

Assembly Bill No. 2173

CHAPTER 281

An act to amend Sections 605 and 706 of, and to add Sections 615, 707, 708, and 709 to, the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), relating to water.

[Approved by Governor July 25, 1996. Filed with
Secretary of State July 25, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2173, Margett. San Gabriel Basin Water Quality Authority Act.

(1) The San Gabriel Basin Water Quality Authority Act authorizes the San Gabriel Water Quality Authority to plan, finance, and implement groundwater remediation activities, as prescribed. The act authorizes the authority to impose an annual pumping right assessment, not to exceed \$35 per acre-foot, to carry out certain activities, as prescribed. The act provides that the act shall remain in effect only until January 1, 1998.

This bill would require the board of the authority, if it determines that its actions are in accordance with a specified basinwide groundwater quality management and remediation plan and specified records of decision issued by the United States Environmental Protection Agency, to institute a limited function status, pursuant to which the authority would, by contract, delegate to a specified water master or water district the operating responsibilities of the authority, as prescribed. To the extent the bill would impose new duties on the board, the bill would impose a state-mandated local program.

The bill would decrease the authorized pumping right assessment to \$20 per acre-foot, and would authorize the authority to adopt, by resolution, rules and regulations for the collection of pumping right assessments, as prescribed.

The bill would change the above repeal date to July 1, 2002.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.



The people of the State of California do enact as follows:

SECTION 1. Section 605 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 605. The authority may impose an annual pumping right assessment, not to exceed twenty dollars (\$20) per acre-foot, to construct facilities and acquire property, to retire promissory notes, bond anticipation notes, bonds and certificates of participation and other evidences of indebtedness, and to pay for operations and maintenance of projects constructed by and for the authority. The authority shall impose an assessment pursuant to this section for operation and maintenance purposes only if, and to the extent that, money for operation and maintenance purposes is not received from other sources after reasonable efforts have been made to secure that funding. However, no assessment shall be imposed for water extracted pursuant to a conjunctive use storage agreement between the producer and the water master, which the authority has approved.

SEC. 2. Section 615 is added to the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), to read:

615. The authority may adopt, by resolution, rules and regulations for the collection of pumping rights assessments imposed pursuant to Sections 602 and 605, including, but not limited to, the imposition of late charges, penalties, and interest on unpaid assessments. The authority may bring a suit in any court having jurisdiction against any holder of a prescriptive pumping right for the collection of any delinquent pumping rights assessments, late charges, penalties, or interest.

SEC. 3. Section 706 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 706. (a) Except as provided in this section, this act shall remain in effect only until July 1, 2002, and as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 2002, deletes or extends that date.

(b) Upon the repeal of this act, the assets and debts of the authority shall be administered as follows:

(1) The Los Angeles Regional Water Quality Control Board shall dispose of the property and assets as appropriate. The Los Angeles Regional Water Quality Control Board shall receive reimbursement for actual costs incurred related to the disposition of the property and assets. The cost recovery shall be from the proceeds of the disposition pursuant to this section. The proceeds, if any, of the disposition shall be transferred to the Treasurer to be applied to pay the debts of the authority and, if any proceeds remain, shall be transferred to the Treasurer for deposit in the Hazardous Substance Cleanup Fund for



use in financing groundwater contamination investigation and remediation in the basin. Preference shall be given in the disposition of assets of the authority to transfers to producers who may be able to use the assets for the benefit of water distribution systems and to provide for continued operation and maintenance of the assets in order to further the purposes of this act.

(2) The Treasurer shall administer the payment of debts of the authority. The Treasurer shall apply the proceeds from the disposition of assets to the payment of the debts. If debts remain after application of the proceeds from disposition of assets, the Treasurer may continue to collect, in lieu of the authority, the pumping right assessments authorized under either (A) Section 602 if the debt relates to administrative costs or (B) Section 605 if the debt is to repay warrants, notes, bonds, and other evidences of indebtedness, or both, to make payments pursuant to leases or installment sale agreements in connection with certificates of participation, to pay for operation and maintenance costs of facilities, and to make payments pursuant to any other financial obligations. All provisions set forth in Article 6 (commencing with Section 601) relating to the levy and collection of the pumping right assessments are not repealed and shall continue in effect until the debts of the authority are paid, as determined by the Treasurer, who shall notify the Secretary of State. Upon receipt by the Secretary of State of the Treasurer's notice, Article 6 (commencing with Section 601) is repealed. The Treasurer's authority to levy and collect assessments under this act is limited according to the provisions of this act and shall cease when all debts of the authority have been paid.

