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**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

2008 JUL 11 AM 8:31
COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

Department Name: CEO
Department No.: 012
For Agenda Of: July 15, 2008
Placement: Departmental
Estimated Tme: 30
Continued Item: No

If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department *[Signature]* Michael F. Brown, County Executive Officer
Director(s)
Contact Info: Terri Maus-Nisich, Assistant CEO 568-3415 *[Signature]*
Rachel Van Mullum, Deputy County Counsel 568-2973

SUBJECT: Assembly Bill 2686 (Nava)

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to Form: No

Other Concurrence:

Recommendation:

- 1) That the Board of Supervisors receive report on Assembly Bill 2686 (Nava) and consult with special water legal counsel to conduct further analysis; and,
- 2) That the Board of Supervisors immediately communicate with Assemblyman Nava's office its desire to hold legislation until the scope of community concerns are researched.

Summary:

This item is on the agenda for the Board of Supervisors to receive an overview of AB 2686 (Nava) which provides for the creation of o the Santa Ynez Valley Water District, a new special act district, in Santa Barbara County. The Santa Ynez Valley Water District would replace the existing Santa Ynez River Water Conservation District, Improvement District No. 1. As the Board of Supervisors directed on July 8, 2008, County Counsel is pursuing special water legal counsel to determine overall impacts of such legislation.

Background:

AB 2686 (Nava) creates the Santa Ynez Valley Water District (SYVWD), a new special act district, in Santa Barbara County. Under AB 2686 Santa Ynez River Water Conservation District, Improvement District No. 1 (ID #1) would cease to exist. Today ID #1 services municipal, industrial and agricultural water to nearly 10,000 customers. Over time it has become apparent that the organization of ID #1 was causing a number of unintended issues not foreseen when it was initially formed. Its powers have overlapped with the Santa Ynez River Conservation District, its parent district, causing confusion about overall authority of ID#1. To resolve such issues, counsel for ID #1, in cooperation with the parent district and Santa Barbara County LAFCO, drafted special legislation in the Water Code that will be applicable only to the proposed Santa Ynez Valley Water District. AB 2686, as presently drafted, does the following:

Creates the Santa Ynez Valley Water District (SYVWD), a new special act district, in Santa Barbara County.

Establishes SYVWD as the “successor in interest” to the powers, duties, responsibilities, obligations, liabilities and jurisdictions of Improvement District No. 1. Under AB 2686, Improvement District No. 1 would cease to exist.

Authorizes SYVWD to appropriate, acquire, and conserve water for any useful purpose and distribute water that may be stored or controlled by the district.

Makes SYVWD subject to LAFCO jurisdiction.

Grants SYVWD the authority to exercise the powers of a water replenishment district.

Authorizes SYVWD: to enter into contracts to provide for the delivery to and from the district of sewage, storm water, and recycled water; to collect, treat, purify, discharge and recycle sewage, storm water and recycled water; and to store, distribute, sell and otherwise dispose of sewage, storm water and recycled water.

Authorizes SYVWD to acquire, construct, own, complete, use, improve, maintain, and operate recreational facilities.

Authorizes SYVWD to impose a groundwater charge based on the extraction of groundwater within the district as a whole or within specified zones.

As of June 25, 2008 support for the proposed legislation includes:

Santa Ynez River Water Conservation District, Improvement District No. 1 (Sponsor)
Association of CA Water Agencies
City of Solvang
Santa Barbara LAFCO

Santa Ynez River Water Conservation District
United Water District

Opponents to the legislation include the Santa Ynez Community Services District.

To date this legislation has been before the following committees; Assembly Local Government (Vote 7-0), Assembly Water Parks and Wildlife (Vote 13-0) Assembly Floor (Vote 76-0) Senate Local Government Vote (Vote4-1) and Senate Natural Resources (Vote 6-1). It is anticipated that this will be before the Senate Appropriations Committee on July 14 and then forwarded on to the Senate floor and sent back to Assembly for concurrence in early August. The Santa Barbara County Legislative Committee has not taken a position on this particular item as it had questions regarding intent of legislation at its June meeting. Because the legislative process may be completed prior to the next Board of Supervisors meeting on August 19, 2008, it is recommended that the Board of Supervisors contact Assemblymember Nava's office to request a hold on the legislation to allow the Board to take action prior to passage of the bill. Performance Measure:

None with this report

Fiscal and Facilities Impacts:

None with this report

Fiscal Analysis:

Funding Sources	Current FY Cost:	Annualized On-going Cost:	Total One-Time Project Cost
General Fund			
State			
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ -

Narrative:

Staffing Impacts:

Legal Positions: **FTEs:**

Special Instructions:

Attachments:

Local Government Committee Analysis
AB 2686

Authored by: Terri Maus-Nisich

CC:

EXHIBIT A

Assembly Bill 2686 (Nava) – Formation of the Santa Ynez Valley Water District

Analysis by the Assembly Local Government Committee (Synopsis)

Summary and Background

AB 2686 creates the Santa Ynez Valley Water District to be the successor in interest to the powers, duties, responsibilities, obligations, liabilities and jurisdiction of the Santa Ynez River Water Conservation District, Improvement District No. 1 (ID #1). Under AB 2686, ID #1 would cease to exist.

ID # was initially formed in 1961 by the Santa Ynez River Water Conservation District (Parent District) to designate the upper Santa Ynez valley as an assessment area to generate funds to build and operate water transmission and distribution facilities relating to the Cachuma Project.

In 1968, ID # was empowered to act under its own Board of Trustees and take on conservation activities, such as water purveying.

Today, ID #1 serves municipal, industrial and agricultural water to nearly 10,000 customers. Over time, it has become apparent that the organization of ID #1 is causing unintended problems that were not foreseen when it was initially formed. Its powers have overlapped with the Parent District, causing confusion.

Jurisdictional issues have developed with the Santa Barbara LAFCO, which did not exist when ID #1 was formed. Also, some of ID #1's powers were too narrowly tailored to fully serve and meet the current needs of the people of the Santa Ynez Valley.

Throughout the past year, ID #1, the Parent District and Santa Barbara LAFCO have worked together to develop a strategy to eliminate these problems. After extensive discussions and research, the stakeholders determined that the most appropriate resolution would be to draft special legislation in the Water Code Appendix that will be applicable only to the proposed Santa Ynez Valley Water District.

Specific Changes

As presently drafted the legislation:

- Provides that the Santa Ynez Valley Water District is formed and will succeed to and be vested with all the powers, rights, duties, responsibilities, obligations, liabilities, and jurisdiction of the SYRWCD Improvement District No.1 and that Improvement District No. 1 will cease to exist as of January 1, 2009.

- Declares the boundaries of the District are that of the Improvement District No. 1.
- Provides the status, position, benefits, and any rights of any officer or employee of Improvement District No. 1 shall not be affected by the succession of the District and shall continue with the District.
- Declares legal title to real and personal property of Improvement District No. 1 shall immediately and by operation of law vest in the district without payment.
- Provides the new District shall succeed to and is vested in with all of the permits, contracts, joint power agreements, leases, licenses, bonds, and other agreements of Improvement District No. 1; all property of Improvement District No. 1, real or personal; and all obligations of Improvement District No. 1, including, but not limited to, all claims, suits, liabilities, judgments, or other proceedings, connected with Improvement District No. 1.
- Declares all ordinances, policies, resolutions, rules, and regulations adopted by Improvement District No. 1 in effect immediately proceeding January 1, 2009, shall remain in effect and shall be fully enforceable unless and until readopted, amended, or repealed, or until they expire.
- Provides that any action by or against Improvement District No. 1 shall not abate but shall continue in the name of the District and the District shall be substituted for the Improvement District No. 1 by the court wherein the action is pending.
- Declares any indebtedness, bond, note, certificate of participation, tax, assessment, rate, fee, charge, or any other action of the Improvement District No. 1 taken before January 1, 2009, shall not be void or voidable by reason of this act, but shall continue in full force and effect, with the District.
- States any inhabitants within the territory of the District and all persons entitled to vote by reason of residing or owning land within the territory are subject to the jurisdiction of the District and have the same rights and duties as if Improvement District No. 1 continued to exist.
- Provides that the District shall have a five-member board and the initial board shall be composed of the board elected to govern Improvement District No.1 and serving on December 21, 2008.
- Provides that each director shall hold office for the remainder of his or her term of office for Improvement District No. 1, and until his or her successor is elected and qualified, and that each director elected after January 1, 2009, to hold office for a term of four years and until his or her successor is elected and qualified.
- Creates a method for filling vacancies on the board.

