

**BEFORE THE FEDERAL ENERGY REGULATORY
COMMISSION**

APPLICATION FOR PRELIMINARY PERMIT

**SAN VICENTE ENERGY
STORAGE FACILITY**

SUBMITTED BY:



**4677 Overland Avenue
San Diego, California 92123**

and



**The City of San Diego
202 C Street
San Diego, CA 92101-3861**

May 2018

May 1, 2018

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Subject: San Vicente Energy Storage Facility Project

Dear Ms. Bose:

We hereby submit an application for a preliminary permit to develop the San Vicente Energy Storage Facility project.

We look forward to receiving a preliminary permit for our project. If there are questions or if additional information is needed, please contact the undersigned at (858) 522-6783.

Sincerely,



Sandra L. Kerl
Deputy General Manager
San Diego County Water Authority



Vic Bienes
Director of Public Utilities
City of San Diego

cc: Frank Blackett, Regional Engineer, San Francisco Regional Office

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ATTACHMENT 2 – Legal Authority of the City of San Diego (City of San Diego Charter, Article I – Corporate Powers)

INITIAL STATEMENT

BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION APPLICATION FOR PRELIMINARY PERMIT

- 1.0 The San Diego County Water Authority (Water Authority) and City of San Diego (City) are applying as co-applicants to the Federal Energy Regulatory Commission (FERC) for a new preliminary permit for the proposed San Vicente Energy Storage Facility (Project), as described in the attached exhibits. The San Vicente Energy Storage Facility project was formerly known as the San Vicente Pumped Storage Project, as referred to in the Pre-Application Document (PAD) and Notice of Intent (NOI) filed with FERC on July 28, 2015, Project No. 14642-000.

This application is made in order that the co-applicants may secure and maintain priority of application for a license for the Project under Part I of the Federal Power Act while obtaining data and performing the acts required to continue with Project development work. The Project development work includes completing a Project Development Agreement, performing an environmental site assessment, complying with California Environmental Quality Act and National Environmental Policy Act requirements, performing resource agency and native American consultations, conducting detailed engineering studies, and continued power market and financial analyses to support an application for a license.

The Water Authority and City are municipal entities, but are specifically disclaiming municipal preference for this application. The Water Authority and City will be seeking to develop this project with a potential private entity. The Water Authority and the City do not want to foreclose any opportunity to file a joint license application with a non-municipal partner, or to share future ownership of the Project with a non-municipal partner.

- 2.0 Location of the proposed project is:

State or Territory:	State of California
County:	County of San Diego
Township or Nearby Town:	Lakeside
Stream or Other Body of Water:	San Vicente Reservoir

- 3.0 The exact names, business addresses, and telephone numbers of the co-applicants are:

San Diego County Water Authority 4677 Overland Avenue San Diego, CA 92123 Sandra L. Kerl, Deputy General Manager (858) 522-6600	City Administration Building 202 C Street San Diego, CA 92101-3861 Kevin Faulconer, Mayor Elizabeth Maland, City Clerk (619) 236-6330
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The exact names and business addresses of each person authorized to act as agent for the co-applicants and this application are:

Gary Bousquet
Senior Engineering Manager
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
(858) 522-6823

Michael A. Swiger
Partner
Van Ness Feldman, LLP
1050 Thomas Jefferson Street, NW
Seventh Floor
Washington, DC 20007
(202) 298-1891

Vic Bienes
Director of Public Utilities
City of San Diego
9192 Topaz Way
San Diego, CA 92123
(858) 292-6401

4.0 The San Diego County Water Authority and City of San Diego are municipal entities under California's County Water Authority Act and City of San Diego Charter, Article I – Corporate Powers. Copies of applicable State laws and other legal authority evidencing that the co-applicants are municipalities competent under such laws to engage in business of development, transmitting, utilizing, and distributing power are provided in Attachments 1 and 2. In order to preserve the option of partnering with a non-municipal entity, the Water Authority and City are specifically not claiming municipal preference for this application.

5.0 The proposed term of the requested permit is for a period of 36 months.

6.0	Name of Existing Dam:	San Vicente Dam
	Owner:	City of San Diego
	Address:	202 C Street
		San Diego, CA 92101-3861

IN ACCORDANCE WITH THE CODE OF FEDERAL REGULATIONS (CFR), TITLE 18, PART 4, SECTION 4.32(a), THE FOLLOWING INFORMATION IS PROVIDED:

1.0 Identification of every person, citizen, association of citizens, domestic corporation, municipality, or state that has or intends to obtain and will maintain any proprietary right necessary to construct, operate, or maintain the Project includes:

San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
Sandra L. Kerl, Deputy General Manager
(858) 522-6783

City of San Diego,
City Administration Building
202 C Street
San Diego, CA 92101-3861
Kevin Faulconer, Mayor
Elizabeth Maland, City Clerk
(619) 236-6330

2.0 Names and mailing addresses:

- 2.1 Counties in which any part of the Project, or any Federal facilities that would be used by the Project, would be located:

County of San Diego, Department of Planning and Development Services
Mark Wardlaw, Director
5201 Ruffin Road, Suite B
San Diego, CA 92123
(858) 694-3810

- 2.2 Cities, towns, or similar local political subdivisions within 15 miles of the Project and having a population of more than 5,000, or in which part of the Project, or any Federal facilities that would be used by the Project, would be located:

Cities:

City of El Cajon
200 East Main Street
El Cajon, CA 92020
Douglas Williford, City Manager
(619) 441-1716

City of Escondido
201 North Broadway
Escondido, CA 92025
Jeffrey R. Epp, City Manager
(760) 839-4631

City of La Mesa
8130 Allison Avenue
La Mesa, CA 91941
Yvonne Garrett, City Manager
(619) 667-1311

City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945
Lydia Romero, City Manager
(619) 825-3800

City of Poway
13325 Civic Center Drive, P.O. Box 789
Poway, CA 92074-0789
Tina White, City Manager
(858) 668-4501

City of San Diego
City Administration Building
202 C Street
San Diego, CA 92101-3861
Kevin Faulconer, Mayor
Elizabeth Maland, City Clerk
(619) 236-6330

City of Santee
10601 Magnolia Avenue, Building #1
Santee, CA 92071
Marlene Best, City Manager
(619) 258-4100

Unincorporated Communities:

Alpine – Alpine Community Planning Group
P.O. Box 1419
Alpine, CA 91903
(619) 952-8607
Chairperson: Travis Lyon

Eucalyptus Hills – Lakeside Community Planning Group
P.O. Box 697
Lakeside, CA 92040
(619) 300-2825
Chairperson: Brian Sesko

Flinn Springs – Lakeside Community Planning Group
P.O. Box 697
Lakeside, CA 92040
(619) 300-2825
Chairperson: Brian Sesko

Lakeside – Lakeside Community Planning Group
P.O. Box 697
Lakeside, CA 92040
(619) 300-2825
Chairperson: Brian Sesko

Ramona – Ramona Planning Group
15873 Highway 67, 17251 Acanto Drive
Ramona, CA 92065
(760) 415-5987
Chairperson: Dan Scherer

- 2.3 Irrigation districts, drainage districts, or similar purpose political subdivisions in which part of the Project, or any Federal facilities that would be used by the Project, would be located or that own, operate, maintain, or use any Project facilities:

City of San Diego
City Administration Building
202 C Street
San Diego, CA 92101-3861
Kevin Faulconer, Mayor
Elizabeth Maland, City Clerk
(619) 236-6330

Lakeside Water District
10375 Vine Street
Lakeside, CA 92040
Brett Sanders, General Manager
(619) 443-3805

Padre Dam Municipal Water District
9300 Fanita Parkway
Santee, CA 92071
Allen Carlisle, Deputy General Manager
(619) 258-4614

Ramona Municipal Water District
105 Earlham Street
Ramona, CA 92065
David Barnum, Deputy General Manager
(760) 789-1330

San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
Sandra L. Kerl, Deputy General Manager
(858) 522-6783

2.4 State and Federal Agencies that may be interested in, or affected by, the application are:

California Department of Fish & Wildlife
South Coast Regional Office
3883 Ruffin Road
Ed Pert, Regional Manager
San Diego, CA 92123
(858) 467-4201

U.S. Army Corps of Engineers, L.A. District
Regulatory Division – Carlsbad Field Office
6010 Hidden Valley Road, Suite 105
Carlsbad, CA 92011
(760) 602-4829

U.S. Environmental Protection Agency
Southern California Field Office
600 Wilshire Boulevard, Suite 1460
Los Angeles, CA 90017
(213) 244-1800

U.S. Fish & Wildlife Service
Carlsbad Field Office
2177 Salk Avenue, Suite 250
Carlsbad, CA 92008
(760) 431-9440

U.S. Bureau of Land Management
Palm Springs – South Coast Field Office
1201 Bird Center Drive
Palm Springs, CA 92262
(760) 833-7100

2.5 Indian Tribes that may be affected by the Project are:

Barona Band of Mission Indians
1095 Barona Road
Lakeside, CA 92040
Clifford LaChappa, Tribal Chairman
(619) 443-6612

3.0 VERIFICATION

THIS APPLICATION IS EXECUTED IN THE
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

BY:

Sandra L. Kerl, Deputy General Manager
San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123

being duly sworn, deposes and says that the contents of this application are true to the best of her knowledge or belief. The undersigned applicant has signed the application this 26th day of April 2018.



Applicant

By: Sandra L. Kerl, Deputy General Manager

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO

Subscribed and sworn to (or affirmed) before me on this 26th day of April 2018, by
Sandra Lee Kerl, proved to me on the basis of
satisfactory evidence to be the person who appeared before me.

Signature



Signature of Notary Public



(notary seal)

**THIS APPLICATION IS EXECUTED IN THE
STATE OF CALIFORNIA
COUNTY OF SAN DIEGO**

BY:

Vic BIANES, Director of Public Utilities
City of San Diego
9192 Topaz Way
San Diego, CA 92123

being duly sworn, deposes and says that the contents of this application are true to the best of his knowledge or belief. The undersigned applicant has signed the application this 26th day of April 2018.



Applicant

By: Vic BIANES, Public Utilities Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

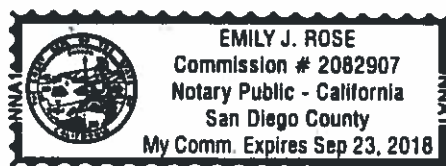
**STATE OF CALIFORNIA
COUNTY OF SAN DIEGO**

Subscribed and sworn to (or affirmed) before me on this 26th day of April 2018 by
Vicente Paligutan BIANES, Jr., proved to me on the basis of
satisfactory evidence to be the person who appeared before me.

Signature



Signature of Notary Public



(notary seal)

Exhibits and Attachments

EXHIBIT 1 DESCRIPTION OF PROPOSED PROJECT

EXHIBIT 2 STUDY PLAN

EXHIBIT 3 PROJECT MAPS/DRAWINGS

ATTACHMENT 1 – Legal Authority of the San Diego County Water Authority as a Municipality (County Water Authority Act)

ATTACHMENT 2 – Legal Authority of the City of San Diego (City of San Diego Charter, Article I – Corporate Powers)

<p style="text-align: center;">EXHIBIT 1 DESCRIPTION OF PROPOSED PROJECT</p>
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1.0 INTRODUCTION, BACKGROUND, AND PROJECT CONFIGURATION

Introduction

The San Diego County Water Authority (Water Authority) and City of San Diego (City) are pursuing a hydroelectric license from the Federal Energy Regulatory Commission (FERC) for the proposed San Vicente Energy Storage Facility (Project). This will be the Water Authority's second closed-loop pumped storage project and the City's first closed-loop pumped storage project. Refer to Figure 1 for the project location. Refer to Figures 2a and 2b for the Water Authority's and City's service area.

In September 2000, the Governor of California signed Senate Bill 552 (SB552), which substantially granted the Water Authority new entitlement to enter the electric and natural gas wholesale markets. SB552 modified the County Water Authority Act (Section 45-5.1) to allow hydroelectric power generated by the Water Authority's water delivery system to be sold to any retail electric provider. The bill also authorized the Water Authority to purchase federal power, construct, own, and operate electric power generation facilities to service its or its member agencies' needs, and to purchase and transport natural gas. A copy of the County Water Authority Act (as of January 1, 2010) is provided in Attachment 1.

Background

The Water Authority's first pumped storage project was the Olivenhain/Lake Hodges Pumped Storage Project located in the northern end of the City of San Diego, within the County of San Diego. In October 2000, the Water Authority filed a preliminary permit for the Olivenhain/Lake Hodges Pumped Storage Project under FERC Project Number 11860-0000. The permit was approved by FERC in February 2001, and the Water Authority proceeded to develop plans for the project through completion of final design. The 40-megawatt (MW) Olivenhain/Lake Hodges Pumped Storage Project construction is complete and is commercially operational. The facility was issued a license exemption by FERC in December 2003 and has been in operation since 2012. Originally designed to provide one pump and one generation cycle, the facility currently provides two pumps and two generation cycles to meet the demands of the energy market. This valuable asset helps to integrate excess renewables and meet peak electric loads at night in San Diego County.

Project Infrastructure and Configuration

The Project includes integration of nearby existing infrastructure and construction of new facilities. The existing infrastructure includes the recently expanded San Vicente Dam and Reservoir to serve as the Project operation's lower reservoir, and the nearby 230 kilovolt (kV) SDG&E Sunrise Powerlink Transmission Line. The proposed project would consist of the following infrastructure:

1. Existing San Vicente Reservoir (lower reservoir) of 246,000 acre-feet (AF) at a normal maximum operating elevation of 766 feet above mean sea level (MSL), 1,600 AF of water surface, and a usable capacity of 242,000 AF;

2. Lower inlet/outlet structure equipped with one or two slide gates for isolating and dewatering the tailrace tunnel;
3. Upper inlet/outlet structure equipped with trash racks and slide gates for isolating and dewatering the water conductors;
4. An underground cavern type powerhouse containing four pump turbine / motor generator units with a maximum generating capacity of 500 MW when operating a power factor of 0.9. The actual capacity will be determined based on power market conditions.
5. Powerhouse connected to the surface by tunnels for access, ventilation and emergency access, and power feeds.
6. A 230-kV substation containing step-up transformers, circuit breakers, and disconnect switches;
7. A new 230 kV switchyard constructed at the point of interconnection at the western edge of the San Vicente Reservoir;
8. Approximately 2.3-mile long 230 kV overhead transmission line extending from the northern end of the San Vicente Reservoir to a new 230 kV substation to interconnect with a 230-kV section of San Diego Gas and Electric's Sunrise Powerlink;
9. An upper reservoir and associated infrastructure as further described under Section 2.0 Reservoirs; and
10. New roads and other site improvements to provide access to the Project.

For a 500-MW conceptual development, the upper reservoir will be connected to an underground powerhouse via an up to 30-foot diameter, 800-foot deep, vertical shaft and power tunnel at a slope of approximately 7 percent. The power tunnel will bifurcate into two steel-lined penstocks, which will enter the powerhouse at each of the two pump-turbine units. From the powerhouse, the draft tubes from each unit (with an approximate length of 300 feet) will manifold into one tailrace tunnel, which will extend underground at approximately 7.8 percent grade to the San Vicente Reservoir. A conceptual drawing of a typical site profile is provided in Figure 3.

2.0 RESERVOIRS

Two reservoirs are required for this closed-loop operation. The existing expanded San Vicente Reservoir, located in Lakeside, California, would serve as the lower reservoir. One new reservoir will serve as the upper reservoir for the Project, shown in Figure 4.

Existing Lower Reservoir

Water stored in the San Vicente Reservoir is a combination of natural runoff and water imported from the Water Authority's aqueduct system. In a typical year, imported water accounts for up to 80 percent of the volume of water in San Vicente Reservoir.

Discharges from the dam currently serve as drinking water to the City's customers.

San Vicente Reservoir is connected to the Water Authority's First and Second Aqueducts. The First Aqueduct delivers water to San Vicente Reservoir. Pipelines south of San Vicente Dam deliver water to the City's El Monte Pipeline, which delivers water to the City's Alvarado Water Treatment Plant, and can also supply water to nearby El Capitan Reservoir via the City's El Capitan Pipeline under certain hydraulic conditions. The San Vicente Pipeline delivers water from San Vicente Reservoir, west,

to the Second Aqueduct. San Vicente Reservoir can also be filled via the San Vicente Pipeline.

The expanded San Vicente Reservoir will serve as the lower reservoir for the proposed facility. Its storage capacity is 242,000 AF with a 1,600-acre surface area. San Vicente Dam and Reservoir, built in 1943, is owned and operated by the City. In 1998, the Water Authority and City entered into an Agreement for the Joint-Use of San Vicente Reservoir, whereas the City retained its original ownership of the dam, reservoir, and original 90,000 AF in storage capacity and allowed the Water Authority to raise the dam and expand the reservoir's storage capacity. In July 2014, the Water Authority completed the raising of the San Vicente Dam, and as part of the terms of the agreement, the Water Authority owns the additional 152,000 AF of expanded reservoir storage capacity. This additional storage is part of the Water Authority's Emergency Storage and Carryover Storage Project (ESP/CSP). The ESP/CSP is a system of reservoirs, interconnected pipelines, and pumping stations throughout San Diego County designed to make water available to the San Diego region in the event of an interruption in imported water deliveries. The Water Authority facilities associated with the ESP/CSP allows delivery of San Vicente Reservoir water to Water Authority member agencies during a water supply emergency. These existing facilities consist of an Interconnect Pipeline, San Vicente Pump Station, Surge Control Facility, San Vicente Pipeline, and Moreno-Lakeside Pipeline.

Now that the San Vicente Dam Raise is complete, the maximum normal pool elevation of the expanded reservoir is 766 feet above MSL and the reservoir serves the City's customers in its daily operations and the Water Authority's regional customers in emergencies and times of drought. In normal daily operations, the City maintains the reservoir level at a minimum normal operating level of 650 feet above MSL. In the rare event of regional emergencies, the reservoir level may fluctuate by 120 vertical feet or between elevations 650 feet and 778 feet above MSL. The fluctuating reservoir level is being considered in the on-going studies for locating the inlet/outlet structure for the Project.

A plan view of the San Vicente Reservoir is provided in Figure 5. Key facilities of the San Vicente Dam Raise project consisted of the raised dam, outlet works, downstream control facility, outlet pipeline, saddle dams, access roads, and First Aqueduct flow control structures. The feasibility of the Project is primarily attributed to the relatively low incremental costs of adding facilities to those that the co-applicants have already constructed. The co-applicants believe the viability of the Project hinges on the ability to use the newly completed facilities.

New Upper Reservoir

The co-applicants now seek a preliminary permit for the Project to continue with the economic and financial studies; environmental and engineering studies focused on the upper reservoir; and secure and maintain priority of application for a license under Part I of the Federal Power Act for the Project.

As shown in Figure 4, the Foster Canyon site will be evaluated for the new upper reservoir for the Project.

Foster Canyon Site

The Foster Canyon site is located approximately one-half mile northwest of the San Vicente Reservoir. The upper reservoir's approximate elevation is 1,490 feet above MSL with a capacity of 7,842 AF, and water surface area of approximately 100 acres at full pond. The infrastructure associated with this configuration includes a new subsurface powerhouse (approximately 360 feet long x 83 feet wide x 119 feet high) containing four vertical Francis variable speed reversible pump/turbine-motor/generator units rated for 125 MW each; an approximately 1,913-foot-long, 25-foot-diameter concrete-lined tailrace tunnel connecting the pump/turbine draft tubes with the lower inlet/outlet; two approximately 2,050-foot-long, 21-foot-diameter steel-lined penstock consisting of both shaft and tunnel segments and extending between the upper inlet/outlet and the pump/turbines below; five RCC saddle dams (approximately 1,425 feet crest length x 235 feet high x 73 feet base width; 838 feet crest length x 80 feet high x 47 feet base width; 838 feet crest length x 80 feet high x 47 feet base width; 1,006 feet crest length x 240 feet high x 100 feet base width; and 3,100 feet crest length x 30 feet high x 30 feet base width); an overhead 230 kV, approximately 2.3 mile long transmission line extending from the upper reservoir to the western end of San Vicente Reservoir; and appurtenant facilities. The estimated annual generation of the Project would be approximately 1,300 Gigawatt hours (GWh) based on a 90 percent availability factor.

3.0 TRANSMISSION LINE AND INTERCONNECTION

The Project will be interconnected to the existing San Diego Gas & Electric's (SDG&E) Sunrise Powerlink transmission line as shown in Figures 6 and 7. A 230-kV transmission line would extend approximately 2.3 miles from the upper reservoir site to the western end of the San Vicente Reservoir and then to the point of interconnection. The generation tie line terminates at a new 230 kV breaker-and-a-half substation connecting into the 230-kV section of SDG&E's Sunrise Powerlink at a new substation to be constructed at the point of interconnection.

4.0 PROJECT CAPACITY

The co-applicants propose a power generation capacity of 500 MW. The amount of annual electric generation from the Project will depend on factors including expectation for the on-peak to off-peak energy price differential and ancillary services market price, and operating constraints.

The Economic and Financial Study demonstrated that the Foster Canyon site meets the 500 MW, 4,000 Megawatt hours (MWh) daily generation criteria with eight hours of storage. The Project also has the capability to generate continuously at different power levels from 100-500 MW. The final selection of the project will be based on the requirements of the energy storage (offtake) agreement and CAISO requirements and may include other pump-generating cycle options. The annual generation is expected to be approximately 1,300 GWh based on a 90 percent availability factor.

The Project will be operated as an energy storage facility, meeting peak electric loads with pump-back operations normally occurring at night, on weekends, and serving to integrate excess renewables during the day. This Project is a valuable asset in helping

California with its Renewable Portfolio Standard (Senate Bill 350), which requires utilities to procure at least 50 percent of their electricity from renewable resources such as wind and solar by the year 2030. By acting as a storage asset, renewable energy that would otherwise be curtailed can be stored for use during increased energy usage periods when renewable energy is not available. Storing renewable energy also helps California meet its greenhouse gas reduction goals (Senate Bill 32) of reducing emissions by 40 percent to 1990 levels by the year 2030.

The Project would also be used to generate energy to meet emergency conditions when other generation plants in the system fail to operate. Ancillary benefits such as spinning reserve, black start, and other transmission system benefits of the Project will provide increased efficiency, flexibility, and security to the power grid in the San Diego area. Pumped storage is considered a preferred resource for meeting reserve needs because of its fast-start capability, reliability, and low environmental impacts.

5.0 PUBLIC LANDS

The Project boundary study area, as shown on Figures 8 and 9, encompasses both public and private lands. The primary feature within the study area is the San Vicente Reservoir. The reservoir currently provides operational storage for the City and terminal storage for the Water Authority's First and Second Aqueducts and is used primarily for emergency water storage and local water supply impoundment, with secondary uses for recreation and flood control. Expansion of the San Vicente Reservoir provides additional capacity to meet emergency storage needs for the region. The Project itself will be owned and operated by the Water Authority under a Project Operating Services Agreement between the Water Authority, the City, and a private development entity.

The Foster Canyon upper reservoir site is located within the County of San Diego in the Lakeside community. The Foster Canyon site is also within several water utility districts including the San Diego County Water Authority, the Lakeside Water District, and the Ramona Municipal Water District. The land use designation for Foster Canyon is generally open space as shown in Figure 9.

There is no development on the Foster Canyon site due to minimal access to this area. Development close to the site is extremely limited. Foster Canyon is located in the County of San Diego with future land uses guided by the Lakeside Community Plan. This plan designates the site as Multiple Rural Use, which allows one dwelling unit on parcels of four, eight, or 20 acres depending on slope characteristics on the site. The Foster Canyon site is located within the County's San Vicente Reservoir Resource Conservation Area.

No portion of the land within the study boundary is United States Bureau of Land Management land. No portion of the land within or in the vicinity of the study boundary is included in or has been designated for study for inclusion in the National Wild and Scenic Rivers System. No portion of the land within the study boundary is designated as wilderness area, recommended for designation as wilderness area, or is designated as wilderness study area under the provisions of the Wilderness Act.

