aalrr Atkinson, Andelson Loya, Ruud & Romo

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Legislative Update for Water/Wastewater Agencies

Prepared by

Atkinson, Andelson, Loya, Ruud & Romo

Rob E. Anslow, Jeff A. Hoskinson, Nicolle A. Falcis

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Introduction

We prepared the following information regarding legislation passed in the California Legislature during the 2024 Legislative Session and which became law. This information is not presented as specific legal advice, but rather, an update to our public agency water/wastewater clients.

Our 2024 Legislative Update is divided into six sections:

1. General
2. Water
3. Wastewater
4. Construction
5. Finance
6. Informational

This year's Legislative Update includes discussion of a number of pieces of legislation which may be of particular interest to our public agency water/wastewater clients. In particular, we bring to the reader's attention the following pieces of legislation:

- Assembly Bill No. 2561 (Chapter 409) require public agencies, including local water and wastewater agencies to present the status of their employment vacancies at a public hearing before their governing board at least once per fiscal year. This legislation presents a new requirement and local public agencies should begin preparing the process as they move into the coming year.

- Senate Bill No. 937 (Chapter 290) presents various changes with regard to fees and charges for development projects. However, our Firm, upon careful review of the legislation, reached certain conclusions with regard to the applicability of this legislation with regard to water and wastewater public agencies. Please contact our Firm if you have specific questions with regard to this legislation.

- Assembly Bill No. 2257 (Chapter 561), Senate Bill No. 1072 (Chapter 323) and Assembly Bill No. 1827 (Chapter 359) are legislative actions which will affect proceedings for, and matters concerning rates, fees and charges under the provisions of Proposition 218. Some aspects of these items of legislation may face legal and/or constitutional challenges in the future. Clients with specific questions with regard to the applicability or enforceability of these items of legislation may contact our Firm for further discussion.

I General

Assembly Bill No. 2631 – Chapter 201 - Fong. Local Agencies; Ethics Training

Existing law requires all local agency officials to receive training in ethics, at specified intervals, if the local agency provides certain monetary payments to a member of a legislative body, as provided. Existing law requires all local agency officials who are members of specified public bodies to receive the above-described training, whether or not the member receives any type of compensation, salary, or stipend or reimbursement for actual and necessary expenses incurred in the performance of official duties. Existing law requires an entity that develops curricula to satisfy the above-described requirements to consult with the Fair Political Practices Commission and the Attorney General regarding the sufficiency and accuracy of the proposed course content. Existing law prohibits the Fair Political Practices Commission and the Attorney General, as specified, from precluding an entity from also including local ethics policies in the curricula.

This legislation requires the Fair Political Practices Commission, in consultation with the Attorney General, to create, maintain, and make available to local agency officials an ethics training course, as specified.

Assembly Bill No. 1784 – Chapter 355 – Pellerin. Primary Elections; Candidate Withdrawals

Existing law requires candidates for an office at a primary election to deliver their nomination documents to the county elections official no later than 5 p.m. on the 88th day before the primary election, or in specified cases, no later than 5 p.m. on the 83rd day before the primary election. Existing law prohibits a person who has delivered nomination documents to the county elections official from withdrawing their candidacy. Existing law further prohibits a person from filing nomination documents for a party nomination and an independent nomination for the same office, or for more than one office at the same election.

This legislation permits a candidate for any office other than a statewide office, as defined, at a primary election to withdraw their nomination documents for that office during the applicable filing period. The legislation establishes requirements for withdrawal, including that the candidate submit a statement under penalty of perjury that they are withdrawing their nomination documents and understand the withdrawal is irrevocable and that the filing fees are nonrefundable. The legislation permits a candidate who withdraws to file nomination documents for another office at that primary election during the applicable filing period. The legislation clarifies that a candidate is prohibited from filing nomination documents for more than one office at the same primary election, except as specified. If an incumbent has delivered but then withdrawn their nomination documents before 5 p.m. on the 88th day before the primary election, the legislation authorizes another candidate to deliver their nomination documents no later than 5 p.m. on the 83rd day before the primary election.

