

## Motion for Dismissal of A06-02-026

## **Attachment 14**

## **Santa Barbara Water Agency Formation Statute**

California Statute 1945:1501:2780

Pages = cover, 2780 - 2801

of any surplus of such revenues, transfer to the appropriate funds of the county such sums as in its judgment may be available for payment of principal and interest of county bonds issued pursuant to the provisions of this article.

Tax levy for maintenante 4140. In any year a tax may be levied for the maintenance of the harbor or harbors in the county at a rate calculated to raise a sum of money equal to the amount of the excess, if any, of the amount of the estimated cost of such maintenance over the estimated amount of revenues (derived from such franchises, per nits, leases, and charges) that are or will become available to defray such cost. The rate of such a tax shall not in any year exceed fifteen cents (\$0.15) per one hundred dollars (\$100) of the assessed valuation of all taxable property within the county, unless a proposal for a specified higher rate for a particular year is submitted to the qualified electors of the county at a general or special election and is approved by a majority of the electors voting thereon.

## CHAPTER 1501

"The Santa Barbara County Water Agency Act." An act to create a district to be called "The Santa Barbara County Water Agency" for the purpose of controlling and conserving storm, flood and other surface waters for any beneficial use and for the protection of life and property in said district, for the purpose of cooperating and contracting with municipalities and certain districts for the storage and diversion, the transportation and delivery, and the sale or other disposition of such water; to provide for the powers of such district necessary to carry out its purposes including the right to contract, the right to acquire property and to acquire or construct or have constructed dams, conduits, and other works for the control, conservation, diversion, and transportation of such water, certain rights to appropriate water, to acquire water rights, and to sell water and to collect charges for water used; to provide for the organization, government and management of said district and establishing the boundaries thereof; to provide for the appointment, powers, duties, liabilities and compensation of the officers and employees of said district; to provide certain officers and employees of the County of Santa Barbara shall be ex officio officers and employees of said district; to authorize the incurring of indebtedness, the voting, and/or issuing and selling of bonds, the voting and/or levying and collection of special assessments, the levying and collection of taxes; to provide certain limitation on creation of indebtedness, levying of taxes and special assessments and issuance of bonds; to provide that the existence, property and powers of municipalities or public districts located within or partially within said district shall not be affected by this act; and to empower municipalities, county water districts, water conservation districts, afford control astricts, and any other

political subdivisions of the State empowered by law to appropriate water and to deliver it to users, to enter into contracts with the agency and to carry out the terms of such contracts, and providing for the dissolution of such agency.

[Approved by Governor July 18, 1945. Filed with Secretary of State July 18, 1945]

In effect September 15, 1945

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

- SECTION 1. A district is hereby created to be known and District designated as "The Santa Barbara County Water Agency," and the boundaries and territory of said district are as follows: all of the territory within the County of Santa Barbara.
- SEC. 2. As used in this act, the following words shall have Definitions the following respective meanings unless by the context otherwise indicated:
- (a) "The agency" shall mean the Santa Barbara County Water Agency;
- (b) "The county" shall mean the County of Santa Barbara of the State of California;
- (c) "United States" shall include the United States of America and all bureaus, commissions, divisions, departments, boards, agencies and officers of the United States of America;
- (d) "State of California" shall include the State of California and all bureaus, commissions, divisions, departments, boards, agencies and officers of the State of California;
- (e) "Work" or "works" shall include dams and dam sites, all reservoirs and reservoir sites, and all conduits and other facilities useful in the control, conservation, diversion and transmission of surface waters, and all land, property, franchises, easements, rights of way and privileges necessary or useful to operate or maintain any of the foregoing;
- (f) "District" means any of the following lying within or partially within the agency; county water districts, water conservation districts, municipalities, flood control districts, and any other districts or political subdivisions of the State en powered by law to appropriate water and to deliver water to users;
- (g) "Member unit" shall mean any district which enters into a contract with the agency for the repayment of any of the construction costs of any works constructed by or on behalf of the agency, or for the underwriting of any such construction costs:
- (h) "Elector" or "qualified elector" or "voter" or "qualified voter" shall mean any elector of the county qualified under the laws of the State to vote in the county at general elections;
  - (i) "May" is permissive and "shall" is mandatory.
- SEC. 3. The Santa Barbara County Water Agency is hereby Powers declared to be and is a body politic and corporate, and as such shall have, among others, the powers enumerated in this act and such other powers as the law may provide. The powers of the agency shall, except as otherwise provided, be exercised by the board of directors thereoficement found at www.NoNewWipTax.com

SEC. 31. The agency shall have perpetual succession.

SEC. 3.2. The agency shall have the power to adopt a seal and to alter it at its pleasure.

SEC. 3.3. The agency shall have the power to sue and be sued, except as otherwise provided herein or by law, in all actions and proceedings in all courts, commissions, boards and tribunals of competent jurisdiction.

Eminent domain

SEC. 3.4. The agency shall have the power of eminent domain to acquire within or outside the agency by condemnation in the manner and to the extent prescribed in Article 1, Section 14 of the Constitution and Title 7, Part 3 of the Code of Civil Procedure, as now existing or hereafter amended, all property or interests therein necessary or convenient for carrying out the powers and purposes of the agency except that the agency shall not have power to acquire by condemnation publicly owned property held or used for the development, storage or distribution of water for public use; and it is hereby declared that the use of the property which may be condemned, taken or appropriated under the provisions of this act, is a public use, subject to regulation and control of the State in the manner prescribed by law. The district in exercising such power shall in addition to the damage for the taking, injury, or destruction of property, also pay the cost of removal or relocation of any structure, railways, mains, pipes, conduits, wires, cable, poles, of any public utility which is required to be moved to a new location, and provided further that notwithstanding any other provision of this act or any other law, no property shall be taken unless it is taken upon a finding by a court of competent jurisdiction that the taking is for a more necessary public use than that to which it has already been appropriated.

The power of eminent domain vested in the agency shall include the power to condemn in the name of the agency either the fee simple or any lesser estate or interest in any property which the board of directors by resolution shall determine is necessary for carrying out the purposes of the agency. Such resolution shall be prima facie evidence that the taking of such private property, to the extent stated in said resolution, is necessary for carrying out the purposes of the agency.

Purchase of property, etc.

