

ASSEMBLY BILL

No. 2443

**Introduced by Assembly Member Rendon
(Coauthor: Assembly Member Nestande)**

February 21, 2014

An act to amend Section 1506 of the Public Utilities Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2443, as introduced, Rendon. Duplication of service: mutual water companies.

Existing law states that the Legislature finds and declares that whenever a political subdivision, as defined, constructs facilities to provide or extend water service, or provides or extends water service, to any service area of a private utility, as defined, with the same type of service, this act constitutes a taking of the property of the private utility for a public purpose to the extent that the private utility is injured by reason of any of its property employed in providing the water service being made inoperative, reduced in value, or rendered useless to the private utility for the purpose of providing water service to the service area. Existing law requires that a political subdivision that makes such a taking of the property of a private water utility pay just compensation for the property taken for a public purpose. A mutual water company is a private utility for these purposes to the extent that its property is employed by the company in providing water service in or for a territory that is actually being provided with water service when the political subdivision constructs facilities to provide, or extends water service to, the territory serviced by the mutual water company. Existing law

establishes an exception that is applicable only to Los Angeles County with respect to the use of reclaimed water.

This bill would make inapplicable the provision that a mutual water company is a private utility entitled to just compensation for a taking in a territory it services at the time of the taking when a political subdivision constructs facilities to provide or extend recycled water service to the territory of the mutual water company.

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

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

1 SECTION 1. Section 1506 of the Public Utilities Code is
 2 amended to read:
 3 1506. As used in this chapter, “private utility” includes a mutual
 4 water company. In its application to mutual water companies, this
 5 chapter affects and relates only to the property, or portion of any
 6 property, of a mutual water company that is employed by the
 7 company in providing water service in or for a territory that is
 8 actually being provided with water service by the company when
 9 a political subdivision constructs facilities to provide or extend
 10 water service or provides or extends ~~such~~ *the* service to the
 11 territory, and that territory shall constitute the “service area” of a
 12 mutual water company as used in Section 1502. *This section does*
 13 *not apply to a political subdivision that constructs facilities to*
 14 *provide or extend recycled water service to the territory of the*
 15 *mutual water company.*

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