

CHAPTER 776

An act to create, and to repeal the act creating, the San Gabriel Basin Water Quality Authority, relating to water.

[Approved by Governor September 19, 1992. Filed with
Secretary of State September 21, 1992.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1679, Russell. San Gabriel Basin Water Quality Authority.

(1) Under existing law, various agencies provide for the management of water in prescribed districts.

This bill would enact the San Gabriel Basin Water Quality Authority Act to create the San Gabriel Basin Water Quality Authority.

The bill would prescribe the organization, boundaries, management, powers, duties, and financing of the authority. The bill would require the authority to be administered by a 5-member governing body known as the San Gabriel Basin Water Quality Authority Board. The bill would require the Los Angeles Regional Water Quality Control Board to report to the Legislature on the progress of the authority, as prescribed.

The bill would impose a state-mandated local program by imposing various duties on local entities.

The bill would make these provisions, except for the report requirement, inoperative on the occurrence of 2 prescribed events. With a certain exception, the bill's provisions would be repealed on January 1, 1998, unless a later enacted statute extends or repeals that date.

(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, including the creation of a State Mandates Claims Fund to pay the costs of mandates which do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to those statutory procedures and, if the statewide cost does not exceed \$1,000,000, shall be made from the State Mandates Claims Fund.

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

SECTION 1. This act shall be known and may be cited as the San Gabriel Basin Water Quality Authority Act.

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Article 1. General Provisions

Sec. 101. The Legislature hereby finds and declares all of the following:

(a) Groundwater in the San Gabriel Valley in Los Angeles County is seriously contaminated with hazardous substances.

(b) The contamination is deep and widespread, with approximately 70 out of 275 wells contaminated in excess of maximum contaminant levels or state action levels for various volatile organic compounds and nitrates.

(c) The groundwater in the Main San Gabriel Basin is the primary source of drinking water for over 1,000,000 residents of the San Gabriel Valley.

(d) Strong and consistent local management of San Gabriel Valley groundwater cleanup is needed to protect and enhance water quality, ensure protection of the beneficial uses of the groundwater, and promote and foster the cleanup of this valuable resource.

(e) There is no existing local entity which has all of the necessary authority and jurisdiction to carry out the financial and institutional arrangements necessary to coordinate an effective cleanup program.

(f) (1) The watermaster for the Main San Gabriel Basin was appointed by the Superior Court in and for the County of Los Angeles, pursuant to a judgment entered upon the stipulation of all of the parties with water rights in the Main San Gabriel Basin, to regulate the extraction and replenishment activities in that basin. Nothing in this act is intended to expand the authority granted to the watermaster in the judgment.

(2) The watermaster has developed a program for the management of the Main San Gabriel Basin, which includes all of the following:

(A) Regulation of water rights.

(B) Imposition of an annual safe yield for the basin.

(C) Development of a plan for the importation of water into the Main San Gabriel Basin for the purpose of replenishment, including a plan to accomplish the long-term conjunctive use of the basin's groundwater storage capacity.

(D) Regulation of groundwater production.

(E) Implementation of procedures for compliance with water supply requirements relating to the lower San Gabriel Basin.

(F) Regulation of groundwater pumping activities for purposes of water quality protection.

(G) Monitoring groundwater quality and collection of groundwater quality data.

(H) Preparation of an annual five-year water quality and supply plan.

(I) Coordination of activities with the joint powers authority.

(g) The joint powers authority has developed cleanup programs

to clean up the Main San Gabriel Basin, which include all of the following:

(1) Characterization of basin contamination.

(2) Development and implementation of a comprehensive basin cleanup plan.

(3) A plan for financing the design, construction, operation, and maintenance of groundwater cleanup facilities.

(4) Provision for a public information program.

(5) Coordination with federal, state, and local entities.

(h) The Legislature intends that the watermaster, the joint powers authority, and the San Gabriel Basin Water Quality Authority, as the successor to the joint powers authority, continue to coordinate their respective groundwater management responsibilities and meet periodically to review, evaluate, and modify, as needed, the division of responsibilities for managing groundwater cleanup in the basin.

Sec. 102. It is the intent of the Legislature in enacting this act:

(a) To create the San Gabriel Basin Water Quality Authority to protect the public health and safety by planning and financing groundwater extraction and treatment projects to be carried out by the authority in the Main San Gabriel Basin, to provide potable water for beneficial uses in the basin, and to contribute to the basinwide remedial objectives established by state and federal agencies.

