MUD Act

MUNICIPAL UTILITY DISTRICT ACT OF THE STATE OF CALIFORNIA

December 2016

This publication contains legislation
enacted through 2016

EAST BAY MUNICIPAL UTILITY DISTRICT
OFFICE OF THE SECRETARY (510) 287-0440

MUNICIPAL UTILITY DISTRICT ACT
TABLE OF CONTENTS

CHAPTER 1.	GENERAL PROVISIONS	1
Article 1.	Definitions	11501–11509 1–2
Article 2.	General Provisions	11531–11536 2
CHAPTER 2.	FORMATION OF DISTRICTS	3
Article 1.	General Provisions	11561–11562 3
Article 2.	Request by Resolution	11581–11583 3
Article 3.	Request by Petition	11611–11614 3–4
Article 4.	Election	11641–11656 4–7
Article 5.	Establishment of the District	11681 7
Article 6.	Contest of Incorporation	11701 7
CHAPTER 3.	INTERNAL ORGANIZATION OF DISTRICTS	9
Article 1.	Government	11801 9
Article 2.	Election of Directors	11821–11832 9–11
Article 2.5.	Additional Directors	11850–11855 11–12
Article 2.7.	Sacramento MUD Directors	11857–11857.5 12–13
Article 3.	Terms of Office of Directors	11861–11865 13–14
Article 4.	Powers and Duties of Directors	11881–11895 14–17
Article 5.	Meetings and Legislation	11907–11912 17–19
Article 6.	Other Officers	11926–11942 19–22
Article 7.	Initiative and Referendum	11950 22
CHAPTER 4.	CIVIL SERVICE SYSTEM	23
Article 1.	Establishment	12051–12055 23–24
Article 2.	Appointments	12101–12104 24–25
Article 3.	Blanketing-In	12131–12134 25–26
Article 4.	Discipline	12161–12167 26
CHAPTER 5.	RETIREMENT SYSTEM	27
Article 1.	Establishment	12301–12307 27
Article 2.	Benefits and Contributions	12331–12338 28–29
Article 3.	Retirement Board	12361–12368 29–31
Article 4.	Investigation and Penalties	12391–12392 31
CHAPTER 6.	POWERS AND FUCTIONS OF DISTRICT	33
Article 1.	Corporate Power	12701–12703 33
Article 2.	Contracts	12721–12723 33–34
Article 3.	Purchases	12751–12753 34–36
	Best Value	12751.3 34–36
Article 4.	Property	12771–12772 37
Article 5.	Utility Works and Service	12801–12826 37–56
	Economic Development	12827 56
Article 5a.	Claims	12830 56
Article 6.	Indebtedness	12841–12844 56–57
Article 6a.	Electric, Water, Communications, or Sewage Disposal System Improvements	12850–12857 57–59
Article 6b.	Bonds	12860 59
Article 7.	Investments	12871–12875 59–61

Article 8. Taxation 12891–12904 61–63
Article 9. Improvement Act of 1911 ..... 12921–12922 63
Article 11. Municipal Improvement Act of 1913 ..... 13010 63
Article 12. Irrigation Standby or Immediate Availability Charge 13021–13024 63–65

CHAPTER 6.5. ELECTRIC SYSTEM IMPROVEMENTS 67
Article 1. Application 13071–13073 67
Article 2. Definitions 13081–13085 67
Article 3. General Authorization 13091–13096 67–69
Article 4. Proceedings for Issuance 13101–13107 69–70
Article 5. Sources of Payment 13111–13112 70–71
Article 6. Reserve Funds 13121–13124 71–72
Article 7. Obligation to Bondholders 13131–13136 72–73
Article 8. Consents of Bondholders 13141–13142 73
Article 9. Form and Content 13151–13152 73–76
Article 10. Validity 13161–13166 76–77
Article 11. Proceeds 13171–13177 77–79
Article 12. Short Term Borrowing 13181–13184 79
Article 13. Investments 13191–13193 79–80

