



July 14, 2021

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**CAROLYN EMERY**  
EXECUTIVE OFFICER

**TO:** Local Agency Formation Commission

**FROM:** Executive Officer  
Policy Analyst

**SUBJECT:** Legislative Report (July 2021)

**SUMMARY**

The Legislature will adjourn to summer recess on July 16 and return on August 16 for the final quarter of the 2021 legislative session. The following are the remaining key deadlines for both Houses:

2021 Legislative Deadlines	
July 14	Last day for policy committees to meet and report bills.
July 17- August 15	Summer Recess.
August 27	Last day for fiscal committees to meet and pass bills to the Floor.
September 3	Last day to amend bills on the Floor.
October 10	Last day for Governor to sign or veto bills passed by the Legislature.

This legislative report highlights the legislation reviewed and respective positions adopted by the Commission for the current session. With the exception of SB 403, the proposed bills have not experienced amendments that warrant additional action by the Commission at this time. A discussion regarding recent changes to SB 403 is included in this report, and the current bill language is also referenced as Attachment A. Staff is recommending the Commission discuss the recent changes to the bill and, if applicable, provide additional direction to staff.

Staff will continue monitoring the bills noted in this legislative report. Should immediate actions involving these bills be required, staff will coordinate the appropriate response, in line with the Commission's adopted positions and previous discussions, with the Commission Chair.

**2021 Proposed Legislation**

<b>Status of 2021 Proposed Legislation</b>			
<b>Bill</b>	<b>Description</b>	<b>Commission's Adopted Position</b>	<b>Status</b>
<b>AB 339</b>	Proposes to continue remote participation in local hearings and meetings by phone or internet. Allows agencies to create a registration for public comment and requires translation services as requested by the public.	<b>Oppose Unless Amended</b>	Senate Governance and Finance Committee. No hearing date scheduled.
<b>AB 361</b>	Proposes to authorize a local agency to conduct meetings to declare or ratify a local emergency using teleconference methods without complying with certain teleconferencing requirements as provided by the Brown Act.	<b>Support</b>	Senate Governance and Finance Committee. No hearing date scheduled.
<b>AB 1053</b>	Proposes to reduce the quorum requirement to one-third for the Los Angeles County City Selection Committee meetings that are postponed due to lack of quorum.	<b>Watch</b>	Held in Senate Appropriations Committee as a two-year bill.
<b>AB 1581</b>	Makes minor and/or non-substantive changes to the Cortese-Knox-Hertzberg Government Reorganization Act of 2000 and provides consistency in how the CKH Act is applied throughout the State.	<b>Support</b>	Signed by the Governor on June 28, 2021.
<b>SB 55</b>	Proposes to allow development in very high fire hazard zones if there is substantial evidence that the local agency has provided evidence of adopted comprehensive, necessary, and appropriate wildfire preventions to mitigate significant risk of loss, injury, or health.	<b>Oppose Unless Amended</b>	Held in Senate Governance and Finance Committee as a two-year bill.

Bill	Description	Commission's Adopted Position	Status
SB 273	Proposes to allow municipal wastewater agencies to enter into agreements with agencies primarily engaged in stormwater management without the need for special legislation.	<b>Support</b>	Assembly Committee on Environmental Safety and Toxic Materials. No hearing date scheduled.
SB 403	Proposes to allow the State Water Resource Board the authority to consolidate public water systems and domestic wells at risk of failing to provide an adequate supply of safe drinking water to a disadvantaged community. <i>A separate discussion of the bill is included in the next section of this report.</i>	<b>Oppose Unless Amended</b>	Assembly Committee on Appropriations. No hearing date scheduled.
SB 274	Proposes to require local agencies and special districts to provide a copy of agendas by email when requested.	<b>Oppose Unless Amended</b>	Assembly Committee on Local Government. No hearing date scheduled.
SB 810, SB 811, SB 812	Yearly Validating Acts meant to retroactively fix typographical, grammatical, and procedural errors that might invalidate boundary changes or bond issues.	<b>Support</b>	Signed by the Governor on June 28, 2021.

