integrated planning, method development, monitoring effluent limitations and guidelines, and contaminants of emerging concern including, but not limited to, PFAS and microplastics.
- **NPDES/Permitting**
 - Work with Administration and Congress to advance commonsense permitting processes including ten-year National Pollutant Discharge Elimination System (NPDES) permits and programmatic permits issued by USEPA and the U.S. Army Corps of Engineers to reduce ratepayer costs. Any authority to issue efficient permitting solutions should not impose new requirements or burdens on permittees.
 - Support streamlining the Clean Water Act permitting processes.

- **Environment/Climate Resiliency**
 - Work with OC San’s congressional delegation and administration officials to advance funding of resiliency needs, including impacts associated with sea level rise, climate change, natural disasters such as wild fires that could affect our utility grid and cause power outages. Also, seismic events, drought and general resiliency planning that would support OC San’s water recycling, conservation, and other resiliency projects.
- **Source Control**
 - Support legislation to label wipes as non-flushable/non-dispersible.
 - Advocate for federal policies that minimize regulatory burdens imposed upon communities and public agencies that seek to adopt programs for the giveback of pharmaceuticals that will result in the reduction of disposal of pharmaceuticals through wastewater treatment facilities. Additionally, OC San will advocate for federal funding of programs currently authorized that support the development of pharmaceutical management programs including education.

State Priorities

- **Funding/Finance**
 - Secure funding through grants and legislation for infrastructure, collection improvements, and alternative renewable energy at the Fountain Valley, Plant No. 1 and Huntington Beach, Plant No. 2.
 - Promote a regional distribution/statewide equity approach to the disbursement of State Revolving Fund monies.
 - Oppose legislation or any regulations that would mandate volumetric pricing of wastewater.
 - Actively protect the allocation of local property taxes to special districts in the state budget process.
 - Monitor legislation that affects capacity and connection fees for accessory dwelling units or single family residences.
 - Support legislation that would encourage or develop bulk energy storage facilities as well as legislation that would provide funding for long-term energy storage.
 - Obtain funding for projects that meet the State’s goals of expanded water supply, energy reduction, and renewable energy implementation.
 - Where appropriate, obtain State funding for critical aging infrastructure, through funding sources made available through any agency including but not limited to the SWRCB and the Department of Water Resources.
 - Support funding through grants and legislation for a Food Waste/Organic Co-Digestion facility.
 - Monitor pension reform legislation for clean-up bills and relevant proposed regulations.
 - Support legislation that would supersede the Kaanana decision by limiting prevailing wage requirements for utilities to construction contracts.
- **Contaminants of Emerging Concern**
 - Oppose regulations or legislation that would address PFAS as a class of constituents.
 - Monitor state legislation as well as State Water Resources Control Board (SWRCB) and California Air Resources Control Board on regulatory activity related to PFAS.
 - Work with legislators to address concerns stemming from Mobile Persistent Bioaccumulative Toxic substances (MPBTs) such as PFAS. Support funding opportunities for clean-up costs from the manufacturers of PFAS and through state grants and low-interest loans.
- **Environment/Climate Resiliency**
 - Support and participate in Integrated Regional Water Management planning efforts in the Santa Ana River watershed.
 - Oppose restrictive and redundant regulatory requirements for biosolids.

- Support the creation of a Statewide Organics Management Plan that includes the beneficial use of biosolids, education, market expansion activities, and mandates to buy-back compost and other organics diverted from landfills.
- Support efforts to reform the California Environmental Quality Act (CEQA) to streamline current procedures and regulations for projects to refurbish or replace existing infrastructure facilities.
- Actively monitor the Little Hoover Commission hearings and reports related to climate change adaptation, special districts, and other topics as it relates to OC San.
- **Water Reuse**
 - Work with legislators who introduced legislation such as SB 163 (Hertzberg, 2015) and SB 332 (Hertzberg, 2019) to ensure that no unrealistic, one size fits all, regulations are placed on wastewater treatment facilities.
 - Support the inclusion of recycled water credits during the continued development and implementation of long-term water conservation legislation and regulations.
- **Source Control**
 - Support legislation or regulations that restrict the use of microplastics and chemicals of emerging concern in any product that is disposed of through the sewer system.
 - Support legislation, such as AB 1672 (Bloom), or regulations that discourage the flushing of wipes through the sewer system, unless they meet certain performance standards.
- **Local Government**
 - Support the State's efforts to increase the effectiveness and efficiencies of Local Agency Formation Commissions.
 - Oppose state mandates, regulations, or legislation such as AB 1217 (Daly, 2015) that set, alter, or otherwise modify the governance structure of special districts, joint powers authorities, or other local government entities.

