

AMENDED IN ASSEMBLY APRIL 10, 2008

AMENDED IN ASSEMBLY APRIL 2, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2686**

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**Introduced by Assembly Member Nava**

February 22, 2008

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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.

The bill would authorize the district to exercise the powers of a water replenishment district. The district would be authorized to impose groundwater charge based on 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 ~~with regard to certain mandates~~ no reimbursement is required by this act for ~~a specified reason~~ *reasons*.

~~With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

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 surface waters  
20 of the 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 1961, 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 2007, 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) There is the need 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

- 1
- 2
- 3 20. Unless the context otherwise requires, the provisions of this
- 4 part govern the construction of this act.
- 5 21. The definition of a word applies to any of its variants.
- 6 22. The terms used in this act have the following meanings:
- 7 (a) "Board" or "board of directors" means the board of directors
- 8 of the district.
- 9 (b) "Board of supervisors" means the board of supervisors of
- 10 the county.
- 11 (c) "County" means Santa Barbara County.
- 12 (d) "District" means the Santa Ynez Valley Water District.
- 13 (e) "Elector" means any elector residing within the district,
- 14 whose name appears on the register of voters of the last general
- 15 election.
- 16 (f) "Improvement District No. 1" means the Santa Ynez River
- 17 Water Conservation District, Improvement District No. 1.
- 18 (g) "President" means the president of the board.
- 19 (h) "Secretary" means the secretary of the board.
- 20 (i) "Treasurer" means the treasurer of the board.
- 21 (j) "Uniform District Election Law" means the Uniform District
- 22 Election Law as set forth in Part 4 (commencing with Section
- 23 10500) of Division 10 of the Elections Code.

Chapter 1. Boundaries

- 24
- 25
- 26
- 27 30. The initial boundaries of the district are described in
- 28 Resolution No. \_\_\_ of Improvement District No. 1, and recorded
- 29 with the county recorder's office on \_\_\_, 2008, as Document
- 30 Number \_\_\_.
- 31 31. The district may be entirely within unincorporated territory
- 32 or partly within unincorporated and partly within incorporated
- 33 territory.
- 34 32. The territory to be included within the district need not be
- 35 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 officer or  
9 employee of Improvement District No. 1 shall not be affected by  
10 the succession of the district and shall continue with the district.

11 (c) The legal title to the real and personal property of  
12 Improvement District No. 1 shall immediately and by operation  
13 of law vest in the district. No payment for the acquisition, use, or  
14 right of use, of any property, real or personal, acquired or  
15 constructed by Improvement District No. 1 shall be required by  
16 reason of the succession of the district pursuant to subdivision (a);  
17 nor shall any payment for the district's acquisition of the powers,  
18 rights, duties, responsibilities, obligations, liabilities, and  
19 jurisdiction be required by reason of that succession.

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

22 (1) All permits, contracts, joint power agreements, leases,  
23 licenses, bonds, and other agreements of Improvement District  
24 No. 1.

25 (2) All property of Improvement District No. 1, real or personal,  
26 including, but not limited to, land holdings, improvements, offices,  
27 equipment, supplies, moneys, funds, books, records, and  
28 appropriations.

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

32 (e) All ordinances, policies, resolutions, rules, and regulations  
33 adopted by Improvement District No. 1 in effect immediately  
34 preceding January 1, 2009, shall remain in effect and shall be fully  
35 enforceable unless and until readopted, amended, or repealed, or  
36 until they expire by their own terms. Any statute, law, rule, or  
37 regulation now in force, or that may hereafter be enacted or adopted  
38 with reference to Improvement District No. 1 shall mean the  
39 district.

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

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

15 (h) Any approval or determination of Improvement District No.  
 16 1, including, but not limited to, terms and conditions made with  
 17 respect to a customer, made prior to January 1, 2009, shall not be  
 18 void or voidable by reason of this act, but shall continue in full  
 19 force and effect, with the district succeeding to the powers, rights,  
 20 duties, responsibilities, obligations, liabilities, and jurisdiction of  
 21 Improvement District No. 1. The succession by the district shall  
 22 not in any way affect the rights of the parties to that approval or  
 23 determination.