CHAPTER 7. BONDS 81
Article 1. Issuance 13201–13212 81–83
Article 2. Form and Content 13241–13244 83–84
Article 3. Issue and Sale 13261–13263 84
Article 4. Refunding 13281–13288 84–85
Article 5. Status as Investments 13311–13312 85
Article 6. Validating Proceedings 13341 85

CHAPTER 7.1. EMERGENCY FINANCING 87
Article 1. Incurring Indebtedness for Repair or Replacement of Damaged or Demolished Works 13345–13347 87–88

CHAPTER 7.5. SHORT-TERM BORROWING 89
Article 1. Proceedings for Incurring Short-Term Indebtedness 13371–13379 89–91
Article 2. Borrowing to Purchase Electricity 13391–13392 91–92

CHAPTER 8. SPECIAL DISTRICT FOR SEWAGE DISPOSAL OR SOLID WASTE RESOURCE RECOVERY 93
Article 1. Proposal of Formation 13451–13456 93
Article 2. Hearing 13481–13488 94
Article 3. Election 13511–13513 94–95
Article 4. Establishment 13531–13532 95
Article 5. Powers and Functions 13561–13565 95–96
Article 5.5 Waste Water Control 13570–13578 96–100
Article 6. Financing 13591–13593 100–101
Article 7. Bonds 13621–13626 101–2
Article 7.5 Short-Term Borrowing 13631–13633 102
Article 8. Annexation 13651–13661 103–4
Article 9. Dissolution 13691 104

CHAPTER 9. ANNEXATION OF PUBLIC AGENCIES 105
Article 1. Annexation Agreement 13801–13804 105
Article 2. Approval by District 13821–13827 105–6
Article 3. Approval by Public Agency 13851–13856 106–7
Article 4. Establishment of Annexation 13886 107
Article 5. Annexation of Territory Annexed to Public Agencies 13911–13912 107–8
Article 6. Effect of Annexation 13931–13932 108

CHAPTER 10. ANNEXATION OF UNINCORPORATED TERRITORY 14051–14052 109

CHAPTER 11. EXCLUSION OF TERRITORY 111
Article 1. Exclusion of Unincorporated Territory 14351 111
Article 2. Exclusion of Incorporated Territory 14381–14384 111

CHAPTER 11.5. HEARINGS 14401–14403.5 113–14

APPENDIX I PUBLIC UTILITIES CODE 115
General Provisions 1–21 115–16

APPENDIX II PUBLIC CONTRACT CODE 117
Municipal Utility Districts 20191–20192 117

APPENDIX III GOVERNMENT CODE 119
Manner of Publication 6060, 6061, 6063a, 6066 119

INDEX 121

MUNICIPAL UTILITY DISTRICT ACT
STATE OF CALIFORNIA

(as codified by the Public Utilities Code of the State of California,
Ch. 764, Stats. 1951, and thereafter amended.)

DIVISION 6. MUNICIPAL UTILITY DISTRICT ACT

CHAPTER 1. GENERAL PROVISIONS

Article 1. Definitions

11501. This division may be cited as the "Municipal Utility District Act." **Short title**

11502. Unless the context otherwise requires, the provisions of this article govern the construction of this division. **Construction**

11503. "District" means a municipal utility district formed under this division or under Chapter 218 of the Statutes of 1921, as originally enacted or subsequently amended; "special district" means a special district for sewage disposal or solid waste resource recovery purposes created under this division or under Chapter 218 of the Statutes of 1921, as originally enacted or subsequently amended; and "board" means the board of directors of a district. **"District"**

11504. "Public agency" includes a city, county water district, county sanitation district, or sanitary district. **"Public agency"**

11505. "Voter" means any elector who is registered under the Elections Code. **"Voter"**