**SB 403 (Gonzalez) Drinking Water - Consolidation**

On May 12, 2021, the Commission adopted an *Oppose Unless Amended* position on SB 403 and directed staff to send a letter to the bill author expressing Orange LAFCO's concerns. At the time, the bill language proposed to provide the State Water Resources Control Board the authority to consolidate public water systems and domestic wells at risk of failing to provide an adequate supply of safe drinking water to a disadvantaged community with input from the respective LAFCO. The Commission's letter underscored that the current bill language excludes, and therefore, circumvents the LAFCO proceedings for consolidations. Additionally, the letter acknowledged the concerns of CALAFCO relative to more clearly defining at-risk systems, the number of

water connections impacted, and engaging the respective groundwater sustainability agencies and stakeholders.

Since the adoption of the Commission's position on SB 403, the bill's author has worked collaboratively with CALAFCO to address the Association's concerns. Following the amendments made by the bill's author, CALAFCO removed its *Oppose Unless Amended* position and stated it would instead take a *Neutral* position on SB 403. CALAFCO staff has expressed that taking a neutral position represents its support of the effort to address the delivery of adequate and safe potable water to disadvantaged communities while signaling that a more comprehensive review and revision of the mandatory consolidation process with all stakeholders is needed and well overdue.

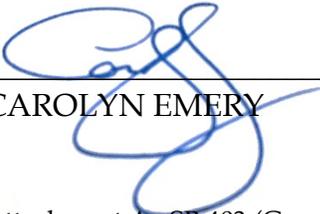
Legislative staff for Senator Gonzalez also reached out directly to staff to discuss the Commission's concern and inquired if Orange LAFCO's position has changed in light of the author working with CALAFCO to address the concerns noted above. The legislative staff was informed that amendments to the bill would be scheduled for discussion by the Commission at the next regular meeting. Staff is, therefore, requesting the Commission discuss the recent amendments to SB 403 and, if applicable, provide additional direction to staff. Following Commission discussion, staff will follow up with Senator Gonzalez's staff.

#### **RECOMMENDED ACTIONS**

Staff recommends that the Commission:

1. Discuss SB 403 and, if applicable, provide direction to staff.
2. Receive and file the July 14, 2021 Legislative Report.

Respectfully Submitted,

  
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CAROLYN EMERY

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LUIS TAPIA

AMENDED IN ASSEMBLY JULY 5, 2021

AMENDED IN ASSEMBLY JUNE 8, 2021

AMENDED IN SENATE APRIL 27, 2021

**SENATE BILL**

**No. 403**

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**Introduced by Senator Gonzalez  
(Coauthors: Senators Dodd and Durazo)**

February 12, 2021

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An act to amend Sections 116681 and 116682 of the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

SB 403, as amended, Gonzalez. Drinking water: consolidation.

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water or where a disadvantaged community is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water.

This bill would ~~authorize~~ *revise those consolidation provisions, including, among other revisions, authorizing* the state board to also order consolidation where a water system serving a disadvantaged community is an at-risk water system, as defined, or where a disadvantaged community is substantially reliant on at-risk domestic wells, as defined.

This bill would require the state board, before ordering consolidation or extension of service, to consult with any groundwater sustainability agency, as defined, that provides groundwater supply to the affected area. The bill would require the state board to conduct outreach to ratepayers and residents served by an at-risk water system, consider any specified petitions submitted by members of a disadvantaged community served by the at-risk water system, and consider any information provided by the potentially subsumed water system in support of its contention that it is not an at-risk water system before ordering the consolidation of the at-risk water system, as prescribed. The bill would authorize the state board to prioritize consolidation of an at-risk water system that has historically been overburdened by pollution and industrial development or faced other environmental justice hurdles. The bill would require a finding that a disadvantaged community, in whole or in part, is substantially reliant on at-risk domestic wells to be based on specified aquifer maps and inspection or testing of the domestic wells: *wells, as provided.*