(b) To encourage the San Gabriel Basin Water Quality Authority to cooperate with the State Water Resources Control Board, the Los Angeles Regional Water Quality Control Board, the State Department of Health Services, the United States Environmental Protection Agency, the Metropolitan Water District of Southern California, the Main San Gabriel Basin Watermaster, and other appropriate agencies, in carrying out the requirements and purposes of this act.

(c) That the cleanup of contaminated groundwater authorized by this act be undertaken so as to do both of the following:

(1) Prevent or minimize, to the extent feasible, the migration of contaminated groundwater from the Main San Gabriel Basin into the Central and West Water Basins.

(2) Use reasonable, technically sound, and cost-effective measures to ensure that groundwater extracted from the Main San Gabriel Basin will meet applicable regulatory standards for the beneficial uses of the water.

(d) That, because of the pervasive nature and multiple sources of contamination in the San Gabriel Valley, appropriate credit should be given for the amount of prior groundwater investigation and remediation expenditures by any responsible party when determining the amount of costs recoverable from that party.

(e) That, if the costs of any removal or remedial action project are increased as a result of conjunctive use, those increased costs shall not be costs recoverable from responsible parties.

Article 2. Creation and Boundaries

Sec. 201. The San Gabriel Basin Water Quality Authority is hereby created.

Sec. 202. The boundaries of the authority are as follows:

Beginning at the southwest corner of Section 14, Township 1 North, Range 11 West, San Bernardino Base and Meridian;

Thence north along the west line of Section 14 to the northwest corner of the south half of Section 14;

Thence east along the north line of the south half of Section 14 to the east line of Section 14;

Thence north along the east line of Section 14 and continuing north along the east line of Section 11 to the northeast corner of Section 11;

Thence east along the north line of Section 12 to the northeast corner of Section 12;

Thence south along the east line of Section 12 and continuing south along the east line of Section 13 to the southeast corner of Section 13, the corner being also the southwest corner of Section 18, Township 1 North, Range 10 West;

Thence east along the south line of Sections 18, 17, 16, and 15, Township 1 North, Range 10 West to the southwest corner of Section 14;

Thence north along the west line of Section 14 to the northwest corner of the south half of Section 14;

Thence east along the north line of the south half of Section 14 to the east line of the section;

Thence north along the east line of Section 14, and continuing north along the west line of Section 12 to the north line of Section 12;

Thence, east along the north line of Section 12, to the northeast corner of Section 12, the corner being also the southwest corner of Section 6, Township 1 North, Range 9 West;

Thence north along the west line of Section 6 and continuing north along the west line of Sections 31 and 30, Township 2 North, Range 9 West to the westerly prolongation of the north line of Section 30;

Thence, east along the westerly prolongation of the north line of Section 30 and continuing east along the north line of Section 29 to the northeast corner of Section 29;

Thence south along the east line of Section 29 and continuing south along the east line of Section 32, Township 2 North, Range 9 West, and thence continuing south along the east line of Section 5, Township 1 North, Range 9 West to the southeast corner of Section 5;

Thence west along the south line of Section 5 to the southwest corner of Section 5, the point being also the northwest corner of Section 8;

Thence south along the west line of Section 8 and continuing south along the west line of Section 17 to the southwest corner of Section 17, the corner being also the northwest corner of Section 20;

Thence east along the north line of Sections 20 and 21 to the northwest corner of Section 22, the corner being also the southwest corner of Section 15;

Thence north along the west line of Section 15 to the northwest corner of the south half of Section 15;

Thence east along the north line of the south half of Section 15 to the northeast corner of the south half of Section 15;

Thence south along the east line of Section 15 and continuing south along the east line of Section 22 to the southeast corner of Section 22, the point being also the southwest corner of Section 23;

Thence east along the south line of Sections 23 and 24 to the east line of the west half of Section 24;

Thence north along the east line of the west half of Section 24 to the north line of the section;

Thence east along the north line of Section 24 to the northeast corner of the section, the point also being the northwest corner of Section 19, Township 1 North, Range 8 West;

Thence east along the north line of Sections 19 and 20, Township 1 North, Range 8 West to the northeast corner of Section 20;

Thence south along the east line of Sections 20, 19, and 32, Township 1 North, Range 8 West to the southeast corner of Section 32;

Thence west along the south line of Section 32 to the northwest corner of the east half of Section 5, Township 1 South, Range 8 West;

Thence south along the west line of the east half of Section 5 of the south line of Section 5;

Thence west to the east line of the northerly prolongation of Range 9 West;

Thence south 67 degrees 30 minutes west to an intersection with the northerly prolongation of the west line of Section 27, Township 1 South, Range 9 West;

