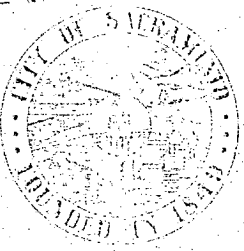


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CITY OF SACRAMENTO CALIFORNIA

OFFICE OF THE
CITY MANAGER

March 21, 1985

CITY HALL
915 I STREET - 95814
(916) 449-5704

Law & Legislative Committee
Sacramento, California

Honorable Members In Session:

SUBJECT: AMENDMENTS TO THE SACRAMENTO COUNTY WATER AGENCY ACT

SUMMARY

This report recommends that the Law & Legislative Committee review and endorse the proposed amendments to the Sacramento County Water Agency Act. These amendments are designed to allow the Agency to manage groundwater use in the urbanized area of Sacramento County.

BACKGROUND

The Sacramento County Water Agency is seeking amendments to State legislation which will empower the agency to manage groundwater principally in the urbanized areas of Sacramento County, including the City of Sacramento.

Recently, a task force consisting of representatives of the City, the County, the Farm Bureau, the County Taxpayer's League, urban water purveyors, agricultural water purveyors and a representative of the Assembly Office of Research was formed at the request of Assemblyman Lloyd Connelly. The County's Legislative Advocate, Baxter Culver, chaired the task force which met several times in an effort to draft amendments to the County Water Agency Act which were acceptable to all parties. The task force did arrive at a consensus and a revised groundwater amendments list was approved by the Board of Directors of the Sacramento County Water Agency. (Board of Supervisors) on March 19, 1985.

The new authority sought by the Sacramento County Water Agency is an essential part of the overall effort to transfer the Sacramento metropolitan area's dependency on groundwater to treated surface water in the future years. This objective is shared by the City of Sacramento and is an integral part of the City Council's support for the Metropolitan Water Plan which designates the City as the major purveyor of treated surface water in this urban area.

The main text of amendments to existing legislation are attached for your review and consideration. The staff of the City Department of Public Works will be present to respond to Committee's questions on this matter.

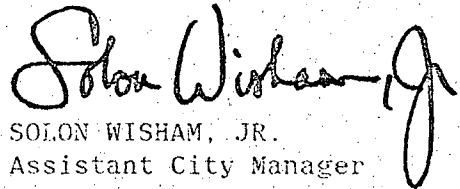
FINANCIAL DATA

Support of this legislation will have no immediate financial impact on the City, however, in future years, the City will be expected to pay groundwater charges which are levied pursuant to the subject act. Proceeds from groundwater charges will be expended to benefit only the zone in which they are collected.

RECOMMENDATION

It is recommended that the Law and Legislative Committee review and endorse the revised groundwater amendments to the Sacramento County Water Agency Act and further, recommend the endorsement of the City Council.

Respectfully submitted,


SOLON WISHAM, JR.
Assistant City Manager

Attachment:

cc: Walter J. Slipe, City Manager
Mel Johnson, Director of Public Works
Brian Richter, County Executive
Dee McKenzie, County Director of Public Works

All Districts
March 28, 1985

ATTACHMENT

March 19, 1985

CHANGES FROM AMENDMENTS APPROVED
BY THE BOARD OF DIRECTORS ON
JANUARY 8, 1985

Section 32.1, Pages 2 through 6:

This section was reworded and rearranged to provide more detailed procedural provisions and more definitive findings preceding the actual formation of groundwater management zones.

Section 32.3, Page 7:

Clearer, more direct wording substituted.

Section 32.6, Page 11:

Revised language clarifies that groundwater charges are to be expended only for the benefit of the zone from which they are collected.

Section 32.7, Page 13:

Deleted provision is covered in Section 32.19, page 28.

Section 32.10, Pages 17 and 18:

New language clarifies the items to be considered in establishing agricultural and municipal/industrial groundwater charges and places a maximum limit on the groundwater charge.

Section 32.14, Page 23:

Deletes the details of what information shall be included in the annual report. The information is required by other sections.

Section 32.15, Page 24 through 26:

Revised language clarifies time limits, that water production is to be determined, and how notice is to be made.

Section 32.19, Page 28 and 29:

Revised language clarifies that the provisions of this section apply when water production is in excess of sworn statements, that notice must be given before entering property, and that the legislation does not empower the Agency to install water meters on residential services.

Section 33, Page 33:

Added language clarifies that four members (an absolute majority) of the Water Advisory Commission is necessary to approve its actions.

Section 33.2, Page 35:

New language clarifies that the legislation does not affect existing authorities of other water purveyors.

March 19, 1985

An Act to add Sections 32, 32.1, 32.2, 32.3, 32.4, 32.5, 32.6, 32.7, 32.8, 32.9, 32.10, 32.11, 32.12, 32.13, 32.14, 32.15, 32.16, 32.17, 32.18, 32.19, 32.20, 32.21, 32.22, and 33 to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), relating to the Sacramento County Water Agency.