11506. "Sewage disposal" means the acquisition, construction, enlargement, operation, and maintenance of intercepting sewers, sewage treatment works, pumping plants, outfall sewers, and appurtenances. **"Sewage disposal"**

11507. "Percent of the total vote cast," when used with reference to the requirements of any petition or nomination paper, means percent of the total vote cast, exclusive of vote by mail ballots, within the proposed district, district, proposed special district, special district, or territory proposed to be annexed to a district, as the case may be at the last statewide general election. **"Percent of the total vote cast"**

11508. "Solid Waste Resource Recovery" means the acquisition, construction, enlargement, operation, and maintenance of facilities for the purpose of collecting, reducing, separating, recovering, converting, and recycling solid waste, and for the purpose of disposing of solid waste residues. **"Solid Waste Resource Recovery"**

"Electricity district"

11509. "Electricity district" means a municipal utility district formed under this division that furnishes electricity to more than 100,000 customers.

Article 2. General Provisions

Municipal utility district

11531. A municipal utility district may be created as provided in this division and when so created may exercise the powers herein granted.

Existing officers

11532. All persons who, at the time this division goes into effect, hold offices under Chapter 218 of the Statutes of 1921, as originally enacted or subsequently amended, continue to hold them according to their former tenure.

Conduct of elections

11533. Except as otherwise provided in this division elections shall be held and conducted and the result ascertained, determined, and declared in all respects as nearly as practicable in conformity with the general election laws of the State.

Publications of ordinances and notices

11534. Except as otherwise provided in this division all ordinances, summaries of ordinances, and notices that are required to be published shall be published once a week for two successive weeks (two publications) in a newspaper of general circulation within the district.

Same

11535. Whenever in this division publication in a newspaper of general circulation published within the district is required, and there is no such newspaper, then the publication may be made in a newspaper of general circulation published in any county where the district is situated.

Facsimile signatures

11536. Whenever the signature of any officer or employee of a district or of any member of the Retirement Board or of any officer or employee of the Retirement System is authorized or required under the provisions of this division, except in the single instance provided in Section 13244, the signature may be made by the use of a plate bearing facsimiles of such signatures.

CHAPTER 2. FORMATION OF DISTRICTS

Article 1. General Provisions

11561. Any public agency together with unincorporated territory, or two or more public agencies, with or without unincorporated territory, may organize and incorporate as a municipal utility district. Public agencies and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous. No public agency shall be divided in the formation of a district.

Agencies and territory

11562. A request for the formation of a district may be made by resolution or by petition as set out in this chapter.

Request for information

Article 2. Request by Resolution

11581. Legislative bodies of half or more of the public agencies proposed to be included in the proposed district may pass resolutions declaring that in their opinion public interest or necessity demands the creation and maintenance of a municipal utility district to be known as the "(giving the name) municipal utility district."

Resolutions

11582. The resolutions may state the kind of utility proposed to be first acquired, but failure to acquire such utility shall not affect the validity of the district. They shall describe the exterior boundaries of the proposed district, except that if it is intended to organize the district of public agencies only, a statement of the names of such public agencies is a sufficient and legal description of the district.

Contents

11583. Certified copies of the resolutions shall be presented to the board of supervisors of the county containing the largest number of voters within the proposed district, requesting that board of supervisors to call an election without delay for determining whether the district will be created.

Request for election

Article 3. Request by Petition

11611. Instead of resolutions, a petition may be presented to the board of supervisors of the county containing the largest number of voters within the proposed district, signed by voters within the proposed district equal in number to at least 10 percent of the total vote cast.

Petition by electors

11612. The petition shall contain substantially the same declarations and statements required to be contained in the resolutions presented to a board of supervisors under this chapter, and declare that, in the opinion of the petitioners, public interest or necessity demands the creation and maintenance of a municipal utility district.

Contents

11613. The petition may be on separate papers, but each paper shall contain the affidavit of the person who circulated it certifying that each name signed thereto is the true signature of the person whose name it purports to be.

