

AMENDED IN ASSEMBLY JANUARY 4, 2016

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 727

Introduced by Assembly Member Wilk

February 25, 2015

An act to amend Section 21531 of the Public Contract Code, and to amend Sections 11, 15, 26.1, 29.1, 29.2, 29.4, and 29.7 of, and to repeal Sections 29.5 and 29.6 of, *11* of the Castaic Lake Water Agency Law (Chapter 28 of the First Extraordinary Session of the Statutes of 1962), relating to the Castaic Lake Water Agency.

LEGISLATIVE COUNSEL'S DIGEST

AB 727, as amended, Wilk. Castaic Lake Water Agency: Agency: board of directors.

~~(1) Existing~~

Existing law, the Castaic Lake Water Agency Law, creates the Castaic Lake Water Agency and authorizes the agency to acquire water and water rights, including water from the State Water Project, and to provide, sell, and deliver water at wholesale for municipal, industrial, domestic, and other purposes. ~~The law authorizes the agency to construct, operate, and maintain works to develop hydroelectric energy and to contract for the sale of the right to use falling water for electrical energy purposes.~~

~~This bill would authorize the agency to construct, operate, and maintain works to develop energy projects and to contract for the sale of the right to use facilities or real property for electric energy purposes.~~

~~(2) Existing law authorizes the agency to develop, treat, distribute, and reclaim water, and to store and recover water from groundwater basins located outside the boundaries of the agency.~~

~~This bill would authorize the board of directors of the agency to adopt and carry out a plan to finance or reimburse the agency for advancing net costs of remediating groundwater contamination.~~

~~(3) Existing law authorizes the agency to establish and impose a facility capacity fee for the right to make a new retail connection to the water distribution system of any retail water distributor within the agency that obtains water supplies from the agency. Existing law requires the proceeds of the facility capacity fee to be used exclusively by the board of directors of the agency for the annual capital budget of the agency, which is the sum annually projected by the board of directors to be reasonably necessary for prescribed purposes. Existing law authorizes the board of directors to adopt a multiyear capital budget, not to encompass more than 3 agency fiscal years.~~

~~This bill would define a facility capacity fee and authorize the agency to establish and impose the fee on any person who makes a new retail connection or has an existing retail connection to the water distribution system. This bill would eliminate payments of capital costs to the State of California for purposes of the State Water Project from being a component of the annual facility capacity fee capital budget of the agency. This bill would eliminate the authorization to adopt a multiyear capital budget.~~

~~(4) purposes.~~ Existing law authorizes the board of directors, *directors of the agency*, by majority vote, to appoint from its members one vice president.

This bill would authorize the board of directors to appoint from its members one or more vice presidents.

~~(5) Existing law requires the board of directors of the agency to annually adopt a resolution of intention to form new water service areas, or to continue, amend, or modify water service areas previously established.~~

~~This bill would not require the board of directors to adopt this resolution if there is no change from the previous year to the water service areas or to the existing facility capacity fees.~~

~~(6) Existing law provides that until July 1, 1991, or the date the board of directors finds and declares by resolution that there is more than 25,000 acre-feet of potable water available each year from the agency, whichever is later, the agency is required to allocated water of the~~

agency to each purveyor on a specified percentage basis and that the allocation of agency water after this date is to be with respect to agency water service areas.

This bill would repeal these provisions:

(7) Existing law authorizes the agency to prescribe methods for the construction of works and for the letting of contracts for the construction of works, structures, or equipment, or the performance or furnishing of labor, materials, or supplies, for carrying out specified provisions. Existing law requires all contracts for any improvement or unit of work when the cost estimate exceeds \$5,000 to be let to the lowest responsible bidder or bidders. Existing law authorizes the agency to have work done by force account without advertising for bids and to purchase in the open market materials and supplies when the estimated cost of the work does not exceed \$5,000.

This bill would revise the cost estimate limit for the purpose of these provisions to \$75,000.