- Requires each elected or appointed board member to qualify by subscribing to an official oath and executing and filing a \$1,000 bond.
- Provides that board members be paid up to \$100 a day for each day of service, as defined, up to six days of service per month.
- Authorizes the Board to provide, by ordinance or resolution, that members may receive their actual and necessary traveling and incidental expenses incurred while on official business.
- States when and where the board shall initially meet.
- Provides that the board shall manage and conduct the business and affairs of the District, is authorized to adopt rules or by laws for its proceedings and may adopt policies for the operation of the District.
- Declares that meetings of the Board are subject to the Ralph M. Brown Act and that a majority of the total membership of the board is a quorum.
- Requires the board is required to select a president and a vice president at each of its organizational meetings and to appoint and set the salary of a secretary and general manager.
- Requires the secretary to maintain a record of all board proceedings.
- Authorizes the board to adopt a budget that conforms to the accounting and budgeting procedures established for special districts.
- Divides the District into four divisions, which shall be similar in size, with the initial divisions being the same as the divisions of Improvement District No. 1.
- Divides the directors into two classes: one class shall consist of the directors from divisions 2 and 3 and the at-large director and the other class shall consist of the directors from divisions 1 and 4, and establishes when each class shall take office.
- Requires all District elections to follow the Uniform District Election Laws.
- Provides the District with general powers and duties provided to all special districts.
- Requires all District assessments, fees, and charges to comply with Proposition 218.
- Authorized the District to acquire, construct, own, complete, use, improve, maintain, and operate recreational facilities to be used for public purposes.

- Authorizes the District to fix and assess reasonable charges for the use of its recreational facilities by members of the public.
- Authorizes the District to exercise powers granted to a water replenishment district and allows the District to impose and collect a groundwater extraction charge.
- Authorizes the District to do any of the following:
 - Enter into contracts with any city, county, city and county, or other public agency to provide for the delivery to the district of sewage, recycled water, or stormwater produced by, or from, municipalities, sanitary districts, or other incorporated bodies either within or without the district;
 - Enter into joint powers agreements;
 - Collect, treat, purify, dispose, discharge, and recycle sewage, recycled water, or stormwater for beneficial use; and
 - Store, treat, distribute, sell, or otherwise dispose of sewage, recycled water, stormwater, or byproducts resulting from that collection, treatment, purification, or recycling.
- Authorizes District to construct, operate, and maintain one or more plants for the generation of hydroelectric energy and transmission lines for the conveyance of hydroelectric power, and allows the District to sell the generated electricity to a public utility or public agency engaged in the distribution use or sale of electricity.
- Prohibits the District from offering to sell the electricity directly to customers other than a public utility or public agency.
- Authorizes the District to use the electricity it generates for its own purposes, or for the production or transmission of water.
- Authorizes the District to appropriate, acquire, and conserve water and water rights for any useful purpose.
- Authorizes the District to maintain, operate, and repair dams, dam sites, reservoirs and reservoir sites, treatment facilities, canals, ditches, pipes, pumps, spreading basins, sinking wells, and sinking basins.
- Authorizes the District to sell, treat, deliver, distribute, or otherwise dispose of any water that may be stored or appropriated, owned or controlled by the District and to fix the rates at which water may be sold by the District.
- Authorizes the District to take real and personal property of every kind by grant, appropriation, purchase, gift, devise, condemnation, or lease.

- Allows the District to contract for work of the District.
- Allows the District to cooperate and contract with the United States.
- Provides that the District may sue and be sued.
- Authorizes the District to act by ordinance and enforce rules and regulations for the administration, operation, use, and maintenance of the facilities and services.
- Declares it is a misdemeanor for any person to violate a District ordinance.
- Provides processes for how District funds are handled and warrants are paid.
- Authorizes the District to establish rates or other charges for services and facilities that the District provides and to provide, by resolution or ordinance, for the collection and enforcement of those rates or other charges.
- Allows the District to place a lien against a property for delinquent charges.
- Authorizes the District to levy standby charges for water, sewer, or water and sewer services and to impose benefit assessments for the operation and maintenance costs.
- Allows the District to issue bonds to pay for capital facilities.
- Establishes a cap on how much indebtedness the District can have at one time.
- Authorizes the District to create service zones in order to provide varying levels of service throughout the District depending on need.
- States the District is subject to Local Agency Formation Commission (LAFCO).

AMENDED IN SENATE JUNE 26, 2008

AMENDED IN SENATE JUNE 9, 2008

AMENDED IN ASSEMBLY APRIL 10, 2008

AMENDED IN ASSEMBLY APRIL 2, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2686

Introduced by Assembly Member Nava

February 22, 2008

An act relating to the Santa Ynez Valley Water District.

LEGISLATIVE COUNSEL'S DIGEST

AB 2686, as amended, Nava. Santa Ynez Valley Water District.

(1) Existing law authorizes various public entities, including special districts, to provide water service and regulate groundwater.

This bill would enact the Santa Ynez Valley Water District Act. The bill would establish the Santa Ynez Valley Water District in Santa Barbara County. The bill would prescribe the composition of the board of directors of the district. The bill would specify the district's boundaries, powers, and purposes. The district would succeed to the powers, rights, duties, responsibilities, obligations, liabilities, and jurisdiction of Improvement District No. 1 within the Santa Ynez River Water Conservation District, which entity would cease to exist, except as otherwise specified.

The bill would authorize the district to exercise the powers of a water replenishment district. The district would be authorized to impose a groundwater charge for the extraction of groundwater within the district or within a zone of the district in the same manner as a water

conservation district. The bill would authorize the district to appropriate, acquire, and conserve water for any useful purpose, distribute water that may be stored or controlled by the district, and undertake various actions relating to the provision of water service. The district would be authorized to construct, operate, and maintain one or more plants for the generation of hydroelectric power and related transmission lines. The bill would authorize the district to acquire, construct, and operate recreational facilities to be used for public purposes. The bill would authorize the district to act by ordinance in exercising specified powers. A violation of an ordinance adopted by the district would be a misdemeanor. By creating a new crime, the bill would impose a state-mandated local program.

The bill would provide for the safekeeping and disbursement of the funds of the district. The bill would authorize the board to impose rates and charges and raise revenues through benefit assessments, specified forms of indebtedness, and revenue bonds. The bill would provide for the formation of zones within specific areas of the district to provide different services, different levels of service, different facilities, or additional revenues.

The bill would authorize the district to impose charges, including groundwater charges, and other fees and assessments, in accordance with specified constitutional requirements, if applicable. By establishing requirements on the county in connection with the elections of the district, the bill would impose a state-mandated local program.

(2) This bill would state the findings and declarations of the Legislature concerning the need for special legislation.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known and may be cited as the
2 Santa Ynez Valley Water District Act. It is intended to supplement
3 the Water Code, and reads as follows:

1 PART 1. INTRODUCTORY PROVISIONS

2
3 Chapter 1. Short Title and General Provisions

4
5 1. This act shall be known and may be cited as the Santa Ynez
6 Valley Water District Act.

7 2. A water district is hereby established in Santa Barbara County
8 to be known as the Santa Ynez Valley Water District.

9 3. This act shall be liberally construed to carry out its purposes
10 and intent.

11
12 Chapter 2. Legislative Declaration

13
14 10. The Legislature finds and declares all of the following:

15 (a) That the State of California and its people have a primary
16 interest in securing to the inhabitants and owners of the lands and
17 improvements within the area commonly known as the “Santa
18 Ynez Valley,” in Santa Barbara County the greatest possible use,
19 conservation, management, and protection of the waters of the
20 Santa Ynez River, groundwater of the Santa Ynez Uplands
21 Groundwater Basin, and recycled water to the extent that recycled
22 water, may be lawfully diverted and put to beneficial use, for the
23 common benefit of water users within the district.

24 (b) In 1960, the Santa Ynez River Water Conservation District,
25 Improvement District No. 1 was formed pursuant to the Water
26 Conservation District Law of 1931.

27 (c) Between 1968 and 2008, the Santa Ynez River Water
28 Conservation District, Improvement District No. 1 has provided
29 needed public services, facilities, and supplies to residents of the
30 Santa Ynez Valley.

31 (d) It is necessary to reorganize the Santa Ynez River Water
32 Conservation District, Improvement District No. 1 to most
33 efficiently and effectively use, conserve, manage, and protect the
34 waters of the Santa Ynez Valley for the public good.

35 (e) The enactment of this act is necessary for the public peace,
36 health, safety, and welfare.

Chapter 3. Definitions

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20. Unless the context otherwise requires, the provisions of this part govern the construction of this act.

