

West's Annotated California Codes  
Water Code Appendix  
Chapter 66. Sacramento County Water Agency Act

**§ 66-1. Creation; name; territory**

Section 1. A district is hereby created to be known and designated as "the Sacramento County Water Agency," and the boundaries and territory of said district are as follows: all of the territory within the County of Sacramento.

**§ 66-1.1. Zones and zone projects**

Sec. 1.1. The board of directors of the agency created by this act, by resolution thereof adopted from time to time, may establish zones within said agency without reference to the boundaries of other zones, setting forth in such resolutions, descriptions thereof by metes and bounds and entitling each of such zones by a zone number, and institute zone projects for the specific benefit of such zones. The board may, by resolution, amend the boundaries by annexing property to or by withdrawing property from said zones or may divide existing zones into two or more zones or may superimpose a new or amended zone or zones already in existence, setting forth in such resolutions descriptions of the amended, divided or superimposed zones by metes and bounds and entitling each of such zones by a zone number.

Proceedings for the establishment of such zones may be conducted concurrently with and as a part of proceedings for the instituting of projects relating to such zones, which proceedings shall be instituted in a manner prescribed in Section 21 of this act.

**§ 66-2. Definitions**

Sec. 2. As used in this act, the following words shall have the following respective meanings unless by the context otherwise indicated:

- (a) "The **agency**" shall mean the Sacramento County Water Agency;
- (b) "The **county**" shall mean the County of Sacramento 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, but shall not be limited to, any of the following:

(1) Dams and damsites, all reservoirs and reservoir sites, and all conduits and other facilities useful in the control, conservation, diversion and transmission of surface waters, wells, pumps, storage tanks, reservoirs, and all transmission and distribution facilities useful in the production, storage and distribution of ground waters;

(2) Storm drain and flood control improvements, water courses, drainage channels, conduits, ditches, canals, pumping plants, levees and other structures or facilities utilized for controlling drainage waters within the agency, or for the control of flood or storm waters of streams in or running into the agency and which said facilities and improvements are required either for the protection of life and property therein or for the purpose of conserving any waters for beneficial use within the agency;

(3) All land, property, franchises, easements, rights-of-way and privileges necessary or useful to operate or maintain any of the foregoing facilities and improvements;

(f) "**District**" means any of the following lying within or partially within the agency: irrigation districts, county water districts, water conservation districts, municipalities, flood control districts, reclamation districts, storm drain maintenance districts, and any other districts or political subdivisions of the State empowered by law to appropriate water and to deliver water to users, or to control drainage, storm, flood or other waters within the county and drainage, flood and storm waters which have sources outside the county but which flow into the county;

(g) "**Member unit**" shall mean any district which enters into a contract with the agency for (i) the repayment in whole or part to the agency or any other person, corporation, public district, State of California, or the United States, of any or all of the construction costs of any works constructed by or on behalf of the agency or such district, or for (ii) the underwriting in whole or part of any or all of such construction costs, or for (iii) the repayment in whole or in part to the agency or any other person, corporation, public district, State of California or the United States of any of all of the cost of furnishing water or a water supply to the agency or such district or the underwriting in whole or in part of such cost, or for (iv) the payment in whole or in part for water to be furnished or sold to such district by the agency or the United States;

(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.

(j) "**Bonds**" as used herein include both agency bonds and zone bonds. "Agency indebtedness" means any indebtedness of the agency secured by all taxable property in the agency as a whole and does not include any indebtedness secured only by the taxable property in a designated zone or zones. "Agency bonds" are those bonds issued to finance projects of, or for purposes of, the whole agency secured by all taxable property in the

agency. "**Zone bonds**" are those bonds issued by the agency to finance projects of, or for purposes of, the designated zone or zones and secured by the taxable property in the zone or zones.

(k) "**Zone**" means any area designed within the county created in order to finance, construct, acquire, reconstruct, maintain, operate, extend, repair, or otherwise improve any work or improvement of common benefit to such zone or participating zones.

**§ 66-3. Body politic and corporate; general powers; exercise of powers**

Sec. 3. The Sacramento County Water Agency is hereby 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 thereof.

**§ 66-3.1. Perpetual succession**

Sec. 3.1. The agency shall have perpetual succession.