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 21531 of the Public Contract Code is~~
2 ~~amended to read:~~
3 21531. ~~(a) The Castaie Lake Water Agency shall have power~~
4 ~~to prescribe methods for the construction of works and for the~~
5 ~~letting of contracts for the construction of works, structures, or~~
6 ~~equipment, or the performance or furnishing of labor, materials,~~
7 ~~or supplies, necessary or convenient for carrying out any of the~~
8 ~~purposes of this act or for the acquisition or disposal of any real~~
9 ~~or personal property; provided, that all contracts for any~~
10 ~~improvement or unit of work, when the cost according to the~~
11 ~~estimate of the engineer will exceed seventy-five thousand dollars~~
12 ~~(\$75,000), shall be let to the lowest responsible bidder or bidders~~
13 ~~as provided in this article. The board shall first determine whether~~
14 ~~the contract shall be let as a single unit or divided into severable~~
15 ~~parts. The board shall advertise for bids by three insertions in a~~
16 ~~daily newspaper of general circulation published in the agency or~~
17 ~~by two insertions in a nondaily newspaper of general circulation~~
18 ~~published in the agency or, if no newspaper is published in the~~
19 ~~agency, in any newspaper of general circulation distributed in the~~

1 agency, inviting sealed proposals for the construction or
2 performance of the improvement or work. The call for bids shall
3 state whether the work shall be performed in one unit or divided
4 into parts. The work may be let under a single contract or several
5 contracts, as stated in the call. The board shall require the
6 successful bidders to file with the board good and sufficient bonds
7 to be approved by the board conditioned upon the faithful
8 performance of the contract and upon the payment of their claims
9 for labor and material. The bonds shall comply with Title 3
10 (commencing with Section 9000) of Part 6 of Division 4 of the
11 Civil Code. The board may reject any bid.

12 (b) In the event all proposals are rejected or no proposals are
13 received, or the estimated cost of the work does not exceed
14 seventy-five thousand dollars (\$75,000) or the work consists of
15 channel protection, maintenance work, or emergency work, the
16 board may have the work done by force account without advertising
17 for bids. In case of an emergency, if notice for bids to let contracts
18 will not be given, the board shall comply with Chapter 2.5
19 (commencing with Section 22050).

20 (c) The agency may purchase in the open market without
21 advertising for bids, materials and supplies for use in any work,
22 either under contract or by force account; provided, however, that
23 materials and supplies for use in any new construction work or
24 improvement, except work referred to in subdivision (b), shall not
25 be purchased if the cost exceeds seventy-five thousand dollars
26 (\$75,000), without advertising for bids and awarding the contract
27 to the lowest responsible bidder.

28 SEC. 2.

29 SECTION 1. Section 11 of the Castaic Lake Water Agency
30 Law (Chapter 28 of the First Extraordinary Session of the Statutes
31 of 1962), as amended by Section 1 of Chapter 170 of the Statutes
32 of 1998, is amended to read:

33 Sec. 11. The board of directors shall be the governing body of
34 the agency. The board shall hold its first meeting as soon as
35 possible after the appointment and certification of the first board
36 of directors. The board shall choose one of its members to be
37 president, and shall thereupon provide for the time and place of
38 holding its meetings and the manner in which its special meetings
39 may be called. All legislative sessions of the board, whether regular
40 or special, shall be open to the public. A majority of the board

1 shall constitute a quorum for the transaction of business. At its
2 first meeting in the month of January of each odd-numbered year,
3 the board shall choose one of its members president. The board,
4 by majority vote, may appoint from its members one or more vice
5 presidents and may define the duties of a vice president.

6 ~~SEC. 3. Section 15 of the Castaic Lake Water Agency Law~~
7 ~~(Chapter 28 of the First Extraordinary Session of the Statutes of~~
8 ~~1962), as amended by Section 1 of Chapter 910 of the Statutes of~~
9 ~~1989, is amended to read:~~

10 ~~Sec. 15. The agency may acquire water and water rights,~~
11 ~~including, but not limited to, water from the State of California~~
12 ~~under the State Water Resources Development System, and~~
13 ~~provide, sell, and deliver that water at wholesale only, for~~
14 ~~municipal, industrial, domestic, and other purposes, through a~~
15 ~~transmission system to be acquired or constructed by the agency.~~
16 ~~To carry out these purposes, the agency shall have the following~~
17 ~~powers:~~

18 ~~(a) To have perpetual succession.~~

19 ~~(b) To sue and be sued, except as otherwise provided herein or~~
20 ~~by law, in all actions and proceedings in all courts and tribunals~~
21 ~~of competent jurisdiction.~~