Thence south along the northerly prolongation of the west line of Section 27 and continuing south along the west line of Section 27 to the southwest corner of Section 27, the point being also the southeast corner of Section 28;

Thence west along the south line and westerly prolongation of the south line of Section 28 to the northerly prolongation of the west line of Range 9 West;

Thence south along the prolongation of the west line of Range 9 West to the westerly prolongation of the north line of Township 2 South;

Thence west along the westerly prolongation of the north line of Township 2 South, a distance of 8,500 feet;

Thence south a distance of 4,500 feet;

Thence west a distance of 10,700 feet;

Thence south 29 degrees west to the intersection with the northerly prolongation of the west line of Section 20, Township 2 South, Range 10 West;

Thence south along the northerly prolongation of the west line of Section 20 and continuing south along the west line of Section 20 to the southwest corner of Section 20;

Thence south a distance of 2,000 feet;

Thence west a distance of two miles, more or less, to the intersection with the east line of Section 26, Township 2 South, Range 11 West;

Thence north along the east line of Section 26 and continuing north along the east line of Section 23, Township 2 South, Range 11 West to the northeast corner of Section 23;

Thence west along the north line of Section 23 to the northwest corner of the section, the point being also the southeast corner of Section 15, Township 2 South, Range 11 West;

Thence north and west along the east and north lines, respectively, of Section 15, Township 2 South, Range 11 West, to the northwest corner of the section;

Thence west along the westerly prolongation of the north line of Section 15, Township 2 South, Range 11 West to the intersection with a line parallel to, and one mile east of, the west line of Range 11 West;

Thence north along the parallel line to the intersection with the northerly boundary of the City of Pico Rivera as that city existed on July 17, 1970;

Thence west along that city boundary to the intersection with the east line of Range 12 West;

Thence north along the east line of Range 12 West to the north line of Township 2 South;

Thence west along the north line of Township 2 South to the intersection with the southerly prolongation of the east line of the west half of Section 26, Township 1 South, Range 12 West;

Thence north along the southerly prolongation of the east line of the west half of Section 26 to the southeast corner of the west half;

Thence west along the south line of Sections 26, 27, and 28, Township 1 South, Range 12 West to the southeast corner of Section 29, Township 1 South, Range 12 West;

Thence north along the east line of Section 29 to the northeast corner of the south half of Section 29;

Thence west along the north line along the south half of Section 29 to the northwest corner of the section;

Thence north along the west line of Sections 29, 20, 17, and 8, Township 1 South, Range 12 West;

Thence north along the northerly prolongation of the west line of Section 8, Township 1 South, Range 12 West to the intersection with the north line of Township 1 south;

Thence east along the north line of Township 1 south to the northeast corner of Section 3, Township 1 South, Range 12 West;

Thence north 64 degrees 30 minutes east to the intersection with the west line of Section 23, Township 1 North, Range 11 West;

Thence north along the west line of Section 23 to the northwest corner of the section, the point being the southwest corner of Section 14, Township 1 North, Range 11 West and the point being also the point of beginning.

Article 3. Definitions

Sec. 301. Unless the context otherwise requires, the definitions in this article govern the construction of this act.

Sec. 302. "Authority" means the San Gabriel Basin Water Quality Authority.

Sec. 303. "Board" means the San Gabriel Basin Water Quality Authority Board, which is the governing body of the authority.

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.

Sec. 305. "City" means a city which partially or entirely overlies the Main San Gabriel Basin or a city which has, or may acquire, the right to pump water from the basin.

(a) "Cities with pumping rights" means cities which have pumping rights in the basin in accordance with the judgment and includes the Cities of Alhambra, Arcadia, Azusa, Covina, El Monte, Glendora, Industry, Irwindale, La Verne, Monrovia, Monterey Park, South Pasadena, and Whittier.

(b) "Cities without pumping rights" means cities which do not have pumping rights in the basin in accordance with the judgment and includes the Cities of Baldwin Park, Bradbury, Duarte, La Puente, Rosemead, San Dimas, San Gabriel, San Marino, Sierra Madre, South El Monte, Temple City, and West Covina.

Sec. 306. "Groundwater" means water beneath the surface of the ground and within the zone of saturation.

Sec. 307. "Groundwater basin" means an interconnected and permeable geologic formation capable of storing and yielding substantial groundwater supply.

Sec. 308. "Joint powers authority" means the entity formed pursuant to the "Joint Exercise of Powers Agreement Creating Main San Gabriel Basin Water Quality Authority," dated July 27, 1990, by and among the Upper San Gabriel Valley Municipal Water District,

the San Gabriel Valley Municipal Water District, and the Three Valleys Municipal Water District.

