

BOARD OF DIRECTORS' MEETING MOULTON NIGUEL WATER DISTRICT 27500 La Paz Road, Laguna Niguel January 19, 2017 6:00 PM

Approximate Meeting Time: 2 Hours

- 1. CALL MEETING TO ORDER:
- 2. PLEDGE OF ALLEGIANCE:

3. PUBLIC COMMENTS:

Persons wishing to address the Board of Directors on matters <u>not listed</u> on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any item <u>listed</u> on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

<u>CONSENT CALENDAR ITEMS: (Items on the Consent Calendar have been discussed at the regularly scheduled Engineering/Operations and Finance/IT Board meetings)</u>

Consent items: Unless the General Manager or the Board requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote. Requests for discussion of any specific item should be made to the Presiding Officer in conjunction with the discussion of the consent motion.

- 4. MINUTES OF THE DECEMBER 14, 2016 SPECIAL BOARD OF DIRECTORS' MEETING
- 5. MINUTES OF THE DECEMBER 15, 2016 REGULAR BOARD OF DIRECTORS' MEETING
- 6. ON-CALL SERVICE AGREEMENT FOR MANHOLE REHABILITATION PROGRAM

It is recommended that the Board of Directors award the On-Call Services Agreement for Manhole Rehabilitation Services to Ayala Engineering for a total not-to-exceed amount of \$700,000 (\$350,000 per year) during Fiscal Years 2016-17 and 2017-18, with an option to extend the Agreement for an additional one-year term through Fiscal Year 2018-19 at the same annual amount; and authorize the General Manager to execute the agreement.

7. <u>LOWER BOUNDARY OAK LIFT STATION UPGRADES CONSTRUCTION CONTRACT</u> AWARD

It is recommended that the Board of Directors award the construction services contract to RC Foster Corporation in the amount of \$292,200; authorize the General Manager to execute the

contract; and authorize the General Manager or designee to approve change orders up to 10% of the contract value.

8. PUMP REFURBISHMENT SERVICE AGREEMENT CONTRACT AMENDMENT

It is recommended that the Board of Directors approve and authorize the General Manager to execute the following agreement documents:

1. Pump Refurbishment Services Agreement with Evans Hydro, Inc. to increase \$45,000 from \$90,000 for a not-to-exceed amount of \$135,000 for FY 2016-17.

9. TOOL TRUCK PURCHASE

It is recommended that the Board of Directors approve the purchase of a 2017 Ford F-550 with Stellar TMAX Utility Body and Crane for \$147,194.

10. REBATE APPLICATIONS FOR TURF REMOVAL

It is recommended that the Board of Directors consider the rebate applications for the identified projects without a limitation on the maximum allowable acreage for the project and direct staff accordingly.

<u>GENERAL MANAGER MATTERS:</u>(Brief general updates on District matters and/or brief general updates from staff - Informational purposes only.)

- 11. Legislative Update
- 12. Statewide Water Supply Update
- 13. Long Term Efficiency Framework Update

LEGAL MATTERS:

14. ELECTION OF BOARD OFFICERS

The District By-laws require the election of Board officers every two years. These officers are the President and two Vice Presidents.

It is recommended that the Board of Directors conduct an election for the following officers of the Board and District: President, First Vice President, and Second Vice President with office terms effective at the conclusion of the Board Meeting.

PRESIDENT'S REPORT:

15. HONORING MR. DOUGLAS CHOTKEVYS FOR 15 YEARS OF SERVICE TO THE CITY OF DANA POINT (RESOLUTION 17-

It is recommended that the Board of Directors approve the resolution entitled, "Honoring Mr. Douglas Chotkevys for 15 Years of Service to the City of Dana Point."

BOARD REPORTS:

CLOSED SESSION:

16. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section: 54956.8

Property: Real Estate related to City of San Juan Capistrano's Water and Sewer Systems

Agency Negotiator: Joone Lopez - Moulton Niguel Water District

Negotiating Parties: Moulton Niguel Water District and City of San Juan Capistrano

Under Negotiation: Terms for Proposed Acquisition of Property

17. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9

Receipt of claim: JIACHEN FU

Receipt of claim: JOSEPH SABINA

<u>FUTURE AGENDA ITEMS</u> (Any items added under this section are for discussion at future meetings only.):

LATE ITEMS: (Appropriate Findings to be Made)

- **a.** Need to take immediate action; and
- b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

ADJOURNMENT:

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 831-2500 at least forty-eight (48) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than seventy-two (72) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District website at www.mnwd.com.



