

AMENDED IN SENATE MARCH 13, 2025

AMENDED IN SENATE FEBRUARY 13, 2025

SENATE BILL

No. 10

Introduced by Senator Padilla

December 2, 2024

An act to amend Section 31475 of the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 10, as amended, Padilla. Otay Mesa East Toll Facility Act: toll revenues.

The Otay Mesa East Toll Facility Act authorizes the San Diego Association of Governments (SANDAG) to carry out a construction project for the State Highway Route 11 corridor, including, among other things, highway improvements and international border crossing facilities, to be operated as a toll facility. Existing law authorizes SANDAG to fix and revise from time to time and charge and collect tolls and other charges for entrance to or the use of the corridor, as provided. Existing law authorizes toll revenues to be used for specified costs, including, among other things, payments of a cooperative tolling agreement with the federal government of Mexico.

This bill ~~would~~ *would, consistent with applicable federal and state laws, authorize those toll revenues to additionally be used to assist in the maintenance of the South Bay International Boundary and Water Commission sewage treatment facility and the development of additional sanitation infrastructure projects related to the Tijuana River pursuant to an agreement with the federal government. The bill would require the repayment of bond obligations to take priority over other allocations of toll revenues.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the South Bay International Boundary and Water Commission sewage treatment facility located within the County of San Diego.

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. The Legislature finds and declares all of the
2 following:

3 (a) The Tijuana River Valley has been a longstanding site of
4 significant environmental degradation due to cross-border
5 pollution, including untreated sewage, industrial waste, and other
6 contaminants that flow from Tijuana, Mexico, into the United
7 States of America.

8 (b) According to the Department of Parks and Recreation, the
9 Tijuana River National Estuarine Research Reserve is the largest
10 coastal wetland and one of the few remaining salt marshes in
11 southern California.

12 (c) This pollution severely impacts communities in California,
13 particularly the City of Imperial Beach, and other nearby
14 neighborhoods in the County of San Diego. These areas are
15 experiencing elevated rates of respiratory illnesses, gastrointestinal
16 diseases, and skin conditions linked to exposure to contaminated
17 water and air.

18 (d) The rapid economic expansion in the border region, driven
19 in part by trade agreements such as the United
20 States-Mexico-Canada Agreement (USMCA), has resulted in
21 increased industrial production, cross-border transportation, and
22 waste generation, exacerbating pollution in the Tijuana River
23 Valley.

24 (e) The life cycle of many products manufactured in the region,
25 including electronics, textiles, and consumer goods, contributes
26 to environmental degradation at every stage, from raw material
27 extraction to production, transport, use, and disposal. Many of
28 these products are produced in factories that discharge untreated
29 waste into the Tijuana River or adjacent lands.

30 (f) The health and safety of residents and visitors to the Tijuana
31 River Valley and surrounding communities are of paramount

1 importance. The Legislature acknowledges the severe public health
2 risks posed by ongoing pollution in the region and recognizes the
3 need for a permanent funding source to provide resources to
4 mitigate the crisis.

5 (g) Pursuant to the Utilization of Waters of the Colorado and
6 Tijuana Rivers and of the Rio Grande Treaty of 1944 between the
7 United States of America and Mexico, the International Boundary
8 and Water Commission (IBWC) gained status as an international
9 body to resolve water quality issues related to transboundary
10 pollution from border rivers and streams.

11 (h) In 1996, the United States Section of the IBWC (USIBWC)
12 used funding from the United States Environmental Protection
13 Agency to build the South Bay International Wastewater Treatment
14 Plant (SBIWTP). The plant is permitted to treat up to 25,000,000
15 gallons per day of raw sewage and other waste water.

16 (i) Due to unchecked expansion leading to unexpectedly high
17 flows, the SBIWTP has become overwhelmed and left only
18 partially operational in need of critical repairs. According to the
19 IBWC, 100 billion gallons of untreated sewage and other pollutants
20 have been dumped into the Tijuana River in the past five years.

