

AMENDED IN SENATE JUNE 9, 2016
AMENDED IN ASSEMBLY APRIL 11, 2016
AMENDED IN ASSEMBLY MARCH 17, 2016
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1794

**Introduced by Assembly Member Cristina Garcia
(Coauthors: Assembly Members O'Donnell and Rendon)**

February 4, 2016

An act to add Chapter 1.6 (commencing with Section 71265) to Part 3 of Division 20 of the Water Code, relating to municipal water districts, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1794, as amended, Cristina Garcia. Central Basin Municipal Water District.

Existing law, the Municipal Water District Law of 1911, provides for the formation of municipal water districts and grants to those districts' specified powers. Existing law permits a district to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water for the beneficial use of the district, its inhabitants, or the owners of rights to water in the district. Existing law requires the board of directors of a district to consist of 5 members and each director to be a resident of the division from which the director is elected.

This bill would require the board of directors of the Central Basin Municipal Water District to be composed of 8 directors, until the directors elected at the November 6, 2018, election take office, when the board would be composed of 7 directors, as prescribed. This bill

would require the Central Basin Municipal Water District to establish a technical-advisory oversight committee composed of 5 water purveyors selected every 2 years, as specified, to meet on *at least* a quarterly basis for certain purposes. By imposing new duties on the district, this bill would create a state-mandated local program.

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.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

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

- 1 SECTION 1. Chapter 1.6 (commencing with Section 71265)
- 2 is added to Part 3 of Division 20 of the Water Code, to read:
- 3
- 4 CHAPTER 1.6. CENTRAL BASIN MUNICIPAL WATER DISTRICT
- 5
- 6 71265. For the purposes of this chapter:
- 7 (a) "District" means the Central Basin Municipal Water District.
- 8 (b) "Large water purveyor" means *a public water system that*
- 9 *is one of the top five purveyors of water as measured by the total*
- 10 *purchase of potable and recycled water from the district for the*
- 11 *three prior fiscal years.*
- 12 (c) "*Public water system*" has the same meaning as in Section
- 13 *116275 of the Health and Safety Code.*
- 14 (d) "*Relevant technical expertise*" means *employment or*
- 15 *consulting for a total period of at least five years, prior to the date*
- 16 *of first appointment, in one or more positions materially*
- 17 *responsible for performing services relating to the management,*
- 18 *operations, engineering, construction, financing, contracting,*
- 19 *regulation, or resource management of a public water system.*
- 20 (e) "*Small water purveyor*" means *a public water system with*
- 21 *less than 5,000 connections.*

1 71266. (a) Except as provided in subdivision (b) and
2 notwithstanding any other provision of this division, the board of
3 directors of the district shall be composed of seven directors as
4 follows:

5 (1) Four directors, one director elected for each division
6 established pursuant to subdivision ~~(e)~~ (d) by the voters of the
7 division. Each director shall be a resident of the division from
8 which he or she is elected. *An election pursuant to this paragraph*
9 *shall be in accordance with the Uniform District Election Law*
10 *(Part 4 (commencing with Section 10500) of Division 10 of the*
11 *Election Code).*

12 (2) Three directors appointed by the water purveyors of the
13 district in accordance with Section 71267.

14 (b) *The district shall be subject to Section 84308 of the*
15 *Government Code.*

16 ~~(b)~~

17 (c) Until the directors elected at the November 6, 2018, election
18 take office, the board of directors shall be composed of eight
19 directors as follows:

20 (1) Five directors in accordance with Section 71250.

21 (2) Three directors appointed by the water purveyors of the
22 district pursuant to Section 71267.

23 ~~(e)~~

24 (d) The board of directors shall divide the district into four
25 divisions in a manner as to equalize, as nearly as practicable, the
26 population in the respective divisions pursuant to Section 71540.

27 71267. (a) The general manager of the district shall notify
28 each water purveyor of the district and provide a 60-day period
29 during which the district will accept nominations for appointment
30 of individuals to the board of directors.

31 (b) Individuals nominated for appointment to the board of
32 directors shall demonstrate eligibility and relevant technical
33 expertise.