DRAFT MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT

December 14, 2016

A Special Meeting of the Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 8:00 AM on December 14, 2016. There were present and participating:

DIRECTORS

Duane Cave Director

Scott Colton Vice President

Richard Fiore Director
Donald Froelich President
Gary Kurtz Director
Larry Lizotte Director

Brian Probolsky Vice President (arrived at 8:46 a.m.)

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez General Manager

Matt Collings Assistant General Manager

Marc Serna Director of Engineering & Operations

Gina Hillary Director of Human Resources

Drew Atwater Director of Planning

Jake Vollebregt Director of Regional & Legal Affairs
Jeff Ferre Best, Best, & Krieger (General Counsel)

Paige Gulck Board Secretary
Tim Bonita Recording Secretary

Trevor Agrelius MNWD
Johnathan Cruz MNWD
Medha Patel MNWD
Carole Wayman-Piascik MNWD
Rod Woods MNWD

Michael Bell Consulting, Inc. Kelly Salt Best, Best, and Krieger

1. CALL MEETING TO ORDER

The meeting was called to order by Donald Froelich at 8:00 a.m.

2. PUBLIC COMMENTS

None.

PRESENTATION ITEMS

3. Financial Planning Workshop

Drew Atwater and Johnathan Cruz presented the Financial Planning Workshop. Key topics presented included the financial position overview, a long range financial plan comparison, a review of the 2015 cost of service rate study, policy driven rate setting, and bond financing and long term financial planning.

Brian Probolsky arrived at 8:46 a.m.

DISCUSSION / ACTION ITEM

4. BOND REIMBURSEMENT RESOLUTION APPROVAL (RESOLUTION 16-__)

It is recommended that the Board of Directors approve the resolution entitled "A Resolution of the Moulton Niguel Water District Board of Directors Declaration of Intent to Reimburse Qualified Capital Expenditures from Anticipated Bond Proceeds".

Drew Atwater and Johnathan Cruz provided details about the Bond Reimbursement Resolution. Staff recommends that the Board of Directors approve the resolution entitled "A Resolution of the Moulton Niguel Water District Board of Directors of Intent to Reimburse Qualified Capital Expenditures from Anticipated Bond Proceeds". Discussion ensued regarding the resolution.

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY RICHARD FIORE, ITEM 4 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

ADJOURNMENT

The meeting was adjourned at 10:22 a.m.

Respectfully submitted,

Tim Bonita Recording Secretary





DRAFT MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT

December 15, 2016

A Regular Meeting of the Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 6:00 PM on December 15, 2016. There were present and participating:

DIRECTORS

Duane Cave Director

Scott Colton Vice President

Richard Fiore Director
Donald Froelich President
Gary Kurtz Director
Larry Lizotte Director

Brian Probolsky Vice President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez General Manager

Marc Serna Director of Engineering & Operations

Gina Hillary Director of Human Resources

Drew Atwater Director of Planning

Jake Vollebregt Director of Regional & Legal Affairs

Jeff Ferre Best, Best, & Krieger (General Counsel)

Paige Gulck Board Secretary
Tim Bonita Recording Secretary

Trevor Agrelius

Johnathan Cruz

MNWD

Tracy Ingebrigtsen

Medha Patel

Lindsey Stuvick

Rod Woods

MNWD

William Brough Assemblyman, 73rd Assembly District

Carol Gamble Member of the Public Roger Faubel Faubel Public Affairs

1. <u>CALL MEETING TO ORDER:</u>

The meeting was called to order by Donald Froelich at 6:11 p.m.

2. PLEDGE OF ALLEGIANCE:

3. PUBLIC COMMENTS:

None.

<u>CONSENT CALENDAR ITEMS:(Items on the Consent Calendar have been discussed at the regularly scheduled Engineering/Operations and Finance/IT Board meetings)</u>

- 4. <u>MINUTES OF THE NOVEMBER 16, 2016 FINANCE AND INFORMATION</u> TECHNOLOGY BOARD OF DIRECTORS' MEETING
- 5. MINUTES OF THE NOVEMBER 17, 2016 REGULAR BOARD OF DIRECTORS' MEETING

6. PLANT 3A FLOOD PROTECTION CONTRACT AWARD

It is recommended that the Board of Directors award the vegetation management contract to Habitat Restoration Sciences, Inc. in the amount of \$152,500; authorize the General Manager to execute the contract; and authorize the General Manager or designee to approve change orders up to 10% of the contract value.

