WOODRUFF

Woodruff & Smart
A Professional Corporation

James H. Eggart, Director
Direct Dial: (714) 415-1062
Mobile: (714) 865-4853
E-Mail: jeggart@woodruff.law

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MEMORANDUM

VIA E-MAIL

TO: Robert Housley, General Manager
Midway City Sanitary District

FROM: James H. Eggart, General Counsel

DATE: February 4, 2025

RE: 2024 Legislative Summary

This memorandum briefly summarizes pertinent legislation enacted during the 2024 Legislative Session that may apply to or impact the Midway City Sanitary District and/or the Board of Directors. This legislative session concluded with the Governor acting on more than 1,200 bills, 183 of which he vetoed.

Please note that this memorandum is not a complete list of all the 2024 statutes and is not intended to be an exhaustive treatment of the bills presented below. Rather, the memorandum focuses on those statutes related to the solid waste and sewer services provided by the District and changes to laws that affect local public agencies and public officials generally. A more comprehensive summary of legislation that primarily impacts cities and other types of public agencies is available upon request, as is a complete list of the 2024 statutes, as prepared by the California League of Cities. Unless otherwise stated, the bills discussed in this memorandum became effective on January 1, 2025.

The measures summarized in this memorandum are organized by the topic. Below is a list of topics covered in this memorandum.

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AGENCY GOVERNANCE AND OPERATIONS

Board of Supervisors

Assembly Bill 3130 [Quirk-Silva (D-Fullerton)]: Disclosure of Family Relationships

AB 3130 requires a member of a county board of supervisors to disclose a known family relationship with an officer or employee of a nonprofit entity before the county appropriates money to that nonprofit entity. The bill was enacted in response to the controversy surrounding former Orange County Supervisor Andrew Do, but applies to all counties in the State.

Assembly Bill 2946 [Valencia (D-Anaheim)]: Limits on Expenditure of Discretionary Funds by Orange County Supervisors

AB 2946 was enacted in response to the controversy surrounding former Orange County Supervisor Andrew Do and applies only to Orange County. The bill prohibits an individual Orange County Supervisor from awarding discretionary funds to a community organization or nonprofit unless approved by a majority vote of the entire Board. This bill further requires the Board of Supervisors to post on its website a log of discretionary funds for each supervisorial district at the end of each quarter. In addition, the bill prohibits a Board member running for reelection from placing an agenda item for approval of district discretionary funds, announcing or participating in a press release announcing an award of discretionary funds, or participating in a ceremonial presentation awarding discretionary funds within the 90 days preceding the election.

Brown Act

Assembly Bill 2302 [Addis (D-Morro Bay)]: Alternative Teleconferencing Rules

The Brown Act's "alternative" teleconferencing rules set forth in Government Code Section 54953(f) permit individual members of a legislative body to participate in a meeting through the use of both audio and visual technology in limited circumstances due to "just cause" or "emergency circumstances," without having to post an agenda or allow public access at the location from the member is participating remotely. These provisions previously limited a member's use of these provisions to a period of no more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or no more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. AB 2302 revised these limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets. Under this bill, remote participation via the "alternative" teleconferencing provisions for "just cause" or "emergency circumstances" is now only be permitted for (a) two meetings per year, if the legislative body regularly meets once per month or less; (b) five meetings per year, if the legislative body regularly meets twice per month; or (c) seven meetings per year, if the legislative body regularly meets three or more times per month.

To utilize the "alternative" teleconferencing provisions of Government Code Section 54953(f), a local agency must allow the public to participate in the meeting via either (1) a two-way audiovisual platform or (2) a two-way telephonic service and a live webcasting of the meeting. In addition, a legislative body member participating by teleconference must participate through both audio and visual technology. Because the District does not allow the public to observe and participate in meetings remotely or have the ability for Board members to participate via video, its Board Members are not eligible to utilize these "alternative" teleconferencing provisions.

Assembly Bill 2715 [Boerner (D-Encinitas)]: Closed Sessions for Cybersecurity Threats

The Brown Act allows a local agency legislative body to meet in closed session with its attorneys or law enforcement to discuss matters posing a threat to the security of public buildings, a threat to the security of essential public services (including water, drinking water, wastewater treatment, natural gas service, and electric service), or a threat to the public's right of access to public services or public facilities. AB 2715 expressly extended this "public security" exception to the Brown Act's open meeting requirements to authorize closed sessions for the purpose of discussing threats to critical infrastructure controls or critical infrastructure information relating to cybersecurity.

Local Agency Formation Commissions

Senate Bill 1209 [Cortese (D-San Jose)]: LAFCO Indemnification Agreements

SB 1209 expressly authorizes a Local Agency Formation Commission (LAFCO) to require an applicant (including a local agency) to indemnify the LAFCO, its agents, officers, and employees from and against any claim, action, or proceeding that may stem from a LAFCO decision to approve an application.

Since 1963, the Legislature has delegated the ongoing responsibility to control the boundaries of cities, county service areas, and most special districts to LAFCOs in each county. LAFCOs review proposals to form new local government agencies, change existing agencies' boundaries, and grant special districts the authority to exercise certain powers. When a private entity or a governmental agency brings a proposal before a LAFCO for review and approval, many LAFCOs have historically required the applicant to sign an indemnity agreement to indemnify the LAFCO against any lawsuits that may stem from its decision and cover the LAFCO's legal expenses should any be incurred in the process of defending its decision. However, an appellate court recently ruled that LAFCOs lack the statutory authority to require such indemnity agreements.

SB 1209 codifies a LAFCO's ability to enter into these indemnity agreements with an applicant as a condition for processing a change of organization or reorganization, a sphere amendment or sphere update, or any other action requested from the respective LAFCO. The bill also requires a LAFCO subject to an indemnity agreement to promptly notify the applicant of any claim or action and fully cooperate with the said applicant in the defense of such claims.

Political Reform Act

Senate Bill 1181 [Glazer (D-Orinda)] & Senate Bill 1243 [Dodd (D-Napa)]: Levine Act

The Levine Act (Government Code Section 84308) places limits on the giving or acceptance of campaign contributions to or by elected and appointed local public officials by or from persons and entities with permits, entitlements, or contracts pending before a local agency. Together, SB 1181 and SB 1243 amend the Levine Act in the following ways:

- SB 1243 increases the campaign contribution threshold that triggers the Levine Act's restrictions from $250 to $500.

- Both bills extend the period of time during which an official may return a campaign contribution that would require disqualification under the Levine Act, and thus be permitted to

participate in the relevant proceeding. Beginning January 1, 2025, an official can return a contribution as late as 30 days from the time the official makes any decision in the proceeding.

- SB 1243 extends the period of time during which an official may cure a violation of the Levine Act related to a campaign contribution that exceeds the relevant threshold during the 12-month period following a final decision in a covered proceeding from 14 days to 30 days following the acceptance, solicitation, or direction of the campaign contribution.

- Competitively bid contracts, labor contracts, and personal employment contracts are already exempt from the Levine Act. SB 1243 and SB 1181 further exempt the following types of contracts and proceedings from the Levine Act's restrictions: (i) contracts between two or more governmental agencies; (ii) contracts where neither party receives financial compensation; (iii) contracts valued under $50,000; (iv) the periodic review or renewal of development agreements, unless a material modification or amendment is proposed to the agreement; (v) the periodic review or renewal of competitively bid contracts, unless there are material modifications or amendments proposed to the agreement that are valued at more than 10 percent of the value of the contract or $50,0000, whichever is less; and (vi) modification of or amendments to other types or exempt contracts.

- SB 1243 clarifies when a proceeding is considered "pending" before a local agency for purposes of the Levine Act's restrictions. For a public official, a proceeding is "pending" either when the item is placed on the agenda for discussion or decision at a public meeting or the official knows that a proceeding involving a license, contract, or entitlement for use is within the jurisdiction of the official's agency and it is reasonably foreseeable that the decision will come before the official. For a party, participant, or agent of a party or participant, a proceeding is "pending" when an application is filed with the agency or when the proceeding is otherwise before the agency for its decision or other action.