22 ~~(c) To adopt a seal and alter it at pleasure.~~

23 ~~(d) To take by grant, purchase, gift, devise, or lease, hold, use,~~
24 ~~enjoy, and to lease or dispose of real and personal property of~~
25 ~~every kind, within or without the agency.~~

26 ~~(e) To acquire, or contract to acquire, waterworks or a~~
27 ~~waterworks system, water rights, waters, lands, and rights and~~
28 ~~privileges and to construct, complete, extend, add to, repair,~~
29 ~~maintain, improve, and operate waterworks or a waterworks~~
30 ~~system, conduits, pipelines, reservoirs, works, machinery, and~~
31 ~~other property or facilities useful or necessary to import, store,~~
32 ~~treat, reclaim, conserve, convey, or supply water for the benefit~~
33 ~~and use of residents and owners of property within the agency,~~
34 ~~and otherwise for authorized agency purposes.~~

35 ~~(f) To lease of and from any person, firm, public or private~~
36 ~~corporation, or public agency, with the privilege of purchasing or~~
37 ~~otherwise, all or any part of water storage, transportation or~~
38 ~~distribution facilities, existing waterworks or a waterworks system,~~
39 ~~and to carry on and conduct waterworks or a waterworks system;~~
40 ~~also to sell for use within the area of the agency at wholesale only~~

1 water of the agency to cities, to other public corporations and
2 public agencies, and to water corporations as defined in the Public
3 Utilities Code, and to any mutual water companies engaged in
4 distributing water to its members for use, without any preference,
5 and the agency may, whenever the board finds that there is a
6 surplus of water above that which may be required by those
7 consumers within the agency, sell or otherwise dispose of that
8 surplus water to any persons, firms, public or private corporations,
9 public agencies, or other consumers.

10 (g) To exercise the right of eminent domain to take any property
11 necessary or desirable for any facility reasonably required for the
12 importation and transmission of water in the area of the agency.
13 The agency in exercising that power, shall in addition to the
14 damage for the taking, injury, or destruction of property, also pay
15 the cost of removal, reconstruction, or relocation of any structure,
16 railways, mains, pipes, conduits, wires, cables, or poles of any
17 public utility which is required to be removed to a new location.
18 No action in eminent domain to acquire property outside the
19 boundaries of the agency shall be commenced unless the board of
20 supervisors of each affected county has consented to the acquisition
21 by resolution.

22 (h) To issue bonds, borrow money, and incur indebtedness as
23 authorized by law or in this act provided; also to refund (by the
24 issuance of the same obligations following the same procedure)
25 or retire any indebtedness or lien that may exist against the agency
26 or property thereof.

27 (i) To issue negotiable promissory notes bearing interest at a
28 rate not exceeding the maximum rate per annum authorized by
29 Section 27; provided, however, that the notes shall be general
30 obligations of the agency payable from revenues and taxes in the
31 same manner as bonds of the agency; and provided further that
32 the maturity shall not be later than five years from the date thereof
33 and that the total aggregate amount of the notes outstanding at any
34 one time may be at least equal to seventy-five thousand dollars
35 (\$75,000) but shall not otherwise exceed the lesser of either one
36 million dollars (\$1,000,000) or 2 percent of the assessed valuation
37 of the taxable property in the agency, or, if that assessed valuation
38 is not obtainable, 2 percent of the county auditor's estimate of the
39 assessed valuation of the taxable property in the agency evidenced
40 by his or her certificate.

1 ~~(j) To cause taxes to be levied, in the manner hereinafter~~
2 ~~provided, for the purpose of paying any obligation of the agency,~~
3 ~~including its formation expenses and any warrants issued therefor.~~

4 ~~(k) To restrict the use of agency water during any emergency~~
5 ~~caused by drought, or other threatened or existing water shortage,~~
6 ~~and to prohibit the wastage of agency water or the use of agency~~
7 ~~water during those periods, for any purpose other than household~~
8 ~~uses or such other restricted uses as may be determined to be~~
9 ~~necessary by the agency; to prohibit the use of agency water during~~
10 ~~those periods for specified uses which the agency may from time~~
11 ~~to time find to be nonessential.~~