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

34 (1) Any outstanding bond, note, certificate of participation, or  
 35 other indebtedness issued by the Improvement District No. 1 shall  
 36 become the indebtedness of the district. Any ongoing obligations  
 37 or responsibilities of Improvement District No. 1 for managing  
 38 and maintaining bond issuances shall be transferred to the district  
 39 without impairment to any security contained in the bond  
 40 instrument.

1 (2) Any tax, assessment, rate, fee, or charge of Improvement  
2 District No. 1 in effect immediately preceding January 1, 2009,  
3 shall remain in full force and effect and shall be fully enforceable  
4 unless and until readopted, amended, or repealed in accordance  
5 with this act and applicable provisions of the California  
6 Constitution. Nothing in this part shall be construed as extending,  
7 imposing, or increasing any tax, assessment, rate, fee, or charge.

8 (j) Each and every person, whether natural or corporate, may  
9 enforce all of his or her vested rights or uses in the same manner,  
10 and to the same extent, as might be done against Improvement  
11 District No. 1.

12 (k) All inhabitants within the territory of the district and all  
13 persons entitled to vote by reason of residing or owning land within  
14 the territory are subject to the jurisdiction of the district and, except  
15 as otherwise provided in this act, have the same rights and duties  
16 as if Improvement District No. 1 continued to exist.

17 (i) In addition to the powers, rights, duties, responsibilities,  
18 obligations, liabilities, and jurisdiction obtained by succession,  
19 the district may exercise the powers that are expressly granted by  
20 this act, together with other powers that are reasonably implied  
21 from those expressed powers, and powers necessary and proper  
22 to carry out the purposes and intent of this act.

23  
24 PART 3. INTERNAL ORGANIZATION

25  
26 Chapter 1. Directors

27  
28 50. The board of directors of the district shall consist of five  
29 members.

30 51. The initial board of directors of the district shall be  
31 composed of the board of trustees elected to represent Improvement  
32 District No. 1 and serving on December 31, 2008. Each of the  
33 directors shall hold office for the remainder of his or her applicable  
34 term of office for Improvement District No. 1, and until his or her  
35 successor is elected and qualified.

36 52. Each director elected after January 1, 2009, shall hold office  
37 for a term of four years and until his or her successor is elected  
38 and qualified.

1 53. Vacancies occurring in the board, by reason of death,  
2 resignation, or otherwise, shall be filled pursuant to Section 1780  
3 of the Government Code.

4 54. Upon his or her election or appointment, each person who  
5 shall be elected or appointed to the office of director shall qualify  
6 by taking and subscribing to an official oath and executing and  
7 filing a bond as provided in Section 55.

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

11 56. All official bonds shall be in the form prescribed by law for  
12 the official bonds of county officers.

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

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

25 (c) Reimbursement for expenses is subject to Sections 53232.2  
26 and 53232.3 of the Government Code.

27

28 Chapter 2. The Board

29

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

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

35 (b) The board may adopt rules or bylaws for its proceedings.

36 (c) The board may adopt policies for the operation of the district,  
37 including, but not limited to, administrative policies, fiscal policies,  
38 personnel policies, and purchasing policies.

1 (d) The board may take any and all other actions that are  
2 necessary or convenient to carry out the business and affairs of  
3 the district as provided in this act.

4 62. The location of the office of the district shall be established  
5 in the same location as the office of Improvement District No. 1.  
6 The board may change the location of the office of the district to  
7 some other proper and convenient place within or near the district,  
8 provided that it shall not be changed without giving notice thereof  
9 by posting in three public places in the district and by publishing  
10 a similar notice at least once a week for 30 days in some newspaper  
11 of general circulation published in the county.

12 63. The board shall hold regular meetings in its office on the  
13 third Tuesday of each month, and any special meetings that may  
14 be required for the proper transaction of business. Upon a finding  
15 by the board for good cause, the board may, by resolution, increase  
16 the frequency and number of regular meetings.

17 64. Notwithstanding Section 63, the board, by resolution, may  
18 change the day and location for holding regular meetings. Notice  
19 of any change shall be published once a week for at least two  
20 consecutive weeks before the date for a regular meeting in a  
21 newspaper of general circulation circulated in the district.

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

25 66. A majority of the total membership of the board shall  
26 constitute a quorum for the transaction of business.

27 67. The secretary shall maintain a record of all proceedings of  
28 the board.