Assembly Bill No. 2302 – Chapter 389 – Addis. Open Meetings; Local Agencies; Teleconferences

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Existing law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year.

This legislation revises those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets. The legislation, for the purpose of counting meetings attended by teleconference, defines a "meeting" as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

Assembly Bill No. 2561 – Chapter 409 – McKinnor. Local Public Employees; Vacant Positions

Existing law, the Meyers-Milias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee

organizations and to consider fully presentations that are made by the employee organization on behalf of its members before arriving at a determination of policy or course of action.

This legislation, as specified, requires a public agency to present the status of employment vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year, and would entitle the recognized employee organization to present at the hearing. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the legislation requires the public agency, upon request of the recognized employee organization, to include specified information during the public hearing.

Public Hearing Requirements

AB 2561 requires public agencies to present the status of their vacancies in a public hearing before their governing body at least once per fiscal year. The presentation must be made prior to the adoption of a final budget for the fiscal year. This report must also address the recruitment and retention efforts currently employed by the public agency. During this presentation, the public agency is also required to identify any changes to policies, procedures or recruitment activities that negatively impact the entity's efforts to reduce its employment vacancies.

Senate Bill No. 1210 – Chapter 787 – Skinner. New Housing Construction; Electrical, Gas, Sewer and Water Service; Service Connection Information

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations, gas corporations, sewer system corporations, and water corporations, while local publicly owned utilities, including municipal utility districts, public utility districts, and irrigation districts, are under the direction of their governing boards.

This legislation, for new housing construction, require the above-described utilities, on or before January 1, 2026, to publicly post on their internet websites (1) the schedule of estimated fees for typical service connections for each housing development type, including, but not limited to, accessory dwelling unit, mixed-use, multifamily, and single-family developments, except as specified, and (2) the estimated timeframes for completing typical service connections needed for each housing development type, as specified. The bill would exempt from its provisions a utility with fewer than 4,000 service connections that does not establish or maintain an internet website due to a hardship, and would authorize the utility to establish that a hardship exists by annually adopting a resolution that includes detailed findings, as provided.

Assembly Bill No. 2533 – Chapter 834 – Carrillo. Accessory Dwelling Units; Junior Accessory Dwelling Units; Unpermitted Developments

Existing law, the Planning and Zoning Law, authorizes a local agency, by ordinance or ministerial approval, to provide for the creation of accessory dwelling units in areas zoned for residential use, as specified. Existing law prohibits a local agency from denying a permit for an unpermitted accessory dwelling unit that was constructed before January 1, 2018, because the accessory dwelling unit is in violation of building standards or state or local standards applicable to accessory dwelling units, unless the local agency makes a finding that correcting the violation

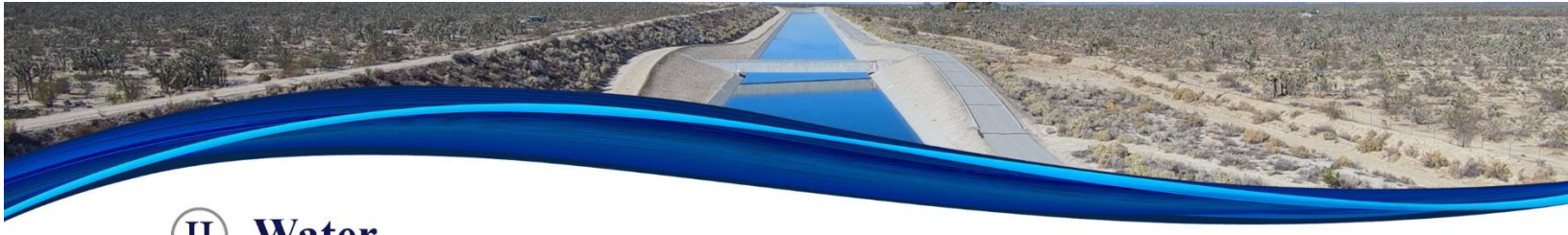
is necessary to protect the health and safety of the public or the occupants of the structure. Existing law makes those provisions inapplicable to a substandard building, as specified.