Sec. 309. "Judgment" means the judgment, as amended or as it may be amended, of the Superior Court in and for the County of Los Angeles in Upper San Gabriel Valley Municipal Water District v. City of Alhambra (Case Number 924128).

Sec. 310. "Main San Gabriel Basin" or "basin" means the groundwater basin underlying the land within the boundaries of the authority.

Sec. 311. "Produce" means to pump water from the basin.

Sec. 312. "Producer" means a person or entity that produces water.

Sec. 313. "Public water system" means any entity that operates a public water system, as defined in subdivision (f) of Section 4010.1 of the Health and Safety Code.

Sec. 314. "Pumping right assessment" means an assessment on prescriptive pumping rights levied by the authority upon the holder of a prescriptive pumping right, as determined under the judgment.

Sec. 315. "Water district" means the San Gabriel Valley Municipal Water District, the Upper San Gabriel Valley Municipal Water District, or the Three Valleys Municipal Water District.

Sec. 316. "Watermaster" means the watermaster appointed to administer the judgment.

Article 4. Powers and Purposes

Sec. 401. The authority may do any of the following:

(a) Coordinate groundwater remediation planning and implementation activities among the water districts, the producers, and the authority.

(b) Control and remove hazardous substances from the basin.

(c) Construct, operate, and maintain water treatment facilities which benefit the basin.

(d) Receive and expend funds obtained from all of the following sources:

(1) Federal, state, or local governments.

(2) Nongovernmental entities.

(3) The proceeds from the issuance of bonds, notes, warrants, and other indebtedness to finance treatment projects which benefit the basin.

(4) Pumping right assessments.

Sec. 402. The authority may undertake projects which relate to, but are not limited to, efforts to correct water quality problems due to volatile organic compounds, nitrates, and mineral salts. These projects shall be undertaken pursuant to, and shall be consistent with, the basinwide plan adopted under Section 406.

Sec. 403. The authority may do any of the following:

(a) Employ agents and employees.

(b) Make and enter into contracts.

(c) Sue and be sued in its own name and, to the extent authorized by Section 407, bring suits to recover, from responsible parties, the removal and remedial action costs incurred by the authority.

(d) Adopt a seal and alter it at pleasure.

(e) Acquire, construct, manage, maintain, and operate any buildings, works, or improvements, both inside and outside the boundaries of the authority.

(f) Acquire, own, hold, or dispose of property both inside and outside the boundaries of the authority.

(g) Incur debts, liabilities, and obligations.

(h) Issue bonds, notes, and warrants and other evidence of indebtedness and enter into leases, installment sales contracts, and other agreements to finance costs and expenses incidental to the projects of the authority.

(i) Enter into agreements with the watermaster and other appropriate entities to do any of the following:

(1) Store water in the basin.

(2) Purchase and import water for the benefit of the authority.

(3) Exchange water.

(4) Distribute water to producers in exchange for ceasing or reducing groundwater extraction.

(5) Regulate pumping in accordance with the judgment.

(j) Own and operate facilities to extract, purify, and treat water for the beneficial use of persons or property within the authority.

(k) Acquire, within or outside the authority and within the state, by purchase, condemnation, or other legal means, all property, or rights in property, that the authority determines to be necessary or proper for the purposes of the authority, except that the authority shall not exercise the power of eminent domain as to water, water rights, reservoirs, pipelines, water distribution systems, waterworks, or powerplants that are devoted to beneficial or public use. Eminent domain proceedings may be brought by the authority for these purposes pursuant to Title 7 (commencing with Section 1230.010) of Part 3 of the Code of Civil Procedure.

(l) Act jointly or cooperate, within or outside the boundaries of the authority, with the United States, the state, a county, city, or district, the watermaster, or any corporation, or person to carry out this act.

(m) Carry on technical and other investigations of all kinds necessary to carry out the purposes of this act.

(n) Levy pumping right assessments and impose charges for the sale of groundwater extracted and treated by the authority to pay for the administrative costs of the authority, to pay for the operation and maintenance costs of facilities including reasonable reserves for operation and maintenance costs, to repay warrants, notes, bonds, and other evidence of indebtedness, to make payments pursuant to leases or installment sale agreements in connection with certificates

of participation, and to make payments pursuant to any other financial obligations. Pumping right assessments may be levied on, and are payable by, public agency holders of prescriptive rights under the judgment.

(o) Issue bonds, notes, warrants, other evidence of indebtedness or certificates of participation in contracts payable from the levy of pumping right assessments, the imposition of charges for the sale of groundwater extracted and treated by the authority, or with any other revenues legally available to the authority.