Appendix

- A. Federal Tactics
- B. State Tactics
- C. Legislative and Regulatory Policies
- D. State, Federal and Regulatory Processes

Appendices

Appendix A

Federal Tactics	
Initiative	Action
1. Identify and advise on federal funding opportunities for the OC San infrastructure projects	<ul style="list-style-type: none"> Schedule meetings with federal agency stakeholders and senior officials in Washington D.C. and district offices to build support for Orange County OC San priority projects; Work with congressional delegation to update priority needs; and Develop white papers to justify requested assistance through direct grants.
2. Seek funding assistance to advance recovery of energy and other resources from biosolids and other organics such as food waste	<ul style="list-style-type: none"> Meet with federal agency officials to review OC San’s needs and to discuss funding opportunities and options related to the energy water nexus; Work with U.S. Environmental Protection Agency and other agencies to advance energy and water efficient technologies related to smart water technologies and WaterSense grant program.

<p>3. Seek Infrastructure assistance</p> <p>A. Robust funding of State Revolving Fund (SRF) and revise SRF Allocation Formula</p> <p>B. Innovative Financing Regulatory Streamlining</p>	<ul style="list-style-type: none"> ● Meet with congressional delegation and key congressional committees; ● Develop priorities and disseminate to OC San’s congressional delegation; ● Advocate before congressional infrastructure committees and applicable Executive Branch officials to secure adoption of alternative water infrastructure financing including credit, loans, public-private-partnerships and grants in addition to direct grants assistance; ● Work to ensure expedited National Environmental Policy Act and related reviews and approvals; ● Work with Congress and U.S. Bureau of Reclamation on proposals to provide enhanced alternative water infrastructure financing tools; and Seek opportunities to testify before Congress.
<p>C. 4. Support tax reform that protects public agencies</p>	<ul style="list-style-type: none"> ● Work with NACWA and CASA in support of unrestricted use of tax- exempt financing and feasible innovative financing approaches such as infrastructure banks to supplement traditional funding approaches; ● Work with state and local government stakeholders to restore state and local tax deductibility and advocate before congressional delegation; ● Present or submit testimony; and ● Transmit communications on tax-exempt financing.
<p>5. Support resiliency legislation, regulations, and policies that support protection of OC San’s investments and promote water and biosolids recycling assistance</p>	<ul style="list-style-type: none"> ● Work with delegation and regulators to ensure incorporation of new programs for water and biosolids recycling assistance; ● Work with NACWA, CASA and ACWA to support resiliency water and biosolids recycling legislation and regulations; and ● Work with congressional infrastructure committees to secure assistance for resiliency projects.
<p>6. Work with federal agencies on permitting issues</p>	<ul style="list-style-type: none"> ● Work with U.S. Fish and Wildlife Service on environmental site assessment issues such as incidental take permits under Endangered Species Act (ESA); and ● Advocate to authorize U.S. EPA to provide National Pollutant Discharge Elimination System (NPDES) permits terms for a period of up to 10- years and to retain five-year administrative extension authority.