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

32 69. The board may adopt a budget that conforms to the  
33 accounting and budgeting procedures for special districts contained  
34 in Subchapter 3 (commencing with Section 1031.1) of, and Article  
35 1 (commencing with Section 1121) of Subchapter 2 of Division 2  
36 of Title 2 of the California Code of Regulations.

37 70. The board shall, annually, make a verified statement of the  
38 financial condition of the district, showing the receipts and  
39 disbursements of the immediately preceding year, together with

1 the source of the receipts and purpose of the disbursements. This  
2 statement shall be placed on file in the office of the district.

3

4

Chapter 3. Officers

5

6 80. At each of its organizational meetings, the board shall elect  
7 a president and vice president from the directors. The president  
8 shall preside over the meetings of the board and the vice president  
9 shall serve in the president’s absence or inability to serve. The  
10 board may create additional offices and elect members to those  
11 offices; however, no member of the board shall hold more than  
12 one office.

13 81. The board shall appoint and set the salary of a secretary and  
14 general manager, who shall hold office at the pleasure of the board.  
15 The secretary and general manager may, but need not, be the same  
16 person. The board shall set the amount of the bond to be given, if  
17 any, for the faithful performance of his or her duties.

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

20

21

PART 4. ELECTIONS

22

23

Chapter 1. Divisions

24

25 90. The district shall be divided into four divisions, which shall  
26 be as nearly equal in area as practicable and shall be numbered  
27 consecutively. The initial divisions of the district shall be the same  
28 as the divisions of Improvement District No. 1.

29 91. (a) The directors of the district shall be divided into two  
30 classes. One class shall consist of the directors from divisions 2  
31 and 3 and the at-large director and the other class shall consist of  
32 the directors from divisions 1 and 4.

33 (b) The class having the greater number of directors shall hold  
34 office until noon on the first Friday in December of the next  
35 following even-numbered year following the effective date of this  
36 act, or until his or her successor is elected and qualified.

37 (c) The class having the fewer number of directors shall hold  
38 office until noon on the first Friday in December of the second  
39 next following even-numbered year following the effective date  
40 of this act, or until his or her successor is elected and qualified.

1 92. One director shall be elected from each division by vote of  
2 the electors of the division, and one director shall be elected at  
3 large by vote of the electors of the entire district. Each director  
4 shall be an elector of the division for which he or she is elected,  
5 if applicable, a qualified elector of the district, and a resident of  
6 the county.

7 93. (a) The general district election shall be held on the first  
8 Tuesday after the first Monday in November of each  
9 even-numbered year at which directors for the district shall be  
10 elected to fill the offices of the directors.

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

13  
14 Chapter 2. Relocation of Division Boundaries  
15

16 100. The board of directors, by resolution, shall adjust the  
17 boundaries of any divisions pursuant to Chapter 8 (commencing  
18 with Section 22000) of Division 21 of the Elections Code.

19 101. Before any change of the boundaries of the divisions is  
20 made pursuant to this chapter, the board shall give notice of its  
21 intention to do so. The notice shall specify, in a general way, the  
22 changes that the board proposes to make and a time and place for  
23 a hearing at which any owner of land in the district may appear  
24 before the board and object to the making of the proposed changes  
25 or petition that a change be made otherwise than as proposed.

26 102. (a) The notice of intention to change the boundaries of the  
27 divisions shall be published at least once a week for two weeks  
28 before the time appointed for the hearing in one or more  
29 newspapers of general circulation within the district. At the time  
30 and place appointed for the hearing, or at the time and place to  
31 which the hearing may be adjourned, the board shall hear all the  
32 objections and petitions that are presented to the board. The board  
33 may make the change or changes in the boundaries of the divisions  
34 as it determines to be for the best interests of the district.

35 (b) If land is detached from the district, the board, not less than  
36 30 days before any election in the district, may reestablish the  
37 boundaries of the divisions and election precincts within the  
38 district.

39 (c) If land is annexed to the district, the board, not less than 30  
40 days before any election in the district, shall reestablish the

1 boundaries of the divisions and election precincts within the district  
2 to include the lands therein and to make the divisions as nearly  
3 equal in area as may be practicable.

4

5 PART 5. POWERS AND PURPOSES

6

7 Chapter 1. Powers and Duties Generally

8

9 110. The district shall have perpetual succession and shall adopt  
10 a seal and alter it at the pleasure of the board.

