

AMENDED IN SENATE JULY 10, 2008

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 *acquire*, construct, *improve*, operate, ~~and~~ maintain, *repair*, and *replace* 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:

4

5 PART 1. INTRODUCTORY PROVISIONS

6

7 Chapter 1. Short Title and General Provisions

8

9 1. This act shall be known and may be cited as the Santa Ynez
10 Valley Water District Act.

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

13 3. This act shall be liberally construed to carry out its purposes
14 and intent.

15

16 Chapter 2. Legislative Declaration

17

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

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

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

31 (c) Between 1968 and 2008, the Santa Ynez River Water
32 Conservation District, Improvement District No. 1 has provided
33 needed public services, facilities, and supplies to residents of the
34 Santa Ynez Valley.

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

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

3
4 Chapter 3. Definitions
5

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

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

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

10 (a) “Board” or “board of directors” means the board of directors
11 of the district.

12 (b) “County” means Santa Barbara County.

13 (c) “District” means the Santa Ynez Valley Water District.

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

17 (e) “Improvement District No. 1” means the Santa Ynez River
18 Water Conservation District, Improvement District No. 1.

19 (f) “President” means the president of the board.

20 (g) “Public agency” means *the state*, any city, county, city and
21 county, or other public agency organized under the laws of this
22 state, any other state, the United States, or any tribal government.

23 (h) “Secretary” means the secretary of the board.

24 (i) “Treasurer” means the treasurer of the board.

25 (j) “Uniform District Election Law” means the Uniform District
26 Election Law as set forth in Part 4 (commencing with Section
27 10500) of Division 10 of the Elections Code.

28
29 PART 2. FORMATION
30

31 Chapter 1. Boundaries
32

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

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

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

3
4 Chapter 2. Improvement District No. 1: Acquisition of
5 Properties, Rights, and Functions
6

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

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

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

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

28 (1) All permits, contracts, ~~joint-power~~ *powers* agreements,
29 leases, licenses, bonds, and other agreements of Improvement
30 District No. 1.

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

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

39 (e) All ordinances, policies, resolutions, motions, rules, and
40 regulations adopted by Improvement District No. 1 in effect

1 immediately preceding January 1, 2009, shall remain in effect and
2 shall be fully enforceable by the district unless and until readopted,
3 amended, or repealed, or until they expire by their own terms. Any
4 statute, law, rule, or regulation now in force, or that may hereafter
5 be enacted or adopted, with reference to Improvement District No.
6 1 shall mean the district.

7 (f) Any action or proceeding by or against Improvement District
8 No. 1 shall not abate but shall continue in the name of the district,
9 and the district shall be substituted for Improvement District No.
10 1 by the court or agency wherein the action or proceeding is
11 pending. The substitution shall not in any way affect the rights of
12 the parties to the action or proceeding.

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

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

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

1 (j) Any outstanding bond, note, certificate of participation, or
 2 other indebtedness issued by Improvement District No. 1 shall
 3 become the indebtedness of the district. Any ongoing obligations
 4 or responsibilities of Improvement District No. 1 for managing
 5 and maintaining bond issuances shall be transferred to the district
 6 without impairment to any security contained in the bond
 7 instrument.

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

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

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

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

32
 33 **PART 3. INTERNAL ORGANIZATION**

34
 35 **Chapter 1. Directors**

36
 37 50. The board of directors of the district shall consist of five
 38 members.

1 51. 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 52. 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 this chapter.

8 53. 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 54. All official bonds shall be in the form prescribed by law for
12 the official bonds of county officers.

13 55. (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 of a director's actual and necessary expenses
26 shall be subject to Sections 53232.2 and 53232.3 of the
27 Government Code.

28

29

Chapter 2. The Board

30

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

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

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

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

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

1 (e) 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, by resolution, change the location of the office of
7 the district to some other proper and convenient place within the
8 district, by giving notice thereof by posting in three public places
9 in the district and by publishing a similar notice at least once a
10 week for 30 days in ~~some~~ a newspaper of general circulation
11 published in the county.

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

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

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

24 66. A majority of the total membership of the board shall
25 constitute a quorum for the transaction of business. Except as
26 otherwise specifically provided by law, a majority vote of the total
27 membership of the board is required for the board to take action.