Sec. 404. No power granted to the authority expands, limits, supersedes, or otherwise impairs any authority granted to the watermaster under the judgment, except that any plan adopted by the authority pursuant to Section 401 or 406 is, for purposes of the judgment, a basin cleanup plan adopted by a public governmental agency with responsibility for groundwater management or cleanup. Any project undertaken by the authority which involves the pumping of groundwater from the basin is subject to regulation in accordance with the judgment.

Sec. 405. The authority may contract with appropriate entities to carry out the purposes of the act and the rules and regulations adopted pursuant to this act.

Sec. 406. (a) The authority shall develop and adopt a basinwide groundwater quality management and remediation plan. The authority shall cooperate with all appropriate entities for that purpose. The plan shall include, but not be limited to, all of the following components:

- (1) Characterization of basin contamination.
- (2) Development and implementation of a comprehensive basin cleanup plan.
- (3) A plan for financing the design, construction, operation, and maintenance of groundwater cleanup facilities.
- (4) Provision for a public information and participation program.
- (5) Coordination with federal, state, and local entities.

(b) The basin-wide plan shall be consistent with the National Contingency Plan and with any applicable records of decision issued by the United States Environmental Protection Agency, all requirements of the Los Angeles Regional Water Quality Control Board, including that board's Basin Plan, and all applicable agreements between federal, state, and local agencies engaged in cleanup activities. The basinwide plan shall consider the benefits to be achieved by the plan or any proposed project in relation to its economic impact on persons or entities within the boundaries of the authority.

Sec. 407. (a) The authority may cooperate with the Los Angeles Regional Water Quality Control Board and the United States Environmental Protection Agency in their investigation and identification of persons or entities that are responsible for the contamination of the basin.

(b) Persons or entities responsible for the contamination of the basin shall cooperate with the authority in developing and implementing plans for the cleanup of the contamination.

(c) To the extent authorized under Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sec. 9607), or Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code, the authority may pursue legal action against persons or entities that are responsible for the contamination of the basin to recover removal or remedial action costs incurred by the authority for the cleanup of the contamination attributable to that person or entity, including the costs of enforcement and litigation.

Article 5. Organization

Sec. 501. The authority shall be governed by the board. The powers and duties of the authority shall be exercised by and through the board.

Sec. 502. (a) The board shall be composed of five members, three of whom are appointed by the water districts and two of whom are elected by the cities.

(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.

Sec. 503. The water district members and their alternates shall be appointed as follows:

(a) One member and one alternate shall be appointed by the Board of Directors of the Upper San Gabriel Valley Municipal Water District. The member and alternate appointed pursuant to this subdivision shall be elected members of that board and shall be appointed by resolution adopted by a majority of that board.

(b) One member and one alternate shall be appointed by the Board of Directors of the San Gabriel Valley Municipal Water District. The member and alternate appointed pursuant to this subdivision shall be elected members of that board and shall be appointed by resolution adopted by a majority of that board.

(c) One member and one alternate shall be appointed by the Board of Directors of the Three Valleys Municipal Water District. The member and alternate appointed pursuant to this subdivision shall be elected members of that board and shall be appointed by resolution adopted by a majority of that board.

Sec. 504. The city members and their alternates shall be elected as follows:

(a) One member and one alternate shall be elected by the cities

with pumping rights. The member and alternate elected pursuant to this subdivision shall be city council members from cities with pumping rights.

(b) One member and one alternate shall be elected by the cities without pumping rights. The member and alternate elected pursuant to this subdivision shall be city council members from cities without pumping rights.

Sec. 505. Each of the members elected by the cities pursuant to Section 504 shall be elected according to the following procedure:

(a) A city with pumping rights may vote for candidates to be elected to represent cities with pumping rights. A city without pumping rights may vote for candidates to be elected to represent cities without pumping rights. The number of votes which a city may cast is determined by the population of the city. Each city has one vote for each 10,000 residents or majority fraction thereof, as determined by the most recent United States decennial census data. The number of votes to which a city is entitled shall be computed by rounding the population of the city to the nearest 10,000 and dividing that number by 10,000. Each city has a minimum of one vote.

(b) An election for a city member shall be conducted at the board's final regular meeting of the calendar year preceding the expiration of the term of the office of that city member.

(c) Nominations for candidates for a city member elected by cities with pumping rights may be made by any city with pumping rights. Nominations for candidates for a city member elected by cities without pumping rights may be made by any city without pumping rights. Each city may nominate only one candidate for each office. Nomination shall be made by resolution of the city council of the nominating city. All nominations shall be submitted to the authority at least 60, but not more than 90, days preceding the meeting at which the election is to be held.

