

AMENDED IN ASSEMBLY AUGUST 4, 2016

AMENDED IN ASSEMBLY AUGUST 1, 2016

AMENDED IN ASSEMBLY JUNE 16, 2016

**SENATE BILL**

**No. 564**

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**Introduced by Senator Cannella**

February 26, 2015

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An act to amend Section 10723 of the Water Code, and to create the ~~West North Fork~~ Kings Groundwater Sustainability Agency, and prescribing its boundaries, organization, operation, management, financing, and other powers and duties, relating to water districts.

LEGISLATIVE COUNSEL'S DIGEST

SB 564, as amended, Cannella. ~~West North Fork~~ Kings Groundwater Sustainability Agency Act.

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin. The act deems certain agencies created by statute to manage groundwater the exclusive local agencies within their respective statutory boundaries with powers to

comply with the act and authorizes these agencies to opt out of being the exclusive groundwater management agency.

This bill would create the ~~West North Fork Kings~~ Groundwater Sustainability Agency, would establish the initial boundaries of the agency, and would authorize the agency's boundaries to be changed by the boards of supervisors of the Counties of Fresno and Kings after a noticed public ~~hearing~~; *hearing, as specified*. The bill would require the agency to ~~elect to~~ be a groundwater sustainability agency under the Sustainable Groundwater Management Act for that portion of the Kings Subbasin that lies within the boundaries of the agency and would require the agency to develop and implement a groundwater sustainability plan to achieve sustainable groundwater management within the territory of the agency. The bill would generally specify the powers and purposes of the agency. The bill would prescribe the composition of the 7-member board of directors of the agency and would require members and alternates to be chosen by certain member agencies, as specified. By imposing duties on the agency and the member agencies, the bill would impose a state-mandated local program. The bill would deem the ~~West North Fork Kings~~ Groundwater Sustainability Agency the exclusive local agency with powers to comply with the Sustainable Groundwater Management Act.

This bill would incorporate additional changes to Section 10723 of the Water Code proposed by both this bill and SB 37 to become operative only if both bills are enacted and become effective before January 1, 2017, and this bill is chaptered last.

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 no reimbursement is required by this act for a specified reason.

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

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

- 1 SECTION 1. This act shall be known and may be cited as the
- 2 ~~West North Fork Kings~~ Groundwater Sustainability Agency.

1 ~~West North Fork Kings~~ Groundwater Sustainability Agency

2  
3 Article 1. Findings and Declarations  
4

5 101. The Legislature hereby finds and declares that the  
6 preservation of the groundwater resources within the territory of  
7 the agency ~~for agricultural, municipal, and industrial uses~~ is in the  
8 public interest and that the creation of the agency pursuant to this  
9 act is for the common ~~benefit of water users~~. *benefit*.

10 102. The Legislature further finds and declares that the  
11 groundwater management activities of the agency benefit all  
12 operators of groundwater extraction facilities within the territory  
13 of the agency.

14 103. The Legislature further finds and declares that  
15 circumstances in the territory of the agency to be formed hereby,  
16 which may not exist in other locations, justify the formation of the  
17 agency and the grant of powers contained in this act. The territory  
18 of the agency to be formed hereby includes vast areas of the  
19 nation’s top farm producing lands and places that have been  
20 designated by the State of California as disadvantaged communities  
21 disproportionately impacted by air quality and socioeconomic  
22 burdens. There are a number of scattered small public and private  
23 water entities in the territory of the agency that do not have the  
24 staff or resources to otherwise form a groundwater sustainability  
25 agency. These entities agree the territory is best served by a single  
26 dedicated agency to manage the groundwater resources.

27  
28 Article 2. Creation and Purposes  
29

30 201. (a) A groundwater management agency is hereby created  
31 in the Counties of Fresno and Kings to be known as the ~~West North~~  
32 *Fork Kings* Groundwater Sustainability Agency.

33 (b) The agency shall be governed by a board as specified in  
34 Section 501 and shall have the boundaries specified in Section  
35 301. The agency shall only exercise the powers granted by this act  
36 and the Sustainable Groundwater Management Act (Part 2.74  
37 (commencing with Section 10720) of Division 6 of the Water  
38 Code) for purposes of groundwater management within the  
39 boundaries of the agency, together with any other powers as are  
40 reasonably implied, necessary, and proper to carry out the

1 objectives and purposes of the agency to implement the Sustainable  
2 Groundwater Management Act. The agency shall abide by the  
3 rules and regulations promulgated by the Department of Water  
4 Resources and the State Water Resources Control Board to  
5 implement the Sustainable Groundwater Management Act.