6.0 OTHER INFORMATION

The Project is located in the SDG&E service territory and is adjacent to the service areas of Southern California Edison, Imperial Irrigation District (IID), and Comisión Federal de Electricidad (CFE). As referenced in the California Energy Commission's 2017 Integrated Energy Policy Report, the SDG&E service territory and power demand continues to grow. This implies that additional plans need to be incorporated in the form of new resources, purchases, and Demand Side Management, or a combination of these. Currently, the region is heavily dependent upon purchased power from other regions to meet its capacity needs. The import strategy has required the system to increase amounts of spinning reserve with attendant emissions and system stability risks. In addition to the needs in the San Diego region alone, the Project could be interconnected through SDG&E with a number of adjacent electric systems, including Southern California Edison, IID, CFE, and other Southern California systems. This project provides the ability to integrate renewable energy sources by storing the excess renewable energy production and balancing the grid during peak demands.

EXHIBIT 2 STUDY PLAN

1.0 GENERAL REQUIREMENT

1.1 Project Studies

The proposed study plan outlines the studies conducted or to be conducted, including field studies, with respect to the Project. The studies described are intended to meet the requirements of the application for a license for the Project, and will be conducted in accordance with appropriate local, State, and Federal agency requirements.

It is the intent of the co-applicants to review any existing and available studies that may provide information related to the Project. As mentioned previously, San Vicente Reservoir is included in the Water Authority's Emergency Storage and Carryover Storage Project (ESP/CSP). Many of the engineering, environmental, and economic studies that have been performed as part of the ESP/CSP will also be applicable to the study plan for this application.

Existing Agreements and Completed Lower Reservoir Studies

A number of significant studies have been performed, and important agreements put into place, in support of the Project. Agreements include:

- A 1998 Joint-Use Agreement between the City and the Water Authority forms the basis for land acquisition, design, construction, operation, and maintenance for the joint use of the San Vicente Dam and Reservoir as a component of the region's ESP. The Joint-Use Agreement allows the Water Authority to raise the San Vicente Dam and to obtain permanent storage rights to the entire storage created through this dam raise, including the right to raise the dam more than required for the ESP.
- In 2003, Principles of Understanding were developed with respect to the San Vicente Dam Raise Project to: a) establish basic principles for development of reservoir regulating plans; b) clarify and refine the rights and obligations of the Parties under the 1998 Joint-Use Agreement; and c) establish protocols for cooperation between the City and the Water Authority during implementation of the ESP.
- In 2008, Principles of Understanding were developed with respect to the San Vicente Dam Raise Project to: a) establish basic principles for development of reservoir regulating plans; b) clarify and refine the rights and obligations of the Parties under the 1998 Joint-Use Agreement; and c) establish protocols for cooperation between the City and the Water Authority during implementation of the CSP.

The environmental studies, geotechnical studies, engineering studies, permitting, water quality studies, cultural and biological studies, construction documents, and other

documents have been completed for the expanded San Vicente Reservoir and are available as resources for this Project.

Existing Agreements and Completed Upper Reservoir Studies

The Water Authority and the City have entered into the following agreements pertaining to their partnership in the study of the upper reservoir site locations:

- In 2014, the Water Authority and City entered into a Memorandum of Understanding for The San Vicente Pumped Storage Project Economic and Financial Study.
- In 2014, the Water Authority and City entered into a Feasibility Study Agreement for the San Vicente Pumped Storage Project.
- In February 2015, the Water Authority's Board of Directors approved the Partnering Principles which form the basis for an Agreement between the City and the San Diego Water Authority for the Joint Development of the San Vicente Pumped Storage Project.

In October 2013, an economic and financial study, power market analysis, and financial analysis began and was completed in February 2014. It assessed future power market conditions, established project financing requirements, evaluated potential Project revenues, and allowed a comparison of alternative power generation technologies.

The study provided the following analysis:

- Evaluated design, costing, and scheduling of pumped storage facility capital and operations and maintenance costs;
- Identified potential economies of scale and alternative project configurations;
- Identified regulatory approvals and associated requirements and workflows;
- Modeled all four upper reservoir alternatives based on the design configurations and cost data to determine potential capacity factors and associated gross revenues;
- Identified alternative-specific power exchange information regarding the potential for pumped storage facility generation to offset Water Authority and City power consumption;
- Identified back-up or standby power requirements, costs, and transmission service costs critical to ensuring the reliability of pumped storage project generation to serve Water Authority and City loads;
- Determined the types of ancillary services the Project could provide;
- Defined power purchase agreement and project energy delivery considerations, and characterized alternative pumped storage project funding scenarios;
- Evaluated Southern California's current power market and establishment of current and future peaking capacity needs in the Project area;
- Estimated costs for producing on-peak energy, as well as potential revenues based on prevailing and projected rates for on-peak and off-peak energy and power; and
- Evaluated alternative sources of power generation for comparison purposes.

The studies indicated the Foster Canyon upper reservoir location is technically, economically, and financially viable. The Water Authority and City are therefore proceeding with project development with Foster Canyon as the preferred upper reservoir location.

Studies and Work Completed to Date

The Water Authority and City have made significant progress since receiving a preliminary permit for the Project on May 14, 2015. The Reservoir Modeling and Inlet/Outlet Study, completed in 2016, confirmed compatibility of the Project with the City's future Pure Water Project and narrowed the range of reasonable upper reservoir alternatives for future environmental analysis. The Preliminary Application Document (PAD)/Notice of Intent (NOI) and required joint meetings with resource agencies and tribes were completed in 2015 with comments incorporated into the Project Study Plan in 2016. In March 2016, a preliminary Business Model Report identified a viable option to develop the Project with a private partner. In 2017, the Water Authority and City issued a request for proposal for an Owners' Representative and a request for letters of interest/request for proposal for a full-service team from potential private entities. In September 2017, the Water Authority executed an agreement with an Owners' Representative. In December 2017, the Water Authority and City began negotiating with potential developers to advance the Project. Discussions with potential developers are ongoing with the goal of developing a term sheet and a potential Project Development Agreement, all of which would be subject to the complete environmental review and required legal process.

The following is a detailed description of the activities performed since the preliminary permit was issued in 2015:

- Reservoir Modeling and Inlet/Outlet Study

The City serves over 2.2 million people in a 450 square-mile area and treats approximately 145 million gallons of wastewater per day at the Point Loma Wastewater Treatment Facility. Additionally, the City has developed a water recycling/reclamation program, which includes two water reclamation plants with a total capacity of 45 million gallons per day. The City has been working with the United States Environmental Protection Agency (EPA) for many years to ensure its wastewater treatment facility meets federal standards. The City has an existing waiver to provide secondary treatment from the EPA. However, the City may not qualify for future waivers and therefore plans to recycle additional water for beneficial uses.

In late 2007, the City initiated the Indirect Potable Reuse/Reservoir Augmentation Demonstration Project (Demonstration Project). The purpose of the Demonstration Project was to evaluate the feasibility of using advanced treatment technology to produce potable recycled water. Assuming treatment proved to be feasible, the City would consider piping the advanced treated water through a new 23-mile-long pipeline to San Vicente reservoir, where it would be blended in the reservoir with other raw water, then after further treatment at the City's surface water treatment plants, would enter into the City's domestic water supply distribution system (augmentation option). In April 2013, the City's Council approved the studies and the implementation of potable reuse based on

the alternative to convey the water to the San Vicente reservoir for augmented treatment (Pure Water Project).

In August 2014, two professional service contracts were awarded to conduct further reservoir modeling. These modeling studies were used to determine how the design, exact location of the Project's inlet/outlet structure, and the pump house should be configured to ensure that it does not interfere with the success of the Pure Water Project. Specific work activities included:

- Performing water quality reservoir modeling runs with varying scenarios including those pertaining to weather conditions, time of year, reservoir elevations, inlet/outlet locations, rate of intake and release, water quality levels, and pumping operations.
- Determining the inlet/outlet locations for each of the four upper reservoir alternatives that met the functionality of the pumped storage and reservoir operations.
- Refining tunnel and penstock alignments; facility sizing; powerhouse layout; and evaluated headworks, switchyard, power transmission routes, and other components.
- Refining the capital and operating cost estimates.

The Inlet/Outlet study was completed in August 2015 and a final report was issued in January 2016. Based on the final report, the Water Authority and City identified the conceptual design for the pumped storage project, features and locations for the inlet/outlet structure, and confirmed upper reservoir compatibility with the Pure Water Project. The modeling and inlet/outlet study also helped to narrow the range of reasonable upper reservoir alternatives for future analysis under the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). The results of this study further refined the Project configuration, sizing, and capital cost. This data helped to enhance the risk analysis and identify any required mitigation measure to promote Project compatibility.

The Water Authority and City have continued to coordinate with regulators on regulatory requirements pertaining to water quality and found there to be no issues affecting the compatibility of the Project with the Pure Water Project.

- FERC Preliminary Application Document (PAD)/Notice of Intent (NOI) and Required Joint Meeting and Site Visit

In 2015, the Water Authority and City completed environmental and engineering analyses necessary for completing the PAD/NOI and filed the PAD/NOI. These analyses included:

- Geotechnical desktop studies
 - Evaluated existing geotechnical studies and determined boring locations.
- Environmental desktop studies
 - Evaluated environmental geotechnical studies and determined potential biological and cultural considerations.

- Screened four upper reservoir location alternatives
 - Developed an initial, written plan for performing a defensible alternatives analysis to meet the requirements of the NEPA, CEQA, and section 404(b)(1) of the Clean Water Act.
 - Developed a screening process (decision model) to be used to objectively compare alternatives.
 - Performed assessments to develop inputs for the screening process. Assessments consisted of data acquisition, engineering studies, permitting level designs, and permitting level cost estimates of components that form various alternatives.
 - Specified Foster Canyon as the preferred upper reservoir site.
- Performed decision analyses to rank alternatives based on input data.
- Performed sensitivity analyses of the results.
- Prepared a Technical Memorandum to document the development and recommendations of the alternatives analysis.

The PAD/NOI was filed with FERC in July 2015 requesting FERC approve use of the Traditional Licensing Process (TLP). On September 28, 2015, FERC responded on a decision that the traditional licensing track was acceptable.

Joint meetings with the resource agencies and tribes (daytime) and the public (evening) were held on November 9, 2015. The daytime session included an opportunity for a site visit.

Comments on the PAD/NOI received from the public and resource agencies on January 8, 2016 were incorporated into the Project study plan.

- Business Model Study

In June 2015, the Water Authority's Board of Directors and the City's Council jointly appropriated an additional \$2.51 million in funding for the Project. The funds included \$1.5 million for professional services to complete a Business Model Study and \$300,000 for additional water quality studies as required. A professional services contract was awarded in September 2015 to complete the Business Model Study. The purpose of the study was to determine the best business model for delivering the project. The scope of the Business Model Study included the following activities:

- Built upon the initial economic and financial study in terms of assessing the power market supply and demand forecast and determining Project value;
- Determined how the supply and demand forecast affects the Project's operations and the types of services the Project would provide;
- Assessed how renewables policies, legislation, and regulation influence the Project's operations;
- Created scenarios for each potential business model;
- Recommended and provided justification for project financing options including assessment of lifecycle costs, payback period, interest rates, and tax implications;
- Outreached to potential partners/offtakers;

- Performed comprehensive risk/reward analyses as an input to a business model recommendation matrix;
- Identified risks, quantified risks, and developed mitigation measures; and
- Recommended the preferred business model for the Water Authority and City.

The Water Authority and City worked with the professional services consultant to complete the work necessary to analyze and recommend a Project business model or range of models for implementing the Project. The following activities were performed:

- On November 3, 2015, a project risk management workshop was held to identify potential challenges and opportunities to leverage. A list of risks and opportunities was developed to be further discussed at subsequent workshops.
- On January 13, 2016, a preliminary business model workshop was conducted to outline the methodology for identifying the business model matrix for delivering the Project to be further analyzed.
- On February 22, 2016, a second risk management workshop was held with a focus on developing risk mitigation plans.
- In March 2016, the preliminary business model report was finalized.
- Power Market modeling using Plexos helped assess the value of the products offered by this Project and the total project value taking into consideration the capital investment and lifecycle costs. Preliminary results were made available in April 2016.
- Marketing outreach was conducted to determine acceptance of the model into the marketplace.

The scope of work for the Business Model Study was completed in December 2016. However, rather than selecting a preferred business model for Project implementation, a range of potential business models was identified. The study recommended and provided justification for project financing options including assessment of lifecycle costs, payback periods, interest rates, and tax implications depending on the business model. The Water Authority and City determined the entities were not interested in assuming the risk associated with self-development. This result shifted the Project activities to identifying potential private entities for Project implementation as further discussed below.

- Request for Letters of Interest Process

In Fall 2016, the Water Authority's Board of Directors directed staff to conduct a formal outreach process to solicit interest from potential Project development entities. A Request for Letters of Interest was advertised on January 4, 2017. On February 15, 2017, a total of 19 responses were received from interested parties, including developers, investors, electric utilities, power offtakers, and renewable energy companies. The Water Authority and City reviewed the responses and subsequently met with the interested parties in March 2017. Based on the significant and relevant level of interest from local, national, and international entities, the Water Authority and City conducted a second solicitation process requesting interested parties assemble teams and outline

specific terms and conditions for entering into a Project Development Agreement (PDA) with the Water Authority and City.

- Additional Project Funding and Third Interagency Agreement

In June 2017, the Water Authority and City allocated an additional \$3.3 million in funding for this next phase of work for a total budget of \$7 million. In August 2017, the Water Authority and City also entered into a third interagency agreement that outlined the roles and responsibilities of each agency, cost-sharing of the next phase of work, and other activities for advancing the Project with a private entity.

- Owners' Representative Request for Proposal Process

To help with a development second solicitation process, the Water Authority and City conducted a competitive solicitation process for an Owners' Representative consisting of a multidisciplinary team that would assist in reviewing proposals from potential private entities, conducting interviews with shortlisted entities, and negotiating a Project Development Agreement with the selected entity. This process was conducted from July 2017 through September 2017. A professional services contract with the Owners' Representative was executed in September 2017.

- Full-Service Team Request for Proposal Process

The Water Authority and City conducted a solicitation process to identify a non-municipal development entity to share in the project development. This process began in July 2017. Proposals were received in September 2017. The Water Authority, City, and Owners' Representative reviewed the proposals and identified a shortlist of candidates to participate in oral interviews. Interviews were conducted on October 31, 2017. The proposers were asked to present on preselected topics provided to them prior to the interview and answer prepared and follow-up questions from the Selection Panel, consisting of the Water Authority, City, and Owners' Representative. A presentation at the November 16, 2017 Water Authority's Special Engineering and Operations Committee meeting provided additional details regarding the Full-Service Team solicitation process; the outcome of the interviews; and next steps, including the Energy Task Force and staff recommendations.

On December 7, 2017, the Water Authority's Board of Directors authorized its General Manager to enter into Project Development Agreement negotiations. Discussions with potential developers are ongoing with the goal of developing a term sheet and a potential Project Development Agreement, all of which would be subject to the complete environmental review and required legal process. However, no agreement was reached prior to expiration of the prior preliminary permit.

The following is a list of upcoming activities:

- Continue seeking a development entity.
- Develop a term sheet that establishes the basis for the Project Development Agreement.

- Finalize a Project Development Agreement that outlines the activities and timelines for delivering the Project as well as the roles and responsibilities of the Water Authority, City, and development entity.

Agency Consultation

The Water Authority and City continue to engage with Federal, State, and local agencies and other stakeholders on various environmental impact and permitting issues at the San Vicente site. These agencies include:

- Federal Energy Regulatory Commission
- United States Fish and Wildlife Service
- United States Army Corps of Engineers
- California Department of Water Resources, Division of Safety of Dams
- California Department of Fish and Wildlife
- California Water Resources Control Board
- Regional Water Quality Control Board
- County of San Diego
- City of Poway
- City of San Diego
- Lakeside Water District
- San Diego Gas & Electric Company
- California Independent System Operator
- California Public Utilities Commission
- Barona Band of Indians

Public Outreach

The Water Authority and City have met with the following groups:

- Mussey Grade Road Alliance – May 2015
- Ramona Community Planning Group – July 2015
- Lakeside Community Planning Group – August 2015
- California Department of Fish and Wildlife – January 2016
- County of San Diego – January 2016

The Water Authority and City continue to maintain contact with interested stakeholders and have responded to those individuals located outside of the Project area who have an interest in the technical aspects of the project or project status.

The Water Authority and City also presented the project to various professional organizations, conferences, and special interest groups including the SANDAG Energy Working Group and Cleantech San Diego Board of Directors meeting.

Coordination Meetings – May 2015 to April 2018

To help maintain forward progress, the Water Authority and City have coordinated and attended the following meetings:

- Team meetings – every second Wednesday from 2015-2017 and every Tuesday in 2018
- Monthly Owners' Advisor Team meetings
- Pure Water San Diego Independent Advisory Panel – October 2015
- City Council Environmental Committee – April 2015

- City Council – May 2015
- City Council Briefings - June 2017
- Water Authority Board of Directors Engineering and Operations (E&O) Committee – 2015 (May, June, September, December); 2016 (every month); 2017 (April, June, July, August, September, October, November, December); and 2018 (January, February, March, and April)
- Monthly Board of Directors E&O Committee Meeting San Vicente Energy Task Force Chair Oral Updates
- Energy Subcommittee Meetings – May 2015, September 2015, December 2015, February 2016, April 2016, June 2016, July 2016, August 2016, and September 2016
- San Vicente Energy Storage Task Force Meetings – October 2016, March 2017, April 2017, June 2017, August 2017, October 2017, January 2018, February 2018, March 2018, and April 2018
- Water Authority Board of Directors E&O Committee Workshops – Spring and Fall 2016, and Fall 2017

Technical Studies

- Prepared and submitted the California Independent System Operator Interconnection Request Application in April 2018
- Prepare technical and environmental studies outlined in the PAD/NOI study upon execution of a Project Development Agreement (PDA)

FERC Licensing

- Prepare FERC license application package upon execution of the PDA

Offtaker Outreach

- Discuss and conduct meetings with potential offtakers

Planned Studies

There are two planned additional engineering and environmental studies as further discussed below.

- Engineering Study
A more detailed engineering study that will advance the preliminary design, CEQA/NEPA document, and FERC licensing will be conducted.

The study will:

- Evaluate tunnel and penstock alignments, facility sizing, powerhouse layout and evaluation of headworks, switchyard, power transmission routes, size and location of upper reservoir saddle dams, and other components;
- Gather geological, geotechnical, hydraulic, and hydrological information. All information gathered would be used in optimizing the Project configuration, modeling project operations, updating the existing San Vicente Reservoir operating plan, estimating construction costs and developing a project implementation schedule;

- Update aerial photography and site mapping as required to develop the necessary horizontal and vertical control and establish topographic base maps;
- Perform biological and cultural surveys;
- Determine boring locations based on planned infrastructure (dam foundation, reservoir location, pipeline/tunnel alignment) and biological and cultural surveys;
- Perform geological reconnaissance and mapping, subsurface investigations using geophysical surveys, core drilling and test pits, borrow area investigations, geological hazards analysis, seismotectonic studies, groundwater and seepage studies, and geological construction considerations;
- Establish geotechnical design criteria for structures located on the surface and underground, including engineering properties of soils and rock, foundation bearing capacities, static and seismic loadings, liquefaction potential, and underground excavation support;
- Determine the viability of constructing an onsite quarry in terms of adequate, sufficient material that would be processed for the roller compacted concrete upper reservoir saddle dams;
- Prepare conceptual designs and layouts for inlet/outlet facilities, tunnels, shafts, powerhouse, pumping/generating equipment, access roads, substations, power transmission lines, and recreational facilities;
- Prepare Project cost estimates, including estimated quantities and unit prices, estimated costs for major equipment items, estimated costs for specialized construction activities, estimated costs for land acquisition and permitting, and estimated annual costs for Project operation and maintenance; and
- Update San Vicente Reservoir operating plan with pumped storage considerations.

The timing of the engineering studies depends on the execution of a PDA. This study is anticipated to begin by mid-2019.

- Environmental Studies

Subsequent environmental studies related to pumped storage operations and the remaining alternative upper reservoir sites will be conducted to compliment available data and to comply with the requirements of the application for a license for the Project. These studies, to be developed in consultation with resource agencies, Indian tribes, and interested members of the public, will be conducted to evaluate potential impacts on water use, water quality, plants, fish and wildlife; evaluate historical and archaeological resources; assess socio-economic factors; evaluate geologic and soil resources; evaluate recreational and aesthetic resources; and analyze land use.

Proposed activities include:

- Development of regional maps showing the Project location and setting, land descriptions and proximity to highways, railway lines, reservoirs,

lakes, rivers, parks, forests, farming areas, communities, and major commercial centers;

- Study of climatic and hydrologic characteristics, stream flows, groundwater conditions, water-use patterns, existing water rights, water quality issues, and recommended mitigation measures for potential impacts;
- Assessment of potential impacts to plants, fish, and wildlife and document plant communities, families, and species; inventory of wildlife habitat and populations and identification of Federal and State listed threatened or endangered species in the Project area; identification of fish habitat, estimate of fish populations, and identification of potential impacts to game and non-game fish species;
- Identification of historical or cultural resources to develop an inventory of archaeological sites in the Project area;
- Socioeconomic studies to identify impacts to local residents and nearby communities; establishment of a demographic database including population, employment, per capita income, housing, schools, community services, traffic patterns, local government jurisdiction, and budgets; and evaluation of impacts to land ownership, public access, public services, property values, and tax revenues;
- Investigation of geologic and soil conditions and characterization of the physical and engineering properties of the soils and rock; preparation of a geologic history and geologic map identifying major physiographic units, rock types, locations of active faults, shear zones and landslides; and preparation of a preliminary erosion and sediment control plan for disturbed soils in excavations and spoil disposal areas;
- Documentation of existing recreational uses and identification of potential future recreation opportunities; and documentation of potential impacts and benefits to recreational uses from the proposed Project;
- Studies to identify visual impacts of the Project on scenic quality and sensitive viewpoints. Recommendations for mitigation measures to minimize visual impacts will be made accordingly; and
- Land use studies to identify existing designated land uses including residences, commercial and industrial facilities, recreation areas, utility and transportation facilities, agricultural, range, preservation areas, and timberlands; determination of land ownership and review of land management plans; preparation of a map showing land jurisdiction, existing and future land uses, and any special management areas; and identification of potential impacts to existing land uses and recommended mitigation measures.

The timing of the environmental studies depends on the execution of a PDA. These studies are anticipated to begin by mid-2019.

1.2 New Roads

While conducting field studies, existing access roads would be utilized to the maximum extent possible in a manner such that ground disturbance is minimized. Future access

to the upper reservoir site and the location for the pump house will be considered as part of the engineering and environmental studies.

2.0 New Dam Construction Work Plan

The existing San Vicente Dam constitutes the lower reservoir. The new upper reservoir will require five new gravity saddle dams constructed to fill in the low points in the topography. The new dams (Figure 10) are estimated to be:

- 235 feet x 1,425 feet x 73 feet (H x L x W)
- 80 feet x 838 feet x 47 feet
- 80 feet x 838 feet x 47 feet
- 240 feet x 1,006 feet x 100 feet
- 30 feet x 3,100 feet x 30 feet

To minimize impacts to the area and to reduce construction duration, roller compacted concrete (RCC) is planned for constructing the dams, which is the same construction method used to raise the San Vicente Dam. Because the general geology of the area was studied during the San Vicente Dam Raise project, it is anticipated that an onsite quarry would be constructed to process the materials used in the RCC. An onsite quarry would minimize truck traffic to and from the site that would otherwise occur as a result of purchasing sand and aggregate from an outside source and trucking off waste. This approach was effective for the San Vicente Dam Raise project.

