

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2208

Introduced by Assembly Member Perea

February 23, 2012

An act to ~~amend~~ *add* Section ~~116326~~ of 116337 to the Health and Safety Code, relating to drinking water, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2208, as amended, Perea. Community water systems: ~~consolidation and merger.~~ *community of Lanare.*

Existing law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health. Existing law, the Safe Drinking Water State Revolving Fund Law of 1997, establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law limits grants for planning, engineering studies, environmental documentation, and design of a single project to \$500,000.

Existing law, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative, authorizes the issuance of general obligation bonds, a portion of which is made available to the department, upon appropriation by the Legislature, to address the most critical water needs of the state, including the provision of safe drinking water to all Californians, the

protection of water quality and the environment, and the improvement of water supply reliability.

This bill would require the Lanare Community Services District to conduct a feasibility study, as prescribed, to identify and recommend a project that would solve arsenic contamination in the community of Lanare. By requiring the Lanare Community Services District to conduct a feasibility study, this bill would impose a state-mandated local program.

This bill would appropriate unspecified sums from the Safe Drinking Water State Revolving Fund and the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 to the department for the purposes of remitting funds to the Lanare Community Services District to compensate the district for the costs of implementing these provisions.

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

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

~~Existing law requires the State Department of Public Health to administer programs to fund improvements and expansion of small community water systems using specified priorities. Existing law requires the department to encourage the consolidation of small community water systems that serve disadvantaged communities in instances that consolidation will help the affected agencies and the state meet specified goals. Existing law allows funding of studies regarding the feasibility of consolidating 2 or more community water systems, at least one of which is a small community water system that serves a disadvantaged community. Existing law requires the department to give funding priority to projects involving physical restructuring of 2 or more community water systems into a single, consolidated system when it is shown that the consolidation would further specified goals.~~

~~This bill would require the department to promote the consolidation and merger of small community water systems that serve disadvantaged communities, as specified. This bill would require the studies described above to include the feasibility of consolidating community water systems or merging a community water system with a city water system,~~

as specified, unless the department determines consolidation or merger is not feasible. This bill would also require the department to give priority to funding projects involving the physical restructuring and managerial consolidation of 2 or more community water systems or the merger of community water systems into a single, consolidated system when it is shown that the consolidation or merger would further specified goals.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: ~~no~~-yes.

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

1 SECTION 1. Section 116337 is added to the Health and Safety
2 Code, to read:
3 116337. (a) *The Lanare Community Services District shall*
4 *conduct and publish, as soon as practicable, a feasibility study to*
5 *identify and recommend a project that will solve arsenic*
6 *contamination in the community of Lanare. The feasibility study*
7 *shall, at a minimum, do all of the following:*
8 (1) *Identify and analyze potential projects, including, but not*
9 *limited to, constructing a connection between the community water*
10 *systems of the Lanare Community Services District and the*
11 *Riverdale Public Utilities District.*
12 (2) *Identify the long-term costs and the cost-effectiveness of*
13 *each project, including whether the ongoing costs of operations*
14 *and maintenance can be supported by the ratepayers in the*
15 *community of Lanare.*
16 (3) *Recommend the project that is the most feasible, effective,*
17 *and cost-effective solution to arsenic contamination in the*
18 *community of Lanare.*
19 (b) *The sum of _____ dollars (\$_____) is hereby appropriated*
20 *from the Safe Drinking Water State Revolving Fund and the Safe*
21 *Drinking Water, Water Quality and Supply, Flood Control, River*
22 *and Coastal Protection Fund of 2006 to the department for the*
23 *purpose of compensating the Lanare Community Services District*
24 *for the costs of conducting the feasibility study required by*
25 *subdivision (a).*
26 SEC. 2. *If the Commission on State Mandates determines that*
27 *this act contains costs mandated by the state, reimbursement to*
28 *local agencies and school districts for those costs shall be made*

1 *pursuant to Part 7 (commencing with Section 17500) of Division*
2 *4 of Title 2 of the Government Code.*

3 ~~SECTION 1. Section 116326 of the Health and Safety Code~~
4 ~~is amended to read:~~

5 ~~116326. In administering programs to fund improvements and~~
6 ~~expansions of small community water systems, the department~~
7 ~~shall do all of the following:~~

8 ~~(a) Give priority to funding projects in disadvantaged~~
9 ~~communities.~~

10 ~~(b) Promote the consolidation or merger of small community~~
11 ~~water systems that serve disadvantaged communities in instances~~
12 ~~where consolidation or merger will help at least one of the affected~~
13 ~~agencies and the state to meet all of the following goals:~~

14 ~~(1) Improvement in the quality of water delivered.~~

15 ~~(2) Improvement in the reliability of water delivery.~~

16 ~~(3) Reduction in the cost of drinking water for ratepayers.~~

17 ~~(c) Pursuant to subdivision (b), require that funding for~~
18 ~~feasibility studies performed prior to a construction project include~~
19 ~~studies of the feasibility of consolidating two or more community~~
20 ~~water systems or merging a community water system with a city~~
21 ~~water system, when at least one of the water systems is a small~~
22 ~~community water system that serves a disadvantaged community,~~
23 ~~unless the department makes a written determination that~~
24 ~~consolidation or merger is not feasible under the circumstances.~~

25 ~~(d) In instances that it is shown that small community water~~
26 ~~system consolidation or merger will further the goals of subdivision~~
27 ~~(b), give priority to funding construction projects that involve the~~
28 ~~physical restructuring and managerial consolidation of two or more~~
29 ~~community water systems or merger one or more community water~~
30 ~~systems, at least one of which is a small community water system~~
31 ~~that serves a disadvantaged community, into a single, consolidated~~
32 ~~system.~~