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

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

1 SECTION 1. Section 116681 of the Health and Safety Code  
2 is amended to read:  
3 116681. The following definitions shall apply to this section  
4 and Sections 116682, 116684, and 116686:  
5 (a) “Adequate supply” means sufficient water to meet residents’  
6 health and safety needs at all times.  
7 (b) “Affected residence” means a residence within a  
8 disadvantaged community that is reliant on a water supply that is  
9 either inadequate or unsafe and that is not served by a public water  
10 system or state small water system.  
11 (c) “At-risk domestic wells” means domestic wells that serve a  
12 disadvantaged community and are at risk of consistently failing  
13 to provide an adequate supply of safe drinking water as determined  
14 by the state board pursuant to the methodology established in the  
15 2021 Drinking Water Needs Assessment referenced in subdivision  
16 (b) of Section 116769, or a substantially similar methodology  
17 adopted by the state board in an update to the Drinking Water  
18 Needs Assessment.

1 (d) “At-risk water system” means a water system that meets all  
2 the following conditions:

3 (1) The water system is either a public water system with 3,300  
4 or fewer connections or a state small water system.

5 (2) The system serves a disadvantaged community.

6 (3) The system is at risk of consistently failing to provide an  
7 adequate supply of safe drinking water, as determined by the state  
8 board pursuant to the methodology established in the 2021  
9 Drinking Water Needs Assessment referenced in subdivision (b)  
10 of Section 116769, or a substantially similar methodology adopted  
11 by the state board in an update to the Drinking Water Needs  
12 Assessment.

13 (e) “Consistently fails” means a failure to provide an adequate  
14 supply of safe drinking water.

15 (f) “Consolidated water system” means the public water system  
16 resulting from the consolidation of a public water system with  
17 another public water system, state small water system, or affected  
18 residences.

19 (g) “Consolidation” means joining two or more public water  
20 systems, state small water systems, or affected residences into a  
21 single public water system.

22 (h) “Disadvantaged community” means a disadvantaged  
23 community, as defined in Section 79505.5 of the Water Code.

24 (i) “Domestic well” means a groundwater well used to supply  
25 water for the domestic needs of an individual residence or a water  
26 system that is not a public water system and that has no more than  
27 four service connections.

28 (j) “Extension of service” means the provision of service through  
29 any physical or operational infrastructure arrangement other than  
30 consolidation.

31 (k) “Groundwater sustainability agency” has the same meaning  
32 as defined in Section 10721 of the Water Code.

33 (l) “Infill site” means a site within the area served by a subsumed  
34 water system that, as of the date of consolidation, is adjacent to a  
35 parcel that is developed for qualified urban uses.

36 (m) “Qualified urban use” means any residential, commercial,  
37 public institutional, industrial, transit or transportation facility, or  
38 retail use, or any combination of those uses.

1 (n) “Receiving water system” means the public water system  
2 that provides service to a subsumed water system through  
3 consolidation or extension of service.

4 (o) “Safe drinking water” means water that meets all primary  
5 and secondary drinking water standards.

6 (p) “State small water system” has the same meaning as provided  
7 in Section 116275.

8 (q) “Subsumed water system” means the public water system,  
9 state small water system, or affected residences served by domestic  
10 wells consolidated into or receiving service from the receiving  
11 water system.

12 SEC. 2. Section 116682 of the Health and Safety Code is  
13 amended to read:

14 116682. (a) (1) The state board, in circumstances described  
15 in subparagraph (A) or (B), may order consolidation with a  
16 receiving water system as provided in this section and Section  
17 116684. The consolidation may be physical or operational. The  
18 state board may also order the extension of service to an area within  
19 a disadvantaged community that does not have access to an  
20 adequate supply of safe drinking water so long as the extension of  
21 service is an interim extension of service in preparation for  
22 consolidation. The consolidation shall occur within six months of  
23 the initiation of the extension of service. The state board may set  
24 timelines and performance measures to facilitate completion of  
25 consolidation.