7. <u>CROWN VALLEY RESERVOIRS RE-COATING CONSTRUCTION CONTRACT ADJUSTMENT</u>

It is recommended that the Board of Directors increase the construction contract for J. Colon Coatings, Inc. by \$336,101 for a total contract amount of \$1,762,141.

8. <u>SMART TIMER PROGRAM CONTRACT AWARD</u>

It is recommended that the Board of Directors approve the agreement for 12 months with Valley Soil, Inc. with the subcontractor of Rachio for the not-to-exceed amount of \$480,113 to administrate the new Regional Smart Timer Program. It is also recommended that the Board of Directors direct staff to engage in program agreements with Santa Margarita Water District and Irvine Ranch Water District for the District to administrate the new regional smart timer program.

9. AUDIT REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

It is recommended that the Board receive and file the following reports:

- Comprehensive Annual Financial Report ("CAFR"), including auditors' opinion on the fair presentation of the financial statements
- Single Audit Report, including auditors' report on internal control
- Audit communication letter
- Article XIII-B Appropriations Limit Calculation report.

10. REBATE APPLICATIONS FOR TURF REMOVAL

It is recommended that the Board of Directors consider the rebate applications for the identified projects without a limitation on the maximum allowable acreage for the project and direct staff accordingly.

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY SCOTT COLTON, CONSENT ITEMS 4 THROUGH 10 WERE APPROVED AS PRESENTED, THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

<u>GENERAL MANAGER MATTERS:</u> (Brief general updates on District matters and/or brief general updates from staff - Informational purposes only.)

Joone Lopez provided the following report:

- District staff continue to host landscape workshops with attendance levels continuing to be at a maximum.
- The District received an invitation from the White House to be one of the judges in the California Water Data Challenge.
- The California Data Collaborative also participated in the California Water Data Challenge and received honorable mention as the best in the Urban Water Supplier category.
- Donald Froelich was recognized by the Water Advisory Committee of Orange County for his leadership in serving as chair of the planning committee.
- Joone Lopez also attended and presented at the Orange County Business Council meeting.
- The District will be coordinating a retirement reception for Frances Spivy-Weber who will be retiring from the State Water Resources Control Board.

PRESIDENT'S REPORT:

Donald Froelich stated that he attended the ACWA Fall Conference.

BOARD REPORTS:

Richard Fiore and Gary Kurtz stated that they also attended the ACWA Conference. Scott Colton stated that he attended the Santiago Aqueduct Commission meeting where he received an update on the Baker Water Treatment Plant.

CLOSED SESSION:

11. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section: 54956.8

Property: Real Estate related to City of San Juan Capistrano's Water and Sewer Systems

Agency Negotiator: Joone Lopez - Moulton Niguel Water District

Negotiating Parties: Moulton Niguel Water District and City of San Juan Capistrano

Under Negotiation: Terms for Proposed Acquisition of Property

12. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9

Receipt of claim: Sara Geiss

The Board entered closed session at 6:26 p.m. and exited at 7:05 p.m. Jeff Ferre stated that for item 11 there was no reportable action.

In regard to item 12, a motion was made by Director Fiore, seconded by Director Colton, to reject the claim as directed by the District's insurance carrier and to provide the appropriate notice to the claimant and to request that the District's insurance carrier work with the claimant towards a possible resolution.

THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

<u>FUTURE AGENDA ITEMS</u> (Any items added under this section are for discussion at future meetings only.):

None.

LATE ITEMS: (Appropriate Findings to be Made)

Staff has none.

ADJOURNMENT:

The meeting was adjourned at 7:06 a.m.

Respectfully submitted,

Tim Bonita Recording Secretary





STAFF REPORT

TO: Board of Directors MEETING DATE: January 19, 2017

FROM: Jake Vollebregt, Director of Regional and Legal Affairs

SUBJECT: Legislative Affairs Report

DIVISION: District-wide

SUMMARY:

<u>Issue</u>: This is a two-part information report: the first part is a discussion of bills we expect to see in the California Legislature this year. The second part is an overview of the State's legislative process.

Recommendation: This is an information item.

Fiscal Impact: None.

BACKGROUND:

The California Legislature reconvened the 2017 legislative session on January 4, 2017. In the next few months, the Legislature is expected to take up a number of bills that, if enacted, would affect the District.