12 ~~(l) To prescribe and define by ordinance, the restrictions,~~
13 ~~prohibitions, and exclusions referred to in subdivision (k). Every~~
14 ~~ordinance relating to the matters referred to in this subdivision~~
15 ~~shall be in full force and effect forthwith upon adoption, but shall~~
16 ~~be published once in full within 10 days after adoption in a~~
17 ~~newspaper of general circulation published in the agency or, if no~~
18 ~~such newspaper is published in the agency, in a newspaper of~~
19 ~~general circulation distributed in the agency.~~

20 ~~(m) To make contracts, to employ labor, and do all acts~~
21 ~~necessary for the full exercise of the foregoing powers.~~

22 ~~(n) To provide by ordinance of its board of directors for the~~
23 ~~provisioning of employees and the creation of a special fund for the~~
24 ~~purpose of paying those pensions, and the accumulation of~~
25 ~~contributions to the fund from the revenues of the agency, the~~
26 ~~wages of employees, voluntary contributions, gifts, donations, or~~
27 ~~any source of revenue not inconsistent with the general powers of~~
28 ~~the board, and to contract with any insurance corporation or any~~
29 ~~other insurance carrier for the maintenance of a service covering~~
30 ~~the pension of the employees, and to provide in the ordinance for~~
31 ~~the terms and conditions under which the pensions shall be~~
32 ~~awarded, and for the time and extent of service of employees before~~
33 ~~the pensions shall be available to them.~~

34 ~~(o) To join with one or more public agencies, private~~
35 ~~corporations, or other persons for the purpose of carrying out any~~
36 ~~of the powers of the agency, and for that purpose to contract with~~
37 ~~such other public agencies or private corporations or persons for~~
38 ~~the purpose of financing those acquisitions, constructions, and~~
39 ~~operations. The contracts may provide for contributions to be made~~
40 ~~by each party thereto and for the division and apportionment of~~

1 the expenses of the acquisitions and operations, and the division
2 and apportionment of the benefits, the services and products
3 therefrom, and may provide for any agency to effect the
4 acquisitions and to carry on the operations, and shall provide in
5 the powers and methods of procedure for the agency the method
6 by which the agency may contract. The contracts with other public
7 agencies or private corporations or persons may contain such other
8 and further covenants and agreements as may be necessary or
9 convenient to accomplish the purposes thereof. Particularly, but
10 not exclusively, the agency may contract with the State of
11 California for delivery of water under the State Water Resources
12 Development System. The term "public agency," as used in this
13 subdivision, shall be deemed to mean and include the United States
14 of America or any department or agency thereof, the State of
15 California or any department or agency thereof, a county, city,
16 public corporation, the Metropolitan Water District of Southern
17 California, or other public district of this state. The term "private
18 corporation," as used in this subdivision, shall be deemed to mean
19 and include any private corporation organized under the laws of
20 the United States of America or of this or any other state thereof.
21 Contracts mentioned herein include those made with the United
22 States, under the Federal Reclamation Act of June 17, 1902, (43
23 U.S.C. Sec. 371 et seq.) and all acts amendatory thereof or
24 supplementary thereto or any other act of Congress heretofore or
25 hereafter enacted permitting cooperation. Any such contract with
26 the United States of America or any department or agency thereof,
27 or with any private corporation organized under the laws of the
28 United States of America, by which the agency, or an improvement
29 district thereof, incurs an indebtedness or liability exceeding in
30 any year the income and revenue for that year, shall not be executed
31 without the assent of two-thirds of the qualified electors of the
32 agency, or an improvement district thereof, voting at a special
33 election to be held for that purpose, the election to be called and
34 held, so far as practicable, in the same manner as bond elections
35 for the agency. The exact form of the contract need not be available
36 at the time of the special election, but the (1) purpose of the
37 contract; (2) maximum amount of the indebtedness created thereby;
38 (3) maximum term of repayment; and (4) maximum interest rate
39 on the indebtedness shall be known and included in the proposition

1 or measure submitted to the qualified electors of the agency, or an
2 improvement district thereof, at the special election.