Affidavits

Certificates of signatures

11614. The clerk of the board of supervisors of the county in which the petition is presented shall compare the signatures to the petition with the affidavits of registration and certify to their sufficiency or insufficiency.

Article 4. Election

Call by supervisors

11641. Upon receipt of certified copies of the resolutions or of a sufficient petition, the board of supervisors to whom they are presented shall call an election within the proposed district without delay, to be held on the next established election date not less than 74 days after the date of the order calling the election, for the purpose of determining whether the proposed district will be created and established, and for the purpose of electing the first board of directors therefor in case the district is created.

Wards

11642. Before calling the election the board of supervisors shall divide the proposed district into five wards, the boundaries of which shall be so drawn that each shall contain approximately an equal number of voters, as nearly as may be. The public agencies and any other territory included in the proposed district may be divided for the purpose of establishing ward boundaries.

Notice

11643. Upon establishing the wards, the board of supervisors shall publish notice of the election within the proposed district.

Impartial analysis

11643.1. Within five days after the district formation election has been called, the legislative body which has called the election shall transmit, by registered mail, a written notification of the election call to the executive officer of the local agency formation commission of the county or principal county in which the territory or major portion of the territory of the proposed district is located. Such written notice shall include the name and a description of the proposed district, and may be in the form of a certified copy of the resolution adopted by the legislative body calling the district formation election.

The executive officer, within five days after being notified that a district formation election has been called, shall submit to the commission, for its approval or modification, an impartial analysis of the proposed district formation.

The impartial analysis shall not exceed 500 words in length and shall include a specific description of the boundaries of the district proposed to be formed.

The local agency formation commission, within five days after the receipt of the executive officer's analysis, shall approve or modify the analysis and submit it to the officials in charge of conducting the district formation election.

Ballot arguments

11643.2. The board of supervisors or any member or members of the board authorized by the board, or any individual voter or bona fide association of citizens entitled to vote on the district formation

proposition, or any combination of such voters and associations of citizens, may file a written argument for or a written argument against the proposed district formation.

Arguments shall not exceed 300 words in length and shall be filed with the officials in charge of conducting the election not less than 54 days prior to the date of the district formation election.

Same: selection of arguments

11643.3. If more than one argument for or more than one argument against the proposed district formation is filed with the election officials within the time prescribed, such election officials shall select one of the arguments for printing and distribution to the voters.

In selecting the arguments, the election officials shall give preference and priority in the order named to the arguments of the following:

(a) The board of supervisors or any member or members of the board authorized by the board.

(b) Individual voters or bona fide associations of citizens or a combination of such voters and associations.

Ballot pamphlet

11643.4. The officials in charge of conducting the election shall cause a ballot pamphlet concerning the district formation proposition to be voted on to be printed and mailed to each voter entitled to vote on the district formation question.

The ballot pamphlet shall contain the following in the order prescribed:

(a) The complete text of the proposition.

(b) The impartial analysis of the proposition prepared by the local agency formation commission.

(c) The argument for the proposed district formation.

(d) The argument against the proposed district formation.

The election officials shall mail a ballot pamphlet to each voter entitled to vote in the district formation election at least 10 days prior to the date of the election. Such a ballot pamphlet is "official matter" within the meaning of Section 13303 of the Elections Code.

Same: content

11644. The notice shall state the name of the proposed district, and describe the boundaries thereof and the boundaries of the wards provided for the purpose of electing directors.

Ballots: form

11645. The ballot for the election shall contain such instructions as are required by law to be printed thereon and in addition thereto the following:

Shall the "(giving name thereof) municipal utility district" be created and established?	YES
	NO

Same: candidates for directors

11646. The ballots shall also contain the names of the persons nominated in each ward to serve as a member of the board from such ward, showing separately each ward and his nominees.

Candidate: nomination

11647. Any person may be nominated for the office of director upon written petition of at least 50 voters of the ward in which such person resides.