**§ 66-3.2. Seal**

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

**§ 66-3.3. Actions**

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.

**§ 66-3.4. Eminent domain**

Sec. 3.4. The agency shall have the power of eminent domain to acquire within or outside the agency any property 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 development, storage or distribution of water for public use, or publicly owned property held or used by and flood or reclamation district. The agency 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.

The agency shall not condemn property outside the boundaries of the agency unless the board of supervisors of each county in which such property is located has consented to such acquisition by resolution.

**§ 66-3.5. Property acquisition, use and disposal**

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.

§ 66-3.6. Repealed by Stats.1984, c. 1128, § 112

**§ 66-4. Availability of water**

Sec. 4. The agency shall have the power as limited in this 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, industrial, and all other beneficial uses.

**§ 66-4.1. Ground waters**

Sec. 4.1. The agency may produce, store, transmit and distribute ground waters.

**§ 66-4.2. Drainage and flood control; water conservation; prevention of waste**

Sec. 4.2. The agency shall have the power: to control drainage waters within the agency; to control flood and storm waters within the agency and the flood and storm waters of streams outside of the agency, which flow into the agency; to conserve such waters by storage in surface reservoirs, and to divert and transport such waters for beneficial uses within the agency; to release such waters from surface reservoirs in order to replenish and augment the supply of waters in natural underground reservoirs; to save or conserve in any manner all or any of such waters; to reduce the waste of water; and to protect the watercourses, watersheds, public highways, and life and property within the agency from damage from any such drainage or flood and storm waters.

**§ 66-4.3. Acquisition of works, surface waters and water rights**

Sec. 4.3. The agency shall have the power within or outside 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.

**§ 66-4.4. Plan or system of work**

Sec. 4.4. The agency shall have the power to adopt and carry out any definite plan or system for accomplishing, facilitating or financing all work which may lawfully be

accomplished by the agency and to enforce said plan or system by resolution or ordinance.

In order to carry out its plan or system, the agency shall have the power (1) to prescribe, revise, and collect fees and charges for facilities furnished or to be furnished for the production, conservation, transmittal, and sale of ground or surface water at wholesale for the present or future beneficial use or uses of the lands within the agency, or any zone thereof created for that purpose; provided, that, within those geographical areas included within a district, mutual water company, or public utility as defined in Section 216 of the Public Utilities Code, that authority shall only be exercised pursuant to a written agreement between the agency and the district, mutual water company, or public utility; (2) to prescribe, revise, and collect fees and charges for facilities furnished or to be furnished to any new building, improvement, or structure by the use of any flood control, storm, or drainage system constructed or to be constructed in a zone of the agency; and (3) whenever a drainage or flood control problem is referred to the agency by the County of Sacramento, or any incorporated city therein, to require the installation of drainage or flood control improvements necessary or convenient for the needs of any zone, including, but not limited to, residential, subdivision, commercial, and industrial drainage and flood control needs.

The agency may make reimbursement agreements pursuant to which the agency may provide for owners or developers of property to install those facilities and for reimbursement of that part of the cost of the facilities in excess of any fees required with respect to the property of the owner or developer, and the agreements may provide for the agency to pay interest not to exceed 6 percent per annum on the unpaid balance. The county and cities therein are hereby authorized to refer all drainage and flood control problems, arising under the Subdivision Map Act or otherwise, to the agency for solution. Revenues derived under this section shall be used (1) to acquire, construct, reconstruct, maintain, and operate the facilities within the zone collecting the revenue, (2) to comply with any reimbursement agreement made for the acquisition, construction, or reconstruction of those facilities, (3) to reduce the principal or interest of any bonded indebtedness thereof, or (4) to replace funds expended on behalf of the zone derived from the funds created under the authority of subdivision 1 of Section 10.5 hereof.

#### **§ 66-4.5. Operation, maintenance, etc., of works**

Sec. 4.5. The agency shall have the power to operate, repair, improve, maintain, renew, replace and extend all works and property of the agency.