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

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

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
 10 Chapter 3. Officers

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

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

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

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

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

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

33
 34 PART 4. ELECTIONS

35
 36 Chapter 1. Divisions and Elections

37
 38 90. The district shall be divided into four divisions, which shall
 39 be as nearly equal in population as practicable and shall be

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
25 PART 5. POWERS AND PURPOSES

26
27 Chapter 1. General Powers and Duties

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 the Joint Exercise of Powers Act (Chapter 5 (commencing with
37 Section 6500) of Division 7 of Title 1 of the Government Code).
38 This act does not authorize the district to enter into a joint powers

1 agreement with an entity that is not otherwise authorized to be a
2 party to an agreement under the Joint 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~~ *this* 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~~ *before* January 1, 2009, the
 3 district shall obtain the approval of the local agency formation
 4 commission pursuant to Article 1.5 (commencing with Section
 5 56824.10) of Chapter 5 of Part 3 of Division 3 of Title 5 of the
 6 Government 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.

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

14
 15 Chapter 2. Water, Sanitation, and Hydroelectric Power
 16

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

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

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

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

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

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

38 (b) The district may acquire, construct, ~~own, complete, use,~~
 39 ~~improve, maintain, and operate~~ *improve, operate, maintain, repair,*
 40 *and replace* the works necessary to carry out the powers described

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

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

14 133. The district may ~~construct, operate, and maintain~~ *acquire,*
15 *construct, improve, operate, maintain, repair, and replace* one or
16 more plants for the generation of hydroelectric power and
17 transmission lines for the conveyance of hydroelectric power.
18 Construction of the plants or transmission lines may be financed
19 by the issuance of revenue bonds pursuant to the Revenue Bond
20 Law of 1941 (Chapter 6 (commencing with Section 54300) of Part
21 1 of Division 2 of Title 5 of the Government Code) or other method
22 of financing authorized by this act.

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

31 135. The district may make surveys and investigations of the
32 water supply and resources of the district.

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

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

39 138. The district may ~~maintain, operate, and repair~~ *acquire,*
40 *construct, improve, operate, maintain, repair, and replace* dams,

1 dam sites, reservoirs and reservoir sites, treatment facilities, canals,
 2 ditches, pipes, pumps, spreading basins, sinking wells, and sinking
 3 basins.

4 139. The district may provide for the ~~construction, operation,~~
 5 ~~and maintenance~~ *acquisition, construction, improvement,*
 6 *operation, maintenance, repair, and replacement* of works,
 7 facilities, or operations within or outside the district boundaries
 8 that the board determines necessary to protect the land or other
 9 property in the district from damage by flood or overflow.

10 140. The district may ~~drill, construct, install, and operate~~
 11 *acquire, construct, improve, operate, maintain, repair, and replace*
 12 wells, pumps, pipelines, conduits, valves, gates, meters, treatment
 13 facilities, and other appurtenances to those wells, pipelines, and
 14 conduits, and may pump water therefrom for sale, delivery,
 15 distribution, or other disposition.

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

19
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 21

Chapter 3. Property

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

- 24 (a) Acquire real and personal property of every kind by grant,
 25 appropriation, purchase, gift, devise, condemnation, or lease.
- 26 (b) Hold, use, enjoy, manage, occupy, possess, lease, convey,
 27 encumber, dispose of, or transfer real and personal property of
 28 every kind.

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

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

35 153. The district may exercise the right of eminent domain to
 36 acquire any real or personal property within or outside the district.
 37 If the district acquires real or personal property of a public utility
 38 by eminent domain, the district shall also pay for the cost of
 39 removal, reconstruction, or relocation of any structure, mains,

1 pipes, conduits, wires, cables, or poles that are required to be
2 moved to a new location.

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

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Chapter 4. Contracts With Other Agencies

7

8

Article 1. In General

9

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

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

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

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

24 162. A district may contract with any public agency for the
25 provision by or to the district of any facilities, services, or programs
26 authorized by this act, within or outside the district, subject to
27 Section 56133 of the Government Code.

28

29

Article 2. Contracts for Supply of Water and Construction of 30 Works

31

32 170. The district may contract with any public agency for a water
33 supply.

34 171. The district may enter into contracts with ~~a~~ any public
35 agency under terms that may be mutually advantageous, for the
36 acquisition or construction of the works authorized by this act, and
37 each of the parties to the contract may contribute to the cost of the
38 acquisition or construction of those amounts of money that may
39 be agreed upon. The contracts shall provide for the operation and
40 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* public agency
8 under terms that may be mutually advantageous, for the acquisition
9 or disposal of water or water rights or water storage facilities *or*
10 *water treatment facilities* and rights, or any interest in water, water
11 rights, or water storage ~~and facilities~~ *and water treatment facilities*
12 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

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190. The district may sue and be sued in its own name, except as otherwise provided in this act or other law, in all actions and proceedings in all courts and tribunals of competent jurisdiction.
191. Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code shall govern all claims for money or damages against the district, except as otherwise provided by this act or other applicable law.