The People of the State of California do enact as follows: Sections 32 through 33 are added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

Section 1. Section 32 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session) to read:

32. Groundwater Management

Studies by the Department of Water Resources and others have documented that groundwater overdraft conditions exist within the boundaries of the Agency and that the overdraft could result in groundwater quality degradation, land subsidence, and other adverse impacts. In order to prevent such impacts the Agency may establish within its boundaries groundwater management zones for the purpose of distributing surface water to replenish the groundwater basin and to stabilize groundwater levels and for collecting from the beneficiaries of these activities fees and charges to accomplish these purposes. The Agency will form such zones only when necessary to carry out the provisions of this act.

Section 2. 32.1 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.1. Groundwater management zone; Formation.

A groundwater management zone may be formed of an area to be benefited by the importation and distribution of surface water primarily for municipal and industrial uses.

(a) Whenever the Agency board of directors deems it necessary to form a groundwater management zone or to perform the other acts provided in this section, the Agency shall by resolution set forth all of the following:

(1) A declaration of the necessity therefore including findings that one or more of the following conditions exist:

- a) declining groundwater levels
- b) degradation of groundwater quality
- c) ground subsidence
- d) saltwater intrusion

(2) A finding supported by evidence that there is an alternative source for replenishment or replacement of groundwater which is presently available and physically capable of delivery within the zone and economically feasible in light of proposed uses and anticipated costs and other impacts upon users of both surface and groundwater.

(3) The purpose of forming the groundwater management zone and of performing the other acts herein authorized and the benefit to the zone which will be derived therefrom.

- (4) The boundaries of the proposed zone which will be benefited;
- (5) The title of the proposed zone, which shall be "Sacramento County Water Agency Zone No. _____";
- (6) The date and place where a hearing will be held on the proposed action.

(a) Prior to formation of a groundwater management zone the Agency may cause hearings to be held to define groundwater problems and their solutions and cause preliminary reports to be prepared to include preliminary findings regarding the problems and their solutions and recommending what further actions the Agency should take. Notification of such preliminary hearings shall be in the same manner as the regular meetings of the Agency Board.

(b) Whenever the Agency Board of Directors proposes to form a groundwater management zone, the Agency shall adopt a resolution of intention to form the groundwater management zone and provide notice of a public hearing as required herein. Such resolution of intention shall state the following:

- (1) The purpose of forming the groundwater management zone and of performing the other acts herein authorized and the benefit to the zone which will be derived therefrom;
- (2) The boundaries of the proposed zone which will be benefited;
- (3) The title of the proposed zone, which shall be "Sacramento County Water Agency Zone No. _____";
- (4) The date and place where a hearing will be held on the proposed action.

~~(b)~~ (c)

A copy of the resolution shall be mailed to all owners and operators of water-producing facilities within the proposed zone as shown in Agency records, and shall be published pursuant to Section 6062 of the Government Code in a newspaper of general circulation published in the proposed zone, and if there is none, then in a newspaper of general circulation published within the boundaries of the Agency. Notice shall be mailed and published 30 60 days in advance of all hearings.

~~(e)~~ (d)

At the hearing, any interested person, including persons owning property within the proposed zone, may appear and present any matters material to questions set forth in the resolution.

(e) After completion of the public hearing noticed in the resolution of intention, if the Agency Board of Directors deems it necessary to form a groundwater management zone, the Board shall by resolution set forth all of the following:

(1) A declaration of the necessity therefore including findings supported by substantial evidence that one or more of the following conditions exist:

- a) Declining groundwater levels
- b) Degradation of groundwater quality
- c) Ground subsidence
- d) Saltwater intrusion

(2) A finding supported by substantial evidence that there is an alternative source for replenishment or replacement of groundwater which is presently available and physically

capable of delivery within the zone and economically feasible in light of proposed uses and anticipated costs and other impacts upon users of both surface and groundwater.

~~(d)~~ (f)

Following a properly noticed hearing, the Agency board of directors may exclude from the proposed zone any territory which, in its opinion, would not be benefited by being in the proposed zone. Lands not included in the resolution shall not be included within the proposed zone except after a hearing held by the board on the inclusion thereof, and after notice of such hearing duly given in the manner provided for the ~~principal~~ hearing in ~~subdivision B above.~~ in this section.

~~(e)~~ (g)

The Agency board shall not modify the boundaries of the proposed zone so as to exclude therefrom any land which would be benefited by the formation of the zone, nor shall there be included in the proposed zone any lands which would not, in the judgment of the board, be benefited. If written protests have been made ~~ten~~ at least fifteen working days prior to the commencement of hearings on formation of a zone, representing either more than one-half of the land area or one half of the register voters within the proposed zone, the board shall so find, following verification of the protest, and the hearing shall be cancelled at least five working days in advance of the hearing date. Notice of cancellation shall be in the same manner in which notice of the hearing was given.

~~(f)~~ (h)

~~After making all necessary and proper changes in the boundaries,~~
~~the board shall, by resolution, establish the zone and set its~~
~~boundaries.~~ If changes in the boundaries of the proposed zone
are deemed necessary by the Board, additional hearings following
procedures pursuant to this section shall be scheduled after
notification of owners and operators of water producing
facilities affected by such changes.

