

Date of Hearing: April 18, 2018

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 1889 (Caballero) – As Amended April 4, 2018

SUBJECT: Santa Clara Valley Water District.

SUMMARY: Amends the Santa Clara Valley Water District (SCVWD) Act. Specifically, **this bill:**

- 1) Requires appointed board members of the SCVWD to reside in their electoral district when filling a vacancy.
- 2) Authorizes the SCVWD to require a taxpayer seeking exemption from a special tax levied by the district to verify age, disability status, or annual household income in the following ways:
 - a) Age with government-issued identification;
 - b) Disability status with government-issued identification and documentation; and,
 - c) Household income with a signed certification that includes language consistent with all of the following:
 - i) The taxpayer seeking exemption certifies that his or her annual household income is less than the amount approved by the voters of the SCVWD;
 - ii) The taxpayer seeking exemption pledges to review the SCVWD's annual notice of each year's low-income threshold for special tax exemption; and,
 - iii) The taxpayer seeking exemption pledges to promptly notify the SCVWD if his or her annual household income exceeds the annual low-income threshold for special tax exemption.
- 3) Requires that the signed certification, reviewed and accepted by the SCVWD, must serve as standing verification of eligibility until the taxpayer notifies the SCVWD of his or her ineligibility for the special tax exemption or until the SCVWD has reason to believe that the taxpayer is ineligible for the exemption.
- 4) Authorizes the SCVWD board members to be compensated for the performance of their duties a maximum of 20 days in any calendar month, instead of current law which specifies a maximum of 10 days.
- 5) Limits compensable board member activities to the following:
 - a) A meeting of the legislative body;
 - b) A meeting of an advisory body;
 - c) A conference or organized educational activity, including, but not limited to, ethics training; and,

- d) Attendance at occurrences that the board has adopted, in a public meeting, a written policy specifying other types of occasions that constitute performance of official duties.

EXISTING LAW creates the Santa Clara Valley Water District and authorizes the district to provide for the conservation and management of flood, storm, and recycled waters, and other waters, for beneficial uses and to enhance natural resources in connection with carrying out the purposes of the district.

FISCAL EFFECT: None

COMMENTS:

- 1) **Santa Clara Valley Water District.** The SCVWD is the primary water resources agency for Santa Clara County. First formed as the Santa Clara Valley Water Conservation District in 1929, it now acts as the County's water wholesaler and the steward for its streams, creeks, underground aquifers, and district-built reservoirs. The District owns and manages 10 local surface reservoirs and associated creeks and recharge facilities, manages the County's groundwater basins and three water treatment plants, imports water from the Central Valley Project and the State Water Project, and delivers recycled water to parts of the County. The District is also responsible for flood protection within the County. Its stewardship responsibilities include creek restoration and wildlife habitat projects, pollution prevention efforts, and a commitment to natural flood protection.
- 2) **Bill Summary.** This bill primarily amends the SCVWD Act in three ways. First, AB 1889 increases the amount of days the board can be compensated for meetings every calendar month from 10 to 20. Second, when there is a vacancy on the board, this measure requires the individual appointed to fill the vacancy to actually reside within the electoral district that has the vacancy. Third, this bill changes the process for receiving a special tax exemption from an opt-in to an opt-out process, specifying that an individual does not have to opt-in on an annual basis to receive the exemption on an ongoing basis. This bill is sponsored by the SCVWD.
- 3) **Author's Statement.** According to the author, "AB 1889 makes three common sense reforms to the SCVWD Act to improve fairness in the local parcel tax exemption process for low income seniors and the disabled, to encourage a social-economically diverse and fully engaged board of directors, and to ensure that directors appointed to board vacancies reside in the geographic districts they represent. The SCVWD is one of the largest water agencies in the State, managing water supply, groundwater, flood control, and environmental stewardship for a diverse jurisdiction, Silicon Valley, home to nearly 2,000,000 people.