6  
7  
8

Article 3. Boundaries

9 301. For purposes of this act, the initial boundaries of the  
10 agency shall be as follows:

11 Beginning at the intersection of the southwestern boundary of  
12 Raisin City Water District (Raisin City WD) and Highway 145,  
13 the North Fork *Kings* Groundwater Sustainability Agency  
14 Boundary (Boundary) follows Highway 145 southwest to the  
15 southern boundary of Reclamation District 1606 (RD 1606). It  
16 then follows the southern boundaries of RD 1606 and James  
17 Irrigation District (James ID) to the intersection of the James ID  
18 boundary with the Kings Subbasin boundary. Then, it follows said  
19 subbasin boundary south and east to its intersection with the  
20 southwestern boundary of Consolidated Irrigation District  
21 (Consolidated ID). The Boundary then continues north and west  
22 following the southern Consolidated ID boundary and the southern  
23 and western Raisin City WD boundaries to the point of beginning.

24 ~~302. The agency’s initial boundaries shall be established by  
25 the boards of supervisors of the Counties of Fresno and Kings after  
26 a noticed public hearing. The boundaries shall be depicted on a  
27 map that shall be adopted by the boards of the supervisors of those  
28 counties and thereafter recorded in the office of the county recorder  
29 of each county.~~

30 ~~303. The boards of supervisors of the Counties of Fresno and  
31 Kings may adjust the boundaries of the agency in the same manner  
32 prescribed for in establishment of the initial boundaries if the  
33 boundaries of the basin are revised, including the establishment  
34 of new subbasins.~~

35 *302. (a) The initial boundaries of the agency may be changed  
36 upon a petition to the boards of supervisors of the Counties of  
37 Fresno and Kings after a noticed public hearing at the county in  
38 which the change is proposed. The boundaries shall be depicted  
39 on a map that shall be maintained by the boards of supervisors of*

1 *those counties and thereafter recorded in the office of the county*  
2 *recorder of each county.*

3 *(b) The boundaries of the agency shall not be adjusted to include*  
4 *an area of the basin within the management area of another*  
5 *groundwater sustainability agency unless the agency has entered*  
6 *into a memorandum of agreement or other legal agreement with*  
7 *that groundwater sustainability agency that permits the area to*  
8 *be included.*

9 *(c) The boundaries of the agency shall be adjusted to include*  
10 *any part of a proposed management area, as defined in a notice*  
11 *of intent submitted pursuant to Section 10723.8 of the Water Code,*  
12 *unless the agency has entered into a memorandum of agreement*  
13 *or other legal agreement with all agencies listed in the notice of*  
14 *intent that permits the area to be included.*

15

16

#### Article 4. Definitions

17

18 401. Unless otherwise indicated by their context, the definitions  
19 set forth in this article govern the interpretation of this act.

20 402. ~~“Actively and primarily engaged in production of~~  
21 ~~agriculture” means that a person derives at least 75 percent of his~~  
22 ~~or her annual income from production agriculture.~~

23 403. “Agency” means the ~~West North Fork~~ Kings Groundwater  
24 Sustainability Agency established by this act.

25 404. “Aquifer” means a geologic formation or structure that  
26 transmits water in sufficient quantities to supply pumping wells  
27 or springs.

28 405. “Basin” has the same meaning as defined in Section 10721  
29 of the Water Code.

30 406. “Board” means the board of directors of the agency, as  
31 more particularly described in Section 501.

32 407. “Coordination agreement” has the same meaning as  
33 defined in Section 10721 of the Water Code.

34 408. “County” means either the County of Fresno or the County  
35 of Kings, as the context requires. “Counties” means the County  
36 of Fresno and the County of Kings.

37 409. “Extraction” means the act of obtaining groundwater by  
38 pumping or other controlled means.

39 410. “Groundwater” has the same meaning as defined in  
40 Section 10721 of the Water Code.

1 411. “Groundwater management activities” means programs,  
 2 measures, or actions taken to preserve, protect, and enhance  
 3 groundwater resources within the territory of the agency.