Appendix B

State Tactics	
Initiative	Action
<p>1. Develop a proactive legislative and regulatory advocacy agenda</p>	<ul style="list-style-type: none"> ● Identify legislation that has the potential to benefit or impact OC San, as legislation is introduced and amended; ● Identify proposed state and local regulations that are introduced that have the potential to benefit or impact OC San; ● Recommend positions on identified legislation and proposed regulation to align with OC San’s Legislative and Regulatory Plan ; ● Create and continually update a legislative and regulatory matrix to track identified pieces of priority legislation and proposed regulations; ● Schedule advocacy days in Sacramento with legislators and committee staff and regulators; ● Continue an active letter writing campaign to support or oppose priority legislation and proposed regulations; ● Schedule meetings with legislators, regulators, stakeholders, and senior officials in Sacramento and district offices to build support for OC San priority projects; ● Participate in CASA’s legislative committees and Regulatory Workgroup and SCAP’s air quality, water issues, collection systems, biosolids, and wastewater pretreatment committees.
<p>2. Compile a comprehensive list of Capital Improvement projects</p>	<ul style="list-style-type: none"> ● Meet with management to discuss future capital projects and priorities; ● Match capital improvements with funding opportunities based on project eligibility.
<p>3. Monitor and advise on possible funding opportunities, including but not limited to funding through Statewide bonds</p>	<ul style="list-style-type: none"> ● Proactively engage in the drafting of grant funding guidelines and provide input to drafting agency or committee to ensure eligibility and competitiveness of OC San’s projects and priorities; ● Proactively engage on proposed legislation and regulations that would have an impact on the implementation of funding programs; ● Identify funding opportunities and provide recommendations for eligible projects. Create an advocacy and outreach schedule on the planning and execution of efforts to seek funds.

<p>4. Monitor and advise on funding available through Cap and Trade</p>	<ul style="list-style-type: none"> ● Monitor the rollout of the Cap and Trade Expenditure Plan for waste diversion projects. Continue to advocate for additional funding in future Cap and Trade Expenditure Plans that OC San is eligible for; ● Identify eligible and competitive projects and programs; ● Create a schedule on planning and execution of efforts to seek funds, including outreach and advocacy strategy.
<p>5. Monitor and advise on energy or other resource recovery related funding opportunities</p>	<ul style="list-style-type: none"> ● Track energy related grant opportunities; ● Identify potential projects for funding, including, but not limited to alternative renewable energy, biosolids to energy conversion, organic waste (high strength food waste and fats, oils, and grease) to energy conversion, and greenhouse gas reduction projects; ● Ensure wastewater interests are protected as significant decisions are made related to renewable energy production financing, mandates, climate change goals, programs and continued efforts to extend the state’s emissions reduction target; ● Schedule meetings with local delegation as well as key members to discuss project benefits and funding opportunity; ● Support initiatives that help OC San strive for energy independence by minimizing energy utilization and maximizing useful energy recovery from the sewage it receives; ● Support fair and reasonable regulations for the pipeline injection of biomethane produced from anaerobic digestion; ● Support renewable energy initiatives that are reasonable and fair.
<p>6. Schedule and attend advocacy and outreach meetings to provide OC San project updates</p>	<ul style="list-style-type: none"> ● Educate current administration, key staff and agencies on priority projects and advocate for funding allocations that align with the OC San’s priorities; ● Schedule stakeholder meetings to build support for projects; ● Hold advocacy meetings in coordination with funding opportunities and project timelines; ● Work with relevant budget committees, budget sub-committees, policy committees and their staff to advocate for funding allocations that align with OC San’s priorities; ● Provide full briefings and updates to Orange County legislative delegation and relevant members on OC San’s priority projects.
<p>7. As the State is encouraging more recycling, we want to ensure that there is regulatory support in place to allow for non-reclaimable discharge such as brine</p>	<ul style="list-style-type: none"> ● Outreach with the California Environmental Protection Agency, Department of Toxic Substances, State Water Resources Control Board, Regional Water Quality Control Board, the governor's office, legislative leadership and other appropriate stakeholders.

<p>8. Development and implementation of a statewide biosolids land application management policy</p>	<ul style="list-style-type: none"> ● Work in conjunction with CASA and SCAP to outreach and educate legislators and regulators to develop an advocacy strategy for regulatory framework that will support statewide objectives to manage biosolids land application.
<p>9. Development and implementation of a strategy to relieve the OC San of cumbersome and outdated bid advertising costs</p>	<ul style="list-style-type: none"> ● Work with relevant legislators and committees to draft legislation that will lessen the cost burden on OC San rate payers of complying with outdated bid advertising requirements; ● Conduct outreach with various other sanitation districts/POTW's across the State to form a coalition to support any efforts.
<p>10. Development and advocacy for legislation to raise the contracting and bid threshold for the OC San</p>	<ul style="list-style-type: none"> ● Meet with local labor groups to initially present the issue; ● Brainstorm proposed solutions that will give OC San and other sanitation district's/POTW's more flexibility to complete small scale public works projects in house; ● Work in conjunction with CASA to outreach, educate, and develop an advocacy strategy that will target all sanitation districts/POTW's affected by the current threshold limitations; ● Develop and advocate for legislation that will raise the threshold for work that can be performed in house as well as work that is required to be bid.