- SB 1181 codifies regulations adopted by the FPPC that specify when a person or entity is and is not an "agent" for the purposes of the Levine Act. A person is the "agent" of a party to, or a participant in, a pending proceeding before an agency only if the person represents that party or participant for compensation and appears before or otherwise communicates with the agency for the purpose of influencing the proceeding on behalf of the party or participant. Engineers, architects, and other professional consultants that merely submit plans, drawings, or technical data or analysis to an agency on behalf of a client are generally not considered "agents."

- SB 1243 creates stricter rules for campaign contributions from "agents" of a party or participant to a proceeding. Agents will now be prohibited from making a contribution in any amount while a proceeding is pending until 12 months after the final decision. However, if an agent does make a contribution, it will no longer be aggregated with campaign contributions from the party or participant themselves for purposes of the $500 threshold.

- SB 1243 provides that a person is not a "participant" in a proceeding under the Levine Act if their financial interest in the decision results solely from an increase or decrease in membership dues.

- SB 1243 clarifies that the Levine Act's restrictions do not apply to an elected official if the official or the body of which they are a member does not have the authority to make any decision or recommendation in the proceeding.

- SB 1181 provides that the Levine Act's restrictions do not apply to a city attorney or county counsel who is providing legal advice to their agency, and who does not have the authority to make a final decision in the proceeding.

Assembly Bill 1170 [Valencia (D-Anaheim)]: Form 700 Electronic Filing with the FPPC

The Political Reform Act requires the original statements of economic interest (i.e., Form 700s) for specified public officials be filed with the Fair Political Practices Commission (FPPC), and the FPPC posts the Form 700s of elected officials that are filed with it on the internet. AB 1170 eliminates the existing option of filing paper copies of Form 700s with the FPPC and instead requires officials to file their Form 700s electronically using the FPPC's electronic filing system. The bill also mandates that the FPPC redact certain personal and private information from the Form 700s it makes available on the internet. Specifically, the FPPC must redact the signature, telephone number, email address, and mailing address of the filer, and, at the request of the filer, must also redact a business entity or tenant address that is the same as the filer's personal residence, as well as certain personally identifying information of family members.

Assembly Bill 2631 [Fong (D-Alhambra)]: FPPC Ethics Training

Existing law requires local agency officials that receive any type of compensation, salary, or stipend to receive at least two hours of training in general ethics principles and ethics laws relevant to the officials' public service every two years. The Fair Political Practices Commission (FPPC) has voluntarily offered an online ethics training course to public officials since 2006; however, the FPPC had indicated it was going to discontinue doing so do to lack of funding. AB 2631 prevents this by requiring the FPPC to continue to maintain and make an ethics training course available to local agency officials going forward.

Public Records

Senate Bill 1034 [Seyarto (R-Murrieta)]: 14-Day Extension to Respond to Public Records Act Request During a State of Emergency

SB 1034 amended the Public Records Act to recognize that an "unusual circumstance" includes a state of emergency proclaimed by the Governor that causes a staffing shortage or closure of facilities where records are located, thereby allowing local agencies a 14-day extension to make determinations on Public Records Act requests. This new provision does not apply to a request for records created during and related to the state of emergency.

Assembly Bill 1785 [Pacheco (D-Downey)]: Prohibition on Posting of Both an Official's Name and APN Associated with Home Address to the Internet

The Public Records Act prohibits a state or local agency from posting the home address or telephone number of an elected or appointed official on the internet without first obtaining the written permission of that individual. AB 1785 expanded this provision to also prohibit an agency from publicly posting on the internet both the name and assessor parcel number associated with the home address of an elected or appointed official. This is intended, in part, to prevent someone using a county recorder website to search for an official's home address through a grantor-grantee index by linking the official's name and associated parcel number to the address. The bill specifies

that it does not prohibit an agency from publicly posting a legally required notice or publication of an official on the internet.

Real Property Transactions

Assembly Bill 2004 [Petrie-Norris (D-Irvine)]: Certification and Recording of Electronically Signed Documents

In 2023, the Legislature adopted SB 696 (Portantino), which approved the use of remote online notarizations in California once the Secretary of State completes the development of regulations regarding the process. However, these regulations may not be completed for several more years. In addition, several counties in the State still do not accept electronic documents for recordation. To address this, AB 2004 created a mechanism by which an electronic document bearing electronic signatures can be converted into a tangible paper copy that can be recorded with a county recorder, thereby providing notice of the contents of the document to subsequent purchasers and encumbrancers of the property. Specifically, the bill authorizes a disinterested custodian of an electronic record to certify that a tangible copy of an electronic record is a complete and accurate reproduction of the electronic record and requires county recorders to treat electronic records that include such a certification as a certified copy of the original and accept it for recording. Notably, the bill also shortens the time period after which a document recorded in the chain of title of property is deemed to provide constructive notice of its contents to subsequent purchasers and encumbrancers, despite having omitted signatures or other technical defects, from one year to 90 days.

ELECTIONS

Campaign Funds

Assembly Bill 2041 [Bonta (D-Oakland)]: Use of Campaign Funds for Security Expenses

AB 2041 expands the ability of candidates and elected officials to spend campaign funds for security expenses. Previously, the law allowed the expenditure of up to $5,000 of campaign funds to pay for a home or office security system if the candidate or elected official has received threats to their physical safety related to their activities or status as a candidate or elected officer and the threats have been reported to and verified by law enforcement. This bill revised the law in a number of ways, including by: (1) allowing campaign funds to be used for reasonable costs of providing personal security to a candidate, elected officer, or their immediate family and other tangible items related to security, other than firearms, in addition to a home or office security system; (2) increasing the lifetime expenditure cap for security expenses from $5,000 to $10,000; and (3) eliminating the law enforcement reporting and verification requirement and instead requiring a candidate or elected officer to submit a verification form to the Fair Political Practices Commission, signed under the penalty of perjury, that describes and verifies the threat or potential threat to the candidate or elected officer, or to their immediate family or staff, that necessitate the expenditure for security.

Assembly Bill 2803 [Valencia (D-Anaheim)]: Prohibition on Use of Campaign Funds to Pay Costs Associated with Criminal Convictions

AB 2806 prohibits campaign funds from being used to pay or reimburse a candidate or elected official for (1) a fine, penalty, judgment, or settlement relating to a conviction involving

bribery, embezzlement, extortion, theft, perjury, conspiracy, or any felony involving fraud, and/or (2) attorney's fees and other costs in connection with such a conviction.

Candidates and Petitions

Senate Bill 1441 [Allen (D-Santa Monica)]: Examination of Signatures for Insufficient Initiative, Referendum, and Recall Petitions

This bill is intended to help ensure that election petition examinations are completed in a timely manner and do not impose an unreasonable financial burden on county election offices. Under existing law, if an initiative, referendum, or recall petition is deemed insufficient by election officials, the proponent of the petition is allowed to request an examination of the petition in order to determine which signatures were disqualified and the reasons for disqualification. However, the law previously did not provide a timetable to examine election petitions for insufficiency. SB 1441 establishes a 60-day limit for the proponent of a referendum, initiative, or recall petition to complete its examination of the petition and signatures that a county registrar of voters has deemed insufficient and requires the petition proponent to pay all associated costs incurred by the county, in advance, if such an examination takes more than 5 business days. The bill was sponsored by Los Angeles County, which purportedly incurred $1.5 million in costs and dedicated significant staff resources in association with a 14-month examination by proponents of the rejected 2022 recall petition of the then District Attorney.