Chapter 6. Adoption of Ordinances

200. The district may act by ordinance and enforce rules and regulations for the administration, operation, use, and maintenance of the facilities and services and the exercise of its powers under this act. All ordinances shall be enacted only by rollcall vote *and* entered into the proceedings of the board.
201. An ordinance shall be in full force and effect upon adoption, but shall be published once in full in a newspaper of general circulation, printed, published, and circulated in the district within 10 days after adoption, or if there is no such newspaper, posted within that time in three public places within the district.
202. (a) It is a misdemeanor for any person to violate any district ordinance adopted after the publication or posting of the ordinance pursuant to this chapter. The violation shall be punishable by a fine not to exceed five hundred dollars (\$500), or imprisonment in the county jail not to exceed 30 days, or by both that fine and imprisonment. Any violation or threatened violation may also be enjoined by civil action.
(b) Any citation issued by the district for violation of an ordinance adopted by the board may be processed as an infraction pursuant to subdivision (d) of Section 17 of the Penal Code.

1 PART 6. FINANCIAL PROVISIONS

2
3 Chapter 1. Funds and Disbursements

4
5 210. Notwithstanding Sections 54900 to 54903, inclusive, of
6 the Government Code, the district is validly created for the
7 purposes of assessment and taxation.

8 211. The district is the repository of all the funds of the district.
9 The treasurer of the district shall receive ~~and receipt for~~ those
10 moneys, and place those moneys to the credit of the district. The
11 treasurer shall be responsible upon his or her official bond for the
12 safekeeping and disbursement, in the manner provided in this act,
13 of these and all moneys of the district.

14 212. No claim shall be paid by the treasurer until allowed by
15 the board.

16 213. The treasurer shall pay out the moneys of the district only
17 upon an order of the board signed by the president and attested to
18 by the secretary.

19 214. Upon presentation of any matured bond, or any matured
20 interest coupon on any bond of the district, the treasurer shall pay
21 it from the bond fund. If funds are not available for the payment
22 of any such matured bond or interest coupon, it shall draw interest
23 at the rate of 7 percent per annum from the date of its presentation
24 for payment until notice is given that funds are available for its
25 payment, and it shall be stamped and provision made for its
26 payment, as in the case of a warrant for the payment of which
27 funds are not available on its presentation.

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

33 216. The board shall disburse funds of the district. The funds
34 shall be deposited by the board in a bank or banks approved for
35 deposit of public funds and shall be withdrawn only by written
36 order of the board, signed by the president and secretary. The order
37 shall specify the name of the payee, the fund from which it is to
38 be paid and state generally the purpose for which payment is to
39 be made. The order shall be entered in the minutes of the board.
40 The treasurer shall be responsible for the deposit and withdrawal

1 of funds of the district. The treasurer shall deposit with the district,
2 prior to October 1 of each year, a surety bond in an amount
3 annually fixed by the board. The deposit and withdrawal of funds
4 of the district shall thereafter be subject to Article 2 (commencing
5 with Section 53630) of Chapter 4 of Part 1 of Division 2 of Title
6 5 of the Government Code.

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

- 12 (a) The purposes for which the fund may be expended.
- 13 (b) The officer of the district who shall have authority to make
14 disbursements from the fund and be responsible for keeping
15 account of all receipts and disbursements.
- 16 (c) The necessity for the fund.
- 17 (d) The maximum amount of the fund.

18
19 Chapter 2. Rates and Charges

20
21 220. (a) The board may, by resolution or ordinance, do any or
22 all of the following:

- 23 (1) Establish rates or other charges for services and facilities
24 that the district provides.
- 25 (2) Provide for the collection and enforcement of those rates or
26 other charges.
- 27 (3) Among the permissible methods for collection and
28 enforcement are:
 - 29 (A) To provide that the charges for any of these services and
30 facilities may be collected with the rates or charges for any other
31 services and facilities provided by the district, and that all charges
32 may be billed on the same bill and collected as one item.
 - 33 (B) To provide that if all or part of a bill is not paid, the district
34 may discontinue any or all services.
 - 35 (C) To provide for a basic penalty for the nonpayment of charges
36 of not more than 10 percent, plus an additional penalty of not more
37 than 1 percent per month for the nonpayment of the charges and
38 the basic penalty. The board of directors may provide for the
39 collection of these penalties.