DISCUSSION:

LEGISLATION ANTICIPATED IN 2017

Public Goods Charge on Water ("PGC"): General Obligation bonds have been the common method for financing the State's recent public water projects. A new public goods charge (tax) on water could provide a dedicated source of funds to exclusively support water projects. This was proposed in the 2015-2016 session as part of SB 20 ("California Water Resiliency Investment Fund"), but was removed due to opposition by the Association of California Water Agencies ("ACWA"), taxpayer advocates, and others. District staff will continue to monitor the issue and will be prepared to brief the Board if a PGC is proposed in 2017.

#11.

Legislative Affairs Report January 19, 2017 Page **2** of **5**

Potable Reuse: The WateReuse Association is sponsoring legislation defining potable reuse and establishing a timeline for developing regulations. WateReuse is pursuing this concurrently while the Department of Water Resources ("DWR") and the State Water Resources Control Board ("SWRCB") sponsor research on potable reuse. The research is expected to take five years. In the meantime, WateReuse is seeking to codify definitions in order to advance a common understanding of potable reuse. The legislation would require the State's regulatory agencies to study and draft regulations within a specified timeframe. In the long-term, clearer definitions and regulations for potable reuse would expand the District's opportunities for utilizing recycled water, including water that is currently discharged to the Aliso Creek and San Juan Creek ocean outfalls.

Ocean Discharge: In 2016, Senator Hertzberg proposed a ban on ocean discharge of treated wastewater (SB 163), requiring that effluent be recycled for beneficial use. A coalition of water and wastewater agencies opposed SB 163 because it would result in a statewide mandate and significantly increase water treatment costs. The coalition added that the bill did not account for significant regional and watershed differences. The timing of this bill was also questioned. As discussed above ("Potable Reuse"), State agencies are in the early stages of developing a range of water reuse regulations that would govern the treatment and use of wastewater. Senator Hertzberg now serves as Chair of the Senate Committee on Natural Resources and Water. Since the District, through SOCWA, discharges its treated wastewater through the Aliso Creek and San Juan Creek ocean outfalls, a ban on ocean discharge would increase the District's wastewater treatment costs. WateReuse and the California Association of Sanitation Agencies ("CASA") hope to work with Senator Hertzberg and his staff regarding opportunities to advance wastewater reuse.

California Water Fix: State and Federal agencies continue to review plans to invest in the San Joaquin Bay Delta. "Water Fix" is a \$15 billion upgrade to the state's 50-year-old water infrastructure that will support water supply reliability and ecosystem protection in the Delta. The Delta's current system consists of levees that are at risk from earthquakes and sea level rise. Part of Water Fix includes constructing two 40-foot diameter tunnels to transport water 30 miles from the Delta to the State Water Project's pumping station at the Clifton Court Forebay near Byron, California. The tunnels would have capacity to divert up to 4.9 million acre feet per year to the Central Valley and Southern California. In 2016, Assemblywoman Susan Eggman of Stockton introduced AB 1713. The bill would have prohibited the construction of the tunnels, defined as a "peripheral canal," unless expressly authorized by an initiative voted on by California voters, and would have required the Legislative Analyst's Office to complete an economic feasibility analysis prior to a vote authorizing the construction of the tunnels. Metropolitan Water District of Southern California and the Municipal Water District of Orange County have formally endorsed Water Fix because it would increase the reliability of Southern California's water supply.

<u>DWR/SWRCB and Drought Response</u>: The Governor's office released the DWR and the SWRCB's draft report, "Making Water Conservation a California Way

Legislative Affairs Report January 19, 2017 Page **3** of **5**

of Life." This is part of DWR's and the Water Board's efforts to develop and implement the long-term efficiency framework. The Governor's office is expected to sponsor legislation in 2017 implementing the report's policy recommendations. The policies encourage demand management through education, conservation incentives, and penalties for wasteful use.

OVERVIEW OF CALIFORNIA'S LEGISLATIVE PROCESS

After each general election, the California State Legislature convenes a twoyear legislative session to consider bills and enacts laws. The Legislature follows an annual cycle for making laws, which is called the legislative calendar. The Legislature is made up of two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members representing the people of California.

Legislative Calendar 2017

These are the Legislature's key deadlines for lawmaking in 2017.

