

## Assembly Bill No. 609

### CHAPTER 164

An act to amend Sections 13575, 13576, 13579, 13580, and 13581 of the Water Code, relating to water.

[Approved by Governor July 18, 1998. Filed with Secretary of State July 20, 1998.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 609, Margett. Recycled water.

(1) The Water Recycling Act of 1991 provides that water producers and retail water suppliers may cooperate in joint studies to determine the feasibility of providing recycled water service, as prescribed.

This bill would provide that recycled water producers, retail water suppliers, and entities responsible for groundwater replenishment, as defined, may cooperate in joint studies to determine the feasibility of providing recycled water service and recycled water for groundwater replenishment, as specified.

(2) The act authorizes a retail water supplier that has identified a potential use or customer to apply to a recycled water producer or wholesaler for a recycled water supply. The act authorizes a recycled water producer or wholesaler that has identified a potential use or customer to request, in writing, a retail water supplier to enter into an agreement to provide recycled water to the potential customer.

This bill would authorize an entity responsible for groundwater replenishment that has identified the potential use of recycled water for groundwater replenishment purposes to request, in writing, a recycled water producer or wholesaler to enter into an agreement to provide recycled water for that purpose.

(3) The act provides that either party may request a formal mediation process if there is a failure to agree on terms for a recycled water supply agreement within 6 months after the receipt of an application for recycled water.

This bill would, instead, authorize any party to request the formal mediation process. The bill would amend related legislative findings and declarations.

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

SECTION 1. Section 13575 of the Water Code is amended to read:

13575. (a) This chapter shall be known and may be cited as the Water Recycling Act of 1991.



(b) As used in this chapter, the following terms have the following meanings:

(1) “Entity responsibility for groundwater replenishment” means any person or entity authorized by statute or court order to manage a groundwater basin and acquire water for groundwater replenishment.

(2) “Recycled water producer” means any local public entity that produces recycled water.

(3) “Recycled water wholesaler” means any local public entity that distributes recycled water to retail water suppliers and which has constructed, or is constructing, a recycled water distribution system.

(4) “Retail water supplier” means any local entity, including a public agency, city, county, or private water company, that provides retail water service.

SEC. 2. Section 13576 of the Water Code is amended to read:

13576. The Legislature hereby makes the following findings and declarations:

(a) The State of California is subject to periodic drought conditions.

(b) The development of traditional water resources in California has not kept pace with the state’s population, which is growing at the rate of over 700,000 per year and which is anticipated to reach 36 million by the year 2010.

(c) There is a need for a reliable source of water for uses not related to the supply of potable water to protect investments in agriculture, greenbelts, and recreation and to replenish groundwater basins, and protect and enhance fisheries, wildlife habitat, and riparian areas.

(d) The environmental benefits of recycled water include a reduced demand for water in the Sacramento-San Joaquin Delta which is otherwise needed to maintain water quality, reduced discharge of waste into the ocean, and the enhancement of groundwater basins, recreation, fisheries, and wetlands.

(e) The use of recycled water has proven to be safe from a public health standpoint, and the State Department of Health Services is updating regulations for the use of recycled water.

(f) The use of recycled water is a cost-effective, reliable method of helping to meet California’s water supply needs.

(g) The development of the infrastructure to distribute recycled water will provide jobs and enhance the economy of the state.

(h) Retail water suppliers and recycled water producers and wholesalers should promote the substitution of recycled water for potable water and imported water in order to maximize the appropriate cost-effective use of recycled water in California.

(i) Recycled water producers, retail water suppliers, and entities responsible for groundwater replenishment should cooperate in joint



technical, economic, and environmental studies, as appropriate, to determine the feasibility of providing recycled water service.

(j) Retail water suppliers and recycled water producers and wholesalers should be encouraged to enter into contracts to facilitate the service of recycled and potable water by the retail water suppliers in their service areas in the most efficient and cost-effective manner.

(k) Recycled water producers and wholesalers and entities responsible for groundwater replenishment should be encouraged to enter into contracts to facilitate the use of recycled water for groundwater replenishment if recycled water is available and the authorities having jurisdiction approve its use.

(l) Wholesale prices set by recycled water producers and recycled water wholesalers, and rates that retail water suppliers are authorized to charge for recycled water, should reflect an equitable sharing of the costs and benefits associated with the development and use of recycled water.

SEC. 3. Section 13579 of the Water Code is amended to read:

13579. (a) In order to achieve the goals established in Section 13577, retail water suppliers shall identify potential uses for recycled water within their service areas, potential customers for recycled water service within their service areas, and, within a reasonable time, potential sources of recycled water.

(b) Recycled water producers and recycled water wholesalers may also identify potential uses for recycled water, and may assist retail water suppliers in identifying potential customers for recycled water service within the service areas of those retail water suppliers.

(c) Recycled water producers, retail water suppliers, and entities responsible for groundwater replenishment may cooperate in joint technical, economic, and environmental studies, as appropriate, to determine the feasibility of providing recycled water service and recycled water for groundwater replenishment consistent with the criteria set forth in paragraphs (1) to (3), inclusive, of subdivision (a) of Section 13550 and in accordance with Section 60320 of Title 22 of the California Code of Regulations.

SEC. 4. Section 13580 of the Water Code is amended to read:

13580. (a) A retail water supplier that has identified a potential use or customer pursuant to Section 13579 may apply to a recycled water producer or recycled water wholesaler for a recycled water supply.

(b) A recycled water producer or recycled water wholesaler that has identified a potential use or customer pursuant to Section 13579 may, in writing, request a retail water supplier to enter into an agreement to provide recycled water to the potential customer.

(c) An entity responsible for groundwater replenishment that has identified the potential use of recycled water for groundwater replenishment purposes may, in writing, request a recycled water



producer or recycled water wholesaler to enter into an agreement to provide recycled water for that purpose.

SEC. 5. Section 13581 of the Water Code is amended to read:

13581. If there is a failure to agree on terms and conditions for a recycled water supply agreement within six months after the receipt of the application for recycled water pursuant to Section 13580, any party may request a formal mediation process. If the parties agree to participate in the formal mediation process, the parties shall commence mediation within four months after the mediation request is made. If the parties cannot agree on a mediator, the director shall appoint a mediator. The mediator may recommend to the parties appropriate terms and conditions applicable to the service of recycled water. The cost for the services of the mediator shall be divided equally among the parties to the mediation and shall not exceed twenty thousand dollars (\$20,000).