Assembly Bill 2582 [Pellerin (D-Santa Cruz)]: Elections Omnibus Bill

AB 2582 is an omnibus bill that made several changes to the voter registration and candidate paperwork filing process. Relevant to candidates for local office, this bill eliminates the existing requirement that a candidate for municipal office file an affidavit of nominee form and replaces it with a requirement to file a declaration of candidacy form substantially similar to the declaration of candidacy forms used for state and county candidates. The bill also requires the Secretary of State to establish uniform forms for candidates for municipal office to use when filing their nomination and declaration of candidacy documents and requires candidates to use those new forms.

Assembly Bill 3197 [Lackey (R-Palmdale)]: Online Candidate Statements and Standardization of Petition Forms

Prior law allowed candidates for local, nonpartisan elected office to submit candidate statements that are electronically distributed, but are not included in the voter information guides that are mailed to voters, but only if the governing body of the local agency expressly authorizes it. AB 3197 eliminated the requirement for local agency governing body approval and instead allows electronic distribution of local candidate statements if allowed by the elections official conducting the election (typically the county elections official).

This bill also authorizes a county elections official who verifies signatures on an initiative, referendum, recall, nominating petition or paper, or any other petition or paper that is required to be signed by voters of another local agency to establish and require the use of a standardized petition form for distribution within and submission to the county. The use of standardized forms may allow a county to automate some of the signature verification tasks, thereby potentially making the signature verification process more efficient and less costly.

Districting

Assembly Bill 453 [Cervantes (D-Riverside)]: District-Based Elections

AB 453 requires a political subdivision that is changing from at-large to district-based elections to set a fixed time to discuss the matter at all required public hearings (i.e., the public hearings must all start at a stated fixed time.) (Elections Code Section 10010).

Political Advertising

Assembly Bill 2355 [Carillo (D-Los Angeles)]: AI-Generated or Altered Electoral Ads

This bill requires a campaign committee that creates, originally publishes, or originally distributes a political advertisement utilizing artificial intelligence (AI) to include a disclosure stating that the audio, image, or video was generated or substantially altered using AI. The bill authorizes the Fair Political Practices Commission to enforce a violation of these disclosure requirements by seeking injunctive relief to compel compliance or pursuing other remedies available to the Commission under the Political Reform Act.

Assembly Bill 2655 [Berman (D-Menlo Park)]: Defending Democracy from Deepfake Deception Act of 2024

This bill requires large online platforms, such as Facebook, X, TikTok, and Google, to either remove or appropriately label materially deceptive and digitally modified or created content (including "deepfakes") related to statewide and certain federal elections in California during specified periods before and after elections. This requirement does not apply to deceptive content or deepfakes related to local candidates or elections.

The bill requires large online platforms to provide a mechanism for California residents to report deceptive content and to quickly act and respond upon receiving such a report. The bill does not require them to proactively block or label deceptive content.

The bill's requirements are enforceable by injunctive relief by candidates, elected officials, elections officials, the Attorney General, district attorneys, and city attorneys.

AB 2655 is currently being challenged in court on First Amendment grounds.

Assembly Bill 2839 [Pellerin (D-Santa Cruz)]: Materially Deceptive Digitally (or AI) Created Election Advertisements

AB 2839 prohibits the distribution of campaign advertisements and other election communications that contain "deepfakes" or other materially deceptive digitally created or modified audio or visual media, beginning 120 days before an election. The prohibition generally applies to advertisements and election communications pertaining to federal, state, and local candidates, elections officials, elected officials, voting equipment, ballots, and voting sites, where the content of the advertisement or other communication is reasonably likely to harm the reputation or electoral prospects of a candidate or to falsely undermine confidence in the outcome of one or more election contests. Candidates' own advertisements portraying themselves and advertisements or election communications of others that constitute satire or parody are still allowed, but only if specific disclosures are provided.

This bill also gives special priority to civil actions that are filed to enforce the new law and allows a court to issue injunctive relief prohibiting the distribution of such materially deceptive content and to award general or special monetary damages against a person that distributes the content (other than a broadcasting station that shows the content as part of a bona fide newscast and discloses the deceptive nature of the content).

AB 2839 is an urgency measure and took effect immediately on September 17, 2024, upon the Governor's signature. However, a lawsuit challenging AB 2839 on First Amendment grounds was filed in federal court the day the bill was signed, and the court issued a preliminary injunction blocking the bill from taking effect.

Voting

Assembly Bill 3184 [Berman (D-Menlo Park)]: Vote by Mail Ballot Cure Procedures and Certification of the November 5, 2024 General Election

AB 3184 was an urgency measure applicable to the November 5, 2024 election only, which established a uniform date for all counties in the state to certify elections and made changes to the procedures for voters to cure their rejected vote by mail ballots, with the intention of reducing the number of vote by mail ballots that are rejected. Specifically, AB 3184 required that voters who either did not sign their vote by mail ballot envelope or provided a signature on their vote by mail ballot envelope that did not match their signature on file with the registrar of voters be given until the 26th day after this year's general election to submit a signed verification statement to resolve the issue. The bill also simplified the cure process for voters by requiring elections officials to provide them with a single, combined verification statement and instructions, which addressed both issues. Corresponding with these changes, AB 3184 also prohibited elections officials from certifying the results of the November 5th election prior to the 28th day following the election (i.e., December 3rd) unless there were no more vote by mail ballots remaining where the voter had the opportunity to provide or verify their signature. The bill also eliminated a requirement that the Secretary of State publish a report containing the number of rejected vote by mail ballots in local elections and the reasons for those rejections. The bill was enacted as an urgency measure on September 22nd, and its provision sunset on January 1, 2025.

Senate Bill 1174 [Min (D-Irvine)]: Ban on Local Voter Identification Laws

SB 1174 expressly prohibits a city or county from enacting or enforcing any local requirement that a person must present identification when voting. This bill was enacted directly in response to the passage of a voter identification measure in City of Huntington Beach, and the bill is intended to apply to both general law and charter cities.

EMPLOYMENT & LABOR RELATIONS

Assembly Bill 2561 [McKinnor (D-Inglewood)]: Vacant Positions

AB 2561 now requires that local agencies present the status of job vacancies and their recruitment and retention efforts to the governing board at a public hearing at least once per fiscal year. If job vacancies within a single bargaining unit reach or exceed 20% of the total authorized full-time positions, the local agency must, at the request of the employee organization, also include the following information in the presentation: (1) the total number of job vacancies; (2) the total number of applicants for vacant positions within the bargaining unit; (3) the average number of days to complete the hiring process from when a position is posted; and (4) opportunities to improve compensation and working conditions. This presentation, which must occur prior to the adoption of the agency's final budget, should also identify any necessary changes to policies, procedures, or recruitment activities that may hinder the hiring process. (If the governing board will be adopting an annual or multiyear budget during the fiscal year, the presentation must be made prior to the adoption of the final budget). In addition, recognized employee organizations are also entitled to make their own presentation at this public hearing. (Note: if there are no vacancies, then a report to the governing board of no vacancies can be made in May of each year.)

Senate Bill 399 [Wahab (D-Silicon Valley): California Worker Freedom from Employer Intimidation Act

SB 399 enacts the California Worker Freedom from Employer Intimidation Act (found at new Labor Code Section 1137), which restricts most California employers (including state and local public agencies) from compelling their employees to attend employer-sponsored meetings or to receive or engage in communications that concern an employer's opinion about religious or "political" matters, including unionization. "Political matters" are defined to include matters relating to the decision to join or support a union or labor organization, as well as matters relating to elections for political office, political parties, legislation, regulation, and the decision to join or support any political party or political organization.

An employer that subjects, or threatens to subject, an employee to discharge, discrimination, retaliation, or any other adverse action because the employee declines to attend such an employer-sponsored meeting or affirmatively declines to participate in, receive, or listen to such a communication with an employer is subject to a civil penalty of $500 per employee for each violation, in addition to any other remedies. The bill's restrictions may be enforced either by the State Labor Commission or by an aggrieved employee through a civil action for damages and/or injunctive relief.