21. The definition of a word applies to any of its variants.

22. The terms used in this act have the following meanings:

(a) "Board" or "board of directors" means the board of directors of the district.

(b) "County" means Santa Barbara County.

(c) "District" means the Santa Ynez Valley Water District.

(d) "Elector" or "voter" has the same meaning as in the terms in the Elections Code, but an "elector or voter" shall also be a resident of the district.

(e) "Improvement District No. 1" means the Santa Ynez River Water Conservation District, Improvement District No. 1.

(f) "President" means the president of the board.

(g) "Public agency" means any city, county, city and county, or other public agency organized under the laws of this state, any other state, the United States, or any tribal government.

(h) "Secretary" means the secretary of the board.

(i) "Treasurer" means the treasurer of the board.

(j) "Uniform District Election Law" means the Uniform District Election Law as set forth in Part 4 (commencing with Section 10500) of Division 10 of the Elections Code.

PART 2. FORMATION

Chapter 1. Boundaries

30. The initial boundaries of the district are described in Resolution No. 657 of Improvement District No. 1, and recorded with the county recorder's office on June 2, 2008, as Document Number 0032723.

31. The district may be entirely within unincorporated territory or partly within unincorporated and partly within incorporated territory.

32. The territory to be included within the district need not be contiguous.

1 Chapter 2. Improvement District No. 1: Acquisition of
2 Properties, Rights, and Functions
3

4 40. (a) The district succeeds to, and is vested with, all the
5 powers, rights, duties, responsibilities, obligations, liabilities, and
6 jurisdiction of Improvement District No. 1. Improvement District
7 No. 1 shall cease to exist as of January 1, 2009.

8 (b) The status, position, benefits, and rights of any board
9 member, officer, or employee of Improvement District No. 1 shall
10 not be affected by the succession of the district and shall continue
11 with the district unless and until readopted, amended, or repealed,
12 or they expire by their own terms.

13 (c) The legal title to all of the real and personal property of
14 Improvement District No. 1 shall immediately and by operation
15 of law vest in the district and shall be held in trust for and set apart
16 for the uses and purposes set forth in this act. No payment for the
17 acquisition, use, or right of use, of any property, real or personal,
18 acquired or constructed by Improvement District No. 1 shall be
19 required by reason of the succession of the district pursuant to this
20 act; nor shall any payment for the district's acquisition of the
21 powers, rights, duties, responsibilities, obligations, liabilities, and
22 jurisdiction be required by reason of that succession.

23 (d) The district shall succeed to and is vested with all of the
24 following:

25 (1) All permits, contracts, joint power agreements, leases,
26 licenses, bonds, and other agreements of Improvement District
27 No. 1.

28 (2) All real and personal property of Improvement District No.
29 1, whether within or outside the district, including, but not limited
30 to, land holdings, easements, water rights, improvements, offices,
31 equipment, supplies, moneys, funds, books, records, and
32 appropriations.

33 (3) All obligations of Improvement District No. 1, including,
34 but not limited to, all claims, suits, liabilities, judgments, or other
35 proceedings, connected with Improvement District No. 1.

36 (e) All ordinances, policies, resolutions, motions, rules, and
37 regulations adopted by Improvement District No. 1 in effect
38 immediately preceding January 1, 2009, shall remain in effect and
39 shall be fully enforceable by the district unless and until readopted,
40 amended, or repealed, or until they expire by their own terms. Any

1 statute, law, rule, or regulation now in force, or that may hereafter
2 be enacted or adopted, with reference to Improvement District No.
3 1 shall mean the district.

4 (f) Any action or proceeding by or against Improvement District
5 No. 1 shall not abate but shall continue in the name of the district,
6 and the district shall be substituted for Improvement District No.
7 1 by the court or agency wherein the action or proceeding is
8 pending. The substitution shall not in any way affect the rights of
9 the parties to the action or proceeding.

10 (g) Any permit, contract, joint powers agreement, lease, license,
11 or any other agreement to which Improvement District No. 1 is a
12 party shall not be void or voidable by reason of this act, but shall
13 continue in full force and effect, with the district succeeding to
14 and vested with the powers, rights, duties, responsibilities,
15 obligations, liabilities, and jurisdiction of Improvement District
16 No. 1. The succession by the district shall not in any way affect
17 the rights of the parties to any permit, contract, joint powers
18 agreement, lease, license, or other agreement.

19 (h) Any approval or determination of Improvement District No.
20 1, including, but not limited to, terms and conditions made with
21 respect to a customer, made prior to January 1, 2009, shall not be
22 void or voidable by reason of this act, but shall continue in full
23 force and effect, with the district succeeding to the powers, rights,
24 duties, responsibilities, obligations, liabilities, and jurisdiction of
25 Improvement District No. 1. The succession by the district shall
26 not in any way affect the rights of the parties to that approval or
27 determination.

28 (i) Any indebtedness, bond, note, certificate of participation,
29 tax, assessment, rate, fee, charge, or any other action of
30 Improvement District No. 1 taken before January 1, 2009, shall
31 not be void or voidable by reason of this act, but shall continue in
32 full force and effect, with the district succeeding to the powers,
33 rights, duties, responsibilities, obligations, liabilities, and
34 jurisdiction of Improvement District No. 1. The succession by the
35 district shall not in any way affect the rights of the parties to that
36 indebtedness, bond, note, certificate of participation, tax,
37 assessment, rate, fee, charge, or other action.

38 (j) Any outstanding bond, note, certificate of participation, or
39 other indebtedness issued by Improvement District No. 1 shall
40 become the indebtedness of the district. Any ongoing obligations

1 or responsibilities of Improvement District No. 1 for managing
2 and maintaining bond issuances shall be transferred to the district
3 without impairment to any security contained in the bond
4 instrument.

5 (k) Any tax, assessment, rate, fee, or charge of Improvement
6 District No. 1 in effect immediately preceding January 1, 2009,
7 shall remain in full force and effect and shall be fully enforceable
8 unless and until readopted, amended, or repealed in accordance
9 with this act and applicable provisions of the California
10 Constitution or until it expires on its own terms. Nothing in this
11 part shall be construed as extending, imposing, or increasing any
12 tax, assessment, rate, fee, or charge.

13 (l) Each and every person, whether natural or corporate, may
14 enforce all of his or her vested rights or uses with respect to the
15 district in the same manner, and to the same extent, as might be
16 done against Improvement District No. 1.

17 (m) All inhabitants within the territory of the district and all
18 persons entitled to vote by reason of residing within the district's
19 territory are subject to the jurisdiction of the district and, except
20 as otherwise provided in this act, have the same rights and duties
21 as if Improvement District No. 1 continued to exist.

22 (n) In addition to the powers, rights, duties, responsibilities,
23 obligations, liabilities, and jurisdiction obtained by succession of
24 the district to Improvement District No.1, the district may exercise
25 the powers that are expressly granted by this act, together with
26 other powers that are reasonably implied from those expressed
27 powers, and powers necessary and proper to carry out the purposes
28 and intent of this act.

29
30 PART 3. INTERNAL ORGANIZATION

31
32 Chapter 1. Directors

33
34 50. The board of directors of the district shall consist of five
35 members.

36 51. Vacancies occurring in the board, by reason of death,
37 resignation, or otherwise, shall be filled pursuant to Section 1780
38 of the Government Code.

39 52. Upon his or her election or appointment, each person who
40 shall be elected or appointed to the office of director shall qualify

1 by taking and subscribing to an official oath and executing and
2 filing a bond as provided in this chapter.

3 53. Each director shall execute an official bond in the sum of
4 one thousand dollars (\$1,000). The director shall file that official
5 bond, together with his or her official oath, with the secretary.

6 54. All official bonds shall be in the form prescribed by law for
7 the official bonds of county officers.

8 55. (a) Each director shall receive compensation in an amount
9 not to exceed one hundred dollars (\$100) per day for each day's
10 attendance at meetings of the board or for each day's service
11 rendered as a director by request of the board, not exceeding a
12 total of six days in any calendar month, together with any actual
13 and necessary expenses incurred in the performance of his or her
14 duties required or authorized by the board.

15 (b) For purposes of this section, the determination of whether
16 a director's activities on any specific day are compensable shall
17 be made pursuant to Article 2.3 (commencing with Section 53232)
18 of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government
19 Code.

20 (c) Reimbursement of a director's actual and necessary expenses
21 shall be subject to Sections 53232.2 and 53232.3 of the
22 Government Code.

23

24

Chapter 2. The Board

25

26 60. On the third Tuesday of the month in which the district is
27 established by this act, and annually thereafter, the directors shall
28 meet and organize as a board.