#### **§ 66-4.6. Surveys and investigations**

Sec. 4.6. The agency shall have the power to make surveys and investigations for works and projects relating to control of drainage, storm and flood waters within or flowing into the agency or of the water supply and resources of the agency. It may carry on and perform technical and other investigations of all kinds, make measurements, collect data and make analyses, studies and inspections pertaining to water supply, water, water

rights, use of water both within and without the agency, or to the control of drainage, storm and flood waters both within and which now flow into the agency. For these purposes the agency shall have the right of access through its authorized representatives to all properties within the agency.

**§ 66-4.7. Conduits along or across streets, railways, etc.**

Sec. 4.7. The agency shall have the power to construct its pipes, pipelines, canals, flumes, tunnels, conduits, or drainage or flood control facilities and improvements, along, under or across any public road, street, alley, avenue, highway or sidewalk, levee, stream of water, watercourse, railway, canal, ditch or flume which the route or location of said pipes, pipelines, canals, flumes, tunnels, conduits, or drainage and flood control facilities and improvements may lie parallel, 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 is affected hereby shall unite with the agency in permitting the construction of said water distribution, drainage, or flood control facilities as herein provided and in granting the necessary rights-of-way therefor, subject to such reasonable conditions as such company, municipality, or district may impose.

**§ 66-4.8. Right of way upon public lands**

Sec. 4.8. There is hereby granted to the agency the right of 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 thereof. 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. If the 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.

§ 66-4.9. Repealed by Stats.1975, c. 585, p. 1243, § 19

**§ 66-5. Sale or lease of water or rights to use works; rates and charges; rules and regulations; penalties; construction, operation and maintenance of works**

Sec. 5. (1) The agency shall have the power:

(a) To sell, lease or otherwise dispose of water or any rights to the use of the works of the agency.

(b) To fix, revise, and collect rates and charges for the services, facilities, or water furnished by it.

(c) To establish rules and regulations to protect the public health in the operation of the works, to provide for the sale, distribution, and use of water and the services and facilities of the works, to provide that service, facilities, or water shall not be furnished to persons against whom there are delinquent charges, and to provide for charges for the restoration of service.

(d) To provide that charges for any of its services or facilities may be collected together with, and not separately from, the charges for other services or facilities rendered by it, or it may contract that all the charges be collected by any other private or public utility, and that the charges be billed upon the same bill and collected as one item.

(e) To provide that, if all or part of a bill is not paid, the agency may discontinue any or all services or facilities for which the bill is rendered.

(f) To provide for the collection of charges. Remedies for their collection and enforcement are cumulative and may be pursued alternatively or consecutively as the agency determines.

(g) To provide for a basic penalty of not more than 10 percent for nonpayment of the charges within the time and in the manner prescribed by it and, in addition, to provide for a penalty of not exceeding one-half of 1 percent per month for nonpayment of the charges and basic penalty. The agency may provide for the collection of the penalties.

(2) The agency may also construct works for generating hydroelectric power, and may operate and maintain the works, or contract for such operation or maintenance. The power generated may be used by the agency for its own purposes, but shall not be offered for sale directly by the agency to customers other than a public utility or public agency engaged in the distribution, use, or sale of electricity. Any such powers may be exercised jointly with member units or other public agencies authorized to exercise those powers. The power to acquire works and facilities shall not include, and nothing in this act shall be construed to allow, the acquisition of property already employed in the generation of hydroelectric power for public utility purposes, except by mutual agreement between the agency and the owner of that property. The authority to construct, maintain, and operate works pursuant to this subdivision shall apply only to works constructed and maintained after the effective date of the amendment of this section enacted during the 1981-82 Regular Session of the Legislature.

#### **§ 66-5.1. Contracts with member units**

Sec. 5.1. The agency shall have the power to enter into contracts with any member unit or with any district which thereby 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; or for the furnishing or sale by the agency or the United States to such member unit or by such member unit to the agency of water or a water supply for any purpose; or for the assumption, by either the agency or the member unit, as principal or guarantor or underwriter of indebtedness incurred on account of works or water furnished or sold to the agency or 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.

**§ 66-5.2. Sale or lease of water or rights to use works; restriction; preferences**

Sec. 5.2. The agency shall have no power to sell, lease, or otherwise dispose of water or of any right to the use of the works of the agency for the conservation, control or transportation of water to member units except as all member units having rights to such water or interest in such works shall grant such power by written contract; and the power so granted shall be limited to the extent and by the conditions set forth in the most restrictive of such contracts.