3 ~~(p) To issue bonds under Section 28 for the purpose of providing~~
4 ~~money required to be paid by this agency to the State of California~~
5 ~~or any agency thereof under any contract which shall be made with~~
6 ~~it, or as all or part of the terms and conditions under which the~~
7 ~~corporate area of the agency may be annexed to and become a part~~
8 ~~of any metropolitan water district organized under the Metropolitan~~
9 ~~Water District Act. The amount of the bonds may include expenses~~
10 ~~of all proceedings for the authorization, issuance, and sale of the~~
11 ~~bonds.~~

12 ~~(q) To disseminate information concerning the rights, properties,~~
13 ~~and activities of the agency.~~

14 ~~(r) To construct, operate, and maintain works to develop energy~~
15 ~~projects, for use by the agency in the operation of its works or as~~
16 ~~a means of assisting in financing the construction, operation, and~~
17 ~~maintenance of its projects for the control, conservation, diversion,~~
18 ~~and transmission of water and to enter into contracts for the sale~~
19 ~~of the energy for a term not to exceed 100 years. The energy may~~
20 ~~be marketed only at wholesale to any public agency or private~~
21 ~~entity, or both, or the federal or state government.~~

22 ~~(s) To contract, in connection with the construction and~~
23 ~~operation of the works of the agency, for the sale of the right to~~
24 ~~use facilities or real property for electric energy purposes with any~~
25 ~~public agency or private entity engaged in the retail distribution~~
26 ~~of electric energy, for a term not to exceed 100 years.~~

27 ~~(t) To develop, treat, distribute, and reclaim water, and to store~~
28 ~~and recover water from groundwater basins located outside the~~
29 ~~boundaries of the agency and, in exercising that power, to make~~
30 ~~and enter into contracts allowing that storage and recovery.~~

31 ~~SEC. 4. Section 26.1 of the Castaic Lake Water Agency Law~~
32 ~~(Chapter 28 of the First Extraordinary Session of the Statutes of~~
33 ~~1962), as amended by Section 1 of Chapter 562 of the Statutes of~~
34 ~~1991, is amended to read:~~

35 ~~Sec. 26.1. (a) (1) In addition to the other powers provided in~~
36 ~~this act, the agency may establish and impose a facility capacity~~
37 ~~fee on any person who makes a new retail connection or has an~~
38 ~~existing retail connection to the water distribution system of any~~
39 ~~retail water distributor within the agency that obtains all, or any~~
40 ~~portion, of its water supplies from the agency. The necessity for~~

1 the fee, and the amounts thereof, shall be determined, established,
2 imposed, collected, and used in the manner provided in this section.

3 (2) ~~As used in this act, a “facility capacity fee” means a fee for~~
4 ~~public facilities in existence at the time a fee is imposed and for~~
5 ~~new public facilities to be acquired or constructed in the future~~
6 ~~that are of proportional benefit to the person or property being~~
7 ~~charged, including supply or capacity contracts for rights or~~
8 ~~entitlements, real property interests, and entitlements and other~~
9 ~~rights of the agency involving capital expense relating to its use~~
10 ~~of existing or new public facilities. A “facility capacity fee” does~~
11 ~~not include a commodity charge.~~

12 (b) ~~If the board of directors determines that its existing water~~
13 ~~importation, transportation, and delivery facilities and other related~~
14 ~~works, property, and improvements are not adequate for the~~
15 ~~purpose of receiving, importing, transporting, and delivering~~
16 ~~additional needed quantities of water available from the State~~
17 ~~Water Resources Development System or from other sources, the~~
18 ~~board of directors may adopt and carry out a plan for any of the~~
19 ~~following purposes:~~

20 (1) ~~To obtain additional facilities, works, property,~~
21 ~~improvements, and supplies of water.~~

22 (2) ~~To increase or enlarge, as may be appropriate, its existing~~
23 ~~capacity and facilities for obtaining, importing, transporting, and~~
24 ~~delivering additional quantities of water to retail water distributors~~
25 ~~within the agency which are in need of additional water supplies.~~

26 (3) ~~To finance or reimburse the agency for advancing the cost~~
27 ~~of acquiring facilities, works, property, improvements, and supplies~~
28 ~~of water and to allocate that cost among lands within water service~~
29 ~~areas of the agency which, by reason of new development or new~~
30 ~~construction thereon, will need a new or expanded retail~~
31 ~~connection, or will result in expanded use of water at the retail~~
32 ~~connection, and will be benefited by making the additional supplies~~
33 ~~of agency water available for purchase by the retail water~~
34 ~~distributors that will supply those lands with water.~~

35 (4) ~~To finance or reimburse the agency for advancing net costs~~
36 ~~for capital facilities for remediating groundwater contamination,~~
37 ~~which originated solely from the land within a given water service~~
38 ~~area.~~

39 (e) (1) ~~Prior to adopting any plans pursuant to subdivision (b),~~
40 ~~the board of directors shall hold at least one public hearing, at~~

1 which oral or written presentations may be made, as part of a
2 regularly scheduled meeting to establish water service areas within
3 the agency.