26 (A) A public water system or a state small water system, serving  
27 a disadvantaged community, consistently fails to provide an  
28 adequate supply of safe drinking water, or is an at-risk water  
29 system.

30 (B) A disadvantaged community, in whole or in part, is  
31 substantially reliant on domestic wells that consistently fail to  
32 provide an adequate supply of safe drinking water, or are at-risk  
33 domestic wells.

34 (2) No later than July 1, 2020, the state board shall develop and  
35 adopt a policy that provides a process by which members of a  
36 disadvantaged community may petition the state board to consider  
37 ordering consolidation. The state board shall adopt the policy in  
38 a policy handbook consistent with the process provided for in  
39 subdivision (a) of Section 116760.43.

1 (b) Before ordering consolidation or extension of service as  
2 provided in this section, the state board shall do all of the  
3 following:

4 (1) Encourage voluntary consolidation or extension of service.

5 (2) Consider other enforcement remedies specified in this article.

6 (3) Consult with, and fully consider input from, the relevant  
7 local agency formation commission regarding the provision of  
8 water service in the affected area, the recommendations for  
9 improving service in a municipal service review, whether the  
10 consolidation or extension of service is cost effective, and any  
11 other relevant information.

12 (4) Consult with, and fully consider input from, the Public  
13 Utilities Commission when the consolidation would involve a  
14 water corporation subject to the commission's jurisdiction. If a  
15 receiving water system is regulated by the Public Utilities  
16 Commission, the state board shall inform the commission at least  
17 60 days before the consolidation order, and upon issuance of the  
18 order the commission shall open a proceeding to determine cost  
19 allocation, ratemaking, and commission public participation  
20 requirements for the consolidation process.

21 (5) Consult with, and fully consider input from, the local  
22 government with land use planning authority over the affected  
23 area, particularly regarding any information in the general plan  
24 required by Section 65302.10 of the Government Code.

25 (6) Consult with, and fully consider input from, *the potentially*  
26 *receiving water system and all public water systems in the chain*  
27 *of distribution of the potentially receiving water ~~systems~~ system.*  
28 *The input from the potentially receiving water system may include,*  
29 *but is not limited to, information related to the classification of*  
30 *the potentially subsumed water system as an at-risk water system*  
31 *or a state small water system or of at-risk domestic wells.*

32 (7) Consult with, and fully consider input from, any groundwater  
33 sustainability agency in a basin that provides groundwater supply,  
34 in whole or in part, to the affected area.

35 (8) (A) Notify the potentially receiving water system and the  
36 potentially subsumed water system, if any, and establish a  
37 reasonable deadline of no less than six months, unless a shorter  
38 period is justified, for the potentially receiving water system and  
39 the potentially subsumed water system, if any, to negotiate

1 consolidation or another means of providing an adequate supply  
2 of safe drinking water.

3 (B) During this period, the state board shall provide technical  
4 assistance and work with the potentially receiving water system  
5 and the potentially subsumed water system to develop a financing  
6 package that benefits both the receiving water system and the  
7 subsumed water system.

8 (C) Upon a showing of good cause, the deadline may be  
9 extended by the state board at the request of the potentially  
10 receiving water system, potentially subsumed water system, the  
11 local agency formation commission with jurisdiction over the  
12 potentially subsumed water system, or the Public Utilities  
13 Commission.

14 (9) Consider the affordability of the anticipated monthly rates  
15 for drinking water service to residential customers of the potentially  
16 subsumed water system.