SEC. 3.5. The agency shall have the power to take absolutely or on condition, by grant, purchase, gift, devise, or lease, with or without the privilege of purchasing, or otherwise, real and personal property of any kind, or any interest in real or personal property, within or without the agency, necessary to the full exercise of its powers, and to hold, use, enjoy, and to lease or dispose of the same subject to the limitations set forth in Section 8.2.

Contracts etc SEC. 3.5. The agency shall have the power to make contracts, employ labor and to do all acts necessary for the full exercise of its purposes and powers. The board of directors of the agency may cause construction or other work to be performed or carried out by contracts or by the agency under its own superintendents as hereinaften provided.

- SEC. 4. The agency shall have the power as limited in this General act to do any and every lawful act necessary to be done, that sufficient water may be available for any present or future beneficial use or uses of the lands or inhabitants within the agency, including, without limiting the generality of the foregoing, irrigation, domestic, fire protection, municipal, commercial, in lustrial, and all other beneficial uses
- Sec. 4.1. Anything in this act to the contrary notwithstand- Hydroclecing, the agency shall have the power to develop hydroelectric or tric power other power only to the extent that hydroelectric power can be developed incidentally to the construction and operation of its projects, and only for use solely by the agency in the operation of its works.
- Sec. 4.2. The agency shall have the power: to control flood Flood and storm waters within the agency and the flood and storm waters, etc waters of streams outside of the agency, which flow into the agency; to conserve such waters by storage in surface reservoirs, to divert and transport such waters for beneficial uses within the agency; to release such waters from surface reservoirs to replenish and augment the supply of waters in natural underground reservoirs; and otherwise to reduce the waste of water and to protect life and property from floods within the agency; provided, that the agency may not construct or acquire any works or undertake any project for flood control purposes, except in conjunction with and as part of the construction or acquisition of works or the undertaking of projects for the ourposes enumerated in Section 4 of this act.

The agency shall have the power within or outside Surface Sec. 43. the agency to construct, purchase, lease or otherwise acquire works, and to purchase, lease, appropriate, or otherwise acquire surface waters and water rights, useful or necessary to make use of water for any purposes authorized by this act.

Sec. 4.4. Anything in this act to the contrary notwithstand-Water lights ing, the agency shall have the power to appropriate water or acquire water rights only on behalf of lands not then included within the limits of any public corporation empowered to appropriate water, and the agency shall promptly assign any such appropriation or water right to any such public corporation formed to include such lands; provided that at any time after July 1, 1946, the agency shall have the further power to appropriate water or to acquire water rights to whatever extent and for whatever purposes all member units having an interest therein or affected thereby shall have agreed to in writing.

The agency shall have the power to operate, repair, Works improve, maintain, renew, replace and extend all works and property of the agency.

The agency shall have the power to make surveys surveys, etc Sec. 4.6. and investigations for works and projects and of the water supply and resources of the agency, and to carry on and perform technical and other investigations of all kinds, make measurements, collect data and make analyses, studies and inspections pertaining of owater assupply. Newater rights,

control of flood and use of water both within and without the agency, and for these purposes the agency shall have the right of access through its authorized representatives to all properties within the agency.

Pipe lu (s,

The agency shall have the power to construct its pipes, pipe lines, canals, flumes and tunnels and other conduits. along, under or across any public road, street, alley, avenue, highway or sidewalk, or across any stream of water, watercourse, railway, canal ditch or flume which the route of said pipes, pipe lines, canals, flumes, tunnels or other conduits may intersect or cross; provided, such works are constructed in such manner as to afford security for life and property; and the agency shall restore at its own expense any such crossings and intersections to their former state as near as may be, or in a manner not to have impaired unnecessarily their usefulness. Every company, municipality or district whose right of way shall be intersected or crossed by said pipes, pipe lines, canals, flumes, tunnels or other conduits shall unite with the agency in forming said intersections and crossings and grant the rights therefor.

Rights of way on public lands

There is hereby granted to the agency the right of SEC. 4.8. way for the location, construction and maintenance of any and all of its works in, over and across public lands of the State of California, not otherwise disposed of or in use, not in any case exceeding in length or width that which is necessary for the construction of such works and adjuncts or for the protection Whenever any selection of a right of way for such works or adjuncts thereto is made by the agency, the board of directors thereof must transmit to the State Lands Commission. the Controller of the State and the recorder of the county in which the selected lands are situated, a plat of the lands so selected, giving the extent thereof and the uses for which the same is claimed or desired, duly verified to be correct. State Lands Commission shall approve the selections so made, it shall endorse its approval upon the plat and issue to the agency a permit to use such right of way and lands.

Relocation of streets, etc

Sec. 4.9. If by any judgment in condemnation or by agreement the agency shall be required to relocate any street, road, highway or railroad, subject or devoted to public use, the board shall have power to acquire in the name of the agency by agreement or condemnation, all rights of way and other property necessary or proper for the compliance with said agreement or judgment and thereafter, and without further authorization, to make such conveyance of such relocated street, road, highway or railroad, as may be proper to comply with said agreement or judgment.

Disposal of water, etc.

SEC. 5. The agency shall have the power, but only as to member units, to sell, lease or otherwise dispose of water or any rights to the use of the works of the agency for the conservation, control or transportation of water, and shall have the power to fix rates and charges for such purposes.

- The agency shall have the power to enter into con-contracts tracts with any member unit or with any district which thereby with member units becomes a member unit of the agency for any of the following purposes:
- 1. The lease, purchase, or other acquisition by the agency of any of the works of such member unit or district.
- 2. The construction of works by the agency for the conservation, regulation or transmission of water for the benefit of such member unit.
- 3. The sale, lease or other disposition of water, water rights, and water storage facilities or interests therein, by the agency or by such member unit.
- 4. The operation of works and the delivery of water by the agency or by such member unit; provided:
- (a) The works shall be operated in conformity with the vested rights and appropriations of each of its member units having an interest therein.
- (b) There shall be delivered to each member unit all water to which such member unit is entitled under the contract entered into by the agency and such member unit.
- (c) There shall not be delivered to any member unit more water than the amount to which such member unit is entitled under the contract entered into by the agency and such member unit; provided that the release of water from any reservoir in the amount required to satisfy any vested right shall not constitute a delivery of water; provided further that any quantity of water assigned under Section 5.6 or released under Section 5.7 by one member unit to another member unit shall be delivered to the latter.
- The agency shall have no power to sell, lease, or Limitation otherwise dispose of water or of any right to the use of the works water, etc of the agency for the conservation, control or transportation of water, except to member units and except as all member units having rights to such water or interest in such works shall grant such power by written contract; the power so granted shall be limited to the extent and by the conditions set forth in the most restrictive of such contracts.
- Sec. 5.3. Anything in this act to the contrary notwithstand- Delivery ing, the agency shall have the power, in its discretion, to sus-of water pend delivery of water conserved by the agency to any member unit during the period which such member unit is delir quent in its payments or obligations due under any contract entered into by it with the agency.
- The liability of each member unit, as distinguished Liability of from the liability of its taxpayers for taxes levied by the agency member units for agency purposes, shall be limited to that portion of the total cost of construction and the operation and maintenance cost of works acquired or constructed by or on behalf of the agency which such member unit agrees to bear.