~~(g)~~ (i)

The determination of the board as to the area benefited by the zone shall be final and conclusive, unless amended by the board by following the procedures set forth in this section.

~~(h)~~ (j)

Territory may be added to or removed from a groundwater management zone in the manner herein provided for its creation.

~~(k)~~ The formation of a zone shall become final thirty (30) days after
adoption of the resolution of formation by the board.

~~(i)~~ (l)

Irregularities in any zone formation proceeding, not having a substantial adverse effect upon the legal rights of any person, shall not invalidate any such proceeding.

~~(j)~~ (m)

Any proceeding challenging the validity of any procedure followed pursuant to this section shall be commenced within forty-five days of the date of such procedure.

Section 3. Section 32.2 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.2 Supervision and control; Obligations of Zone.

Any groundwater management zone formed pursuant to this Act shall be under the supervision, direction and control of the Agency board. Any obligation created on behalf of a groundwater management zone shall be limited to a charge against the properties situated within such zone. All provisions of this Act, insofar as they are applicable, including all provisions relating to bonds, contracts, assessments, groundwater charges and promissory notes, shall apply to and govern groundwater management zones.

Section 4. Section 32.3 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.3 Power to levy and collect groundwater charges for production from groundwater supplies; Prerequisite authorization; Description of territory excluded.

The board shall have the power, in addition to the powers enumerated elsewhere in this Act, to levy and collect groundwater charges for the production of water from the groundwater supplies within any groundwater management zone which will benefit from the replenishment or replacement of underground water supplies through distribution of surface water in such zone. The Board, after creating a groundwater management zone, may levy and collect groundwater charges from the production of groundwater within that zone.

The power to collect such charges shall extend to groundwater pumping

facilities owned by the State of California or any of its agencies or subdivisions. Such groundwater charge may be a single overall rate per acre foot for all purposes described in Section 32.6 or may be a multiple charge with one charge for administration of this Act, which would be a uniform rate on all groundwater production each year and a separate charge for the purposes described in Section 32.6 which may or may not be at one uniform rate for agricultural water and at different rates for all water other than agricultural water; and provided further that the levying of such charges has been authorized in such zone in the resolution adopted pursuant to Section 32.1 declaring the formation of such zone.

Section 5. Section 32.4 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session, to read:

32.4. Definitions used in connection with groundwater charge.

As used in connection with the groundwater charge, the following words shall have the following respective meanings:

- (a) "Person," "owner" or "operator" means federal, state, and local agencies, private corporations, firms, partnerships, individuals or groups of individuals, whether legally organized or not.
- (b) "Owner" or "operator" also means the person to whom a water-producing facility tax assessment is sent by the County Assessor, or, if not separately assessed, the person who owns the land upon which a water-producing facility is located.

- (c) "Groundwater" means all water beneath the earth's surface, whether or not flowing through known and definite channels, but does not include any water which is subject to appropriation under Part 2 commencing with Section 1200, of the Water Code.
- (d) "Production" or "producing" means the extraction of groundwater, by pumping or any other method, from shafts, tunnels, wells, excavations or other means of access to such groundwater, for domestic, municipal, irrigation, industrial, or other use, except that such terms shall not mean or include the extraction of groundwater produced in the construction or reconstruction of a well, or water incidentally produced with oil or gas in the production of oil or gas, or water incidentally produced in a bona fide mining operation, or water incidentally produced in the bona fide construction of a tunnel, or dewatering for construction.
- (e) "Water-producing facility" means any device or method, mechanical or otherwise, for the production of water from the groundwater supplies within a zone.
- (f) "Water year" means October 1 of one calendar year to September 30 of the following calendar year.
- (g) "Agricultural water" means water used in the growing and harvesting of plant crops, raising of livestock, fish, or poultry, for the operation of dairies, or other on farm agricultural uses.
- (h) "Water purveyor" means irrigation districts, County water districts, water conservation districts, municipalities, any

other districts or political subdivisions of the State empowered by law to appropriate water and to deliver water to users, mutual water companies, and public water utilities as defined in Section 216 of the Public Utilities Code.

(i) "Board" means the Board of Directors of the Sacramento County Water Agency unless expressly defined to the contrary; and "board" and "Agency" are used interchangeably herein.

(j) "Small water producing facility" means facilities which have a discharge opening not greater than a size to be specified by the board and which do not provide water for an area in excess of that to be specified by the board.

Section 6. Section 32.5 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.5. Resolution of intention to establish groundwater charge:

Publication.

Prior to the establishment of any groundwater charge in any zone, the board shall adopt a resolution stating its intention to do so, designating the zone in which it is proposed that such charges be levied, and requiring the registration of all water-producing facilities located within such zone as provided in Section 32.15 of this Act. Said resolution shall be published once a week for three consecutive weeks in a newspaper of general circulation published within the zone or zones to be affected, and if there are none, then a newspaper of general circulation published within the boundaries of the Agency.

Section 7. Section 32.6 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.6 Declaration of purpose of groundwater charge levies; Authorized use of proceeds.