2.1 Field Studies Impacts

Biological and cultural resource mapping of the upper reservoir site will be conducted to identify biological and cultural resources. Studies to locate the upper dams, reservoir configuration, and pipeline/tunnel connecting the lower and upper reservoirs would be conducted to avoid impacts to wetlands and floodplains and minimize impacts to uplands. Any potential impacts to upland could be mitigated either by restoring the area with native plants or through the use of credits in the Water Authority's existing mitigation banks. Existing roads would be used to access the site.

2.2 Proposed Schedule

The proposed Project schedule is as follows in Table 1 with the field activities for new dam and reservoir construction noted with an asterisk (*). The orange activities are complete, blue activities are in progress, and green activities are planned. This is a planning-level schedule; therefore, the dates are approximate and not all activities necessary to implement the Project are included.

Table 1: Planning-Level Schedule of Proposed Project Activities

				2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		2025		2026		
ID	Activity	Start	Finish	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2	
1	San Vicente Dam Raise Construction	Apr-09	Jul-14																																					
2	Fill Reservoir to Expanded Capacity	Aug-14	Dec-17																																					
3	Board Award Economic & Financial Study Contract	Oct-13	Oct-13										X																											
4	Complete Economic & Financial Study	Oct-13	Feb-14																																					
5	Board Award Additional Project Funding		Jun-14											X																										
6	Procure Inlet/Outlet Study Services	Jun-14	Aug-14																																					
7	Board Award Inlet/Outlet Study Contract		Aug-14												X																									
8	Complete Inlet/Outlet Study	Sep-14	Feb-15																																					
9	Board approve City Agreement		May-15														X																							
10	Complete Reservoir Modeling	Sep-14	Jul-15																																					
11	Complete Geotechnical Desktop Study	Mar-15	Jul-15																																					
12	Complete Environmental Desktop Study	Mar-15	Jul-15																																					
13	Complete Resource Agency/Tribe Consultation	Mar-15	Jul-15																																					
14	Complete Preliminary Site Screening	Mar-15	Jul-15																																					
15	Complete FERC PAD/NOI and Submit to FERC	Mar-15	Jul-15																																					
16	Procure Owners' Advisor Services	Jul-17	Sep-17																																					
17	Complete CAISO Interconnect Request App	Feb-18	Apr-18																																					
18	Submit CAISO Interconnect Request Application		Apr-18																			X																		
19	Negotiate/Finalize Project Agreements	Jan-18	Apr-19																																					
20	Execute Project Development Agreement		Apr-19																																					
21	Update Power Market Study	Apr-19	Apr-20																																					
22	Update Financial Study	Apr-19	Apr-20																																					
23	Update Business Model Study	Apr-19	Apr-20																																					
24	Complete FERC Licensing Process	Apr-20	Dec-22																																					
25	Complete CEQA/NEPA Process	Jul-19	Jun-21																																					
26	Complete Detailed Engineering Studies	Jul-19	Jun-21																																					
27	Complete Environmental Studies	Jul-20	Dec-20																																					
28	Complete Geotechnical Fieldwork/Borings	Jul-20	Dec-20																																					
29	Revegetate/Restore Boring Areas	Dec-20	Jun-21																																					
30	Monitor and Maintain Revegetated Areas	Jul-20	Dec-21																																					
31	Design	Jan-23	Dec-23																																					
32	Complete Land Acquisition	Jan-23	Dec-23																																					
33	Construction	Jan-24	Dec-26																																					
34	Commercial Operations		Dec-26																																					X

2.3 New Dam Construction

Reconnaissance studies are anticipated to confirm the geology for the upper reservoir site. Anticipated studies include:

- Biological and cultural studies for the reservoir, dam, and tunnel areas.
- Borings will be performed in the reservoir area to confirm that there is sufficient material of the appropriate quality for processing into materials for RCC.
- Borings at the proposed dam foundation to confirm the depth to hard rock.
- Borings along the pipeline/tunnel alignment.

Borings will be planned for locations that avoid impacts to wetlands and cultural impacts as well as impacts to the floodplain.

3.0 WAIVER

As indicated in Subpart I (Application for Preliminary Permit) Section 4.81 Paragraph (c)(3) of 18CFR, the Commission "... may waive the requirements of Paragraph (c)(2) pursuant to 385.207 of this Chapter, upon showing by the co-applicants that the field studies, tests, and other activities to be conducted under this permit would not adversely affect cultural resources or endangered species and would cause only minor alterations or disturbances of lands and waters, and that any land altered or disturbed would be adequately restored." The studies, as proposed, meet these requirements, and therefore, a waiver is requested.

All of the field studies, tests, and other activities to be conducted under this permit will require state and/or local permits which will ensure that the studies do not adversely affect cultural resources or federal or state listed species, and will entail minimum disturbance of lands and waters. Existing access roads will be used to conduct field studies. Any potential impacts could be mitigated either by restoring the area or through the use of credits in the Water Authority's existing mitigation banks. Thus, the Water Authority and the City request, to the extent it may be necessary, waiver of the requirements of this Paragraph (c)(2).

4.0 STATEMENT OF COSTS AND FINANCING

4.1 Cost Estimate

The estimated cost of carrying out or preparing the studies, investigations, tests, surveys, maps, plans, and specifications identified in this exhibit is approximately \$25,000,000 to \$30,000,000.

4.2 Financing

Funding to carry out or prepare the studies, investigations, tests, surveys, maps, plans, and specifications identified in this exhibit will be provided by the co-applicants' own resources.

<p>EXHIBIT 3 PROJECT MAPS/DRAWINGS</p>
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Figure 1	Location Map
Figure 2a	Regional Map of Water Authority Service Area
Figure 2b	City of San Diego Boundary Map
Figure 3	Typical Site Profile
Figure 4	Upper Reservoir Configuration
Figure 5	San Vicente Dam & Reservoir Raise Plan
Figure 6	Transmission Line and Interconnection Alignment
Figure 7	SDG&E Sunrise Powerlink
Figure 8	Project Boundary Study Area
Figure 9	Land Ownership Map
Figure 10	New Saddle Dams – Upper Reservoir



Source:
Topo Interactive Maps on CD-ROM, 1997

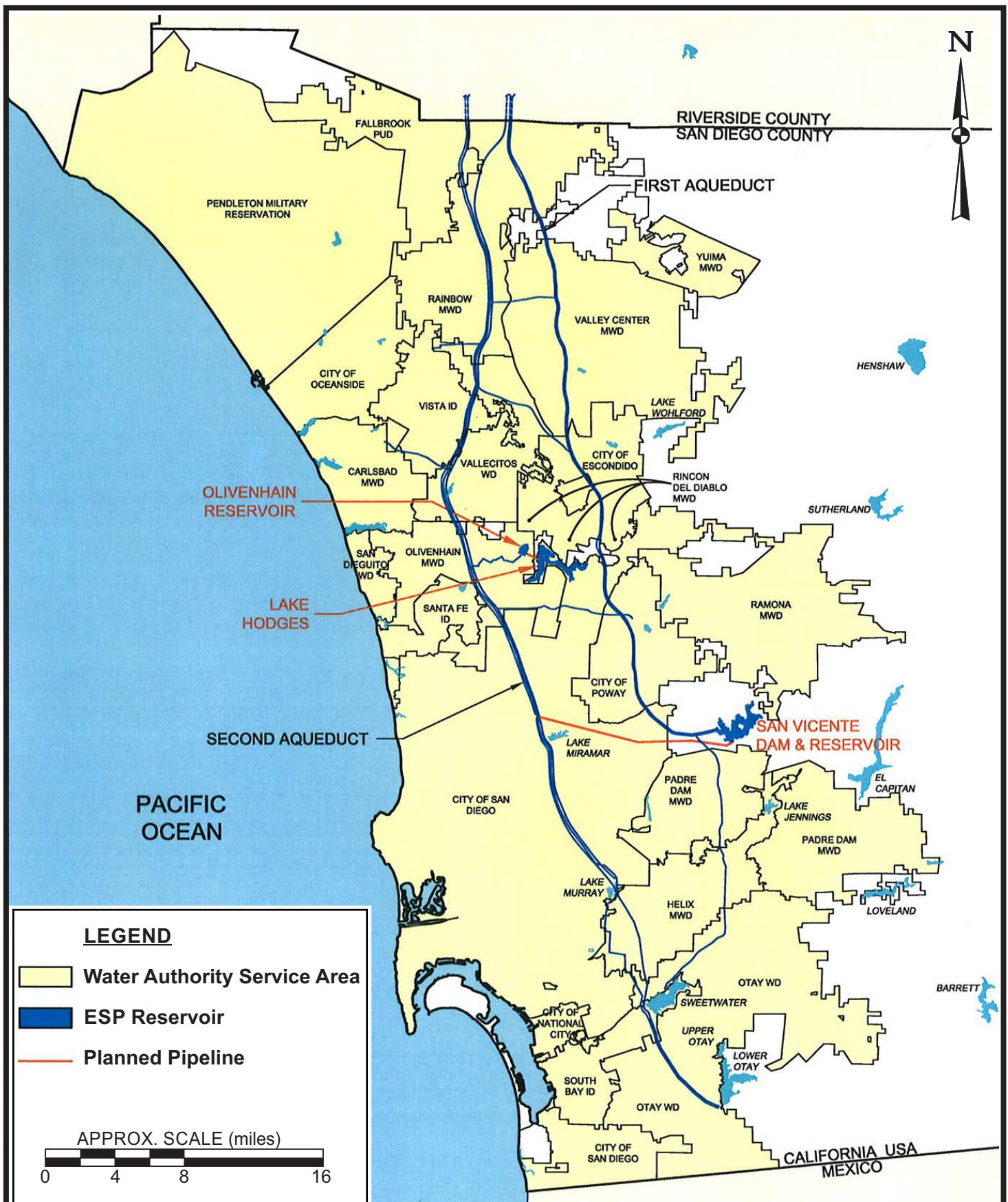


San Diego County
Water Authority

The City of

SAN DIEGO

SAN VICENTE ENERGY STORAGE FACILITY LOCATION MAP FIGURE 1

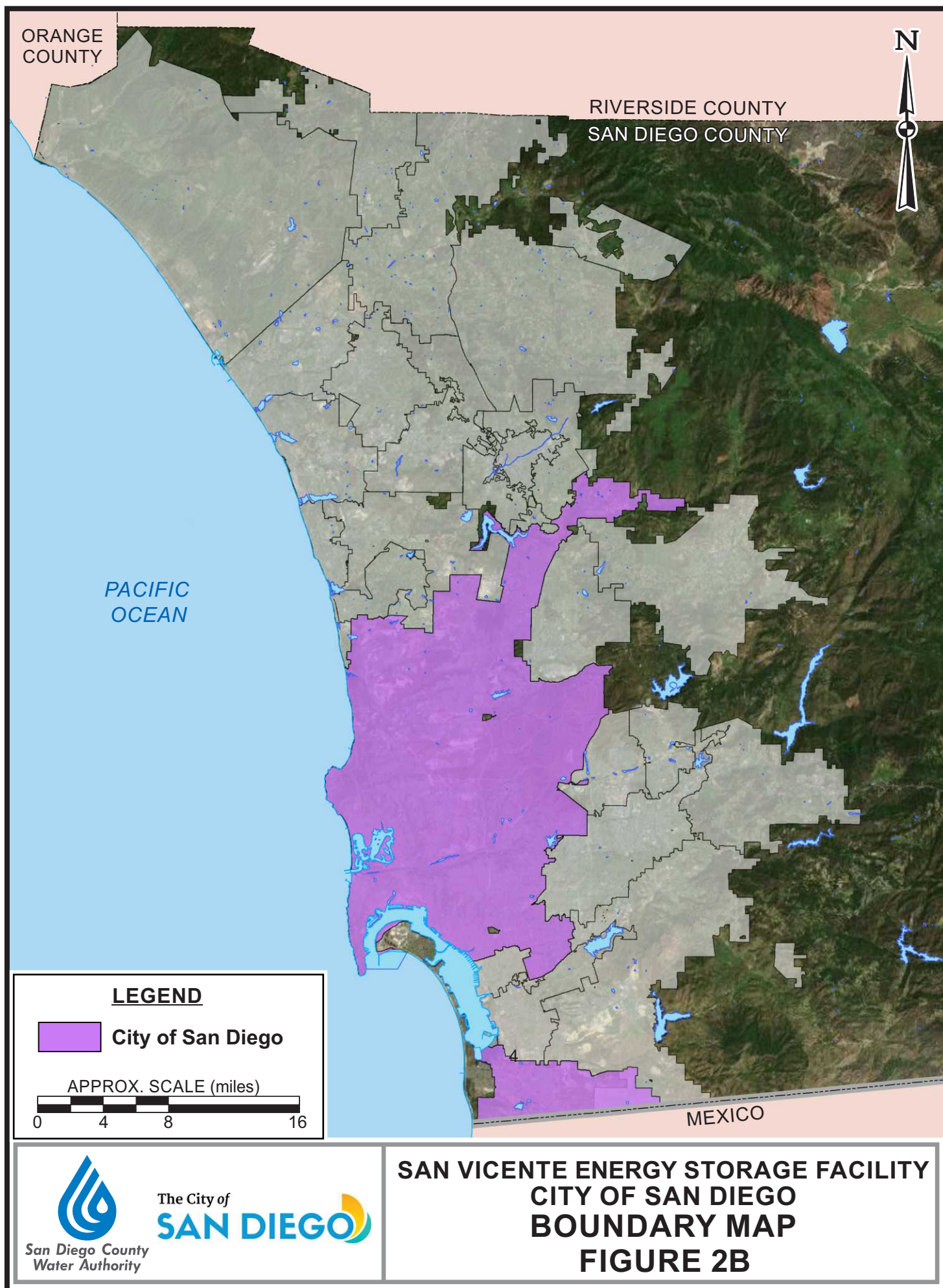


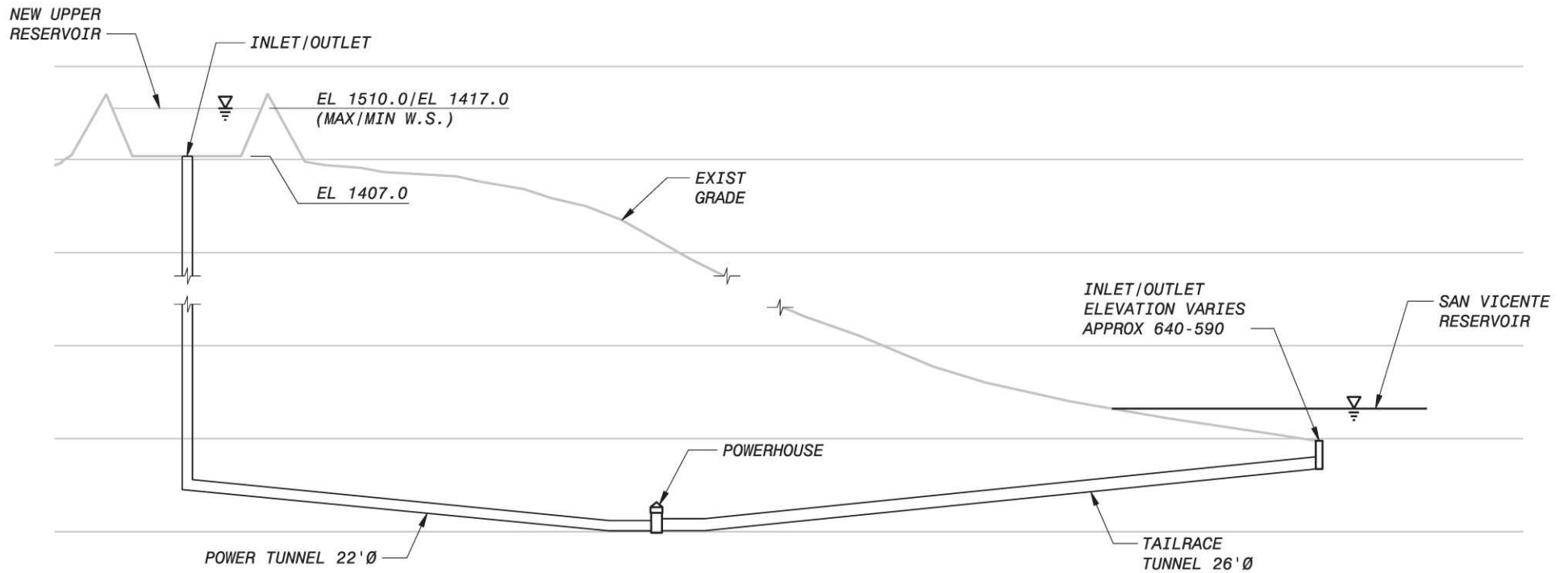
San Diego County
Water Authority

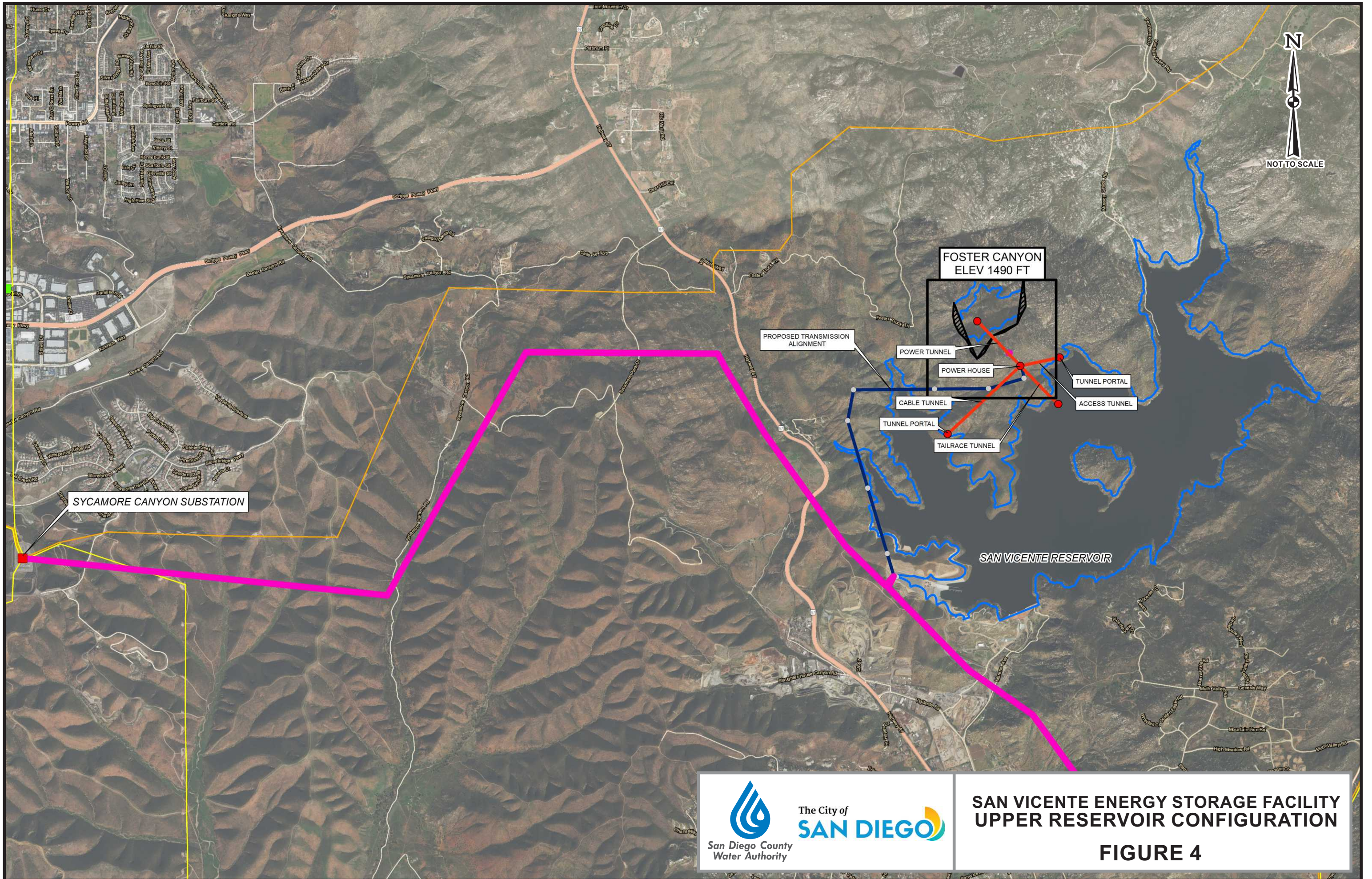
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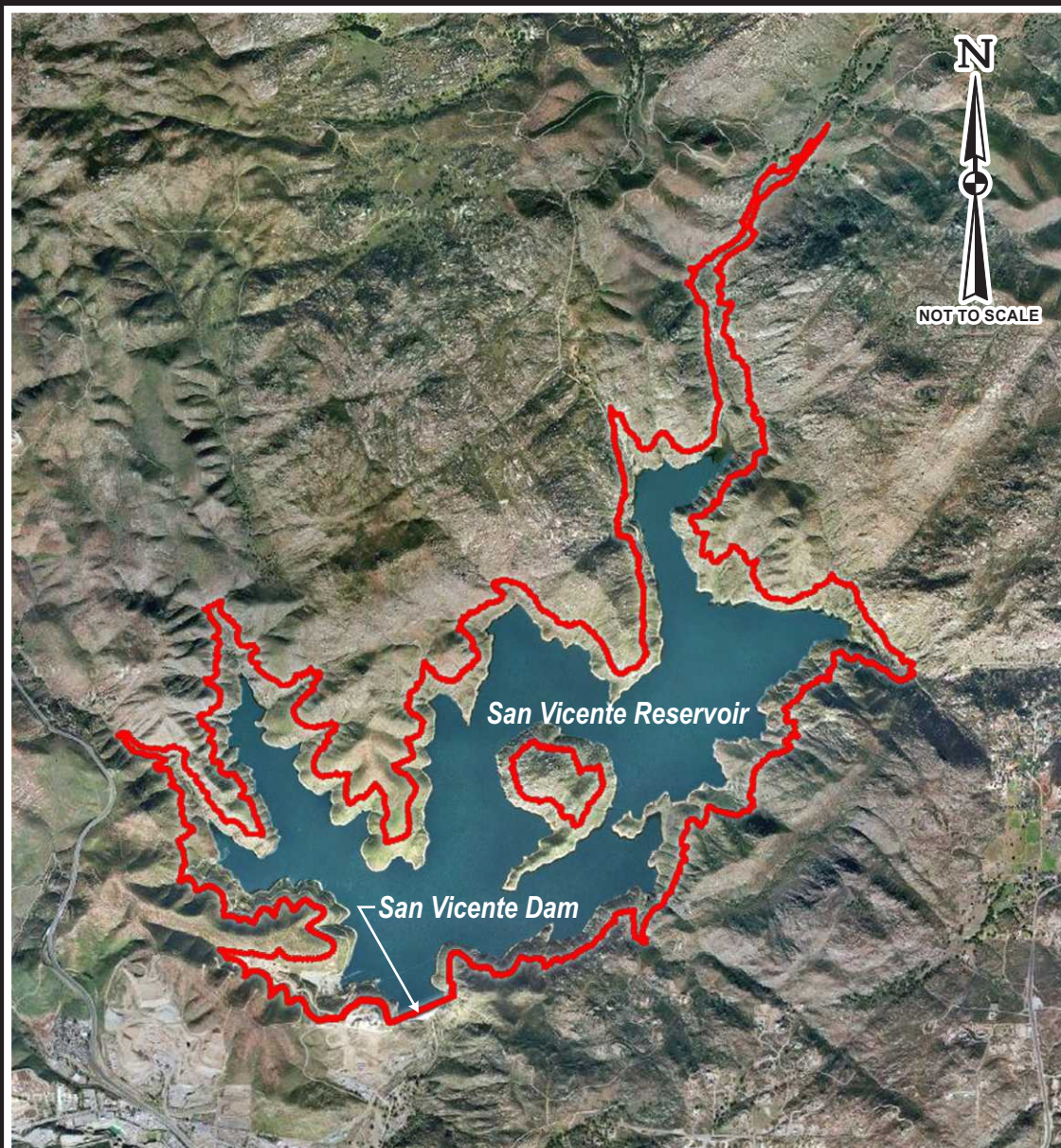
SAN DIEGO