No preference shall be given to any zone which is not also available upon the same terms and conditions to a member unit, consistent with the resources of the agency and the rights of the member units.

**§ 66-5.3. Suspension of delivery of water to delinquent member unit**

Sec. 5.3. Anything in this act to the contrary notwithstanding, the agency shall have the power, in its discretion, to suspend delivery of water conserved by the agency or obtained



by or on behalf of the agency or a member unit to any member unit during the period which said member unit is delinquent in its payments for or obligations due in respect to such water under any contract entered into by it with the agency.

**§ 66-5.4. Member units; liability**

Sec. 5.4. The liability of each member unit, as distinguished from the liability of its taxpayers and property therein for taxes levied by the agency for agency purposes, shall be limited to that portion of the total cost for water or water supply or 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 or member unit 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 laws 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.
- (5) The quantity or other measure of water supply or water agreed to be acquired by or furnished or sold to such member unit and the cost thereof to such 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.

**§ 66-5.5. Reduction of obligations**

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.

**§ 66-5.6. Member units; assignment of rights**

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.

**§ 66-5.7. Member units; storage and release 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, or in accordance with the amount of water they have respectively contracted to purchase during the period of such storage.

(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.

**§ 66-5.8. Sale of capital assets; disposition of proceeds**

Sec. 5.8. (a) If any capital asset of the agency is sold or otherwise disposed of, the net proceeds therefrom shall be distributed 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 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.

**§ 66-5.9. Drainage and flood control works; laws inapplicable**

Sec. 5.9. The provisions of Sections 5 to 5.8, inclusive, 9.1, 10.1, 10.2, 10.3, 11.4 and 23 of this act shall not apply to the financing, construction, acquisition, reconstruction, maintenance, operation, extending, repair or other improvement to any work or improvement designed or intended primarily to control drainage, flood and storm waters for the purpose of protecting the watercourses, watersheds, public highways, and life and property within the agency from damage.

**§ 66-6. Cooperation with United States; reclamation**

Sec. 6. The agency shall have the power to cooperate and contract with the United States under the Federal Reclamation 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.

**§ 66-6.1. Contracts for payments to United States; authorization by election; election procedure; ballots**

Sec. 6.1. (a) Each contract providing for repayment of the cost of any works, or for the payment of any water or water supply, which is entered into with the United States pursuant to Section 6, shall be authorized at an election, unless, by a resolution adopted by a four-fifths 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 both as to principal and interest from revenues 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 under-written by said member units or providing for the payment currently of whatever amounts may be necessary to pay the portion of the cost of any water or water supply to be furnished or sold to such member units. Upon the

adoption of such resolution the board of directors shall have the power on behalf of the agency, without the necessity of an election, to enter into such a repayment contract or into such a contract for the purchase of water or a water supply with the United States, subject to all provisions of this act applicable to such contracts, except provisions requiring an election to authorize such contracts.

(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 of the votes cast at such election shall be necessary to authorize the election of the contract or issuance of the bonds.

#### **§ 66-6.2. Cooperation with United States**

Sec. 6.2. (1) Payments from revenues. 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) Assessment and taxation of federal lands. 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) United States contract fund. 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 "United States contract fund" to be used for payments due to the United States under the contract.

**§ 66-6.3. Cooperation with United States, state, municipalities, etc.**

Sec. 6.3. The agency shall have the power to co-operate, act in conjunction and contract with the United States, State of California, municipalities, and public districts of any kind, mutual water companies, or any water companies subject to the jurisdiction of the Public Utilities Commission, with respect to any of the following: (1) the purchase and sale of water, (2) the acquisition of water or a water supply, (3) the construction of any works for the controlling of drainage, flood or storm waters in the agency, (4) for the protection of property, watersheds, watercourses, highways and life, (5) for the purposes of conserving and transporting said waters for beneficial use, and (6) 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 or water or water supply of a kind which might be acquired, disposed of, or operated by the agency.

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

**§ 66-7. Directors; compensation; chairman; administration of oaths; quorum**

Sec. 7. The board of supervisors of the county shall be, and they are hereby designated as, and empowered to act as, ex officio the board of directors of the Sacramento 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 of all members concur therein.