4 (2) Notwithstanding any other notice requirements of this act,
5 notice of the time and place of the hearing and meeting, including
6 a general explanation of the matters to be considered, and a
7 statement that the data required by this subdivision is available,
8 shall be mailed at least 14 days prior to the hearing to any interested
9 party who files a written request with the agency for mailed notice
10 of the hearing on those plans and on allocation of the costs thereof.
11 Any written request for that mailed notice shall be valid only for
12 one year from the date on which it is filed with the agency unless
13 a renewal request is filed. Renewal requests for the mailed notices
14 shall be filed on or before April 1 of each year. The board of
15 directors may establish a reasonable annual charge for sending the
16 notices based on the agency's estimated cost of providing the
17 service.

18 (3) At least 10 days prior to the hearing, the agency shall make
19 available to the public data indicating the cost, or estimated cost,
20 to acquire, construct, and provide the water importation,
21 transportation, and delivery facilities and other works, property,
22 and improvements necessary to obtain and provide the additional
23 water to those retail water distributors who will serve water to the
24 lands on which the new developments and new construction will
25 be located, and the proposed method and basis for allocating the
26 costs as among those lands. The agency may transmit this data
27 electronically to interested parties upon written request.

28 (d) (1) Following the public hearing or hearings, the board of
29 directors shall make both of the following determinations:

30 (A) The extent of the need for the additional property and
31 supplies of water to be supplied by the agency.

32 (B) Whether existing facilities and other works and
33 improvements of the agency are adequate to import, receive,
34 transport, and deliver those additional quantities of water.

35 (2) If the board of directors determines that there is a need or
36 that the agency's existing facilities, works, property, and
37 improvements are inadequate to serve that water, or both, the board
38 of directors shall adopt the plan or plans specified in subdivision
39 (b).

1 (e) In making its determinations as to how to allocate the costs
2 of the plan or plans within water service areas of the agency, the
3 board of directors shall determine the amount of the facility
4 capacity fee to be imposed for the delivery facilities of the retail
5 water distributors that will supply those lands with imported or
6 local water. The facility capacity fee shall be fixed and determined
7 pursuant to a method and basis whereby the fee is as nearly as
8 reasonably practicable an amount proportionate to the benefit to
9 the land, including consideration of the volume of water to be
10 delivered.

11 (f) The board of directors may contract with the counties, or
12 cities on or after January 1, 1992, in which the agency is located
13 for the collection of the facility capacity fee along with building
14 permit fees or other fees related to the improvement of property,
15 or may contract for collection of the facility capacity fee by the
16 retail water distributor.

17 (g) The proceeds of the facility capacity fee imposed and
18 collected pursuant to this section shall be used exclusively by the
19 board of directors for the annual facility capacity fee capital budget
20 of the agency, as described in Section 29.1, for purposes authorized
21 by this section as specified in the plans adopted pursuant to
22 subdivisions (b), (d), and (e).

23 (h) Any action taken by the board of directors pursuant to this
24 section shall be taken only by resolution.

25 (i) Any judicial action or proceeding to attack, review, set aside,
26 void, or annul any resolution imposing a facility capacity charge
27 of the agency, or a resolution modifying or amending an existing
28 charge imposed by the agency, shall be commenced within 120
29 days of the effective date of the resolution. Any action or
30 proceeding shall be brought pursuant to Chapter 9 (commencing
31 with Section 860) of Title 10 of Part 2 of the Code of Civil
32 Procedure.

