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SB-10 Otay Mesa East Toll Facility Act: toll revenues. (2025-2026)

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AMENDED IN SENATE MARCH 13, 2025

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

SENATE BILL

NO. 10

Introduced by Senator Padilla

December 02, 2024

An act to amend Section 31475 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 10, as amended, Padilla. Otay Mesa East Toll Facility Act: toll revenues.

The Otay Mesa East Toll Facility Act authorizes the San Diego Association of Governments (SANDAG) to carry out a construction project for the State Highway Route 11 corridor, including, among other things, highway improvements and international border crossing facilities, to be operated as a toll facility. Existing law authorizes SANDAG to fix and revise from time to time and charge and collect tolls and other charges for entrance to or the use of the corridor, as provided. Existing law authorizes toll revenues to be used for specified costs, including, among other things, payments of a cooperative tolling agreement with the federal government of Mexico.

This bill ~~would~~ *would, consistent with applicable federal and state laws*, authorize those toll revenues to additionally be used to assist in the maintenance of the South Bay International Boundary and Water Commission sewage treatment facility *and the development of additional sanitation infrastructure projects related to the Tijuana River* pursuant to an agreement with the federal government. *The bill would require the repayment of bond obligations to take priority over other allocations of toll revenues.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the South Bay International Boundary and Water Commission sewage treatment facility located within the County of San Diego.

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

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

SECTION 1. The Legislature finds and declares all of the following:

(a) The Tijuana River Valley has been a longstanding site of significant environmental degradation due to cross-border pollution, including untreated sewage, industrial waste, and other contaminants that flow from Tijuana, Mexico, into the United States of America.

(b) According to the Department of Parks and Recreation, the Tijuana River National Estuarine Research Reserve is the largest coastal wetland and one of the few remaining salt marshes in southern California.

(c) This pollution severely impacts communities in California, particularly the City of Imperial Beach, and other nearby neighborhoods in the County of San Diego. These areas are experiencing elevated rates of respiratory illnesses, gastrointestinal diseases, and skin conditions linked to exposure to contaminated water and air.

(d) The rapid economic expansion in the border region, driven in part by trade agreements such as the United States-Mexico-Canada Agreement (USMCA), has resulted in increased industrial production, cross-border transportation, and waste generation, exacerbating pollution in the Tijuana River Valley.

(e) The life cycle of many products manufactured in the region, including electronics, textiles, and consumer goods, contributes to environmental degradation at every stage, from raw material extraction to production, transport, use, and disposal. Many of these products are produced in factories that discharge untreated waste into the Tijuana River or adjacent lands.

(f) The health and safety of residents and visitors to the Tijuana River Valley and surrounding communities are of paramount importance. The Legislature acknowledges the severe public health risks posed by ongoing pollution in the region and recognizes the need for a permanent funding source to provide resources to mitigate the crisis.

(g) Pursuant to the Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande Treaty of 1944 between the United States of America and Mexico, the International Boundary and Water Commission (IBWC) gained status as an international body to resolve water quality issues related to transboundary pollution from border rivers and streams.

(h) In 1996, the United States Section of the IBWC (USIBWC) used funding from the United States Environmental Protection Agency to build the South Bay International Wastewater Treatment Plant (SBIWTP). The plant is permitted to treat up to 25,000,000 gallons per day of raw sewage and other waste water.

(i) Due to unchecked expansion leading to unexpectedly high flows, the SBIWTP has become overwhelmed and left only partially operational in need of critical repairs. According to the IBWC, 100 billion gallons of untreated sewage and other pollutants have been dumped into the Tijuana River in the past five years.

(j) The USIBWC and the Mexico Section of the IBWC (La Comisión Internacional de Límites y Aguas or "CILA") entered into an agreement called the "Comprehensive Infrastructure Solution," which identified targeted infrastructure projects on both sides of the ~~border.~~ *border*. The latest cost estimate from the IBWC for implementation of this agreement is now \$900,000,000, which would repair and expand the capacity of the facility but does not include maintenance.

(k) In July 2020, Congress appropriated \$300,000,000 through the USMCA to mitigate the transboundary flows through expansion of the existing SBIWTP.

(l) In 2024, Congress appropriated \$156,000,000 as a part of the 2024 appropriations bill. However, there has been no ongoing funding source appropriated to maintain operations of the SBIWTP.

(m) The appropriation of an ongoing and reliable funding source is critical to the health and safety of the residents of the southern portion of the County of San Diego.

(n) Funds from the toll collected at the proposed East Otay Mesa may be used to address water and air pollution and used to offset the financial obligations to the IBWC from the federal government.

SEC. 2. Section 31475 of the Streets and Highways Code is amended to read:

31475. (a) Toll revenues under this chapter may be used to reimburse or finance the costs incurred in connection with the implementation, construction, maintenance, or operation of a project, including reimbursement of federal funds specifically allocated to SANDAG for a project or projects by the federal government or other funds from funding sources that are not otherwise available to state agencies for transportation-related projects. SANDAG shall be reimbursed for administrative costs in an amount that shall not exceed 3 percent of toll revenues under this chapter.

(b) Toll revenues shall be used to pay for costs in the following categories:

(1) Payments pursuant to bonds and resolutions, indentures, and other constituent instruments defining the rights of the holders of bonds and any repayment or reimbursement obligations of SANDAG to any providers of bond insurance or letters of credit or lines of credit related to bonds.

(2) SANDAG costs for operations, toll collection, and administration of the projects.

(3) Reimbursement or payment to federal, state, and local agencies for costs incurred by or payable to those agencies for services, equipment, goods, fixtures, operation, maintenance, personnel, or software provided to or in furtherance of a project that are reimbursable pursuant to a written agreement between SANDAG and the respective agency.

(4) Costs for capital improvements to repair or rehabilitate a project, to expand project capacity, to improve project operations, or to increase public transit and nonmotorized options in the corridor.

(5) Costs for projects that increase transportation options along the corridor or at the Otay Mesa East Port of Entry, including, but not limited to, public transit and nonmotorized transportation that would result in reduced vehicle miles traveled, pursuant to the plan approved by the board pursuant to subdivision (b) of Section 31476 that specifies the expenditure of toll revenues.

(6) Payments pursuant to an agreement under Section 31483.

(c) ~~Toll~~ *Consistent with applicable federal and state laws, toll* revenues may be used to assist in the maintenance of the South Bay International Boundary and Water Commission sewage treatment facility *and the development of additional sanitation infrastructure projects related to the Tijuana River* pursuant to an agreement with the federal government.

(d) The repayment of bond obligations shall take priority over other allocations of toll revenues under this chapter.

SEC. 3. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique need to mitigate the sewage crisis in the County of San Diego by funding the maintenance of the South Bay International Boundary and Water Commission sewage treatment facility.