**§ 66-7.1. Conflict of interest**

Sec. 7.1. No director of the agency shall in any manner be interested, directly or indirectly, in any contract awarded or to 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 misdemeanor, and upon conviction thereof, he shall be punished by a fine not exceeding five hundred dollars (\$500), or by imprisonment in the county jail of the County of Sacramento 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.

**§ 66-7.2. Officers; employees**

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 Sacramento 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 traveling expenses.

**§ 66-8. Ordinances, resolutions and other legislative acts; initiative and referendum**

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 rejection 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.

**§ 66-8.1. Claims for money or damages; law governing; other claims; procedure**

Sec. 8.1. Claims for money or damages against the agency are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code, except as provided therein. Claims not governed thereby or by other statutes or by ordinances or regulations authorized by law and expressly applicable to such claims shall be prepared and presented to the governing body, and all claims shall be audited and paid, in the same manner and with the same effect as are similar claims against the county.

**§ 66-8.2. 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 may hold, use, acquire, manage, occupy, and possess the property. The 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 the property, or lease the property, in the manner provided by law for the disposition and sale of property of counties.

§ 66-8.3. Repealed by Stats.1984, c. 1128, § 113

**§ 66-8.4. Separate funds and accounts; revolving funds; transfer of funds**

Sec. 8.4 The agency may establish and maintain such separate funds and accounts as it deems necessary to carry out the separate purposes of this act, and may establish such additional separate funds as it shall from time to time determine.

The agency may create and administer revolving funds to facilitate and assist in the carrying on and completing of any acquisition, work, or improvements provided for herein, and may abolish such funds.

The agency may make such transfers, for purposes of a loan or permanently, from one fund to another fund of the agency, as to its funds, or from one fund to another fund of a zone, as to said zone, as the agency shall determine.

**§ 66-9. Debt limit**

Sec. 9. The agency shall not incur any indebtedness or liability in any manner or for any purpose exceeding in any year the anticipated revenue for the current year in which the indebtedness is incurred or of the ensuing year thereafter, 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 at an election held for such purpose, nor to any reimbursement agreement made pursuant to Section 4.4.

**§ 66-9.1. Bonded debt limit**

Sec. 9.1. The aggregate of agency indebtedness incurred pursuant to the provisions of this act authorizing the issuance of bonds, 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 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; plus (3) the amounts agreed to be paid by member units to the agency or to the United States for water or a water supply.

The aggregate of agency indebtedness provided herein shall not include any indebtedness for the financing, construction, acquisition, reconstruction, maintenance, operation, extending, repair or other improvement to any work or improvement designed or intended primarily to control drainage, flood and storm waters for the purpose of protecting the watercourses, watershed, public highways, life and property within the agency, or any zone thereof created for such purpose, from damage.

**§ 66-10. Taxation; power**

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.

**§ 66-10.1. Ad valorem tax; general purposes; limitation**

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 or any zone, and the interest thereon duly authorized by a vote of the electors of the agency or zone thereof, 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 or represented by the amounts agreed to be paid by member units for any water or water supply to be furnished or sold such 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.

**§ 66-10.2. Contributions in aid**

Sec. 10.2. The agency shall have the power to expend any or all or all of its funds as contributions in aid of: (a) the construction or payment of the cost of works; (b) the purchase or obtaining of water or a water supply; or (c) the payment of any liability assumed as principal, guarantor or underwriter on any indebtedness in connection with such construction, payment, purchase or obtaining; if such works are constructed or said water or water supply is obtained for or on behalf of the agency or its member units.

Unless by a resolution adopted by a vote of four-fifths of the members of the board of directors, said board determines that facts exist which make a different allocation preferable in the best interests of the agency, such contributions in aid of construction or of the payment of works or any liability assumed in connection therewith 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, and such contributions in aid of the purchase or obtaining of water or a water supply or any liability assumed in connection therewith shall be in proportion to and for the same purposes as payments made in the same year by each member unit.

**§ 66-10.3. Special ad valorem tax; delinquent member unit**

Sec. 10.3. The agency shall have the power to levy a special 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.

**§ 66-10.4. Taxation; law applicable**

Sec. 10.4. The provisions of law of this State, prescribing the priority, time and manner of levying, assessing, equalizing 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.