SAN VICENTE ENERGY STORAGE FACILITY MAP OF WATER AUTHORITY SERVICE AREA FIGURE 2A

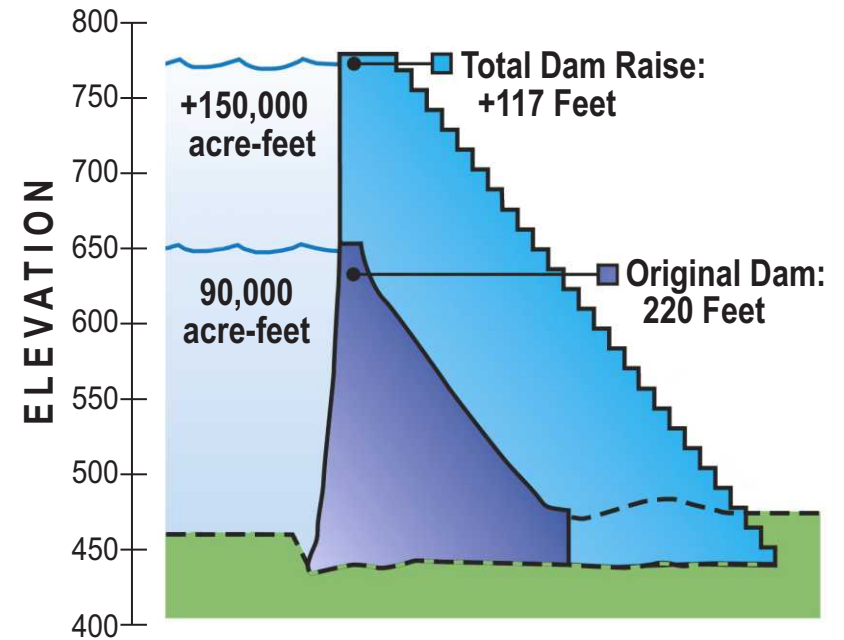




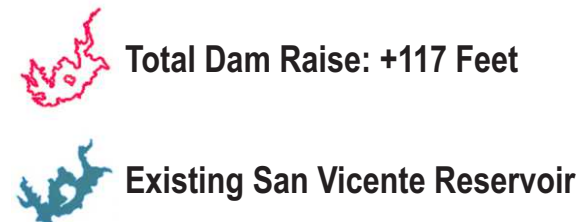


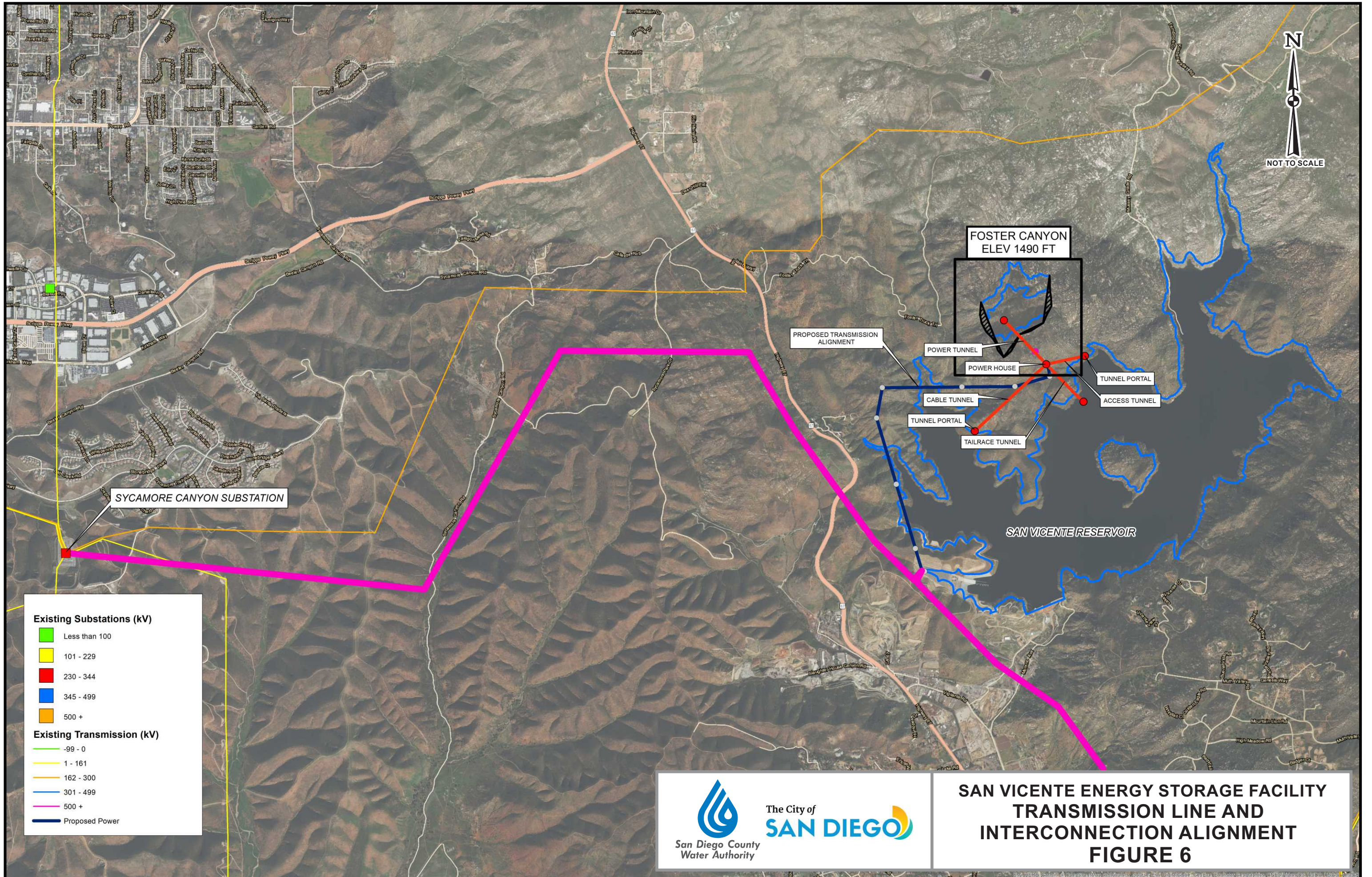


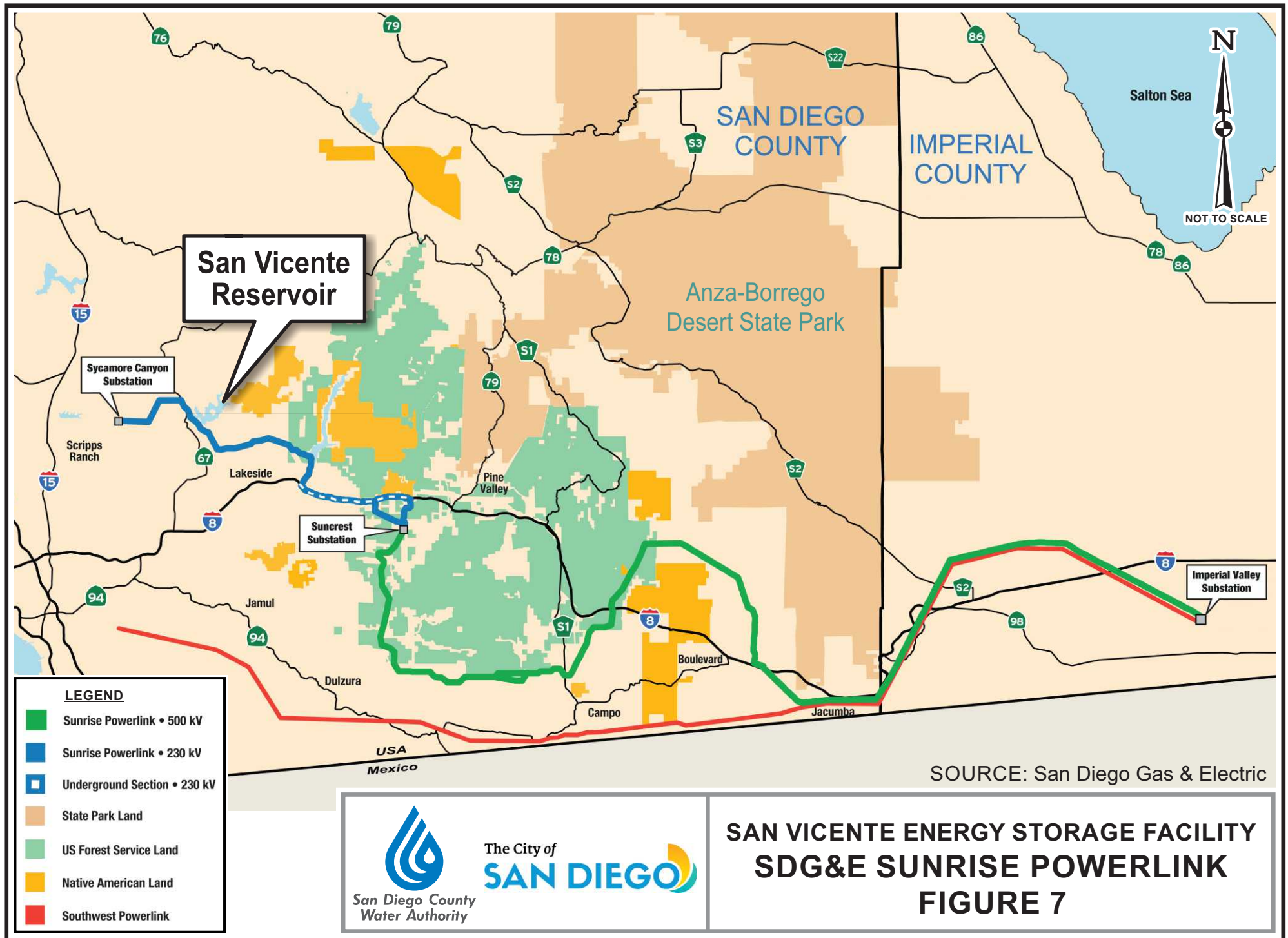
Cross Section of San Vicente Dam

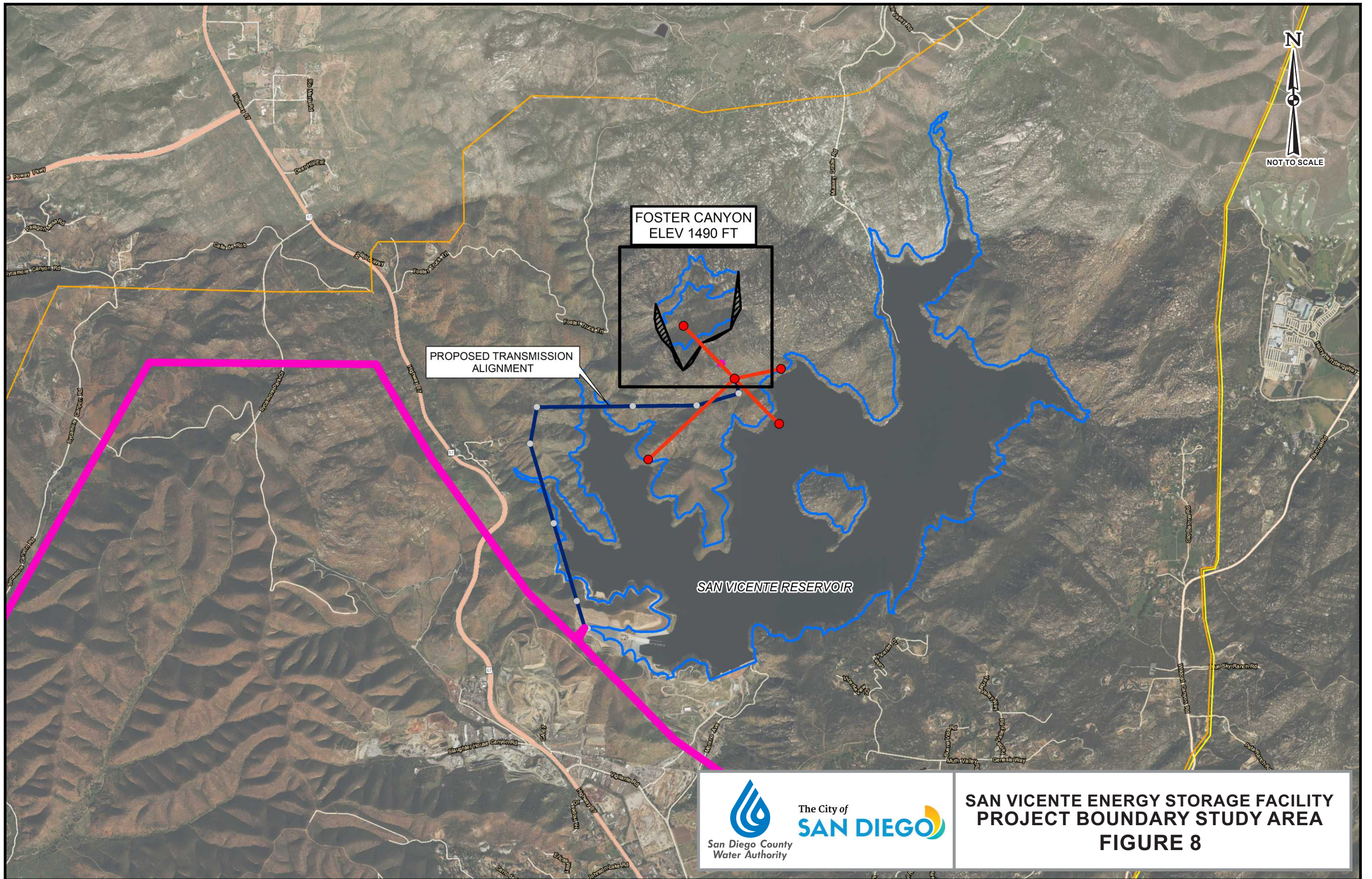


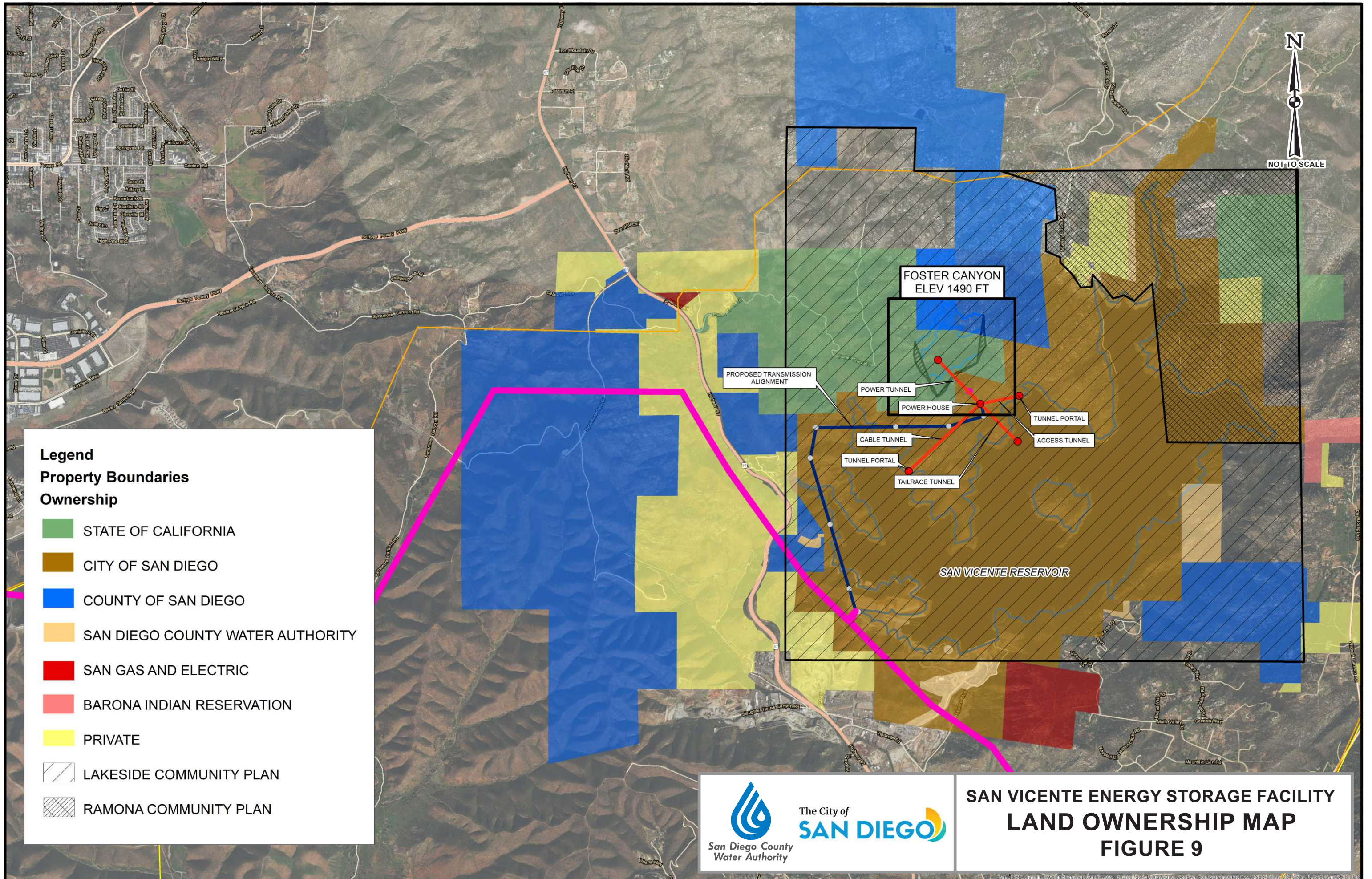
San Vicente Reservoir High Water Mark











**ATTACHMENT 1 – Legal Authority of the San Diego County Water Authority as a
Municipality (County Water Authority Act)**

COUNTY WATER AUTHORITY ACT

(As of January 1, 2010)

From West's Annotated California Codes

Water Code-Appendix

Chapter 45

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CHAPTER 45. COUNTY WATER AUTHORITY ACT

An Act to provide for the organization, incorporation and government of county water authorities, authorizing and empowering such authorities to acquire water and water rights, and to acquire, construct, operate and manage works and property, to incur bonded indebtedness therefor, to provide for the taxation of property therein, and the performance of certain functions relating thereto by officers of county within which any such authority may be located, to provide for addition of areas thereto, and the exclusion of areas therefrom.

§ 45-1. Title of act

Section 1. This act shall be known as the County Water Authority Act.

§ 45-2. Public agencies

Sec. 2. The term "public agencies," wherever appearing in this act, shall be deemed to mean and include any municipal corporation of the State of California, whether organized under a freeholders' charter or under the provisions of general law, any municipal water district, any municipal utility district, any public utility district, any county water district, any irrigation district, organized under the laws of the State of California, or any other public corporation or agency of the State of California of similar character, with power to acquire and distribute water.

§ 45-3. Incorporation; incorporators; exercise of powers

Sec. 3. County water authorities may be organized and incorporated hereunder by two or more public agencies in any county, which public agencies need not be contiguous, and when so incorporated, such authorities shall exercise the powers herein expressly granted, together with such implied powers as are necessary to carry out the objects and purposes of such authorities. Each such authority when so organized, shall be a separate and independent political corporate entity.

§ 45-4. Organization and corporation procedure

Sec. 4. The procedure for organizing and incorporating a county water authority under the provisions of this act is as follows:

(1) **Resolutions; petition.** Resolutions shall first be passed by the legislative bodies of the public agencies designated to be incorporated in the proposed authority, declaring that in their opinion public interest or necessity demands the creation and maintenance of a county water authority to be known as the "(giving the name) County Water Authority." Said resolutions shall contain a statement of the names of such public agencies as are intended to be incorporated in said authority. Certified copies of said resolutions shall be presented to the board of supervisors of the county within which said public agencies are located, requesting said board to call an election without delay for determining whether such authority shall be created.

If for any reason the legislative body of any public agency designated as intended to be incorporated fails or refuses to adopt the resolution above referred to, then instead of said resolutions, a petition may be presented to the board of supervisors of said county on behalf of said public agency signed by qualified electors within the boundaries of any such public agency, in number to at least 10 per cent of the total vote cast at the last general State election within the territory of said public agency. Said petition shall contain substantially the same declarations and statements required to be contained in the resolutions hereinbefore mentioned. Such petition may be on separate papers but each paper shall contain the affidavit of the party who circulated it, certifying that each name signed thereto is the true signature of the person whose name it purports to be. The clerk of the board of supervisors of said county shall compare the signatures with the affidavits of registration and certify to the board of supervisors the sufficiency or insufficiency of said petition. If found and certified by said clerk as being sufficient such petition shall have all the force and effect of a resolution adopted by the legislative body of said public agency.

(2) **Election; call.** Upon the receipt of the resolutions and petitions hereinbefore mentioned, said board of supervisors shall call an election within the territorial boundaries of the public agencies who have adopted such resolutions or on whose behalf a proper petition has been presented, for the purpose of determining whether the proposed county water authority shall be created and established.

(3) **Election procedure--notice of elections.** The board of supervisors of said county shall give notice of said election by publishing the same once a week for at least three weeks before the date of said election in a newspaper of general circulation, published within the proposed authority. In case no newspaper of general circulation is published within said proposed authority, said notice shall be posted for at least three weeks in not less than three public places within said proposed authority.

Said notice shall state, among other things, the name of the proposed authority and set forth the public agencies proposed to be included therein.

Ballot. The ballot for said election shall contain such instructions as are required by law to be printed thereon, and in addition thereto there shall appear the following:

Shall the “(giving the name thereof) County Water Authority” be created and established?	Yes
	No

Conduct of election. Said election and all matters pertaining thereto, not otherwise provided for herein, shall be held and conducted, and the results thereof ascertained, determined and declared in accordance with the general election laws of the State, as nearly as may be, and no person shall be entitled to vote at said election unless he or she be a qualified elector of one of the public agencies proposed to be incorporated in the proposed authority. Said election may be held on the same day as any other State, county or city election, and may be consolidated therewith.

Canvass; order of establishment. The board of supervisors shall meet on Monday next succeeding the day of said election and canvass the votes cast thereat. They shall canvass the returns of each public agency separately and shall order and declare said authority created and established consisting of the public agencies in which a majority of those who voted on the proposition voted in favor of the creation of said authority; provided, however, that the total number of electors in such approving public agencies be not less than two-thirds the number of the electors within the authority as first proposed, according to the register of voters used at said election.

Completion of establishment. The board of supervisors shall cause a certified copy of said order declaring the result of said election to be filed in the office of the Secretary of State, and with the legislative body of each of the public agencies in which said election was held. From and after the filing of said order in the office of the Secretary of State the establishment of said county water authority shall be deemed complete.

Cost of election. The board of supervisors calling the election shall make all provision for the holding thereof throughout the entire authority as proposed, and the cost thereof shall be a proper charge against the county. In case a special election is held exclusively on the proposition of organizing such an authority, the expenditure therefor shall be reimbursed to the county by means of a special tax on all of the taxable property within the public agencies which was proposed to be included in the authority, which tax shall be added to the next county tax bills by the proper officers of the county.

Insubstantial irregularities. No informality in any proceeding or in the conduct of said election not substantially affecting adversely the legal rights of any citizen, shall be held to invalidate the incorporation of any county water authority, and any proceedings attacking the validity of said incorporation, shall be commenced within three months from the date of filing the aforesaid order with the Secretary of State, otherwise such incorporation and the legal existence of said county water authority shall be held to be valid and in every respect legal and incontestable.

§ 45-5. Powers

Sec. 5. An authority may do all of the following:

- (1) Have perpetual succession.
- (2) Sue and be sued in all actions and proceedings and in all courts and tribunals of competent jurisdiction.
- (3) Adopt a corporate seal and alter it at pleasure.