SEC. 4. Section 707 is added to the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), to read:

707. (a) The board shall commence procedures to institute a limited function status if the board determines, following a public hearing, upon 30 days' notice, that its actions are in accordance with both of the following:

(1) The basinwide groundwater quality management and remediation plan developed and adopted pursuant to Section 406.

(2) Relevant records of decision issued by the United States Environmental Protection Agency that apply within the boundaries of the authority.

(b) If the board makes the determination described in subdivision (a), the authority shall commence negotiations with the water master or a water district selected by the board for a contract, pursuant to which the water master or a water district will act as an operating agency. The contract shall include provisions to do all of the following:

(1) Designate the water master or a water district to act as the operating agency.

(2) Require the operating agency to do all of the following:



(A) Perform administrative services necessary to carry out the functions and duties that the authority would otherwise perform, relating to the funding, operating, maintenance, and repair of the authority's groundwater remediation projects.

(B) Monitor the progress of the groundwater remediation.

(C) Prepare data and reports for submission to the board presenting the status of the authority's projects and the groundwater quality, including a report on the accordance of the operating agency's actions with both of the following:

(i) The basinwide groundwater quality management and remediation plan developed and adopted pursuant to Section 406.

(ii) Relevant records of decision issued by the United States Environmental Protection Agency that apply within the boundaries of the authority.

(3) Provide for the budgeting and reimbursement of the costs and expenses incurred by the operating agency in carrying out the functions and duties of the authority, including a reasonable amount for overhead.

(4) Provide that the use of any funds paid by the authority to the operating agency shall be limited to the reimbursement of the operating agency for costs incurred pursuant to the contract.

(5) Provide that the board, if it determines that the authority is required to return to full function pursuant to subdivision (d), may terminate the contract with the operating agency.

(c) After execution of the operations contract, the authority shall operate in accordance with limited function status. While the authority is operating according to limited function status, the authority may only perform the following functions:

(1) Receive funds from those sources indicated in subdivision (d) of Section 401.

(2) Establish, levy, and collect pumping rights assessments pursuant to Sections 602 and 605.

(3) Satisfy the obligations of the authority under any bonds, notes, warrants, or other evidence of indebtedness or under any certificates of participation.

(4) Oversee the operating agency's performance of, and enforce the operating agency's obligations under, the operations contract entered into pursuant to subdivision (b), and reimburse the operating agency under that subdivision.

(5) Enter into separate contracts, at the discretion of the board, for other outside services, including, but not limited to, professional, consulting, operating, maintenance, repair, and replacement services and supplies.

(6) Conduct elections for the elected members of the board.

(7) Conduct meetings of the board, not less than semiannually, to perform the limited functions of the authority, including all of the following:



(A) Budget for, and provide reimbursement to, the operating agency.

(B) Receive and review reports from the operating agency and determine if any of the conditions described in Section 708 have been met.

(C) Set pumping rights assessments.

(D) Act upon any other matters within the functions of the authority while it operates under limited function status.

(8) Perform any other administrative functions and other duties reasonably necessary to carry out the limited functions of the authority.

(d) The board may restore the authority to full function if it determines, following a public hearing, and upon 30 days' notice, that a return to full function is required to allow the authority to modify existing projects, to undertake new projects to effectively remedy Superfund-related groundwater contamination, or to take other actions to be in accordance with both of the following:

(1) The basinwide groundwater quality management and remediation plan developed and adopted pursuant to Section 406.

(2) Relevant records of decision issued by the United States Environmental Protection Agency that apply within the boundaries of the authority.

SEC. 5. Section 708 is added to the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), to read:

708. If the authority has instituted limited function status pursuant to Section 707, the authority shall continue in limited function status until one of the following conditions occurs:

(a) This act becomes inoperative or is repealed pursuant to Section 703 or 706, as the case may be.

(b) The board restores the authority to full function pursuant to subdivision (d) of Section 707.

SEC. 6. Section 709 is added to the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), to read:

709. Notwithstanding the implementation of limited function status pursuant to Section 707, the funds of the authority shall be expended only for those purposes expressly authorized by the act.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative



on the same date that the act takes effect pursuant to the California Constitution.

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