11 111. The district may make contracts, including, but not limited  
12 to, contracts to employ labor and hire equipment, and do all acts  
13 necessary for the full exercise of its powers.

14 112. The district may appoint and employ one or more engineers,  
15 attorneys, or other professionals to accomplish the purposes of the  
16 district.

17 113. The district may cause work to be done and may acquire  
18 property to accomplish the purposes of the district. The board shall  
19 estimate the costs of that work or acquisition of property, together  
20 with the acquisition of any necessary easements or rights-of-way  
21 to ensure access to that work or property.

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

24 115. The district may make available to the public information  
25 concerning the rights, properties, activities, plans, and proposals  
26 of the district.

27 116. (a) The district may issue bonds, and may impose  
28 assessments, fees, and charges, to carry out this act.

29 (b) All assessments, fees, and charges shall, *if applicable*, be  
30 imposed in accordance with ~~applicable provisions~~ *Article XIII C*  
31 *and Article XIID* of the California Constitution. If new, increased,  
32 or extended assessments are proposed, the board shall comply with  
33 the applicable notice, protest and hearing procedures in Section  
34 53753 of the Government Code.

35 117. A district may acquire, construct, own, complete, use,  
36 improve, maintain, and operate recreational facilities to be used  
37 for public purposes.

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

1 119. Notwithstanding any other provision of law, the board, by  
2 resolution, may change the name of the district. The changed name  
3 shall include the words “Water District.”

4  
5 Chapter 2. Water  
6

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

11 131. The district may impose and collect a groundwater charge  
12 for the extraction of groundwater within the district or within a  
13 zone of the district in the same manner as a water conservation  
14 district, pursuant to Part 9 (commencing with Section 75500) of  
15 Division 21 of the Water Code. *The groundwater charge shall, if*  
16 *applicable, be imposed in accordance with Article XIII C and*  
17 *Article XIII D of the California Constitution.*

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

19 (1) Enter into contracts with any city, county, city and county,  
20 or other public agency to provide for the delivery to the district of  
21 sewage, recycled water, or stormwater produced by, or from,  
22 municipalities, sanitary districts, or other incorporated bodies either  
23 within or without the district.

24 (2) Enter joint powers agreements pursuant to the Joint Exercise  
25 of Powers Act (Chapter 5 (commencing with Section 6500) of  
26 Division 7 of Title 1 of the Government Code).

27 (3) Collect, treat, purify, dispose, discharge, and recycle sewage,  
28 recycled water, or stormwater for beneficial use.

29 (4) Store, treat, distribute, sell, or otherwise dispose of sewage,  
30 recycled water, stormwater, or byproducts resulting from that  
31 collection, treatment, purification, or recycling.

32 (b) The district may acquire, construct, own, complete, use,  
33 improve, maintain, and operate the works necessary for the  
34 purposes described in subdivision (a), and may acquire, construct,  
35 own, complete, use, improve, maintain, and operate pipelines,  
36 flumes, ditches, and reservoirs suitable or adaptable to prevent the  
37 waste of water.

38 (c) Whenever the district receives revenue from the sale of  
39 sewage, recycled water, stormwater, or byproducts described in  
40 paragraph (3) of subdivision (a) in excess of the cost of operating

1 and maintaining the works authorized in this section, it may, for  
2 the purpose of enlarging, extending, or improving those works,  
3 issue its certificates of indebtedness payable out of those excess  
4 revenues, and pledge the same for the payment of the indebtedness  
5 so created.

6 133. The district may construct, operate, and maintain one or  
7 more plants for the generation of hydroelectric power and  
8 transmission lines for the conveyance of hydroelectric power.  
9 Construction of the plants or transmission lines may be financed  
10 by the issuance of revenue bonds pursuant to the Revenue Bond  
11 Law of 1941 (Chapter 6 (commencing with Section 54300) of Part  
12 1 of Division 2 of Title 5 of the Government Code) or other method  
13 of financing authorized by this act.

14 134. The hydroelectric plant or plants and transmission lines  
15 constructed pursuant to Section 132 may be leased for operation  
16 to, or the electricity generated may be sold to, a public utility or  
17 public agency engaged in the distribution, use, or sale of electricity.  
18 The district may use the electricity generated in accordance with  
19 Section 132 for its own purposes, or for the production or  
20 transmission of water. The district shall not offer to sell the  
21 electricity directly to customers other than a public utility or public  
22 agency

23 135. The district may make surveys and investigations of the  
24 water supply and resources of the district.