29 61. (a) The board shall manage and conduct the business and
30 affairs of the district.

31 (b) The board shall act only by ordinance, resolution, or motion.

32 (c) The board may adopt rules or bylaws for its proceedings.

33 (d) The board may adopt policies for the operation of the district,
34 including, but not limited to, administrative policies, fiscal policies,
35 personnel policies, and purchasing policies.

36 (e) The board may take any and all other actions that are
37 necessary or convenient to carry out the business and affairs of
38 the district as provided in this act.

39 62. The location of the office of the district shall be established
40 in the same location as the office of Improvement District No. 1.

1 The board may, by resolution, change the location of the office of
2 the district to some other proper and convenient place within the
3 district, by giving notice thereof by posting in three public places
4 in the district and by publishing a similar notice at least once a
5 week for 30 days in some newspaper of general circulation
6 published in the county.

7 63. The initial meeting of the board shall be held at the office
8 of the district on January 20, 2009, at 5:30 p.m. At the initial
9 meeting, the board shall determine, by resolution, the day, time,
10 and frequency of regular meetings of the board.

11 64. The board, by resolution, may change the day, time, and
12 location for holding regular meetings. Notice of any change shall
13 be published once a week for at least two consecutive weeks before
14 the date for a regular meeting in a newspaper of general circulation,
15 circulated in the district.

16 65. Meetings of the board of directors are subject to the Ralph
17 M. Brown Act (Chapter 9 (commencing with Section 54950) of
18 Part 1 of Division 2 of Title 5 of the Government Code).

19 66. A majority of the total membership of the board shall
20 constitute a quorum for the transaction of business. Except as
21 otherwise specifically provided by law, a majority vote of the total
22 membership of the board is required for the board to take action.

23 67. The secretary shall maintain a record of all proceedings of
24 the board.

25 68. The district may destroy a record pursuant to Chapter 7
26 (commencing with Section 60200) of Division 1 of Title 6 of the
27 Government Code.

28 ~~69. The board may adopt a budget that conforms to the~~
29 ~~accounting and budgeting procedures for special districts contained~~
30 ~~in Subchapter 3 (commencing with Section 1031.1) of, and Article~~
31 ~~4 (commencing with Section 1121) of Subchapter 2 of Division 2~~
32 ~~of Title 2 of the California Code of Regulations.~~

33 69. (a) *The board shall adopt an annual budget pursuant to*
34 *Sections 61110, 61111, and 61112 of the Government Code.*

35 (b) *On or before July 1 of each year, the board of directors shall*
36 *adopt a resolution establishing its appropriations limit, if any, and*
37 *make other necessary determinations for the following fiscal year*
38 *pursuant to Article XIII B of the California Constitution and*
39 *Division 9 (commencing with Section 7900) of Title 1 of the*
40 *Government Code.*

1 70. The board shall, annually, make a verified statement of the
 2 financial condition of the district, showing the receipts and
 3 disbursements of the immediately preceding year, together with
 4 the source of the receipts and purpose of the disbursements. This
 5 statement shall be provided to the Controller pursuant to Article
 6 9 (commencing with Section 53890) of Chapter 4 of Part 1 of
 7 Division 2 of Title 5 of the Government Code. This statement shall
 8 also be placed on file in the office of the district.

9

Chapter 3. Officers

10

11

12 80. Each year, at the first meeting of the board, the board shall
 13 elect a president and vice president from the directors. The
 14 president shall preside over the meetings of the board and the vice
 15 president shall serve in the president's absence or inability to serve.
 16 The board may create additional offices and elect members to those
 17 offices; however, no member of the board shall hold more than
 18 one office.

19

20

81. (a) The board shall appoint a secretary, a treasurer, and a
 general manager.

21

22

(b) The secretary, treasurer, and general manager may, but need
 not, be the same person.

23

24

(c) The board shall set the compensation, if any, for the
 secretary, treasurer, and general manager.

25

26

(d) The secretary, treasurer, and general manager shall hold
 office at the pleasure of the board.

27

28

(e) The board shall require the treasurer to be bonded. The board
 may require the general manager or secretary to be bonded. The
 board shall set the amount of the bond to be given, if any, for the
 faithful performance of duties.

29

30

82. The bond of the secretary and general manager, if any, shall
 be filed with the district.

31

32

33

PART 4. ELECTIONS

34

35

Chapter 1. Divisions and Elections

36

37

90. The district shall be divided into four divisions, which shall
 be as nearly equal in population as practicable and shall be

38

39

1 numbered consecutively. The initial divisions of the district shall
2 be the same as the divisions of Improvement District No. 1.

3 91. The directors of the district shall be divided into two classes.
4 One class shall consist of the directors from divisions 2 and 3 and
5 the at-large director and the other class shall consist of the directors
6 from divisions 1 and 4.

7 92. One director shall be elected from each division by vote of
8 the electors of the division, and one director shall be elected at
9 large by vote of the electors of the entire district. Each director
10 shall be an elector of the division for which he or she is elected,
11 if applicable, a voter of the district, and a resident of the county.

12 93. (a) The initial board of directors of the district shall be
13 composed of the board of trustees elected to represent Improvement
14 District No. 1 and serving on December 31, 2008.

15 (b) The initial class having the greater number of directors shall
16 hold office until noon on Friday, December 3, 2010, and until his
17 or her successor is elected and qualified.

18 (c) The initial class having the fewer number of directors shall
19 hold office until noon on Friday, December 7, 2012, and until his
20 or her successor is elected and qualified.

21 (d) Each director elected on or after January 1, 2009, shall hold
22 office for a term of four years and until his or her successor is
23 elected and qualified.

24 94. (a) The general district election shall be held on the first
25 Tuesday after the first Monday in November of each
26 even-numbered year at which directors for the district shall be
27 elected to fill the offices of the directors.

28 (b) The terms of office shall expire in accordance with this act
29 and the Uniform District Election Law.

30 (c) The election shall be called and conducted in accordance
31 with the Uniform District Election Law.

32
33 Chapter 2. Relocation of Division Boundaries
34

35 100. The board of directors, by resolution, after each decennial
36 census, shall adjust the boundaries of any divisions pursuant to
37 Chapter 8 (commencing with Section 22000) of Division 21 of the
38 Elections Code.

39 101. Before any change of the boundaries of the divisions is
40 made pursuant to this chapter, the board shall give notice of its

1 intention to do so. The notice shall specify, in a general way, the
 2 changes that the board proposes to make and a time and place for
 3 a hearing at which any elector in the district may appear before
 4 the board and object to the making of the proposed changes or
 5 petition that a change be made otherwise than as proposed.

6 102. (a) The notice of intention to change the boundaries of the
 7 divisions shall be published at least once a week for two weeks
 8 before the time appointed for the hearing in one or more
 9 newspapers of general circulation within the district. At the time
 10 and place appointed for the hearing, or at the time and place to
 11 which the hearing may be adjourned, the board shall hear all the
 12 objections and petitions that are presented to the board. The board
 13 may make the change or changes in the boundaries of the divisions
 14 as it determines to be for the best interests of the district.

15 (b) If land is detached from the district, the board, not less than
 16 30 days before any election in the district, may reestablish the
 17 boundaries of the divisions and election precincts within the
 18 district.

19 (c) If land is annexed to the district, the board, not less than 30
 20 days before any election in the district, shall reestablish the
 21 boundaries of the divisions and election precincts within the district
 22 to include the lands therein and to make the divisions as nearly
 23 equal in population as may be practicable.

24 PART 5. POWERS AND PURPOSES

25 Chapter 1. General Powers and Duties

26
 27
 28
 29 110. The district shall have perpetual succession and shall adopt
 30 a seal and alter it at the pleasure of the board.

31 111. (a) The district may enter into and perform all contracts,
 32 including, but not limited to, contracts pursuant to Article 43
 33 (commencing with Section 20680) of Chapter 1 of Part 3 of the
 34 Public Contract Code.

35 (b) The district may enter into a joint powers agreement pursuant
 36 to ~~Chapter the Joint Exercise of Powers Act (Chapter 5~~
 37 (commencing with Section 6500) of Division 7 of Title 1 of the
 38 ~~Government-Code Code~~). *This act does not authorize the district*
 39 *to enter into a joint powers agreement with an entity that is not*

1 *otherwise authorized to be a party to an agreement under the Joint*
2 *Exercise of Powers Act.*

3 112. The district may hire employees, define their qualifications
4 and duties, and provide a schedule of compensation for
5 performance of duties to accomplish the purposes of the district.
6 The district may engage counsel and other professional services.