"Each year, about 10% of senior low-income taxpayers fail to return an annual income verification for a local parcel tax exemption despite numerous notices encouraging them to re-verify their status. AB 1889 clarifies that the SCVWD need only verify low-income status once, and that the taxpayer's eligibility for the parcel tax exemption may remain in effect until the SCVWD is notified of a change in eligibility or has reason to believe the taxpayer is not eligible for the exemption.

"AB 1889 defines the duties of a board member and increases the number of meeting days for which the board members are eligible for remuneration from up to 10 days per month to

up to 20 days per month, reflecting the actual number of working days required for the position. Because the meeting allowance is currently capped at 10 days per month, directors often must work long hours without remuneration. That means the only people who can realistically serve on the board are either retired or independently wealthy. AB 1889 will enable board members to more fully dedicate themselves to the increased number and expanding scope of responsibilities of the office. It also will increase the capacity of board members to provide more public oversight of the SCVWD's water supply, flood control, and groundwater management programs for nearly 2,000,000 people in Santa Clara County. By increasing the limit on the number of meeting days allowed in a month, qualified individuals will be able to serve on the SCVWD board, regardless of their personal financial circumstances.

“AB 1889 will require that the appointment to a vacant seat on the SCVWD board be made from the geographic district in which the vacancy exists rather than from anywhere in Santa Clara County. The SCVWD is governed by an independently elected seven-member board which represents geographically distinct districts where each board member serves approximately 260,000 constituents. The SCVWD Act currently allows board vacancies to be filled on an ‘at-large’ basis by a person residing anywhere within the SCVWD’s jurisdiction of Santa Clara County. AB 1889 will ensure appropriate community representation by requiring the appointment to a vacant seat be made from the geographic district in which the vacancy exists rather than from anywhere in the County.

“AB 1889 will help ensure appropriate, community bases governance for a large special district that manages water supply, groundwater, flood control, and environmental stewardship for Silicon Valley and all of Santa Clara County.”

- 4) **Board Vacancies.** Prior to 2010, the SCVWD board consisted of five members directly elected, one from each county supervisorial district, and two members appointed by the Santa Clara County Board of Supervisors to serve at large. AB 466 (Coto), Chapter 443, Statutes of 2009, amended the SCVWD Act to require the SCVWD to establish boundaries for seven electoral districts, and provided that the two appointed board members must be elected instead. Elected board members must be residents of the electoral district they represent.

The Government Code prescribes the process for filling a vacancy on a board of directors for any special district. A vacant board seat can be filled by either appointment or by election, and the SCVWD Act requires the District to follow this process. However, AB 466 specified that when a board seat becomes vacant, the new board member must be appointed to represent the SCVWD at large. The SCVWD is asking the Legislature to amend its act to require that appointments to vacant seats be made from the electoral district in which the vacant seat exists, rather than from anywhere within the SCVWD’s jurisdiction.

- 5) **Board Compensation.** Special district board member compensation is traditionally dictated by the enabling act of that type of special district. For instance, regional park and open space district board members are capped at receiving \$100 per day for a maximum of five days per month. In contrast, most special districts that perform some type of water service, whether it be flood control, drinking water, or irrigation, can compensate their board members up to \$100 per day for a maximum of 10 days per calendar month. If each board member works the maximum number of days, this comes out to \$12,000 per calendar year. However, the Water Code does allow these water special districts to increase the amount of compensation

by ordinance at a maximum of five% per year. An ordinance must be adopted every year the compensation is increased. This bill authorizes the SCVWD to be compensated for up to 20 days per month, essentially doubling the amount the board members can receive.

- 6) **Arguments in Support.** Supporters argue that this bill helps increase the fairness and equality of district practices. AB 1889 also helps ensure equal representation on the board by increasing eligible days board members can receive remuneration, making board positions more accessible to electors across different income brackets.
- 7) **Arguments in Opposition.** None on file.

REGISTERED SUPPORT / OPPOSITION:

Support

Santa Clara Valley Water District [SPONSOR]
California Municipal Utilities Association
Silicon Valley Leadership Group

Opposition

None on file

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