Same: vote at large

11648. Candidates for the office of director shall be voted upon at large, and every voter in the proposed district may vote for all of the directors to be elected.

Eligible voters

11649. No person shall be entitled to vote at the election unless he is a voter of the territory Included in the proposed district.

Consolidated election

11650. The election may be held on the same day as any other state, county, or city election, and be consolidated therewith.

Canvass

11651. The board of supervisors which called the election shall meet on Monday next succeeding the day of the election and canvass the votes cast thereat.

Creation of district

11652. (a) The board of supervisors shall canvass, separately, the returns of each public agency and each parcel of unincorporated territory, if any.

(b) Subject to subdivision (c), the board of supervisors shall declare a districted created and established of those public agencies and parcels of unincorporated territory in which a majority of those persons who voted did so in favor of the creation of the district. Those public agencies and parcels of unincorporated territory in which a majority of those persons voting did not vote in favor of the creation of the district shall be excluded from the district.

(c) A district may be created and established pursuant to subdivision (b) only if the number of registered voters in the approving public agencies and parcels of unincorporated territory is two-thirds or more of the total number of registered voters within the district as proposed to the voters.

Directors: qualifications

11653. No person may serve as a director unless he is a resident and voter of the district as finally determined. Any vacancies on the board caused by the elimination of territory shall be filled by appointment by the remaining directors, in which case ward lines may be disregarded.

Same: canvass, result

11654. The board of supervisors shall also canvass the returns of the election with respect to the persons voted for as directors, and shall declare the persons receiving the highest number of votes, for each ward, respectively, to be duly elected as directors of the district, if they are residents and voters thereof as finally determined.

Cost of election

11655. The board of supervisors calling the election shall make all provisions for the holding thereof throughout the entire district as proposed, and shall pay the cost thereof.

11656. If a special election is held exclusively on the proposition of organizing a district, the expenditure therefor shall be reimbursed to the county which called the election by means of a tax on all the taxable property within the public agencies and unincorporated territory which was proposed to be included in the district, and this tax shall be added to the next county tax bills by the proper officials of the counties involved, respectively.

Reimbursement for special election costs

Article 5. Establishment of the District

11681. The board of supervisors shall cause a certified copy of the order declaring the result of the election to be filed in the Office of the Secretary of State, from and after which the establishment of the district shall be deemed complete.

Filing order with Secretary of State

Article 6. Contest of Incorporation

11701. No informality in any proceeding or in the conduct of any election, not substantially affecting adversely the legal rights of any citizen, shall be held to invalidate the incorporation of any district. Any proceedings wherein the validity of incorporation is denied shall be commenced within three months from the date of filing the order declaring the result of the election with the Secretary of State, otherwise the incorporation and the legal existence of the district shall be held to be valid and in every respect legal and incontestable.

Contest of election

CHAPTER 3. INTERNAL ORGANIZATION OF DISTRICTS

Article 1. Government

11801. The government of every district is vested in a board of five directors, one from each ward, together with the other officers mentioned in this division. The directors shall be residents and voters of the respective wards from which they are nominated. **Board of directors**

Article 2. Election of Directors

11821. The first directors are elected at the formation election as provided in Chapter 2. All elections of directors subsequent to the first shall be held at the same time as the general election in the manner provided in this article. **Time**

11822. Notice of election shall be published and no other notice of such election need be given. **Notice**

11823. The board shall by resolution or ordinance fix the boundaries of the wards for the purpose of electing directors therefrom. The board of directors shall, by resolution, adjust the boundaries of any wards pursuant to Chapter 8 (commencing with Section 22000) of Division 21 of the Elections Code. **Wards**

11824. The notice of election shall refer to the wards established by the board. **Reference to wards**

11825. Not more than 113 days prior to the election, upon request, the county elections official of the principal county containing the majority of the population of the ward from which the candidate is seeking election shall issue nomination papers and all other forms required for nomination to the office of director. **Nomination papers**