Appendix C

Legislative and Regulatory Policies

- a. **Air Quality:** OC San is committed to complying with federal, state, and local air quality laws, rules, regulations, and policies.
 - a. Support air quality legislations, regulations, rules, and policies that minimize permitting barriers and encourage the use of advanced air emission control technologies through greater flexibility and financial incentives.
 - b. Support measures that maintain and enhance local decision-making authority, where appropriate, in the development and implementation of air quality attainment strategies.
 - c. Support legislation and regulations to ensure greater consistency between the California and Federal Clean Air Acts.
 - d. Support strategies that clearly demonstrate and provide for the most cost-effective means for meeting air quality goals.
 - e. Continue to follow OC San’s odor policy to assure that OC San is a good neighbor to the surrounding communities.
 - f. Monitor California Air Resources Board’s (CARB’s) plans to accelerate zero- emission medium and heavy-duty vehicle fleets and equipment, and oppose regulation that would mandate specific fuel types or neglect the significant benefits of renewable fuels. Obtain grant funding for zero-emitting vehicles and equipment and any necessary infrastructure to support those technologies.
 - g. Monitor South Coast Air Quality Management District’s (SCAQMD’s) development of regulations and guidelines associated with AB 617 in the following areas: (1) implementation of best available retrofit control technology (BARCT) requirements for existing stationary sources; (2) deployment of air monitoring systems in selected communities; and (3) implementation of emissions reduction plans in selected communities.
 - h. Participate in associations efforts to work with CARB in implementation of the updated AB 617 Criteria Pollutants & Toxics Reporting and AB 2588 Air Toxics “Hot Spots” Programs.
 - i. Monitor legislative and regulatory development in response to State’s goal of achieving Carbon Neutrality including the electrification of engine-driven equipment and fleet. Watch for measures that would require special districts and local governments to be first adopters of this unproven technology.

- j. Oppose redundant and unreasonable requirements, such as potentially double reporting requirements, with respect to emissions reporting requirements associated with AB 617.
 - k. Monitor and support any legislative development which would provide a relief on the use of diesel emergency power generators during State of Emergency events impacting the local electrical utility.
- b. **Biosolids, Organics and Biogas:** OC San strives to beneficially use biosolids through multiple management options performed at reasonable costs that are protective of public health and the environment.
- a. Support legislation, regulations and policies that support the beneficial use of biosolids on agricultural lands, landscape, horticulture, California Healthy Soils Initiatives, mine reclamation, fire ravaged lands, superfund sites, brownfields, overgrazed lands, carbon sequestration and wetland restoration.
 - b. Support the promotion and funding of local pilot programs, studies, and research for the beneficial use of biosolids.
 - c. Oppose legislation, regulations, and policies that imposes unreasonable new rules, guidance or bans that restrict use of biosolids for land application in any region, county, or state without scientific basis.
 - d. Support alternative energy legislation, regulation and policies that encourage use of biosolids as a renewable energy resource.
 - e. Support streamlined legislation, regulations and policies that encourage the procurement of biogas, biosolids, and compost.
 - f. Support CalRecycle, CARB, California Public Utilities Commission, (CPUC), California Energy Commission (CEC), California Department of Food and Agriculture (CDFA), and State Water Resources Control Board (SWRCB) accepting quality standards that allow wastewater treatment plants to inject biogas production into existing pipelines for renewable use.
 - g. Support compost associations and local cities and agencies in education, market expansion activities, and meeting mandates to buy-back compost and other organics diverted from landfills.
 - h. Limit redundant reporting requirements on organics, recyclable material, and solid waste.
 - i. Support organic co-digestion and recycling projects.
- c. **Source Control:** OC San supports legislation that reduces pollutants and harmful materials that could enter the sewer system.
- a. Support statewide or targeted public education programs and initiatives that teach appropriate “What To Flush” practices and fats, oils, and grease management.