Groundwater charges levied pursuant to this Act are to be in furtherance of Agency activities designed to protect and augment water supplies of water management zones and those charges are necessary to preserve health, welfare and safety of the people of this state. may only be expended for the benefit of the zone from which the groundwater charges have been collected. Such groundwater charges are to be levied upon the production of groundwater from all water-producing facilities, whether public or private, which are located within said zone. Proceeds from said charges shall be used for the benefit of all who rely directly or indirectly upon the groundwater supplies and surface water supplied to such zone.

The proceeds of groundwater charges levied and collected upon the production of water from groundwater supplies within any zone are authorized and shall be used exclusively by the board for the following purposes.

- (a) to pay the costs which will benefit the zone for administration, planning and studies for the purposes of stabilizing groundwater levels, protecting the groundwater quality, purchasing surface water, implementing plans adopted or to be adopted by the Agency, and carrying out the purposes of the Agency and for the zone.

- (b) To pay the costs of purchasing surface water or surface water rights which will benefit such zone, including payments made under any contract with the State of California, the United States of America, or any public, private or municipal utility, and including the reimbursement of entities for existing benefits provided to the management zone.
- (c) To pay the costs of acquiring, constructing, maintaining and operating facilities which will provide surface water for direct delivery or groundwater replenishment or replacement for the benefit of the zone, or which will measure groundwater extractions; provided, the management zone shall not directly serve retail customers of existing surface or groundwater purveyors except with the consent of such existing water purveyor.
- (d) To pay any administrative costs and the principal and/or interest of any bonded indebtedness or other obligations incurred by the Agency on behalf of such zone or zones for any of the purposes set forth in subdivision (c) of this section.
- (e) Proceeds from groundwater charges shall be expended only on behalf of the zone in which they are collected.

Section 8. Section 32.7 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.7 Required registration of water-producing facilities located within zone following resolution of intent; Penalty for failure to register; Information required in registration.

Within six months after the last date of publication of the resolution provided for in Section 32.5 stating the board's intent to establish a groundwater charge in a zone, all water-producing facilities located within the boundaries of such zone shall be registered with the Agency by the owner or operator thereof on forms provided by the Agency and, if required by the Agency, shall be equipped with a water-measuring device or other method of measurement satisfactory to the Agency, and installed by the Agency, or, at the Agency's option, by the operator thereof. Any new water-producing facility, constructed or reestablished, or any abandoned water-producing facility which is reactivated, after such six month period, shall be registered with the Agency, and if required by the Agency, shall be equipped with a water-measuring device satisfactory to the Agency within 30 days after the completion or reestablishment thereof.

Failure to register any water-producing facility, as required by this Act, is a misdemeanor punishable by a fine of not to exceed five hundred dollars (\$500), or imprisonment in the County Jail for not to exceed six months, or by both such fine and imprisonment.

In addition to other information which the Agency may determine is necessary and may require in the registration form to be provided to water-producing facilities, each facility shall also identify the

owner or owners of the land upon which it is located, and shall provide its general description and location, the name and address of the person charged with its operation and the name or names and addresses of all persons owning or claiming to own an interest in the facility.

On the initial registration form each operator shall state to the extent possible from obtainable records the quantity of groundwater produced from each water-producing facility, and the method of measurement of such water production, in each of the 5 water years immediately preceding the date on which a groundwater charge became effective, except the board may waive this requirement for operators of small water producing facilities or where the board finds that water production records are not available for good and sufficient reason.

Section 9. Section 32.8 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.8. Annual report by Agency engineer: Information to be included.

After adoption of the resolution provided for in Section 32.5, the Agency engineer shall annually prepare a report which shall include, among other matters which the Agency may desire, information on the availability of surface and groundwater in the zone, the quantity of water needed for surface delivery and for replenishment or replacement of groundwater supplies within the zone for the ensuing water year, the amount of water which the Agency is obligated to purchase for use in the zone during the ensuing water year and an

estimate of the amount of groundwater to be extracted within the zone during the ensuing water year.

Section 10. Section 32.9 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.9. Provisions governing delivery, publication, etc., of engineering report; Notice of hearing and hearing; Findings and determination by board.

(a) On or before January 1 of each year the engineering report described in Section 32.8 shall be delivered to the clerk of the board in writing. The clerk shall publish pursuant to Section 6061 of the Government Code, a notice of the receipt of such report and of the public hearing to be held on or before the second Tuesday of February, in a newspaper of general circulation published within the zones affected, and if there is none, then in a newspaper of general circulation published within the boundaries of the Agency, at least 10 days prior to the date at which the public hearing regarding said engineering report shall be held. Said notice, among other information which the Agency may provide therein, shall designate the time and place where such hearing shall be held, the body conducting the hearing, and contain an invitation to all operators of water-producing facilities within the zone to call at the offices of the Agency to examine said engineering report.