<u>Deadline</u>	<u>Date</u>	
Reconvene:	January 4, 2017	
Governor's Budget Bill:	January 10, 2017	
Legislative Counsel Requests:	January 20, 2017	
Last day for bills to be introduced:	February 17, 2017	
Spring Recess	April 7-16, 2017	
Committee Deadline for Fiscal Bills:	April 28, 2017	
Committee Deadline for Non-Fiscal Bills:	May 12, 2017	
Fiscal Committee Deadline:	May 26, 2017	
Last day to pass bills:	June 2, 2017	
Budget Deadline:	June 15, 2017	
Summer Recess:	July 22-August 21, 2017	
Last day for Committee Action:	September 1, 2017	
Cross-over Deadline:	September 15, 2017	
Adjournment (No later than):	September 15, 2017	

Concept Development

All legislation begins as an idea or concept. Ideas and concepts can come from a variety of sources. The process begins when a Senator or Assembly Member decides to author a bill. A "spot bill" is a bill that amends a code section in a nonsubstantive way. A spot bill may be also introduced to ensure that a germane vehicle will be available at a later date. Assembly Rules provide that a spot bill cannot be referred to a committee by the Rules Committee without substantive amendments, such as through the "gut and amend" process, where amendments to a bill remove the current contents in their entirety and replace them with different provisions.

#11.

Legislative Affairs Report January 19, 2017 Page **4** of **5**

Authorship

A Legislator sends the idea for the bill to the State Office of Legislative Counsel (OLC) where it is framed into the actual bill. The draft of the bill is returned to the Legislator for introduction. If the author is a Senator, the bill is introduced in the Senate. If the author is an Assembly Member, the bill is introduced in the Assembly.

First Reading/Introduction

A bill is introduced or read the first time when the bill number, the name of the author, and the descriptive title of the bill is read on the floor of the house. The bill is then sent to the Office of State Printing. No bill may be acted upon until 30 days has passed from the date of its introduction.

Committee Hearings

The bill then goes to the Rules Committee of the house of origin where it is assigned to the appropriate policy committee for its first hearing. Bills are assigned to policy committees according to subject area of the bill. For example, a Senate bill dealing with health care facilities would first be assigned to the Senate Health and Human Services Committee for policy review. Bills that require the expenditure of funds must also be heard in the fiscal committees: Senate Appropriations or Assembly Appropriations. Each house has a number of policy committees and a fiscal committee. Each committee is made up of a specified number of Senators or Assembly Members.

During the committee hearing, the author presents the bill to the committee and testimony can be heard in support of or opposition to the bill. The committee then votes by passing the bill, passing the bill as amended, or defeating the bill. Bills can be amended several times. Letters of support or opposition are important and should be mailed to the author and committee members before the bill is scheduled to be heard in committee. It takes a majority vote of the full committee membership for a bill to be passed by the committee.

Each house maintains a schedule of legislative committee hearings. Prior to a bill's hearing, a bill analysis is prepared that explains current law, what the bill is intended to do, and some background information. Typically the analysis also lists organizations that support or oppose the bill.

Second and Third Reading

Bills passed by committees are read a second time on the floor in the house of origin and then assigned to third reading. Bill analyses are also prepared prior to third reading. When a bill is read the third time it is explained by the author, discussed by the Members and voted on by a roll call vote. Bills that require an appropriation or that take effect immediately, generally require 27 votes in the Senate and 54 votes in the Assembly to be passed. Other bills generally require 21 votes in the Senate and

Legislative Affairs Report January 19, 2017 Page **5** of **5**

41 votes in the Assembly. If a bill is defeated, the Member may seek reconsideration and another vote.

Repeat Process in other House

Once the bill has been approved by the house of origin, it proceeds to the other house where the procedure is repeated.

Resolution of Differences

If a bill is amended in the second house, it must go back to the house of origin for concurrence, which is agreement on the amendments. If agreement cannot be reached, the bill is referred to a two house conference committee to resolve differences. Three members of the committee are from the Senate and three are from the Assembly. If the conference committee can resolve the differences, the bill is returned to both houses for a vote.

Governor

If both houses approve a bill, it then goes to the Governor. The Governor has three choices. The Governor can sign the bill into law, allow it to become law without his or her signature, or veto it. A governor's veto can be overridden by a two thirds vote in both houses. Most bills go into effect on the first day of January of the next year. Urgency measures take effect immediately after they are signed or allowed to become law without signature.

Chaptered as Law

Bills that are passed by the Legislature and approved by the Governor are assigned a chapter number by the Secretary of State. These Chaptered Bills (also referred to as Statutes of the year they were enacted) then become part of the California Codes and take effect on January 1st of the following year. The California Codes are an official collection of laws grouped by subject matter. These exist in addition to the Constitution of the State of California.