

Assembly Bill No. 2544

CHAPTER 905

An act to amend Sections 304, 313, 502, 506, 507, 508, 511, 605, 607, 705, 706, and 707 of, to add Sections 314.5 and 503.1 to, and to repeal Section 602 of, the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), relating to water.

[Approved by Governor September 29, 2000. Filed
with Secretary of State September 29, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2544, Calderon. San Gabriel Basin Water Quality Authority Act.

(1) The San Gabriel Basin Water Quality Authority Act authorizes the San Gabriel Water Basin Quality Authority to plan, finance, and implement groundwater remediation activities, as prescribed. The act requires the board of the authority to be composed of seven members.

This bill would require the appointment of two additional producer members, as defined, and their alternates, pursuant to specified procedures and would prescribe their terms of office.

(2) The act provides for the authority to assume a limited status function under certain circumstances and, except for provisions relating to the disposition of the property and assets of the authority, repeals the act on July 1, 2002. The act requires the board to commence procedures to institute a limited status function if the board makes specified determinations.

This bill, instead, would extend the repeal date to July 1, 2005. The bill would, in addition, require the board to commence procedures to institute a limited function status if the board determines that it has secured funding to comply with specified requirements.

(3) The act requires the Los Angeles Regional Water Quality Control Board to report to the Legislature on or before January 1, 1997, on the progress of the authority with regard to prescribed actions of the authority.

This bill would, instead, require the State Water Resources Control Board, in consultation with the Los Angeles Regional Water Quality Control Board, to report to the Legislature on or before January 1, 2004, and would require the report to contain recommendations for improving the progress of the authority.

(4) The act prohibits any person from serving as a member of the authority if that person receives 10% or more of his or her income from any person or entity subject to regulation by the authority, as specified.

This bill would provide for a specified exception to that prohibition with regard to a producer member.

(5) The act generally requires all actions of the board to be approved by an affirmative vote of a majority of all of its members.

This bill would require, for specified actions, an affirmative vote of a majority of all of the members, including one city member, one producer member, and one water district member.

(6) The act authorizes the authority to impose an annual pumping right assessment, not to exceed \$5 per acre-foot, to pay for administrative costs and authorizes the authority to impose an annual pumping right assessment, not to exceed \$20 per acre-foot, for other purposes.

This bill would repeal the authority to impose the \$5 charge. The bill would, instead, authorize the authority to impose an annual pumping right assessment, not to exceed \$13 per acre-foot, for those other purposes, including the payment of administrative costs.

(7) The act authorizes the authority to exempt a producer from the annual pumping right assessment in connection with pumping from a contaminated well, as specified.

This bill would require the board of the authority to annually consider exemptions when it adopts the authority's budget.

(8) By imposing requirements on the authority, the bill would impose a state-mandated local program.

(9) 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 304 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 304. "Board member" or "member" means a member of the board.

(a) "Alternate member" or "alternate" means the nominee receiving the second highest number of votes in an election of a city member or the person appointed by a water district to act in the place of a member if that member is absent or the member has vacated the office.

(b) "City member" means a member elected by the cities with pumping rights or the cities without pumping rights.

(c) "Water district member" means a member appointed by one of the water districts.



(d) “Producer member” means a member who, pursuant to the judgment, is a designee of a producer, other than a water district described in Section 503 or a city described in Section 504, that is a holder of not less than 5 percent of the prescriptive pumping rights in the basin.

SEC. 2. Section 313 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 313. “Public water system” means any entity that operates a public water system, as defined in Section 116275 of the Health and Safety Code.

SEC. 3. Section 314.5 is added to the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), to read:

314.5. “Water association” means the San Gabriel Valley Water Association.

SEC. 4. Section 502 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 502. (a) The board shall be composed of seven members, three of whom are appointed by the water districts, two of whom are elected by the cities, and two of whom are producer members appointed pursuant to Section 503.1.

(b) No person who, directly or indirectly, at the time of election or appointment, receives, or during the two-year period immediately preceding election or appointment received, 10 percent or more of his or her income from any person or public entity subject to regulation by, or that receives grants from or contracts for work with, the authority may serve as a member of the authority.