This new law does not prohibit a public agency from (i) communicating to its employees any information that it is required by law to communicate, that is necessary for those employees to perform their job duties, or that is related to a policy of the public agency or any law or regulation that the public agency is responsible for administering, (ii) requiring employees to undergo training to comply with the employer's legal obligations, or (iii) holding a new employee orientation to advise a new employee of their employment status, rights, benefits, duties and responsibilities, and other employment-related matters.

Assembly Bill 2499 [Schiavo (D-Chatsworth): Expanded Protected Leave Rights for Employees Who are or Who Have Family Members Who are Victims of Violence

Existing law prohibits employers from discriminating against employees who are victims of crime or abuse and entitles such employees to use vacation, personal leave, or compensatory time off to go to court and for certain recovery and safety reasons. Employers must also provide reasonable accommodations to employees who are victims of domestic violence, sexual assault, or stalking to help ensure their safety at work. AB 2499 extends these protections for employees of employers with 25 or more employees, including public agencies, to also apply when an employee requests reasonable accommodations or needs to take leave to assist or care for a family member who is a victim of violence. Under the bill, an employee's "family member" includes their child, parent, grandparent, grandchild, sibling, spouse, or domestic partner. The bill also expands the types of activities an employee is entitled to use protected leave for and permits employees to also use paid sick leave for these purposes.

The law is triggered when an employee or member of an employee's family is the victim of a qualified act of violence, which includes domestic violence, sexual assault, stalking, and certain threats of or acts causing physical harm or death, regardless of whether anyone is arrested for, prosecuted for, or convicted of any crime. Under AB 2499, if an employee or the employee's family member is a victim of a qualified act of violence, the employee may take time off from work without discrimination or retaliation for a variety of reasons, including: (i) to prepare for or participate in civil or criminal legal proceedings, obtain injunctive relief, or appear in court; (ii) to seek, obtain, or assist a family member to seek or obtain medical attention, psychological counseling, legal services, or specified forms of victim services; (iii) to participate in safety planning or take other actions to increase safety from future qualifying acts of violence; (iv) to search for and relocate to a new residence and enroll children in a new school or childcare; and (v) to seek, obtain, or provide childcare or adult-dependent care if it is necessary to ensure the safety of the child or dependent adult. Paid sick leave, vacation, personal leave, or compensatory time off that is otherwise available to the employee may be used for these purposes.

An employee is entitled to take up to 12 weeks of leave if the employee is the victim or if the employee's family member dies as a result of a crime; however, the law does not create a right for an employee to take unpaid leave that exceeds the 12 weeks provided for under the Family and Medical Leave Act. In other cases where it is an employee's family member, and not the employee, who is a victim, an employer may limit the amount of leave taken to 10 days in most cases.

Employees must provide reasonable advance notice when intending to take time off unless it is not feasible. In cases of unscheduled absences, employers may not take action against employees if they provide certification within a reasonable time upon request. Certification can take various forms, including a written statement signed by the employee or someone on the employee's behalf.

Under AB 2499, employers must also provide reasonable accommodations for an employee who is a victim or whose family member is a victim of a qualifying act of violence who requests an accommodation for the safety of the employee while at work. Reasonable accommodations may include the implementation of safety measures, including a transfer, reassignment, modified schedule, changed work telephone, permission to carry telephone at work, changed work station, installed lock, assistance in documenting domestic violence, sexual assault, stalking, or another qualifying act of violence that occurs in the workplace, an implemented safety procedure, or another adjustment to a job structure, workplace facility, or work requirement in response to

domestic violence, sexual assault, stalking, or other qualifying act of violence, or referral to a victim assistance organization.

Employers must provide written notice of AB 2499 rights to new hires, all employees annually, and whenever an employer becomes aware that an employee or their family member has been victimized.

This law now falls under the California Fair Employment and Housing Act rather than the Labor Code, with enforcement by the California Civil Rights Department.

Senate Bill 1137 [Smallwood-Cuevas (D-Los Angeles)]: Discrimination Claims Based on a Combination of Protected Characteristics

Existing laws safeguard against discrimination in housing, employment, education, and public accommodation based on a range of characteristics, including race, sex, gender, religion, sexual orientation, and national origin. SB 1137 amends the Unruh Civil Rights Act, the California Fair Employment and Housing Act, and the Educational Equity Chapter of the Education Code, to address claims based on intersecting protected characteristics. This bill clarifies that discrimination may occur not only based on a single protected class but also because of a combination of two or more protected classes, such as race and gender, gender and age, or gender and disability, and expressly provides for remedies for plaintiffs who have experienced discrimination or harassment due to the intersection of multiple characteristics.

"Intersectionality" is an analytical framework that sets forth that various forms of inequality operate together, exacerbate each other, and can result in amplified forms of prejudice and harm, and has been recognized in both state and federal law. SB 1137 is intended to expressly affirm the Ninth Circuit Court of Appeals' decision in *Lam v. University of Hawai'i* (9th Cir. 1994) 40 F.3d 1551. In this case, the court held that when multiple bases for discrimination are claimed, it may be necessary to assess whether discrimination or harassment occurred due to a combination of these factors, rather than a single protected characteristic. In *Lam*, an Asian woman was targeted by unlawful discrimination, despite the absence of discrimination against Asian men or white women by the same employer. The court concluded that the Code's protected characteristics encompass combinations of these traits.

Local agencies should review and update their (1) antidiscrimination training materials and (2) their policies and procedures to explicitly address discrimination based on a combination of two or more protected traits.

Assembly Bill 2749 [Wood (D-Healdsburg)]: Financial Assistance for Employees Who Lose Employer-Provided Health Insurance Coverage During a Labor Dispute

Under existing law, Covered California administers a financial assistance program to help employees who lose employer-provided health insurance due to a strike, lockout, or labor dispute. AB 2749 clarifies who can qualify for coverage, when coverage begins, and when coverage is no longer available under this program. The bill also requires employers or labor organizations to notify Covered California *before* coverage is affected by a strike, lockout, or labor dispute and authorizes Covered California to contact employers, labor organizations, or other relevant parties to obtain information necessary for determining program eligibility.

Assembly Bill 2859 [Patterson (R-Fresno)]: California Emergency Medical Services Peer Support and Crisis Referral Services Program

This bill establishes the California Emergency Medical Services Peer Support and Crisis Referral Services program to permit an emergency medical services (EMS) provider to establish a peer support and crisis referral program for EMS personnel. Existing law allows state, local, or regional public fire and law enforcement agencies to establish peer support and crisis referral services for their personnel. AB 2859 extends this authorization to public and private EMS providers, enabling them to create a confidential peer support and crisis referral program specifically for EMS staff. This new program is designed to offer a network of peer representatives who reflect the EMS workforce in both job roles and personal experiences, providing support on a broad range of emotional and professional issues.

Under AB 2859, EMS personnel in non-criminal proceedings have the right to refuse to disclose and to prevent others from disclosing a confidential communication with a peer support team member, or to a crisis hotline or referral service, made during the provision of peer support. Exceptions to this confidentiality apply only in limited circumstances, such as when disclosure is reasonably necessary to prevent death, substantial bodily harm, the commission of a crime, or during criminal proceedings.

Assembly Bill 1976 [Haney (D-San Francisco): Opioid Antagonists in First Aid Kits

AB 1976 requires Cal/OSHA to draft and consider adoption of new regulations to require workplace first aid kits to include naloxone hydrochloride, or a comparable opioid antagonist, along with instructions for its use to reverse opioid overdoses. The bill requires Cal/OSHA to consider these revised standards for adoption by December 1, 2028. The bill also expressly reiterates the existing law providing immunity from civil liability for individuals that administer opioid antagonists in an emergency.