(d) The authority shall adopt procedures for preparing and distributing ballots to each city eligible to vote in the election. Ballots shall be distributed to all cities which are eligible to vote at least 45 days prior to the meeting at which the election is to be held. Each ballot shall indicate the number of votes which the city is entitled to cast.

(e) Each city shall cast all of its votes for one candidate for each office, by resolution of the city council. The resolution casting the city's votes shall be delivered to the authority at least 24 hours before the meeting at which the election is held. Any resolutions not received by the authority 24 hours before the election may not be counted.

(f) (1) The candidate receiving the highest number of votes cast by cities with pumping rights shall be elected to fill the office representing cities with pumping rights. The candidate receiving the next highest number of votes cast by cities with pumping rights, who is not a city council member from the same city as the candidate

receiving the highest number of votes, is the alternate member.

(2) The candidate receiving the highest number of votes cast by cities without pumping rights shall be elected to fill the office representing cities without pumping rights. The candidate receiving the next highest number of votes cast by cities without pumping rights, who is not a city council member from the same city as the candidate receiving the highest number of votes, is the alternate member.

(g) Not later than March 1, 1993, the joint powers authority shall call and conduct the election to elect the initial city members and alternates. Thereafter, the election of city members shall be called and conducted by the authority.

Sec. 506. An alternate member shall act in the place, and perform all of the duties, of the city member or water district member selected by the same cities or water district if that city 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. 507. (a) Except as provided in subdivision (b), 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.

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.

Sec. 509. The board shall annually elect from its membership a chairperson, vice chairperson, secretary, and treasurer. The board may appoint additional officers and employ additional employees

and assistants that may be necessary or appropriate.

Sec. 510. A majority of the board constitutes a quorum for transaction of business of the authority.

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

Sec. 512. Each member shall receive compensation for each meeting of the board attended, which amount shall be fixed from time to time by the board, but shall not exceed the amount allowed by law for members of the board of a municipal water district.

Sec. 513. All meetings of the board shall be open to the public and shall be held in accordance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

Sec. 514. The board shall adopt rules and regulations for the conduct of its affairs.

Sec. 515. Each of the officers, employees, and assistants shall serve at the pleasure of the board and shall perform the duties and have the authority as determined by the board.

Article 6. Financial Provisions

Sec. 601. The authority may accept federal, state, and local funds which are available for purposes of groundwater cleanup and for otherwise implementing this act. The authority may accept grants and donations to carry out the purposes of this act. The limits on bonded indebtedness shall be exclusive of grants and donations.

Sec. 602. The authority may impose an annual pumping right assessment which may not exceed five dollars (\$5) per acre-foot to pay for administrative costs. The amount of the assessment shall be established at an amount equal to the amount needed to pay for administrative costs. The assessment authorized by this section shall not be used to replace federal, state, or other money which is available to the authority.

Sec. 603. The authority may issue warrants, in an aggregate amount not to exceed four hundred thousand dollars (\$400,000), to pay for the costs of formation of the authority. The warrants may bear interest at a rate not exceeding 8 percent per year from the date of issuance until funds are available to pay the warrants. Warrants for the costs of formation shall be repaid by the levy of a pumping right assessment pursuant to Section 602, the imposition of a charge for the sale of groundwater extracted and treated by the authority, or with other available revenue.

Sec. 604. (a) The authority may issue negotiable promissory notes and bond anticipation notes to acquire funds for any purposes authorized by this act subject to Sections 71810, 71811, 71812, 71813, and 71814 of the Water Code.

(b) Promissory notes, bond anticipation notes, bonds, certificates

of participation, and other evidences of indebtedness issued by the authority shall be payable from any revenues or moneys of the authority available therefore and not otherwise pledged and shall be negotiable even though they are payable from special funds. The authority may do any of the following with regard to any notes, bonds, certificates, or other evidences of indebtedness:

(1) Sell them at public or private sale for prices, and upon terms and conditions, determined by the authority.

(2) Sell them as serial or term instruments or both.

(3) Have them bear dates, and mature at times, not to exceed 20 years from their respective dates, bear interest at rates, be payable at times, be in denominations, be in forms, either coupon or registered, carry registration privileges, be executed in the manner, be payable in lawful money of the United States at places, and be subject to terms of redemption as the indenture, trust agreement, or resolution relating to those instruments provides.