(4) Acquire by grant, purchase, bequest, devise or lease, and hold, enjoy, lease, or sell or otherwise dispose of, any real and personal property of any kind within or without the authority and within and without the state necessary or convenient to the full exercise of its powers; acquire, construct or operate, control, and use any works, facilities, and means necessary or convenient to the exercise of its powers, both within and without the authority, and within and without the state, and perform all things necessary or convenient to the full exercise of the powers granted in this act.

(5) Exercise the power of eminent domain to take any property necessary to the exercise of the powers granted in this act.

(6) Construct and maintain works and establish and maintain facilities across or along any public street or highway and in, upon, or over any vacant public lands which are now, or may become, the property of the State of California; provided that the authority shall promptly restore the street or highway to its former state of usefulness as nearly as may be, and shall not use the same in such a manner as to completely or unnecessarily impair its usefulness. The grant of the right to use the vacant state lands shall be effective upon the filing by the authority, with the Division of State Lands, of an application showing the boundaries, extent, and locations of the lands, rights-of-way, or easements desired for those purposes. If the land, rights-of-way, or easement for which application is made is for the construction of any aqueduct, ditch, pipeline, conduit, tunnel, or other works for the conveyance of water, or for roads, or for poles, or towers and wires for the conveyance of electrical energy or for telecommunication, no compensation shall be charged the authority, unless, in the opinion of the Chief of the Division of State Lands the construction of the works will render the remainder of the legal subdivision through which the works are to be constructed valueless or unsalable, in which event the authority shall pay for the lands to be taken and for that portion of any legal subdivision which, in the opinion of the Chief of the Division of State Lands, are rendered valueless or unsalable. If the lands for which application is made are for purposes other than the construction of roads or for works for the conveyance of water, or electricity, or telecommunication, the authority shall pay to the state for the lands at the reasonable rate determined by the Division of State Lands. Upon filing the application, accompanied by map or plat showing the location or proposed location of the works or facilities, the fee title to so much of those state lands as shall be found by the Chief of the Division of State Lands to be necessary or convenient to enable the authority to construct or maintain its works or to establish or maintain its facilities, shall be conveyed to the authority by patent executed by the Governor of the State of California, attested by the Secretary of State with the Great Seal of the state affixed, and countersigned by the Registrar of State Lands; if only an easement or right-of-way over the lands is sought by the authority, that easement or right-of-way shall be evidenced by permit or grant executed by the Chief of the Division of State Lands. The Chief of the Division of State Lands may reserve in the patents, grants, or permits, easements and rights-of-way across any lands therein described for the construction of streets, roads, and highways. Before the patent, grant, or permit shall be executed any compensation due to the state under this section shall be paid. If the duties or titles of any of the officers mentioned are changed by lawful authority, the functions required to be performed shall be performed by the appropriate officer or officers of the State of California. No fee shall be exacted from the authority for any patent, permit, or grant so issued or for any service rendered pursuant to this act. In the use of streets or highways, the authority shall be subject to the reasonable rules and regulations of the governmental agency in charge thereof, concerning excavations and the refilling of excavations, and the relaying of pavements and the protection of the public during periods of construction; provided that the authority shall not be required to pay any license or permit fees or file any bonds. The authority may be required to pay reasonable inspection fees.

(7) Borrow money and incur indebtedness and issue bonds or other evidence of that indebtedness; provided, however, that no authority shall incur indebtedness which, in the aggregate, exceeds 15 percent of the taxable property of the authority as shown by the last equalized assessment roll of the county in which the authority is located.

(8) Impose and collect taxes for the purpose of carrying on the operations and paying the obligations of the authority; provided, however, that the taxes imposed pursuant to this section exclusive of any tax imposed to meet the bonded indebtedness of the authority and the interest thereon and exclusive of any tax imposed to meet any obligation to the United States of America or to any board, department, or agency thereof, shall not exceed five cents (\$0.05) on each one hundred dollars (\$100) of assessed valuation.

(9) Enter into contracts, employ and retain personal services, and employ laborers; create, establish, and maintain such offices and positions as shall be necessary and convenient for the transaction of the business of the authority, and elect, appoint, and employ officers, attorneys, agents, and employees the board of directors finds to be necessary and convenient for the transaction of the business of the authority.

(10) Join with one or more other public corporations for the purpose of carrying out any of its powers, and for that purpose to contract with the other public corporation or corporations for the purpose of financing the acquisitions, constructions, and operations. The contracts may provide for contributions to be made by each party and for the division and apportionment of the expenses of the acquisitions and operations, and the division and apportionment of the consequent benefits, services, and products. The contracts may contain other and further covenants and agreements as necessary and convenient to accomplish those purposes. The term "public corporation" as used in this subdivision includes the United States or any public agency thereof or this or any other state or any political district, subdivision, or public agency thereof.

(11) Acquire water and water rights within or without the state; develop, store, and transport that water; provide, sell, and deliver water for beneficial uses and purposes; and provide, sell, and deliver water of the authority not needed or required for beneficial purposes by any public agency, the corporate area of which is included in the authority, to areas outside the boundaries of the authority; provided, that the supplying of that water shall, in every case, be subject to the paramount right of the authority to discontinue those activities, in whole or in part, by resolution adopted by the board of directors. The board of directors, as far as practicable, shall provide each of its member agencies with adequate supplies of water to meet their expanding and increasing needs. If available supplies become inadequate to fully meet the needs of its member agencies, the board shall adopt reasonable rules, regulations, and restrictions so that the available supplies are allocated among its member agencies for the greatest public interest and benefit.

(12) Acquire, store, treat, reclaim, repurify, reuse, distribute, and sell sewage water, wastewater, and seawater for beneficial uses and purposes. "Repurify" means, for the purpose of this paragraph, to treat reclaimed water sufficiently so that the water may be discharged into a reservoir that supplies water to the treatment facility for a domestic water system.

(13) Fix, revise, and collect rates or other charges for the delivery of water, use of any facilities or property, or provision of services. In fixing rates the board may establish reasonable classifications among different classes and conditions of service, but rates shall be the same for similar classes and conditions of service.

(14) Cooperate and contract with the United States under the Federal Reclamation Act of June 17, 1902, and all amendatory or supplementary acts, or any other act of Congress enacted authorizing or permitting that cooperation, for the purposes of construction of works, necessary or proper for carrying out the purposes of the authority, or for the acquisition, purchase, extension, operation or maintenance of constructed works, or for a water supply, or for the assumption as principal or guarantor of indebtedness to the United States; and borrow or procure money from the United States, or any agency thereof for the purpose of financing any of the operations of the authority.

(15) To change the name of the authority from that designated pursuant to Section 4.

§ 45-5.1. Hydroelectric power

Sec. 5.1. (a) Any authority incorporated under this act may utilize any part of its water, and any parts of its works, facilities, improvements, and property used for the development, storage, or transportation of water, to provide, generate, and deliver hydroelectric power, and may acquire, construct, operate, and maintain any and all works, facilities, improvements, and property necessary or convenient for that utilization.

(b) Any authority incorporated under this act may do any of the following:

(1) Pursuant to contract, provide, sell, and deliver hydroelectric power to the United States of America or to any board, department, or agency thereof, to the state for the purposes of the State Water Development System, and to any public agency, private corporation, or any other person or entity, or any combination thereof, engaged in the sale of electric power at retail or wholesale.

(2) Use all or any part of hydroelectric power directly, or indirectly through exchange, in exercising any other power of an authority.

(c)(1) An authority located within San Diego County may acquire, construct, own, operate, control, or use, within or without, or partially within or partially without, its territory, works or parts of works for supplying its member public agencies, or some of them, with gas or electricity, or both gas and electricity, and may do all things necessary or convenient to the full exercise of these powers.

(2) An authority located within San Diego County may, pursuant to a contract, purchase gas, electricity, or related services from the United States of America or any board, department, or agency thereof, the State of California, any public agency, person, or private company and provide, sell, exchange, or deliver them to any public agency, private company, or person, or any combination thereof, engaged in the sale of gas or electricity at retail.

(d) For the purposes of this section, "public agency" means a city, county, city and county, district, local agency, public authority, or public corporation.

§ 45-5.2. Standby water charges

Sec. 5.2. (a) Any authority may, pursuant to the notice, protest, and hearing procedures in Section 53753 of the Government Code, by ordinance, fix on or before the third Monday of August, in each fiscal year, a water standby availability charge on land within the boundaries of the authority, to which water is made available by the authority, whether the water is actually used or not.

(b) The standby availability charge shall not exceed ten dollars (\$10) per acre per year for each acre of land within the authority or ten dollars (\$10) per year for a parcel less than one acre, unless the standby charge is imposed pursuant to the Uniform Standby Charge Procedures Act (Chapter 12.4 (commencing with Section 54984) of Part 1 of Division 2 of Title 5 of the Government Code).

(c) If the procedures set forth in this section as it read at the time an availability charge was established were followed, the authority may, by ordinance, continue the charge pursuant to this section in successive years at the same rate. If new, increased, or extended assessments are proposed, the authority shall comply with the notice, protest, and hearing procedures in Section 53753 of the Government Code.

(d) On or before the third Monday in August, the board of directors shall furnish in writing to the board of supervisors and the county auditor of each affected county a description of that parcel of land within the authority upon which an availability charge is to be levied and collected for the current fiscal year, together with the amount of availability charge fixed by the authority on each parcel of land which is to be added to the assessment roll.

(e) The authority shall direct that, at the time and in the manner required by law for the levying of taxes for county purposes, the board of supervisors shall levy, in addition to any other taxes levied, the availability charge in the amounts for the respective parcels fixed by the authority.

(f) All county officers charged with the duties of collecting taxes shall collect the authority's availability charges with the regular tax payments to the county. The availability charges shall be collected in the same form and manner as county taxes are collected, including procedures in the event of delinquency. Upon collection of the availability charges by the tax collector, the collections shall be paid to the authority. The county may deduct the reasonable administrative costs incurred in levying and collecting the water standby availability charge.

§ 45-5.3. Standby water charges; election; payment

Sec. 5.3. (a) On or before the 15th day of December of each year, the governing body of each member public agency may elect to pay out of its funds available for that purpose, other than funds derived from ad valorem taxes, all or any portion of the amount of standby charges which would otherwise be levied upon parcels of land within that public agency for the following fiscal year.

(b) If that election is made, the member agency shall promptly notify the controller of the authority of that fact by causing personal delivery to be made of a certified copy of the action taken by the governing body, together with a financial statement showing its financial condition, and the source of funds and revenues to be used to make the in lieu cash payments.

(c) If the authority fixes standby charges pursuant to Section 5.2, it shall also determine the total amount to be fixed against all parcels of land in each member public agency. The authority shall specify in the ordinance fixing the standby charges the cash payment elected by each member agency to be made pursuant to subdivision (a) and cause the balance, if any, to be levied and collected against the parcels of land in that member public agency.

(d) Each member agency which makes the election shall pay the full amount due in cash installments at the times and in the proportionate amounts as established by the authority, pursuant to subdivision (d) of Section 9, for in lieu cash payments of ad valorem property taxes.

(e) Any cash payments made in avoidance of standby charges are hereby declared to be for a public purpose and shall not be deemed gratuitous or in the nature of gifts, but shall be deemed to be payments for water or services in connection with the distribution of water.

§ 45-5.5. Surplus money; investment

Sec. 5.5. An authority may invest any surplus money in the authority treasury, including money in any sinking fund established to provide for the payment of the principal or interest of any bonded or other indebtedness or for any other purpose, not required for the immediate necessities of the authority, pursuant to Article 1 (commencing with Section 53600) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code. The treasurer shall perform the functions and duties authorized by this paragraph pursuant to rules and regulations adopted by the board of directors of the authority.

§ 45-5.9. Connection and capacity charges; collection; reimbursement

Sec. 5.9. An authority may fix and impose connection charges and capacity charges upon each public agency, the area of which is included within the authority, or upon the ultimate users of water delivered by the authority to the public agency. If imposed upon the ultimate users of water, an authority may require the public agency to collect the charges on behalf of the authority. If an authority requires collection, the authority shall reimburse the public agency for all reasonable costs incurred in collecting those charges.

Any capacity charge proposed to be imposed upon an ultimate user of water is subject to Chapter 13.7 (commencing with Section 54999) of Part 1 of Division 2 of Title 5 of the Government Code.

§ 45-5.10. Judicial action or proceeding involving ordinance fixing water standby availability, or connection or capacity charge; limitation

Sec. 5.10. Any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance fixing and establishing either a water standby availability charge pursuant to Section 5.2, or a connection or capacity charge pursuant to Section 5.9, shall be commenced within 120 days after adoption of the ordinance or prior to May 1, 1991, for ordinances adopted prior to January 1, 1991.

§ 45-5 1/2 Renumbered Water Code Appendix § 45-5.5 and amended by Stats.1997, c. 349 (S.B.106), § 1

§ 45-6. Directors; total financial contribution and vote of member public agencies of the San Diego County Water Authority

Sec. 6. (a) All powers, privileges, and duties vested in or imposed upon any authority incorporated under this act shall be exercised and performed by and through a board of directors. The exercise of any and all executive, administrative, and ministerial powers may be delegated by the board of directors to any of the offices created by this act or by the board of directors acting under this act.

(b) The board of directors shall consist of at least one representative from each public agency, the area of which is within the authority. The representatives shall be designated and appointed by the chief executive officers of those public agencies, respectively, with the consent and approval of the legislative bodies of the public agencies, respectively. Any member of the governing body of a member agency may be appointed by that member agency to the board of the authority to serve as the agency's representative. A majority of the members of the governing body of an agency may not be appointed by the agency to serve as representatives on the board of the authority, and, for a member agency that is not a water district, only one of the representatives of that agency may be a member of the governing body of the agency. Any director holding dual offices shall not vote upon any contract between a county water authority and the member public agency he or she represents on the authority's board. As used in this subdivision, "water district" has the same meaning as in subdivision (a) of Section 10.

(c) Members of the board of directors shall hold office for a term of six years, and until their successors are appointed and qualified. However, the terms of the members of the first board shall be determined by lot so that the

terms of not less than one-half of the members shall be three years and the terms of the remainder shall be six years. Every member shall be subject to recall by the voters of the public agency from which that member is appointed, in accordance with the recall provisions of the freeholders' charter or other law applicable to the public agency. Notwithstanding that representatives are appointed for a fixed term of years, members of the board of directors serve at the will of the governing body of the public agency from which the member is appointed and may be removed by a majority vote of the governing body without a showing of good cause.

(d) In addition to one representative, any public agency may, at its option, designate and appoint one additional representative for each full 5 percent of the assessed value of property taxable for authority purposes which is within the public agency. However, the term of office of any representative shall not be changed or terminated by reason of any future change in the assessed value of property within any member agency.

(e) Each member of the board of directors shall be entitled to vote on all actions coming before the board and shall be entitled to cast one vote for each five million dollars (\$5,000,000), or major fractional part thereof, of the total financial contribution paid to the authority that is attributable to the public agency of which the member is a representative provided that no public agency shall have votes that exceed the number of the total votes of all the other public agencies. A public agency with more than one representative shall have the option, by ordinance, to either require its representatives to cast all of that agency's votes as a unit, as a majority of the representatives present shall determine, or to entitle each such representative to cast an equal share of the total vote of such agency. A copy of the ordinance shall be delivered to the secretary of the board of directors. The affirmative votes of members representing more than 50 percent of the number of votes of all the members shall be necessary, and except as herein provided, sufficient to carry any action coming before the board of directors. If the public agency member having the largest total financial contribution to the authority has more than 38 percent of the total financial contribution to the authority, the affirmative votes of members representing more than 55 percent of the number of votes of all the members shall be necessary, except as herein provided, to carry any action coming before the board of directors. Any meeting may be adjourned, continued, or recessed from day to day or from time to time, by vote of the director or directors present, regardless of the number of directors present.

(f) For the purposes of this section, "total financial contribution" includes all amounts paid in taxes, assessments, fees, and charges to or on behalf of the authority with respect to property located within the boundaries of member public agencies, including, but not limited to, standby charges, capacity charges, readiness to serve charges, connection and maintenance fees, annexation fees and charges for water delivered to member public agencies by the authority excluding the cost of treatment for the water. The total financial contribution shall be determined by the board of directors at the end of each fiscal year. Allocation of voting power shall be reestablished by the board of directors on January 1 of each year based upon the calculation determined for the previous fiscal year.

(g) Subject to confirmation by his or her public agency, a member of the board of directors may designate another member of the board of directors to vote in his or her absence. The designation and the confirmation shall be by a written instrument filed with the authority. If a director will be absent and wishes the designee to cast the vote, a written notice shall be filed with the secretary of the board of directors. If the notice is not received by the authority, the vote of the absent director will not be counted. The designation, confirmation, and notices shall be maintained on file with the authority. The designation may be changed from time to time with the confirmation of the representative's agency. The designation shall not direct how the absent representative's vote shall be cast on any matter. Directors from a public agency represented by more than one director shall be deemed confirmed as designated representatives to vote for absent directors from that public agency. This section does not apply to a public agency that has exercised the option under subdivision (e) to cast all of that agency's votes as a unit.

(h) Notwithstanding subdivision (f), the total financial contribution and the vote of each member public agency of the San Diego County Water Authority as of July 1, 1997, shall be as follows:

AGENCY	Total Financial Contribution	VOTES
	July 1, 1997	
Carlsbad Municipal Water District	\$ 129,787,887	25.96
City of Del Mar	\$ 13,712,188	2.74

City of Escondido	\$ 128,929,059	25.78
Fallbrook Public Utilities District	\$ 116,801,107	23.36
Helix Water District	\$ 356,506,629	71.30
National City	\$ 45,046,563	9.01
City of Oceanside	\$ 192,690,117	38.53
Olivenhain Municipal Water District	\$ 73,733,684	14.75
Otay Water District	\$ 146,294,367	29.26
Padre Dam Municipal Water District	\$ 142,768,644	28.55
Pendleton Military Res.	\$ 10,921,265	2.18
City of Poway	\$ 82,602,257	16.52
Rainbow Municipal Water District	\$ 194,841,500	38.96
Ramona Municipal Water District	\$ 65,220,318	13.04
Rincon Del Diablo Municipal Water District	\$ 69,024,271	13.80
City of San Diego	\$1,864,642,414	372.97
San Dieguito Water District	\$ 51,831,643	10.37
Santa Fe Irrigation District	\$ 64,860,359	12.97
South Bay Irrigation District	\$ 139,063,067	27.81
Vallecitos Water District	\$ 64,994,093	13.00
Valley Center Municipal Water District	\$ 243,877,685	48.77
Vista Irrigation District	\$ 118,493,448	23.70
Yuima Municipal Water District	\$ 15,146,776	3.03
TOTALS:	\$4,331,789,341	866.36

(i) The total financial contribution for the San Diego County Water Authority shall be determined by the board of directors as of the end of each fiscal year by adding the total financial contribution of each agency for the fiscal year to the totals provided for in subdivision (h) establishing the total financial contribution as of July 1, 1997. Allocation of voting power shall be reestablished by the board of directors to be effective on January 1 of each year based upon the calculation determined for the previous fiscal year. In addition to the definition in subdivision (f), "total financial contribution" shall also include all amounts paid in taxes, assessments, fees, and charges paid to or on behalf of the Metropolitan Water District of Southern California with respect to property located within the boundaries of member public agencies including, but not limited to, standby charges, capacity charges, readiness to serve charges, connection and maintenance fees, annexation fees, and charges for water sold to member public agencies by the authority excluding the cost of treatment for the water.

(j) Members of the first board of directors so constituted shall convene at the call of the clerk of the board of supervisors in the meeting room of the board of supervisors at the county seat of the county, and immediately upon convening, the board of directors shall elect from its membership a chairperson, a vice chairperson, and a secretary, who shall serve for a period of two years, or until their respective successors are elected and qualified.

(k) A quorum necessary for the transaction of business at any meeting of the board of directors exists whenever there are present at the meeting a majority of the membership of the board of directors that includes at least one-half of the number of representatives of each public agency member having more than six representatives serving on the board of directors. Designees appointed pursuant to subdivision (g) shall not be considered "present" for the purposes of establishing a quorum. However, any regular or special meeting of the board of directors at which a quorum is not present may be continued from time to time until a quorum is present to transact the business of the board of directors.

§ 45-7. Bond issues

Sec. 7. (a) **Determination of necessity; election call.** Whenever the board of directors of any authority incorporated under this act shall, by ordinance adopted by a vote of a majority of the aggregate number of votes of all the members of the board of directors, determine that the interests of said authority and the public interest or necessity demand the acquisition, construction or completion of any public improvement or works, necessary or convenient to carry out the objects or purposes of said authority the cost of which will be too great to be paid out of the ordinary annual income and revenue of the authority, said board of directors may order the submission of the proposition of incurring bonded indebtedness, for the purposes set forth in the said ordinance, to the qualified voters of such district, at an election held for that purpose. Any election held for the purpose of submitting any proposition or propositions of incurring such bonded indebtedness may be held separately, or may be consolidated or held concurrently with any other election authorized by law at which the qualified electors of the authority are entitled to vote. The declaration of public interest or necessity herein required and the provision for the holding of such election may be included within one and the same ordinance, which ordinance, in addition to such declaration of public interest or necessity, shall recite the objects and purposes for which the indebtedness is proposed to be incurred, the estimated cost of the public works or improvements, the amount of the principal of the indebtedness to be incurred therefor and the maximum rate of interest to be paid on such indebtedness, which rate shall not exceed six (6) percent per annum, payable semiannually. Such ordinance shall also fix the date upon which such election shall be held and the manner of holding the same and the method of voting for or against incurring the proposed indebtedness. Such ordinance shall also fix the compensation to be paid the officers of the election and shall designate the precincts and polling places and shall appoint the officers of such election, which officers shall consist of one inspector, one judge and two clerks in each precinct. The description of precincts may be made by reference to any order or orders of the board of supervisors of the county in which the authority is situated, or by reference to any previous order or ordinance of the legislative body of any public agency, or by detailed description of such precincts. Precincts established by the board of supervisors of the county, to a number not exceeding six (6) may be consolidated for special elections held hereunder. In the event any bond election shall be called to be held concurrently with any other election or shall be consolidated therewith, the ordinance calling the election hereunder need not designate precincts or polling places or the names of officers of election, but shall contain reference to the act or order calling such other election and fixing the precincts and polling places and appointing election officers therefor.

Publication

(b) The ordinance provided for in subdivision (a) of this section shall be published once, at least ten (10) days before the date of the election therein called, in a newspaper of general circulation printed and published within the authority, and no other or further notice of such election or publication of the names of election officers or of the precincts or polling places need be given or made.

Conduct of election; canvass; declaration of result

(c) The respective election boards shall conduct the election in their respective precincts in the manner prescribed by law for the holding of general elections, and shall make their returns to the secretary of the authority. At any regular or special meeting of the board of directors held not earlier than five (5) days following the date of such election, the returns thereof shall be canvassed and the results thereof declared. In the event that any election held hereunder shall be consolidated with any primary or general election and the proposition to incur indebtedness shall be printed upon a ballot containing other propositions, the returns of the election held hereunder shall be made with the returns of the primary or general election to the board of supervisors or other bodies whose duty it shall be to canvass the returns thereof, and the results of the election held hereunder shall be canvassed at the time and in the manner provided by law for the canvass of the returns of such primary or general election. It shall be the duty of such canvassing body to promptly certify and transmit to the board of directors of the authority a statement of the result of the vote upon the proposition submitted hereunder. Upon receipt of such certificates, it shall be the duty of the board of directors to tabulate and declare the results of the election held hereunder.

Vote authorizing issuance and sale

(d) In the event that it shall appear from said returns that a two-thirds majority of the electors voting on any proposition submitted hereunder at such election voted in favor of such proposition, the authority shall thereupon be authorized to issue and sell bonds of the authority in the amount and for the purpose or purposes and object or objects provided for in such proposition in such ordinance, and at a rate of interest, not exceeding the rate recited in said ordinance.

