

AMENDED IN SENATE MAY 11, 1999

AMENDED IN SENATE APRIL 5, 1999

SENATE BILL

No. 855

Introduced by Senator Haynes

February 25, 1999

An act to amend Sections 13580.5 and 13580.7 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 855, as amended, Haynes. Recycled water.

(1) The Water Recycling Act of 1999 requires the rate for, and conditions of, recycled water service to be established by contract between a public agency retail water supplier and the customer, if there is no rate in effect for recycled water service within the service area of that supplier and prescribes certain other requirements relating to recycled water service rates established by a public agency retail water supplier on and after January 1, 1999.

This bill would allow a customer to request, in writing, a retail water supplier to enter into an agreement or adopt recycled water rates in order to provide recycled water service to the customer. The bill would require the public agency retail water supplier, by certified mail return receipt requested, to submit a written offer to the customer not later than 90 days from the date on which the retail water supplier receives the written request from the customer. The bill would require the rate and conditions for recycled water service to be established by contract between the retail water

supplier and the customer, if no rate is in effect for recycled water service within the service area of a retail water supplier, not later than 120 days from the date of the customer's request for a contract, or, by resolution or ordinance by the retail water supplier, not later than 120 days from the date of the customer's written request for an ordinance or resolution. By imposing duties on public agency retail water suppliers, the bill would impose 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 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.~~

~~(2) 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: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 13580.5 of the Water Code is
 2 amended to read:
 3 13580.5. (a) (1) Subject to subdivision (e) of Section
 4 13580.7, a retail water supplier that receives a request
 5 from a customer pursuant to subdivision (c) of Section
 6 13580 shall enter into an agreement to provide recycled
 7 water, if recycled water is available, or can be made

1 available, to the retail water supplier for sale to the
2 customer.

3 (2) Notwithstanding paragraph (1), in accordance
4 with a written agreement between a recycled water
5 producer or a recycled water wholesaler and a retail
6 water supplier, the retail water supplier may delegate to
7 a recycled water producer or a recycled water wholesaler
8 its responsibility under this section to provide recycled
9 water.

10 (b) A customer may not obtain recycled water from a
11 recycled water producer, a recycled water wholesaler, or
12 a retail water supplier that is not the retailer without the
13 agreement of the retailer.

14 (c) If either a recycled water producer or a recycled
15 water wholesaler provides a customer of a retail water
16 supplier with a written statement that it can and will
17 provide recycled water to the retailer, the retail water
18 supplier shall, not later than 120 days from the date on
19 which the retail water supplier receives the written
20 statement from the customer, by certified mail, return
21 receipt requested, submit a written offer to the customer.
22 A determination of availability pursuant to Section 13550
23 is not required.

24 (d) If the state board pursuant to Section 13550 makes
25 a determination that there is available recycled water to
26 serve a customer of a retail water supplier, the retail
27 water supplier, not later than 120 days from the date on
28 which the retail water supplier receives a copy of that
29 determination from the customer, by certified mail,
30 return receipt requested, shall submit a written offer to
31 the customer.

32 SEC. 2. Section 13580.7 of the Water Code is amended
33 to read:

34 13580.7. (a) This section applies only to a retail water
35 supplier that is a public agency.

36 (b) A customer may request, in writing, a retail water
37 supplier to enter into an agreement or adopt recycled
38 water rates in order to provide recycled water service to
39 the customer. The retail water supplier, by certified mail
40 return receipt requested, shall submit a written offer to

1 the customer not later than 90 days from the date on
2 which the retail water supplier receives the written
3 request from the customer.

4 (c) If no rate is in effect for recycled water service
5 within the service area of a retail water supplier, the rate
6 and conditions for recycled water service shall be
7 established by contract between the retail water supplier
8 and the customer, not later than 120 days from the date
9 of the customer requests a contract, or, by resolution or
10 ordinance by the retail water supplier, not later than 120
11 days from the date on which the retail water supplier
12 receives the customer's written request for an ordinance
13 or resolution.

14 (d) A rate for recycled water service established by
15 contract, ordinance, or resolution, shall reflect a
16 reasonable relationship between the amount of the rate
17 and the retail cost of obtaining or producing the recycled
18 water, the cost of conveying the recycled water, and
19 overhead expenses for providing recycled water service.
20 Capital costs of facilities required to serve the customer
21 shall be amortized over the economic life of the facility,
22 or the length of time the customer agrees to purchase
23 recycled water, whichever is less. The rate shall not
24 exceed the estimated reasonable cost of providing the
25 service, and any additional costs agreed to by the
26 customer for recycled water supplemental treatment.

27 (e) The rate for recycled water shall be comparable to,
28 or less than, the retail water supplier's rate for potable
29 water. If recycled water service cannot be provided at a
30 rate comparable to, or less than, the rate for potable
31 water, the retail water supplier is not required to provide
32 the recycled water service, unless the customer agrees to
33 pay a rate that reimburses the retail water supplier for the
34 costs described in subdivision (c).

35 (f) The offer required by subdivisions (c) and (d) of
36 Section 13580.5 shall identify all of the following:

- 37 (1) The source for the recycled water.
- 38 (2) The method of conveying the recycled water.
- 39 (3) A schedule for delivery of the recycled water.
- 40 (4) The terms of service.



(5) The rate for the recycled water, including the per-unit cost for that water.

(6) The costs necessary to provide service and the basis for determining those costs.

(g) This section does not apply to recycled water service rates established before January 1, 1999, or any amendments to those rates.

~~SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.~~

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