- b. Support federal policies and legislation that regulates the disposal of flushable wipes to ensure clarity on the definition of “flushable”.
 - c. Support legislation, regulations, and funding assistance would lead to decreased introduction of microplastics and other chemicals of concern discharged into the sewer system.
 - d. Support legislation and funding mechanisms that reduce the amount of trash, waste, chemicals, and harmful organic material that enter the sewer system.
 - e. Support legislation that would create forever homes for forever chemicals.
 - f. Oppose regulations that would address PFAS as a class of constituents.
 - g. Support the reduction/elimination of Contaminants of Emerging Concern (e.g., PFAS) within consumer and commercial products.
- d. **Grant Funding:** OC San is committed to advancing the state of knowledge in the treatment and management of wastewater through the application of innovative and alternative technologies. To this end, OC San supports grants assistance to offset its research, special projects, and capital improvement projects.
- a. Support legislation, bonds, programs, and projects that provide funding for: infrastructure construction and rehabilitation, special studies and research or projects relating to security, environmental education, water quality, wastewater processing, urban runoff, wastewater recycling, biosolids and organics management, water quality improvement, resource recovery, or alternative energy.
 - b. Support projects that provide for public benefit over projects that are primarily intended for private benefit or gain.
 - c. Oppose proposals placing further requirements on grant recipients that return low value for high administrative costs.
 - d. Support regional collaboration and funding for public agencies for food waste co digestion and recycling projects.
- e. **Innovative Funding:** OC San is committed to supporting programs that provide the highest quality services to its ratepayers.
- a. Support programs to leverage federal assistance such as credit assistance and highly subsidized loan assistance.
 - b. Support Public-Private-Partnerships, Public to Public and other financing approaches that can reduce costs only if such projects do not impose costs on OC San ratepayers.
 - c. Support the full funding of the Clean Water Act- State Revolving Fund Program at \$4 billion annually.

- d. Seek federal assistance to support water conservation projects such as water recycling, green infrastructure through the Water Infrastructure Finance and Innovation Act (WIFIA) and direct grants to reduce project costs.
- f. **Labor Relations/Human Resources:** OC San is committed to employer-employee relations including, but not limited to meeting and conferring in good faith with recognized employee organizations regarding the wages, hours of work and other terms and conditions of employment. As Congress considers reforming the federal tax code, many of the provisions subject to reform may impact labor relations.
 - a. Support measures to reform current workers compensation formulas that rely on a proportionate exposure formula.
 - b. Support health insurance reform that does not create additional financial burdens on special districts.
 - c. Support measures to ease applicability of the Fair Labor Standards Act (FLSA) on public agencies.
 - d. Oppose any measure imposing compulsory and binding arbitration with respect to public employees.
 - e. Oppose any measure that imposes upon local government mandated employee benefits that are more properly decided at the local bargaining table.
 - f. Oppose efforts reducing local control over public employee disputes and imposing regulations on an outside agency.
 - g. Oppose any measure granting essential public employees the right to strike.
 - h. Oppose a new mandatory Social Security tax for public employers and public employees.
 - i. Oppose overreaching and costly mandates that require non-necessary disclosures to employees
 - j. Oppose legislation and regulations that force OC San to adjust paid and unpaid leave time parameters.
- g. **Security:** OC San is committed to the safety of all personnel, facilities, and the entire sewer system.
 - a. Support legislation that would create efficiencies around the retention policy of surveillance video for innocuous recordings.
 - b. Support funding assistance to implement COVID type employee protection needs.
 - c. Support funding for the hardening of essential regional facilities such as water recycling and sewer collection and recycling sites.
 - d. Support legislation and funding for regional emergency management collaboration to protect critical infrastructure.

