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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Daren E. Wolf
EXECUTIVE SECRETARY

April 21, 1994

To: Board of Directors (Special Committee on Legislation--Action)
(Water Problems Committee--Action)

From: General Manager

Subject: AB 3096: Environmental Water Fund (Mono Lake)

Report

Assemblyman Katz (Los Angeles) has introduced Assembly Bill 3096, to amend the Environmental Water Fund (EWF) Act of 1989. Metropolitan supported passage of that Act, at its August 1989 meeting (Minute Item 37819). Among other things, that Act provided a process for providing the City of Los Angeles with up to \$60 million in matching funds for water supply projects to replace reductions in Mono Basin water exports.

The Act designated the California Water Fund as the source of money for the EWF, which in turn receives its money from the State Water Project (SWP) repayments for General Fund monies previously used for construction of that project. However, the Legislature has preempted that money to other uses because of the State's financial difficulties over the past few years.

AB 3096 would extend the original EWF allocation schedules, allowing Los Angeles and the Mono Lake Committee to apply for up to \$45 million over the remainder of this decade for water supply projects to replace Mono Basin water exports. It would also require Los Angeles to apply for a water conservation program within the City to benefit Mono Basin, subject to specified program requirements.

However, AB 3096 does not address the basic EWF funding problem, thus leaving the source of EWF money uncertain. Some concern exists that the Legislature may address that problem in budget bills in a way that may reduce Department of Water Resources General Fund allocations and require use of SWP revenues to offset that reduction.

Nevertheless, Metropolitan continues to support the concept of the EWF Act. The City of Los Angeles also continues to support that concept, as indicated by the Memorandum of Understanding the City entered into with the Mono Lake Committee and the National Audubon Society last

December for applying for an EWF grant of \$65 million for construction and operation of the City's East Valley Water Reclamation project.

Board Committee Assignments

This letter is referred for action to:

The Water Problems Committee because of its authority to study, advise and make recommendations with regard to policies regarding water conservation, reclamation, reuse and the use thereof, pursuant to Administrative Code Section 2481, subdivision (i); and

Special Committee on Legislation because of its authority to review and make recommendations based upon presentations of the General Manager regarding proposals for State legislation, or amendments thereto, that may affect the District, and coordinate such review with other Committees of the Board, pursuant to Administrative Code Section 2571, subdivision (a).

Recommendation

SPECIAL COMMITTEE ON LEGISLATION and WATER PROBLEMS COMMITTEE FOR ACTION

It is recommended that the Board support AB 3096, subject to modifications that will assure a firm money source for the Environmental Water Fund independently of State Water Project revenues previously committed to the California Water Fund.


John R. Wodraska

ASSEMBLY BILL

No. 3096

Introduced by Assembly Member Katz

February 23, 1994

An act to amend Sections 12929.14 and 12929.15 of, and to add Section 12929.27 to, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 3096, as introduced, Katz. Environmental Water Fund.

(1) Existing law creates the Environmental Water Fund and requires the Department of Water Resources to use the money in the fund, upon appropriation by the Legislature, to carry out an environmental water program and a water quality program. Existing law declares that it is the intent of the Legislature that the department allocate, in prescribed fiscal years, specified amounts of money that are appropriated to it from the fund to projects included in the environmental water program and the water quality program.

This bill would, instead, require the department to allocate, in prescribed fiscal years, specified amounts of money that are appropriated to it from the fund to projects included in the environmental water program and the water quality program.

(2) Existing law authorizes the City of Los Angeles, with the Mono Lake Committee, to submit grant applications to the department to receive money from the fund to pay for projects that protect and preserve the Mono Lake Basin.

This bill would require the City of Los Angeles to submit a grant application to the department, in accordance with that provision, for the purpose of implementing a prescribed voluntary water conservation program in the City of Los Angeles that benefits the ecosystem of Mono Lake. The bill

would impose a state-mandated local program by imposing duties on the City of Los Angeles in connection with the preparation of the grant application. The bill would authorize the Los Angeles Department of Water and Power to impose a specified charge on ratepayers who contract for the installation of water conservation equipment in connection with the water conservation program.