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

27 137. The district may conserve, store, treat, spread, and sink  
28 water, and for those purposes may acquire or construct dams, dam  
29 sites, reservoirs and reservoir sites, canals, ditches, conduits,  
30 spreading basins, sinking wells, and sinking basins.

31 138. The district may maintain, operate, and repair dams, dam  
32 sites, reservoirs and reservoir sites, treatment facilities, canals,  
33 ditches, pipes, pumps, spreading basins, sinking wells, and sinking  
34 basins.

35 139. The district may provide for the construction, operation,  
36 and maintenance of works, facilities, or operations within or outside  
37 the district boundaries that the board determines necessary to  
38 protect the land or other property in the district from damage by  
39 flood or overflow.

1 140. The district may drill, construct, install, and operate wells,  
2 pumps, pipelines, conduits, valves, gates, meters, treatment  
3 facilities, and other appurtenances to those wells, pipelines, and  
4 conduits, and may pump water therefrom for sale, delivery,  
5 distribution, or other disposition.

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

9 142. The district may fix the rates at which water may be sold  
10 by the district. The rates shall be uniform for like classes of service  
11 throughout the district.

12

### 13 Chapter 3. Property

14

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

17 (a) Take real and personal property of every kind by grant,  
18 appropriation, purchase, gift, devise, condemnation, or lease.

19 (b) Hold, use, enjoy, manage, occupy, possess, lease, convey,  
20 or dispose of real and personal property of every kind.

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

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

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

34 (b) The right of eminent domain shall not extend to any property  
35 used for, or dedicated to, cemetery purposes.

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

Chapter 4. Contracts With Other Agencies

Article 1. In General

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

161. (a) The district may contract with any state agency to finance any district improvement authorized by this act. The terms of the contract shall be consistent with this act. Notwithstanding any other provision in this act, the term of the contract may extend up to 30 years.

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

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

162. A district may contract with any local agency, state department or agency, federal department or agency, or any tribal government for the provision by or to the district of any facilities, services, or programs authorized by this act, within or without the district, subject to Section 56133 of the Government Code.

Article 2. Contracts for Supply of Water and Construction of Works

170. The district may contract with any city, county, city and county, or other public agency organized under the laws of this state for a water supply.

171. The district may enter into contracts with a city, county, city and county, other public agency, the state, or the United States, under terms that may be mutually advantageous, for the acquisition or construction of the works authorized by this act, and each of the parties to the contract may contribute to the cost of the acquisition or construction of those amounts of money that may be agreed upon. The contracts shall provide for the operation and maintenance of the works acquired, and for the treatment,

1 distribution and sale of any water that may be stored or controlled,  
2 by the parties to the contracts. Any surplus revenue derived from  
3 that sale, after paying the cost of the operation and maintenance  
4 of the works, may be distributed to the parties to the contract in  
5 proportions that may be agreed upon, or may be used for extensions  
6 and improvements.

7 172. The district may enter into contracts with any city, county,  
8 city and county, other public agency, the state, or the United States,  
9 under terms that may be mutually advantageous, for the acquisition  
10 or disposal of water or water rights or water storage facilities and  
11 rights, or any interest in water, water rights, or water storage and  
12 treatment facilities and rights for any useful purpose.

13

14 Article 3. Cooperation with the United States

15

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

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

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

25 (b) A water supply.

26 (c) Acquisition or disposal of water or water rights or water  
27 storage or conservation facilities and rights, and any interest in the  
28 water, water rights, or water storage or conservation facilities.

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

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

32 (f) Obligation of the district to repay to the United States  
33 advances of funds made by the United States to the district for any  
34 of the purposes described in this section.

35 (g) Assumption as principal or guarantor of indebtedness to the  
36 United States.

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

1 183. For the purposes of this article, “United States” includes  
2 the United States, and any board, bureau, agency, office or officers,  
3 department, or corporation of the United States.

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

8 185. When, in furtherance of a contract made with the United  
9 States, bonds of the district are authorized, the bonds may be  
10 transferred to or deposited with the United States, at not less than  
11 their par value. In that case, the interest or principal, or both, of  
12 the bonds may be legally paid to the United States and applied to  
13 the amount, or any part thereof, to be paid by the district to the  
14 United States, as provided in the contract.