The liability of each member unit shall be set forth fully in a written contract which shall be legally approved by such member unit in accordance with the haws governing such member

unit. No such contract shall be altered or modified without the consent of the agency and the legal approval of such member unit.

Each such contract may provide among other things:

- (1) The total capital obligation which the member unit agrees to bear.
- (2) The minimum annual payments which the member unit shall make in amortization of its capital obligation.
- (3) The quantity or pro rata portion of water which shall be delivered to or held in storage for the member unit.
- (4) The basis of allocation of operation and maintenance costs to be borne by the member unit.

Such contracts shall be fair and equitable to each contracting party, and no member unit shall receive any undue advantage over any other member unit having proper regard for all factors and conditions involved.

Such contracts shall be executed in accordance with the laws governing such districts.

Reduction of debt.

- Sec. 5.5. (a) In the event of any reduction in the principal of any debt of the agency underwritten by one or more member units, other than by payment thereof, the amounts to be paid the agency by each member unit in amortization of its remaining portion of such debt shall be reduced proportionately so that the relative obligations of each such unit shall be unchanged.
- (b) In the event of any reduction in the rate of interest being paid on any part of a debt of the agency for which one or more member units are responsible, the amounts to be paid the agency by each such member unit shall be reduced proportionately so that the relative obligation of each such unit remains unchanged in respect to its obligation to pay any remaining interest.

Assignment of obligation to another unit SEC. 5.6. Any member unit may reduce its obligations under its contract with the agency by assignment to another member unit of any part of its right to receive water under its contract; provided that such assignment is legally approved, in accordance with the laws governing such member unit, by each member unit which is a party to such assignment; provided further that the total of all payments to be made by such member units to the agency shall not be reduced by virtue of such assignment; and provided further that the assignor member unit may be required by the agency to guarantee the payments assumed by the assignee member unit.

Storage of water

SEC. 5.7. (a) Any member unit may elect that any water to which it is entitled be held in storage in the agency's reservoirs so long as there is unfilled capacity in the reservoirs from which such water would otherwise be withdrawn for delivery to it; provided that if two or more member units desire simultaneously to store water as aforesaid and there is not sufficient capacity to accommodate such member units, the storage capacity shall be apportioned between them in accordance with the amount of capital cost of such reservoir they have respectively underwritten.

- (b) Any member unit may release for the use of any other member unit any amount of water which may then be held temporarily in storage for its account, and in such event the agency shall deliver such water to such other member unit; but such delivery shall be deemed to be for the account of the member unit releasing such water.
- Sec. 5.8. (a) If any capital asset of the agency is sold or sale of capotherwise disposed of, the net proceeds therefrom shall be dis- "tal asset tributed to the member units, or applied against any liability of such member units to the agency as by contract may be provided, in proportion which the amount contributed by each such member unit to the cost of such capital asset is to the total cost of such capital asset.
- (b) However, if any liability on the part of the agency and/or its member units for the original cost or any subsequent improvement or refinancing of such capital asset is not completely extinguished at or before the time of the aforesaid sale or other disposal thereof, the agency shall have the power to apply as much of the proceeds of such sale toward the extinguishment of such liability as may be necessary. In extinguishing such liability, the proceeds of such sale shall be applied only as the interests and liabilities of the agency and its member units shall appear.
- SEC. 6. The agency shall have the power to cooperate and cooperation contract with the United States under the Federal Reclamation with U.S. Act of June 17, 1902 and all acts amendatory thereof or supplementary thereto or any other act of Congress heretofore or hereafter enacted permitting cooperation or contract for the purposes of construction of works, whether for irrigation, drainage, or flood control, or for the acquisition, purchase, extension, operation or maintenance of such works, or for a water supply for any purposes, or for the assumption as principal or guarantor of indebtedness to the United States, or for carrying out any of the purposes of the agency, and to carry out and perform the terms of any contract so made; and for said purposes the agency shall have in addition to the powers specifically set forth in this act, all powers, rights and privileges possessed by irrigation districts as set out in Chapter 2 of Part 6 of Division 11 of the Water Code, not inconsistent with the provisions of this act
- (a) Each contract providing for repayment of Same Cost the cost of any works, which is entered into with the Un ted States pursuant to Section 6, shall be authorized at an election, unless, by a resolution adopted by a four-fifths  $(\frac{4}{5})$  vote of the members of the board of directors, said board shall determine that all liabilities of the agency thereby incurred can be repaid and liquidated as to both principal and interest from reverues derived from taxes levied pursuant to Section 10.1 and from payments to be made to the agency by member units pursuant to written contracts providing for the payment currently of whatever amounts may be necessary to amortize the portion of said cost underwritten by said member units. Upon the adoption of such resolution opthe oboard work directors is had in have the

power on behalf of the agency, without the necessity of an election, to enter into such a repayment contract with the United States, subject to all provisions of this act applicable to such contracts except provisions requiring an election to authorize such contracts.

Election proceedings

(b) Except as otherwise in this act provided, proceedings at the election shall be had insofar as applicable in the manner provided in the case of the issuance of agency bonds, provided that all qualified voters of the agency shall be entitled to vote in such an election.

Notice of the election shall contain, in addition to the information required in the case of bond elections, a statement of the maximum amount of money to be payable to the United States for construction purposes and cost of water supply and acquisition of property, exclusive of penalties and interest, and a general statement of the property, if any, to be conveyed by the agency pursuant to the contract.