7 113. The district may acquire any real or personal property
8 within or outside the district, by contract or otherwise, to
9 accomplish the purposes of the district, including, but not limited
10 to, easements or rights-of-way. The district may hold, use, enjoy,
11 manage, occupy, possess, lease, convey, encumber, dispose of,
12 and transfer the property. The district may create a leasehold
13 interest in the property for the benefit of the district.

14 114. The district shall provide for the payment of all the debts
15 and just claims against the district.

16 115. The district shall make public records available to the
17 public in the manner prescribed by the California Public Records
18 Act (Chapter 3.5 (commencing with Section 6250) of Division 7
19 of Title 1 of the Government Code).

20 116. (a) The district may issue bonds, and may impose rates,
21 assessments, fees, and charges, in accordance with the purposes
22 of the act.

23 (b) All assessments, fees, and charges shall, if applicable, be
24 imposed in accordance with Article XIII C and Article XIII D of
25 the California Constitution. If new, increased, or extended
26 assessments are proposed, the board shall comply with the
27 applicable notice, protest, and hearing procedures in Section 53753
28 of the Government Code.

29 117. The district may acquire, construct, own, complete, use,
30 improve, maintain, and operate recreational facilities to be used
31 for public purposes.

32 118. The district may fix and assess reasonable charges for the
33 use of its recreational facilities by members of the public.

34 119. Notwithstanding any other provision of law, the board, by
35 resolution, may change the name of the district. The changed name
36 shall include the words "Water District."

37 120. (a) *On and after January 1, 2009, the district may provide*
38 *any service and facility that Improvement District No. 1 provided*
39 *before that date.*

1 (b) Prior to providing any service or facility authorized by this
2 act that the district did not provide on January 1, 2009, the district
3 shall obtain the approval of the local agency formation commission
4 pursuant to Article 1.5 (commencing with Section 56824.10) of
5 Chapter 5 of Part 3 of Division 3 of Title 5 of the Government
6 Code.

7 (c) Prior to divesting itself of the authority to provide a service
8 or facility, the district shall obtain the approval of the local agency
9 formation commission pursuant to Article 1.5 (commencing with
10 Section 56824.10) of Chapter 5 of Part 3 of Division 3 of Title 5
11 of the Government Code.

12 ~~120.~~

13 121. The district may take any and all actions necessary for, or
14 incidental to, the powers expressed or implied by this act.

15

16 Chapter 2. Water, Sanitation, and Hydroelectric Power

17

18 130. The district may exercise the powers granted to a water
19 replenishment district pursuant to the Water Replenishment District
20 Act (Division 18 (commencing with Section 60000) of the Water
21 Code).

22 131. The district may impose and collect a groundwater charge
23 for the extraction of groundwater within the district or within a
24 zone of the district in the same manner as a water conservation
25 district, pursuant to Part 9 (commencing with Section 75500) of
26 Division 21 of the Water Code. The groundwater charge shall, if
27 applicable, be imposed in accordance with Article XIII C and
28 Article XIII D of the California Constitution.

29 132. (a) The district may do any of the following:

30 (1) Enter into contracts to provide for the delivery to or from
31 the district of sewage, recycled water, or stormwater produced by,
32 or from, municipalities, sanitary districts, or other incorporated
33 bodies either within or outside the district.

34 (2) Collect, treat, purify, dispose, discharge, and recycle sewage,
35 recycled water, or stormwater for beneficial use.

36 (3) Store, treat, distribute, sell, or otherwise dispose of sewage,
37 recycled water, stormwater, or byproducts resulting from that
38 collection, treatment, purification, disposal, discharge, or recycling.

39 (b) The district may acquire, construct, own, complete, use,
40 improve, maintain, and operate the works necessary to carry out

1 the powers described in subdivision (a), and may acquire, construct,
2 own, complete, use, improve, maintain, and operate pipelines,
3 flumes, ditches, reservoirs, and other facilities suitable or adaptable
4 to prevent the waste of water.

5 (c) Whenever the district receives revenue from the sale of
6 sewage, recycled water, stormwater, or byproducts described in
7 paragraph (3) of subdivision (a) in excess of the cost of operating
8 and maintaining the works authorized in this section, it may, for
9 the purpose of enlarging, extending, or improving those works,
10 issue its certificates of indebtedness payable out of those excess
11 revenues, and pledge the same for the payment of the indebtedness
12 so created.

13 133. The district may construct, operate, and maintain one or
14 more plants for the generation of hydroelectric power and
15 transmission lines for the conveyance of hydroelectric power.
16 Construction of the plants or transmission lines may be financed
17 by the issuance of revenue bonds pursuant to the Revenue Bond
18 Law of 1941 (Chapter 6 (commencing with Section 54300) of Part
19 1 of Division 2 of Title 5 of the Government Code) or other method
20 of financing authorized by this act.

21 134. The hydroelectric plant or plants and transmission lines
22 constructed by the district may be leased for operation to, or the
23 electricity generated may be sold to, a public utility or public
24 agency engaged in the distribution, use, or sale of electricity. The
25 district may use the electricity generated by its facilities for its
26 own purposes, or for the production or transmission of water. The
27 district shall not offer to sell the electricity directly to customers
28 other than a public utility or public agency.

29 135. The district may make surveys and investigations of the
30 water supply and resources of the district.

31 136. The district may appropriate, acquire, and conserve water
32 and water rights for any useful purpose.

33 137. The district may conserve, store, treat, spread, and sink
34 water, and for those purposes may acquire or construct dams, dam
35 sites, reservoirs and reservoir sites, canals, ditches, conduits,
36 spreading basins, sinking wells, and sinking basins.

37 138. The district may maintain, operate, and repair dams, dam
38 sites, reservoirs and reservoir sites, treatment facilities, canals,
39 ditches, pipes, pumps, spreading basins, sinking wells, and sinking
40 basins.

1 139. The district may provide for the construction, operation,
2 and maintenance of works, facilities, or operations within or outside
3 the district boundaries that the board determines necessary to
4 protect the land or other property in the district from damage by
5 flood or overflow.

6 140. The district may drill, construct, install, and operate wells,
7 pumps, pipelines, conduits, valves, gates, meters, treatment
8 facilities, and other appurtenances to those wells, pipelines, and
9 conduits, and may pump water therefrom for sale, delivery,
10 distribution, or other disposition.

11 141. The district may sell, treat, deliver, distribute, or otherwise
12 dispose of any water that may be stored or appropriated, owned,
13 or controlled by the district.

14

15 Chapter 3. Property

16

17 150. The district, for the purposes of carrying out this act, may
18 do both of the following within or outside the district:

19 (a) Acquire real and personal property of every kind by grant,
20 appropriation, purchase, gift, devise, condemnation, or lease.

21 (b) Hold, use, enjoy, manage, occupy, possess, lease, convey,
22 encumber, dispose of, or transfer real and personal property of
23 every kind.

24 151. The legal title to all property acquired by the district shall
25 immediately and by operation of law vest in the district, and shall
26 be held in trust for and set apart for the uses and purposes set forth
27 in this act.

28 152. The district may take conveyances or other assurances for
29 all property acquired by the district.

30 153. The district may exercise the right of eminent domain to
31 acquire any real or personal property within or outside the district.
32 If the district acquires real or personal property of a public utility
33 by eminent domain, the district shall also pay for the cost of
34 removal, reconstruction, or relocation of any structure, mains,
35 pipes, conduits, wires, cables, or poles that are required to be
36 moved to a new location.

37 154. The district may exchange or dispose of surplus real or
38 personal property for the benefit of the district.

1 Chapter 4. Contracts With Other Agencies

2
3 Article 1. In General

4
5 160. The district may cooperate and contract with one or more
6 other public agencies to carry out this act.

7 161. (a) The district may contract with any public agency to
8 finance any district improvement authorized by this act. The terms
9 of the contract shall be consistent with this act.

10 (b) The district may enter into agreements with a public agency
11 to acquire, purchase, or construct works or other property, real or
12 personal, for the joint use or benefit of the district and that public
13 agency, and may raise any necessary funds by assessments, bonds,
14 or any other means authorized by law.

15 (c) The district, for the benefit of the district, may enter into
16 agreements to authorize a public agency to construct and operate
17 the works described in subdivision (b), or acquire the property for
18 that purpose.

19 162. A district may contract with any public agency for the
20 provision by or to the district of any facilities, services, or programs
21 authorized by this act, within or outside the district, subject to
22 Section 56133 of the Government Code.

23
24 Article 2. Contracts for Supply of Water and Construction of
25 Works

26
27 170. The district may contract with any public agency for a water
28 supply.

