

Assembly Bill No. 2395

Passed the Assembly August 11, 2014

Chief Clerk of the Assembly

Passed the Senate August 7, 2014

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2014, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 6087 to the Harbors and Navigation Code, relating to harbor districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2395, Lowenthal. Oxnard Harbor District: infrastructure projects: funding.

(1) Existing law prescribes procedures for the formation of harbor districts, and sets forth the powers of a district with regard to the operation, management, and development of harbor facilities in a district. Existing law authorizes the board of a harbor district, among other things, to borrow up to \$1,000,000 for the purposes of acquiring land for constructing or operating any work, project, or certain authorized facilities or for the making of improvements or the purchase of equipment for the maintenance of those facilities, as prescribed.

This bill would, notwithstanding that borrowing limit, authorize the Oxnard Harbor District to borrow money by issuance of promissory notes, or execute conditional sales contracts to purchase personal property, in an amount or of a value not exceeding in the aggregate at any one time the sum of \$10,000,000, for the purposes of acquiring land or constructing or operating any authorized work, project, or facility, or for the making of any improvement, or the purchase of equipment or for the maintenance of that equipment, in accordance with prescribed procedures.

(2) This bill would make legislative findings and declarations as to the necessity of a special statute for the Oxnard Harbor District.

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

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) The Oxnard Harbor District owns and operates the Port of Hueneme. Although the Port of Hueneme is the only deep-water port between the major Pacific Ocean ports of northern and southern California, its depth at present is only 35 feet at mean

lower low water (MLLW). A depth of at least 40 feet at MLLW is necessary to provide the port with the capacity to accommodate a wider variety of vessels to meet anticipated demands. As a result, the Oxnard Harbor District needs to finance several significant infrastructure projects over the next several decades to expand the limited capacity of the port.

(b) The existing one-million-dollar (\$1,000,000) limit on the borrowing of money set forth in Section 6084 of the Harbors and Navigation Code impedes the Oxnard Harbor District's ability to develop the infrastructure and systems necessary to continue the development of the Port of Hueneme to expand the port's capacity and meet anticipated demands.

(c) In December 2013, the Oxnard Harbor District successfully implemented the Shoreside Power Project, which will dramatically cut pollutants from vessel emissions particle matter (PM) by 92 percent, nitrous oxide emissions by 98 percent, and greenhouse gas emissions (carbon dioxide) by 55 percent, over the life of the project. Further, the project will benefit shippers, truckers, terminal operators, dock workers, and regional and national transportation systems by extending the useful life of existing wharfs for up to 30 years.

(d) In Spring, 2012, the Oxnard Harbor District commissioned a series of white papers as part of its commitment to providing the maximum possible economic and social benefits to the people and communities served by the Port of Hueneme. This commitment includes a responsibility to address the environmental impacts of port operations. The white papers are meant to help the port build an environmental management program, and address all of the following focus areas:

- (1) Community engagement.
- (2) Water quality.
- (3) Marine resources.
- (4) Air quality.
- (5) Soil and sediment.
- (6) Sustainability.

(e) The white papers that are described in subdivision (d) document important accomplishments already achieved by the Oxnard Harbor District, including all of the following:

- (1) Active participation in community events and activities.

(2) Receipt of a \$4.5 million shoreside power grant for air quality improvements.

(3) Implementation of phase 1 of a stormwater improvement plan.

(4) Partnering with the United States Navy and the United States Corps of Engineers (USACE) to construct the Confined Aquatic Disposal Cell.

(5) Active monitoring of water quality to mitigate impacts to marine life.

(6) Replacement of conventional diesel-fueled maintenance vehicles with low-emission propane-fueled trucks.

(f) Operations and activities at the Port of Hueneme contribute meaningfully, qualitatively, and quantitatively to the economic health and vitality of southern California and the rest of the state. It has been estimated that approximately 10,226 jobs statewide are either directly or indirectly related to activities at the Port of Hueneme, and the regional agricultural, automobile, and oil and gas industries in this state rely on the workers employed in these jobs and the port's daily operations.

(g) The Oxnard Harbor District does not levy, or expend any funds generated by, local taxes, as most of its operations are funded directly through fees and other revenue the port generates from its users or tenants, and from occasional state and federal grants.

SEC. 2. Section 6087 is added to the Harbors and Navigation Code, to read:

6087. (a) (1) Notwithstanding the borrowing limit set forth in Section 6084, the Oxnard Harbor District may borrow money by issuance of promissory notes, or execute conditional sales contracts to purchase personal property, in an amount or of a value not exceeding in the aggregate at any one time the sum of ten million dollars (\$10,000,000), for the purposes of acquiring land for and constructing or operating any work, project, or facility authorized by subdivision (d) of Section 6012 or Section 6075 or for the making of improvements or the purchase of equipment or for the maintenance thereof.

(2) All moneys borrowed pursuant to this section shall not be borrowed for a term exceeding five years, and the indebtednesses shall not incur a rate of interest in excess of 12 percent per annum. The indebtedness shall be authorized by a resolution of the board

of commissioners adopted by a two-thirds vote of the members of the board.

(3) As a condition precedent to the borrowing of any money or the execution of any conditional sales contract, as provided in this section, in excess of one hundred thousand dollars (\$100,000), the board shall first by a two-thirds vote approve by resolution and have on file a report on the engineering and economic feasibility relating to the project contemplated for the expenditure of the borrowed money or conditional sales contract. The feasibility report shall be prepared and signed by an engineer or engineers licensed and registered under the laws of the State of California.

(4) The district shall budget, levy, and collect taxes and pay for all indebtedness without limitation by any other provision of this part.

(b) Subdivision (a) does not apply to any money borrowed from any agency or department of the United States government or of the State of California.

SEC. 3. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances applicable only to the Oxnard Harbor District.

Approved _____, 2014

Governor