4 412. “Kings Subbasin” means the San Joaquin Valley  
 5 Groundwater Basin Kings Subbasin.

6 413. “Member” means any person or entity entitled to  
 7 representation on the agency’s board of directors as specified in  
 8 Section 501.

9 414. “Operator” has the same meaning as defined in Section  
 10 10721 of the Water Code.

11 415. “Person” ~~includes any state or local governmental agency,~~  
 12 ~~private corporation, firm, partnership, limited liability company,~~  
 13 ~~individual, group of individuals, or, to the extent authorized by~~  
 14 ~~law, any federal agency. *has the same meaning as defined in*~~  
 15 ~~*Section 10735 of the Water Code.*~~

16 416. “Plan” means a groundwater sustainability plan prepared  
 17 by the agency pursuant to this act.

18 417. “Supplemental water” means surface water or groundwater  
 19 imported from outside the watershed or watersheds of the basin  
 20 or aquifer and floodwaters that are conserved and saved within the  
 21 watershed or watersheds that would otherwise have been lost or  
 22 would not have reached the basin or aquifer.

23  
 24 Article 5. General Provisions  
 25

26 501. (a) The agency shall be governed by a board of directors  
 27 that shall consist of seven members, as follows:

28 ~~(1) One member shall be chosen by the County of Fresno.~~

29 *(1) One member shall be a resident or landowner chosen by the*  
 30 *County of Fresno. The member shall have experience or expertise*  
 31 *in land use, water management, or improving access to drinking*  
 32 *water in economically disadvantaged communities.*

33 (2) One member shall be a resident or landowner chosen by the  
 34 members of the governing boards of the following entities:

- 35 (A) Clark’s Fork Reclamation District.
- 36 (B) Laguna Irrigation District.
- 37 (C) Upper San Jose Water Company.

38 (3) One member shall be *a resident or landowner* chosen by  
 39 ~~the member members~~ of the governing boards of ~~the following~~  
 40 special districts that *are authorized to provide drinking water,*

1 *water within the territory of the agency, who shall be chosen from*  
2 *the members of the governing boards of the special ~~districts:~~*  
3 *districts, including, but not limited to, the following special*  
4 *districts:*

5 (A) Laton Community Services District.

6 (B) Riverdale Public Utility District.

7 (C) *Lanare Community Service District.*

8 (4) One member shall be a resident or landowner chosen by the  
9 members of the governing boards of the following entities:

10 (A) Crescent Canal Company.

11 (B) Stinson Canal and Irrigation Company.

12 (5) One member shall be a resident or landowner chosen by the  
13 members of the governing boards of the following entities:

14 (A) Burrel Ditch Company.

15 (B) Liberty Canal Company.

16 (6) One member shall be a resident or landowner chosen by the  
17 members of the governing boards of the following entities:

18 (A) Liberty Mill Race Company.

19 (B) Reed Ditch Company.

20 (7) One member shall be chosen by the members of the  
21 governing boards of the following special districts, who shall be  
22 chosen from the members of the governing boards of the special  
23 districts:

24 (A) Liberty Water District.

25 (B) Riverdale Irrigation District.

26 (b) There shall be an alternate for each board member, chosen  
27 in the same manner and by the same entities as the board member.  
28 The alternate member shall act in place of the board member he  
29 or she is an alternate for in case of that board member's absence  
30 or inability to act.

31 502. The members shall serve for a four-year term of office.  
32 A member may serve for more than one term of office.

33 503. (a) The board may adopt an ordinance to provide  
34 compensation to members of the board in an amount not to exceed  
35 one hundred dollars (\$100) per day for each day's attendance at  
36 meetings of the board or for each day's service rendered as a  
37 member of the board by request of the board. For purposes of this  
38 section, the determination of whether a board member's activities  
39 on any specific day are compensable shall be made pursuant to

1 Article 2.3 (commencing with Section 53232) of Chapter 2 of Part  
2 1 of Division 2 of Title 5 of the Government Code.

3 (b) Reimbursement for expenses of members of the board is  
4 subject to Sections 53232.2 and 53232.3 of the Government Code.