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

24 187. A contract entered into between the district and the United  
25 States may provide that the district shall not be dissolved, nor shall  
26 the boundaries be changed except upon the written consent of an  
27 official of the United States filed with the official records of the  
28 district. If that consent is given and the lands excluded, the area  
29 excluded shall be free from all liens and charges for payments to  
30 become due to the United States under any such contract.

31 188. As whole or partial consideration for any privileges  
32 obtained by the district under any contract with the United States,  
33 any rights-of-way or any rights to water or to the property owned  
34 or acquired by the district may be conveyed by the board to the  
35 United States if they are needed for the construction, operation,  
36 and maintenance of works by the United States for the benefit of  
37 the district pursuant to that contract.

Chapter 5. Controversies

1  
2  
3 190. The district may sue and be sued, except as otherwise  
4 provided in this act or other law, in all actions and proceedings in  
5 all courts and tribunals of competent jurisdiction.

6 191. The district may commence, maintain, intervene in, and  
7 compromise, in the name of the district, and assume the costs of,  
8 any action or proceeding involving or affecting the ownership or  
9 use of water or water rights within the district, used or useful for  
10 any purposes of the district, or of common benefit to the lands  
11 situated in the district.

12 192. The district may commence, maintain, intervene in, defend,  
13 and compromise actions and proceedings to prevent interference  
14 with or diminution of the natural flow of any stream or streams or  
15 unnavigable or navigable rivers, including the natural subterranean  
16 supply of water therefrom, that may be used or useful for any  
17 purpose of the district, or a common benefit to the lands within  
18 the district or its inhabitants. The district may commence, maintain,  
19 and defend actions and proceedings to prevent that interference  
20 with waters that may endanger the inhabitants or lands of the  
21 district.

22 193. The district may institute and maintain any and all actions,  
23 proceedings, and suits at law or in equity necessary or proper to  
24 fully carry out this act, or to enforce, maintain, protect, or preserve  
25 any and all rights, privileges, and immunities created by this act  
26 or acquired pursuant to this act.

27 194. In all courts, actions, suits, or proceedings, the board may  
28 sue, appear, and defend in the name of the district in person or by  
29 attorneys.

30 195. Part 3 (commencing with Section 900) and Part 4  
31 (commencing with Section 940) of Division 3.6 of Title 1 of the  
32 Government Code govern all claims for money or damages against  
33 the district, except as otherwise provided by this act or other  
34 applicable law.

35  
36 Chapter 6. Adoption of Ordinances

37  
38 200. The district may act by ordinance and enforce rules and  
39 regulations for the administration, operation, use, and maintenance

1 of the facilities and services and the exercise of its powers under  
2 this act. All ordinances shall be enacted only by rollcall vote  
3 entered into the proceedings of the board.

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

9 202. (a) It is a misdemeanor for any person to violate any  
10 district ordinance adopted pursuant to Section 200 after the  
11 publication or posting of the ordinance pursuant to Section 201.  
12 The violation shall be punishable by a fine not to exceed five  
13 hundred dollars (\$500), or imprisonment in the county jail not to  
14 exceed 30 days, or by both that fine and imprisonment. Any  
15 violation or threatened violation may also be enjoined by civil  
16 action.

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

20  
21 PART 6. FINANCIAL PROVISIONS

22  
23 Chapter 1. Funds and Warrants

24  
25 210. Notwithstanding Sections 54900 to 54903, inclusive, of  
26 the Government Code, the district is validly created for the  
27 purposes of assessment and taxation.

28 211. The district is the repository of all the funds of the district.  
29 The treasurer of the district shall receive and receipt for such  
30 moneys, and place such moneys to the credit of the district. The  
31 treasurer shall be responsible upon his or her official bond for the  
32 safekeeping and disbursement, in the manner provided in this act,  
33 of these and all moneys of the district.

34 212. No claim shall be paid by the treasurer until allowed by  
35 the board.

36 213. The treasurer shall pay out the moneys of the district only  
37 upon warrants of the district, drawn upon order of the board signed  
38 by the president and attested to by the secretary.