The ballots at the election shall contain a brief statement of the general purpose of the contract substantially as stated in the notice of election and the extent of the obligation to be assumed with the words "Contract—Yes" and "Contract—No" or "Contract and bonds—Yes" and "Contract and bonds—No", whichever may be applicable. A favorable majority of two-thirds (3) of the votes cast at such election shall be necessary to authorize the execution of the contract and/or issuance of the bonds.

Payments to U. S

- SEC. 6.2. (1) All payments to the United States under any contract between the agency and the United States, including payments of interest and principal on bonds deposited with or transferred to the United States, shall be paid so far as possible from revenue other than that derived from agency taxes, unless otherwise provided by the contract or this act, and the balance, if any, of such payments shall be paid from revenue derived from annual taxes upon all taxable property within the agency assessable for agency purposes under the laws of the State, and the taxable property shall be and remain liable to be assessed and levied upon for the payments.
- (2) Public land of the United States within the agency shall be subject to assessment and tax for all purposes of contracts with the United States to the extent provided for by the Act of Congress approved August 11, 1916 entitled "An act to promote reclamation of arid lands," or any other law which may hereafter be enacted by Congress in the same relation, upon full compliance therewith by the agency.
- (3) All money collected in pursuance of the contract with the United States shall be paid into the county treasury to the credit of the agency and held in a fund to be known as the "Unitea States Contract Fund" to be used for payments due to the United States under the contract.

Sec. 6.3. The agency shall have the power to cooperate, act in conjunction and contract with the United States, State of Californian municipalities mand on while districts of any kind, in

Contracts with State and other asencies the construction of any works for the controlling of flood or storm waters in the agency, or for the protection of property, watersheds, watercourses, highways and life, or for the purposes of conserving and transporting said waters for beneficial use, and for the use, operation, management and ownership of such works. The agency also may make and perform any agreement with the United States, the State, any county, municipality, district of any kind, public corporation, any person or any number of them for the joint acquisition, disposition, or operation of any property or works of a kind which might be acquired, disposed of, or operated by the agency.

Any county water district, water conservation district, municipality, flood control district, and any other distric; or political subdivision of the State empowered by law to appropriate water and deliver water to users, shall have the power: (a) To cooperate, act in conjunction and enter into contracts with the agency for all the purposes for which the agency is empowered to cooperate, act in conjunction and contract with such districts, municipalities, and political subdivisions; (b) and to carry out the terms of such contracts.

The board of supervisors of the county shall be, and Board of they are hereby designated as, and empowered to act as, ex officio the board of directors of the Santa Barbara County Water Agency, and said board of directors is hereby authorized to adopt reasonable rules and regulations to facilitate the exercise of its powers and duties herein set forth. Each member of the board of supervisors shall serve without additional compensation for acting as a member of said board of directors, except such member shall be allowed his actual, necessary and reasonable traveling expenses. The directors shall elect a chairman, who shall preside at all meetings of the board and in case of his absence or inability to act, the members present must, by an order entered in their records, select one of their number to act as chairman temporarily. Any member of the board may administer oaths, when necessary in the performance of his official duties. A majority of the members of the board shall constitute a quorum for the transaction of business, and no act of the board shall be valid or binding unless a majority o.' all members concur therein.

Sec. 7.1. No director of the agency shall in any manner be Director interested, directly or indirectly, in any contract awarded or to contract be awarded by the board of directors, or in the profits to be derived therefrom; and for any violation of this provision, such person shall be guilty of a misdemeaner, and upon conviction thereof, he shall be punished by a fine not exceeding five hundred dollars (\$500), or by imprisonment in the county ja'l of the County of Santa Barbara for not exceeding six months, or by both such fine and imprisonment, and such conviction shall by operation of law work a forfeiture of his office; provided that this section shall not be construed to apply to any contract made with a corporation for its general benefit where such a director is a minority stockholder therein.

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Officers and employers of agenty

SEC. 7.2. The county clerk, county assessor, county tax collector, county auditor, county treasurer, surveyor and district attorney of the county, their assistants, deputies, clerks and employees, shall be ex officio such officers, assistants, deputies, clerks and employees respectively of the Santa Barbara County Water Agency, and shall respectively perform, unless otherwise provided by said board of directors, without additional compensation the same various duties for the agency as for the county in order to carry out the provisions of this act.

In the event any of the aforementioned county offices is consolidated, enlarged, abolished or changed, the duties thereof shall be performed for the agency by the holder of the office to which such duties have been transferred as a result of such consolidation, enlargement, abolishment or change, and such latter officer, his deputies, clerks, employees and assistants, shall be respectively ex officio such officer, deputies, clerks, employees and assistants of the agency.

In addition to the officers and employees herein otherwise prescribed, the board of directors may in their discretion appoint such other officers, agents and employees (including county officers, agents and employees) for said board or agency as in their judgment may be deemed necessary, prescribe their duties and fix their compensation, said officers, agents and employees to hold their respective offices or positions during the pleasure of said board, provided no county officer, agent or employee shall receive additional compensation for acting as an agency officer, agent or employee except his actual and necessary travel-

Legislative acts

ing expenses.

Sec. 8. All ordinances, resolutions and other legislative acts for said agency shall be adopted by the board of directors, and certified to, recorded and published, in the same manner, except as herein otherwise expressly provided, as are ordinances, resolutions or other legislative acts for the county.

The initiative and referendum powers are hereby granted to the electors of the agency to be exercised in relation to the enactment or rejectment of agency ordinances in accordance with the procedure established by the laws of this State for the exercise of such powers in relation to counties.

Claims

SEC. 8.1. Claims against the agency shall be prepared, presented, audited and allowed or disallowed in the same manner and within the periods of time specified in the laws of the State of California, now or hereinafter enacted, for the preparing, presenting, auditing, and allowance or disallowance of claims against counties.