Form and contents of bond

(e) The board of directors shall prescribe the form of the bonds issued by the authority and of the interest coupons to be attached thereto. Such bonds shall mature serially at times and in amounts to be fixed by the board of directors; provided, that the payment of said bonds shall begin not later than 10 years from the date thereof and be completed in not more than 50 years from said date. The bonds shall be issued in such denominations as the board of directors may determine, except that no bonds shall be of less denomination than one hundred dollars (\$100), nor of a greater denomination than fifty thousand dollars (\$50,000), and shall be payable on the day and at the place or places fixed in such bonds and with interest at the rate specified therein, which rate shall not be in excess of six percent (6%) per annum, and shall be payable semiannually.

The board of directors may provide for the call and redemption of any or all of said bonds on any interest payment date prior to their fixed maturity at not exceeding the par value thereof and accrued interest plus a premium of not exceeding 5 percent upon the principal amount of said bonds in which event a statement to that effect shall be set forth in the ordinance calling the election and the call price fixed by the board of directors shall be set forth on the face of the bond. Notice of such redemption shall be published once a week for three successive weeks in a newspaper of general circulation printed and published within the authority or if there be no such newspaper printed and published within the authority then the publication shall be made in a newspaper of general circulation printed and published within the county in which the said authority is situated, the first publication of which shall be at least 30 days prior to the date fixed for such redemption. After the date fixed for such redemption, interest on said bonds thereafter shall cease.

Such bonds shall be signed by the chairman of said board of directors, or by such other officers as said board of directors shall, by resolution adopted by a majority vote of its members, authorize and designate for that purpose, and such bonds shall also be signed by the controller, or assistant controller, and countersigned by the secretary of said board of directors. The coupons of said bonds shall be numbered consecutively, and signed by said controller, or assistant controller by his lithographed or engraved signature. All such signatures and countersignatures excepting that of the controller, or assistant controller, on said bonds, may be printed lithographed or engraved.

Signatures; continuing validity

(f) In case any of such officers, 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 they had remained in office until the delivery of such bonds.

Price; bids

(g) Such bonds shall not be sold at a price less than the par value thereof, together with accrued interest to the date of delivery, nor until notice calling for bids therefor shall have been published in a newspaper of general circulation published and circulated in the county wherein the principal place of business of said authority shall be located. Said notice, calling for bids, shall state the time for the receipt of such bids, which shall not be less than twenty (20) days after the first publication thereof. Such notice may offer the bonds at a fixed interest rate or with the interest rate undetermined, in which event the bids shall contain a statement of the lowest rate of interest at which the bidder will take the bonds and pay par value or more therefor, together with accrued interest. Bids for such bonds shall be opened publicly and the results thereof publicly announced. Such bonds shall be sold to the highest bidder. "Highest bidder," as used in this subsection, shall mean the one which gives the authority the lowest net cost. Temporary, or interim, bonds or certificates, of any denomination whatsoever, to be signed by the controller or assistant controller, may be issued until the definitive bonds are executed and available for delivery.

Sale; proceeds

(h) Such bonds may be issued and sold by said board of directors as they shall determine, and the proceeds thereof, excepting premium and accrued interest, shall be placed in the treasury of said authority to the credit of the proper improvement fund, and shall be applied exclusively to the purposes and objects mentioned in said ordinance; provided, that the interest on said bonds accruing during the construction period and for one year thereafter shall be deemed to be a construction cost within the meaning of the purposes and objects mentioned in said ordinance, and such interest may be paid from said proceeds of the sales of such bonds. Premium and accrued interest shall be placed in the fund to be applied to the payment of interest on, and the retirement of, the bonds so sold. For the purposes of this section, the construction period shall be deemed to end when the works, the construction of which shall have been authorized from the proceeds of any such bond issue, shall have been placed in operation to such extent as to result in the sale and delivery in the authority, of water transported and provided by means of such works.

Action to determine validity of bonds

(i) An action to determine the validity of bonds and the sufficiency of the provision for the collection of an annual tax sufficient to pay the interest on such indebtedness as it falls due and to constitute a sinking fund for the payment of the principal thereof on or before maturity may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

Water rate; taxation

(j) The board of directors, so far as practicable, shall fix such rate or rates for water as will result in revenue which will pay the operating expenses of the authority, provide for repairs and maintenance, and provide for the payment of the interest and principal of the bonded debt. If, however, from any cause, the revenues of the authority shall be inadequate to pay the interest or principal of any bonded debt as the same becomes due, the board of directors shall, at the time of fixing the tax levy and in the manner for such tax levy provided, levy and collect annually until said bonds are paid or until there shall be a sum in the treasury of the authority set apart for that purpose sufficient to meet all sums coming due for principal and interest on such bonds, a tax sufficient to pay the annual interest on such bonds, or such part thereof as shall not be met from revenues of the authority, and also sufficient to pay such part of the principal of such bonds as shall become due before the time when money will be available from the next general tax levy, or such portion thereof as shall not be met from revenues of the authority; provided, however, that if the maturity of the indebtedness created by the issue of bonds be made to begin more than one year after the date of the issuance of such bonds, such tax shall be levied and collected at the time and in the manner aforesaid annually sufficient when added to revenues of the authority available for that purpose to pay the interest on such indebtedness as it falls due and also to constitute, together with the revenues of the authority available for such purpose, a sinking fund for the payment of the principal of such bonds on or before maturity. The taxes herein required to be levied and collected shall be in addition to all other taxes levied for authority purposes and shall be collected at the time and in the same manner as other authority taxes are collected and shall be used for no purpose other than the payment of such bonds and accruing interest.

Registration

(k) Coupon bonds issued hereunder, at the request of the holder, may be registered as to principal and interest in the holder's name on the books of the treasurer of the district, and the coupons surrendered and the principal and interest made payable only to the registered holder of the bond. For that purpose the treasurer of the authority shall detach and cancel the coupons, and shall endorse a statement on the bonds that the coupon sheet issued therewith has been surrendered by the holder, and the coupons canceled by such treasurer, and that the principal and the semiannual interest are thereafter to be paid to the registered holder, or order, by draft, check or warrant drawn payable at a place of payment specified in the bond, after which no transfer shall be valid unless made on such treasurer's books by the registered holder, or by his attorney duly authorized, and similarly noted on the bond. After such registration, the principal and interest of such bond shall be payable only to the registered owner. Bonds registered under this paragraph may, with the consent of the authority and the holders of the bonds, be reconverted into coupon bonds at the expense of the holder thereof, and again reconverted into registered bonds from time to time, as the board of directors of the authority and the holders of the bonds may determine. In converting coupon bonds into registered bonds, coupon bonds may be exchanged for registered bonds of one hundred dollars (\$100) each, or multiples thereof, but not exceeding fifty thousand dollars (\$50,000) each, in which event new registered bonds shall be issued at the expense of the holder. Coupon bonds may be exchanged for other coupon bonds of one hundred dollars (\$100) each, or multiples thereof, but not exceeding fifty thousand dollars (\$50,000) each, in which event new

coupon bonds shall be issued at the expense of the holder.

For each conversion or reconversion of a coupon or registered bond, the treasurer of the authority shall be entitled to charge and collect such fee as the board of directors of the authority may prescribe from time to time.

Legal investment

(l) All bonds heretofore or hereafter issued by any county water authority shall be legal investments for all trust funds, and for the funds of all insurance companies, banks, both commercial and savings and trust companies, and for the state school funds, and for all sinking funds under the control of the State Treasurer, and whenever any moneys or funds may by law now or hereafter enacted be invested in, or loaned upon the security of, bonds of cities, cities and counties, counties, or school districts in the State of California, such moneys or funds may be invested in, or loaned upon the security of, the bonds of such county water authority; and whenever bonds of cities, cities and counties, counties or school districts, by any law now or hereafter enacted, may be used as security for the faithful performance or execution of any court or private trust or of any other act, bonds of such county water authority may be so used.

§ 45-7.5. Revenue bonds; authority; law governing

Sec. 7.5. Revenue bonds, including refunding revenue bonds, may be issued by an authority under the Revenue Bond Law of 1941, Chapter 6 (commencing with Section 54300), Part 1, Division 2, Title 5 of the Government Code or any other law which by its terms is applicable.

§ 45-8. Contract to incur indebtedness; election; indebtedness by contract in lieu of bond issuance; second indebtedness by contract if project construction not commenced

Sec. 8. (a) An authority may incur indebtedness by contract other than by voting bonds or expenditure of bond proceeds up to a total amount equal to one-tenth of 1 percent of the assessed value, as defined in Section 135 of the Revenue and Taxation Code, or as otherwise hereafter defined by an act of the Legislature, of property taxable for authority purposes by a vote of three-fourths or more of the aggregate number of votes of all members of the board of directors. Any proposal to incur an indebtedness in excess of that amount by contract other than by voting bonds or expenditure of bond proceeds, and any proposal to purchase, lease, or otherwise acquire rights, privileges, or services by contract, the compensation for which shall be payable over a period exceeding 40 years, shall be submitted to the qualified electors of the authority for their approval and shall be voted upon at an election where the proceedings are held, insofar as applicable, in the manner provided in this act for the authorization and issuance of the bonds of the authority, except that the vote of a majority of the electors voting upon the proposition shall be sufficient to authorize the incurring of the indebtedness. 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 paid under the contract, exclusive of penalties and interest, for what purposes the money is to be expended, and the property, improvements, works, rights, privileges, or services to be acquired thereby. The ballots at the election shall contain a brief statement of the general purposes of the contract and the amount of the obligation to be assumed, with the words "Contract--Yes" and "Contract--No." The board of directors may submit the contract or proposed contract to the superior court of the county where the authority is located to determine the validity of the contract and the legal authority of the board to enter into the contract, with the same proceedings to be held as provided in this act in the case of the judicial determination of the validity of bonds issued pursuant to this act and with like effect.

(b) A proposal to purchase, lease, or otherwise acquire rights, privileges, or services by contract for which the compensation shall be payable over a period that exceeds 20 years but is not more than 40 years, is subject to referendum. To initiate a referendum, a petition protesting the proposed action shall be signed by voters within the jurisdiction of the authority equal in number to at least 5 percent of the entire number of votes cast within that jurisdiction for all candidates for governor at the last gubernatorial election.

(c) If a proposition to consider the issuance of revenue bonds under the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 6 of the Government Code) has been submitted to the qualified voters of an authority at an election held for that purpose and received the affirmative vote of a majority of the electors voting upon the proposition and, therefore, constitutes authority to issue revenue bonds under the Revenue Bond Law of 1941, the authority may, in lieu of issuing those revenue bonds, incur an indebtedness by contract, in addition to the indebtedness authorized by subdivision (a), in an amount, excluding penalties and interest, up to the amount authorized by and for the purpose authorized by the revenue bond proposition. The indebtedness shall be payable over a period of not to exceed 30 years, as provided in the resolution

of the board of directors.

(d) If a contract of indebtedness incurred pursuant to subdivision (c) is repaid in full because construction of the project approved by the electorate was not commenced due to administrative, court, or other delays, resulting in failure to obtain necessary governmental permits, an authority may incur a second contract of indebtedness pursuant to subdivision (c) to fund construction of the project. The second indebtedness shall not exceed the amount authorized by the proposition approved by the electorate as provided in subdivision (c).

§ 45-8.1. Repair or replacement of damaged or demolished structures; authorization; bonds

Sec. 8.1. (a) Whenever the board of directors of any authority incorporated under this act by ordinance adopted by a vote of three-fourths or more of the aggregate number of votes of all members of the board of directors finds and determines that any part of the works of the authority has been damaged or demolished by reason of fire, flood, earthquake, sabotage, act of God or the public enemy, that the cost of repairing or replacing such works so damaged or demolished will be too great to be paid out of the ordinary annual income and revenue of the authority, and that the public interest requires the incurring of indebtedness for the purpose of providing moneys for the repair or replacement of such works, the board of directors may authorize the incurring of such indebtedness by the issuance and sale of bonds or other evidence of indebtedness and shall determine the manner in which such indebtedness shall be incurred and evidenced.

(b) The total indebtedness incurred pursuant to this section shall not exceed one-half of 1 percent of the assessed valuation of the property taxable for authority purposes, and the term of any such indebtedness shall not exceed 12 years.

(c) The bonds or other evidence of indebtedness authorized to be issued pursuant to this section shall bear interest at a rate or rates specified therein, which rate or rates shall not be in excess of 8 percent per annum, and shall be in such form, bear such signatures, and be subject to such provisions as may be determined by the board of directors. The board of directors may provide for the call and redemption of bonds or other evidence of indebtedness before maturity at such times and at such prices as it may determine. A bond or other evidence of indebtedness shall not be subject to call or redemption prior to maturity unless it contains a recital to that effect.

(d) The bonds or other evidence of indebtedness shall be sold at not less than par and accrued interest in the manner provided for the issuance of other bonds of the authority in subdivision (g) of Section 7, provided that if no bids are received, or if the board determines the bids received are not satisfactory in the opinion of the board, the board may reject all bids and either readvertise or sell the bonds or other evidence of indebtedness at private sale.

(e) The proceeds of any borrowing pursuant to this section, other than accrued interest, shall be applied solely to the purpose specified in the ordinance authorizing the incurring of such indebtedness or to the retirement of the principal of the obligation issued pursuant to such ordinance. Any accrued interest received shall be applied to payment of interest on such indebtedness.

(f) The provisions of subdivisions (i), (j), and (l) of Section 7, which are applicable to other bonds of the authority, shall apply to bonds or evidence of indebtedness incurred pursuant to this section.

§ 45-8.2. Borrowing money; short-term revenue certificates

Sec. 8.2. (a) Any authority may, pursuant to this section, borrow money and incur indebtedness for any of the purposes for which it is authorized by law to spend money. The indebtedness shall be evidenced by short-term revenue certificates issued in the manner and subject to the limitations set forth in this section. Any authority may also borrow money and incur indebtedness to pay the principal or interest on certificates issued pursuant to this section.

(b) Certificates issued by any authority pursuant to this section may be negotiable or nonnegotiable, and all certificates shall be, and shall recite upon their face that they are, payable both as to principal and interest out of any revenues of the authority that are made security for the certificates pursuant to an indenture or resolution duly adopted by the board of directors. The word "revenues," as used in this section, refers to any revenues derived from the sale of water and power, annexation charges (whether collected through tax levies or otherwise), grants, available tax revenues, or any other legally available funds. In no event shall any resolution or indenture preclude payment from the proceeds of sale of other certificates issued pursuant to this section or from amounts drawn on a bank, or other financial institution, line or letter of credit pursuant to subdivision (e), or any other lawfully available

source of funds.

(c) To exercise the power to borrow money pursuant to this section, the board shall adopt a resolution, or approve an indenture, authorizing the sale and issuance of certificates for that purpose, which resolution or indenture shall specify all of the following:

- (1) The purpose or purposes for which the proposed certificates are to be issued.
 - (2) The maximum principal amount of the certificates that may be outstanding at any one time.
 - (3) The maximum interest cost, to be determined in the manner specified in the resolution, to be incurred through the issuance of the certificates.
 - (4) The maximum maturities of the certificates, which shall not exceed 270 days from the date of issue.
 - (5) The obligations to certificate holders while the certificates are outstanding.
- (d) The board may also provide, in its discretion, for any of the following:

- (1) The times of sale and issuance of the certificates, the manner of sale and issuance (either through public or private sale), the amounts of the certificates, the maturities of the certificates, the rate of interest, the rate or discount from par, and any other terms and conditions deemed appropriate by the board or by the general manager of the authority or any other officer designated by the board.
- (2) The appointment of one or more banks or trust companies, either inside or outside the state, as depository for safekeeping and as agent for the delivery, and the payment, of the certificates.
- (3) The employment of one or more persons or firms to assist the authority in the sale of the certificates, whether as sales agents, as dealer managers, or in some other comparable capacity.
- (4) The refunding of the certificates without further action by the board, unless and until the board specifically revokes that authority to refund.
- (5) Other terms and conditions the board determines to be appropriate.

(e) The board may arrange for a bank, or other financial institution, a line or letter of credit (1) for the purpose of providing an additional source of repayment for indebtedness incurred under this section and any interest thereon or, (2) for the purpose of borrowing for any purpose for which short-term revenue certificates could be issued under this section. Amounts drawn on a line or letter of credit may be evidenced by negotiable or nonnegotiable promissory notes or other evidences of indebtedness. The board is authorized to use any of the provisions of this section in connection with the entering into of the line or letter of credit, borrowing thereunder, or repaying of the borrowings.

§ 45-9. Taxation

Sec. 9. (a) Certificate of assessed valuation. Immediately after equalization and not later than the 15th day of August of each year, it shall be the duty of the auditor of the county wherein such authority shall lie, to prepare and deliver to the controller of the authority a certificate showing the assessed valuation of all property within the authority, and also such assessed valuation segregated according to public agencies, the areas of which lie within the authority.

(b) Tax levy. On or before the 20th day of August the board of directors of the authority shall by resolution determine the amount of money necessary to be raised by taxation during the fiscal year beginning the first day of July next preceding and shall fix the rate of taxation of the authority, designating the number of cents upon each one hundred dollars (\$100) assessed valuation of taxable property and shall levy a tax accordingly:

(1) Sufficient, when taken with other revenues available for the purpose, to meet interest and sinking fund requirements on all outstanding bonded indebtedness of said authority; and sufficient, when taken with other revenues available for the purpose, to meet the payment of the principal and interest on any refunding bonds, or any bonds the issuance of which may have been authorized by the electors and which bonds have not been sold but which, in the judgment of the board of directors, will be sold prior to the time when money will be available from

the next subsequent tax levy, and in case such bonds are not so issued and sold or such tax for any other reason is not required for said purpose, the tax so levied shall be applied to the payment of interest and/or principal on any refunding bonds, or on any bonds authorized by the electors, then outstanding or subsequently issued and/or sold; and

(2) For all other authority purposes.

(c) Public agencies; amount of payment in lieu of taxes. The board of directors shall also cause to be computed and shall declare in said resolution the amount of money to be derived from the area of the authority lying within each separate public agency by virtue of the tax levy. In such resolution the board shall also fix and determine the times and proportional amounts of installments in which any public agency may elect to make payment in lieu of taxes as hereinafter provided. The board shall immediately cause certified copies of such resolution to be transmitted to the presiding officer of the governing body of each such public agency.

(d) Public agencies; election to make payment in lieu of taxes. On or before the 15th day of December of each year the governing body of each such public agency may elect to pay out of its funds available for that purpose, other than funds derived from ad valorem property taxes, all or any portion of the amount of tax which would otherwise be levied upon property within such public agency. Such election shall be made by order upon motion, which order shall recite that such payment shall be made in cash concurrently with the certification of such order to the controller of the authority, or that such payment shall be made in installments and the times wherein such installments shall be payable and the amounts thereof, which amounts shall be in accordance with the requirements of the board of directors of the authority as approved by resolution. In the event that any public agency shall elect to pay in cash, or by deferred installments, money or any part thereof which would otherwise be levied upon property within the public agency, it shall immediately certify to the controller of the authority a copy of such order and a statement showing its financial condition, the funds from which such payments shall be made and the sources of revenue to be used therefor; provided, however, that in the event any public agency shall elect to pay in cash all or any portion of the amount of tax which would otherwise be levied upon property within such public agency to meet interest and sinking fund requirements on the outstanding bonded indebtedness of said authority, such amount so elected to be paid shall be deposited with the treasurer of said authority on or before the 27th day of August next following such election; and provided, also, that unless such payment is so made in the case of interest and sinking fund requirements, and unless such election, as to all other taxes, shall provide for payments in accordance with the resolution of the board of directors as hereinbefore provided for, then such election shall be ineffective for any purpose.

(e) Statement of tax rate. Before the first day of September the controller of the authority shall cause to be prepared and transmitted to the auditor of the county in which the authority shall lie, a statement showing the tax rate to be applied to assessed property in each public agency, which rate shall be the rate fixed by resolution of the board of directors modified to the extent necessary to produce from each public agency only the amount of money apportioned thereto in said resolution, less any amount paid or undertaken to be paid by such public agency, or credited thereto as herein provided.

(f) Collection of taxes. Upon receipt by the auditor of the county in which such authority shall lie, of a certified copy of the controller's statement showing the tax rate to be applied to assessed property in each public agency, and showing the public agencies, the assessed property in which is exempt therefrom, if any, it shall be the duty of the county officers to collect taxes for the benefit of the authority at the rate specified as herein provided. The taxes so levied shall be computed and collected at the same time and in the same manner required by law for the assessment, computation and collection of taxes for county purposes, and the property subject to such tax shall be subject to the same penalties for delinquency, and the same provisions of law relating to the sale of property for nonpayment of county taxes and redemption thereof shall apply to the tax herein authorized. When so collected, such taxes shall be paid over to the treasurer of the authority, subject to the deduction herein authorized.

In consideration of services rendered hereunder, any county shall annually be entitled to deduct and retain for its own use and benefit an amount not exceeding 1 percent on the first twenty-five thousand dollars (\$25,000) collected hereunder, and one-fourth of 1 percent of any amount in excess of twenty-five thousand dollars (\$25,000) collected hereunder. The board of supervisors of each such county may provide such extra help as in their judgment may be necessary for the proper performance of duties hereunder.

(g) Redemption, disposition of proceeds; tax lien. Whenever any real property situated in any authority organized hereunder and upon which a tax shall have been levied, as herein provided, shall be sold for taxes and shall be redeemed, the money paid for such redemption, except advertising costs, shall be apportioned and paid in part to

such authority in the proportion which the tax due to such authority shall bear to the total tax for which such property shall have been sold. All taxes levied together with penalties, interests and costs under the provisions of this act shall be a lien upon the property upon which levied, and the enforcement of the collection of such tax shall be had in the same manner and by the same means as is or shall be provided by law for the enforcement of liens for county taxes, and all of the provisions of law relating to the enforcement of such taxes are hereby made a part of this act so far as applicable.

(h) Public agencies; payments; reimbursement for expenses. Public agencies, the areas of which are included within any county water authority incorporated hereunder, are hereby authorized to pay to any such authority, out of funds derived from the sale of water or other funds not appropriated to some other use, such amounts as may be determined upon by the governing bodies thereof, respectively. Such payments may be made in avoidance of taxes as herein provided, or otherwise, and are hereby declared to be for a public purpose and shall not be deemed gratuitous or in the nature of gifts, but shall be deemed payments for water or services in connection with the distribution of water. Any public agency making any such payment to any authority incorporated hereunder, whether in avoidance of taxes or otherwise, shall receive credit therefor and the amount of the payment so made by any public agency shall be deducted from the amount of taxes which would otherwise be levied against property lying therein as herein provided. In the event that payment so made by any public agency shall exceed the amount of taxes which would otherwise have been levied against property within such public agency, the amount of such excess without interest shall be carried over and applied in reduction of taxes levied, or which would otherwise have been levied during the ensuing year or years.

Any public agency, including a county, which shall have incurred expenses in negotiating contracts or in the investigation of or preliminary work upon any works or projects or in making payments on account of any such contracts, works or projects, taken over by the authority, may receive, and the authority so taking over any such contracts, works or projects may make to such public agency, reimbursement for all such sums so expended, or to be expended, for expenses incurred in such negotiations for, investigation of, preliminary work upon, or payments made on account of the contracts, works or projects so taken over by the authority, to the extent that the board of directors of the authority shall find that such expenditures have benefited such authority, it being the intention of this provision to permit the authority to purchase, and the public agency to sell, assign and transfer such contracts, works or projects taken over by such authority. The sum so to be paid by such authority to such public agency shall be such amount as may be mutually agreed upon.

As an alternative to the purchase and sale of any contracts, works or projects taken over by the authority, as hereinabove provided, any public agency which shall have incurred expenses in negotiating contracts or in the investigation of or preliminary work upon any such works or projects or in making payments on account of any such contracts, works or projects taken over by the authority, may certify the amount thereof, without interest, to the board of directors of said authority at any time within four (4) years from the date of the incorporation of such authority, or the incurring of such expenses, if such authority be already incorporated, and if allowed by the board of directors, such amount shall be credited to the public agency which incurred the same, and such expenditures shall be considered as a payment of money made as herein provided for which deduction shall be made from the amount of taxes which would otherwise be levied against property lying within such public agency.