(b) The Board shall cause to be held on or before the second Tuesday of February of each year a public hearing at which time any operator of a water-producing facility situated within the zone or any person interested in the condition of the groundwater supplies or the surface water supplies within the zone, may in person, or by representative, appear and submit evidence concerning the groundwater conditions and/or surface water supplies within the zone. Appearances also may be made supporting or protesting the written engineering report. The board shall, before the levy of a groundwater charge, find and determine the estimated amount of agricultural water to be withdrawn from the groundwater supplies of the zone for the ensuing water year; the amount of water other than agricultural water to be withdrawn from the groundwater supplies of the zone for the ensuing water year; the estimated amount of water necessary for surface distribution in the zone for the ensuing water year; and the amount of water the zone is obligated by contract to purchase. Said findings and determinations by the board shall be conclusive and binding upon all persons and parties.

Section 11. Section 32.10 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.10. Determination as to levy of groundwater charge; Levy and assessment; Computation of rates; Charge as additional to other taxes or assessments; Effect of clerical errors.

(a) Within 30 days from the close of said hearing, if not conducted by the board, the hearing body shall refer its findings and recommendations to the board. The board shall conduct additional public hearings, as necessary, subject to the notification requirements in Section 32.9, and within 30 days from the close of said additional hearings, the board shall determine whether or not groundwater charges should be levied in such zone or zones.

If the board determines that such groundwater charge or charges should be so levied, it shall levy, assess, and affix such charge or charges against all persons operating groundwater producing facilities within such zone or zones during the ensuing water year. The charges shall be computed so that the difference between groundwater charges for agricultural use and such charges for municipal and industrial use shall not be less than the differential between the charges for agricultural water and for municipal and industrial water in the Agency's water service contract from which the Agency serves the zone. If no such differential exists, the charges may or may not be computed at a fixed and uniform rate per acre-foot for agricultural water produced and at different rates per acre-foot for the production of all water other than agricultural water. In establishing the groundwater charges for agricultural water use and for municipal and industrial water use the Agency shall consider the following:

- (1) The capital, interest and operating cost of delivering surface water to the zone;
- (2) The differential, if any, in the cost of purchasing surface water for agricultural use in the zone, and the cost of

purchasing surface water for municipal and industrial use in the zone;

- (3) The financial benefit which has been created to the groundwater table by the importation of surface water into the zone.
- (4) The cost of treatment of surface water if required and if provided by the Agency shall be paid for through municipal and industrial groundwater charges and not through agricultural groundwater charges.
- (5) Revenue from other sources available to the agency which would reduce the level of groundwater charges, capital costs, or operating costs.

With respect to small water-producing facilities the board may, for administrative convenience, assess a flat annual charge. However, the Board may waive any minimal charge, the collection of which is determined by the Board not to result in net economic benefit to the ~~district~~ Agency.

- (b) Any groundwater charge levied pursuant to this section shall be in addition to any taxes or other assessments, if any, levied within the Agency or any zone or zones thereof.
- (c) The groundwater charge shall not exceed 25% of the cost of importing water into the zone.

(e) (d)

Any clerical errors in the name of any person or in the name or description of any water-producing facility where the production of water therefrom is otherwise properly charged, and, which errors do not affect the substantial rights of any person charged, shall not invalidate the groundwater charge.

~~(d)~~ (e)

Collection of groundwater charges shall be performed by the County Treasurer-Tax Collector if so requested by the board.

Section 12. Section 32.11 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.11. Notice of groundwater charge levy; Mailing.

After levying groundwater replenishment or replacement charges, the Agency shall give notice thereof to each operator of each water-producing facility, as shown in the records of the Agency as being located in the zone or zones in which such charge or charges are levied. Said notice shall state the groundwater charge applicable to said water-producing facility for each acre-foot of water to be produced during the ensuing water-year. Said notice may be sent by postal card or by other first-class mail and with postage prepaid by the Agency.

Section 13. Section 32.12 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.12. Filing required by owner or operator of water producing facility in zone levying groundwater charge; Contents; When charges due and payable; Penalty for failure to register, etc; Employment of water measuring devices.

(a) After the adoption of the resolution provided for in Section 32.13 for a zone in which a groundwater charge may be levied,

each owner or operator of a water-producing facility within said zone, until such time as said water-producing facility has been permanently abandoned, shall file with the Agency, on or before the 31st day of March and on or before the 30th day of September in each year, a statement setting forth the total production in acre-feet of water for the preceding six-month period (excluding the month in which the statement is due), a general description or number which provides the location of each water-producing facility, the method or basis of the computation of such water production, and the amount of the groundwater charge based on such computation. If no water has been produced from said water-producing facility during the preceding six-month period, said statement shall be filed as provided for herein and shall specify that water has not been produced during said period. Said statement shall be verified by a written declaration that it is made under penalty of perjury. The groundwater charge is due and payable to the Agency on or before the last day upon which the water production statements shall be filed, and is computed by multiplying the amount of production in acre-feet of water by the groundwater charge for each classification of water. At such time as any water-producing facility has been permanently abandoned, the operator thereof shall give written notice of such abandonment to the Agency within thirty (30) days of its abandonment.

b) If any operator of a water-producing facility shall fail to pay the groundwater charge when due, the Agency shall charge interest at the rate of one percent (1%) each month on the delinquent amount of the groundwater charge. Should any owner or operator of a water-producing facility fail to register each water-producing facility, or fail to file the water production statements as required by this Act, the Agency shall, in addition to charging interest as provided herein, assess a penalty charge against such owner or operator in an amount of ten percent (10%) of the amount found by said Agency to be due, except in those cases where payment in the proper amount has been made within the time required by this Act and the failure to register the water-producing facility or to file the water production statement within the time required by this Act resulted, in the opinion of the board, from excusable and justifiable circumstances, in which case the board may reduce the penalty to an amount of not less than one percent (1%) of said amount found to be due.

