

SENATE RULES COMMITTEE

SB 246

Office of Senate Floor Analyses

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THIRD READING

Bill No: SB 246
Author: Fuller (R)
Amended: 4/23/13
Vote: 21

SENATE GOVERNANCE & FINANCE COMMITTEE: 7-0, 4/17/13
AYES: Wolk, Knight, Beall, DeSaulnier, Emmerson, Hernandez, Liu

SUBJECT: Bighorn-Desert View Water Agency

SOURCE: Bighorn-Desert View Water Agency

DIGEST: This bill repeals the entire Desert View Water District-Bighorn Mountains Water Agency Consolidation Law and amends the Bighorn Mountains Water Agency Law to make it a more modern, transparent, and functional statute.

ANALYSIS: The Legislature created the Bighorn Mountains Water Agency as a special act special district governed by the uncodified “Bighorn Mountains Water Agency Law” (SB 1175 (Coombs, 1969)). To allow the Bighorn Mountains Water Agency to merge with the Desert View Water District, which was governed by the County Water District Law, the Legislature enacted the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law (AB 1819 (Woodruff, Chapter 570, Statutes of 1989)). The merged Bighorn-Desert View Water Agency (Agency) provides retail water service to residents within a 45-square mile area encompassing the San Bernardino County communities of Flamingo Heights, Landers, and Johnson Valley.

This bill repeals the Desert View Water District-Bighorn Mountains Water Agency Consolidation Law and deletes cross-references to the law from the Bighorn-Desert View Water Agency’s special act.

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This bill requires the Agency to separately account for and use funds derived from the operation of the Desert View Water District and the Bighorn Mountains Water Agency for the purpose of bond debt service for each of the former systems. This bill declares that its provisions must not be construed to impair any contract entered into prior to January 1, 2014.

This bill reduces, from three months to 60 days, the period during which legal actions can be initiated to contest, question, or deny the validity of the Agency's bonds, improvement districts, annexations, or other proceedings. This bill allows the Agency to file legal actions, pursuant to specified statutes in the Code of Civil Procedure, to determine the validity of the Agency's bonds, warrants, promissory notes, contracts, or other evidences of indebtedness.

This bill reduces, from six to three, the number of public places in which the Agency must post specified hearing notices.

This bill deletes current statutory language governing compensation for the Agency's board of directors. This bill requires the Agency's board members to receive compensation for attending board meetings that does not exceed the maximum amount authorized by specified statutes that govern compensation for water districts' directors.

This bill deletes current statutory language relating to vacancies on the Agency's board of directors and specifies that the Agency must fill vacancies on its board pursuant to specified statutes in the Government Code.

This bill reorganizes current statutory language allowing the Agency's board to appoint, define the duties of, and provide compensation for specified offices. This bill prohibits the board from appointing a sitting member of the board to one of those offices. This bill deletes statutory language authorizing the board to appoint a treasurer and to consolidate specified offices.

This bill requires the Agency's board to adopt a resolution specifying the date, time, and place of its meetings and deletes conflicting and redundant statutory language relating to board meetings.

This bill specifies that the Agency's board can act by minute order and details specific notice, posting, and publication procedures that the board must follow to adopt an ordinance.

This bill deletes current statutory language governing the Agency's elections and allows the Agency's voter to pass an initiative or disapprove of an ordinance by referendum subject to specified statutes in the Elections Code.

This bill specifies that the Agency's powers include the power to:

- Construct, maintain, and operate water wells.
- Construct, maintain, and operate property useful or necessary to produce water.
- Enlarge any waterworks or waterworks system acquired by the Agency.

This bill deletes a requirement that the Agency's board regulate specified recreational facilities' use by adopting an ordinance. This bill repeals language defining a violation of those regulations as a misdemeanor. Instead, this bill makes a violation of the specified regulations an infraction, punishable by a fine of \$300 or less.

This bill specifies that the Agency's board, to restrict the use of water during a drought or water shortage, must comply with specified statutes in the Water Code governing water shortage emergencies. This bill deletes language defining a violation of specified water restrictions as a misdemeanor and deletes other related statutory language.

This bill deletes statutory language requiring the board to adopt an ordinance to exercise specified powers related to pensions.

This bill amends the current statute governing the Agency's power to enter into contracts. This bill deletes a requirement that the Agency must get 2/3-voter approval for specified contracts that incur long-term debt.

This bill deletes current statutory language allowing the Agency to incur debt, issue bonds and promissory notes, and impose assessments. This bill authorizes the Agency to:

- Borrow money, incur indebtedness, and issue bonds or other evidences of indebtedness at an annual interest rate that must not exceed 12%, pursuant to state law.
- Refund or retire any indebtedness or lien against the agency or its property.
- Issue negotiable promissory notes that are general obligations of the Agency payable from revenues and taxes in the same manner as the Agency's bonds

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and subject to the same 12% annual interest rate limit.

- Cause taxes to be levied to pay the Agency's obligations, subject to constitutional and statutory requirements.
- To issue improvement bonds in accordance with and pursuant to the:
 - Improvement Act of 1911
 - Improvement Bond Act of 1915
 - Municipal Improvement Act of 1913
 - Refunding Assessment Bond Act of 1935
 - Revenue Bond Law of 1941

This bill increases the maximum allowable annual interest rates on debt issued by the Agency from 7% to 12%, pursuant to specified statutes in the Government Code.

This bill allows the Agency to sell bonds through negotiated sale or private sale subject to specified conditions. This bill prohibits bonds from being sold for less than 94% of par value.

This bill replaces the term "bonded debt" with the term "debt" in numerous places throughout the Bighorn-Desert View Water Agency Law and deletes outdated references to bonds' interest coupons.

This bill specifies the manner in which the Agency can record liens for unpaid water service charges.

This bill clarifies that bond proceeds and surplus revenues from water rates can be used to pay for replacement of the Agency's works.

This bill renames the special act governing the Bighorn-Desert View Water Agency as the "Bighorn-Desert View Water Agency Law." Throughout the Law, this bill replaces the name "Bighorn Mountains Water Agency" with "Bighorn-Desert View Water Agency."

This bill updates the statutory metes-and-bounds description of the Bighorn-Desert View Water Agency's boundaries.

This bill deletes statutory language relating to a potential future consolidation of the Bighorn Mountains Water Agency with the Desert View Water Agency.

This bill makes numerous technical, non-substantive amendments to the statutes governing the Bighorn-Desert View Water Agency to conform the statutes to other changes made by this bill and to modernize the statutory language. This bill includes findings and declarations that comply with existing law requirements.

Comments

According to the author's office, this bill helps clarify and reorganize the law that established the Bighorn-Desert View Water District within San Bernardino County. This update and modernization should provide more transparency and accountability to ratepayers in that District.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 4/23/13)

Bighorn-Desert View Water Agency (source)

AB:k 4/23/13 Senate Floor Analyses

SUPPORT/OPPOSITION: SEE ABOVE

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