(c) Notwithstanding subdivision (b), a producer member may receive 10 percent or more of his or her income from the producer that he or she represents as a member of the authority and that is subject to regulation by the authority.

SEC. 5. Section 503.1 is added to the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992), to read:

503.1. Two producer members and two alternates shall be appointed by the board of directors of the Water Association.

SEC. 6. Section 506 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 506. An alternate member shall act in the place, and perform all of the duties, of the city member, producer member, or water district member selected by the same cities or water district if that city member, producer member, or water district member is absent from a meeting of the authority or has vacated his or her office until the vacancy is filled pursuant to this act.



SEC. 7. Section 507 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 507. (a) Except as provided in subdivisions (b) and (c), the terms of the members shall commence on the first Monday in January and each member shall hold office for a term of four years and until the successor takes office.

(b) With respect to the initial board members, the terms of the member appointed by the Three Valleys Municipal Water District and the member elected by the cities without pumping rights shall expire on January 1, 1995, and the terms of the remaining members shall expire on January 1, 1997.

(c) The terms of the initial producer members and alternates shall commence on the first business day after the appointment of the producer members and alternates. The terms of the initial producer members and alternates shall expire on the fourth January 1 following commencement of their term.

SEC. 8. Section 508 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 508. Any vacancy in the office of a member shall be filled as follows:

(a) A vacancy in the office of a member or alternate who was appointed by a water district shall be filled by the appointing water district by a resolution adopted by a majority vote of the district governing board. The person appointed to fill the vacancy shall meet the qualifications applicable to the vacant office and shall serve for the remaining term of the vacant office.

(b) A vacancy in the office of a member or alternate who was elected by cities shall be filled by a special election called by the authority. Only those cities which elected the member or alternate to the office in which the vacancy has occurred are eligible to vote. Nominations and balloting shall be conducted in the same manner as a regular election, except that the date of the election and time periods shall be as prescribed by the authority. The member or alternate elected to fill a vacancy shall meet the qualifications applicable to the vacant office and shall serve for the remaining term of the vacant office.

(c) A vacancy in the office of a producer member or alternate who was appointed by the board of directors of the Water Association shall be filled pursuant to Section 503.1.

SEC. 9. Section 511 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 511. (a) Except as otherwise provided, all actions of the board shall be approved by an affirmative vote of majority of all of the members.



(b) Notwithstanding subdivision (a), an affirmative vote of a majority of all of the members shall include one city member, one producer member, and one water district member to take any of the following actions:

- (1) Adopt the authority's budget.
- (2) Pursue legal action pursuant to subdivision (c) of Section 407.
- (3) Impose an annual pumping right assessment pursuant to Section 605 or to continue an assessment pursuant to Section 614.
- (4) Make a determination pursuant to subdivision (a) or (d) of Section 707.

SEC. 10. Section 602 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is repealed.

SEC. 11. Section 605 of the San Gabriel Basin Water Quality 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 thirteen dollars (\$13) per acre-foot, to construct facilities and acquire property, to retire promissory notes, bond anticipation notes, bonds and certificate of participation and other evidences of indebtedness, to pay for administrative costs, 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. 12. Section 607 of the San Gabriel Basin Water Quality Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 607. (a) The authority may exempt a producer from all or part of the annual pumping right assessment established pursuant to Section 605 for water pumped and treated from a contaminated well if, with the prior approval of the authority for the project, the producer funds the design and construction of the wellhead treatment system for that well.

(b) The board shall annually consider exempting pursuant to subdivision (a) when it adopts the authority's budget.

SEC. 13. Section 705 of the San Gabriel Water Basin Quality Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 705. On or before January 1, 2004, the State Water Resources Control Board, in consultation with the Los Angeles Regional Water Quality Control Board, shall report to the Legislature on the progress of the authority with regard to actions undertaken pursuant to Article 4 (commencing with Section 401), and any recommendations regarding actions for improving the progress of the authority.



SEC. 14. 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, 2005, and as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 2005, 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. 15. Section 707 of the San Gabriel Basin Water Quality Authority Act (Chapter 776 of the Statutes of 1992) is amended to read:

Sec. 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 or that it has secured funding to comply 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, including, but not limited to, securing funding, 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. 16. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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