(4) Secure them by a trust agreement or indenture by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or outside the state. The trust agreement, indenture, or the resolution providing for the issuance of the instruments, may pledge or assign the revenues of the authority under the provisions of this act. The indenture, trust agreement, or resolution providing for the issuance of the instruments may contain provisions for protecting and enforcing the rights and remedies of the holders determined by the authority to be reasonable and proper and not in violation of law. Any trust agreement or indenture may set forth the rights and remedies of the holders and of the trustee or trustees, and may restrict the individual right of action of holders. In addition, the indenture, trust agreement, or resolution may contain other provisions determined by the authority to be reasonable and proper for the security of the holders.

(c) Any evidence of indebtedness issued under this act does not constitute a debt of the state or of any political subdivision thereof or a pledge of the faith and credit of the state or of any political subdivision, other than the authority, but shall be payable solely from the funds of the authority specified in this act. All instruments of debt shall contain on the face thereof a statement to the effect that neither the state nor the authority is required to pay the same, or the interest thereon, except from certain revenues of the authority and that neither the faith and credit nor the taxing power of the state or of any political subdivision is pledged to the payment of the principal of, or the interest on, those instruments. The issuance of instruments of debt under the provisions of this act shall not require the state or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment.

(d) Any holder of instruments of debt issued under this act or any of the coupons appertaining thereto, and the trustee or trustees

under any indenture or trust agreement, except to the extent the rights granted in this act may be restricted by any resolution authorizing the issuance of, or any such indenture or trust agreement securing, the instruments, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights granted by state law, this act, resolution, indenture, or trust agreement, and may enforce and compel the performance of all duties required by this act or by the resolution, indenture, or trust agreement to be performed by the authority or by any officer, employee, or agent thereof.

(e) The authority may provide for the issuance of instruments of debt of the authority for the purpose of refunding any instruments of debt or any series or issue of instruments of outstanding debt of the authority, including the payment of any redemption premium thereon and any interest accrued, or to accrue, to the date of redemption until the purchase or maturity of instruments of debt.

(f) Any instruments of debt issued under this act, their transfer, and the income therefrom, are not subject to taxation by the state or any political subdivision of the state.

(g) The state does pledge to, and agree with, the holders of the instruments of debt issued pursuant to this act, and with those parties who may enter into contracts with the authority pursuant to the provisions of this act, that the state will not limit, alter, or restrict the rights vested in the authority to fulfill the terms of any agreements made with the holders of instruments of debt authorized by this act, and with the parties who may enter into contracts with the authority pursuant to the provisions of this act, or in any way impair the rights or remedies of the holders of the instruments of debt or the parties until the instruments of debt, together with interest thereon, are fully paid and discharged and the contracts are fully performed on the part of the authority. The authority as a public body corporate and politic may include the pledge herein made in its debt instruments and contracts.

Sec. 605. The authority may impose an annual pumping right assessment, not to exceed thirty-five dollars (\$35) 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 watermaster, which the authority has approved.

Sec. 606. A pumping right assessment imposed pursuant to this

act shall be imposed upon the holder of a prescriptive pumping right at a uniform rate per acre-foot of prescriptive pumping right.

Sec. 607. 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.

Sec. 608. The authority may annually adjust the maximum assessments authorized pursuant to this act by an amount not to exceed the percentage change in the United States Consumer Price Index for the Los Angeles/Anaheim/Riverside area between January 1, 1993, and the date of the adjustment.

Sec. 609. (a) The authority may, by resolution of the board, impose a pumping right assessment pursuant to Section 605 only in accordance with this section and Sections 610 to 614, inclusive.

(b) Prior to levying a new assessment or approving an increase in an existing assessment, the authority shall hold at least one hearing at which presentations may be made.

(c) (1) Notice of the time and place of the hearing, including a general explanation of the matter to be considered and a statement of the amount of the assessment, shall be mailed, at least 90 days prior to the hearing, to each producer, each city, the watermaster, and any interested party who files a written request with the authority for notice of any hearing on a new or increased assessment.

(2) The authority shall also cause notice of the hearing to be posted at least 45 days prior to the date of the hearing at the entrance to the location where the hearing will be held and to be published, pursuant to Section 6066 of the Government Code, in a newspaper of general circulation printed and published within the boundaries of the authority, if there is one or, if not, in a newspaper printed and published in Los Angeles County.