Assembly Bill 3168 [Gipson (D-Carson)]: Removal of Public Employees from DMV's Confidential Records Program Upon Termination of Employment

Existing law allows peace officers and other specified types of public employees to request that their home address in all Department of Motor Vehicle (DMV) records be made confidential and not disclosed to anyone, with limited exceptions. Under current law, if such an employee is terminated by the agency they work for, they continue to remain on the DMV's Confidential Records Program list for three years, unless they were terminated due to a criminal conviction. AB 3168 amends the current law to allow a public agency employer to request that the DMV remove an employee from the Confidential Records Program list immediately upon their termination of employment if no appeal to the termination is filed or if the termination or separation is ultimately upheld after appeal.

FEES & REVENUE

Assembly Bill 2618 [Chen (R-Yorba Linda)]: Investment of Surplus Funds

Existing law (Government Code Section 53601.8) authorizes a local agency to invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits, provided that the purchase of deposits, in total do not exceed 50% of the agency's funds. The allowable limit of surplus funds that may be invested in this type of deposit arrangement was set to decrease to 30% beginning January 1, 2026. However, AB 2618 extends the current period in which the higher 50% limit applies for an additional five years, to January 1, 2031. The bill also requires the California Debt and Investment Advisory Commission to submit a report to the legislature related to the deposit of surplus funds using private-entity placement services by January 1, 2030.

Senate Bill 1072 [Padilla (D-San Diego)]: Limitation of Class-Action Refunds as a Remedy for Challenges to Fees or Charges Under Proposition 218

SB 1072 attempts to limit the availability of refunds as a remedy in lawsuits against local agencies challenging property-related fees or charges under Proposition 218, unless refunds are expressly provided for by statute, and, as a result, prevent future increases in fees or charges to cover the cost of previously ordered refunds.

Section 6 of Article XIII D of the California Constitution (commonly known as "Proposition 218") establishes substantive limitations for the imposition of property-related fees, including fees and charges for water, sewer service, and trash service, including the requirement that the amount of the fee may not exceed the local agency's proportional cost of providing the service to a parcel. Local agencies that provide property-related services must abide by Proposition 218 when establishing fees for these services. Lawsuits challenging fees or charges as violating Proposition 218 are often brought as class-actions seeking refunds for all property owners subject to the challenged fee or charge. This may result in a large judgement against a local agency, which may then have to increase future fees or charges to cover the cost of the judgment.

SB 1072 tries to prevent this by providing that, if a court determines that a fee or charge for a property-related service charged by a local agency violates Proposition 218, then the local agency must credit the amount of the fee or charge attributable to the violation against the amount of the revenues required to provide the property-related service the next time it increases the fee or charge, unless a refund is explicitly provided for by statute. This change may both protect public agencies from class-action fee lawsuits and protect future rate payers from bearing the cost of class-action judgments. The bill's provisions expressly do not apply to claims related to billing errors, still allowing individuals to pursue refunds when warranted.

Assembly Bill 2257 [Wilson (D-Suisun City)]: Alternate Procedure for Adopting Water and Sewer Rates and Assessments to Require Exhaustion of Administrative Remedies

AB 2257 establishes an optional, alternative procedure that a local agency may utilize when adopting water or sewer fees or charges or special assessments subject to Proposition 218, which requires ratepayers to exhaust their administrative remedies by timely submitting a written objection specifying the grounds for alleging noncompliance with Proposition 218. If a person fails to timely submit such an objection during the consideration process preceding adoption of the fee, charge, or assessment, they would be precluded from bringing a lawsuit challenging the fee, charge, or assessment on the grounds that it violates Proposition 218.

Sections 4 and 6 of Article XIII D of the California Constitution (commonly known as "Proposition 218") provides for, among other things, procedural and substantive requirements for the imposition of property-related fees and assessments, including fees and charges for water and sewer service. To impose a new fee, a local agency must identify parcels subject to the fee, calculate the amount, and provide notice by mail to affected property owners of the proposed fee. The local agency must then conduct a public hearing and consider all written protests filed by the affected property owners. If a majority of the property owners present written protests against the fee, the fee may not be imposed. Under Proposition 218, property-related fees and assessments are also subject to various substantive limitations, such as the requirement that the amount of the fee not exceed the local agency's proportional cost to provide the service.

As a general proposition, the courts have held that a party is required to exhaust administrative remedies before pursing an action in the courts. However, the California Supreme Court has held in two recent cases that a person is not required to exhaust their administrative remedies by bringing an objection at the public hearing in order to maintain a Proposition 218 challenge because the public hearing requirement under Proposition 218, as it applied to the petitioners in those cases, did not provide an adequate remedy to resolve the petitioners' challenges. The Supreme Court left open the question of whether the Legislature could establish a process that would provide for a sufficient remedy to support an exhaustion of administrative remedies requirement. The Legislature has attempted to do so through AB 2257 by providing a mechanism for the submission, evaluation, and resolution of objections to water and sewer rates prior to their adoption.

A local agency that chooses to take advantage of AB 2257 must follow and complete an extensive procedural process to solicit, evaluate, and respond to written objections prior to the conclusion of the public hearing and tabulation of protests required by Proposition 218. This process will extend the timeframe for adopting water or sewer rates by a minimum of 45 additional days. If a local agency follows this process prior to adopting a new or increased water or sewer fee or charge, then only individuals that filed a timely written objection would have standing to bring a legal challenge to the adopted fee or charge and would generally be prohibited from introducing evidence in the litigation that was not in the record before the local agency for the public hearing.

Assembly Bill 1820 [Schiavo (D-Chatsworth)]: Fee Estimates for Housing Projects

As it relates specifically to the District, AB 1820 (1) requires the District to provide a copy of its fee schedule for sewer service to an applicant for a housing project "without delay" upon request when the applicant submits a "preliminary application" to the City or County, and (2) requires the District to provide a housing developer a final good faith estimate of t*he total sum* of all fees and exactions imposed by the District upon request within 30 business days after the City or County has approved the project entitlements. For administrative fees based on cost recovery, the good faith estimate must be based on the average amount of the fees imposed for similar projects.

Senate Bill 937 [Wiener (D-San Francisco)]: Deferral of Payment of Development Impact Fees and Capacity Charges on Residential Development Until Occupancy

SB 937 expands the circumstances in which a developer of a residential development project may defer payment of development impact fees and capacity charges for water and sewer infrastructure until issuance of a certificate of occupancy.

An existing provision of the Mitigation Fee Act (Government Code Section 66007) generally prohibits local agencies from collecting development impact fees imposed on any residential development project until the date of final inspection or the date of issuance of the certificate of occupancy, whichever occurs first. However, this provision generally does not apply to fees for water, sewer, or other utility services, which instead may be collected at the time of application for service. SB 937 limits this existing exemption for utility service fees so that it will now only apply to fees "related to connections" that "do not exceed the costs incurred by the utility provider resulting from the connection activities." Although connection fees will still be able to be charged at the time a developer applies for service, agencies that impose capacity charges for existing or future water or sewer infrastructure may now need to defer collection of the capacity charges until the date of final inspection of, or issuance of a certificate of occupancy for, the residential unit. Since it is the city or county that issues occupancy permits, independent special districts imposing a capacity charges will need to coordinate with the city or county.

The bill also creates a new set of modified rules and procedures pertaining to the collection of development impact fees (including capacity charges) to fund public improvements and facilities, which applies to the following types of "designated" residential development projects: (1) housing projects of 10 units or less; (2) housing projects entitled to a density bonus per the State Density Bonus Law; (3) 100% affordable housing projects; and (4) certain types housing projects subject to streamlined ministerial approval under State law. For these types of "designated" housing projects, local agencies generally may not collect development impact fees for public improvements or facilities until issuance of the first certificate of occupancy, must set the fee at the same amount as would have been paid had the fees been paid prior to the issuance of building permits, and may not charge interest on deferred fees. However, there are exceptions for (1) fees collected to fund water, sewer, wastewater, public safety, transportation, roadway, and other types public improvements or facilities for which an agency has already appropriated funds, and (2) fees charged to reimburse an agency for expenditures it has already made and not yet received reimbursement for. These exceptions will not apply to affordable housing projects in which at least 49% of the units are reserved for lower income households at an affordable rent; but local agencies will have the option to collect deferred fees on the property tax rolls where the affordable housing developer chooses not to provide a performance bond that guarantees their payment.