**§ 66-10.5. Financial powers; taxes and assessments**

Sec. 10.5. The board shall have the power, in any year:

- (1) To levy ad valorem taxes or assessments:
  - (a) To pay the general administrative costs and expenses, including maintenance and operation of established works, of the agency,
  - (b) To carry out any of the objects or purposes of this act of common benefit to the agency, and
  - (c) To provide a fund which may be used by the agency to pay the costs and expenses of constructing or extending any or all works established within or on behalf of any zone or participating zones within the agency; provided, that funds so used are replaced from funds derived from either of the following sources:
    - (i) Taxes or assessments levied pursuant to subdivisions 3 or 4 of this section within the zone or participating zones benefited by such construction in the year or years immediately following the use of said funds.
    - (ii) Fees or charges collected under authority of Section 4.4.
- (2) Taxes or assessments may be levied for purposes of subdivision (1) by either of the following methods:
  - (a) By a levy or assessment upon all property within the agency, including land, improvements thereon, and personal property.
  - (b) By a levy or assessment upon all real property within the agency, including both land and improvements thereon.
- (3) To levy taxes or assessments in any zone to pay the cost of carrying out any of the objects or purposes of this act performed or to be performed on behalf of the zone, including the constructing, maintaining, operating, extending, repairing, or otherwise improving any or all works or improvements established or to be established within or on behalf of the zone, according to the benefits derived or to be derived by the zone, by either of the following methods:

(a) By a levy or assessment upon all property within a zone or participating zone, including land, improvements thereon, and personal property.

(b) By a levy or assessment upon all real property within a zone or participating zone, including both land and improvements thereon.

It is declared that for the purposes of any tax or assessment levied pursuant to this subdivision, the property so taxed or assessed within a given zone is equally benefited.

(4) To levy assessments upon any property in any zone, according to the provisions and procedures of the Improvement Act of 1911 (Division 7, commencing with Section 5000, Streets and Highways Code), the Improvement Bond Act of 1915 (Division 10, commencing with Section 8500, Streets and Highways Code), the Municipal Improvement Act of 1913 (Division 12, commencing with Section 10000, Streets and Highways Code), or the Refunding Assessment Bond Act of 1935 (Chapter 732 of the Statutes of 1935).

(5) To levy and collect a special tax or assessment upon the property in any zone within the agency for the purpose of raising funds to make payments pursuant to any contract entered into with another governmental agency pursuant to Section 6.3 of this act when the contract requires the governmental agency to perform work in any specified zone or participating zones for its or their particular benefit and also requires the agency to pay the governmental agency a sum of money in consideration or subvention for the performance of that work. The tax or assessment levied pursuant to this subdivision shall be in addition to any other tax or assessment herein otherwise provided.

Taxes or assessments levied pursuant to this section shall be levied and collected together with, and not separately from, taxes for county purposes. The revenues derived from the agency taxes or assessments shall be paid into the county treasury to the credit of the agency or the respective zones thereof, as the case may be, and the board shall have the power to control and order the expenditure thereof for the purposes for which the tax or assessment was levied; provided, however, that no revenues, or portions thereof, derived in any of the several zones from taxes or assessments levied under the provisions of subdivision 3 of this section shall be expended for constructing, maintaining, operating, extending, repairing, or otherwise improving any works or improvements located in any zone other than the zone in which the work or improvement was or is to be done, except in the case of joint projects, or for projects authorized or established outside such zone, or zones, but for the benefit thereof. In cases of joint projects between two or more zones, the zones are, and shall be referred to as, participating zones.

The provisions of this section shall not apply to the financing, construction, acquisition, reconstruction, maintenance, operation, extending, repair, or other improvement to any work or improvement designed or intended primarily for the production, conservation, transmittal, distribution, and sale of ground and surface waters for the present or future beneficial use or uses of the lands or inhabitants within the agency or any zone thereof created for that purpose within those geographical areas served by a district, mutual water

company, or public utility as defined in Section 216 of the Public Utilities Code, unless pursuant to a written agreement between the agency and the district, mutual water company, or public utility.

**§ 66-11. Borrowing; powers**

Sec. 11. The agency shall have the power as provided in 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.