29 171. The district may enter into contracts with a public agency
30 under terms that may be mutually advantageous, for the acquisition
31 or construction of the works authorized by this act, and each of
32 the parties to the contract may contribute to the cost of the
33 acquisition or construction of those amounts of money that may
34 be agreed upon. The contracts shall provide for the operation and
35 maintenance of the works acquired, and for the treatment,
36 distribution, and sale of any water that may be stored or controlled,
37 by the parties to the contracts. Any surplus revenue derived from
38 that sale, after paying the cost of the operation and maintenance
39 of the works, may be distributed to the parties to the contract in

1 proportions that may be agreed upon, or may be used for extensions
2 and improvements.

3 172. The district may enter into contracts with public agency
4 under terms that may be mutually advantageous, for the acquisition
5 or disposal of water or water rights or water storage facilities and
6 rights, or any interest in water, water rights, or water storage and
7 treatment facilities and rights for any useful purpose.

8

9 Article 3. Cooperation with the United States

10

11 180. The district may cooperate and contract with the United
12 States either under the federal Reclamation Act of June 17, 1902,
13 and all acts amendatory thereof or supplementary thereto, or under
14 any other act of Congress, enacted before or after the enactment
15 of this act, that authorizes that cooperation or the exercise of
16 contract authority.

17 181. The cooperation or contract with the United States may be
18 for any of the following purposes in carrying out this act:

19 (a) Acquisition or construction of works authorized by this act.

20 (b) A water supply.

21 (c) Acquisition or disposal of water or water rights or water
22 storage or conservation facilities and rights, and any interest in the
23 water, water rights, or water storage or conservation facilities.

24 (d) Acquisition or construction of works for any useful purpose.

25 (e) Investigation, study, or preparation of proposals or plans for
26 any or all of the above purposes.

27 (f) Obligation of the district to repay to the United States
28 advances of funds made by the United States to the district for any
29 of the purposes described in this section.

30 (g) Assumption as principal or guarantor of indebtedness to the
31 United States.

32 182. The district may carry out and perform the terms of any
33 contract made pursuant to this article.

34 183. For the purposes of this article, "United States" includes
35 the United States, and any board, bureau, agency, office or officers,
36 department, or corporation of the United States.

37 184. The board may carry out all acts necessary to exercise the
38 authority granted by this article, except that if the issuance of bonds
39 of the district is necessary for those purposes, the bonds shall be
40 voted upon and issued in the manner provided in this act.

1 185. When, in furtherance of a contract made with the United
2 States, bonds of the district are authorized, the bonds may be
3 transferred to or deposited with the United States, at not less than
4 their par value. In that case, the interest or principal, or both, of
5 the bonds may be legally paid to the United States and applied to
6 the amount, or any part thereof, to be paid by the district to the
7 United States, as provided in the contract.

8 186. The board may accept, on behalf of the district, the
9 appointment of the district as fiscal agent of the United States, or
10 authorization of the district by the United States, to make collection
11 of money for, and on behalf of, the United States, and to assume
12 the duties and liabilities incidental thereto. The board may carry
13 out any action required by the federal statutes, without regard to
14 the date of enactment, in connection with, all things required by
15 any rules or regulations established on or after January 1, 2009,
16 under any federal statutes.

17 187. A contract entered into between the district and the United
18 States may provide that the district shall not be dissolved, nor shall
19 the boundaries be changed except upon the written consent of an
20 official of the United States filed with the official records of the
21 district. If that consent is given and the lands excluded, the area
22 excluded shall be free from all liens and charges for payments to
23 become due to the United States under any such contract.

24 188. As whole or partial consideration for any privileges
25 obtained by the district under any contract with the United States,
26 any rights-of-way or any rights to water or to the property owned
27 or acquired by the district may be conveyed by the board to the
28 United States if they are needed for the construction, operation,
29 and maintenance of works by the United States for the benefit of
30 the district pursuant to that contract.

31
32 Chapter 5. Controversies
33

34 190. The district may sue and be sued in its own name, except
35 as otherwise provided in this act or other law, in all actions and
36 proceedings in all courts and tribunals of competent jurisdiction.

37 191. Part 3 (commencing with Section 900) and Part 4
38 (commencing with Section 940) of Division 3.6 of Title 1 of the
39 Government Code shall govern all claims for money or damages

1 against the district, except as otherwise provided by this act or
2 other applicable law.

3

4

Chapter 6. Adoption of Ordinances

5

6 200. The district may act by ordinance and enforce rules and
7 regulations for the administration, operation, use, and maintenance
8 of the facilities and services and the exercise of its powers under
9 this act. All ordinances shall be enacted only by rollcall vote
10 entered into the proceedings of the board.

11 201. An ordinance shall be in full force and effect upon
12 adoption, but shall be published once in full in a newspaper of
13 general circulation, printed, published, and circulated in the district
14 within 10 days after adoption, or if there is no such newspaper,
15 posted within that time in three public places within the district.

16 202. (a) It is a misdemeanor for any person to violate any
17 district ordinance adopted after the publication or posting of the
18 ordinance pursuant to this chapter. The violation shall be
19 punishable by a fine not to exceed five hundred dollars (\$500), or
20 imprisonment in the county jail not to exceed 30 days, or by both
21 that fine and imprisonment. Any violation or threatened violation
22 may also be enjoined by civil action.

23 (b) Any citation issued by the district for violation of an
24 ordinance adopted by the board may be processed as an infraction
25 pursuant to subdivision (d) of Section 17 of the Penal Code.

26

27

PART 6. FINANCIAL PROVISIONS

28

29

Chapter 1. Funds and Disbursements

30

31 210. Notwithstanding Sections 54900 to 54903, inclusive, of
32 the Government Code, the district is validly created for the
33 purposes of assessment and taxation.

34 211. The district is the repository of all the funds of the district.
35 The treasurer of the district shall receive and receipt for those
36 moneys, and place those moneys to the credit of the district. The
37 treasurer shall be responsible upon his or her official bond for the
38 safekeeping and disbursement, in the manner provided in this act,
39 of these and all moneys of the district.

1 212. No claim shall be paid by the treasurer until allowed by
2 the board.

3 213. The treasurer shall pay out the moneys of the district only
4 upon an order of the board signed by the president and attested to
5 by the secretary.

6 214. Upon presentation of any matured bond, or any matured
7 interest coupon on any bond of the district, the treasurer shall pay
8 it from the bond fund. If funds are not available for the payment
9 of any such matured bond or interest coupon, it shall draw interest
10 at the rate of 7 percent per annum from the date of its presentation
11 for payment until notice is given that funds are available for its
12 payment, and it shall be stamped and provision made for its
13 payment, as in the case of a warrant for the payment of which
14 funds are not available on its presentation.

15 215. The treasurer shall report in writing at each regular meeting
16 of the board, and as often thereafter as requested by the board, the
17 amount of money on hand, the amount of receipts since his or her
18 last report, and the amounts paid out. The reports shall be verified
19 and filed with the secretary.

20 216. The board shall disburse funds of the district. The funds
21 shall be deposited by the board in a bank or banks approved for
22 deposit of public funds and shall be withdrawn only by written
23 order of the board, signed by the president and secretary. The order
24 shall specify the name of the payee, the fund from which it is to
25 be paid and state generally the purpose for which payment is to
26 be made. The order shall be entered in the minutes of the board.
27 The treasurer shall be responsible for the deposit and withdrawal
28 of funds of the district. The treasurer shall deposit with the district,
29 prior to October 1 of each year, a surety bond in an amount
30 annually fixed by the board. The deposit and withdrawal of funds
31 of the district shall thereafter be subject to Article 2 (commencing
32 with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title
33 5 of the Government Code.

34 217. The board may establish, by resolution, a revolving fund
35 in an amount not to exceed one thousand dollars (\$1,000) to be
36 used to make change and pay small bills directly. The resolution
37 which establishes the revolving fund shall designate all of the
38 following:

39 (a) The purposes for which the fund may be expended.

1 (b) The officer of the district who shall have authority to make
2 disbursements from the fund and be responsible for keeping
3 account of all receipts and disbursements.

4 (c) The necessity for the fund.

5 (d) The maximum amount of the fund.

6
7 Chapter 2. Rates and Charges
8

9 220. (a) The board may, by resolution or ordinance, do any or
10 all of the following:

11 (1) Establish rates or other charges for services and facilities
12 that the district provides.

13 (2) Provide for the collection and enforcement of those rates or
14 other charges.