When a water-measuring device is permanently attached to a water-producing facility, the records of water production as disclosed by such device shall be used as the basis for completing the water production statement unless the board determines that the water-measuring device was not measuring accurately.

When a water-measuring device is not permanently attached to a water-producing facility, the Agency board may establish the method or methods to be used in computing the amount of water produced from such water-producing facility.

Such methods may be based upon any, or all, of the following criteria: The size and efficiency of the water-producing facility, the size of the water-producing facility discharge opening, the area served by the water-producing facility, the use of the land served by the water-producing facility, the crops grown on land served by the water-producing facility, or any other criteria which may be used to determine with reasonable accuracy the amount of water produced from such facility.

Section 14. Section 32.13 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.13. Filing of amended statement of water production; Correction of records.

Upon good cause shown, an amended statement of water production may be filed or a correction of the records may be made at any time prior to the final date for filing the next semi-annual water production statement; provided, however, that if pursuant to Section 32.16 the owner or operator has been notified of a determination by the Agency that the production of water from the water-producing facility is in excess of that disclosed by the sworn statement covering such water-producing facility, and such owner or operator fails to protest such determination in the manner and in the time set forth in Section 32.15, said owner or operator shall be precluded from

later filing an amended water production statement for that period for such water-producing facility.

Section 15. Section 32.14 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.14. Record of water production and groundwater replenishment or replacement charges; Preparation; Contents.

Each year the Agency shall prepare a record for each zone in which a groundwater charge is levied. The record shall be called "The Record of Water Production and Groundwater Charges, Zone No. _____."

Each record shall contain a general description of the property upon which each water-producing facility is located, an identifying number or code which is assigned to such facility, the annual water production for each class of water produced from each water producing facility, and the groundwater charge for each class of water.

Section 16. Section 32.15 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.15. Production of water in excess of sworn statements; Investigation and report; Determination by Agency; Notice to operator.

If the Agency has reason to believe the production of water from any water-producing facility is in excess of that disclosed by the sworn statements covering such water-producing facility, or if statements are not filed specifying the level of water production at a water-producing facility, the Agency may cause an investigation and

report to be made concerning the amount of water produced at each such water-producing facility. The Owner or operator of each such facility within sixty (60) days after notice shall furnish to the Agency ~~from time to time, as may be required by the Agency,~~ the records, notices or bills, or certified duplicates thereof, which it received from utility companies, and other entities which furnish power or fuels, regarding the amount of power or fuel used to operate such facility during the relevant time period. The Agency may fix the amount of water production from any such water-producing facility at an amount not to exceed the maximum production capacity of such water-producing facility.

After the ~~determination of water production capacity~~ has been made by the Agency, fixing the amount of water production as provided herein, the Agency shall send a written notice thereof shall be sent by certified mail to the person operating such water-producing facility at his address as shown in the Agency's records. Any such determination made by the Agency shall be conclusive as to all persons having an interest in such water-producing facility, and, the groundwater charge, along with any interest and penalties thereon, shall be paid no later than ~~10~~ thirty (30) calendar days following the date on which the notice was mailed. However, the payment need not be made within this time, providing the facility operator files a written protest with the board no later than 10 calendar days following the date of said notice. The protest shall set forth the ground or grounds for protesting the amount of production determined by the board.

No later than forty-five working days following the filing of such protest, the board shall hold a hearing and shall determine within ten working days thereof, the total amount of the water production and the groundwater charge thereon for the relevant time period. Said determinations shall be based upon substantial evidence. During the hearing, formal rules of evidence need not apply, however, the Agency and the facility operator may be represented by counsel. The facility operator must be given 30 days notice of the hearing date, time and place, and must be advised that its failure to appear could result in adverse findings against it. At the hearing, the facility operator and the Agency may submit relevant and reliable evidence. A decision shall be mailed to the parties within thirty (30) days following the hearing.

If the water production statement was filed and the amount disclosed thereon was inaccurate but the operable charges therefor were paid within the time required by this Act, the board finds that the failure to report the accurate amount of water Actually produced resulted from excusable or justifiable circumstances, the board may waive the interest and/or penalties found to be due. When charges must be paid, notice of the determination by the board shall be mailed to each facility operator, who shall have twenty (20) days from the date of mailing to pay the groundwater charge, interest and/or penalties provided by the provisions of this Act.

