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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Don Chin
for EXECUTIVE SECRETARY

February 27, 1996

To: Board of Directors (Legislative Committee - Information)
From: General Manager
Submitted by: Debra C. Man, Chief
Planning and Resources Division
Subject: Assembly Bill 2280 (Cortese) and Assembly Bill 2409 (Aguiar) re: Interstate
Water Transfers

Timothy J. ...
Debra C. Man

RECOMMENDATION(S)

For information only.

EXECUTIVE SUMMARY

Assembly Bill 2280 by Assembly Member Cortese would make a legislative finding that because of the importance of the Colorado River that appropriate state agencies review any interstate water transfer or water banking arrangement proposed regarding Colorado River water and that that agency consider the effect of the transfer on the state's ability to reliably meet the water needs of the state before final approval.

Assembly Bill 2409 by Assembly Member Aguiar would require that the Governor of the state approve any interstate water transfer.

These two bills would potentially impose additional requirements upon Metropolitan's Colorado River water rights.

DETAILED REPORT

AB 2280 would make a finding that the Legislature's intent is to require that appropriate state agencies, an undefined term, review interstate transfers or banking proposals regarding Colorado River water and consider the effect on the state's ability to reliably meet the water needs of the state before final approval. AB 2409 would require that the Governor approve any transfer of water outside the State of California.

These two bills would require that proposals by Metropolitan, or others regarding Colorado River interstate transfers and/or banking would require approval of either state agencies, which have not yet been specified, or the Governor of the state. These bills call into question the role of the Colorado River Board of California. Historically, Metropolitan has sought the approval of the Colorado River Board on interstate transactions, such as the Arizona Groundwater Storage Program, as well as their consent on intrastate transactions. It is unclear from the proposed legislation what, if any role, the Colorado River Board would play.

One of the subjects of discussion in the on-going Colorado River facilitated discussions is the establishment of a framework including institutional issues such as those raised by these bills, for intra and interstate transfers of water as well as banking. Because of the evolving nature of those discussions and the possibility that a consensus of the agencies involved in those discussions may impact a recommendation to your Board on these bills, this letter is provided to you for information only.

ASSEMBLY BILL

No. 2280

Introduced by Assembly Member Cortese

February 14, 1996

An act to add Chapter 7 (commencing with Section 12560) to Part 5 of Division 6 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2280, as introduced, Cortese. Colorado River water: water transfers: water banking.

Existing law governs water transfers and water banking in this state.

This bill would make a finding and declaration regarding water transfers and water-banking of Colorado River water. The bill would express the intent of the Legislature to require the appropriate state agencies to review any interstate water transfer or water-banking arrangement proposed by a water district regarding Colorado River water, and take into account the effect of that transfer or arrangement on this state's ability to reliably meet its water needs, before giving final approval to a proposed transfer or arrangement.

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

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

1 SECTION 1. Chapter 7 (commencing with Section
2 12560) is added to Part 5 of Division 6 of the Water Code,
3 to read:

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CHAPTER 7. COLORADO RIVER WATER

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3 12560. (a) The Legislature finds and declares that,
4 because of the importance of the water of the Colorado
5 River to this state, the state should carefully review any
6 proposed interstate water transfer or water-banking
7 arrangement regarding Colorado River water.
8 (b) It is the intent of the Legislature to require the
9 appropriate state agencies to review any interstate water
10 transfer or water-banking arrangement proposed by a
11 water district regarding Colorado River water, and take
12 into account the effect of that transfer or arrangement on
13 this state's ability to reliably meet its water needs, before
14 giving final approval to the proposed transfer or
15 arrangement.

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ASSEMBLY BILL

No. 2409

Introduced by Assembly Member Aguiar

February 20, 1996

An act to add Part 2.77 (commencing with Section 10760) to Division 6 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 2409, as introduced, Aguiar. Water transfers.

(1) Under existing law, various statutes govern the transfer of water.

This bill would prohibit a political subdivision from selling or exporting water for use outside the state without the approval of the Governor. By imposing requirements on political subdivisions in connection with the interstate transfer of water, the bill would impose a state-mandated local program.

(2) 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 that 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 the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

AB 2409

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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. Part 2.77 (commencing with Section
2 10760) is added to Division 6 of the Water Code, to read:

3
4 PART 2.77. INTERSTATE TRANSFERS OF WATER

5
6 10760. No political subdivision may sell or export
7 water for use outside the state without the approval of the
8 Governor.

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

19 Notwithstanding Section 17580 of the Government
20 Code, unless otherwise specified, the provisions of this act
21 shall become operative on the same date that the act
22 takes effect pursuant to the California Constitution.