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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SUPPLEMENTAL

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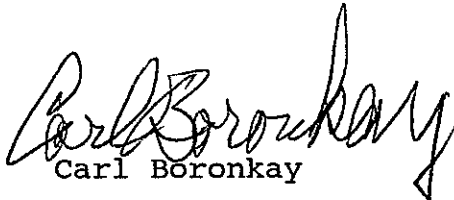
May 11, 1992

To: Board of Directors (Executive Committee--Action)

From: General Manager

Subject: Transmittal of Additional Information Regarding AB 1875

At its meeting of May 11, 1992, the Special Committee on Legislation voted to conditionally approve the General Manager's recommendation that the Board support AB 1875, if amended. That Committee's approval was conditioned on review by the Executive Committee of the text of the amendments proposed by staff. Attached is a copy of those proposed amendments.



Carl Boronkay

1
2 September 13, 1991
3 September 5, 1991 An act to amend Sections 5470 and 5471 of, and to add
4 Section 5471.5 to, the Health and Safety Code, and to add Chapter 4
5 (commencing with Section 20300) to Division 10 of the Water Code,
6 relating to water and sewerage systems.

7
8 LEGISLATIVE COUNSEL'S DIGEST

9
10 AB 1875, Cannella. Water and sewerage systems.
11 Existing law permits counties, cities, sanitary districts, and other
12 specified entities to acquire, construct, maintain, and operate sanitary
13 sewers and sewerage systems. Existing law authorizes those entities to
14 prescribe, revise, and collect, fees, tolls, rates, rentals, or other
15 charges, including water, sewer standby or immediate availability charges
16 for services and facilities furnished by the entities in connection with
17 water, sanitation, and sewerage systems.

18 This bill would state that the authorization to prescribe, revise, and
19 collect fees, tolls, rates, rentals, or other charges shall not be
20 construed to modify or repeal specified laws relating to the imposition
21 of public utility capital facilities fees, and shall be subject to a
22 specified law relating to fees for water or sewer connections, and
23 capacity charges. The bill would require the legislative body to hold a
24 noticed hearing as prescribed before enacting a capacity fee. This bill
25 would also require an entity which charges both standby and capacity fees
26 to adopt a credit mechanism and distinguish the benefits derived, as
27 prescribed.

28 This bill would delete provisions with respect to water supply systems
29 in the above authorization and would authorize
30 entities operating public water supply systems to prescribe, revise, and
31 collect fees, tolls, rates, rentals, or other charges, including water
32 capacity or connection charges, water standby or immediate availability
33 charges for services and facilities furnished by it in the same manner.

34 This bill would incorporate changes to Section 5471 of the Health and
35 Safety Code proposed by SB 682, which would become operative only if both
36 bills are enacted and this bill is enacted last.

37
38 The people of the State of California do enact as follows:

39
40 SECTION 1. Section 5470 of the Health and Safety Code is amended to
41 read:

42 5470. The following words wherever used in this article shall be
43 construed as defined in this section, unless from the context a different
44 meaning is intended, or unless a different meaning is specifically
45 defined and more particularly directed to the use of such words:

46 (a) "Assessment roll" means the assessment roll upon which general
47 taxes of the entity are collected.

48 (b) "Auditor" means the financial officer of the entity.

49 (c) "Capacity charges" means charges for sewer facilities in
50 existence at the time the charge is imposed or charges for new facilities

1 to be constructed in the future which are of benefit to the person or
2 property being charged.

3 (d) ``Chambers'' means the place where the regular meetings of the
4 legislative body of the entity are held.

5 (e) ``Clerk'' means the official clerk or secretary of the entity.

6 (f) ``Connection'' means the connection of a building to a public
7 sewer system.

8 (g) ``Entity'' means and includes counties, cities and counties,
9 cities, sanitary districts, county sanitation districts, sewer
10 maintenance districts, and other public corporations and districts
11 authorized to acquire, construct, maintain and operate sanitary sewers
12 and sewerage systems.

13 (h) ``Rates or charges'' means fees, tolls, rates, rentals, or other
14 charges for services and facilities furnished by an entity in connection
15 with its sanitation or sewerage systems, including garbage and refuse
16 collection.

17 (i) ``Real estate'' includes both of the following:

18 (1) The possession of, claim to, ownership of, or right to possession
19 of land.

20 (2) Improvements on land.

21 (j) ``Tax collector'' means the officer who collects general taxes
22 for the entity.

23 The amendment of this section made by the 1972 Regular Session of the
24 Legislature does not constitute a change in, but is declaratory of, the
25 preexisting law.