17 (10) (A) Hold at least one public meeting at the initiation of  
18 this process in a place as close as feasible to the affected areas.  
19 The state board shall make reasonable efforts to provide a 30-day  
20 notice of the meeting to the ratepayers, renters, and property owners  
21 to receive water service through service extension or in the area  
22 of the subsumed water system and all affected local government  
23 agencies and drinking water service providers. The 30-day notice  
24 shall include information about water quality concerns in the area,  
25 relevant information about health effects of water contaminants,  
26 and information about opportunities for consolidation or extension  
27 of service to address water quality issues. The meeting shall  
28 provide representatives of the potentially subsumed water system,  
29 affected ratepayers, renters, property owners, the potentially  
30 receiving water system, and the public an opportunity to present  
31 oral and written comments.

32 (B) The state board shall provide an opportunity to submit  
33 comments by mail or electronically during the notice period and  
34 for at least one week after the meeting.

35 (C) The state board shall review comments received during the  
36 meeting and received by mail and electronically during the notice  
37 period and for one week after the public meeting.

38 (11) If the potentially subsumed water system to be consolidated  
39 into the receiving water system is an at-risk water system, the state  
40 board shall do all of the following:

1 (A) Conduct outreach to ratepayers and residents served by the  
2 at-risk water system, including identifiable local community  
3 groups. These outreach efforts shall gauge community support for  
4 consolidation of the at-risk water system. The state board shall  
5 consider the results of this outreach when deciding whether to  
6 order consolidation of the at-risk water system.

7 (B) Consider any petition submitted pursuant to paragraph (2)  
8 of subdivision (a) by members of a disadvantaged community  
9 served by the at-risk water system.

10 (C) (i) If the potentially subsumed water system contends during  
11 the initial written comment period set forth in subparagraph (B)  
12 of paragraph (10) that it is not an at-risk water system, the state  
13 board shall consider during a public meeting any information  
14 provided by the potentially subsumed water system in support of  
15 its contention that it is not an at-risk water system.

16 (ii) The state board shall make reasonable efforts to provide a  
17 30-day notice of the public meeting described in clause (i) to the  
18 ratepayers, renters, and property owners to receive water service  
19 through service extension or in the area of the subsumed water  
20 system and all affected local government agencies and drinking  
21 water service providers.

22 (c) If a consolidation or other means of providing an adequate  
23 supply of safe drinking water has not been negotiated by the  
24 potentially receiving water system and the potentially subsumed  
25 water system before the expiration of the deadline set by the state  
26 board pursuant to paragraph (8) of subdivision (b), the state board  
27 shall do the following:

28 (1) Consult with the potentially receiving water system and the  
29 potentially subsumed water system, if any.

30 (2) (A) If the consolidation has not concluded within six months  
31 following the first public meeting held pursuant to paragraph (10)  
32 of subdivision (b), conduct a public meeting in a location as close  
33 as feasible to the affected communities. The meeting shall be held  
34 after the state board has made the findings described in subdivision  
35 (d).

36 (B) The state board shall make reasonable efforts to provide a  
37 30-day notice of the meeting to the ratepayers, renters, property  
38 owners to receive water service through service extension or in  
39 the area of the subsumed water system, and the public, and to all

1 affected local government agencies and drinking water service  
2 providers.

3 (C) The meeting shall provide representatives of the potentially  
4 subsumed water system, affected ratepayers, renters, property  
5 owners, and the potentially receiving water system an opportunity  
6 to present oral and written comments.

7 (D) The meeting shall provide an opportunity for public  
8 comment.

9 (3) The state board shall make reasonable efforts to ensure that  
10 a receiving water system and a subsumed water system are  
11 informed on a regular basis of progress regarding actions taken  
12 pursuant to this section.

13 (d) Before ordering consolidation or extension of service, the  
14 state board shall find all of the following:

15 (1) The potentially subsumed water system has consistently  
16 failed to provide an adequate supply of safe drinking water or it  
17 is at risk of doing so, as determined by the state board.