- h. **Planning:** OC San ensures the long-range planning of capital improvement programs in order to deliver the highest quality facilities.
 - a. Support reform of existing state, regional and local planning processes only if directly linked to reforms in the current revenue and tax structure of state and local governments.
 - b. Support measures that provide new revenues for growth management and the public facilities necessary to support expected growth.
 - c. Support proposals encouraging regional, sub-regional or countywide cooperation in planning urban development strategies, especially those that provide funding for effective implementation of agreed upon goals.
 - d. Oppose legislation consolidating special districts that fail to address the concerns of cities affected by the proposed consolidation.
 - e. Oppose measures that prevent or restrict the ability of cities or special districts to participate in the Southern California Association of Governments' (SCAG) sub-regional process.

- i. **Public Health:** Protection of public health is OC San's core mission. OC San will work cooperatively with county and state health officers to assure local health protection.
 - a. Support hazard mitigation, emergency response, planning, and recovery through direct legislation, policy directives, and funding toward floodplain security within the Santa Ana River watershed.
 - b. Support funding assistance to implement COVID-19 and other viral type employee protection needs.
 - c. Support (generally) measures that provide for improved public health through regulation.
 - d. Support the protection of public health and environment through the construction and implementation of advanced wastewater treatment technology.
 - e. Support sharing critical information and data from state and county agencies in the interest of protecting the public health and saving taxpayer dollars.
 - f. Monitor legislation that provides additional occupational safety and health standard requirements for employees, contractors, or subcontractors.

- j. **Public Works:** OC San is committed to the achievement of effective and efficient projects that provide wastewater treatment services that benefit its ratepayers.
 - a. Support measures that provide funding and support to publicly owned treatment works and sewage collection systems.

- b. Support legislation and regulation that allow public agencies to procure goods and services in manners similar to private industry, thereby reducing overall costs of delivery.
 - c. Support legislation and regulation that improve the Utility Underground Service Alert Program in order to improve coordination, identification, minimize damage, minimize environmental risks, and minimize cost exposure to publicly owned facilities when contractors are performing sub- surface work.
 - d. Support a comprehensive response to the state’s electricity and natural gas shortages that provide a stable energy supply, respects the ability of municipalities to provide power, recognizes that infrastructure (i.e. emergency and standby generators) exists that could be employed temporarily during periods with minimal air quality impact and protects ratepayers (including cities and special districts) against dramatic rate increases and statewide power outages.
 - e. Support legislation and regulation that allows OC San to utilize the Best Value Design/Build option for the construction of public works projects.
 - f. Oppose Buy American mandates legislation that would increase project costs or prevent the use of the most innovative technologies.
 - g. Monitor legislation that would require the inspection and possible repair of sewer laterals at the time of sale in residential, commercial, and industrial areas.
 - h. Monitor legislation connected with government claims against special districts regarding risk and wrap-up insurance.
 - i. Support legislation that increases the thresholds for bid work and force account work.
- k. **Tax Reform/Revenue and Taxation:** Track pending legislation to ensure OC San remains in compliance with the government code as it pertains to wastewater system user fees and property tax revenues and the investment of public funds.
- a. Support measures leading to a greater financial independence from the state that would result in greater stability and predictability in local government budgeting.
 - b. Oppose measures that impose mandated costs for which there is no guarantee of local reimbursement or offsetting benefits.
 - c. Oppose legislation that shifts tax revenues away from local governments without the adequate provision of a constitutionally guaranteed backfill to offset the lost revenues of those local governments.
 - d. Oppose measures that shift existing local revenue sources back to the state, including the special district share of property tax, sales tax, vehicle license fees, and rate payer fees.
 - e. Oppose the use of revenues traditionally used to fund the delivery of municipal services to fund programs for which the state is responsible, particularly the courts, health, and welfare programs.
 - f. Oppose elimination or restriction of state and local tax deduction from federal tax liability of local taxpayers.