This legislation instead prohibits a local agency from denying a permit for an unpermitted accessory dwelling unit or junior accessory dwelling unit that was constructed before January 1, 2020, for those violations, unless the local agency makes a finding that correcting the violation is necessary to comply with conditions that would otherwise deem a building substandard. The legislation requires a local agency to inform the public about the provisions prohibiting denial of a permit for an unpermitted accessory dwelling unit or junior accessory dwelling unit. The legislation requires this information to include a checklist of the conditions that deem a building substandard and to inform homeowners that, before submitting a permit application, the homeowner may obtain a confidential third-party code inspection from a licensed contractor. The legislation prohibits a local agency from requiring a homeowner to pay impact fees or connection or capacity charges except under specified circumstances. By imposing additional duties on local agencies, the legislation imposes a state-mandated local program. The legislation authorizes an inspector from a local agency, upon receiving an application for a permit for a previously unpermitted accessory dwelling unit or junior accessory dwelling unit constructed before January 1, 2020, to inspect the unit for compliance with health and safety standards and provide recommendations to comply with health and safety standards. The legislation prohibits the local agency from penalizing an applicant for having the unpermitted accessory dwelling unit and would require the local agency to approve necessary permits to correct noncompliance with health and safety standards.

Senate Bill No. 1243 – Chapter 1017 – Dodd. Campaign Contributions; Agency Officers

The Political Reform Act of 1974 prohibits certain contributions of more than $250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding, as specified. The act requires disclosure on the record of the proceeding, as specified, of certain contributions of more than $250 within the preceding 12 months to an officer from a party or participant, or party's agent. The act disqualifies an officer from participating in a decision in a proceeding if the officer has willfully or knowingly received a contribution of more than $250 from a party or a party's agent, or a participant or a participant's agent, as specified. The act allows an officer to cure certain violations of these provisions by returning a contribution, or the portion of the contribution of in excess of $250, within 14 days of accepting, soliciting, or receiving the contribution, whichever comes latest.

This legislation raises the threshold for contributions regulated by these provisions to $500, as specified. The legislation extends the period during which an officer may cure a violation to within 30 days of accepting, soliciting, or directing the contribution, whichever is latest. The legislation specifies that a person is not a "participant" for the purposes of these provisions if their financial interest in a decision results solely from an increase or decrease in membership dues. The legislation exempts from these provisions contracts valued under $50,000, contracts between 2 or more government agencies, contracts where no party receives financial compensation, and the periodic review or renewal of development agreements, as specified, from these provisions.



II Water

Assembly Bill No. 3090 – Chapter 68 – Maienschein. Drinking Water Standards; Emergency Notification Plan

Existing law prohibits a person from operating a public water system without an emergency notification plan that has been submitted to and approved by the State Water Resources Control Board.

This legislation authorizes and encourages a public water system, when updating an emergency notification plan, to provide notification to water users by means of other communications technology, including, but not limited to, text messages, email, or social media.

Senate Bill No. 1147 – Chapter 881 – Portantino. Drinking Water; Microplastics Levels

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law requires the state board to adopt a definition of microplastics in drinking water and to adopt a standard methodology to be used in the testing of drinking water for microplastics and requirements for 4 years of testing and reporting of microplastics in drinking water, including public disclosure of those results.

This legislation requires the Office of Environmental Health Hazard Assessment (OEHHA) to study the health effects of microplastics in drinking and bottled water to evaluate toxicity characteristics and levels of microplastics in water that are not anticipated to cause or contribute to adverse health effects, or to identify data gaps that would need to be addressed to establish those levels. The legislation requires OEHHA to provide biennial status updates, and post a final report on its internet website. The legislation authorizes the State Water Resources Control Board, after taking into consideration the findings of the report, to request that OEHHA prepare and publish a public health goal for microplastics in drinking water, as specified.