21 (j) The USIBWC and the Mexico Section of the IBWC (La
22 Comisión Internacional de Límites y Aguas or “CILA”) entered
23 into an agreement called the “Comprehensive Infrastructure
24 Solution,” which identified targeted infrastructure projects on both
25 sides of the ~~border.~~ border. The latest cost estimate from the
26 IBWC for implementation of this agreement is now \$900,000,000,
27 which would repair and expand the capacity of the facility but does
28 not include maintenance.

29 (k) In July 2020, Congress appropriated \$300,000,000 through
30 the USMCA to mitigate the transboundary flows through expansion
31 of the existing SBIWTP.

32 (l) In 2024, Congress appropriated \$156,000,000 as a part of
33 the 2024 appropriations bill. However, there has been no ongoing
34 funding source appropriated to maintain operations of the SBIWTP.

35 (m) The appropriation of an ongoing and reliable funding source
36 is critical to the health and safety of the residents of the southern
37 portion of the County of San Diego.

38 (n) Funds from the toll collected at the proposed East Otay Mesa
39 may be used to address water and air pollution and used to offset
40 the financial obligations to the IBWC from the federal government.

1 SEC. 2. Section 31475 of the Streets and Highways Code is
2 amended to read:

3 31475. (a) Toll revenues under this chapter may be used to
4 reimburse or finance the costs incurred in connection with the
5 implementation, construction, maintenance, or operation of a
6 project, including reimbursement of federal funds specifically
7 allocated to SANDAG for a project or projects by the federal
8 government or other funds from funding sources that are not
9 otherwise available to state agencies for transportation-related
10 projects. SANDAG shall be reimbursed for administrative costs
11 in an amount that shall not exceed 3 percent of toll revenues under
12 this chapter.

13 (b) Toll revenues shall be used to pay for costs in the following
14 categories:

15 (1) Payments pursuant to bonds and resolutions, indentures, and
16 other constituent instruments defining the rights of the holders of
17 bonds and any repayment or reimbursement obligations of
18 SANDAG to any providers of bond insurance or letters of credit
19 or lines of credit related to bonds.

20 (2) SANDAG costs for operations, toll collection, and
21 administration of the projects.

22 (3) Reimbursement or payment to federal, state, and local
23 agencies for costs incurred by or payable to those agencies for
24 services, equipment, goods, fixtures, operation, maintenance,
25 personnel, or software provided to or in furtherance of a project
26 that are reimbursable pursuant to a written agreement between
27 SANDAG and the respective agency.

28 (4) Costs for capital improvements to repair or rehabilitate a
29 project, to expand project capacity, to improve project operations,
30 or to increase public transit and nonmotorized options in the
31 corridor.

32 (5) Costs for projects that increase transportation options along
33 the corridor or at the Otay Mesa East Port of Entry, including, but
34 not limited to, public transit and nonmotorized transportation that
35 would result in reduced vehicle miles traveled, pursuant to the plan
36 approved by the board pursuant to subdivision (b) of Section 31476
37 that specifies the expenditure of toll revenues.

38 (6) Payments pursuant to an agreement under Section 31483.

39 (c) ~~Toll~~ *Consistent with applicable federal and state laws, toll*
40 revenues may be used to assist in the maintenance of the South

1 Bay International Boundary and Water Commission sewage
2 treatment facility *and the development of additional sanitation*
3 *infrastructure projects related to the Tijuana River* pursuant to an
4 agreement with the federal government.

5 *(d) The repayment of bond obligations shall take priority over*
6 *other allocations of toll revenues under this chapter.*

7 SEC. 3. The Legislature finds and declares that a special statute
8 is necessary and that a general statute cannot be made applicable
9 within the meaning of Section 16 of Article IV of the California
10 Constitution because of the unique need to mitigate the sewage
11 crisis in the County of San Diego by funding the maintenance of
12 the South Bay International Boundary and Water Commission
13 sewage treatment facility.