HOUSING DEVELOPMENT

Senate Bill 450 [Atkins (D-San Diego)]: "SB 9" Amendments

In 2021, the State enacted Senate Bill 9 ("SB 9") to require cities and counties to ministerially review and approve up to two housing units on a single-family zoned lot and/or the lot split of a single-family parcel into two smaller parcels (i.e., an "urban lot split") if specified requirements are met. By taking advantage of SB 9's provisions, a property owner can build up to two primary dwelling units and two ADUs (for a total of 4 units) on an existing single-family zoned lot.

SB 450 amended the provisions of Senate Bill 9 (SB 9) in several significant ways that further limit the authority of cities and counties to regulate SB 9 projects and to limit their size and scope. The bill also requires cities and counties to approve applications submitted under SB 9 within 60 days. As a result, it is anticipated that more property owners will take advantage of SB 9 to build up to two primary units and two ADUs on a single-family lot.

This bill could indirectly impact the District by increasing the number of such projects the District will be asked to review plans for, increasing connections and wastewater flows in areas that may not have significant excess sewer capacity, and exacerbating on-street parking issues impacting the collection of trash, recycling, and organics containers.

Senate Bill 1211 [Skinner (D-Berkley)]: State ADU Law Amendments

SB 1211 amends the State ADU law to eliminate the ability of local agencies to require replacement of any existing parking spaces that are eliminated in order to construct an ADU, to allow up to 8 detached ADUs to be built on multifamily lots, and to make other minor changes.

This bill could indirectly impact the District by increasing connections and wastewater flows in areas that may not have significant excess sewer capacity and by exacerbating on-street parking issues impacting the collection of trash, recycling, and organics containers.

Senate Bill 1123 [Caballero (D-Merced)]: Starter Home Revitalization Act Amendments

The Starter Home Revitalization Act was enacted in 2023 via SB 684 and requires cities and counties to ministerially approve a subdivision map and related entitlements to create 10 or fewer parcels and 10 or fewer housing units on certain multifamily zoned infill sites of 5 or less acres, provided specified requirements are met. SB 1123 amends the law passed last year to extend its streamlining provisions to similar projects on vacant, single-family zoned sites no more than 1.5 acres in size, and to make other changes to the statute that expand its reach.

This statute contains numerous requirements that will limit the number of sites that qualify to take advantage of its provisions. However, provided a proposed project meets the statute's qualifying parameters, a city or county must permit the site to be subdivided into up to 10 new lots as small as 600 square feet each (or 1,200 square feet on single-family zoned lots), notwithstanding the city or county's existing standards for minimum lot size, width, depth, frontage, or dimensions. Cities/counties must also potentially permit up to 10 housing units to be built on a site subdivided pursuant to the statute, depending on the size of the site and the units, and the statute limits or prohibits cities and counties from imposing specified density, floor area ratio, setback, and other development standards that would prevent qualifying projects from being built. Cities and counties

are also prohibited from requiring the provision of covered parking or more than one parking space per unit.

This bill could indirectly impact the District by increasing connections and wastewater flows in areas that may not have significant excess sewer capacity and by exacerbating on-street parking issues impacting the collection of trash, recycling, and organics containers.

The bill's changes to the existing law take effect July 1, 2025.

PUBLIC CONTRACTING

Assembly Bill 2192 [Carrillo (D-Palmdale)]: Uniform Public Construction Cost Accounting Act Contracting Limits Increases

AB 2192 increases project cost limits specified in the Uniform Public Construction Cost Accounting Act (UPCCAA) and refines the oversight authority of the California Uniform Construction Cost Accounting Commission (Commission). The UPCCAA (Public Contract Code §§ 22000 et seq.) is an alternative to the standard public bidding requirements applicable to local agencies set forth in the Public Contract Code, which allows increased bid limits as long as a participating agency follows uniform accounting standards and bidding procedures. AB 2192 makes the following changes to the UPCCAA bid limits:

- Increases the dollar amount of projects that may be performed by the employees of a public agency by force account, negotiated contracts or purchase order from $60,000 to $75,000;

- Increases the cap on the dollar amount of projects subject to the UPCCAA's informal bidding procedures from $200,000 to $220,000; and

- Increases the floor of the dollar amount of projects subject to formal bidding requirements from $200,000 to $220,000.

The bill also expands the Commission's oversight authority by requiring the Commission to review the accounting procedures of any participating public agency in cases where a person alleges the public agency has violated the UPCCAA by either (1) splitting or separating the project into smaller work orders or projects to come in under the bid thresholds; or (2) exceeding the limits or otherwise not meeting the requirements for negotiated contracts, purchase orders, and the informal or formal procedures of the UPCCAA.

The District does not currently utilize the UPCCAA's alternative procurement procedures for public works projects. To do so, it would need to "opt in" by adopting a resolution electing to become subject to the UPCCAA and filing a copy of that resolution with the State Controller's Office. The District would also need to significantly revise its current procurement policy to conform to the UPCCAA.

Senate Bill 1301 [Caballero (D-Merced)]: Private Labor Compliance Entities

SB 1301 sets forth new requirements for private companies hired by local government agencies to oversee contractor compliance with public works and prevailing wage laws on public works projects.

Existing law requires awarding bodies of public works projects to "take cognizance" of a violation of the prevailing wage and public works laws and promptly report any suspected violations to the State Labor Commissioner. Local agencies are also authorized to withhold contract payments to public works contractors if they find that the contractor has failed to pay prevailing wage to its employees. Some local agencies contract with third party private labor compliance entities to monitor and ensure that public works contractors are complying with State labor law. SB 1301 purports to address complaints that some private labor compliance entities have conflicts of interest resulting from working for both public agencies and public works contractors, do not adequately know the law, and/or wrongfully withhold contract payments to contractors by (1) prohibiting and requiring disclosure of conflicts of interest, (2) establishing a process that a third party compliance entity must follow prior to and after withholding contract payments from a public works contractor for an alleged violation and providing a venue for the contractor to review and respond to the alleged violation, (3) penalizing private labor compliance entities that fail to comply with these new requirements, and (4) subjecting a private labor compliance entity and the public agency that hired it to a lawsuit by an aggrieved party. The specific provisions of this bill are summarized below.

Conflicts of Interest. SB 1301 prohibits a private labor compliance entity from performing labor compliance work for a public agency if it is performing similar services for a contractor bidding on the agency's public works project. In addition, a private labor compliance company that has such a potential "conflict of interest" must disclose this to the public agency before the agency enters into the public works contract. If no such conflict exists, a private labor compliance entity must submit to the public agency a signed declaration under penalty of perjury verifying that it has no conflicts of interest. Local agencies that contract with third party labor compliance entities should consider including provisions in their procurement documents and consulting contracts with labor compliance companies that address these requirements.

New Limits and Procedures. SB 1301 also requires a private labor compliance entity to take certain steps before and after withholding funds from a contractor or subcontractor who violates public works law. Specifically, prior to withholding funds from a public works contractor for an alleged violation, a private labor compliance entity must (1) confer with the negotiating parties to review relevant public works law and (2) not withhold an amount that exceeds the alleged underpayments and penalty assessments. Further, a private labor compliance entity seeking to withhold funds from a public works contractor or subcontractor on behalf of a public agency for failure to pay prevailing wages must provide a venue for the contractor or subcontractor to review and respond to evidence of the alleged violations.