III Wastewater

Assembly Bill No. 2599 – Chapter 411 – Committee on Environmental Safety and Toxic Materials; Water; Public Beaches; Discontinuation of Residential Water Service

Existing law requires the State Department of Public Health, by regulation, to establish, maintain, and amend as necessary minimum standards for the sanitation of public beaches, as provided. Existing law requires the regulations to do certain things, including requiring the testing of the waters adjacent to all public beaches for microbiological contaminants, as provided. Existing law authorizes a local health officer to meet the testing requirements by utilizing test results from other parties conducting microbiological contamination testing of the waters under their jurisdiction.

This legislation provides that the local health officer may only rely on data from test results from other parties if that data meets the same quality requirements that apply to local agencies pursuant to specified regulations and standards. The legislation also requires that test results used by the local health officer be made available to the public.

Existing law requires a health officer having jurisdiction over an area in which a public beach is created to do certain things, including, in the event of a known untreated sewage release, immediately test the waters adjacent to the public beach and take certain actions and, in the event of an untreated sewage release that is known to have reached recreational waters adjacent to a public beach, immediately close those waters until it has been determined by the local health officer that the waters are in compliance with specified standards.

This legislation authorizes the health officer to meet the requirements described above by using test results from other parties that have conducted microbiological contamination testing of the waters under the health officers jurisdiction, as provided. The legislation provides that the local health officer may only rely on data from test results from other parties if that data meets the same quality requirements that apply to local agencies pursuant to specified regulations and standards. The legislation also requires that test results used by the local health officer be made available to the public.

Existing law, the Water Shutoff Protection Act, authorizes the Attorney General, at the request of the State Water Resources Control Board or upon the Attorney Generals own motion, to bring an action in state court to, among other things, restore to any person in interest any money or property, real or personal, that may have been acquired by any method, act, or practice prohibited by the act.

This legislation instead authorizes the Attorney General, at the request of the board or upon the Attorney Generals own motion, to bring an action in state court to restore to any person in interest any money or real property acquired by any method, act, or practice prohibited by the act. The legislation also states that these provisions do not provide public water systems with authorities not otherwise provided by law.

IV Construction

For the 2024 legislative session, we did not identify any significant items of adopted legislation that directly impact local public agency contracting requirements.

V Finance

Senate Bill No. 937 – Chapter 290 – Wiener. Development Projects; Fees and Charges

The Mitigation Fee Act regulates fees for development projects, fees for specific purposes, including water and sewer connection fees, and fees for solar energy systems, among others. The act, among other things, requires local agencies to comply with various conditions when imposing fees, extractions, or charges as a condition of approval of a proposed development or development project.

The act prohibits a local agency that imposes fees or charges on a residential development for the construction of public improvements or facilities from requiring the payment of those fees or charges until the date of the final inspection or the date the certificate of occupancy is issued, whichever occurs first, except for utility service fees, which the local agency is authorized to collect at the time an application for utility service is received. The act exempts specified units in a residential development proposed by a nonprofit housing developer if the housing development meets certain conditions.

This legislation limits the utility service fees exception described above to utility service fees related to connections, and cap those fees at the costs incurred by the utility provider resulting from the connection activities. The legislation extends the above-described exemption for those units in a residential development that meets those conditions to any housing developer.

The act authorizes a local agency to require the payment sooner than the date of the final inspection or the date the certificate of occupancy is issued, whichever occurs first, if specified conditions are met, including if the fees or charges are to reimburse the local agency for expenditures previously made.

This legislation, for designated residential development projects, as defined, prohibit a local agency from requiring payment of fees or charges on the residential development for the construction of public improvements or facilities until the date the first certificate of occupancy or first temporary certificate of occupancy is issued, as specified. The legislation authorizes the local agency to require the payment of those fees or charges at an earlier time if certain conditions are met, except as specified. For specified units, the legislation authorizes a developer to guarantee payment of certain fees or charges by posting a performance bond or a letter of credit from a federally insured, recognized depository institution. If the developer does not post a performance bond or a letter of credit, the legislation authorizes the city, county, or city and county to collect certain fees or charges in accordance with a specified procedure.

