

**Water Supply Development Revolving Fund Statutory Issues
Legislative Recommendations Working Group
Legal Subcommittee
Draft
March 23, 2012**

1. Protection of adequate water supplies from adjacent pumpers who do not have a determination of an adequate water supply.

Prohibit funding from the Water Supply Development Revolving Fund (WSDRF) unless each county in which the Regional Water Augmentation Authority (Authority) is located, and each city or town that is a member of the Authority, requires an adequate water supply before subdivided lots may be sold.

2. Protection of adequate water supplies and water supplies of other members of the Authority from impacts of non-subdivision wells.

Limits on the construction of new wells could be considered. One possibility is to require anyone desiring to drill a new non-exempt well outside of an AMA to notify adjacent landowners prior to drilling the well. No consensus was reached on this point.

3. County ability to mandate an adequate water supply before subdivided lots may be sold is limited because state law requires the unanimous vote of the board of supervisors to impose this restriction.

Amend statute to allow a county to mandate an adequate water supply by a majority vote of the board of supervisors.

4. Proposed rules implementing necessary changes to the adequate water supply program are subject to gubernatorial rule-making moratorium.

Request that the rules be released from the moratorium.

5. Some water-related agencies, including a regional water augmentation authority if enabling legislation is enacted, are not eligible for WSDRF funding. Consider whether separate provisions are necessary for an agency or an authority as opposed to a "person."

- Amend the definition of "water provider" in the WSDRF statutes to include authorities.

- Require at least two entities (at least one of them a public agency) to form an authority with a clear public purpose.
- Evaluate whether other adjustments to the WSDRF statutes or rules are appropriate to conform with the above changes or to take into account the expected nature of the projects to be undertaken by a regional authority.

6. Definition of “water supply development” and WIFA rules may not clearly authorize funding for permitting, NEPA reviews and other necessary activities.

The rules may need to be revised to allow these activities to be funded.

7. Maximum repayment period on loans (30 years) is too short.

Change statute to provide for loan repayment period of up to 50 years.

8. Statutory composition of the Water Supply Development Fund Committee might lead to conflicts among Committee members.

Revisit the composition of the Committee to consider whether there should be more representation from urban areas or whether the composition should be more technical/professional in nature.