Penalties. A violation of SB 1301's provisions by a private labor compliance entity renders the contract between the private labor compliance entity and the public agency null and void and subjects the private labor compliance entity to a penalty by the public agency of not less than one thousand dollars ($1,000), including reasonable attorney's fees, subject matter expert costs, and expenses.

Private Right of Action. Lastly, the bill gives an aggrieved party the right to initiate a private lawsuit against a private labor compliance entity that violates its provisions, the public agency that hired private labor compliance entity, and/or the public agency's agent, and expressly entitles a prevailing plaintiff in such a lawsuit to recover its reasonable attorney's fees and costs. Local agencies that contract with third party labor compliance entities should consider including specific indemnification, defense, and insurance requirements in their consulting contracts with these labor compliance companies to protect the agency from such lawsuits.

Senate Bill 1455 [Ashby (D-Sacramento)]: Specifying Contractor License Classification in Public Works Bid Documents

The Contractors State License Board classifies construction contractors into different license classifications and limits the field and scope of the operations of licensed contractors to those in which they are classified. Business and Professions Code Section 7059 requires public agencies that award a public works contract to determine the contractor license classification necessary for bidders to bid and perform the project and prohibits the award of a prime contract to a specialty contractor whose classification constitutes less than a majority of the project. However, this law previously did not specify that such classification determinations need be consistent with the specific classifications established by the Contractors State License Board. As it relates to local agencies, SB 1455 amended Business and Professions Code Section 7059 to clarify that a local agency awarding a public works project must determine the license classifications necessary to bid on the projects in accordance with the classifications established by the Contractors State License Board.

Senate Bill 1162 [Cortese (D-San Jose)]: Skilled and Trained Workforce Reporting Requirements for Public Works Contractors

SB 1162 refines the reporting requirements that apply to public works contractors that are required to use a "skilled and trained workforce."

Under existing law, a public entity may require a contractor for a public works project to use a "skilled and trained workforce," which means that all workers performing work on the project in an apprenticeable occupation in the building and construction trades must be either skilled journeypersons or apprentices registered in a state-approved apprenticeship program. When a "skilled and trained workforce" is required, Public Contract Code Section 2602 requires the contractor to provide an enforceable commitment to the public entity that a "skilled and trained workforce" will be used to complete the project and to provide the public entity a monthly report demonstrating its compliance. However, Section 2602 previously did not specify what information must be included in this monthly report. SB 1162 supplements this statute to specify that the monthly report provided by a contractor to a public entity to demonstrate compliance with a requirement to use a "skilled and trained workforce" must include the name of, and identify the apprenticeship program name, location, and graduation date of, all workers used to satisfy this requirement.

This bill also requires the Division of Apprenticeship Standards to create and maintain a searchable online public database to verify that a worker graduated from a California apprenticeship program.

SEWER

Assembly Bill 805 [Arambula (D-Fresno)]: Appointment of Administrators for Failing Sewer Systems in Disadvantaged Communities

Where a sewer service provider serving a disadvantaged community has failed to meet regulatory standards or to maintain the technical, managerial, and financial capacity needed to prevent waste, fraud, or abuse, AB 805 authorizes the State Water Resources Control Board ("Board") to require the sewer service provider to contract with an administrator designated or approved by the Board or to otherwise accept services from an administrator selected by the Board. Administrators are, in turn, permitted to manage rates, fees, and infrastructure investments but must act in the community's best interest. The bill requires the Board to work with the administrator to develop, as soon as possible, adequate technical, managerial, and financial capacity to deliver adequate sewer service so that the administrator is no longer necessary. The bill was an urgency measure that went into effect immediately and sunsets on January 1, 2029.

Assembly Bill 2501 [Alvarez (D-San Diego): Local Agency Financial Assistance to State and Regional Water Boards

AB 2501 authorizes the State Water Resources Control Board (State Water Board) to accept financial assistance from public agencies for the purpose of planning, permitting or providing technical support for projects of public benefit with the jurisdiction of the State Water Board or a regional water quality control board, including projects involving climate change adaptation, ecosystem protection and restoration, water recycling, stormwater capture, water conservation, emergency preparedness, flood management, ambient water quality monitoring, research, and environmental justice. The purpose of this bill is to help speed up the State and regional water boards' review of local high-priority water quality projects by allowing the impacted public agencies to provide financial assistance to the Water Boards through donations, grants, contributions, or contractual agreements in order to bolster limited Water Board staff resources.

SOLID WASTE & RECYCLING

Senate Bill 1053 [Blakespear (D-Encinitas)]: Plastic Grocery Bag Ban

Existing law bans the use of *single-use* grocery bags at checkout, but allows stores to sell and provide reusable recyclable plastic film bags. SB 1053 replaces the existing single-use bag ban and, instead, will prohibit stores from selling or providing *any* bags made from plastic at the point of sale, beginning January 1, 2026. Under SB 1053, stores to which the law applies will only be allowed to provide or sell *recycled paper bags* to consumers at the point of sale, and the stores must charge at least 10 cents in order to ensure the cost of providing a recycled paper bag is not subsidized by a consumer who does not require the bag. The legislation also requires all such recycled paper bags to contain at least 50% post-consumer recycled content beginning in 2028. Similar to the existing law, the statute's provisions apply to grocery stores, large retail stores, convenience stores that sell alcohol, and other types of retail establishments that voluntarily agree to be subject to the regulations. The law's provisions may be enforced through escalating civil penalties imposed by a city, a county, or the State Attorney General's Office.

Assembly Bill 660 [Irwin (D-Thousand Oaks]: Eliminating "Sell By" Dates for Food

AB 660 is intended to reduce food waste by standardizing quality and safety date labels on food products sold in the state in order to create clarity and consistency and better inform consumers. Beginning July 1, 2026, a food manufacturer, processor, or retailer that is required or chooses to display a date label on food to communicate quality or safety must use one of the following uniform terms on the date label: (1) "BEST if Used by" or "BEST if Used or Frozen by" to indicate the quality of a food item (or "BB "if the food item is too small for the full term or if the food item is a beverage); and, (2) "Use by" or "USE by or Freeze by" to indicate the safety date of a food item (or "UB" if the food item is too small for the full term). Use of "sell by" dates will be prohibited, unless they are presented in a coded format that are not easily readable by consumers and that do not use the phrase "sell by."

These new labeling requirements do not apply to infant formula, eggs, beer, or shellfish that is subject to different labeling requirements pursuant to federal law, or to food that is donated. In addition, the bill allows wine and distilled spirits to display a label with a statement that communicates the date on which the product was produced, manufactured, bottled, or packaged, and allows grocery stores to label prepared food items with "packed on" dates in addition to quality or safety dates.

The bill also expressly provides that it does not prohibit, and shall not be construed to discourage, the sale, donation, or use of food after the food's quality date has passed.

Senate Bill 1046 [(Laird (D-Santa Cruz)]: Permitting of Compost Facilities

SB 1046 requires CalRecycle to prepare and certify, by January 1, 2027, a program environmental impact report that streamlines the process with which jurisdictions can develop and site small and medium compostable material handling facilities or operations in the state that accept agricultural, food, and green materials.

Senate Bill 1280 [(Laird (D-Santa Cruz)]: Nonrefillable Propane Cylinder Ban

SB 1280 prohibits the sale of propane cylinders that are not reusable or refillable, beginning January 1, 2028, and requires CalRecycle to adopt regulations to implement the new law.