(3) 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, including the creation of a State Mandates Claims Fund to pay the costs of mandates which do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that this bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to those statutory procedures and, if the statewide cost does not exceed \$1,000,000, shall be made from the State Mandates Claims Fund.

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. Section 12929.14 of the Water Code is
2 amended to read:

3 12929.14. From the funds appropriated to the
4 department from the Environmental Water Fund, ~~it is~~
5 ~~the intent of the Legislature that~~ the department shall
6 allocate ~~the following amounts~~ *nine million dollars*
7 *(\$9,000,000) per year, in the 1994-95 to 1998-99 fiscal*
8 *years, inclusive,* to programs and projects included in the
9 Environmental Water Program :

10 ~~(a) Seven million dollars (\$7,000,000) per year in the~~
11 ~~1991/92 to 1994 /95 fiscal years, inclusive.~~

12 ~~(b) Eight million dollars (\$8,000,000) per year in the~~
13 ~~1995/96 to 1998 /99 fiscal years, inclusive.~~

14 SEC. 2. Section 12929.15 of the Water Code is

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1 amended to read:

2 12929.15. From the funds appropriated to the
3 department from the Environmental Water Fund, ~~it is~~
4 ~~the intent of the Legislature that~~ the department shall
5 allocate at least one million dollars (\$1,000,000) per year,
6 in the ~~1990/91 to 1994/95~~ 1995-96 to 1997-98 fiscal years,
7 inclusive, to programs and projects included in the Water
8 Quality Program. However, not more than five million
9 dollars (\$5,000,000) of the funds appropriated to the
10 Environmental Water Fund pursuant to Section 12929.12
11 shall be appropriated for this purpose.

12 SEC. 3. Section 12929.27 is added to the Water Code,
13 to read:

14 12929.27. (a) The City of Los Angeles shall submit a
15 grant application to the department pursuant to Section
16 12929.21 for the purpose of implementing a voluntary
17 water conservation program in the City of Los Angeles
18 that benefits the ecosystem of Mono Lake.

19 (b) The voluntary water conservation program that is
20 the subject of the grant application shall provide for all of
21 the following:

22 (1) The use of community-based organizations, in
23 cooperation and consultation with the Los Angeles
24 Department of Water and Power, to carry out the
25 program, and to perform water audits and provide and
26 install residential, commercial, industrial, and
27 agricultural water conservation equipment in the service
28 area of the Los Angeles Department of Water and Power
29 in connection with the program.

30 (2) The training of community-based organizations
31 that participate in the program and the training of
32 persons who are selected by the organizations to perform
33 water audits, install water conservation equipment, or
34 perform other services in connection with the program.

35 (3) Notice of the program to the ratepayers of the Los
36 Angeles Department of Water and Power.

37 (c) The Los Angeles Department of Water and Power
38 may not impose a charge on its ratepayers to pay for the
39 water conservation program, except that it may impose
40 a fee on the ratepayers who contract for the installation

1 of water conservation equipment in connection with the
2 program to pay for up to 20 percent of the cost of the
3 equipment and the installation of the equipment.

4 SEC. 4. Notwithstanding Section 17610 of the
5 Government Code, if the Commission on State Mandates
6 determines that this act contains costs mandated by the
7 state, reimbursement to local agencies and school
8 districts for those costs shall be made pursuant to Part 7
9 (commencing with Section 17500) of Division 4 of Title
10 2 of the Government Code. If the statewide cost of the
11 claim for reimbursement does not exceed one million
12 dollars (\$1,000,000), reimbursement shall be made from
13 the State Mandates Claims Fund. Notwithstanding
14 Section 17580 of the Government Code, unless otherwise
15 specified in this act, the provisions of this act shall become
16 operative on the same date that the act takes effect
17 pursuant to the California Constitution.

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