



Wastewater
Treatment



TRANSFORMING
WASTEWATER
TO RESOURCES



Recycled
Water



Energy
Production



Biosolids
Reuse

Update on Key Legislation Impacting the District

Special Board of Directors Meeting
February 4, 2026

Legislative Update Overview



AB 339 Public Contracting Notice Requirements

SB 827 Training and Governance Requirements for Local Agency Officials

SB 707 Brown Act Updates

OBBBA Overtime Payroll and Tax Reporting

AB 339 Public Contracting Notice Requirements



AB 339

SB 827

SB 707

OBBBA

- Effective January 1, 2026, requires **45-day written notice** to recognized employee organizations **before issuing an RFP/RFQ**, or **renewing or extending an existing contract** to perform services **within scope of work of job classifications**
- District will provide **applicable** notices to its three bargaining units (MA, P&T, O&M)
- **Exempts “public works” contracts**, including planning, design, administration, oversight, or delivery of public works projects, buildings, or infrastructure—**covers majority of District contracts**
- Notices must include contract duration, scope, cost, draft solicitation (if applicable), and reason for contracting work

SB 827 Training and Governance Requirements for Local Agency Officials



AB 339

- Effective January 1, 2026, expands **ethics training** and **adds fiscal training** requirements for local agency officials

SB 827

- Extends ethics training to department heads and similar administrative officials, requires completion within six months of appointment

SB 707

- Requires certain officials to complete two hours of fiscal/financial training every two years, requires completion within six months of appointment

OBBBA

- Mandates **public posting** of training requirements and procedures for requesting training records
- District will ensure required training and public posting requirements are completed

SB 707 Brown Act Updates



AB 339

SB 827

SB 707

OBBBA

- Effective July 1, 2026, reorganizes and expands teleconferencing provisions of Brown Act to diversify and increase public engagement
- Requires agencies to **provide Brown Act** to newly-elected or appointed legislative body members
- Extends ability for legislative body members to post informational content on social media
- Requires oral reporting of compensation recommendations for **department heads prior to final action** (previously only for agency executive)
- Certain provisions do not apply to District, but may apply to other governing boards on which Board members serve

OBBBA (One Big Beautiful Bill Act) Overtime Payroll and Tax Reporting



AB 339

- Federal law effective 2025-2028 introduces new payroll tracking and tax reporting requirements for overtime compensation

SB 827

- Allows eligible employees to deduct the FLSA overtime premium portion of pay from federal taxable income (i.e., 50% of regular hourly rate)

SB 707

- Requires **separate tracking and reporting** of FLSA overtime premium portion on Form W-2

OBBBA

- District is reviewing payroll and reporting systems, monitoring IRS guidance, and coordinating with payroll providers to ensure compliance