34 (c) (1) The three directors appointed by the water purveyors
35 shall be selected by the water purveyors of the district every four
36 years as follows:

37 (A) One director shall be selected by all large water purveyors
38 from the nominees of large water purveyors. Each large water
39 purveyor shall have one vote.

1 (B) One director shall be selected by all cities that are water
2 purveyors of the district from the nominees of cities. Each city
3 shall have one vote.

4 (C) One director shall be selected by all of the water purveyors
5 of the district from any nominee. The vote of each purveyor shall
6 be weighted to reflect the number of service connections of that
7 water ~~purveyor~~ purveyor within the district. If the selection of a
8 director under this subparagraph would result in a violation of
9 paragraph (2), the first eligible candidate receiving the next highest
10 number of votes shall be selected.

11 (2) The appointment of directors pursuant to paragraph (1)
12 shall not result in any of the following:

13 (A) The appointment of three directors that are all employed
14 by or representatives of entities that are all large water purveyors.

15 (B) The appointment of three directors that are all employed
16 by or representatives of entities that are all cities.

17 (C) The appointment of three directors that are all employed
18 by or representatives of entities that are all small water purveyors.

19 ~~(2)~~

20 (3) Each nominee for director who receives the highest number
21 of votes cast for each office described in paragraph (1) is appointed
22 as a director to the board of directors and shall take office in
23 accordance with Section 71512. The general manager shall collect
24 the votes and report the results to the water purveyors. Votes for
25 an appointed director are public records.

26 (d) Each appointed director shall live or work within the district.

27 (e) In order to ensure continuity of knowledge, the directors
28 appointed at the first purveyor selection shall classify themselves
29 by lot so that two of them shall hold office until the selection of
30 their successors at the first succeeding purveyor selection and one
31 of them shall hold office until the selection of his or her successor
32 at the second succeeding purveyor selection.

33 (f) (1) The term of a director appointed pursuant to
34 subparagraph (A) of paragraph (1) of subdivision (c) is terminated
35 if the appointed director no longer is employed by or a
36 representative of a large water purveyor.

37 (2) The term of a director appointed pursuant to subparagraph
38 (B) of paragraph (1) of subdivision (c) is terminated if the
39 appointed director no longer is employed by or a representative
40 of a city.

1 (3) The term of a director appointed pursuant to subparagraph
2 (C) of paragraph (1) of subdivision (c) is terminated if the
3 appointed director no longer is employed by or a representative
4 of a water purveyor.

5 (g) (1) An appointed director shall not do either of the
6 following:

7 (1)

8 (A) Hold an elected office.

9 ~~(2) Be a president, vice president, chief financial officer, or~~
10 ~~shareholder of a private company that purchases water from the~~
11 ~~district.~~

12 (B) *Hold more than 0.5 percent ownership in a company*
13 *regulated by the Public Utilities Commission.*

14 (2) *An appointed director shall be subject to all applicable*
15 *conflict-of-interest and ethics provisions and shall recuse himself*
16 *or herself from participating in a decision that could have a direct*
17 *material benefit on the financial interests of the director.*

18 (h) A vacancy in an office of appointed director shall be filled
19 in accordance with the selection process described in subdivisions
20 (a) to (c), inclusive.

21 (i) (1) *An appointed director shall be eligible for all of the*
22 *following:*

23 (A) *Reimbursement for travel and conference expenses pursuant*
24 *to the Central Basin Municipal Water District Administrative*
25 *Code.*

26 (B) *Compensation for up to 10 meetings per month at the per*
27 *meeting rate provided by the Central Basin Municipal Water*
28 *District Administrative Code.*

29 (C) *Health insurance benefits, if those benefits are not provided*
30 *by the director's employer.*

31 (2) *An appointed director shall not be eligible to receive*
32 *communication or car allowances. For purposes of this paragraph,*
33 *“car allowances” does not include travel expenses incurred as*
34 *described in paragraph (1).*

35 (3) *An appointed director may waive the reimbursement and*
36 *compensation described in paragraph (1) and may be required to*
37 *reimburse his or her employer for any compensation received.*

38 71268. (a) (1) The board of directors shall establish a technical
39 ~~advisory~~ oversight committee composed of the representatives of

1 five water purveyors selected before December 31, 2016, and every
2 two years thereafter, as follows:

3 (A) One position shall be selected by the large water purveyors
4 from nominated large water purveyors, each large water purveyor
5 having one vote.