Title to property

SEC. 8.2. The legal title to all property acquired under the provisions of this act shall immediately and by operation of law vest in the agency, and shall be held by the agency, in trust for, and is hereby dedicated and set apart to, the uses and purposes set forth in this act. The board of directors is hereby authorized and empowered to hold, use, acquire, manage, occupy and possess said property, as herein provided; and said board of directors may determine, by resolution duly passed and entered

in their minutes that any property, real or personal, held by the agency is no longer necessary to be retained for the uses and purposes thereof, and may thereafter sell or otherwise dispose of said property, or lease the same, in the manner provided by law for the disposition and sale of property of counties; provided that the title to real property, water rights or water works shall not be conveyed or alienated except by a vote of the electors at an election held for that purpose.

Sec. 8.3. All contracts for the construction of any unit of construction work, except as hereinafter provided, estimated to cost in excess contracts of five thousand dollars (\$5,000) shall be let to the lowest responsible bidder in the manner hereinafter provided. The board of directors of the agency shall advertise by three (3) insertions in a daily newspaper of general circulation or two (2) insertions in a weekly newspaper of general circulation published in the agency inviting sealed proposals for the construction of the work before any contract shall be made therefor, and may let by contract separately any part of said work. The board shall require the successful bidder to file with the board good and sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon the payment of the claims for labor and material in connection therewith, such bonds to contain the terms and conditions set forth in Chapter 3 of Division 5 of Title 1 of the Government Code and to be subject to the provisions of that chapter. The board shall also have the right to reject any and all bids, in which case the board may advertise for new bids. In the event no proposals are received pursuant to advertisement therefor, or where the estimated cost of such work does not exceed the sum of five thousand dollars (\$5,000) or the work consists of emergency work necessary in order to protect life and property, the board of directors by unanimous vote of all members present may without advertising for bids therefor have said work done by force account. The agency shall have the power to purchase in the open market without advertisement for bids thereof, materials and supplies for use in any work therewith either under contract or by force account.

The provisions of this section shall have no application to a contract entered into with the United States under the authority of Section 6, or to a contract authorized by a vote of the electorate of the agency.

Sec. 9. The agency shall not incur any indebtedness or Incurring liability in any manner or for any purposes exceeding in any year the income and revenue provided for such year, and any indebtedness or liability incurred in violation of this section shall be absolutely void and unenforceable; provided, that this section shall have no application to debts or liabilities incurred pursuant to the provisions of this act authorizing the issuance of bonds, the levying of special assessments, the execution of contracts with the United States nor to the incurring of any indebtedness or liability authorized by a vote of the electors of the agency at an election held for such purpose.
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Aggregate Indebtedness SEC. 9.1. The aggregate of agency indebtedness incurred pursuant to the provisions of this act authorizing the issuance of bends, the levying of special assessments and the execution of contracts, shall not exceed a sum equal to: (1) That amount which can be repaid and liquidated as to both principal and interest in not to exceed forty (40) years by an annual tax at the rate of fifteen cents (\$0.15) on each one hundred dollars (\$100) of the assessed valuation of all property in the agency taxable for agency purposes, measured by the assessment roll last equalized prior to the incurring of such indebtedness; plus (2) the amount of all capital obligations underwritten by member units of the agency.

Levying taxes

Sec. 10. The agency shall have the power as provided in this act to cause taxes to be levied for the purpose of paying any obligation of the agency and to accomplish the purposes of the agency and of this act.

Ad valorem

Sec. 10.1. If from any cause, the revenues of the agency shall be, or in the judgment of the board of directors are likely to be, inadequate to pay the expenses, costs, liabilities and indebtedness of the agency, the board of directors of the agency shall have the power, in any year to levy an ad valorem tax upon all taxable property in the agency to pay the costs and expenses of said agency and to carry out any of the objects, purposes or powers of this act; provided, however, that the aggregate taxes or assessments levied under this act for any one fiscal year shall not exceed fifteen cents (\$0.15) on each one hundred dollars (\$100) of the assessed valuation of the taxable property in the agency, exclusive of any tax levied to meet the bonded indebtedness of the agency and the interest thereon duly authorized by a vote of the electors of the agency, and exclusive of any special assessment levied to meet any indebtedness or contractual liability duly authorized by vote of the electors of the agency, and exclusive of any tax levied for the payment of any portion of any indebtedness represented by capital obligations underwritten by member units.

Said taxes shall be levied and collected together with, and not separately from, taxes for county purposes, and the revenue derived from said taxes shall be paid into the county treasury to the credit of the agency, and the board of directors shall have the power to control and order the expenditure thereof for said purposes.

Expending revenue

SEC. 10.2. The agency shall have the power to expend as contributions in aid of construction or of payment of the cost of works all or any part of the revenues derived from taxes levied pursuant to Section 10.1, and the agency shall expend not less than two-thirds of the revenues so derived for the purposes and in the manner provided in this section.

Such contributions in aid of construction or of payment of the cost of works shall be in proportion to and for the same purposes as payments made in the same year by each member unit in amortization of a portion of the cost of such works, unless, by a resolution adopted by a vote of four-fifths (\*) of

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the members of the board of directors, said board shall determine that facts exist which make a different allocation preferable in the best interests of the agency.

SEC. 10.3. The agency shall have the power to levy a special special tax ad valorem tax on all the taxable property in any member unit whenever any such member unit is delinquent in any payment due the agency by such member unit under any contract entered into by them. Such tax shall be levied only at a rate sufficient to raise an amount equal to the amount delinquent. Such tax shall be levied and collected at the same time and in the same manner as general agency taxes, and shall be paid into the county treasury to the account of the agency and shall be used only to reduce the liability of such delinquent member unit.

No property in any portion of the agency, other than that in the delinquent member unit, shall be liable for or taxed to pay

for such delinquency.

The provisions of law of this State, prescribing Taxes Law Sec. 10.4. the priority, time and manner of levying, assessing, equalizing applicable and collecting county property taxes, including the sale of property for delinquency, and the redemption from such sale, and the duties of the several county officers with respect thereto, are, so far as they are applicable, and not in conflict with the specific provisions of this act, hereby adopted for the agency and made a part hereof. Such officers shall be liable upon their several official bonds for the faithful discharge of the duties imposed upon them by this act.