Any public agency which shall incur expenses in preliminary work in preparing for the incorporation of or in the incorporation of any authority hereunder likewise may certify the amount thereof, without interest, to the board of directors of said authority at any time without four (4) years from the date of the incorporation of such authority, and if allowed by the board of directors, such amount shall be credited to the public agency incurring the same, and shall be considered as a payment of money made as herein provided, for which deduction shall be made from the amount of taxes which would otherwise be levied against property lying within such public agency.

No such payments of money made in lieu of taxes or otherwise, or such credit allowed by such board of directors, as hereinabove provided, shall apply to reduce the amount of taxes which would otherwise be levied against the property within such public agencies, respectively, to meet interest and sinking fund requirements on outstanding bonded indebtedness of such authority.

Such certification and allowance shall be made on or before the first Monday in July, and the amount of money to be raised by taxation shall be computed with reference to the credit to be allowed as herein provided, but such credit may, in the discretion of the board of directors, be considered in connection with the amount of money to be raised by the next tax levy, or may be spread over subsequent years, not to exceed five.

(i) Public agencies; delinquency; penalty. If any public agency shall fail to comply with the terms of the order relating to payments to be made to the authority in lieu of taxation, or if any public agency annexed to the authority shall fail to comply with the terms and conditions fixed by the board of directors and upon which such annexation occurred, the amount of the delinquency, plus a penalty of 8 percent shall be added to the taxes to be collected during the ensuing fiscal year, from the property within such delinquent public agency, and thereafter for a period of two (2) years no order or ordinance shall be sufficient to exempt the property in said public agency from taxation hereunder unless it be accompanied by payment in cash of the amount which would otherwise be collected from owners of property within the public agency, together with all moneys due but unpaid under any previous order, or annexation provision.

(j) Construction. All provisions herein, or in any ordinance adopted pursuant hereto, relating to the respective times when the various acts pertaining to the levy of taxes are to be performed, are directory only, and failure to perform any such act or acts within the time so specified shall not impair the legal authority herein conferred to perform all subsequent acts relating to the levy of such taxes. In the event that any of the provisions of law respecting the time and manner of assessing property for purposes of taxation, of equalizing such assessments, of certifying such assessed valuations to the taxing authorities, of making the tax levies, of certifying such tax levies to the proper authorities for extension upon the tax rolls, and for enforcement and collection of such taxes or of performing any other act regarding the assessment, levy or collection of taxes be amended, changed, repealed or newly enacted, and as a result thereof, it should appear to the board of directors of the authority that the time schedule provided herein respecting the levy of authority taxes be no longer consistent with such modified tax procedure, then said board of directors by ordinance may prescribe a new schedule setting forth the times when the various acts herein required to be done in levying authority taxes shall be performed. Nothing contained in this paragraph shall relieve the board of directors of its duty to provide adequate funds, by annual tax levies if necessary, to meet the interest and principal requirements of the bonded debts as they fall due.

(k) Tax rate; amount of payment by public agency; claims for refunds. For the purpose of assessing and collecting, under the provisions of Section 9(a) of Article XIII of the Constitution of the State of California, the taxes levied by any authority incorporated hereunder, the rate for taxes levied for the preceding tax year, as such phrase is employed in said section of the Constitution, shall be the rate fixed for such preceding tax year by the board of directors of such authority pursuant to Section 9, subdivision (b) of this act. In the event that any public agency, pursuant to the provisions of Section 9, subdivision (d) of this act, shall elect to pay the whole or any portion of the amount of taxes to be derived from the area of the authority within such public agency, as such amount shall have been fixed by resolution of the board of directors, a refund shall be made by the authority to each taxpayer thereof who shall have theretofore paid any tax collected under the provisions of said section of the Constitution, in the proportion that such public agency shall have so elected to pay the amount so to be derived. The board of directors shall adopt regulations providing for the presentation and audit and payment of claims for such refunds. No claim for such refund shall be granted unless such claim shall have been filed within one year from the date when the right to such refund shall have accrued.

§ 45-9.1.Reimbursement of lost tax revenues

Sec. 9.1. Wherever, under any provision of law, state, county, or other public agency reimbursement is made for lost tax revenue to taxing authorities by reason of any property tax exemption, or treatment or assessment of certain property in a manner different from that regularly done by a county for property generally, the loss of tax revenue to the authority by reason of public agencies within the authority paying out of their funds, other than funds derived from ad valorem property taxes, all or a stated percentage of the taxes levied by the authority shall be reimbursed by the state, county, or other public agency to the authority in the same manner as provided by law for other taxing authorities and to the same extent as if all of the taxes of the authority had been carried on the county assessment roll. In the case of reimbursement for lost revenue due to reduction of property taxes on business inventories, the authority's right to reimbursement is effective only insofar as the county receives reimbursement from the state.

§ 45-10. Annexation

Sec. 10. (a) For the purposes of this section, the following definitions apply to the terms used: the term "city" means and includes any municipal corporation or municipality of the State of California, whether organized under a freeholder's charter or under the provisions of general law of the type and class of cities and incorporated towns; and the term "water district" means and includes any municipal water district, municipal utility district, public utility district, county water district, irrigation district, or any other public corporation or agency of the State of California of similar character.

(b) Territory may be annexed to any county water authority organized under this act by one of the following methods:

(1) By annexation to, or consolidation with, the area of any city, the area of which, as a separate unit, has become a part of any county water authority organized under this act, the annexation or consolidation to occur upon compliance with the provisions of law governing the annexation to, or consolidation with, the area of the city. Upon completion of the annexation to, or consolidation with, the city in compliance with the provisions of law applicable thereto, the territory shall become, and be, a part of the county water authority, and the taxable property therein shall be subject to taxation thereafter for the purposes of the county water authority, including the payment of bonds and other obligations of the authority at the time authorized or outstanding.

(2) By annexation to, or consolidation with, any city which, as a separate unit, has become a part of any water district whose area, as a separate unit, has become a part of any county water authority organized under this act, in instances where, under the applicable provisions of law governing the change of boundaries of the water district, the annexation or consolidation automatically will result in the enlargement of the area of the water district, the annexation or consolidation to occur upon compliance with the provisions of law governing the annexation to, or consolidation with, the area of the city. Upon completion of the annexation to, or consolidation with, the city in compliance with the provisions of law applicable thereto, the territory shall become, and be, a part of the water district and of the county water authority, and the taxable property therein shall be subject to taxation thereafter for the purposes of the water district and of the county water authority, including payment of bonds and other obligations of the water district and of the county water authority at the time authorized or outstanding. If any territory has been so annexed to, or consolidated with, any city prior to the effective date of this paragraph, under conditions which would have resulted in the enlargement of the area of the county water authority had this paragraph then been in effect, upon compliance with the following provisions of this paragraph, the territory shall be annexed to, and shall become and be part of, the county water authority and shall be a part of the water district for all purposes, the last-mentioned provisions being as follows:

(A) The governing body of the city, at any time after the effective date of this paragraph, may adopt an ordinance which, after reciting that the territory has been annexed to, or consolidated with, the city by proceedings previously taken under statutory authority, and after referring to the applicable statutes and to the date and place of filing of the certificate or certificates evidencing the annexation or consolidation, shall describe the territory and shall determine and declare that the territory shall be, and thereby is, annexed to the county water authority, and the ordinance shall further determine and declare that the territory shall become and be, and thereby is, a part of the county water authority, and shall be, and thereby is, a part of the water district for all purposes.

(B) The governing body, or clerk thereof, of the city shall file a certified copy of the ordinance with the county clerk of the county in which the county water authority is situated. Upon the filing of the certified copy of the ordinance in the office of the county clerk of the county in which the county water authority is situated, the territory shall become, and be, a part of the county water authority and shall be a part of the water district for all purposes, and the taxable property therein shall be subject to taxation thereafter for the purposes of the county water authority and of the water district, including the payment of bonds and other obligations of the county water authority at the time authorized or outstanding.

(C) Upon the filing of the certified copy of the ordinance, the county clerk of the county in which the county water authority is situated shall, within 10 days, issue a certificate, describing the territory, reciting the filing of the certified copy of the ordinance and the annexation of the territory to the county water authority, and declaring that the territory is a part of the county water authority and of the water district. The county clerk of the county in which the county water authority is situated shall transmit the original of the certificate to the secretary of the county water authority and a duplicate of the original certificate to the clerk of the governing body of the water district.

(3) Upon terms and conditions fixed by the board of directors of the county water authority and in the manner provided in subdivision (c), by direct annexation, as a separate unit, of the corporate area of any water district or city.

(4) Upon terms and conditions fixed by the board of directors of the county water authority and in the manner provided in subdivision (d), by annexation to, or consolidation with, any water district, the area of which, in whole or in part, is included within the county water authority as a separate unit; provided that, unless the territory is so annexed to the county water authority with the consent of the board of directors, the annexation of territory to, or the consolidation of the territory with, the water district does not authorize or entitle the water district or the territory to demand or receive any water from the county water authority for use in the territory; and provided further, that,

except where automatic annexation results under the conditions specified in paragraph (2), nothing in this act prevents the annexation of territory to, or the consolidation of territory with, any water district for its local purposes only and without annexing their territory to the county water authority, and the local annexation or consolidation may occur without requesting or obtaining the consent thereto of the board of directors of the county water authority.

(c) The governing body of any water district or city may apply to the board of directors of the county water authority for consent to annex the corporate area of the water district or city to the county water authority. The board of directors may grant or deny the application and, in granting the application, may fix the terms and conditions upon which the corporate area of the water district or city may be annexed to, and become a part of, the county water authority. These terms and conditions may provide, among other things, for the levy by the county water authority of special taxes upon taxable property within the water district or city, in addition to the taxes authorized to be levied by the county water authority by other provisions of this act. In case these terms and conditions provide for the levy of these special taxes, the board of directors, in fixing these terms and conditions, shall specify the aggregate amount to be so raised and the number of years prescribed for raising the aggregate sum, and that substantially equal annual levies will be made for the purpose of raising the sum over the period so prescribed. The action of the board of directors, evidenced by resolution, shall be promptly transmitted to the governing body of the applying water district or city and, if the action grants consent to the annexation, the governing body may thereupon submit, to the qualified electors of the water district or city at any general or special election held therein, the proposition of the annexation subject to the terms and conditions. Notice of the election shall be mailed to each voter qualified to vote at the election and shall be given by posting or publication. When notice is given by posting, the notices shall be posted at least 10 days and in three public places in the water district or city. When notice is given by publication, the notice shall be published in the water district or city pursuant to Section 6061 of the Government Code, at least 10 days before the date fixed for the election. The notice shall contain the substance of the terms and conditions fixed by the board of directors. The election shall be conducted and the returns thereof canvassed in the manner provided by law for elections in the water district or city. If the proposition receives the affirmative vote of a majority of electors of the water district or city voting thereon at the election, the governing body of the water district or city shall certify the result of the election on the proposition to the board of directors of the county water authority, together with a legal description of the boundaries of the corporate area of the water district or city, accompanied by a map or plat indicating those boundaries. A certificate of proceedings shall be made by the secretary of the county water authority and filed with the county clerk of the county in which the county water authority is situated. Upon the filing thereof in the office of the county clerk of the county in which the county water authority is situated, the corporate area of the water district or city shall become, and be, an integral part of the county water authority, and the taxable property therein shall be subject to taxation thereafter for the purposes of the county water authority, including the payment of bonds and other obligations of the county water authority at the time authorized or outstanding, and the board of directors of the county water authority may do all things necessary to enforce and make effective the terms and conditions of annexation fixed as authorized. Upon the filing of the certificate of proceedings, the county clerk of the county in which the county water authority is situated shall, within 10 days, issue a certificate, reciting the filing of the papers and the annexation of the corporate area of the water district or city to the county water authority. The county clerk of the county in which the county water authority is situated shall transmit the original of the certificate to the secretary of the county water authority.

(1) If a water district applies to a county water authority for consent to annex its corporate area, as a separate unit, the water district shall include as a part of its corporate area the corporate areas of any cities (whether one or more) which are already included within the county water authority as separate units, or the water district shall include as a part of its corporate area the corporate areas, or portion thereof, already included within the county water authority, of any water districts (whether one or more) whose corporate areas, in whole or in part, are already included within the county water authority as separate units. That fact shall be taken into consideration by the board of directors of the county water authority in fixing the terms and conditions upon which the applying water district may be annexed to the county water authority, to the end that the areas within the unit member cities or water districts which are already a part of the county water authority, shall not be required to assume any greater financial burden or obligation to the county water authority than they would have had if they had remained a part of the county water authority as separate units.

Concurrently with any election called by an applying water district to submit to the qualified electors of the water district the question of whether the terms and conditions fixed by the board of directors of the county water authority for annexation shall be approved, the governing bodies of the unit member cities or water districts may call and hold elections within their respective corporate limits or portions thereof already included within the county water authority, to determine whether or not the cities or water districts shall withdraw from the county water authority as separate units, and the proposed withdrawal may be made and submitted conditioned upon and effective when the

applying water district has finally been annexed to the county water authority.

The effect of the concurrent elections, if a majority of the electors of the applying water district voting thereat vote in favor of annexation, and a majority of the electors of the unit member cities or water districts voting thereat vote in favor of withdrawing, shall be that the annexing water district thereafter shall be authorized to exercise the privileges and to discharge the duties prescribed in this act for public agencies whose areas, as separate units, are included within the county water authority, in place of and instead of the cities or water districts so withdrawing. Notwithstanding Section 11 of this act, the areas within the withdrawing cities or water districts shall remain a part of the county water authority and shall not be excluded therefrom, notwithstanding the fact that the cities or water districts, as corporate entities, have withdrawn from the authority.

If the water district does annex to the county water authority, the directors representing the withdrawing cities or water districts on the board of directors of the county water authority shall continue to act until their successors have been chosen and designated by the appropriate officers of the annexing water district and have qualified as members of the board of directors of the county water authority, after which time the directors representing the withdrawing cities or water districts shall no longer sit or vote on the board.

(2) If a water district applies to a county water authority for consent to annex its corporate area as a separate unit, the water district shall include as a part of its corporate area lands which are in public ownership exempt from taxation by a county water authority, and not within or adjacent to the area within the water district served with water by the district, and which are not to be supplied by the water district with water obtained from, and by reason of, its annexation to the county water authority. That fact may be taken into consideration by the board of directors of the county water authority in fixing the terms and conditions upon which the water district may be annexed to the county water authority and in determining the boundaries of the area to be annexed, and the county water authority may, in the discretion of its board of directors, annex all of the corporate area of the water district as a separate unit excepting that portion consisting of the publicly owned and tax-exempt lands.

(d) The governing body of any water district, the area of which, in whole or in part, is included within a county water authority as a separate unit, may apply to the board of directors of the county water authority for consent to annex to the county water authority territory which the water district seeks to annex to, or consolidate with, the water district, or territory which, without making the territory a part of the county water authority, already has been annexed to, or consolidated with, the water district. The board of directors may grant or deny the application and, in granting the application, may fix the terms and conditions upon which the territory may be annexed to, and become a part of, the county water authority. The terms and conditions may provide, among other things, for the levy by the county water authority of special taxes upon taxable property within the territory in addition to the taxes authorized to be levied by the county water authority by other provisions of this act. In case the terms and conditions provide for the levy of those special taxes, the board of directors, in fixing those terms and conditions, shall specify the aggregate amount to be so raised and the number of years prescribed for raising that aggregate sum and that substantially equal annual levies will be made for the purpose of raising that sum over the period so prescribed. The action of the board of directors evidenced by resolution shall be promptly transmitted to the governing body of the applying water district and to the executive officer of the local agency formation commission of the county in which the county water authority is situated, who may defer the issuance of a certificate of filing until receipt of that resolution, and if the action grants consent to the annexation, the territory may be annexed to the county water authority as provided in paragraph (1) or (2).

(1) If the territory has not been previously annexed to, or consolidated with, the water district, upon completion of the annexation to, or consolidation with, the water district in compliance with the provisions of law applicable thereto, including this section, the territory shall become and be a part of the county water authority and the taxable property therein shall be subject to taxation thereafter for the purposes of the county water authority, including the payment of bonds and other obligations of the county water authority at the time authorized or outstanding, and the board of directors of the county water authority may do all things necessary to enforce and make effective the terms and conditions of annexation fixed; provided that, if the applicable provisions of law governing the annexation to, or consolidation with, the water district require any notice of any election called for the purpose of determining whether the proposed annexation or consolidation shall occur, or shall require any notice of hearing or other notice to be given to the residents or electors of, or owners of property in, the territory, the notice shall contain the substance of the terms and conditions of annexation to the county water authority fixed by the board of directors of the county water authority; and provided further, that the local agency formation commission shall require that the annexation to the water district be subject to the terms and conditions fixed by the board of directors of the county water authority in addition to any other terms and conditions that may be required by the commission; and provided further, that the executive officer of the local agency formation commission having the duty of preparing, executing,

and filing a certificate of completion resulting in the annexation to, or consolidation with, the water district, pursuant to the provisions of law applicable thereto, shall include in the certificate of completion the terms and conditions fixed by the board of directors of the county water authority in accordance with the provisions of this act, and shall file a duplicate of the certificate with the board of directors of the county water authority.

(2) If the territory sought to be annexed to a county water authority has been previously annexed to, or consolidated with, the water district, the governing body of the water district, upon being advised of the action of the board of directors of the county water authority, and if the action grants consent to the annexation, may submit to the qualified electors of the territory, if the territory has 12 or more registered voters, at any general or special election held therein, the proposition of the annexation to the county water authority subject to the terms and conditions fixed by the board of directors of the county water authority. Notice of the election shall be given by publication. When the notice is given by posting, the notice shall be posted at least 10 days and in three public places in the territory. When the notice is given by publication, the notice shall be published in the water district pursuant to Section 6061 of the Government Code at least 10 days before the date fixed for the election. The notice shall contain the substance of the terms and conditions fixed by the board of directors. The election shall be conducted and the returns thereof canvassed by the governing body of the water district in the manner provided by law for elections in the water district. If the proposition receives the affirmative vote of a majority of electors of the territory voting thereon at the election, the governing body of the water district shall certify the result of the election on the proposition to the board of directors of the county water authority. If the territory has less than 12 registered voters, no election shall be required, and, following written notice to each owner of property shown on the last equalized assessment roll and the holding of a hearing not less than 10 days after that notice, the annexation may be approved upon the written consent of the owners of more than 50 percent of the assessed valuation of the territory. A certificate of proceedings shall be made by the secretary of the county water authority and filed with the county clerk of the county in which the county water authority is situated. Upon the filing thereof in the office of the county clerk of the county in which the county water authority is situated, the territory shall become, and be, a part of the county water authority, and the taxable property therein shall be subject to taxation thereafter for the purposes of the county water authority, including the payment of bonds and other obligations of the county water authority at the time authorized or outstanding, and the board of directors of the county water authority may do all things necessary to enforce and make effective the terms and conditions of annexation of the territory to the county water authority fixed by its board of directors. Upon the filing of the certificate of proceedings, the county clerk of the county in which the county water authority is situated shall, within 10 days, issue a certificate reciting the filing of the papers and the annexation of the territory to the county water authority. The county clerk of the county in which the county water authority is situated shall transmit the original of the certificate to the secretary of the county water authority.

(e) Should the corporate area, or all portions thereof already included within a county water authority, of any water district or city, the corporate area of which, in whole or in part, already is included within the county water authority as a separate unit, annex to a water district or city the corporate area of which, in whole or in part, already is a part of the county water authority as a separate unit, upon the completion of the annexation pursuant to the law pertaining thereto, the water district or city, the corporate area (or portions thereof) of which is so annexed, shall automatically cease to be a separate unit member of the county water authority, but the corporate area (or portions thereof) shall remain a part of the county water authority as a part of the unit member water district or city to which it was annexed. The executive officer of the local agency formation commission having the duty of preparing, executing, and filing the certificate of completion shall file, in addition to any other filings that may be required by law, a duplicate of the certificate with the board of directors of the county water authority.

Should any water district or city, the corporate area of which, in whole or in part, already is included within a county water authority as a separate unit, consolidate with a water district or city the corporate area of which, in whole or in part, already is a part of the county water authority as a separate unit, under the provisions of any law by the terms of which, after consolidation, a new district or city will result and the former water districts or cities participating in the consolidation shall no longer exist, the resulting new water district or city shall be substituted for the water districts or cities whose corporate existence has been terminated by the consolidation as a unit member of the county water authority, and the corporate areas (or portions thereof) of the former water district or cities shall remain a part of the county water authority as a part of the consolidation. The executive officer of the local agency formation commission having the duty of preparing, executing, and filing a certificate of completion shall file, in addition to any other filings that may be required by law, a duplicate of the certificate with the board of directors of the county water authority.

(f) The validity of any proceedings for the annexation to any county water authority organized under this act, of the corporate area of a water district or city as a separate unit, or of territory annexed to, or consolidated with, a water

district or city which, as a unit, has been included within a county water authority, shall not be contested in any action unless the action has been brought within three months after the completion of the annexation or, in case the annexation is completed prior to the time that this subdivision takes effect, then within three months after this subdivision became effective.

(g) Whenever territory is annexed to or consolidated with any water district, the corporate area of which, as a unit, has become a part of any county water authority organized under this act, regardless of whether the territory is annexed to and becomes a part of the county water authority, or whenever territory is annexed to any city under the conditions specified in paragraph (1) or (2) of subdivision (b), or whenever territory previously annexed to any city is annexed to the county water authority under the conditions specified in paragraph (2) of subdivision (b), the governing or legislative body, or clerk thereof, of the water district or city, shall file with the board of directors of the county water authority a statement of the change of boundaries of the water district or city, setting forth the legal description of the boundaries of the water district or city, as so changed, and of the part thereof within the county water authority, which statement shall be accompanied by a map or plat indicating those boundaries.

(h) The inclusion in a county water authority of the corporate area, in whole or in part, of any municipal water district, municipal utility district, public utility district, county water district, irrigation district, or other public corporation or agency of the state of similar character, referred to in Section 2, shall not destroy the identity or legal existence or impair the powers of any municipal water district, municipal utility district, public utility district, county water district, irrigation district, or other public corporation or agency of the state of similar character, notwithstanding the identity of purpose or substantial identity of purpose of the county water authority.

(i) In determining the number of members of the board of directors of a county water authority organized under this act from the component public agencies, the corporate areas of which, in whole or in part, are included as units within the county water authority, there shall be considered only the assessed valuation of the property taxable for county water authority purposes lying in the public agencies and in the county water authority. The directors shall be appointed by the chief executive officers, with the consent and approval of the governing bodies, of the component public agencies, respectively, without regard to whether the chief executive officers or members of the governing bodies have been chosen from, or represent, areas of their respective public agencies which lie outside of the county water authority. The phrase "any water district, the corporate area of which is included within the county water authority" and the phrase "each city, the area of which shall be a part of any county water authority incorporated under this act," and like phrases, used elsewhere in this act, shall be deemed to mean and refer to any water district or city, the corporate area of which, either in whole or in part, is included within the county water authority, but the duties and obligations of the county water authority shall extend only to that part of the corporate area of the water district or city that lies within the county water authority. As to the water district, city, or public agency, the corporate area of which lies partly within and partly without the county water authority, the word "therein" and the phrase "within the city" and like words and phrases, used elsewhere in this act, shall be deemed to mean and refer to that part of the corporate area of the water district, city, or public agency which lies within the county water authority. The charges for water supplied by the county water authority to any component public agency, pursuant to its request, shall be and become an obligation of the public agency, regardless of whether the entire corporate area of the public agency is included within the county water authority, and the county water authority, in administrative and contractual matters, shall deal with the chief executive officers and governing bodies and other proper officials of the component public agencies as chosen or constituted under applicable laws governing the respective public agencies.