33 ~~SEC. 5. Section 29.1 of the Castaic Lake Water Agency Law~~
34 ~~(Chapter 28 of the First Extraordinary Session of the Statutes of~~
35 ~~1962), as amended by Section 3 of Chapter 1119 of the Statutes~~
36 ~~of 1987, is amended to read:~~

37 ~~Sec. 29.1. (a) For any agency fiscal year commencing on or~~
38 ~~after July 1, 1987, the board of directors shall divide all lands~~
39 ~~within the agency into separate, nonoverlapping water service~~
40 ~~areas. The water service areas shall be fixed, formed, and~~

1 ~~established following a public hearing and notice pursuant to~~
2 ~~Section 29.3. The purpose for the formation of water service areas~~
3 ~~is to provide a source of and to apportion moneys, not to exceed~~
4 ~~the amount permitted annually by law, for, and only for, the annual~~
5 ~~facility capacity fee capital budget of the agency. The funding and~~
6 ~~apportioning of the facility capacity fee capital budget shall be on~~
7 ~~the principle of benefit received by the lands and people within~~
8 ~~each water service area. Projected use of water in any way to be~~
9 ~~made available by the agency within a water service area during~~
10 ~~any agency fiscal year, as well as the agency's existing property,~~
11 ~~plant, and distribution facilities, shall be deemed by the board of~~
12 ~~directors to be the principal benefits to be considered in~~
13 ~~determining the proportion of the annual facility capacity fee~~
14 ~~capital budget of the agency to be collected from sources within~~
15 ~~each water service area. Different schedules of rates, charges, fees,~~
16 ~~assessments, and taxes to fund the facility capacity fee capital~~
17 ~~budget of the agency, or a portion thereof, may be fixed and~~
18 ~~established in each water service area, except that tax rates within~~
19 ~~any individual water service area shall be uniform. The lands within~~
20 ~~each water service area need not be contiguous.~~

21 ~~(b) Any ad valorem tax or tax rate set or determined by the~~
22 ~~board of directors, though part of the benefit determination process~~
23 ~~within water service areas, is valid so long as the tax proceeds are~~
24 ~~applied in accordance with constitutional restrictions. Allocations~~
25 ~~by the board of directors of the burden of ad valorem taxes between~~
26 ~~or among water service areas may, at the option of the board of~~
27 ~~directors, be conducted outside the hearing process set forth and~~
28 ~~described in Sections 29.2 to 29.4, inclusive.~~

29 ~~(c) As used in this act, the "annual facility capacity fee capital~~
30 ~~budget of the agency" means that sum annually projected by the~~
31 ~~board of directors to be reasonably necessary (1) for payments for~~
32 ~~acquisition of other water imported into the agency or for local~~
33 ~~water for new and expanded uses, (2) for payments in any way~~
34 ~~concerning agency bonded indebtedness or for lands and facilities,~~
35 ~~within or outside the agency, useful or necessary to bank, store,~~
36 ~~transport, treat, and distribute water currently or eventually to be~~
37 ~~made available by the agency within water service areas thereof~~
38 ~~for new and expanded uses, and (3) for payment to agency budget~~
39 ~~reserve accounts for the above uses or purposes in future agency~~
40 ~~fiscal years. Moneys collected by the agency for the "annual facility~~

1 capacity fee capital budget of the agency” shall only be utilized
2 for “capital,” as that term is utilized under general accounting
3 principles. The board of directors in its budgetary processes during
4 any fiscal year may shift “capital” moneys between or among
5 “capital” accounts, including reserve accounts. Notwithstanding
6 the foregoing, the annual facility capacity fee capital budget of the
7 agency as derived from all water service areas of the agency shall
8 be funded in strict accordance with constitutional and statutory
9 restrictions, as existing from time to time, on legally permissible
10 rates, charges, fees, assessments, and taxes.

11 SEC. 6. Section 29.2 of the Castaic Lake Water Agency Law
12 (Chapter 28 of the First Extraordinary Session of the Statutes of
13 1962), as amended by Section 4 of Chapter 1119 of the Statutes
14 of 1987, is amended to read:

15 Sec. 29.2. (a) Except as provided in subdivision (b), the board
16 of directors shall annually adopt a resolution of intention to form
17 new water service areas, or to amend or modify water service areas
18 previously established. The resolution shall contain all of the
19 following:

20 (1) The proposed boundary description of each proposed water
21 service area.

22 (2) The additional capacity that will be provided to the lands
23 and people within each proposed water service area during a
24 specific, identified agency fiscal year.

25 (3) The proposed annual facility capacity fee capital budget of
26 the agency for that fiscal year, and the portion thereof proposed
27 to be obtained from facility capacity fees within each proposed
28 water service area.