26 SEC. 2. Section 5471 of the Health and Safety Code is amended to read:

27 5471. (a) Subject to Section 66013 of the Government Code, and in
28 addition to the powers granted in the principal act, any entity shall
29 have power, by an ordinance approved by a two-thirds vote of the members
30 of the legislative body thereof, to prescribe, revise, and collect, fees,
31 tolls, rates, rentals, or other charges, including sewer capacity charges
32 or sewer standby or immediate availability charges, for services and
33 facilities furnished by it, either within or without its territorial
34 limits, in connection with its sanitation or sewerage system. However,
35 the entity may provide that the charge for the service shall be collected
36 with the rates, tolls, and charges for any other utility, and that any or
37 all of these charges may be billed upon the same bill. Where the charge
38 is to be collected with the charges for any other utility service
39 furnished by a department or agency of the entity and over which its
40 legislative body does not exercise control, the consent of the department
41 or agency shall be obtained prior to collecting sanitation or sewerage
42 charges with the charges for any other utility. Revenues derived under
43 the provisions in this section shall be used only for the acquisition,
44 construction, reconstruction, maintenance, and operation of sanitation or
45 sewerage facilities, to repay principal and interest on bonds

46 issued for the construction or reconstruction of these sanitary or
47 sewerage facilities and to repay federal or state loans or advances made
48 to the entity for the construction or reconstruction of sanitary or
49 sewerage facilities. However, the revenue shall not be used for the
50 acquisition or construction of new local street sewers or laterals as

1 distinguished from main trunk, interceptor and outfall sewers.

2 (b) Any local agency adopting both capacity fees or charges and
3 standby fees or charges shall distinguish the benefits derived from the
4 standby fees or charges and capacity fees or charges in the official
5 action at which either is adopted, revised, or modified.

6 (c) This section shall not be construed to modify or repeal Chapter
7 13.7 (commencing with Section 54999) of Part 1 of Division 2 of Title 5
8 of the Government Code.

9 (d) Prior to enacting a capacity fee pursuant to this section, the
10 legislative body shall hold a noticed hearing as provided in Section
11 5471.5.

12 SEC. 2.5. Section 5471 of the Health and Safety Code is amended to
13 read:

14 5471. (A) Subject to Section 66013 of the Government Code, and in
15 addition to the powers
16 granted in the principal act, any entity shall have power, by an
17 ordinance approved by a two-thirds vote of the members of the legislative
18 body thereof, to prescribe, revise and collect fees, tolls, rates,
19 rentals, or other charges, including sewer capacity charges or sewer
20 standby or immediate availability charges, for services and facilities
21 furnished by it, either within or without its territorial limits, in
22 connection with its sanitation, storm drainage, or sewerage system.
23 However, the entity may provide that the charge for the service shall be
24 collected with the rates, tolls, and charges for any other utility, and
25 that any or all of these charges may be billed upon the same bill. Where
26 the charge is to be collected with the charges for any other utility
27 service furnished by a department or agency of the entity and over which
28 its legislative body does not exercise control, the consent of the
29 department or agency shall be obtained prior to collecting sanitation,
30 storm drainage, or sewerage charges with the charges for any other
31 utility. Revenues derived under the provisions in this section shall be
32 used only for the acquisition, construction, reconstruction, maintenance,
33 and operation of sanitation, storm drainage, or sewerage facilities, to
34 repay principal and interest on bonds issued for the
35 construction or reconstruction of these sanitary, storm drainage, or
36 sewerage facilities and to repay federal or state loans or advances made
37 to the entity for the construction or reconstruction of sanitary, storm
38 drainage, or sewerage facilities. However, the revenue shall not be used
39 for the acquisition or construction of new local street sewers or
40 laterals as distinguished from main trunk, interceptor and outfall
41 sewers.

42 (b) Any local agency adopting both capacity fees or charges and
43 standby fees or charges shall distinguish the benefits derived from the
44 standby fees or charges and capacity fees or charges in the official
45 action at which either is adopted, revised, or modified.

46 (c) This section shall not be construed to modify or repeal Chapter
47 13.7 (commencing with Section 54999) of Part 1 of Division 2 of Title 5
48 of the Government Code.

49 (d) Prior to enacting a capacity fee pursuant to this section, the
50 legislative body shall hold a noticed hearing as provided in Section

1 5471.5.

2 SEC. 3. Section 5471.5 is added to the Health and Safety Code, to
3 read:

4 5471.5. (a) The notice required by Section 5471 shall be published
5 pursuant to Section 6063a of the Government Code.

6 (b) The notice shall also be mailed or delivered at least 10 days
7 prior to the hearing to any person who has filed a written request for
8 notice with either the clerk of the entity or with any other person
9 designated by the legislative body to receive these requests. The entity
10 may charge a fee that is reasonably related to the costs of providing
11 this service and the entity may require each request to be renewed
12 annually.

13 (c) At the time stated in the notice, the legislative body shall hear
14 and consider all objections or protests, if any, to the imposition of the
15 fees or charges as set forth in the notice and may continue the hearing
16 from time to time.

17 (d) Upon the conclusion of the hearing, the legislative body may
18 adopt, revise, change, reduce, or modify the fees or charges or may
19 overrule any or all objections and make its determination which shall be
20 final.

21 SEC. 4. Chapter 4 (commencing with Section 20300) is added to Division
22 10 of the Water Code, to read: C 4. F C

23 20300. (a) The following words wherever used in this chapter shall be
24 construed as defined in this section, unless from the context a different
25 meaning is intended, or unless a different meaning is specifically
26 defined and more particularly directed to the use of those words:

27 (1) "Capacity charges" means charges for water facilities in
28 existence at the time the charge is imposed or charges for new facilities
29 to be constructed in the future that are of benefit to the person or
30 property being charged.

