

**Introduced by Senator Lara**

February 4, 2016

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An act to add Article 2 (commencing with Section 71730) to Chapter 5 of Part 5 of ~~Division 20~~, *of*, and to add Part 11.6 (commencing with Section 72770) ~~to~~ *to*, ~~Division 20~~, *of*, ~~of~~ the Water Code, relating to the Central Basin Municipal Water District.

LEGISLATIVE COUNSEL'S DIGEST

SB 953, as amended, Lara. Central Basin Municipal Water District.

Existing law, the Municipal Water District Law of 1911, authorizes the formation of a municipal water district to acquire and sell water. The district law authorizes a municipal water district to make contracts.

This bill would prohibit the Central Basin Municipal Water District from using sole source contracts, except as prescribed. This bill would require the district to rebid a contract if the district significantly changes the scope of work of the contract. This bill would require the general manager of the district to submit a quarterly report to the district's board detailing all of the district's contracts, contract amendments, and contract and amendment dollar amounts. By imposing new duties on a municipal water district, this bill would impose a state-mandated local program.

The district law requires the board of directors of a municipal water district to consist of ~~5 members~~ *members*, and each member is required to be a resident of the division from which he or she is elected.

This bill would require the board of directors of the Central Basin Municipal Water District to consist of 7 members, 5 members elected and 2 members with certain qualifications appointed by the board of supervisors of the County of Los Angeles, as prescribed. This bill would

prohibit the Central Basin Municipal Water District from providing any member of its board of directors with district funds to conduct community outreach activities.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Central Basin Municipal Water District.

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.

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. Article 2 (commencing with Section 71730) is  
2 added to Chapter 5 of Part 5 of Division 20 of the Water Code, to  
3 read:

4  
5 Article 2. Central Basin Municipal Water District  
6

7 71730. (a) For the purposes of this article, “district” means  
8 the Central Basin Municipal Water District.

9 (b) It is the intent of the Legislature in enacting this article that  
10 the district make better use of the funds it spends on services, that  
11 it does not unnecessarily use amendments that limit competitive  
12 bidding for its contracts, and that its contract amendments reflect  
13 the authorization of the district’s board.

14 71731. (a) The district shall not use sole source contracts unless  
15 one of the following conditions is met:

- 16 (1) The contract is limited to an emergency circumstance.
- 17 (2) The circumstances are that only one vendor can meet the  
18 district’s needs.

19 (b) Before executing a sole source contract, the district shall  
20 provide written justification demonstrating the reasons for not  
21 competitively bidding the services. The justification shall include  
22 all of the following information:

- 1 (1) The background of the purchase.
- 2 (2) A description of the vendor’s uniqueness.
- 3 (3) An explanation of the consequences of not purchasing from
- 4 the vendor.
- 5 (4) Market research to substantiate a lack of competition.
- 6 (5) An analysis of pricing and alternatives.

7 71732. The district shall rebid a contract if the district  
 8 significantly changes the scope of work of the contract. Significant  
 9 changes include, but are not limited to, changes to the nature of  
 10 the services or work products.

11 71733. The general manager of the district shall submit a  
 12 quarterly report to the district’s board detailing all of the district’s  
 13 contracts, contract amendments, and contract and amendment  
 14 dollar amounts.

15 SEC. 2. Part 11.6 (commencing with Section 72770) is added  
 16 to Division 20 of the Water Code, to read:

17  
 18 PART 11.6. CENTRAL BASIN MUNICIPAL WATER  
 19 DISTRICT  
 20

21 72770. For the purposes of this part, ~~“district”~~ *the following*  
 22 *terms have the following meanings:*

- 23 (a) “*District*” means the Central Basin Municipal Water District.
- 24 (b) “*Water purveyor*” means any person who furnishes water  
 25 *service to another person.*

26 72771. Notwithstanding any other provision of this division,  
 27 the board of directors of the district shall consist of seven members  
 28 who shall each serve four-year terms. The members of the board  
 29 of directors shall be selected as follows:

30 (a) Five members of the board of directors shall be elected in  
 31 accordance with Part 3 (commencing with Section 71250) and Part  
 32 4 (commencing with Section 71450). Members of the board of  
 33 directors of the district who were elected on or before January 1,  
 34 2018, shall continue to serve their ~~term~~ *terms* as provided in Section  
 35 71252.

36 (b) (1) Two members of the board of directors shall be  
 37 appointed by the board of supervisors of the County of Los Angeles  
 38 in a public meeting. The board of supervisors shall consider any  
 39 nominations of candidates for appointment made by a water ~~retailer~~  
 40 *purveyor* that purchases water from the district, if any, and may

1 also consider other qualified candidates for appointment. Each  
2 member of the board of directors appointed pursuant to this  
3 subdivision shall possess the following qualifications:

4 (A) Residence within the boundaries of the district.

5 (B) Knowledge of the water ~~industry~~ *industry, with at least five*  
6 *years of water industry experience*, and familiarity with the role  
7 and responsibilities of a municipal water district.

8 (C) *Current employment or representation of a water purveyor,*  
9 *including a water retailer, that purchases water from the district*  
10 *and that is a member of the Central Basin Municipal Water District*  
11 *purveyor advisory group.*

12 (2) If a member of the board of directors appointed pursuant to  
13 this subdivision is unable to serve for the duration of his or her  
14 term, the board of supervisors shall appoint a member to fill that  
15 vacancy in the same manner specified in paragraph (1).

16 72772. The district shall not provide any member of its board  
17 of directors with district funds to conduct community outreach  
18 activities.

19 SEC. 3. The Legislature finds and declares that a special law  
20 is necessary and that a general law cannot be made applicable  
21 within the meaning of Section 16 of Article IV of the California  
22 Constitution because of the unique circumstances of the Central  
23 Basin Municipal Water District as described in the California State  
24 Auditor's December 3, 2015, report number 2015-102.

25 SEC. 4. If the Commission on State Mandates determines that  
26 this act contains costs mandated by the state, reimbursement to  
27 local agencies and school districts for those costs shall be made  
28 pursuant to Part 7 (commencing with Section 17500) of Division  
29 4 of Title 2 of the Government Code.