- g. Oppose elimination or restriction on the availability of municipal tax-exempt financing for public infrastructure projects.
- h. Monitor legislation regarding changes in law that influence the fees and charges that OC San facilitates.
- l. **Special Districts:** OC San supports the maintenance of special districts to provide specific services, in response to citizen’s demands, in a cost-effective manner.
 - a. Support efforts to provide equitable treatment of special districts in emergency funding assistance.
 - b. Support outreach to local, regional, and state elected officials to foster a greater understanding regarding the critical relationship between adequate reserves and the successful short-and-long- term operation of water and wastewater agencies.
 - c. Support the work of the Association of California Water Agencies (ACWA), California Association of Sanitation Agencies (CASA), and California Special Districts Association (CSDA) in any future discussions or negotiations pertaining to the legislative and budget issues relative to preserving control of members’ reserves.
 - d. Oppose further state regulations that adversely impact special district financing, operations, and administration.
 - e. Oppose measures that create or grant powers to sub-regional or regional bodies that would result in an infringement on clearly local concerns.
 - f. Oppose any administrative or legislative efforts to access or transfer any reserve funds held by water and wastewater districts.
 - g. Oppose the imposition of unfunded, mandated programs on local governments.
 - h. Oppose efforts that diminish OC San’s ability to govern efficiently and effectively, including expanding the size of the Board of Directors.
 - i. Support alternate methods of public meetings notices that maintain transparency but are more cost efficient and technologically advanced.
 - j. Support legislation that gives local control on video retention guidelines to special districts to maintain maximum flexibility and cost control.
- m. **Water Quality and Supply:** OC San is committed to participating collaboratively in the protection of regional water resources for the benefit of the people we serve.
 - a. Support (generally) measures to increase water supply and improve water quality in the region, including drought relief legislations and regulations.

- b. Support measures that would increase funding for water reuse technologies, including support for the Groundwater Replenishment System project by the Orange County Water District and the OC San to create new water supplies through wastewater recycling.
- c. Support measures that promote and provide for the use of reclaimed water.
- d. Support policy development, funding, and research for addressing urban runoff, stormwater, and beach closures, including funding for studies that identify the sources of bacterial, viral, and other microbial contaminants and human pathogens.
- e. Support measures to evaluate water quality standards, as needed, to ensure the objectives are appropriately protecting the designated use.
- f. Support legislation and regulation that would direct U.S. EPA levied fines to remain in the region.
- g. Support measures addressing non-point source pollution in order to protect our ocean water quality and provide funding to mitigate its effects, including integrated permitting approaches that can reduce costs and achieve water quality improvements while allowing permits to be tailored to the needs of Orange County and its watershed.
- h. Support national infrastructure policies that contain aspirational goal that promotes improved water use efficiency in construction of water efficient buildings and communities.
- i. Support legislation and regulation that promote improved water use efficiency through state assistance in evaluating and implementing new programs and technologies and increasing public awareness of water use efficiency.
- j. Support legislation and regulation that provide for the development of the watershed approach, including watershed management plans and watershed-based permitting.
- k. Support legislation and regulation that necessitate the responsible use of water in residential, commercial, and industrial areas.
- l. Support streamlined environmental guidelines and regulations that would safeguard the region, providing increased protections and lesser costs to ratepayers.
- m. Oppose the imposition of statewide fees for environmental cleanup that is caused through private sector actions or are regional in nature (e.g., when the nexus between those responsible for environmental abuse and those required to pay for cleanup or mitigation is absent).
- n. Support approaches to reduce compliance costs associated with stormwater controls including the use of integrated plans.
- o. Monitor state and federal legislation and regulations related to PFAS substances.

Appendix D

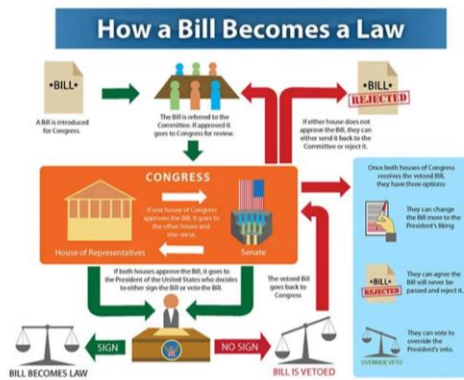
Legislative and Regulatory Process Flow Chart