- SEC. 11. The agency shall have the power as provided in Indebtedness this act to borrow money and incur indebtedness and to issue bonds or other evidence of such indebtedness; also to refund or retire any indebtedness or lien that may exist against the agency or property thereof.
- SEC. 11.1. (1) Whenever the board of directors shall deter-Bonds mine that a bonded indebtedness should be incurred to pay all or any part of the cost of acquisition or construction of any works for any of the purposes of the agency, the said board may by resolution determine and declare the respective amounts of bonds in order to raise the amount of money necessary for such work and the denomination and rate of interest of said bonds, and said resolution shall generally describe said work. board shall cause a copy of said resolution, duly certified by the clerk, to be filed for record in the office of the Recorder of Santa Barbara County within five (5) days after its passage. From and after said filing, the said board shall be deemed vested with the authority to proceed with said bond election.
- (2) Thereafter, the board of directors may call a special election at which shall be submitted to the qualified electors of the agency the question whether or not bonds shall be issued in the amount or amounts determined in said resolution and for the purpose or purposes therein stated.
- (3) Said board of directors shall call such special election by ordinance and not otherwise and submit to the qualified electors

of the agency the proposition of incurring a bonded indebtedness in the agency in the amount and for the purposes stated in said resolution and shall recite therein the object and purposes for which the indebtedness is proposed to be incurred: provided that it shall be sufficient to give a brief, general description of such objects and purposes, and refer to the resolution adop ed by the board of directors, and on file for particulars; and said ordinances shall also state the estimated cost of the proposed work, the amount of the principal of the indebtedness to be incurred therefor and the rate of interest thereon. and what part of such indebtedness shall be paid each and every year, which shall be not less than one-fortieth (1/40) of the whole amount of such principal indebtedness, and the proportion or part of such indebtedness to be underwritten by each member unit, and shall fix the date on which such special election shall be held, and the form and contents of the ballot to be The rate of interest to be paid on such indebtedness shall not exceed six per cent (6%) per annum. For the purposes of said election, the board of directors shall in said ordinance establish election precincts within the boundaries of the agency and may form election precincts by consolidating the precincts established for general election precincts in the agency.

In all particulars not recited in said ordinance, such election shall be held as nearly as practicable in conformity with the general election laws of the State.

- (4) Said board of directors shall cause a plan or plans to be prepared covering a general description of the work to be done, which said plan shall show the location of the proposed works and shall cause the said plan to be posted in a prominent place in the county courthouse for public inspection for at least thirty (30) days before the date fixed for such election.
- (5) Said ordinance calling for such election shall prior to the date set for such election, be published in a newspaper of general circulation published in the agency for three consecutive times if published in a daily newspaper of general circulation published in the agency, or two times if published in a weekly newspaper of general circulation published in the agency; the last publication of such ordinance must be at least fourteen (14) days before said election, and if there be no such newspaper, then such ordinance shall be posted in five public places in the agency for at least thirty (30) days before the date fixed for such election. No other notice of such election need be given.

Any defect or irregularity in the proceedings prior to the calling of such election shall not affect the validity of the bonds. If at such election two-thirds (%) of the votes cast are in favor of incurring such bonded indebtedness, then bonds of the agency for the amount stated in such proceedings shall be issued and sold as in this act provided.

SEC. 11.2. Whenever bonds have been authorized by the agency and the proceeds of the sale thereof have been expended as in this act authorized, and the board of directors shall by

Addıtlonal bonds resolution determine that additional bonds shall be issued for carrying out any of the purposes of this act, said board of directors may again proceed as in this act provided, and issue bonds pursuant to Section 11.4, or if said section is not applicable, submit to the qualified voters of the agency the question of issuing additional bonds in the same manner and with like procedure as in this act provided, and all the provisions of this act for the issuing and sale of such bonds, and for the expenditure of the proceeds thereof, shall be deemed to apply to such issue of additional bonds.

- Sec. 11.3. (a) The board of directors may by resolution Refunding submit to the electors of the agency, a proposition for the issuance of new bonds for the purpose of refunding any or all of the bonds outstanding voted by such electors, which proposition may be voted on at any general or special election. The procedure upon such election shall be in accordance, so far as applicable, with the procedure upon an original issue of bonds. and the favorable vote of a majority of the electors voting upon the proposition shall be sufficient to authorize the issuance of refunding bonds. Such refunding bonds shall not bear a higher rate of interest than the bonds to be refunded and may be issued and sold in the manner and form prescribed for an original issue of bonds and may, if the holders of bonds of an original issue and board of directors so agree, be excharged for such original bonds, provided that the face value of the refunding bonds so exchanged shall not exceed the face value of the original bonds. The board of directors may raise money to pay principal and interest of such refunding bonds in the same manner as prescribed for the payment of bonds of an original issue.
- (b) When original bonds are issued by the board of directors without a vote of the electors, the board of directors may issue refunding bonds without calling an election for that purpose. The provisions of subsection (a) hereof (except in regard to elections) shall apply to such refunding bonds issued by the board of directors.
- SEC. 11.4. In the event the board of directors shall deter-same mine by a resolution duly adopted by a four-fifths (4) vote of the members of said board that a bonded indebtedness to pay the cost of acquisition or construction of any works for any of the purposes of the agency or for refunding any outstanding bonds should be incurred and can be repaid and liquidated as to both principal and interest from revenues derived from taxes levied pursuant to Section 10.1 and from payments required to be made to the agency by member units pursuant to written contracts providing for the payment currently of whatever amounts may be necessary to amortize the portion of said cost underwritten by said member units, said board shall be vested with the authority to issue bonds of the agency in such amourt as can be so repaid and liquidated. Thereafter the board of directors may issue bonds without the necessity of an election, subject to all applicable provisions of this action entaining to bonds

and bonded indebtedness, except provisions requiring authorization of bonded indebtedness by an election.

Bonds' l'orm

SEC. 11.4a. The board of directors shall, subject to the provisions of this act, prescribe by resolution the form of said bonds, and of the interest coupons attached thereto. Said bonds shall be payable annually or semiannually at the discretion of the board each and every year on a day and date, and at a place to be fixed by said board, and designated in such bonds, together with the interest on all sums unpaid on such date until the whole of said indebtedness shall have been paid.

The bonds shall be issued in such denomination as the said board of directors may determine, except that no bonds shall be of a less denomination than one hundred dollars (\$100), nor of a greater denomination than one thousand dollars (\$1,000), and said bonds shall be signed by the chairman of the board of directors, and countersigned by the auditor of the county, and the seal of the agency shall be affixed thereto. The interest coupons of said bonds shall be numbered consecutively and signed by the auditor of the county by his engraved or lithographed signature. In case of any such officer whose signatures or countersignatures appear on the bonds or coupons shall cease to be such officer before the delivery of such bonds to the purchaser, such signatures or countersignatures shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until the delivery of the bonds.