5 (c) The board may adopt an ordinance to increase the  
6 compensation received by members of the board above the amount  
7 of one hundred dollars (\$100) per day. The increase shall not  
8 exceed an amount equal to 5 percent, for each calendar year  
9 following the operative date of the last adjustment, of the  
10 compensation that is received when the ordinance is adopted.

11 (d) A board member shall not be compensated for more than a  
12 total of 10 days in any calendar month.

13 504. (a) The board may adopt ordinances for the purpose of  
14 regulating, conserving, managing, and controlling the use and  
15 extraction of groundwater within the territory of the agency.

16 (b) An ordinance adopted by the board shall become effective  
17 30 days from the date of its passage.

18 (c) All ordinances shall be adopted at noticed, public hearings  
19 by a majority vote of the board. No ordinance shall be adopted by  
20 the board except at a public hearing. Notice of the hearing shall  
21 be published in a newspaper of general circulation pursuant to  
22 Section 6066 of the Government Code.

23 (d) The board shall provide notice of the adoption of all  
24 ordinances.

25 505. No provision of this act shall be construed as denying to  
26 any member agency any rights or powers that they already have  
27 or that they may be granted.

28 506. The agency may contract with member entities for staff  
29 and other services. The agency may hire contractors and consultants  
30 as it considers appropriate.

31 507. The agency shall enter into a coordination agreement with  
32 other local agencies for purposes of coordinating the agency's plan  
33 with other agencies or groundwater sustainability plans within the  
34 Kings Subbasin as required by the Sustainable Groundwater  
35 Management Act (Part 2.74 (commencing with Section 10720) of  
36 Division 6 of the Water Code).

37 508. The agency may exclude from any of the requirements of  
38 this act, or the operation of any ordinance, any operator who  
39 annually extracts less than a minimum amount of groundwater as  
40 specified by an ordinance adopted by the board.

1 Article 6. Studies and Investigations

2  
3 601. The agency may collect data and conduct technical and  
4 other investigations of all kinds in order to carry out the provisions  
5 of this act. All hydrological investigations and studies carried out  
6 by or on behalf of the agency shall be constructed by or under the  
7 supervision of licensed engineers or other persons qualified in  
8 groundwater geology or hydrology.

9 602. The agency may recommend and encourage water  
10 recycling, stormwater capture, and other water development  
11 projects, where those projects will enhance and contribute to the  
12 responsible management of groundwater resources, as part of its  
13 annual plan for implementation of groundwater management  
14 objectives.

15  
16 Article 7. Sustainable Groundwater Management Powers

17  
18 701. The agency shall develop and implement a groundwater  
19 sustainability plan pursuant to Chapter 6 (commencing with Section  
20 10727) of Part 2.74 of Division 6 of the Water Code to achieve  
21 sustainable groundwater management within the territory of the  
22 agency.

23 702. The agency shall elect to be a groundwater sustainability  
24 agency pursuant to Chapter 4 (commencing with Section 10723)  
25 of Part 2.74 of Division 6 of the Water Code for that portion of  
26 the Kings Subbasin that lies within the boundaries of the agency.

27 703. (a) (1) *The agency may establish advisory committees*  
28 *that include persons representing interests of beneficial uses and*  
29 *users of groundwater for purposes of assisting the board in the*  
30 *development and operation of the groundwater sustainability*  
31 *agency and the development and implementation of the agency's*  
32 *groundwater sustainability plan.*

33 (2) *The agency shall develop rules for the operation of advisory*  
34 *committees. Members of the committees shall serve without*  
35 *compensation.*

36 (b) (1) *Pursuant to subdivision (a), the agency shall establish*  
37 *a groundwater quality advisory committee for purposes of assisting*  
38 *the board to consider the interests of all beneficial uses and users*  
39 *of groundwater.*

1 (2) *The committee members shall serve at the pleasure of the*  
 2 *board and shall include, but not be limited to, representatives of*  
 3 *domestic well owners, municipal well operators, local land use*  
 4 *planning agencies, residents served by a public water system that*  
 5 *serves 200 or more connections, residents served by a small*  
 6 *community water system, residents served by a public water system*  
 7 *that serves fewer than 200 connections, and environmental justice*  
 8 *organizations or community benefit organizations with*  
 9 *demonstrated experience working with disadvantaged communities*  
 10 *with expertise in drinking water, groundwater, or land use.*

11 ~~703.~~

12 704. The agency may exercise any of the powers described in  
 13 Chapter 5 (commencing with Section 10725) of Part 2.74 of  
 14 Division 6 of the Water Code and the enforcement powers  
 15 described in Chapter 9 (commencing with Section 10732) of Part  
 16 2.74 of Division 6 of the Water Code.