6 (B) One position shall be selected by the cities that are water
7 purveyors of the district from nominated cities, each city having
8 one vote.

9 (C) *One position shall be selected by the small water purveyors
10 from nominated small water purveyors, each small water purveyor
11 having one vote.*

12 ~~(C)~~
13 (D) ~~Three~~ *Two* positions shall be selected by all water purveyors
14 of the district from nominated water purveyors with the vote of
15 each purveyor weighted to reflect the number of service
16 connections of that water purveyor.

17 (2) *If a position for a large water purveyor, small water
18 purveyor, or city that is a water purveyor cannot be filled by
19 someone in that category, the position shall be selected by the
20 purveyors at large.*

21 ~~(2)~~
22 (3) Each nominated water purveyor that receives the highest
23 number of votes cast for each position described in paragraph (1)
24 is selected to the position. The general manager shall collect the
25 votes and report the results to the water purveyors. Votes for a
26 position on the technical ~~advisory~~ *oversight* committee are public
27 records.

28 (b) In composing the technical ~~advisory~~ *oversight* committee,
29 a person and an alternate from each water purveyor selected to a
30 position pursuant to subdivision (a) shall serve on the technical
31 ~~advisory~~ *oversight* committee. A purveyor may change the person
32 or alternate that serves on the technical ~~advisory~~ *oversight*
33 committee at any time. Those selected shall demonstrate eligibility
34 and relevant technical expertise.

35 (c) The general manager of the district shall notify each water
36 purveyor of the district and provide a 60-day period during which
37 the district will accept nominations to serve on the technical
38 ~~advisory~~ *oversight* committee.

39 (d) (1) To be eligible to serve on the technical ~~advisory~~
40 *oversight* committee, a water purveyor shall not have an individual

1 employed by or representing that water purveyor on the board of
2 the directors.

3 (2) A water purveyor shall not hold more than one technical
4 ~~advisory oversight~~ committee seat.

5 ~~(3) No person selected to represent a water purveyor on the~~
6 ~~committee shall be a president, vice president, chief financial~~
7 ~~officer, or shareholder of a private company that purchases water~~
8 ~~from the district.~~

9 *(3) A member of the technical oversight committee shall not*
10 *own more than 1 percent of a company regulated by the Public*
11 *Utilities Commission.*

12 *(4) A member of the technical oversight committee shall be*
13 *subject to all applicable conflict-of-interest and ethics provisions*
14 *and shall recuse himself or herself from participating in a decision*
15 *that could have a direct material benefit on the financial interests*
16 *of the member.*

17 *(5) A member of the technical oversight committee may request*
18 *reimbursement from the district for actual, necessary, and*
19 *reasonable expenses incurred in furtherance of his or her duties*
20 *on the technical oversight committee. Those reimbursements shall*
21 *not exceed five hundred dollars (\$500) during a 12-month time*
22 *period.*

23 71269. (a) The technical ~~advisory oversight~~ committee shall
24 meet *at least* on a quarterly basis for the following purposes:

25 (1) To review the district's budget and projects for the purpose
26 of providing nonbinding advice to the district's general manager
27 and the board of directors.

28 (2) To review and approve proposed changes to the
29 administrative code relating to ethics, director compensation, and
30 benefits.

31 (3) To review and approve proposed changes relating to
32 procurement.

33 (b) The board of directors shall not make a change described in
34 paragraph (2) or (3) of subdivision (a) unless the technical ~~advisory~~
35 ~~oversight~~ committee approves the change by majority vote before
36 the change comes to a vote of the board of ~~the~~ directors.

37 SEC. 2. If the Commission on State Mandates determines that
38 this act contains costs mandated by the state, reimbursement to
39 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 SEC. 3. This act is an urgency statute necessary for the
4 immediate preservation of the public peace, health, or safety within
5 the meaning of Article IV of the Constitution and shall go into
6 immediate effect. The facts constituting the necessity are:

7 In order that the provisions of this act take effect before the
8 November 8, 2016, election for the board of directors of the Central
9 Basin Municipal Water District, it is necessary that this act take
10 effect immediately.

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