If any fee or charge described above is not fully paid prior to issuance of a building permit, the act authorizes the local agency issuing the building permit to require the property owner to execute a contract to pay the fee or charge as a condition of issuance of the building permit, as specified.

This legislation authorizes the governing body of a local agency to authorize an officer or employee of the local agency to approve and execute contracts described above, and would require the local agency to post a model form of contract on its internet website, if it maintains an internet website, before requiring execution of a contract under the provisions described above.

Senate Bill No. 1072 – Chapter 323 – Padilla. Local Government; Proposition 218; Remedies

The California Constitution sets forth various requirements for the imposition of local taxes. The California Constitution excludes from classification as a tax assessments and property-related fees imposed in accordance with provisions of the California Constitution that establish requirements for those assessments and property-related fees. Under these requirements, an assessment is prohibited from being imposed on any parcel if it exceeds the reasonable cost of the proportional special benefit conferred on that parcel, and a fee or charge imposed on any parcel or person as an incident of property ownership is prohibited from exceeding the proportional cost of the service attributable to the parcel.

Existing law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local compliance with the requirements of the California Constitution for assessments and property-related fees.

This legislation requires a local agency, if a court determines that a fee or charge for a property-related service, as specified, violates the above-described provisions of the California Constitution relating to fees and charges, to credit the amount of the fee or charge attributable to the violation against the amount of the revenues required to provide the property-related service, unless a refund is explicitly provided for by statute.

Assembly Bill No. 1827 – Chapter 359 - Papan. Local Government; Fees and Charges; Water; Higher Consumptive Water Parcels

The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing.

Existing law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. Existing law defines, among other terms, the term "water" for these purposes to mean any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source.

This legislation provides that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to

specified factors, including the higher water usage demand of parcels. The legislation provides that the incrementally higher costs of water service associated with higher water usage demands, the maximum potential water use, or projected peak water usage may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels that are increasing potential water usage demand, maximum potential water use, or projected peak water usage. The legislation declares that these provisions are declaratory of existing law.

Assembly Bill No. 2257 – Chapter 561 - Wilson. Local Government; Property-Related Water and Sewer Fees and Assessments; Remedies

The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including notice, hearing, and protest procedures, depending on the character of the assessment, fee, or charge.

Existing law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements.

This legislation prohibits, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions for any new, increased, or extended fee or assessment, as defined, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance, as specified.

This legislation provides that local agency responses to the timely submitted written objections shall go to the weight of the evidence supporting the agencys compliance with the substantive limitations on fees and assessments imposed by the constitutional provisions. The legislation also prohibits an independent cause of action as to the adequacy of the local agencys responses.

This legislation, if the local agency complies with the specified procedures, provides that in any judicial action or proceeding to review, invalidate, challenge, set aside, rescind, void, or annul the fee or assessment for failure to comply with the procedural and substantive requirements of specified constitutional provisions in the fee or assessment setting process, the courts review is limited to a record of proceedings containing specified documents, except as otherwise provided. The bill would provide that this limitation does not preclude any civil action related to a local agencys failure to implement a fee or assessment in compliance with the manner adopted by the local agency. The legislation makes related findings and declarations.

Senate Bill No. 1188 – Chapter 507 – Laird. Drinking Water; Technical, Managerial, and Financial Standards

Existing law, the California Safe Drinking Water Act, imposes on the State Water Resources Control Board various responsibilities and duties relating to providing a dependable, safe supply of drinking water. Existing law requires the state board to directly enforce the provisions of the act for all public water systems, except as specified. The act prohibits a person from operating a public water system unless the person first submits an application to the state board and receives a permit to operate the system, as specified. Existing law authorizes the state board to impose permit conditions, requirements for system improvements, technical, financial, or managerial requirements, and time schedules as it deems necessary to ensure a reliable and adequate supply of water at all times that is pure, wholesome, potable, and does not endanger the health of consumers.

