

AMENDED IN ASSEMBLY APRIL 3, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2564

Introduced by Assembly Member Garcia

February 22, 2008

An act to ~~amend Section 21100 of~~ *add Section 22120.5 to, and add Part 2.5 (commencing with Section 20990) to Division 11 of,* the Water Code, relating to irrigation districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2564, as amended, Garcia. Irrigation districts.

Existing law, the Irrigation District Law, with certain exceptions, requires a director on the board of an irrigation district that provides electricity for residents of the district to be a voter of the district and a resident of the division that the director represents at the time of his or her nomination or appointment and during his or her entire term. *Existing law authorizes an irrigation district to sell, dispose of, and distribute electricity for use outside of the district's boundaries.*

~~This bill would make a technical, nonsubstantive change in that provision.~~

This bill would prohibit certain irrigation districts from discriminating, as defined, against electrical ratepayers residing outside the district boundaries. The bill would also prohibit certain irrigation districts from discriminating, as defined, against electrical ratepayers in favor of water ratepayers. These prohibitions would be applicable to an irrigation district that (1) has more than 50,000 service connections for electrical service, and (2) has a majority of the district's service connections for electrical service outside the district boundaries.

This bill would require the governing board of any irrigation district that supplies electricity outside the district boundaries that (1) has more than 50,000 service connections for electrical service, and (2) has 75% of the district’s service connections for electrical service outside the district boundaries, within one year of meeting these conditions, to cause to be placed on the ballot of the next regularly scheduled general election, for vote by the voters within the electrical service territory of the district, a proposal to reorganize to form a separate utility district, as defined, for the purpose of providing electrical service. By requiring the governing board of an irrigation district place certain matter on the ballot of a general election if certain conditions are met, the bill would impose a state-mandated local program.

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.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

1 SECTION 1. Part 2.5 (commencing with Section 20990) is
2 added to Division 11 of the Water Code, to read:

3
4 PART 2.5. REORGANIZATION OF ELECTRICAL SERVICE

5
6 20990. This part is applicable to any irrigation district that
7 supplies electric power outside the district boundaries pursuant to
8 Section 22120, if both of the following conditions exist:

9 (a) The district has more than 50,000 service connections for
10 electrical service.

11 (b) Seventy-five percent or more of the district’s service
12 connections for electrical service are outside the district boundaries.

13 20991. For purposes of this part, “utility district” means either
14 a municipal utility district formed and operating pursuant to
15 Division 6 (commencing with Section 11501) of, or a public utility
16 district formed and operating pursuant to Division 7 (commencing
17 with Section 15501) of, the Public Utilities Code.

1 20992. *Within one year of an irrigation district meeting the*
2 *two conditions in subdivision (a) of Section 20990, the governing*
3 *board of the district shall cause to be placed on the ballot of the*
4 *next regularly scheduled general election, for vote by the voters*
5 *within the electrical service territory of the district, a proposal to*
6 *reorganize to form a separate utility district for the purpose of*
7 *providing electrical service.*

8 20993. *(a) Votes for and against reorganizing to form a*
9 *separate utility district shall be separately tabulated for the*
10 *following:*

11 *(1) The voters within the district.*

12 *(2) The voters within the electrical service territory of the district*
13 *that are outside the district boundaries.*

14 *(b) If a majority of the total votes within the district and outside*
15 *the district are in favor of reorganizing to form a utility district*
16 *for the provision of electricity, a separate utility district shall be*
17 *formed to provide electrical service throughout the entire electrical*
18 *service territory of the irrigation district.*

19 *(c) If the majority of the votes within the electrical service*
20 *territory of the district that are outside the district boundaries are*
21 *in favor of reorganizing to form a separate utility district for the*
22 *provision of electricity, but the majority of votes within the district*
23 *are against reorganization, a separate utility district shall be*
24 *formed to provide electrical service only for the electrical service*
25 *territory of the irrigation district that is outside the district.*

26 *(d) If the majority of the votes within the electrical service*
27 *territory of the district that are outside the district boundaries are*
28 *against reorganization, the governing board of the irrigation*
29 *district shall take no further action to form a separate utility district*
30 *for providing electrical service within the service territory of the*
31 *irrigation district.*

32 20994. *The irrigation district and any utility district formed*
33 *pursuant to this part may form a joint powers agency.*

34 20995. *Notwithstanding any other law, an individual may serve*
35 *on both the governing board of the irrigation district and a utility*
36 *district formed pursuant to this part.*

37 *SEC. 2. Section 22120.5 is added to the Water Code, to read:*

38 22120.5. *(a) This section is applicable to any irrigation district*
39 *that supplies electric power outside the district boundaries pursuant*
40 *to Section 22120, if both of the following conditions exist:*

1 (1) The district has more than 50,000 service connections for
2 electrical service.