§ 45-10.1. Annexation; special tax levy; payment of amount specified to authority; effect

Sec. 10.1. Where territory is annexed to a county water authority pursuant to any of the provisions of Section 10 of this act upon terms and conditions providing for the levy of special taxes upon taxable property within such annexed territory and specifying the aggregate amount to be raised by such taxes, the governing body of the public agency of which such territory is a part may pay to the county water authority the amount so specified, or any balance thereof for which such special tax has not been levied at the time of payment. Upon receipt of such payment the amount paid shall be credited to the obligation fixed by the terms and conditions of the annexation of such territory to such county water authority, in the same manner and with the same effect as though collected by the levy of special taxes for such purpose, and such payment shall terminate the right and obligation of such county water authority to levy the special taxes provided for in such terms and conditions of annexation.

§ 45-10.2. Annexation of territory within federal military reservation to county water authority

Sec. 10.2. (a) Notwithstanding any other provisions of this act, territory within a federal military reservation may be

annexed to any county water authority organized hereunder as a single member of an authority in the manner provided in this section. As used in this section, "federal military reservation" or "military reservation" means a single federal military reservation or separate but contiguous federal military reservations which are jointly annexed to a county water authority as a single member agency of an authority.

(b) Proceedings for the annexation of a military reservation shall be initiated by the adoption by the board of directors of an authority of a resolution proposing annexation of a military reservation to an authority as a member of an authority.

(c) The resolution proposing the annexation may provide that the annexation shall include one or more separate areas, which may be separately identified for assessing and tax collecting purposes, and that each such area may be subject to one or more of the following terms and conditions:

(1) The fixing and establishment of priorities for the use of, or right to use, water, or capacity rights in any public improvement or facilities, and the determination of, or limitation on, the quantity of, the purposes for which, and the places where, water may be delivered by the authority to the military reservation for military purposes and uses incidental thereto, as well as for nonmilitary purposes.

(2) The levying by the authority of special taxes upon any private leasehold, possessory interest or other taxable property within the territory annexed, and the imposition and collection of special fees or charges prior to the annexation.

(3) Should portions of any area annexed hereunder be subsequently made available for nonmilitary purposes not in existence at the time of the annexation of the area, the board of directors of the authority may impose new terms and conditions for any subsequent service of water, directly or indirectly, by the authority to that area, including the separation of such an area for assessing and tax collecting purposes and the levying by the authority of special taxes on those portions.

(4) The effective date of the annexation.

(5) Any other matters necessary or incidental to any of the foregoing.

(d) A certified copy of the resolution proposing annexation shall be sent to the official in authority over the military reservation. If the military reservation consents in writing to the annexation and to the terms and conditions established by the board of directors, the board may, by resolution, order the annexation to the authority of the territory situated within the military reservation, subject to said terms and conditions.

(e) A certificate of proceedings taken hereunder shall be made by the secretary of the authority and filed with the county clerk of the county in which the county water authority is situated. Upon the filing in his or her office of the certificate of proceedings, the county clerk of the county in which the county water authority is situated shall, within 10 days, issue a certificate reciting the filing of those papers in his or her office and the annexation of the territory to the authority. The county clerk of the county in which the county water authority is situated shall transmit the original of said certificate to the secretary of the authority.

(f) Upon the filing of the certificate of proceedings with the county clerk of the county in which the county water authority is situated, or upon the effective date of the annexation provided for in the terms and conditions, whichever is later, the territory within the military reservation shall become and be an integral part of the authority, and the taxable property therein shall be subject to taxation thereafter for the purposes of said authority, including the payment of bonds and other obligations of the authority at the time authorized or outstanding, and the board of directors of the authority shall be empowered to do all things necessary to enforce and make effective the terms and conditions of annexation fixed as hereinabove authorized.

(g) On and after the effective date of the annexation, the military reservation shall be a separate unit member of the authority and shall be entitled to one representative on the board of directors of the authority. For the purposes of this act, a military reservation shall be deemed a public agency. The representative shall be designated and appointed by the official in authority over the military reservation, shall hold office for a term of six years or until his or her successor is appointed and qualified, and may be recalled by that official.

(h) The transfer of ownership of the fee title of a military reservation, or of any portion thereof, to nonmilitary ownership after annexation to the authority pursuant to this section shall result in the automatic exclusion from the

authority of the territory transferred to that ownership.

(i) If a county water authority is a member public agency of a metropolitan water district organized under the Metropolitan Water District Act (Chapter 200 of the Statutes of 1969), that metropolitan water district may impose any or all of the terms and conditions that may be imposed by a county water authority pursuant to subdivisions (a) through (h) of this section in any resolution fixing the terms and conditions for the concurrent annexation of territory in a military reservation.

§ 45-10.3. Public agency within unit of county water authority; procedure to become separate unit

Sec. 10.3. (a) A public agency whose corporate area is wholly within the corporate area of another public agency which is already included within a county water authority as a separate unit, may also become a separate unit of such county water authority in the manner provided in this section.

(1) The governing body of a public agency seeking status as a separate unit of a county water authority shall apply by resolution to the board of directors of such county water authority for consent to detach its corporate area from the existing separate unit of which it is a part and to become a separate unit of such county water authority.

(2) The board of directors of the county water authority may grant or deny such application and in granting the same may fix the terms and conditions upon which such applying public agency may become a separate unit of the county water authority; provided, however, that such consent shall not be given unless and until by resolution the governing body of the existing separate unit of the county water authority also gives its consent to the proposed detachment of such territory and to the applying public agency becoming a separate unit of such county water authority.

(3) Proceedings for the detachment of the corporate area of the public agency seeking status as a separate unit of the county water authority from the corporate area of the existing separate unit shall be conducted in the manner prescribed by law; provided, however, that the effective date of such detachment shall be after the completion of the proceedings provided by paragraph (4) of this subdivision.

(4) The detachment of the corporate area of the public agency seeking status as a separate unit from the corporate area of the existing separate unit shall not be effective until the secretary of the agency seeking status as a separate unit has filed with the secretary of the county water authority a certificate certifying the completion of all requirements of law for such detachment. A certificate of proceedings hereunder shall thereupon be prepared by the secretary of the county water authority and filed with the Secretary of State. Upon filing of such certificate of proceedings with the Secretary of State or upon the effective date of the detachment as set forth in any terms and conditions applicable thereto, whichever is later, the corporate area of the agency seeking separate unit status shall thereupon become a separate unit of the county water authority and shall have all of the rights and privileges thereof.

(b) Notwithstanding anything to the contrary in Section 11 of this act, if proceedings are conducted in accordance with this section, the territory detached from the existing separate unit of the county water authority shall remain at all times a part of the corporate area of such authority.

§ 45-11. Exclusion of territory

Sec. 11. (a) **Methods.** Exclusion of territory from any county water authority may be effected by either of the following methods:

(1) Territory excluded from the portion of the corporate area of any public agency which lies within the exterior boundaries of a county water authority, the public agency being a unit of the authority, and which exclusion occurs in accordance with the provisions of law applicable to those exclusions, shall thereby be excluded from and shall no longer be a part of the authority; provided, that the taxable property within the excluded territory shall continue to be taxable by the county water authority for the purpose of paying the bonded or other indebtedness outstanding or contracted for at the time of the exclusion and until the bonded or other indebtedness has been satisfied; provided further, that if the taxable property within the excluded territory or any part thereof shall be, at the time of the exclusion, subject to special taxes levied, or to be levied, by the county water authority pursuant to terms and conditions previously fixed under paragraph subdivision (c) or (d) of Section 10 for the annexation of the excluded territory or part thereof to the county water authority, the taxable property within the excluded territory or part thereof so subject to those special taxes shall continue to be taxable by the county water authority for the purpose of raising the aggregate sums to be raised by the levy of special taxes upon taxable property within the respective annexing areas pursuant to terms and conditions for the annexation or annexations as so fixed and until the

aggregate sums have been so raised by the special tax levies.

Exclusion of territory from a county water authority pursuant to this paragraph shall not occur if two or more public agencies that are included in a county water authority as separate units are subject to a reorganization of their boundaries under applicable provisions of law which would result in an exchange or transfer, but not an overlapping, of territory that is entirely within the county water authority. The boundaries of those agencies within the county water authority, upon that reorganization and the filing with the secretary of the county water authority of a copy of the certificate of completion prepared, executed, and filed by the executive officer of the local agency formation commission responsible therefor constitute the boundaries of the agencies for all purposes of the county water authority, without action by the board of directors of the county water authority. If the exchange includes territory subject to special conditions and tax levies pursuant to the terms of annexation at the time the territory became a part of the county water authority, the territory shall continue to be subject to those conditions and to be taxable by the county water authority or those levies.

From and after the effective date of the inclusion of the territory by the including public agency, the territory shall be considered to be a part of the corporate area of the including agency; provided, however, that, if the taxable property within the territory, or any portion thereof, is subject to special taxes levied or to be levied by the county water authority pursuant to terms and conditions previously fixed under subdivision (c) or (d) of Section 10 for the annexation of the territory or portion thereof to the county water authority, then the taxable property within the territory shall continue to be taxable by the county water authority for the purpose of raising the aggregate sums to be raised by the levy of the special taxes pursuant to the terms and conditions for the annexation or annexations as so fixed and until the aggregate sums have been so raised by the special tax levy.

(2) Any public agency whose corporate area as a unit has become or is a part of any county water authority may obtain the exclusion of the area therefrom in the following manner:

The governing body of any public agency may submit to the electors thereof at any general or special election the proposition of excluding from the county water authority the corporate area of the public agency. Notice of the election shall be given in the manner provided in subdivision (c) of Section 10. The election shall be conducted and the returns thereof canvassed in the manner provided by law for the conduct of elections in the public agency. If a majority of electors voting thereon vote in favor of withdrawal, the result thereof shall be certified by the governing body of the public agency to the board of directors of the county water authority. A certificate of the proceedings shall be made by the secretary of the county water authority and filed with the Secretary of State. Upon the filing of the certificate, the corporate area of the public agency shall be excluded from the county water authority and shall no longer be a part thereof; provided, that the taxable property within the excluded area shall continue to be taxable by the county water authority for the purpose of paying the bonded and other indebtedness of the county water authority outstanding or contracted for at the time of the exclusion and until the bonded or other indebtedness has been satisfied; provided further, that if the taxable property within the excluded area or any part thereof is, at the time of the exclusion, subject to special taxes levied or to be levied by the county water authority pursuant to the terms and conditions previously fixed under subdivision (c) or (d) of Section 10 for the annexation of the excluded area or part thereof to the county water authority, the taxable property within the excluded area or part thereof so subject to the special taxes shall continue to be taxable by the county water authority for the purpose of raising the aggregate sums to be raised by the levy of special taxes upon taxable property within the respective annexing areas pursuant to the terms and conditions for the annexation or annexations as so fixed and until the aggregate sums have been so raised by the special tax levies. Upon the filing of the certificate of proceedings, the Secretary of State shall, within 10 days, issue a certificate reciting the filing of the papers in his or her office and the exclusion of the corporate area of the public agency from the county water authority. The Secretary of State shall transmit the original of the certificate to the secretary of the county water authority and shall forward a certified copy thereof to the county clerk of the county in which the county water authority is situated.

(b) Statement of boundary changes. Whenever territory is excluded from any public agency in accordance with paragraph (1) of subdivision (a), the governing body, or clerk thereof, of the public agency shall file with the board of directors of the county water authority a statement of the change of boundaries of the public agency, setting forth the legal description of the boundaries of the public agency, as so changed, and of the part thereof within the county water authority, which statement shall be accompanied by a map or plat indicating the boundaries.

(c) Previously excluded territory. Whenever any territory has been excluded from any public agency prior to the effective date of this section, under conditions which would have resulted in the exclusion of the territory from a county water authority had paragraph (1) of subdivision (a) then been in effect, upon compliance with the following provisions of this paragraph, the territory shall be excluded from and shall no longer be a part of, the authority, the

last-mentioned provisions being as follows:

(1) The governing body of the public agency may adopt an ordinance which, after reciting that the territory has been excluded from the public agency by proceedings previously taken under statutory authority, and after referring to the applicable statutes and to the date or dates upon which the exclusion became effective, shall describe the territory and shall determine and declare that the territory shall be, and thereby is, excluded from the county water authority.

(2) The governing body, or clerk thereof, of the public agency shall file a certified copy of the ordinance with the Secretary of State. Upon the filing of the certified copy of the ordinance in the office of the Secretary of State, the territory shall be excluded from, and shall no longer be a part of, the county water authority; provided, that the taxable property within the excluded territory shall continue to be taxable by the county water authority for the purpose of paying the bonded or other indebtedness outstanding or contracted for at the time of the exclusion, and until the bonded or other indebtedness has been satisfied; provided further, that if the taxable property within the excluded territory or any part thereof is, at the time of the exclusion, subject to special taxes levied or to be levied by the county water authority pursuant to terms and conditions previously fixed under subdivision (c) or (d) of Section 10 for the annexation of the excluded territory or part thereof to the county water authority, the taxable property within the excluded territory or part thereof so subject to the special taxes shall continue to be taxable by the county water authority for the purpose of raising the aggregate sums to be raised by the levy of special taxes upon taxable property within the respective annexing areas pursuant to the terms and conditions for the annexation or annexations as so fixed, and until the aggregate sums have been so raised by the special tax levies.

(3) Upon the filing of the certified copy of the ordinance, the Secretary of State shall, within 10 days issue a certificate describing the territory, reciting the filing of certified copy of the ordinance and the exclusion of the territory from the county water authority, and declaring that the territory is no longer a part of the county water authority. The Secretary of State shall transmit the original of the certificate to the secretary of the county water authority and shall forward a certified copy of the certificate to the county clerk of the county in which the county water authority is situated.

(d) **Territory exchanged or transferred among public agencies.** Whenever any territory has been exchanged or transferred pursuant to law prior to January 1, 1986, among two or more public agencies that are included in a county water authority as separate units, the territory shall not be deemed excluded from the county water authority, notwithstanding the failure of the county water authority to give its consent to the exchange or transfer of the territory, if there has been filed with the board of directors of the county water authority prior to January 1, 1986, a statement of the change of boundaries of the agencies, as so changed, and of the part within the county water authority, which statement shall be accompanied by a map or plat indicating those boundaries.

§ 45-11.1. Territory within multiple public agencies in authority as separate units

Sec. 11.1. Any territory within a county water authority which lies within two or more public agencies, the corporate areas of which are included within such county water authority as separate units, shall, subject to the conditions hereinafter provided, for the purposes of this act and for all related purposes (other than local purposes of such public agencies) involving in any manner the respective territorial boundaries and jurisdiction of such public agencies, be considered to be a part of the respective public agency which will supply water to such overlapping territory, as determined in the manner provided herein; provided, that if the taxable property within such overlapping territory or any portion thereof shall be subject to special taxes levied or to be levied by such county water authority pursuant to terms and conditions theretofore fixed under the provisions of paragraph (c) or paragraph (d) of Section 10 of this act for the annexation of such overlapping territory or portion thereof to such county water authority, then such taxable property within such overlapping territory shall continue taxable by such county water authority for the purpose of raising the aggregate sum or sums to be raised by the levy of such special taxes pursuant to terms and conditions for such annexation or annexations as so fixed and until such aggregate sum or sums shall have been so raised by such special tax levies; and provided, further, that the public agency of which such overlapping territory shall be considered to be a part shall be determined in the following manner and subject to the following conditions:

(1) The governing body of each public agency in which any such overlapping territory lies, shall, on or before October 1st of any calendar year, file with the board of directors of the authority a certified copy of a resolution of such governing body which shall contain a legal description of any such overlapping territory or portion thereof which will be supplied with water by such public agency during the next ensuing fiscal year commencing July 1st next following, and such certified copy of such resolution so filed shall be accompanied by a map or plat showing the respective boundaries of each overlapping territory or portion thereof so to be supplied with water by such public

agency.

(2) On or before November 1st of such calendar year, the board of directors of the authority shall consider all documents so filed with the authority as required under subparagraph (1) above, and by resolution shall determine which public agency will supply water to each such overlapping territory or portion thereof during the next ensuing fiscal year commencing July 1st next following; in the event that the board of directors of the authority, from the evidence submitted, cannot determine which public agency will supply water to any overlapping territory or portion thereof, then the board of directors shall determine that such overlapping territory or portion thereof shall be considered to be a part of, and shall designate, the public agency within which such overlapping territory or portion thereof first was included; and such resolution shall contain a legal description of each such overlapping territory or portion thereof respecting which any such determination is made.

(3) The board of directors of the authority, on or before November 20th of such calendar year, shall file with the county assessor of the county in which such overlapping territory shall lie and with the State Board of Equalization and in the event that such county water authority shall be included within a metropolitan water district as a separate unit then also with the board of directors of such metropolitan water district, a certified copy of such resolution of the board of directors of the authority so determining the matters required to be determined by it under subparagraph (2) above, accompanied by map or maps or plat or plats showing the respective boundaries of each overlapping territory or portion thereof described in such resolution.

(4) Any determination made by the board of directors of the authority and evidenced by the filing of the documents required by subparagraph (3) hereof shall be effective until changed by later determination by said board of directors and the evidencing thereof by the filing of the required documents.

(5) Any overlapping territory or portion thereof respecting which no determination shall have been made by the board of directors of the authority and evidenced by the filing of the documents required by subparagraph (3) hereof shall be considered to be a part of the public agency within which such overlapping territory or portion thereof first was included.

§ 45-12. Repealed by Stats.1970, c. 447, p. 896, § 23

§ 45-13. Administrative authority

Sec. 13. (a) All matters and things necessary for the proper administration of the affairs of the authority that are not provided for in this act shall be provided for by the board of directors of the authority by ordinance or resolution. Any action required by this act to be done by resolution may be done, with equal validity, by ordinance.

(b)(1) The board of directors of the authority may adopt regulations regarding its facilities, property, and rights-of-way. The board of directors, by ordinance, may make a violation of any regulation adopted pursuant to this subdivision subject to an administrative fine.

(2) The board of directors shall set forth, by ordinance or resolution, the administrative procedures that govern the imposition, enforcement, collection, and administrative review by the authority of those administrative fines.

(3) The amount of the administrative fine shall not exceed the maximum fine for infractions set forth in subdivision (b) of Section 25132 and subdivision (b) of Section 36900 of the Government Code. For the purpose of carrying out this subdivision, Section 53069.4 of the Government Code applies, except that any action required by that section to be taken by ordinance may be taken by resolution of the board of directors.

(c) The board of directors of the authority, by ordinance, may establish procedures for the abatement of encroachments that violate any regulation adopted pursuant to subdivision (b) and to recover the costs of abatement by means of a lien with the status and priority of a judgment lien on the property that is subject to the easement or right-of-way from which the encroachment is abated. These procedures shall provide for a reasonable period, specified in the ordinance, during which a person responsible for a continuing violation may abate the encroachment before the commencement of any abatement under this section. For the purposes of carrying out this subdivision, Section 38773.1 of the Government Code applies, except that any action required by that section to be taken by the legislative body shall be taken by the board of directors of the authority. The remedy authorized in this subdivision is cumulative to any other remedy authorized by law.

(d) An encroachment maintained in violation of a regulation adopted pursuant to subdivision (b) is a public nuisance that is subject to abatement by bringing a civil proceeding.

§ 45-13.5 Authority report; standing committees

Sec. 13.5. An authority formed pursuant to this act shall prepare and submit, at its own expense, a report to the Legislature, not before January 1, 2008, and not later than January 1, 2009, regarding the implementation of the procedures governing the meetings and actions of the standing committees of the board of directors that were adopted by the board of directors in 2004 or 2005.

§ 45-14. Deposit of funds

Sec. 14. The treasurer of any authority organized under the provisions of this act is hereby expressly authorized to deposit funds of such authority in banks in the manner provided by law for the deposit of moneys of a municipality or other public or municipal corporation.

§ 45-15. Fiscal year; statement of revenues and expenditures; statement of water storage and use

Sec. 15. The fiscal year of any authority incorporated hereunder shall commence on the first day of July of each year and shall continue until the close of the thirtieth day of June of the year following. As promptly as shall be possible after the close of each fiscal year, it shall be the duty of the controller of the authority to prepare and transmit to the chief executive officer of each public agency, the area of which shall lie within the authority, a statement of revenues and expenditures in such detail as shall be prescribed by the board of directors; also a statement of the amount of water stored by the authority and the amounts used by the respective public agencies, the areas of which shall lie within the authority.

§ 45-15.5. Claims for money or damages; law governing

Sec. 15.5. All claims for money or damages against the authority 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, or by other statutes or regulations expressly applicable thereto.

§ 45-16. Partial invalidity

Sec. 16. If any section, subsection, sentence, clause or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act. The Legislature hereby declares that it would have passed this act, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses or phrases be declared unconstitutional.

**ATTACHMENT 2 – Legal Authority of the City of San Diego (City of San Diego
Charter, Article I – Corporate Powers)**

**CITY OF SAN DIEGO
CITY CHARTER**

**ARTICLE I
CORPORATE POWERS**

Section 1: Incorporation and Corporate Powers

The municipal corporation now existing and known as “The City of San Diego” shall continue to be a municipal corporation under the same name, with the boundaries as now established or as may hereafter be legally established. Such municipal corporation shall have perpetual succession, may use a corporate seal; may sue and defend in all courts and places, and in all matters and proceedings whatever; may own and acquire property within or without its boundaries for either governmental or proprietary, or any municipal purpose, either by succession, annexation, purchase, devise, lease, gift or condemnation, and may sell, lease, convey, exchange, manage and dispose of the same as the interests of said City may require; receive bequests, donations and gifts of all kinds of property within and without The City of San Diego in fee simple or in trust for charitable or other purposes, and do all acts necessary to carry out the purposes of such gifts, bequests and donations; may own and operate public utility systems, including the joint or sole operation and ownership of utilities for the purchase, development, and supply of water and electrical power for the use of the City and its inhabitants and others; and generally shall have all municipal powers, functions, rights, privileges and immunities of every name and nature whatsoever now or hereafter authorized to be granted to municipal corporations by the Constitution and laws of the State of California.

Section 2: Powers under Constitution and General Laws

The City of San Diego, in addition to any of the powers now held by or that may hereafter be granted to it under the Constitution or Laws of this State, shall have the right and power to make and enforce all laws and regulations in respect to municipal affairs, subject only to the restrictions and limitations provided in this Charter; provided, however, that nothing herein shall be construed to prevent or restrict the City from exercising, or consenting to, and the City is hereby authorized to exercise any and all rights, powers and privileges heretofore or hereafter granted or prescribed by General Laws of the State.

Section 2.1: Prohibition on Construction, Operation or Maintenance of Facilities Related to Offshore Drilling

Neither the City Council nor any officer or employee of the City shall take any action, or permit any action to be taken, which directly or indirectly authorizes or permits the construction, operation or maintenance of any pipeline within the City for the transmission of any crude oil or natural gas taken or removed from any offshore crude oil or natural gas drilling or pumping operations within 100 nautical miles of the coastline of the County of San Diego; nor shall the City Council or any officer or employee of the City take any action, or permit any action to be taken, which directly or indirectly authorizes or permits the construction, operation or maintenance of any commercial or industrial facility within the City, including but not necessarily limited to crude oil or natural gas storage facilities, which operated directly or indirectly in support of any offshore crude oil or natural gas drilling or pumping operations within 100 nautical miles of the coastline of the County of San Diego.

(Addition voted 11-4-1986; effective 12-8-1986.)

Section 3: Extent of Municipal Jurisdiction

The municipal jurisdiction of The City of San Diego shall extend to the limits and boundaries of said City and over the tidelands and waters of the Bay of San Diego, and into the Pacific Ocean to the extent of one Marine League. In addition thereto The City of San Diego shall have the right and power to prepare and adopt such rules and regulations as it may deem necessary for the regulation, use, and government of the water system of The City of San Diego, both within and without the territorial limits of said City, and such rules and regulations having been adopted by Ordinance, shall have the force and effect of law.