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SB-656 Stockton-East Water District: water rates. (2021-2022)



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Senate Bill No. 656

CHAPTER 984

An act to amend Section 9.4 of Chapter 819 of the Statutes of 1971, relating to water.

[Approved by Governor September 30, 2022. Filed with Secretary of State September 30, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

SB 656, Eggman. Stockton-East Water District: water rates.

Existing law, the Water Conservation District Law of 1931, generally governs the formation of water conservation districts and specifies the powers and purposes of those districts. Existing law establishes the Stockton-East Water District as a water conservation district and authorizes the district to charge water rates for stream-delivered water and for domestic, agricultural, and municipal groundwater. Existing law establishes the district's water rates for the 1979 calendar year and prohibits the rates for stream-delivered water and for domestic and agricultural groundwater assessments after 1979 from exceeding the 1979 rates by more than 20% plus an inflation factor. Existing law makes those specified maximum amounts inapplicable on and after the date of any election in which a majority of those electors voting approve a contract by the district for new supplemental water or approve bonds for financing a distribution system for new supplemental water.

This bill would delete the provision making those specified maximum amounts inapplicable and would provide that water rates that exceed those specified maximum amounts may be adopted in accordance with law.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 9.4 of Chapter 819 of the Statutes of 1971, as added by Section 8 of Chapter 1126 of the Statutes of 1979, is amended to read:

- Sec.9.4. (a) The board, at a regular, special, or continued meeting between March 15 and April 15 of each year, shall hold a public hearing to consider the necessity, amount, and rates of a municipal ground water assessment, an agricultural ground water assessment, and a domestic ground water assessment, if any, to be levied for the then current calendar year and charges to be made for stream-delivered water to the extent that such charges for stream-delivered water are not controlled by contract or agreement.
- (b) Notice of the hearing shall be published pursuant to Section 6061 of the Government Code at least 10 days prior to the date of the hearing. Any person interested in the district may, in person or by representative, appear and submit evidence concerning the water conditions of the district, the financial needs of the district, proposals for rates, and other relevant matters.

- (c) Following the hearing, and prior to April 15 of that year, the board may, by adoption of an ordinance, determine, levy, and assess a municipal ground water assessment against all owners of water-producing facilities within the district which produce municipal ground water during the current year, an agricultural ground water assessment against all owners of water-producing facilities within the district which produce water from the ground during the current year for agricultural purposes, and a domestic ground water assessment against all owners of water-producing facilities within the district which produce domestic ground water and shall determine and fix charges for stream-delivered water for the current year to the extent that such charges for stream-delivered water are not governed by contract or agreement.
- (d) The method of computing ground water assessments and charges for stream-delivered water may be uniform for all water-producing facilities or may be uniform for each of several classes of water-producing facilities. The board shall, by rule, establish one or more methods to be used in computing the amount of water production from a water-producing facility which is not measured by a water-measuring device approved by the collector. Such methods shall be established by rule adopted by the board and may be based on any criteria which may be used to determine or estimate with reasonable accuracy the amount of water production.
- (e) The board, by rule, may waive any assessment upon any class or classes of water-producing facilities which it determines because of the small amount of water produced by such facilities, would yield to the district a sum less than the estimated cost of making and collecting the assessment.
- (f) Any ground water assessment or charges for stream-delivered water levied or made pursuant to this section shall be in addition to any general assessment levied by the district.
- (g) Clerical errors in the name of any owner or in other recorded information, or in the making or extension of any assessment upon the records which do not affect the substantial rights of the subject owner or owners, shall not invalidate the assessment.
- (h) The procedure established by Sections 9 to 9.4, inclusive, shall not be applicable for calendar year 1979. The rates for calendar year 1979 only are established as follows:
 - (1) The domestic ground water assessment shall be ten dollars (\$10) per domestic use unit, as such unit is established by the board.
 - (2) The rate for sales of stream-delivered water shall be seven dollars and sixty cents (\$7.60) per acre-foot of water.
 - (3) The agricultural ground water assessment rate shall be one dollar and sixteen cents (\$1.16) per acre-foot of water.
 - (4) The municipal ground water assessment rate shall be set at three dollars (\$3) per acre-foot of water.

It is not the intent of the Legislature that the rates set for 1979 shall serve as precedent for future rates.

- (i) For calendar year 1980 and thereafter, water rates shall be established in accordance with Sections 9 to 9.4, inclusive, except that no rate may be established in any calendar year which exceeds the individual rates set in paragraph (1), (2), or (3) of subdivision (h) by 20 percent plus a factor to reflect the percentage increase in the federal consumer price index with calendar year 1979 as a base; provided, however, that water rates that exceed those amounts may be adopted in accordance with law.
- (j) During calendar year 1980 and thereafter, water rates shall be established by ordinance following public notice. Such ordinances shall be subject to referendum, provided, however, that no referendum shall modify or affect the terms of any bond resolution issuing bonds approved by the voters.