17 ~~704.~~

18 705. The availability of supplemental water to any operator  
 19 shall not subject that operator to regulations *by the agency* that are  
 20 more restrictive than those imposed on other operators.

21  
22 Article 8. Fee Authority

23  
24 801. Pursuant to Chapter 8 (commencing with Section 10730)  
 25 of Part 2.74 of Division 6 of the Water Code, the agency may  
 26 impose fees, including, but not limited to, permit fees and fees on  
 27 groundwater extraction or other regulated activity, to fund the costs  
 28 of a groundwater sustainability program, that include, but are not  
 29 limited to, the preparation, adoption, and amendment of a  
 30 groundwater sustainability plan, investigations, inspections,  
 31 compliance assistance, enforcement, and program administration,  
 32 including a prudent reserve.

33  
34 Article 9. Miscellaneous

35  
36 901. *In the event of any conflict between the North Fork Kings*  
 37 *Groundwater Sustainability Agency Act and the provisions of the*  
 38 *Sustainable Groundwater Management Act (Part 2.74*  
 39 *(commencing with Section 10720) of Division 6 of the Water Code),*

1 *the provisions of the Sustainable Groundwater Management Act*  
2 *shall prevail.*

3 SEC. 2. Section 10723 of the Water Code is amended to read:

4 10723. (a) Except as provided in subdivision (c), any local  
5 agency or combination of local agencies overlying a groundwater  
6 basin may decide to become a groundwater sustainability agency  
7 for that basin.

8 (b) Before deciding to become a groundwater sustainability  
9 agency, and after publication of notice pursuant to Section 6066  
10 of the Government Code, the local agency or agencies shall hold  
11 a public hearing in the county or counties overlying the basin.

12 (c) (1) Except as provided in paragraph (2), the following  
13 agencies created by statute to manage groundwater shall be deemed  
14 the exclusive local agencies within their respective statutory  
15 boundaries with powers to comply with this part:

16 (A) Alameda County Flood Control and Water Conservation  
17 District, Zone 7.

18 (B) Alameda County Water District.

19 (C) Desert Water Agency.

20 (D) Fox Canyon Groundwater Management Agency.

21 (E) Honey Lake Valley Groundwater Management District.

22 (F) Long Valley Groundwater Management District.

23 (G) Mendocino City Community Services District.

24 (H) Mono County Tri-Valley Groundwater Management  
25 District.

26 (I) Monterey Peninsula Water Management District.

27 (J) *North Fork Kings Groundwater Sustainability Agency.*

28 ~~(J)~~

29 (K) Ojai Groundwater Management Agency.

30 ~~(K)~~

31 (L) Orange County Water District.

32 ~~(L)~~

33 (M) Pajaro Valley Water Management Agency.

34 ~~(M)~~

35 (N) Santa Clara Valley Water District.

36 ~~(N)~~

37 (O) Sierra Valley Groundwater Management District.

38 ~~(O) West Kings Groundwater Sustainability Agency.~~

39 (P) Willow Creek Groundwater Management Agency.

1 (2) An agency identified in this subdivision may opt out of being  
2 the exclusive groundwater management agency within its statutory  
3 boundaries by sending a notice to the department, which shall be  
4 posted on the department's Internet Web site within 15 days of  
5 receipt. If an agency identified in paragraph (1) opts out of being  
6 the exclusive groundwater management agency, any other local  
7 agency or combination of local agencies operating within the  
8 statutory boundaries of the agency that has opted out may notify  
9 the department pursuant to Section 10723.8 of its decision to be  
10 the groundwater sustainability agency.

11 (3) A local agency listed in paragraph (1) may comply with this  
12 part by meeting the requirements of Section 10733.6 or opting to  
13 become a groundwater sustainability agency pursuant to this  
14 section. A local agency with authority to implement a basin-specific  
15 management plan pursuant to its principal act shall not exercise  
16 any authorities granted in this part in a manner inconsistent with  
17 any prohibitions or limitations in its principal act unless the  
18 governing board of the local agency makes a finding that the  
19 agency is unable to sustainably manage the basin without the  
20 prohibited authority.