18 (2) Reasonable efforts to negotiate consolidation or extension  
19 of service were made.

20 (3) Consolidation of the receiving water system and subsumed  
21 water system or extension of service is appropriate and technically  
22 and economically feasible. In making this finding, the state board  
23 shall consider how many owners of dwelling units served by  
24 domestic wells in the service area have provided, or are likely to  
25 provide, written consent to extension of service. The state board  
26 need not find that any specific percentage of the owners of dwelling  
27 units served by domestic wells in the service area are likely to  
28 consent to the consolidation or extension of service to serve their  
29 dwelling unit.

30 (4) There is no pending local agency formation commission  
31 process that is likely to resolve the problem in a reasonable amount  
32 of time.

33 (5) Concerns regarding water rights and water contracts of the  
34 subsumed and receiving water systems have been adequately  
35 addressed.

36 (6) Consolidation or extension of service is an effective and  
37 cost-effective means to provide an adequate supply of safe drinking  
38 water.

39 (7) The capacity of the proposed interconnection needed to  
40 accomplish the consolidation is limited to serving the current

1 customers of the subsumed water system, infill sites within the  
2 community served by the subsumed water system, residents of  
3 disadvantaged communities in existence as of the date of  
4 consolidation and that are located along the service line connecting  
5 the subsumed water system and the receiving water system, and  
6 vacant lots within the community served by the subsumed water  
7 system that are zoned to allow residential use and have no more  
8 than one other vacant lot between that parcel and an infill parcel,  
9 including capacity needed for services such as firefighting.

10 (e) Upon ordering consolidation or extension of service, the  
11 state board shall do all of the following:

12 (1) As necessary and appropriate, as determined by the state  
13 board, compensate the receiving water system for any capacity  
14 lost as a result of the consolidation or extension of service either  
15 by paying the water system's capacity charge set out in the water  
16 system's adopted rate structure or by providing additional capacity  
17 needed as a result of the consolidation or extension of service, and  
18 by paying legal fees. When the receiving water system is  
19 compensated for capacity lost by payment of a capacity charge,  
20 the capacity charge shall be paid only to the extent that it does not  
21 exceed the reasonable cost of providing the service in accordance  
22 with Section 66013 of the Government Code. If capacity beyond  
23 what is needed for consolidation is provided by a project funded  
24 through the state board, the state board shall retain an option to  
25 use that capacity for future consolidations, without paying  
26 additional capacity charges, for five years, unless it releases that  
27 option in writing. Funding pursuant to this paragraph is available  
28 for the general purpose of providing financial assistance for the  
29 infrastructure needed for the consolidation or extension of service  
30 and does not need to be specific to each individual consolidation  
31 project. The state board shall provide appropriate financial  
32 assistance for the water infrastructure needed for the consolidation  
33 or extension of service. The state board's existing financial  
34 assistance guidelines and policies shall be the basis for the financial  
35 assistance.

36 (2) Ensure payment of standard local agency formation  
37 commission fees caused by state board-ordered consolidation or  
38 extension of service.

1 (3) Adequately compensate the owners of a privately owned  
2 subsumed water system for the fair market value of the system, as  
3 determined by the Public Utilities Commission or the state board.

4 (4) Coordinate with the appropriate local agency formation  
5 commission and other relevant local agencies to facilitate the  
6 change of organization or reorganization.

7 (5) If ordering consolidation or extension of service between  
8 two water systems, consider any existing domestic wells within  
9 the service area that could also be subject to consolidation or  
10 extension of service pursuant to this section.

11 (6) If ordering consolidation or extension of service to a  
12 community containing residences served by domestic wells,  
13 promptly take all reasonable steps to obtain written consent to the  
14 consolidation or extension of service from an owner of each  
15 residence served by a domestic well.