39 214. Upon presentation of any matured bond, or any matured  
40 interest coupon on any bond of the district, the treasurer shall pay

1 it from the bond fund. If funds are not available for the payment  
2 of any such matured bond or interest coupon, it shall draw interest  
3 at the rate of 7 percent per annum from the date of its presentation  
4 for payment until notice is given that funds are available for its  
5 payment, and it shall be stamped and provision made for its  
6 payment, as in the case of a warrant for the payment of which  
7 funds are not available on its presentation.

8 215. The treasurer shall report in writing at each regular meeting  
9 of the board, and as often thereafter as requested by the board, the  
10 amount of money on hand, the amount of receipts since his or her  
11 last report, and the amounts paid out. Such reports shall be verified  
12 and filed with the secretary.

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

28 217. The board has no power, except as provided in this act as  
29 to certificates of indebtedness, notes, special assessments, and the  
30 issuance of bonds by the district, to incur any debt or liability  
31 whatever in excess of the express provisions of this act. Any debt  
32 or liability incurred in excess of such express provisions, except  
33 as to certificates of indebtedness, notes, special assessments, and  
34 the issuance of bonds, is absolutely void.

35 218. The board may establish by resolution a revolving fund in  
36 an amount not to exceed one thousand dollars (\$1,000) to be used  
37 to make change and pay small bills directly. The resolution which  
38 establishes the revolving fund shall designate all of the 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) The board of directors may provide that any charges and  
29 penalties may be collected on the tax roll in the same manner as  
30 property taxes. The general manager shall prepare and file with  
31 the board of directors a report that describes each affected parcel  
32 of real property and the amount of charges and delinquencies for  
33 each affected parcel for the year. The general manager shall give  
34 notice of the filing of the report and of the time and place for a  
35 public hearing by publishing the notice pursuant to Section 6066  
36 of the Government Code in a newspaper of general circulation,  
37 and by mailing the notice to the owner of each affected parcel. At  
38 the public hearing, the board of directors shall hear and consider  
39 any objections or protests to the report. At the conclusion of the  
40 public hearing, the board of directors may adopt or revise the

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

12 (c) The board of directors may recover any charges and penalties  
13 by recording in the office of the county recorder of the county in  
14 which the affected parcel is located, a certificate declaring the  
15 amount of the charges and penalties due, and the name and last  
16 known address of the person liable for those charges and penalties.  
17 From the time of recordation of the certificate, the amount of the  
18 charges and penalties constitutes a lien against all real property of  
19 the delinquent property owner in that county. This lien shall have  
20 the force, effect, and priority of a judgment lien. Within 30 days  
21 of receipt of payment for all amounts due, including the recordation  
22 fees paid by the district, the district shall record a release of the  
23 lien. In filing any instrument for recordation, the district shall pay  
24 the fees required by Article 5 (commencing with Section 27360)  
25 of Chapter 6 of Part 3 of Title 3 of the Government Code.

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

28 (e) Any remedies for the collection and enforcement of rates or  
29 other charges are cumulative and the district may pursue remedies  
30 alternatively or consecutively.

31 221. (a) The district may accept any revenue, money, grants,  
32 goods, or services from any federal, state, regional, or local agency  
33 or from any person for any lawful purpose of the district.

34 (b) In addition to any other existing authority, the district may  
35 borrow money and incur indebtedness pursuant to Article 7.6  
36 (commencing with Section 53850), and Article 7.7 (commencing  
37 with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title  
38 5 of the Government Code.

39 222. (a) The board of directors may charge a fee to cover the  
40 cost of any service which the district provides or the cost of

1 enforcing any regulation for which the fee is charged. No fee shall  
2 exceed the costs reasonably borne by the district in providing the  
3 service or enforcing the regulation for which the fee is charged.

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

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

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

16 223. The district may charge standby charges for water, sewer,  
17 or water and sewer services pursuant to the Uniform Standby  
18 Charge Procedures Act (Chapter 12.4 (commencing with Section  
19 54984) of Part 1 of Division 2 of Title 5 of the Government Code).

20

21

Chapter 3. Revenues

22

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

28 231. A district may impose benefit assessments for operations  
29 and maintenance consistent with the requirements of the California  
30 Constitution, including, but not limited to, benefit assessments  
31 imposed pursuant to any of the following:

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

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

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

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

3  
4 Chapter 4. Capital Financing  
5

6 240. Whenever the board of directors determines that the amount  
7 of revenue available to the district or any of its zones is inadequate  
8 to acquire, construct, improve, rehabilitate, or replace the facilities  
9 authorized by this act, or for funding or refunding any outstanding  
10 indebtedness, the board of directors may incur debt and raise  
11 revenues pursuant to this chapter.

