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May 19, 2023

Heather Halsey Executive Director Commission on State Mandates 980 Ninth Street, Suite 300 Sacramento, CA 95814



LATE FILING

Response to Draft Proposed Decision for Test Claim 11-TC-03, California Regional Water Quality Control Board, San Diego Region, Order No. R0-2010-0016

Dear Director Halsey:

The Department of Finance (Finance) has reviewed the draft proposed decision for the San Diego Regional Water Quality Control Board (Regional Water Board), Test Claim 11-TC-03. Finance defers to the California State Water Resources Control Board (State Board) and to the Regional Water Board as to (i) the duration of any reimbursement period; and (ii) those portions of the Test Claim Permit (as defined below) where the draft proposed decision finds potential for reimbursable costs.

Finance agrees with the draft proposed decision's conclusions that the conditions set forth in certain sections of Order No. R9-2010-0016 issued by the Regional Water Board (Test Claim Permit) do not impose a new program or higher level of service within the meaning of article XIIIB, section 6 of the California Constitution. Specifically, Finance notes that the draft proposed decision is correct with respect to its denial of reimbursable costs associated with Section B.2.; Section C.; Sections F.4.d. and e. and Section II.C. of Attachment E; Section D; Sections F.1.d., 2., 4., 7., Sections h. and F.3.d1.-5; Section F.1.f.; Sections F.2.d.3.; Section \$.2.e.6.e.; Sections F.1.i. and F.3.a.10.; and Section F.3.b.4.a.ii of the Test Claim Permit.

Finance continues to assert that claimants do have sufficient fee authority that is undiminished by Propositions 218 and 26. Finance relies on the holding in Clovis Unified School Dist. v. Chiang (2010) 188 Cal.App.4th, 794 that, to the extent that local government has authority to charge for program costs, those charges cannot be recovered as a state-mandated cost. Thus, Finance argues that the decision by local government not to take the additional necessary steps (such as submitting a proposed fee to voters) to exercise fee authority does not negate that fee authority but instead evidences an exercise of discretion by local government. This is supported by Paradise Irrigation District v. Commission on State Mandates (2019) 33 Cal.App.5th 174, 244 which found that the majority protest procedure (which Finance contends is one of the additional steps to the exercise of fee authority as described above) does not negate a claimant's fee authority. Further, Finance maintains that Government Code section 17556(d) applies in that there can be no finding of a reimbursable stated-mandated program when the claimants have the authority to impose fees sufficient to pay for the requirements of the Test Claim Permit.

Should the Commission find reimbursable costs in connection with the Test Claim Permit, Finance points to offsetting funds that are not "proceeds of taxes" within the meaning of article XIII B, section 8(c) of the California Constitution and notes that the Commission should take all steps necessary to identify those funds and deduct them from any reimbursable costs. As noted in Department of Finance vs. Commission on State Mandates (2022) 85 Cal.App.5th 535, 560, citing County of Fresno v. State of California et al. 280 Cal.Rptr., 92 at p. 487, article XIII B, section 6 of the California Constitution requires subvention only when the costs in question can be recovered solely from tax revenues.

If you have any questions regarding this letter, please contact Chris Hill, Principal Program Budget Analyst at (916) 445-3274.

Sincerely,

Teresa Calvert

TERESA CALVERT Program Budget Manager

Recipient's Email Address

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DECLARATION OF SERVICE BY EMAIL

I, the undersigned, declare as follows:

I am a resident of the County of Sacramento and I am over the age of 18 years, and not a party to the within action. My place of employment is 980 Ninth Street, Suite 300, Sacramento, California 95814.

On May 22, 2023, I served the:

- Finance's Late Comments on the Draft Proposed Decision filed May 22, 2023
- Claimants' Comments on the Draft Proposed Decision filed May 19, 2023

California Regional Water Quality Control Board, San Diego Region, Order No. R9-2010-0016, 11-TC-03 California Regional Water Quality Control Board, San Diego Region, Order No. R9-2010-0016, Sections B.2., C., D., F.1.d.1., 2., 4., 7., F.1.f., F.1.h., F.1.i., F.2.d.3., F.2.e.6.e., F.3.a.10., F.3.b.4.a.ii., F.3.d.1.-5., F.4.d., F.4.e., G.1.-5., K.3.a.-c., Attachment E., Sections II.C. and II.E.2.-5., and Sections F., F.1., F.1.d., F.2., F.3.a.-d., and F.6., Adopted November 10, 2010 County of Riverside, Riverside County Flood Control and Water Conservation District, and Cities of Murrieta, Temecula, and Wildomar, Claimants

by making it available on the Commission's website and providing notice of how to locate it to the email addresses provided on the attached mailing list.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on May 22, 2023 at Sacramento, California.

Jill L. Magee Commission on State Mandates 980 Ninth Street, Suite 300 Sacramento, CA 95814 (916) 323-3562

COMMISSION ON STATE MANDATES

Mailing List

Last Updated: 5/17/23

Claim Number: 11-TC-03

Matter: California Regional Water Quality Control Board, San Diego Region, Order No. R9-2010-0016

Claimants: City of Murrieta City of Temecula City of Wildomar County of Riverside Riverside County Flood Control and Water Conservation District

TO ALL PARTIES, INTERESTED PARTIES, AND INTERESTED PERSONS:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.3.)

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