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**MEMORANDUM**

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**To:** Orange County Sanitation District  
**From:** Townsend Public Affairs  
**Date:** April 19, 2021  
**Subject:** Monthly Legislative Report

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**State Legislative Update**

The Legislature adjourned for Spring recess and returned on Monday, April 5. Over the last several weeks, policy and budget committees have been meeting to hear and advance bills under newly adopted rules due to the pandemic. In March, the Legislature passed and the Governor signed several bills, including SB 95 (Skinner, D-Oakland) to provide workers with access to COVID-19 supplemental paid sick leave through September 30, 2021. The Governor also signed AB 88, an additional budget cleanup bill to the Golden State Stimulus package signed earlier this year which gives the poorest Californians some additional financial relief in light of the ongoing pandemic.

Below is a list of upcoming legislative deadlines:

**April 30:** Last day for policy committees to advance fiscal bills  
**May 7:** Last day for policy committees to advance non-fiscal bills  
**May 21:** Last day for fiscal committees to advance fiscal bills to the floor

**California Vaccine Eligibility**

As vaccine supply is expected to continually increase in the coming weeks, last month, the State announced expanding vaccine eligibility to more Californians. Starting April 1, individuals over 50 were eligible to make an appointment to be vaccinated. Starting April 15, all individuals over the age of 16 were eligible to make an appointment. The State expects to be allocated approximately 2.5 million first and second doses per week in the first half of April, and more than 3 million doses in the second half of April. With these anticipated allocation numbers, the end goal is to administer 4 million vaccines on a weekly basis by the end of April. In an effort to vaccinate the State's hardest hit populations the state has taken the following actions:

- Partnered with organizations to vaccinate essential workers
- Supported community-based organizations to provide scheduling assistance for appointments

- Prioritized currently eligible populations and allowing providers the discretion to vaccinate those who live in high impact areas

### State Economic Update

On March 22, the Governor announced that General Fund revenues are running \$14.3 billion above January's revenue forecast, with receipts for February exceeding the month's projections by \$3.8 billion. The Governor's office stated that nearly 60 percent of February's gain can be attributed to timing, including lower refunds caused by the enactment of the \$600 one-time payments from the Golden State Stimulus, and fewer state tax refunds due to the delayed federal start to the tax filing season.

The Governor highlighted the January Budget proposal and stimulus packages as part of the State's efforts to properly utilize the increased revenue. As a reminder, the January Budget proposal reflects \$34 billion in budget resiliency – budgetary reserves and discretionary surplus – including: \$15.6 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$3 billion in the Public School System Stabilization Account; an estimated \$2.9 billion in the state's operating reserve; and \$450 million in the Safety Net Reserve. The state began the year with an operating surplus of \$15 billion.

The Budget aims to continue paying down the state's retirement liabilities and reflects \$3 billion in additional payments required by Proposition 2 in 2021-22 and nearly \$6.5 billion over the next three years. The Governor also said that the improved revenue picture allows the state to delay \$2 billion in scheduled program suspensions for one year.

### Water Supply Conditions – Drought Returns

In April, Department of Water Resources (DWR) officials reported on the water supply conditions of the State in a routine but important snowpack survey. Results from the survey indicated that the snowpack is 59 percent of average for this time of year. This is the second year in a row that snowpack was significantly below average, and reports forecast worsening dry conditions for the State as Summer months approach. Similarly, a U.S. Drought Monitor Report released last week indicated that 91 percent of the State is under drought conditions with 64 percent of the State experiencing "severe" drought. These conditions, coupled with decreasing reservoir levels, could lead to a return of water use restrictions.

Earlier this month, DWR adjusted its initial State Water Project allocation down from 10 percent to 5 percent. These allocations are determined based on assumptions and conservative estimations from reservoir storage levels, snowpack, and current hydrology. While this allocation changes monthly, a decrease from 10 to 5 percent demonstrates a trend that could be alarming going into the hottest months of the year.

### 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 59 (Gabriel) - Mitigation Fee Act: fees: notice and timelines (OC San Opposes)*

AB 59 would repeal Section 66022 of the Government Code, which establishes the 120-day statute of limitations for legal challenges to new or increased connection fees or capacity charges.

Under current law, any legal challenges for water and sewer connection fee or capacity charge must be commenced within 120 days after a water or sewer agencies adopts or amends a fee. This bill would change the statute of limitations to begin once the agency actually charges the fee to the ratepayer.

AB 59 would also require local agencies that collect fees in excess of the amount needed to provide their specific services to reimburse the ratepayer for that amount as opposed to re-investing that excess into reducing rates.

AB 59 would likely result in additional legal challenges to OC San fee schedules and would result in less stable future revenue projections.

Status: AB 59 will be a two-year bill and is not expected to be heard in 2021.

*AB 339 (Lee) – State and local government: open meetings. (OC San Oppose Unless Amended)*

AB 339 would have required local public agencies to provide the following services:

1. Closed captioning services for live streamed meetings
2. Translation of the agenda packet and call-in instructions into languages spoken by at least 5 percent of the jurisdiction's population
3. In-person translation services (for public comments and other needs) for languages spoken by at least 5 percent of the jurisdiction's population

AB 339 was recently amended to remove the above provisions and instead requires that local governments make available opportunities to participate in public meetings both remotely and in-person to provide public comment. Furthermore, language was amended to state that meeting agendas and instructions should at a minimum be published in the two most spoken languages other than English within the boundaries of the territory over which the local agency exercises jurisdiction. The bill also states that translation services for public comments should be provided when requested ahead of time from the speaker.

Status: AB 339 has been referred to the Assembly Local Government Committee.

*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 will be heard in the Assembly Environmental Safety and Toxic Materials Committee on April 21.

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

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 is a reintroduction of previous CASA sponsored legislation. AB 818 will be heard next in the Assembly Appropriations Committee.

*SB 45 (Portantino) – Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022 (OC San Watch)*

SB 45 would establish a \$5.5 billion general obligation bond that would appear on the November 2022 ballot. SB 45 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.

SB 45 is a re-introduction of SB 45 (Allen, 2018). This proposal and conversations around a climate focused bond were put on hold largely due to the COVID-19 pandemic. It is important to note that Governor Newsom’s January budget request did not include a climate/natural resources bond.

Status: SB 45 passed the Senate Natural Resources and Water Committee and the Senate Governance and Finance Committee and will be heard next in the Senate Appropriations Committee.