29 (4) The proposed charges, fees, assessments, and tax rates
30 proposed to be fixed, levied, or collected within or from each
31 proposed water service area for the proposed annual facility
32 capacity fee capital budget of the agency.

33 (5) The date, time, and location for a public hearing concerning
34 the formation, amendments, or modification of the water service
35 areas.

36 (b) The board of directors shall not be required to adopt a
37 resolution pursuant to this section if there is not a change from the
38 previous year to the water service areas or the existing facility
39 capacity fees.

1 ~~SEC. 7.~~ Section 29.4 of the Castaic Lake Water Agency Law
2 (Chapter 28 of the First Extraordinary Session of the Statutes of
3 1962), as amended by Section 6 of Chapter 1119 of the Statutes
4 of 1987, is amended to read:

5 ~~Sec. 29.4. (a) The board of directors shall at the public hearing~~
6 ~~concerning water service areas, which hearing may be adjourned~~
7 ~~and continued from time to time, hear and consider any objections~~
8 ~~or comments concerning the proposed water service areas as~~
9 ~~described in the agency's resolution of intention concerning the~~
10 ~~areas. At or following the hearing, the board of directors may make~~
11 ~~any changes in the proposals set forth in the resolution of intention~~
12 ~~that are deemed by the board of directors to be proper; provided,~~
13 ~~except that if additional land is to be included within or described~~
14 ~~land is to be excluded from a proposed water service area, or if~~
15 ~~any proposed described benefit within a proposed water service~~
16 ~~area is to be materially changed, or if any proposed charge, fee,~~
17 ~~assessment, or tax rate within a proposed water service area is to~~
18 ~~be increased by 15 percent or more, the hearing shall be continued~~
19 ~~for at least 30 days and mailed notice of that continuance shall be~~
20 ~~given to the affected property owners not waiving that notice by~~
21 ~~mailing the notice not less than 21 days in advance of the continued~~
22 ~~hearing.~~

23 ~~(b) Absent any need to continue the public hearing, the board~~
24 ~~of directors shall thereafter find and determine whether it is in the~~
25 ~~best interest of the agency and each proposed water service area~~
26 ~~that the water service area be either fixed, formed, established,~~
27 ~~modified, or amended. When all those findings and determinations~~
28 ~~are made, the board of directors shall by resolution do the~~
29 ~~following:~~

30 ~~(1) Determine each water service area and describe the land in~~
31 ~~that area.~~

32 ~~(2) Fix the annual facility capacity fee capital budget of the~~
33 ~~agency.~~

34 ~~(3) Describe additional capacity that will be provided to the~~
35 ~~lands and people within each water service area.~~

36 ~~(4) Fix, levy, and apportion within each water service area the~~
37 ~~charges, fees, assessments, and tax rates to be collected therefrom~~
38 ~~for the purpose of equitably matching those charges, fees,~~
39 ~~assessments, and tax rates with projected benefits within each~~
40 ~~water service area.~~

1 ~~SEC. 8.— Section 29.5 of the Castaic Lake Water Agency Law~~
2 ~~(Chapter 28 of the First Extraordinary Session of the Statutes of~~
3 ~~1962), as added by Section 12 of Chapter 832 of the Statutes of~~
4 ~~1986, is repealed.~~

5 ~~SEC. 9.— Section 29.6 of the Castaic Lake Water Agency Law~~
6 ~~(Chapter 28 of the First Extraordinary Session of the Statutes of~~
7 ~~1962), as added by Section 2 of Chapter 170 of the Statutes of~~
8 ~~1998, is repealed.~~

9 ~~SEC. 10.— Section 29.7 of the Castaic Lake Water Agency Law~~
10 ~~(Chapter 28 of the First Extraordinary Session of the Statutes of~~
11 ~~1962), as added by Section 3 of Chapter 170 of the Statutes of~~
12 ~~1998, is amended to read:~~

13 ~~Sec. 29.7.— Notwithstanding any other law, the board of directors~~
14 ~~may adopt a facility capacity fee as part of its annual facility~~
15 ~~capacity fee capital budget and may allow the facility capacity fee~~
16 ~~for any water service area to remain in effect until the board,~~
17 ~~subject to applicable notice and hearing requirements, changes or~~
18 ~~repeals the fee by resolution.~~