Notice as required in this section shall be given by deposit thereof in any postal facility regularly maintained by the government

of the United States in a sealed envelope with postage paid, certified mail addressed to the person on whom it is served at his the address as ~~disseled~~ by filed in the records of the Agency. Service is complete at the time of deposit ~~in the mail.~~ receipt by the Agency of certification of delivery.

Section 17. Section 32.16 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.16. Action for collection of delinquent groundwater charges; Recovery allowable; Provisions governing attachment on proceeding.

The Agency may bring a court action against any person operating a water-producing facility within the Agency when brought to collect any delinquent groundwater charge. The court having jurisdiction of said suit may, in addition to allowing recovery of costs to the Agency as allowed by law, fix and allow interest and penalties as part of the judgment as provided in Section 32.20. Should the Agency, as a provisional remedy in bringing such suit, seek an attachment against the property of any named defendant therein, the Agency shall not be required to provide a bond or undertaking as is otherwise provided for in Chapter 4 (commencing with Section 537), Title 7, Part 2, of the Code of Civil Procedure.

Section 18. Section 32.18 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.18. Violation; Penalty

It shall be unlawful to produce water from any water-producing facility required to be registered pursuant to the terms of this Act unless such water-producing facility has been registered with the Agency within the time required by the provisions of this Act and, if required by the board, has a water-measuring device affixed thereto capable of registering the accumulated amount of water production therefrom.

Violation of this provision shall be punishable by a fine not to exceed five hundred dollars (\$500), or imprisonment in the county Jail for not to exceed six months, or by both such fine and imprisonment. Each day of operation in violation hereof shall constitute a separate offense.

Section 19. Section 32.18 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.18. Tampering, etc., with water-measuring device; Failure to file water production statement; Declaration of misdemeanor; Punishment.

Any person who injures, alters, removes, resets, adjusts, manipulates, obstructs or in any manner interferes or tampers with or procures or causes or directs any person to injure, alter, remove, reset, adjust, manipulate, obstruct or in any manner interfere or tamper with any water-measuring device affixed to any water producing facility as required by this Act, so as to cause said water-measuring device to improperly or inaccurately measure and record water production, or any person who wilfully does not file with the Agency a

water production statement as prescribed and within the time required by this Act, or any person who willfully removes or breaks a seal attached to an abandoned water-producing facility, or any person who with intent to evade any provision or requirements of this Act files with the Agency any false or fraudulent water production statement is guilty of a misdemeanor and is punishable by a fine not to exceed five hundred dollars (\$500), or imprisonment in the County Jail not to exceed six months, or by both such fine and imprisonment. Each day of failure to file a water production statement shall constitute a separate offense.

Section 20. Section 32.19 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.19. Additional powers for implementing enforcement of provisions of Act.

In ~~implementing the enforcement of~~ enforcing the provisions of this Act relating to groundwater replenishment or replacement charges, and when necessary to enforce the provisions of Section 32.15, the Agency shall have the power, in addition to the powers enumerated elsewhere in this Act:

- a) To install and maintain water production measuring devices and other devices which will aid in determining accurate water production, on any groundwater producing facilities located within its boundaries.

- (b) To affix seals to water-producing facilities located within its boundaries which the owner or operator thereof has declared to be abandoned, or which are in fact permanently abandoned.
- (c) To enter onto any land within its boundaries, after notice to the owner or operator of the water producing facility, for the purposes enumerated in this section and for the purpose of making investigations relating to water production.
- (d) Obtain records of energy consumption for water-producing facilities from the utility supplying such energy.
- (e) Nothing in this Act shall empower the Agency to install water measuring devices on residential services.

Section 21. Section 32.20 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.20. Cessation of, or reduction in extraction of groundwater by owner as result of use of alternate supply; Construction as reasonable beneficial use; Statement as to use of alternate supply; "Groundwater"; Application of section:

Cessation of or reduction in the extraction of groundwater by the owner of a right to extract, due to the use of alternative supply of surface water, shall for purposes of establishing and maintaining any right to extract the groundwater, constitute a reasonable beneficial use of the groundwater, to the extent that water from the alternative source, or surface water, is applied to reasonable beneficial use, and providing that the amount of surface water used, does not exceed the

amount of the groundwater reduction. Any such user of water from an alternate source within a water management zone of the Sacramento County Water Agency who seeks the benefit of this section, shall file with the Agency, on or before December 31 of each calendar year, a statement of the amount of water from said alternate source so applied to reasonable beneficial use pursuant to the provisions of this section during the preceding water year. Such user cannot claim the benefit of this section for any water year for which such statement is not so filed.

Section 22. Section 32.21 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

32.21. Cyclic Storage Agreements.

Public entities and public utilities may enter into appropriate contracts with the Agency for utilization of groundwater management storage capacity within groundwater management zones within the boundaries of the Agency, for subsequent recovery by the storing entity, pursuant to uniform rules and conditions to be established by the Agency board.