15 (3) Among the permissible methods for collection and
16 enforcement are:

17 (A) To provide that the charges for any of these services and
18 facilities may be collected with the rates or charges for any other
19 services and facilities provided by the district, and that all charges
20 may be billed on the same bill and collected as one item.

21 (B) To provide that if all or part of a bill is not paid, the district
22 may discontinue any or all services.

23 (C) To provide for a basic penalty for the nonpayment of charges
24 of not more than 10 percent, plus an additional penalty of not more
25 than 1 percent per month for the nonpayment of the charges and
26 the basic penalty. The board of directors may provide for the
27 collection of these penalties.

28 (b) (1) The board of directors may provide that any charges
29 and penalties may be collected on the tax roll in the same manner
30 as property taxes.

31 (2) The general manager shall prepare and file with the board
32 of directors a report that describes each affected parcel of real
33 property and the amount of charges and delinquencies for each
34 affected parcel for the year. The general manager shall give notice
35 of the filing of the report and of the time and place for a public
36 hearing by publishing the notice pursuant to Section 6066 of the
37 Government Code in a newspaper of general circulation, and by
38 mailing the notice to the owner of each affected parcel.

39 (3) At the public hearing, the board of directors shall hear and
40 consider any objections or protests to the report. At the conclusion

1 of the public hearing, the board of directors may adopt or revise
2 the charges and penalties. The board of directors shall make its
3 determination on each affected parcel and its determinations shall
4 be final.

5 (4) On or before August 10 of each year following these
6 determinations, the general manager shall file with the county
7 auditor a copy of the final report adopted by the board of directors.
8 The county auditor shall enter the amount of the charges and
9 penalties against each of the affected parcels of real property as
10 they appear on the current assessment roll. The county tax collector
11 shall include the amount of the charges and penalties on the tax
12 bills for each affected parcel of real property and collect the charges
13 and penalties in the same manner as property taxes.

14 (c) (1) The board of directors may recover any charges and
15 penalties by recording in the office of the county recorder of the
16 county in which the affected parcel is located, a certificate declaring
17 the amount of the charges and penalties due, and the name and last
18 known address of the person liable for those charges and penalties.

19 (2) From the time of recordation of the certificate, the amount
20 of the charges and penalties constitutes a lien against all real
21 property of the delinquent property owner in that county. This lien
22 shall have the force, effect, and priority of a judgment lien.

23 (3) Within 30 days of receipt of payment for all amounts due,
24 including the recordation fees paid by the district, the district shall
25 record a release of the lien. In filing any instrument for recordation,
26 the district shall pay the fees required by Article 5 (commencing
27 with Section 27360) of Chapter 6 of Part 3 of Title 3 of the
28 Government Code.

29 (d) A district shall reimburse the county for the reasonable
30 expenses incurred by the county pursuant to this section.

31 (e) Any remedies for the collection and enforcement of rates or
32 other charges are cumulative and the district may pursue remedies
33 alternatively or consecutively.

34 221. (a) The district may accept any revenue, money, grants,
35 goods, or services from any public agency or from any person for
36 any lawful purpose of the district.

37 (b) In addition to any other existing authority, the district may
38 borrow money and incur indebtedness pursuant to Article 7.6
39 (commencing with Section 53850), and Article 7.7 (commencing

1 with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title
2 5 of the Government Code.

3 222. (a) The board of directors may charge a fee to cover the
4 cost of any service which the district provides or the cost of
5 enforcing any regulation for which the fee is charged. No fee shall
6 exceed the costs reasonably borne by the district in providing the
7 service or enforcing the regulation for which the fee is charged.

8 (b) Before imposing or increasing any fee for property-related
9 services, the board of directors shall follow the procedures of the
10 California Constitution.

11 (c) The board of directors may charge residents or taxpayers of
12 the district a fee authorized by this section that is less than the fee
13 which it charges nonresidents or nontaxpayers.

14 (d) The board of directors may authorize district employees to
15 waive the payment, in whole or in part, of a fee authorized by this
16 section when the board of directors determines that payment would
17 not be in the public interest. Before authorizing any waiver, the
18 board of directors shall adopt a resolution that specifies the policies
19 and procedures governing waivers.

20 223. The district may charge standby charges for water, sewer,
21 or water and sewer services pursuant to the Uniform Standby
22 Charge Procedures Act (Chapter 12.4 (commencing with Section
23 54984) of Part 1 of Division 2 of Title 5 of the Government Code).

24
25
26

Chapter 3. Revenues

27 230. If the board of directors determines that the amount of
28 revenue available to the district or any of its zones is inadequate
29 to meet the costs of operating and maintaining the facilities,
30 programs, and services authorized by this division, the board of
31 directors may raise revenues pursuant to this chapter.

32 231. A district may impose benefit assessments for operations
33 and maintenance consistent with the requirements of the California
34 Constitution, including, but not limited to, benefit assessments
35 imposed pursuant to any of the following:

36 (a) The Improvement Act of 1911 (Division 7 (commencing
37 with Section 5000) of the Streets and Highways Code).

38 (b) The Improvement Bond Act of 1915 (Division 10
39 (commencing with Section 8500) of the Streets and Highways
40 Code).

1 (c) The Municipal Improvement Act of 1913 (Division 12
2 (commencing with Section 10000) of the Streets and Highways
3 Code).

4 (d) Any other statutory authorization enacted on or after January
5 1, 2009.

6
7 Chapter 4. Capital Financing
8

9 240. Whenever the board of directors determines that the amount
10 of revenue available to the district or any of its zones is inadequate
11 to acquire, construct, own, complete, use, improve, maintain,
12 operate, rehabilitate, or replace the facilities authorized by this act,
13 or for funding or refunding any outstanding indebtedness, the board
14 of directors may incur debt and raise revenues pursuant to this
15 chapter.

16 241. (a) Whenever the board of directors determines that it is
17 necessary to incur a general obligation bond indebtedness for the
18 acquisition or improvement of real property, the board of directors
19 may proceed pursuant to Article 11 (commencing with Section
20 5790) of Chapter 4 of Division 5 of the Public Resources Code.

21 (b) Notwithstanding subdivision (a), the district shall not incur
22 bonded indebtedness pursuant to this section that exceeds 15
23 percent of the assessed value of all taxable property in the district
24 at the time that the bonds are issued.

25 242. The board of directors may finance any enterprise and issue
26 revenue bonds pursuant to the Revenue Bond Law of 1941 (Chapter
27 6 (commencing with Section 54300) of Part 1 of Division 2 of
28 Title 5 of the Government Code).

29 243. The district may impose benefit assessments to finance
30 facilities consistent with the requirements of the California
31 Constitution, including, but not limited to, benefit assessments
32 imposed pursuant to any of the following:

33 (a) The Improvement Act of 1911 (Division 7 (commencing
34 with Section 5000) of the Streets and Highways Code).

35 (b) The Improvement Bond Act of 1915 (Division 10
36 (commencing with Section 8500) of the Streets and Highways
37 Code).

38 (c) The Municipal Improvement Act of 1913 (Division 12
39 (commencing with Section 10000) of the Streets and Highways
40 Code).

1 (d) Any other statutory authorization enacted on or after January
2 1, 2009.

3 244. The district may acquire and improve land, facilities, or
4 equipment, and issue securitized limited obligation notes pursuant
5 to Article 7.4 (commencing with Section 53835) of Chapter 4 of
6 Part 1 of Division 2 of Title 5 of the Government Code.

7 ~~245. (a) The district may issue promissory notes to borrow
8 money and incur indebtedness for the purpose of this act, including,
9 but not limited to, the payment of current expenses, pursuant to
10 this section.~~

11 ~~(b) The total amount of indebtedness incurred pursuant to this
12 section outstanding at any one time shall not exceed 5 percent of
13 the district's total enterprise and nonenterprise revenues in the
14 preceding fiscal year. Any indebtedness incurred pursuant to this
15 section shall be repaid within five years from the date on which it
16 is incurred. Any indebtedness incurred pursuant to this section
17 shall bear interest at a rate that shall not exceed the rate permitted
18 under Article 7 (commencing with Section 53530) of Chapter 3
19 of Part 1 of Division 2 of Title 5 of the Government Code.~~

20 ~~(c) Each indebtedness incurred pursuant to this section shall be
21 authorized by resolution adopted by a four-fifths vote of the total
22 membership of the board of directors and shall be evidenced by a
23 promissory note signed by the president of the board of directors
24 and the general manager.~~

25

26

Chapter 5. Zones

27

28 250. (a) Whenever the board of directors determines that it is
29 in the public interest to provide different services, provide different
30 levels of service, provide different facilities, or raise additional
31 revenues within specific areas of the district, the board may form
32 one or more zones pursuant to this chapter.