State

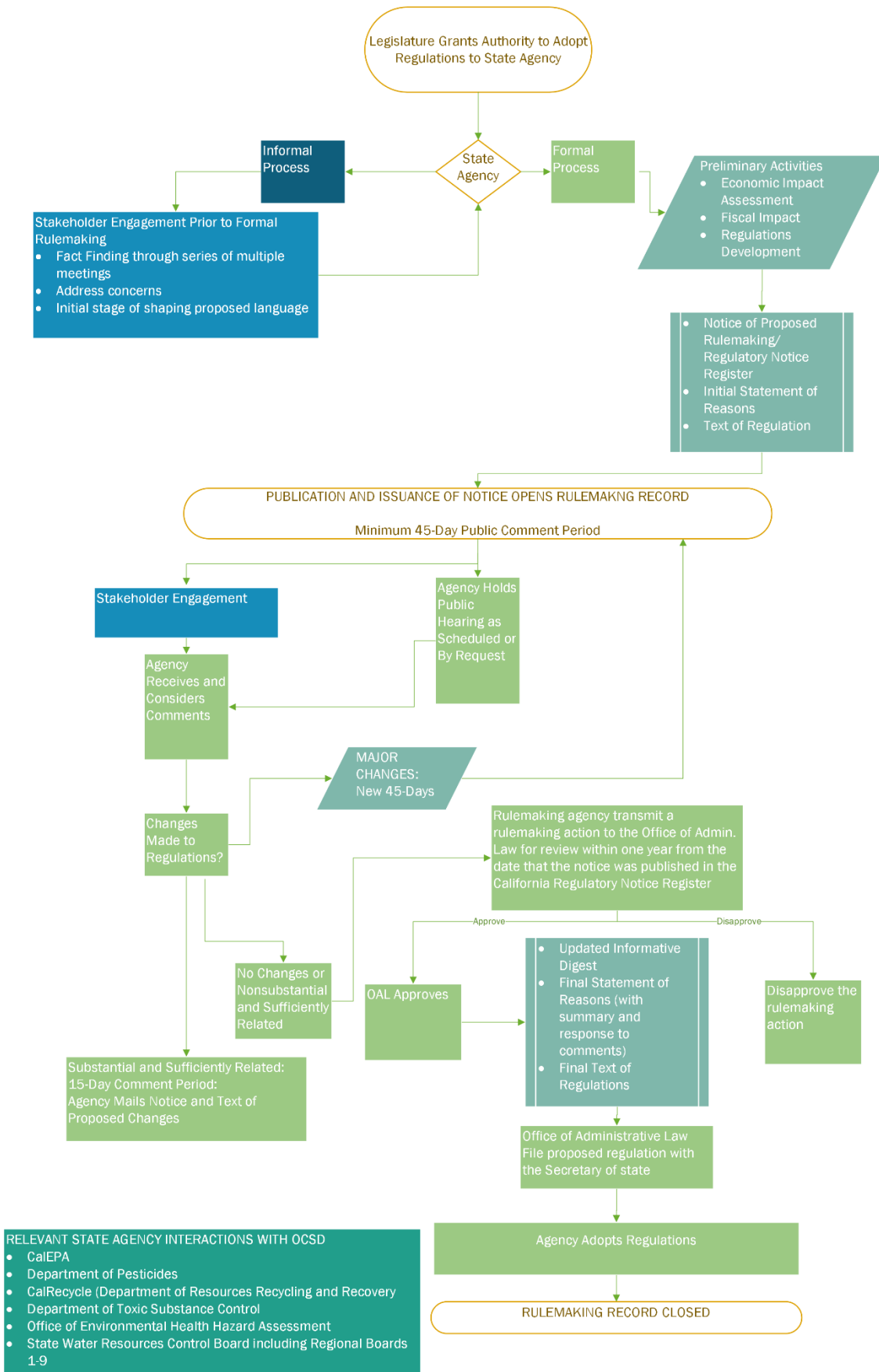


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Federal



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RELEVANT STATE AGENCY INTERACTIONS WITH OCSD

- CalEPA
- Department of Pesticides
- CalRecycle (Department of Resources Recycling and Recovery)
- Department of Toxic Substance Control
- Office of Environmental Health Hazard Assessment
- State Water Resources Control Board including Regional Boards 1-9