Senate Bill 1143 [Allen (D-Santa Monica)]: Expansion of Paint Stewardship Program

SB 1143 expands the State's existing paint stewardship program (PaintCare) beyond architectural paint to also cover (1) aerosol coating products, (2) coating-related products that are sold for home improvement, and (3) nonindustrial coating sold in containers of five gallons or less for commercial and homeowner use. *Coating-related products* include paint thinner, paint colorant, paint additive, paint remover, surface sealant, surface preparation products, and surface adhesive. *Nonindustrial coating* includes arts and crafts paint, automotive refinish paint, driveway sealer, faux finish or glaze, furniture oil, furniture paint, lime wash, lime paint, marine paint, antifouling paint, road and traffic marking paint, two-component paint, wood preservative, fire retardant paint, dry fog paint, chalkboard paint, and conductive paint. These new products will become subject to the PaintCare program once CalRecycle adopts implementing regulations and approves a new or updated stewardship program that covers them, but no later than January 1, 2028. The bill also extensively amends the existing paint stewardship program requirements and requires the stewardship program to be updated every five years.

Senate Bill 707 [Newman (D-Fullerton)]: Responsible Textile Recovery Act of 2024

SB 707 creates an Extended Producer Responsibility (EPR) program for the collection and recycling of postconsumer apparel and textiles, with oversight from CalRecycle, similar to EPR programs that have been established for other products. Specifically, SB 707 requires a producer of apparel or textile articles to form and join a producer responsibility organization (PRO") approved by CalRecycle by July 1, 2026 and requires CalRecycle to adopt regulations to implement the program no earlier than July 1, 2028. The PRO will be required to obtain CalRecycle approval of a complete plan for the collection, transportation, repair, sorting, and recycling, and the safe and proper management, of apparel and textile articles in the state. Upon approval of a plan, or commencing July 1, 2030, whichever is earlier, producers that do not join a PRO or violate other provisions of the bill will be subject to civil penalties up to $10,000 per day, or up to $50,000 per day for intentional and knowing violations. The bill requires the PRO to review the plan at least every 5 years after approval and to submit an annual report to CalRecycle.

Assembly Bill 863 [Aguiar-Curry (D-Winters)]: Carpet Stewardship Program

AB 863 substantially amends the State's extended producer responsibility (EPR) / stewardship program for carpets. Specific changes in the law made by AB 863 include, but are not limited to: (i) changing the organizational structure of the program and requiring it to be operated by a single producer responsibility organization (PRO) that includes nonvoting board members from various stakeholder interest groups; (ii) establishing new requirements, criteria, and performance standards that must be addressed in the required stewardship plan prepared by the PRO; (iii) establishing new reporting requirements; (iv) establishing a 5% postconsumer recycled content requirement for carpets sold in the State, beginning January 1, 2028; (v) establishing an eco-modulated fee, wherein carpet producers pay different amounts to the PRO depending on the products they produce; (vi) increasing civil penalties for violations and disqualifying any PRO from continuing to operate the program after three violations; and (vii) requiring at least 8% of the assessments collected by the PRO to be expended for grants to apprenticeship programs for training apprentice and journey-level carpet installers in proper carpet recycling practices.

Assembly Bill 2346 [Lee (D-San Jose)]: SB 1383 Recovered Organic Waste Procurement

AB 2346 provides several additional pathways for local jurisdictions to meet SB 1383 procurement requirements for recovered organic waste. The bill's pertinent provisions are summarized below.

Investments that Count Toward Procurement Targets. The bill authorizes local jurisdictions to use up to 10% of funds that would have been expended to procure recycled organic materials to instead fund (i) investments for community composting operations serving the jurisdiction, equipment that is used only to apply compost or mulch, and/or development of compose and/or mulch distribution sites to make free compost and mulch accessible and available to residents.

Expanded List of Products Counting Towards Procurement Target. The bill authorizes jurisdictions to count organics produced and procured from a number of additional sources towards their SB 1383 procurement targets, provided specified requirements are met. These include: (i) vermicompost; (ii) compost produced and procured from operations composting green material, agricultural material, food material, and vegetative food material; (iii)"mushroom" compost; (iv) mulch produced from tree trimming operations conducted by the jurisdiction that is used by the

jurisdiction or given away to residents; and (v) recovered edible food generated by a commercial food generator located within the jurisdiction.

Direct Service Agreements No Longer Required. The bill authorizes local jurisdictions to receive procurement credit even if they do not execute a direct service agreement with end users of recovered organic waste if they meet certain criteria and reporting requirements.

Option for 5-Year Per-Capita Procurement Target. Beginning in 2027, the bill gives local jurisdictions the option to meet a five-year procurement target, rather than an annual target, and authorizes them to calculate their own per capita procurement target based on either a state or local jurisdiction waste characterization study.

Assembly Bill 2902 [Wood (D-Healdsburg)]: Other SB 1383 Amendments

AB 2902 makes various changes to SB 1383 and other solid waste laws. The bill's pertinent provisions include the following:

- The bill reduces the frequency of CalRecycle's review of local jurisdiction AB 939 diversion elements from every two years to every four years.

- The bill requires CalRecycle to evaluate ways to incentivize local carbon farming efforts, maximize the local benefits of edible food recovery programs, and explore circumstances in which recovered food may be more suitable for use in local animal feed operations.

- The bill provides additional flexibility to rural, low-population, and high-elevation jurisdictions implementing the CalRecycle's SB 1383 organic waste diversion regulations by adjusting the recovered organic waste procurement targets for jurisdictions granted low population or elevation waivers, extending the existing exemption for jurisdictions in 19 rural counties until 2037, waiving lid color requirements for bear bins, and making deployment of bear bins eligible for CalRecycle SB 1383 grants.

- The bill adds an express statutory statement, consistent with existing caselaw, that local compost and mulch give aways and rebates are not a gift of public funds prohibited by the California Constitution

Assembly Bill 2632 [(Wilson (D-Suisun City)] – Equity in Treatment of Thrift Retail Stores to Facilitate Reuse and Recycling of Used Clothing and Other Household Goods

AB 2632 prohibits cities and counties from treating a thrift retail store differently from a nonthrift retail store engaged in the sale of new items that are similar to items sold by a thrift retail store for purposes of zoning, development standards, or permitting. This bill also prevents cities and counties and from prohibiting a thrift retail store from receiving used and donated items for sale in the store or other thrift retail stores, or reuse or recycling, or both reuse and recycling, through other means. However, the bill does not prevent cities and counties from adopting and enforcing reasonable rules or ordinances on the collection or receipt of used and donated items, including (1) requirements that the delivery of goods or donations is conducted within a specified area of the premises of a thrift retail store; (2) requirements that any donation be accepted only during business hours; (3) requirements that the donation process is operated by employees of the thrift retail store and that the donations of goods from the public are collected and received by employees of the thrift retail store; (4) limitations

on the square footage or percentage of the thrift retail store premises within which collecting and receiving activities are conducted; (5) requirements applicable to the operation of equipment associated with the collection, receipt, processing, or disposal of used and donated goods; and (6) enforcement of health and safety standards including, but not limited to, standards relating to shopping center ingress and egress or the enforcement of illegal dumping.

According to the recitals in the bill, this new law will facilitate the reuse and recycling of used clothing and household goods and keep them out of the waste stream.

Senate Bill 1113 [Newman (D-Fullerton)] – Extension of Pilot Projects in Unserved Convenience Zones

SB 1113 amends the "Bottle Bill" to extend existing authority for pilot projects designed to improve opportunities for consumers to recycle bottles and collect redemption fees in unserved convenience zones for an additional seven years, through January 1, 2034.

Assembly Bill 2511 [Berman (D-Menlo Park)] – Extension of Temporary Market Development Payments

AB 2511 extends CalRecycle's existing authority to make market development payments to plastic beverage container reclaimers and product manufactures that use recycled plastic by an additional 2 years – from July 1, 2025, to July 1, 2027.

Cc: President and Directors (blind copied)
Gordon Copley, Director of Finance
Nicolas Castro, Director of Operations/Safety
Ashley Davies, Director of Services and Program Development
Milo Ebrahimi, District Engineer
Cynthia Olsder, Executive/Board Secretary