Same Call and redemption

Any bonds, original or refunding, issued by the SEC. 11.5. agency, may be made callable by resolution of the board of directors & dopted at or prior to the time of issuing such bonds and providing for the calling and redemption of such bonds, in numerical order, or by lot, on any interest payment date prior to their fixed maturity, at not exceeding the par value thereof and accrued interest. If any such bonds are so made callable, a statement to that effect shall be set forth on the face of the bond. Notice of any such redemption shall be published once a week for three successive weeks in a newspaper of general circulation printed and published within the agency. publication of such notice shall be not less than 30 nor more than 90 days prior to the date fixed for such redemption. date fixed for such redemption, if the agency shall have provided funds available for payment of the principal and interest of the bonds so called, interest on such bonds shall thereafter cease.

Bond. Sale, etc Sec. 11.6. The board of directors may issue and sell the bonds of such agency authorized as hereinbefore provided at not less than ninety-five per cent (95%) par value, and the proceeds of the sale of such bonds shall be placed in the treasury of the county to the credit of the agency for the uses and purposes of the said bonds; and the proper record of such transactions shall be placed upon the books of the county treasurer, and said funds shall be applied exclusively to the purposes and objects for which such bonds were issued, subject to the provisions in this actnoontained who Payments from said funds shall

be made upon demands prepared, presented, allowed and audited in the same manner as demands upon the funds o. the

Said bonds shall be sold at a public sale to the highest bidder, after notice of such sale has been given by publication at least two times in a newspaper of general circulation published in the agency at least one week prior to such sale and after such other notice as the board of directors may deem proper.

The manner of making, submitting and opening bids and conducting such sale and the terms thereof shall be determined by the board of directors. The said board is hereby given the right to reject any and all bids which in the judgment of said board are too low to be in the best interests of the agency.

SEC. 11.7. Any bonds issued under the provisions of this act Payment and the interest on such bonds if no other funds are avai able shall be paid by revenue derived from the tax authorized by Section 11.9 and all the taxable property within the agency shall be and remain liable to be taxed for such payments as in this act provided until such bonds and the interest are fully paid or the liability therefor legally discharged.

The accrued liability due on the bonds of any issue shall have preference in payment over the accrued liability due on the

bonds of any subsequent issue.

SEC. 118. The repeal or amendment of this act, or the dis-Repeal of solution of the agency created by this act, shall not in any way Effect on affect or release any of the property in the agency from its lia-indebtedness bility on or from the obligations of any outstanding boncs or indebtedness or contracts for which such property is in any way security until all such bonds and outstanding indebtedness and contracts have been fully paid or discharged.

Sec. 11.9. The board of directors shall levy a tax or assess- Annual tax ment each year upon all the taxable property in the agency sufficient to pay such portion of the interest for that year upon bonds issued by the agency, and such portion of the principal thereof as is to become due before the time for making the next general tax levy as cannot be paid from revenue due the agency from member units pursuant to written contracts providing for the payment currently of whatever amounts may be necessary to amortize the portion of the cost underwritten by said member units of works financed by said bonds. Such tax shall be levied and collected together with and not separately from taxes for county purposes, when collected shall be paid into the county treasury of the county to the credit of the agency, and be used for the payment of the principal and interest on said bonds, and for no other purpose. The principal and interest on said bonds shall be paid by the treasurer of the county in the manner provided by law for the payment of principal and interest on bonds of said county.

The agency may bring at any time after the Procedure Sec. 11.10. authorization of bonds or the levy of any special assessment or validity of after the execution of any contract an action in the Superior bonds, etc.

Court of the State of California in and for the County of Santa Barbara to determine the validity of the bonds or of the levy or of the contract. The action is in rem. Jurisdiction of all parties interested may be had by publication of summons for at least once a week for three weeks in a newspaper of general circulation published in the agency and designated by the court in which the proceedings are pending. Jurisdiction is complete 10 days after the completion of the publication of summons. Before the expiration of the 30 days after jurisdiction is acquired any person interested may appear and contest the validity of the bonds or assessment or the contract. ceedings have been brought by the agency pursuant to this section, any agency assessment or taxpayer may at any time within 30 days after the levy of any assessment or authorization of any bonds or execution of such contract bring an action in the said superior court to determine the validity of the assessment or bonds or contract. The agency shall be a defendant. If more than one action is pending at the same time concerning similar contests provided for in this section, they shall be consolidated and tried together. The rules of pleading and practice not inconsistent with the provisions of this section are applicable to all actions or proceedings provided for by this In a contest provided for by this section, the court shall disregard any irregularity or omission which does not affect the substantial rights of the parties. The judgment shall declare the bonds or levy or contract either valid or invalid. The costs of any hearing or contest may be allowed and apportioned between the parties or taxed to the losing party in the discretion of the court. Any party may appeal at any time within 30 days after the entry of the judgment. No contest of any thing or matter herein provided shall be made other than in the time and manner in this section provided. In any such action all findings of fact or conclusions of the board upon all matters shall be conclusive unless the action was instituted within six months after the finding or conclusion was made.

Projects conforming to plans

SEC. 11.11. Any works for which bonds or contracts or special assessments are authorized under the provisions of this act shall be made in conformity with the report, plans and specifications theretofore adopted, as above specified, unless the doing of any such work described in said report shall be prohibited by law, or any incidental part of such work be rendered contrary to the best interests of the agency by some change of conditions in relation thereto, in which event the board of directors by a four-fifths (4) vote may order necessary incidental changes made in such proposed work or improvements and may cause any plans and specifications to be made and adopted In no event shall changes be made from such original therefor. plans, reports and specifications which would have any material effect on the purpose for which such works were intended or which would materially affect any obligations of or benefits to any member unit.

Sec. 11.12. The bonds of the agency shall be legal invest-Bonds are ments for all trust funds, and for the funds of all insurance legal companies, banks, both commercial and savings, and trust companies, for the State School funds, and whenever any money or funds may by law now or hereafter enacted be invested in bonds of cities, cities and counties, counties, school districts or municipalities in the State of California, such money or funds may be invested in said bonds of the agency, issued in accordance with the provisions of this act, and whenever bonds of cities, cities and counties, counties, school district or municipalities, may by law now or hereafter enacted be used as security for the performance of any act, such bonds of the agency may be so used.

