AMENDED IN ASSEMBLY JANUARY 6, 2000 AMENDED IN ASSEMBLY JUNE 10, 1999

CALIFORNIA LEGISLATURE-1999-2000 REGULAR SESSION

ASSEMBLY BILL

No. 1398

Introduced by Assembly Member Papan

February 26, 1999

An act to add Section 23028 to the Government Code, relating to the San Francisco An act relating to the San Francisco Public Utilities Commission.

LEGISLATIVE COUNSEL'S DIGEST

AB 1398, as amended, Papan. San Francisco Public Utilities Commission: water rates State Auditor.

(1) Under

Under existing law, the San Francisco Public Utilities Commission supplies water at wholesale to various retail water suppliers.

This bill would declare that it is the intent of the Legislature to implement the recommendations set forth in the State Auditor's audit report concerning the San Francisco Public Utilities Commission. require the commission to prescribe rates for the sale of water at wholesale that reflect the proportional cost of delivering water to retail water suppliers, thereby imposing 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

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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.

Vote: majority. Appropriation: no. Fiscal committee: <u>yes</u> *no*. State-mandated local program: <u>yes</u> *no*.

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

- 1 SECTION 1. Section 23028 is added to the
- 2 SECTION 1. It is the intent of the Legislature to
- 3 implement the recommendations set forth in the State
- 4 Auditor's audit report concerning the San Francisco
- 5 Public Utilities Commission.
- 6 Government Code, to read:
- 7 23028. The San Francisco Public Utilities Commission
- 8 shall prescribe rates for the sale of water at wholesale that 9 reflect the proportional cost of delivering water to retail
- 10 water cumpliors
- 10 water suppliers.
- 11 SEC. 2. Notwithstanding Section 17610 of the
- 12 Government Code, if the Commission on State Mandates
- 13 determines that this act contains costs mandated by the
- 14 state, reimbursement to local agencies and school
- 15 districts for those costs shall be made pursuant to Part 7
- 16 (commencing with Section 17500) of Division 4 of Title
- 17 2 of the Government Code. If the statewide cost of the
- 18 claim for reimbursement does not exceed one million
- 19 dollars (\$1,000,000), reimbursement shall be made from
- 20 the State Mandates Claims Fund.