31 (2) "Clerk" means the official clerk or secretary of the entity.

32 (3) "Connection" means the connection of a building, or any real
33 property whether developed or undeveloped, to a public water system.

34 (4) "Entity" means and includes counties, cities and counties,
35 cities, sanitary districts, county sanitation districts, sewer
36 maintenance districts, water districts, and other public corporations and
37 districts authorized to acquire, construct, maintain, and operate public
38 water systems.

39 (5) "Public water system" means a public water system as defined in
40 subdivision (f) of Section 4010.1 of the Health and Safety Code, or a
41 water reclamation, reuse, or recycling system or facility.

42 (6) "Rates or charges" means fees, tolls, rates, rentals, or other
43 charges for services and facilities furnished by an entity in connection
44 with its public water supply system.

(7) "Wholesale entity" means an entity that does not provide water service directly to the individual customer, resident, or similar water user, but rather provides water service through its facilities, either directly or through another wholesale entity, to a public utility or retail entity that provides water service directly to the individual customer, resident, or similar water user.

45 (b) Subject to Section 66013 of the Government Code, and in addition
46 to the powers granted in the principal act, any entity shall have power,
47 by an ordinance approved by a two-thirds vote ~~of the members~~ of the
48 legislative body thereof, to prescribe, revise, and collect, fees, tolls,
49 rates, rentals, or other charges, including, but not limited to, water
capacity or connection charges, water standby or immediate availability
charges, for services

1 and facilities furnished by it, whether within or without its territorial
2 limits, in connection with its public water supply system. However, the
3 entity may provide that the charge for the service shall be collected
4 with the rates, tolls, and charges for any other utility, and that any or
5 all of these charges may be billed upon the same bill. Where the charge
6 is to be collected with the charges for any other utility service
7 furnished by a department or agency of the entity and over
8 which its legislative body does
9 not exercise control, the consent of the department or agency shall be
10 obtained prior to collecting those charges with the charges for any other
11 utility.

A wholesale entity may provide that the charge for its services or facilities be collected on behalf of the wholesale entity by the public utility or retail entity providing service to the final customer, resident, or similar water user. If this authority is exercised, the wholesale entity shall provide for reimbursement of the reasonable cost of collection for the public utility or retail entity.

12 Revenues derived under the provisions of this section shall be used
13 only for the acquisition, construction, reconstruction, maintenance, and
14 operation of water systems or facilities, to repay principal and interest
15 on bonds and similar financing instruments issued for the construction or
16 reconstruction of those public
17 water supply systems and facilities, and to repay federal or state loans
18 or advances made to the entity for the construction or reconstruction of
19 public water supply systems and facilities.

20 (c) Prior to enacting a capacity or connection fee or charge pursuant
21 to this section, the legislative body of the entity shall hold a noticed
22 hearing as provided in Section 20301.

23 (d) Prior to adopting a standby charge pursuant to this section, the
24 legislative body shall comply with the procedures required by a specific
25 statutory authorization or with the Uniform Standby Charge Procedures
26 Act, Chapter 12.4 (commencing with Section 54984) of Part 1 of Division 2
27 of Title 5 of the Government Code.

28 (e) Any local agency adopting both capacity fees or charges and
29 standby fees or charges shall distinguish the benefits derived from the
30 standby fees or charges and capacity fees or charges in the official
31 action at which either is adopted, revised, or modified.

32 (f) This section shall not be construed to modify or repeal Chapter
33 13.7 (commencing with Section 54999) of Part 1 of Division 2 of Title 5
34 of the Government Code.

35 20301. (a) The notice required by subdivision (c) of Section 20300
36 shall be published pursuant to Section 6063a of the Government Code.

37 (b) The notice shall also be mailed or delivered at least 10 days
38 prior to the hearing to any person who has filed a written request for
39 notice with either the clerk of the entity or with any other person
40 designated by the legislative body to receive these requests. The entity
41 may charge a fee that is reasonably related to the costs of providing
42 this service and the entity may require each request to be renewed
annually.

43 (c) At the time stated in the notice, the legislative body shall hear
44 and consider all objections or protests, if any, to the imposition of the
45 fees or charges as set forth in the notice and may continue the hearing
46 from time to time.

47 (d) Upon the conclusion of the hearing, the legislative body may
48 adopt, revise, change, reduce, or modify the fees or charges or may
49 overrule any or all objections and make its determination which shall be
50 final.

1 SEC. 5. Section 2.5 of this bill incorporates amendments to Section
2 5471 of the Health and Safety Code proposed by both this bill and SB 682.
3 It shall only become operative if (1) both bills are enacted and become
4 effective on January 1, 1992, (2) each bill amends Section 5471 of the
5 Health and Safety Code, and (3) this bill is enacted after SB 682, in
6 which case Section 2 of this bill shall not become operative.

db:AB1875