21 (d) The decision of a local agency or combination of agencies  
22 to become a groundwater sustainability agency shall take effect  
23 as provided in Section 10723.8.

24 SEC. 2.5. Section 10723 of the Water Code is amended to read:

25 10723. (a) Except as provided in subdivision (c), any local  
26 agency or combination of local agencies overlying a groundwater  
27 basin may decide to become a groundwater sustainability agency  
28 for that basin.

29 (b) Before deciding to become a groundwater sustainability  
30 agency, and after publication of notice pursuant to Section 6066  
31 of the Government Code, the local agency or agencies shall hold  
32 a public hearing in the county or counties overlying the basin.

33 (c) (1) Except as provided in paragraph (2), the following  
34 agencies created by statute to manage groundwater shall be deemed  
35 the exclusive local agencies within their respective statutory  
36 boundaries with powers to comply with this part:

37 (A) Alameda County Flood Control and Water Conservation  
38 District, Zone 7.

39 (B) Alameda County Water District.

40 (C) Desert Water Agency.

- 1 (D) Fox Canyon Groundwater Management Agency.
- 2 (E) Honey Lake Valley Groundwater Management District.
- 3 (F) Kings River East Groundwater Sustainability Agency.
- 4 (G) Long Valley Groundwater Management District.
- 5 (H) Mendocino City Community Services District.
- 6 (I) Mono County Tri-Valley Groundwater Management District.
- 7 (J) Monterey Peninsula Water Management District.
- 8 (K) *North Fork Kings Groundwater Sustainability Agency.*
- 9 ~~(K)~~
- 10 (L) Ojai Groundwater Management Agency.
- 11 ~~(L)~~
- 12 (M) Orange County Water District.
- 13 ~~(M)~~
- 14 (N) Pajaro Valley Water Management Agency.
- 15 ~~(N)~~
- 16 (O) Santa Clara Valley Water District.
- 17 ~~(O)~~
- 18 (P) Sierra Valley Groundwater Management District.
- 19 ~~(P) West Kings Groundwater Sustainability Agency.~~
- 20 (Q) Willow Creek Groundwater Management Agency.
- 21 (2) An agency identified in this subdivision may opt out of being
- 22 the exclusive groundwater management agency within its statutory
- 23 boundaries by sending a notice to the department, which shall be
- 24 posted on the department’s Internet Web site within 15 days of
- 25 receipt. If an agency identified in paragraph (1) opts out of being
- 26 the exclusive groundwater management agency, any other local
- 27 agency or combination of local agencies operating within the
- 28 statutory boundaries of the agency that has opted out may notify
- 29 the department pursuant to Section 10723.8 of its decision to be
- 30 the groundwater sustainability agency.
- 31 (3) A local agency listed in paragraph (1) may comply with this
- 32 part by meeting the requirements of Section 10733.6 or opting to
- 33 become a groundwater sustainability agency pursuant to this
- 34 section. A local agency with authority to implement a basin-specific
- 35 management plan pursuant to its principal act shall not exercise
- 36 any authorities granted in this part in a manner inconsistent with
- 37 any prohibitions or limitations in its principal act unless the
- 38 governing board of the local agency makes a finding that the
- 39 agency is unable to sustainably manage the basin without the
- 40 prohibited authority.

1 (d) The decision of a local agency or combination of agencies  
2 to become a groundwater sustainability agency shall take effect  
3 as provided in Section 10723.8.

4 SEC. 3. Section 2.5 of this bill incorporates amendments to  
5 Section 10723 of the Water Code proposed by both this bill and  
6 Senate Bill 37. It shall only become operative if (1) both bills are  
7 enacted and become effective on or before January 1, 2017, (2)  
8 each bill amends Section 10723 of the Water Code, and (3) this  
9 bill is enacted after Senate Bill 37, in which case Section 2 of this  
10 bill shall not become operative.

11 SEC. 4. No reimbursement is required by this act pursuant to  
12 Section 6 of Article XIII B of the California Constitution because  
13 a local agency or school district has the authority to levy service  
14 charges, fees, or assessments sufficient to pay for the program or  
15 level of service mandated by this act, within the meaning of Section  
16 17556 of the Government Code.