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

4 (2) The general manager shall prepare and file with the board
5 of directors a report that describes each affected parcel of real
6 property and the amount of charges and delinquencies for each
7 affected parcel for the year. The general manager shall give notice
8 of the filing of the report and of the time and place for a public
9 hearing by publishing the notice pursuant to Section 6066 of the
10 Government Code in a newspaper of general circulation, and by
11 mailing the notice to the owner of each affected parcel.

12 (3) At the public hearing, the board of directors shall hear and
13 consider any objections or protests to the report. At the conclusion
14 of the public hearing, the board of directors may adopt or revise
15 the charges and penalties. The board of directors shall make its
16 determination on each affected parcel and its determinations shall
17 be final.

18 (4) On or before August 10 of each year following these
19 determinations, the general manager shall file with the county
20 auditor a copy of the final report adopted by the board of directors.
21 The county auditor shall enter the amount of the charges and
22 penalties against each of the affected parcels of real property as
23 they appear on the current assessment roll. The county tax collector
24 shall include the amount of the charges and penalties on the tax
25 bills for each affected parcel of real property and collect the charges
26 and penalties in the same manner as property taxes.

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

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

36 (3) Within 30 days of receipt of payment for all amounts due,
37 including the recordation fees paid by the district, the district shall
38 record a release of the lien. In filing any instrument for recordation,
39 the district shall pay the fees required by Article 5 (commencing

1 with Section 27360) of Chapter 6 of Part 3 of Title 3 of the
2 Government Code.

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

5 (e) Any remedies for the collection and enforcement of rates or
6 other charges are cumulative and the district may pursue remedies
7 alternatively or consecutively.

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

11 (b) In addition to any other existing authority, the district may
12 borrow money and incur indebtedness pursuant to Article 7.6
13 (commencing with Section 53850), and Article 7.7 (commencing
14 with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title
15 5 of the Government Code.

16 222. (a) The board of directors may charge a fee to cover the
17 cost of any service which the district provides or the cost of
18 enforcing any regulation for which the fee is charged. No fee shall
19 exceed the costs reasonably borne by the district in providing the
20 service or enforcing the regulation for which the fee is charged.

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

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

27 (d) The board of directors may authorize ~~district employees~~ *the*
28 *district* to waive the payment, in whole or in part, of a fee
29 authorized by this section when the board of directors determines
30 that payment would not be in the public interest. Before authorizing
31 any waiver, the board of directors shall adopt a resolution that
32 specifies the policies and procedures governing waivers.

33 223. The district may charge standby charges for water, sewer,
34 or water and sewer services pursuant to the Uniform Standby
35 Charge Procedures Act (Chapter 12.4 (commencing with Section
36 54984) of Part 1 of Division 2 of Title 5 of the Government Code).

Chapter 3. Revenues

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

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

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

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

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

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

Chapter 4. Capital Financing

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

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

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

1 242. The board of directors may finance any enterprise and issue
2 revenue bonds pursuant to the Revenue Bond Law of 1941 (Chapter
3 6 (commencing with Section 54300) of Part 1 of Division 2 of
4 Title 5 of the Government Code).

5 243. The district may impose benefit assessments to finance
6 facilities consistent with the requirements of the California
7 Constitution, including, but not limited to, benefit assessments
8 imposed pursuant to any of the following:

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

11 (b) The Improvement Bond Act of 1915 (Division 10
12 (commencing with Section 8500) of the Streets and Highways
13 Code).

14 (c) The Municipal Improvement Act of 1913 (Division 12
15 (commencing with Section 10000) of the Streets and Highways
16 Code).

17 (d) Any other statutory authorization enacted on or after January
18 1, 2009.

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

23

24

Chapter 5. Zones

25

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

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

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

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

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

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

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

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

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

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

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

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

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

39 253. A local agency formation commission shall have no power
40 or duty to review and approve or disapprove a proposal to form a

1 zone, a proposal to change the boundaries of a zone, or a proposal
2 to dissolve a zone.

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

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

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

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

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

25

26 PART 7. MISCELLANEOUS PROVISIONS

27

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

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 directors 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 With respect to certain other expenses, no reimbursement is
33 required by this act pursuant to Section 6 of Article XIII B of the
34 California Constitution because a local agency or school district
35 has the authority to levy service charges, fees, or assessments
36 sufficient to pay for the program or level of service mandated by
37 this act, within the meaning of Section 17556 of the Government
38 Code.

O