3 (2) A majority of the district’s service connections for electrical
4 service are outside the district boundaries.

5 (b) An irrigation district that meets the conditions in subdivision
6 (a) shall not discriminate against electrical ratepayers residing
7 outside the district boundaries. For purposes of this subdivision,
8 “discriminate” means a difference in rates that is not functionally
9 related to a customer classification that is independent of where
10 the customer resides.

11 (c) An irrigation district that meets the conditions in subdivision
12 (a) shall not discriminate against electrical ratepayers in favor of
13 water ratepayers. For purposes of this subdivision, “discriminate”
14 means the allocation of costs to electrical ratepayers that are
15 recovered in electrical rates that should reasonably be allocated
16 to water users.

17 (d) Any court that finds that the requirements of this section
18 have been violated shall make a request to the state Public Utilities
19 Commission to fashion a remedy for the violation.

20 SEC. 3. No reimbursement is required by this act pursuant to
21 Section 6 of Article XIII B of the California Constitution because
22 a local agency or school district has the authority to levy service
23 charges, fees, or assessments sufficient to pay for the program or
24 level of service mandated by this act, within the meaning of Section
25 17556 of the Government Code.

26 SECTION 1. ~~Section 21100 of the Water Code is amended to~~
27 ~~read:~~

28 ~~21100. (a) Each director, except as otherwise provided in this~~
29 ~~division, shall be a voter and a landowner in the district and a~~
30 ~~resident of the division that he or she represents at the time of his~~
31 ~~or her nomination or appointment and through his or her entire~~
32 ~~term, except in the case of the director elected at a formation~~
33 ~~election. A director elected at a formation election shall be a~~
34 ~~resident, landowner, and voter in the proposed district at the time~~
35 ~~of his or her nomination and a resident of the division that he or~~
36 ~~she represents during his or her entire term.~~

37 ~~(b) In any district having no more than 15 landowners who are~~
38 ~~voters in the district, a person need not be a voter but shall be~~
39 ~~qualified to be a director of the district if he or she is a landowner~~

1 of the district at the time of his or her nomination or appointment
2 and during his or her entire term.

3 (e) In a district that provides retail electricity for residents of
4 the district, each director, except as otherwise provided in this
5 division, shall be a voter of the district and a resident of the division
6 that he or she represents at the time of his or her nomination or
7 appointment and during his or her entire term, except in the case
8 of a director elected at a formation election. A director elected at
9 a formation election shall be a resident in the proposed district at
10 the time of his or her nomination and a resident of the division that
11 he or she represents during his or her entire term.

12 (d) ~~(1)~~ Notwithstanding subdivision (a) of Section 21100, except
13 as provided in paragraph (2), for the purpose of meeting the
14 requirements of that subdivision, a person need not be a landowner
15 within the district to be qualified to be a director of the district if
16 either of the following applies:

17 (A) The person serves or seeks to serve on the board of directors
18 of a district without divisions and the district is required to submit
19 an urban water management plan pursuant to the Urban Water
20 Management Planning Act (Part 2.6 (commencing with Section
21 10610) of Division 6):

22 (B) The person serves or seeks to serve on the board of directors
23 of a district with divisions, the district is required to submit an
24 urban water management plan pursuant to the Urban Water
25 Management Planning Act (Part 2.6 (commencing with Section
26 10610) of Division 6), and the district, within the division that the
27 person represents or seeks to represent, supplies water as a public
28 water system subject to Chapter 4 (commencing with Section
29 116270) of Part 12 of Division 104 of the Health and Safety Code.

30 (2) A director appointed or elected before January 1, 2007, shall
31 be subject to the qualification requirements imposed by subdivision
32 (a) until the expiration of his or her term.

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