33 (b) The board of directors shall initiate proceedings for the
34 formation of a new zone by adopting a resolution that does all of
35 the following:

36 (1) States that the proposal is made pursuant to this chapter.

37 (2) Sets forth a description of the boundaries of the territory to
38 be included in the zone.

39 (3) States the reasons for forming the zone.

1 (4) States the different services, different levels of service,
2 different facilities, or additional revenues that the zone will provide.

3 (5) Sets forth the methods by which those services, levels of
4 service, or facilities will be financed.

5 (6) Proposes a name or number for the zone.

6 (c) A proposal to form a new zone may also be initiated by a
7 petition signed by not less than 10 percent of the registered voters
8 residing within the proposed zone. The petition shall contain all
9 of the matters required by subdivision (b).

10 (d) Upon the adoption of a resolution or the receipt of a valid
11 petition, the board of directors shall fix the date, time, and place
12 for the public hearing on the formation of the zone. The board of
13 directors shall publish notice of the hearing, including the
14 information required by subdivision (b), pursuant to Section 6061
15 of the Government Code in one or more newspapers of general
16 circulation in the district. The board of directors shall mail the
17 notice at least 20 days before the date of the hearing to all owners
18 of property within the proposed zone. The board of directors shall
19 post the notice in at least three public places within the territory
20 of the proposed zone.

21 251. (a) At the hearing, the board of directors shall hear and
22 consider any protests to the formation of the zone. If, at the
23 conclusion of the hearing, the board of directors determines either
24 that more than 50 percent of the total number of voters residing
25 within the proposed zone have filed written objections to the
26 formation, or that property owners who own more than 50 percent
27 of the assessed value of all taxable property in the proposed zone
28 have filed written objections to the formation, then the board of
29 directors shall terminate the proceedings. If the board of directors
30 determines that the written objections have been filed by 50 percent
31 or less of those voters or property owners who own 50 percent or
32 less than the assessed value of all taxable property, the board of
33 directors may proceed to form the zone.

34 (b) If the resolution or petition proposes that the zone use special
35 taxes, benefit assessments, fees, standby charges, bonds, or notes
36 to finance its purposes, the board of directors shall proceed
37 according to law. If the voters or property owners do not approve
38 those funding methods, the zone shall not be formed.

39 252. The board of directors may change the boundaries of a
40 zone or dissolve a zone by following the procedures in this part.

1 253. A local agency formation commission shall have no power
2 or duty to review and approve or disapprove a proposal to form a
3 zone, a proposal to change the boundaries of a zone, or a proposal
4 to dissolve a zone.

5 254. (a) As determined by the board of directors, a district may
6 provide any service, any level of service, or any facility within a
7 zone that the district may provide in the district as a whole.

8 (b) As determined by the board of directors and pursuant to the
9 requirements of this division, a district may exercise any fiscal
10 powers within a zone that the district may exercise in the district
11 as a whole.

12 (c) Any special taxes, benefit assessments, rates, fees, charges,
13 standby charges, bonds, or notes that are intended solely for the
14 support of services or facilities within a zone, shall be levied,
15 assessed, and charged within the boundaries of the zone.

16 (d) The district shall not incur a general obligation bonded
17 indebtedness for the benefit of a zone pursuant to this section that
18 exceeds 5 percent of the assessed value of all taxable property in
19 the zone at the time that the bonds are issued. In computing this
20 limit, the 5 percent shall include any other general obligation
21 bonded indebtedness applicable to that zone.

22 (e) The district shall not issue promissory notes for the benefit
23 of a zone that exceed 5 percent of the zone's total enterprise and
24 nonenterprise revenues in the preceding fiscal year. In computing
25 this limit, the 5 percent shall include any other promissory notes
26 applicable to that zone.

27

28

PART 7. MISCELLANEOUS PROVISIONS

29

30 260. (a) Except as otherwise provided in this act, the
31 Cortese-Knox-Hertzberg Local Government Reorganization Act
32 of 2000 (Division 3 (commencing with Section 56000) of Title 5
33 of the Government Code) shall govern any change of organization
34 or reorganization of the district. In the case of any conflict between
35 that division and this act, the provisions of this act shall prevail.

36 (b) The district shall be deemed an "independent special
37 district," as defined by Section 56044 of the Government Code.

38 261. The validity of any bonds authorized or issued under this
39 act, or any charge, fee, or assessment imposed upon the properties
40 of the district in pursuance of this act, shall not be in any manner

1 affected or impaired, should it be determined that any of the
2 directors or officers participating in the proceedings for the issuance
3 of bonds, or the imposition of a charge, fee, or assessment, were
4 not legally elected or not lawfully in office.

5 262. (a) The district, in order to determine the legality of its
6 existence, may institute a proceeding pursuant to Chapter 9
7 (commencing with Section 860) of Title 10 of Part 2 of the Code
8 of Civil Procedure in the superior court of this state, in and for the
9 county, by filing with the clerk of the county a complaint setting
10 forth the name of the district, its exterior boundaries, the date of
11 its organization, and a prayer that it be adjudged a legal water
12 district formed under the provisions of this act.

13 (b) The summons in that proceeding shall be served by
14 publishing a copy thereof once a week for four weeks in a
15 newspaper of general circulation published in the county. The State
16 of California shall be a defendant in that action, and consent
17 therefor is given.

18 (c) Service of summons therein shall be made on the Attorney
19 General. The Attorney General shall appear in that action on behalf
20 of the state in the same manner as with appearances in civil actions.

21 (d) Within 30 days after proof of publication of the summons
22 has been filed in that proceeding, the state, any property owner or
23 resident in the district, or any interested person may appear as a
24 defendant in that action by serving and filing an answer to the
25 complaint, in which case the answer shall set forth the facts relied
26 upon to show the invalidity of the district and shall be served upon
27 the attorney for the district before being filed in that proceeding.

28 (e) The proceeding is hereby declared to be a proceeding in rem
29 and the final judgment rendered therein shall be conclusive against
30 all persons whomsoever, including the district and the State of
31 California.

32 (f) If it is determined that the district does not legally exist or
33 if for any reason this act is held to be unconstitutional,
34 Improvement District No. 1 shall continue to operate in place of
35 the district, uninterrupted and unchanged, exercising the same
36 rights and duties it has historically, pursuant to the Water
37 Conservation District Law of 1931 (Division 21 (commencing
38 with Section 74000) of the Water Code), as if this act had never
39 existed.

1 263. Any action to determine the validity of any bonds, warrants,
2 contracts, obligations, or evidences of indebtedness of the district
3 shall be brought pursuant to Chapter 9 (commencing with Section
4 860) of Title 10 of Part 2 of the Code of Civil Procedure.

5 264. Any judicial action to compel performance of an action by
6 the district, its officers, or its directors shall be brought pursuant
7 to Chapter 2 (commencing with Section 1084) of Title 1 of Part 3
8 of the Code of Civil Procedure.

9 265. Any judicial review of any administrative act taken after
10 a hearing by the district shall be brought pursuant to Section 1094.5
11 of the Code of Civil Procedure.

12 SEC. 2. The provisions of this act are severable. If any
13 provision of this act or its application is held invalid, that invalidity
14 shall not affect other provisions or applications that can be given
15 effect without the invalid provision or application.

16 SEC. 3. The Legislature finds and declares that this act, which
17 is applicable only to the Santa Ynez Valley Water District, is
18 necessary because of the unique and special surface water and
19 groundwater problems in the area included in the district. It is,
20 therefore, hereby declared that a general law within the meaning
21 of Section 16 of Article IV of the California Constitution cannot
22 be made applicable to the district and the enactment of this special
23 law is necessary for the conservation, development, management,
24 control, and use of that water for the public good.

25 SEC. 4. No reimbursement is required by this act pursuant to
26 Section 6 of Article XIII B of the California Constitution for certain
27 costs that may be incurred by a local agency or school district
28 because, in that regard, this act creates a new crime or infraction,
29 eliminates a crime or infraction, or changes the penalty for a crime
30 or infraction, within the meaning of Section 17556 of the
31 Government Code, or changes the definition of a crime within the
32 meaning of Section 6 of Article XIII B of the California
33 Constitution.

34 With respect to certain other expenses, no reimbursement is
35 required by this act pursuant to Section 6 of Article XIII B of the
36 California Constitution because a local agency or school district
37 has the authority to levy service charges, fees, or assessments
38 sufficient to pay for the program or level of service mandated by

1 this act, within the meaning of Section 17556 of the Government
2 Code.

O