Existing law makes it a crime to knowingly make any false statement or representation in any application, record, report, or other document submitted, maintained, or used for purposes of compliance with the act.

This legislation requires the State Board to develop and adopt minimum standards related to the technical, managerial, and financial capacity of community water systems serving fewer than 10,000 people or 3,300 service connections and nontransient noncommunity water systems that serve K12 schools. The legislation requires community water systems serving fewer than 10,000 people or 3,300 service connections and nontransient noncommunity water systems that serve K12 schools to demonstrate compliance with those standards, as provided. The legislation requires new community water systems serving fewer than 10,000 persons or 3,300 service connections and nontransient noncommunity water systems that serve K12 schools to demonstrate, as part of a permit application, compliance with the minimum technical, managerial, and financial standards.

This legislation authorizes the State Board to require a community water system serving fewer than 10,000 people or 3,300 service connections and a nontransient noncommunity water system that serves K12 schools subject to the minimum standards to show proof that it has the technical, managerial, and financial capacity to comply with the standards, including, but not limited to, annual reporting of information necessary and appropriate to monitor its current capacity status. Because knowingly making a false statement or representation in that report would be a crime under the California Safe Drinking Water Act, the legislation imposes a state-mandated local program by expanding the scope of a crime.

Assembly Bill No. 2729 – Chapter 737. Patterson. Development Projects; Permits and Other Entitlements.

The Planning and Zoning Law requires each county and each city to adopt a comprehensive, long-term general plan for its physical development, and the development of specified land outside

its boundaries, that includes, among other mandatory elements, a housing element. Existing law, the Permit Streamlining Act, among other things, requires a public agency that is the lead agency for a development project to approve or disapprove that project within specified time periods. Existing law extended by 18 months the period for the expiration, effectuation, or utilization of a housing entitlement, as defined, that was issued before, and was in effect on, March 4, 2020, and that would expire before December 31, 2021, except as specified. Existing law provides that if the state or a local agency extended the otherwise applicable time for the expiration, effectuation, or utilization of a housing entitlement for not less than 18 months, as specified, that housing entitlement would not be extended an additional 18 months pursuant to these provisions.

This legislation extends by 18 months the period for the expiration, effectuation, or utilization of a housing entitlement, as defined, that was issued before January 1, 2024, and that will expire before December 31, 2025, except as specified. The legislation tolls this 18-month extension during any time that the housing entitlement is the subject of a legal challenge. By adding to the duties of local officials with respect to housing entitlements, this legislation imposes a state-mandated local program. The legislation includes findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

Assembly Bill No. 399 – Chapter 802 – Boerner. Water Ratepayers Protections Act of 2023; County Water Authority Act; Exclusion of Territory; Procedure

The County Water Authority Act provides for the formation of county water authorities and grants to those authorities specified powers with regards to providing water service. The act provides 2 methods of excluding territory from any county water authority, one of which is that a public agency whose corporate area as a unit is part of a county water authority may obtain exclusion of the area by submitting to the electors within the public agency, at any general or special election, the proposition of excluding the public agencys corporate area from the county water authority. Existing law requires that, if a majority of the electors approve the proposition, specified actions take place to implement the exclusion.

This legislation, the Water Ratepayers Protections Act of 2023, additionally requires the public entity to submit the proposition of excluding the public agencys corporate area from the county water authority to the electors within the territory of the county water authority. The legislation requires the 2 elections to be separate; however, the legislation authorizes both elections to run concurrently. The legislation requires the ballot materials to include a fiscal impact statement, as described. The legislation also requires the ballot materials for the election encompassing the territory of the county water authority to include a statement describing the annual aggregated fiscal impact to remaining members of the county water authority as a result of the reorganization. The legislation requires the county water authority to prepare that statement. By imposing a higher level of service on a local agency, the bill would impose a state-mandated local program. The legislation requires a majority vote for withdrawal in both elections for the withdrawal of the public agency from the territory of the county water authority.