11827. Nomination papers may be circulated throughout the district. **Circulation**

11828. (a) Except as otherwise provided in this division, the provisions of the Elections Code prescribed for independent nominations shall substantially govern as to the manner of appointment of circulators, the form of nomination papers and other forms, the securing of signatures, the filing of the candidate's declaration of candidacy, and all other things necessary to get the name of the candidate upon the ballot. At the time of issuance of nomination papers, the county elections official shall cause to be entered on the first page of each section of the nomination papers the name of the candidate and the office for which he or she is a candidate. The county elections official shall imprint a stamp on the first page of each section of the nomination papers which reads "Official Filing Form," and shall affix his or her signature. The county elections official shall keep a list containing the name and address of each candidate, the office for which he or she is a candidate, and the date on which the nomination papers were issued, which list shall be a public record. **Time limits**

(b) Circulators may obtain signatures to the nomination paper of any candidate at any time not more than 113 days nor less than 88 days prior to the election. Each section of the nomination papers shall bear the name of a county and only qualified voters of that county shall sign the section. Nomination papers shall be signed either by 1 percent or by 10 of the registered voters from within the district, whichever is the lesser number, but in no event by more than 20 registered voters from within the district. Nomination papers shall be filed with the county elections official of the principal county containing the majority of the population of the ward from which the candidate is seeking election not more than 113 nor less than 88 days before the date of the election and shall be examined by the county elections official. If nomination papers for an incumbent director are not filed by 5 p.m. on the 88th day before the election, the voters shall have until 5 p.m. on the 83rd day before the election to nominate candidates other than the incumbent for that office. As soon as possible under the circumstances, the county elections official shall determine the number of valid signatures. If there are less than 10 valid signatures, the county elections official shall notify the candidate of that fact, and shall accept additional valid signatures at any time prior to the close of the period for circulating nomination papers. Each candidate, at least 88 days prior to the election, shall file a sufficient candidate's declaration of candidacy with the county elections official with whom he or she filed the nomination papers. The county elections official shall certify the names of all candidates at least 76 days prior to the date of the election so that their names may be placed upon the ballot.

Consolidation

11829. The board shall in the notice, ordinance, or resolution calling an election consolidate it with the general election to be held at the same time in the respective counties in which the district is located and authorize the respective boards of supervisors to canvass the returns and certify the result of the canvass to the board. It shall be the duty of the board or boards of supervisors to so consolidate the election, canvass the returns, and cause the result thereof to be properly certified to the board of directors of the district. The election shall be held in all respects as if there were only one election, and only one ticket or ballot shall be used. When the county precinct boundaries do not coincide with the boundaries of the wards in the district, the board or boards of supervisors shall, for the purpose of the election only, reprecinct the territory in which the boundaries do not coincide, at least 30 days before the election.

Vote at large

11830. Candidates for the office of director shall be voted upon at large, and every voter in the district may vote for all of the directors to be elected.

Declaration of result

11831. Upon receipt of the returns of the canvass by the respective boards of supervisors the board shall meet and determine results of the election and declare the candidate or candidates elected.

11832. The secretary of the district shall issue certificates of election, signed by him and duly authenticated, immediately following the determination of the result of the election by the board.

Certificates of election

Article 2.5. Additional Directors

11850. (a) Notwithstanding any other provision of this chapter, in any district formed prior to January 1, 1974, and containing a population of 1,000,000 or more on that date, the number of directors on the district board shall be increased from five to seven as provided in this article.

Increase in number of directors

(b) In any district to which subdivision (a) is applicable and in any district which has owned and operated an electric distribution system for at least eight years and which has a population of 250,000 or more, candidates for the office of director shall be elected by the voters of the ward each represents and shall not be voted upon at large. Nomination papers may be circulated only within the ward from which the candidate is to be elected, and shall be signed either by 1 percent of the voters within the ward or by 10 voters, whichever is the lesser number, but in no event by more than 20 voters within the ward. District circulators shall be residents of the ward in which they seek signatures and may obtain signatures only from registered voters residing within that ward.