- (a) For public entities and public utilities located outside of Sacramento County, such contracts shall include provision for:
- (1) Agency control of all spreading or injection and extraction scheduling and procedures for such stored water;
 - (2) calculation by Agency of any special costs, damages or burdens resulting from such operations;

- (3) determination by Agency of, and accounting for, all losses in stored water, assuming that such stored water floats on top of the native groundwater supplies and accounting for all losses of water which otherwise would have replenished the basin within the management zone; and
 - (4) payment to the Agency for the benefit of the groundwater producers within the management zone of all special costs, damages, or burdens incurred. Water producers within the management zone shall not incur any charge, rent, assessment or expense for any benefits resulting from such storage.
- (b) Within the geographical area included within a district, mutual water company or public water utility as defined in Section 216 of the Public Utilities Code located within Sacramento County such contract may be executed between the district, mutual water company, public utility and the Agency or other storing entity and shall include provisions for the following:
- (1) Coordination of storage and pumping with the Agency in conformance with the needs of a zone or the Agency.
 - (2) Control of the quality of water for spreading or injection into the groundwater basin.
 - (3) Determination of the amount of water stored, and credit of the water stored to the district, mutual water company or public utility which stores the water for the purpose of groundwater replenishment.

- (4) Determination of the amount of water stored which benefits areas outside the geographical area of the district, mutual water company or public utility storing the water and payment by those areas for the amount of water benefiting such areas to the district, mutual water company or public utility storing the water.

Section 23. Section 33 is added to the Sacramento County Water Agency Act, Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

33. Water Advisory Commission.

- (a) A Water Advisory Commission is hereby established consisting of a total of seven members, two members being nominated and appointed by the Board, one of which shall represent agriculture, and five members being appointed by the Board from nominations by water purveyors operating within the agency as follows: one member nominated by purveyors delivering more than 50 percent of their total water supply to agricultural uses; one member nominated by public water utilities as defined in Section 216 of the Public Utilities Code; one member nominated by incorporated cities; one member nominated by purveyors obtaining more than 50 percent of their water supply from groundwater and delivering more than 50 percent of their total water supply to municipal and industrial uses; and one member nominated by purveyors obtaining more than 50 percent of their water supply from surface water and delivering more than 50 percent of their total water supply for municipal and industrial uses.

- (b) Terms of appointment of members of the commission shall be for four years. Three of the members shall be reappointed or replaced in January of odd numbered years and four in even numbered years, the time of reappointment or replacement to be selected by lot at the Commission's initial meeting. Replacement of members in the event of a midterm vacancy shall be filled in the same manner as provided in Subdivision (a) for appointment of members. Compensation of members shall be the same as for members of the Sacramento County Planning Commission.
- (c) The Commission shall choose from its members a chairman and a vice chairman. A majority of the Commission shall constitute a quorum, and the commission shall establish rules for its proceedings and set the time for its meetings. An affirmative vote of four members of the Commission shall be required for approval of actions of the Commission. Meetings of the Commission shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).
- (d) Among other duties the Agency Board may confer, said duties shall include advising the Board on water policy, water planning and water development proposals, Water Agency budget and expenditures, groundwater management programs, water rights; conducting initial public hearings on zone formation, hydrologic boundary determinations, groundwater recharge proposals, and other matters to come before said Commission.

Section 24

Section 33.1 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session), to read:

33.1 Zone Council

- a) After a zone has been formed, the board of directors may, by resolution, order the creation of a zone council within the zone. The resolution shall set forth the number of members of the council and their term of office. The zone council for a zone which consists entirely of the territory of an incorporated city may be comprised of the city council of the incorporated city. The members of all other zone councils shall be appointed by the Board from the eligible voters or landowners of the zone in which the council is established.
- b) Members of the zone council shall take office immediately upon their appointment by the Board. At its first meeting the zone council shall elect from its members a chairman and a vice chairman. A majority of the zone council shall constitute a quorum for the transaction of business. The vote of a majority of the zone council members present at any meeting attended by a quorum shall be necessary to take action, unless otherwise specified in this act. Meetings of the zone council shall be conducted in accordance with the provisions of the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the

Government Code). The zone council shall, by resolution, set the time and place for holding regular meetings. Zone councils may receive compensation in an amount set by the board of directors.

- c) Among other duties the Agency Board may confer, said duties shall include advising the Board on water policy, water planning and water development proposals, zone budget and expenditures, groundwater management programs, water rights; conducting initial public hearings, hydrologic boundary determinations, groundwater recharge proposals, and other matters to come before said Commission.
- d) A zone council shall be dissolved upon four-fifths vote of all members of the board of directors or upon a majority vote of all of the members of the board of directors and a majority vote of all of the members of the zone council.

Section 25. Section 33.2 is added to the Sacramento County Water Agency Act (Chapter 10 of the Statutes of 1952, First Extraordinary Session) to read:

Section 33.2. The provisions of Section 32 through Section 33.1 shall not change the existing authorities of any district, mutual water company, or public water utility as defined in Section 316 of the Public Utilities Code.

Section 26. No appropriation is made and no reimbursement is required by this Act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code

because this Act is in accordance with the request of a local Agency or school district which desired legislative authority to carry out the program specified in this Act.

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