(d) Each entity that operates a public water system for retail service within the boundaries of the authority shall prepare and include with its regular bill for charges sent to its customers a notice of the hearing at least 15 days prior to the hearing. The notice shall read as follows:

Notice of Public Hearing

On _____, at _____, at _____
(date) (time)
_____, the Board of Directors of the _____
(address)
San Gabriel Basin Water Quality Authority
will hold a protest hearing concerning a proposed
pumping right assessment of _____
(amount)

per acre-foot of groundwater produced. If added to the water bill, the assessment would amount to approximately _____ per month for an

(amount)

average residential customer. Registered voters seeking to protest the proposed assessment shall do so in a written communication filed with the Authority at _____ not

(address)

later than the time set for the hearing. Questions concerning the assessment or the protest hearing should be directed to the Authority at _____

(telephone)

Sec. 610. At the time and place set forth in the notice, the board shall conduct the hearing, and shall consider all objections or protests, if any, to the resolution referred to in the notice, and may continue the hearing from time to time. Upon the conclusion of the hearing, the board may adopt, revise, reduce, or withdraw the assessment. The board shall make its determination on the assessment described in the resolution, and the determination is final.

Sec. 611. Any registered voter seeking to protest the adoption or increase of an assessment shall do so in a written communication filed with the authority not later than the time set for the hearing. A protest by a registered voter shall include the name and residence address of the person making the protest and shall be signed and dated. A protest may be withdrawn at any time before the determination on the assessment by the board.

Sec. 612. If the board receives protests that are not withdrawn at the time of determination by the board, which represent 50 percent of the registered voters within the authority, no further proceedings may be conducted to adopt or increase an assessment until one year from the date of the initiation of the protest procedure.

Sec. 613. If the board receives protests that are not withdrawn at the time of determination by the board, which represent at least 15 percent, but less than 50 percent, of the registered voters within the authority, the board may adopt, revise, change, or reduce an assessment, but the adoption or modification of an assessment is not effective until approved by a majority of the voters in an election held within the authority.

Sec. 614. (a) If the board imposes an assessment pursuant to Section 605, the board may, by resolution, continue the assessment in successive years at the same or reduced rate.

(b) Prior to continuing the assessment, the authority shall hold at least one hearing at which presentations may be made.

(c) The authority shall cause notice of the intent to adopt the

resolution to be published pursuant to paragraph (2) of subdivision (c) of Section 609, and shall consider any and all objections at the time and place set forth in the notice.

(d) The board shall, at the time and place set forth in the notice, conduct the hearing and consider any objections or protests to the assessment. The board may overrule any and all objections. The board may, thereafter, adopt, reduce, or withdraw the assessment.

(e) The determination of the board is final.

(f) This section applies to the continuation of a previously imposed assessment only if the board does not propose to increase the amount of the assessment.

Article 7. Miscellaneous

Sec. 701. (a) The joint powers authority is dissolved upon the initial election of the city members pursuant to Section 505. The authority succeeds to all the properties, rights, obligations, and liabilities of the joint powers authority on the date of its dissolution.

(b) Any and all actions by or against the joint powers authority pending at the time of its dissolution may be prosecuted to final judgment by or against the authority.

(c) After the effective date of the dissolution of the joint powers authority, no action may be brought for or against the dissolved joint powers authority or its commissioners, officers, or employees, but may be prosecuted by or against the authority.

Sec. 702. This act shall be liberally construed to carry out its purposes.

Sec. 703. Except for Section 705, this act shall become inoperative when both of the following have occurred:

(a) The State Water Resources Control Board, with the concurrence of the State Department of Health Services, determines, in writing, that substantially all public water system wells within the basin are pumping water that is not contaminated, or not likely to become contaminated, in excess of federal or state safe drinking water standards. The authority shall pay a fee to the State Water Resources Control Board and to the State Department of Health Services, respectively, equal to the reasonable costs incurred by those agencies pursuant to this subdivision.

(b) All contracts, and bonds or other evidences of indebtedness, executed or issued by or on behalf of the authority have been satisfied.

Sec. 704. (a) The revenues of the authority collected from the assessment authorized by Section 605 and used by the authority to construct, or contribute to the construction of, capital projects for the cleanup of any site that has been listed on the National Priorities List established pursuant to subparagraph (B) of paragraph (8) of Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sec.

9605 (8) (B)) and is located within the Main San Gabriel Basin shall be credited to the state's 10-percent cost share obligation for capital costs under any program undertaken with the United States Environmental Protection Agency to clean up the sites.

(b) Nothing in this section precludes the authority from receiving from state agencies grants or loans for purpose of the cleanup of contaminated groundwater. Any such state grant or loan shall also be credited to the state's 10-percent cost share obligation.

Sec. 705. On or before January 1, 1997, 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).

Sec. 706. (a) Except as provided in this section, this act shall remain in effect only until January 1, 1998, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1998, 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. 2. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, 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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