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

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

21 242. The board of directors may finance any enterprise and issue  
22 revenue bonds pursuant to the Revenue Bond Law of 1941 (Chapter  
23 6 (commencing with Section 54300) of Part 1 of Division 2 of  
24 Title 5 of the Government Code).

25 243. The district may impose benefit assessments to finance  
26 facilities consistent with the requirements of the California  
27 Constitution, including, but not limited to, benefit assessments  
28 imposed pursuant to any of the following:

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

31 (b) The Improvement Bond Act of 1915 (Division 10  
32 (commencing with Section 8500) of the Streets and Highways  
33 Code).

34 (c) The Municipal Improvement Act of 1913 (Division 12  
35 (commencing with Section 10000) of the Streets and Highways  
36 Code).

37 (d) Any other statutory authorization enacted on or after January  
38 1, 2009.

39 244. The district may acquire and improve land, facilities, or  
40 equipment, and issue securitized limited obligation notes pursuant

1 to Article 7.4 (commencing with Section 53835) of Chapter 4 of  
2 Part 1 of Division 2 of Title 5 of the Government Code.

3 245. (a) The district may issue promissory notes to borrow  
4 money and incur indebtedness for the purpose of this act, including,  
5 but not limited to, the payment of current expenses, pursuant to  
6 this section.

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

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

21

22 Chapter 5. Zones

23

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

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

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

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

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

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

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

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

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

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

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

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

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

37 253. A local agency formation commission shall have no power  
38 or duty to review and approve or disapprove a proposal to form a  
39 zone, a proposal to change the boundaries of a zone, or a proposal  
40 to dissolve a zone.

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

4 (b) As determined by the board of directors and pursuant to the  
 5 requirements of this division, a district may exercise any fiscal  
 6 powers within a zone that the district may exercise in the district  
 7 as a whole.

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

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

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

23  
 24 PART 7. MISCELLANEOUS PROVISIONS  
 25

26 260. (a) Except as otherwise provided in this act, territory may  
 27 be annexed to, or detached from, the district and a district may  
 28 undergo a change of organization or reorganization in accordance  
 29 with the Cortese-Knox-Hertzberg Local Government  
 30 Reorganization Act of 2000 (Division 3 (commencing with Section  
 31 56000) of Title 5 of the Government Code). In the case of any  
 32 conflict between that division and this act, the provisions of this  
 33 act shall apply.

34 (b) The district shall be deemed an “independent special  
 35 district,” as defined by Section 56044 of the Government Code.

36 261. The validity of any bonds authorized or issued under this  
 37 act, or any charge, fee, or assessment imposed upon the properties  
 38 of the district in pursuance of this act, shall not be in any manner  
 39 affected or impaired, should it be determined that any of the  
 40 trustees or officers participating in the proceedings for the issuance

1 of bonds, or the imposition of a charge, fee, or assessment, were  
2 not legally elected or not lawfully in office.

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

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

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

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

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

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

38 263. Any action to determine the validity of any bonds, warrants,  
39 contracts, obligations, or evidences of indebtedness of the district

1 shall be brought pursuant to Chapter 9 (commencing with Section  
2 860) of Title 10 of Part 2 of the Code of Civil Procedure.

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

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

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

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

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

32 ~~However, if the Commission on State Mandates determines that~~  
33 ~~this act contains other costs mandated by the state, reimbursement~~  
34 ~~to local agencies and school districts for those costs shall be made~~  
35 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
36 ~~4 of Title 2 of the Government Code.~~

37 *With respect to certain other expenses, no reimbursement is*  
38 *required by this act pursuant to Section 6 of Article XIII B of the*  
39 *California Constitution because a local agency or school district*  
40 *has the authority to levy service charges, fees, or assessments*

1 *sufficient to pay for the program or level of service mandated by*  
2 *this act, within the meaning of Section 17556 of the Government*  
3 *Code.*

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6 **CORRECTIONS:** \_\_\_\_\_

7 **Text—Page 18 and 30.**

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