This section of this act is intended to be and shall be considered the latest enactment with respect to the matters herein contained, and any and all acts or parts of acts in conflict herewith are hereby repealed.

SEC. 11.13. All bonds issued by the agency under the pro-Bonds tax visions of this act shall be free and exempt from all taxation exempt within the State of California. It is hereby declared that the Santa Barbara County Water Agency is a district, including a reclamation and irrigation district, within the meaning of Section 13 of Article XIII and Section 13 of Article XI of the Constitution of the State of California.

Sec. 11.14. Should a proposition for issuing bonds submitted Failure of at any election under this act fail to receive the requisite numelectors to approve her of votes of the qualified electors voting at such election to bond issue incur the indebtedness for the purpose specified, the board of directors of the agency shall not for six months after such election call or order another election in the agency for incurring indebtedness and issuing bonds under the terms of this act, either for the same objects and purposes, or for any of the objects and purposes of this act.

Sec. 12. The agency shall have the power as provided in Special this act to levy special assessments for the purpose of paying any obligation of the agency or to accomplish any of the purposes of the agency.

Whenever the board of directors shall determine Same by resolution that facts exist which make a special assessment preferable in the best interests of the agency to incurring a bonded indebtedness for paying all or any part of the cost of any work or for carrying out any contract for any purpose of the agency, the board of directors may levy special assessments as hereinafter provided. The facts making such a special assessment preferable to a bonded indebtedness shall be stated in the resolution. Such special assessments shall be payable in equal annual installments over a period of not to exceed forty (40) years, and shall be levied only after being duly authorized by a two-thirds (2) majority of the votes cast by the qualified electors of the agency voting at an election held for that purpose.

Except as in this section otherwise provided, the procedure and requirements of this act for notices and elections for issuance of agency bonds shall apply with like effect to special assessments levied hereunder. If such special assessments are to be levied in annual installments, the ballot shall specify the number of such installments.

The funds raised by said special assessments shall be placed in the treasury of the county to the credit of the agency and said funds shall be applied exclusively to the purposes and objects mentioned in the ordinance calling such special assessment election. Payments from said fund shall be made upon demands prepared, presented, allowed and audited in the same manner as demands upon the funds of the county.

The provisions of this act relative to taxes for the payments of bonds and the liability of property for the payment of such taxes shall apply with like effect to payment of special assessments levied hereunder, and to the liability of property for the

payment of such special assessments.

Rights of nay, etc

SEC. 13. The rights of way, ditches, flumes, pipe lines and other conduits, drains, water, water rights, reservoirs, dams, franchises, works and all other property used for the purposes of the agency and belonging to it shall not be taxed nor assessed for State, county, municipal or any district purposes.

Existing rights of municipalities, etc. Sec. 14. The establishment of the agency or anything in this act contained shall not affect, restrict nor supersede the existence, property, right or power of any municipality, public district or public agency now or hereafter established in or partially within the limits of the agency for the purpose or purposes in whole or part of flood control or for the purpose or purposes in whole or part of reclamation, conservation, storage, distribution, sale, use or development of water. The Legislature because of conditions special to the county hereby expressly declares its intent to permit within the limits of the Santa Barbara County Water Agency the existence of more than one district and/cr municipality having similar powers over similar territory in regard to flood control, reclamation, water conservation, storage, distribution, sale, use and development.

Vested rights

Sec. 15. The formation of the agency or the enactment of this act shall not impair the vested right of any person, association, corporation, municipality or public district in or to water or the use thereof.

Procedure to test validity of existence of agency SEC. 16. The agency in order to determine the legality of its existence, in addition to any other remedy it may have for that purpose, may institute a proceeding therefor in the Superior Court of the State of California in and for the County of Santa Barbara, by filing a complaint setting forth the name of the agency, its exterior boundaries, the date of its organization and a prayer that it be adjudged a legal district formed under this act. The summons in such proceeding shall be served by publishing a copy thereof once a week for four successive weeks in some newspaper of general circulation published in said agency. Within 30 days after the last publication of said summons shall

have been completed, any property owner or resident or registered voter in said agency, or any person interested may appear and answer said complaint, in which case said answer shall set forth the facts relied upon to show the invalidity of the agency and shall be filed in such proceeding. If an answer be filed, the court shall proceed as in other civil cases. Such proceeding is hereby declared to be a proceeding in rem and the judgment rendered therein shall be conclusive against all persons whomsoever and against the State of California. Appeals may be taken from said judgment in the same manner as in other civil cases. The procedure provided by this section shall be cumulative and not exclusive.

Sec. 16.5. The agency may be dissolved in the manner pro- Dissolution vided for the dissolution of districts by Chapter II of Division of agency IV of the District Organization Act, and the agency shall be considered a district within the meaning of all the provisions of such chapter.

The Legislature hereby finds that water problems Legislative in the county require county-wide water conservation, development of water resources and flood control; that these problems are not general or state-wide; that the county for many years has had made investigations and engineering surveys of the county's water resources by private, public and United States engineers; that county water districts, municipalities, and water conservation districts now exist within portions of the county, have acquired property and works, developed a limited water supply, and have incurred indebtedness, but have been and are unable alone to economically develop an adequate water supply; that to adequately and feasibly conserve the water supply and control the floods of said county, it is necessary to have a political entity coextensive with the geographical limits of the entire county; that the geography of the county is such that there are numerous noncontiguous watersheds therein, and that the county can not be supplied with water from a common source or by a common system of works; investigation having shown conditions in said county to be peculiar to it, it is hereby declared that a general law can not be made applicable to said county and that the enactment of this special law is necessary for the conservation, development, control and use of said water for the public good and for the protection of life and property therein.

Sec. 18. In case any section or sections, or part of any sec- Constitution, of this act, shall be found to be unconstitutional or invalid, tionality for any reason, the remainder of the act shall not thereby be invalidated, but shall remain in full force and effect.

This act may be designated and referred to as "The Short title Santa Barbara County Water Agency Act," and any reference thereto by such designation shall be sufficient for all purposes.