**§ 66-11.1. Bonds; preliminary procedure; special election; Irregularities; favorable vote**

Sec. 11.1. (1) Whenever the board of directors shall determine 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 as a whole, the board may by resolution determine and declare the respective amounts of agency bonds in order to raise the amount of money necessary for such work and the denomination and rate of interest of the bonds, and the resolution shall generally describe the work. The board shall cause a copy of the resolution, duly certified by the clerk, to be filed for record in the Office of the Recorder of Sacramento County within five days after its passage. From and after the filing, the board shall be deemed vested with the authority to proceed with the 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 the resolution and for the purpose or purposes therein stated.

(3) The 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 the 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 adopted 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 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 used. The rate of interest to be paid on such indebtedness shall not exceed 5 percent per annum. For the purposes of the election, the board of directors shall in the 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 the ordinance, such election shall be held as nearly as practicable in conformity with the general elections laws of the State.

(4) The board of directors shall cause a plan or plans to be prepared covering a general description of the work to be done, which the plan shall show the location of the proposed works and shall cause the plan to be posted in a prominent place in the county courthouse for public inspection for at least 30 days before the date fixed for such election.

(5) The ordinance calling for such election shall prior to the date set for such election, be published pursuant to Section 6066 of the Government Code in a newspaper of general circulation published in the agency; the last publication of such ordinance must be at least 14 days before the election, and if there be no such newspaper, then such ordinance shall be posted in five public places in the agency for at least 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 vote 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.

#### **§ 66-11.2. Additional bonds**

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 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.

#### **§ 66-11.3. Refunding bonds**

Sec. 11.3. (a) The board of directors may by resolution 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 exchanged 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.

#### **§ 66-11.4. Revenue bonds**

Sec. 11.4. In the event the board of directors shall determine by a resolution duly adopted by a four-fifths 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 amount 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 act pertaining to bonds and bonded indebtedness, except provisions requiring authorization of bonded indebtedness by an election.

#### **§ 66-11.4a. Bonds; form; time and place of payment; denomination; signatures**

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.

**§ 66-11.5. Bonds; callable for redemption**

Sec. 11.5. Any bonds, original or refunding, issued by the agency, may be made callable by resolution of the board of directors adopted 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 in the agency pursuant to Section 6063 of the Government Code. The first publication of such notice shall be not less than 30 nor more than 90 days prior to the date fixed for such redemption. After the 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.

**§ 66-11.6. Bonds; issuance and sale; price; proceeds**

Sec. 11.6. The board of directors may issue and sell the agency or zone bonds authorized at not less than 95 percent 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 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 act contained. Payments from these funds shall be made upon demands prepared, presented, allowed and audited in the same manner as demands upon the funds of the county. The bonds shall be sold at a public sale to the highest bidder, after notice of such sale has been given by publication in the agency pursuant to Section 6061 of the Government Code 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 board is hereby given the right to reject any and all bids which in the judgment of the board are too low to be in the best interests of the agency.

**§ 66-11.7. Bonds; payment from tax revenues**

Sec. 11.7. Any agency bonds issued under the provisions of this act and the interest on such bonds if no other funds are available 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.

**§ 66-11.8. Repeals or amendments; effect upon obligations**

Sec. 11.8 The repeal or amendment of this act, or the dissolution of the agency created by this act, shall not in any way affect or release any of the property in the agency from its

liability on or from the obligations of any outstanding bonds 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.

**§ 66-11.9. Bond tax**

Sec. 11.9. The board of directors shall levy a tax or assessment each year upon all the taxable property in the agency sufficient to pay such portion of the interest for that year upon agency 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.

**§ 66-11.10. Action to test validity of bonds, levy or contract**

Sec. 11.10. An action to determine the validity of bonds, levy of a special assessment, or a contract may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure. 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.

**§ 66-11.11. Works; conformity to report, plans and specifications**

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 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 therefor. In no event shall changes be made from such original 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.

**§ 66-11.12. Bonds; legal investments**

Sec. 11.12. Agency or zone bonds shall be legal investments for all trust funds, and for the funds of all insurance 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 bonds of the agency, issued in accordance with the provisions of this act, and whenever bonds of cities, cities and counties, counties, school districts 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.

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