16 (f) If funds are appropriated for this purpose, the state board  
17 may make funds available for the purposes of subdivision (e), as  
18 necessary and appropriate, to the receiving water system, the  
19 subsumed water system, or an administrator providing full  
20 oversight of construction or development projects related to a  
21 consolidation or extension of service.

22 (g) (1) For purposes of this section, fees, charges, and terms  
23 and conditions that may be imposed on new and existing customers  
24 of a receiving water system shall be subject to the following  
25 limitations:

26 (A) The consolidated water system shall not increase charges  
27 on existing customers of the receiving water system solely as a  
28 consequence of the consolidation or extension of service unless  
29 the customers receive a corresponding benefit.

30 (B) Except as provided in paragraph (2), fees or charges imposed  
31 on a customer of a subsumed water system shall not exceed the  
32 costs of the service.

33 (C) Except as provided in paragraph (2), the receiving water  
34 system shall not charge any fees to, or place conditions on,  
35 customers of the subsumed water system that it does not charge  
36 to, or impose on, new customers that are not subject to the  
37 consolidation with the receiving water system.

38 (2) (A) Notwithstanding subparagraph (B) or (C) of paragraph  
39 (1), if costs incurred by the receiving water system in completing  
40 the consolidation or extension of service are not otherwise

1 recoverable as provided in subparagraph (B) of this paragraph, the  
2 receiving water system may charge fees to customers of the  
3 subsumed water system to recover those costs.

4 (B) A receiving water system shall not charge a fee pursuant to  
5 subparagraph (A) for costs that are otherwise recoverable from  
6 the state, the federal government, programs administered by local  
7 agencies, parties responsible for causing contamination that the  
8 consolidation or extension of service is designed to address, or  
9 other sources, as determined by the state board.

10 (h) The state board shall not, pursuant to this section, fund public  
11 works or upgrades unrelated to the delivery of an adequate supply  
12 of affordable, safe drinking water, including, but not limited to,  
13 the installation of streetlights, sidewalks, curbs, and gutters. A  
14 local agency's decision whether to provide these public works or  
15 upgrades shall not delay the consolidation or extension of service.

16 (i) When a public water system is operated by a local educational  
17 agency, the state board may order a receiving water system to  
18 consolidate or extend service to a public water system operated  
19 by a local educational agency pursuant to this section if both the  
20 following additional conditions are met:

21 (1) The local educational agency serves students from one or  
22 more census blocks that are disadvantaged communities.

23 (2) The state board obtains a written determination from the  
24 local educational agency that the state board's analysis in the  
25 financing package, developed pursuant to subparagraph (B) of  
26 paragraph (8) of subdivision (b), indicates that consolidating or  
27 extending service would not result in additional unacceptable costs  
28 to the local educational agency and would result in safe drinking  
29 water being available to the local educational agency.

30 (j) An order pursuant to this section shall not require  
31 consolidation or extension of service to a residence served solely  
32 by a domestic well until an owner of the affected residence provides  
33 written consent to the consolidation or extension of service. Any  
34 domestic well owner within the consolidation or extended service  
35 area that does not provide written consent shall be ineligible, until  
36 the consent is provided, for any future water-related grant funding  
37 from the state other than funding to mitigate a well failure, disaster,  
38 or other emergency.

39 (k) A finding that a disadvantaged community, in whole or in  
40 part, is substantially reliant on at-risk domestic wells shall be based

1 on the maps created pursuant to paragraph (1) of subdivision (a)  
2 of Section 116772 and inspection or testing of the domestic wells.  
3 *wells showing an imminent risk of failing to provide an adequate*  
4 *supply of safe drinking water.*

5 (l) The state board may prioritize consolidation of an at-risk  
6 water system that has historically been overburdened by pollution  
7 and industrial development or faced other environmental justice  
8 hurdles.

9 (m) Division 3 (commencing with Section 56000) of Title 5 of  
10 the Government Code does not apply to an action taken by the  
11 state board pursuant to this section.