11851. In any district in which the number of directors is required to be increased from five to seven as provided in Section 11850, the board of directors in office on January 1, 1974, shall, by resolution or ordinance adopted within 90 days after such date, divide the territory of the district into seven wards, and fix the boundaries thereof. The boundaries shall be fixed such that the wards are as equal in number of registered voters as may be.

Wards

11852. The two additional directors provided for by this article shall be nominated and elected in the manner and at the election called and conducted within the district for the election of district directors pursuant to Article 2 (commencing with Section 11821) of this chapter and held at the same time as the 1974 statewide general election.

Election of additional directors

11852.5. (a) Notwithstanding any other provision of law, if, in a district subject to this article, by 5 p.m. on the 83rd day prior to the day fixed for the general election, no one or only one person has filed a declaration of candidacy for a particular ward, the county elections official shall submit a certificate of these facts to the district board and inform the board that it may, at a regular or special meeting held on or before the 76th day prior to the election, adopt one of the following courses of action:

Appointing director

(1) If only one person has filed a declaration of candidacy for a ward, appoint that person to the office.

(2) If no one has filed a declaration of candidacy for a ward, appoint a person to the office who would be qualified on the date the election would have been held.

(3) If either no one or only one person has filed a declaration of candidacy for a ward, hold the election.

(b) If the board makes an appointment pursuant to subdivision (a), the elections official shall not accept for filing any statement of write-in candidacy that is submitted after the appointment is made. The person appointed, if any, shall qualify and take office and serve exactly as if elected at an election for the office.

(c) If by the 76th day prior to the day fixed for the election, the district board has not appointed the sole candidate to the office pursuant to paragraph (1) of subdivision (a) or has not adopted a process to appoint, or appointed, a qualified person to the office pursuant to paragraph (2) of subdivision (a), the election shall be held.

(d) A district board may adopt a process to appoint a qualified person to the office pursuant to paragraph (2) of subdivision (a). Upon adoption of this process, the district board shall appoint a qualified person to office no later than the day fixed for the election.

(e) This section shall apply to all elections held in any district subject to this article that takes place on or after January 1, 2014.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.

Commencement of official duties

11853. The two additional directors elected pursuant to this article shall take office immediately upon the issuance of the certificates of election by the secretary of the district. Thereafter, directors elected pursuant to the additional seats created by this article shall take office on the first day of January next following their election.

Terms of office

11854. The term of office of the additional directors elected pursuant to this article shall be four years and until their successors are elected and qualified.

Same

11855. Nothing in this article shall affect the term of office of district directors in office on the effective date of this section.

Article 2.7. Sacramento Municipal Utility District Directors

Increase in number of SMUD directors

11857. Notwithstanding any other provision of this chapter, in the Sacramento Municipal Utility District, the number of directors on the district board shall be increased from five to seven as provided in this article.

11857.1. To effectuate the increase as provided in Section 11857, the board of directors in office on January 1, 1994, shall, by resolution or ordinance adopted within 90 days after that date, divide the territory of the district into seven wards, and fix the boundaries thereof. The boundaries shall be fixed so that the wards are as equal in population as may be.

Wards

11857.2. The two additional directors provided for by this article shall be nominated and elected in the manner and at the election called and conducted within the district for the election of district directors pursuant to Article 2 (commencing with Section 11821) of this chapter and held at the same time as the 1994 statewide general election.

Election of additional directors

11857.3. The two additional directors elected pursuant to this article shall take office immediately upon the issuance of the certificates of election by the secretary of the district. Thereafter, directors elected pursuant to the additional seats created by this article shall take office on the first day of January next following their election.

Commencement of official duties

11857.4. The term of office of the additional directors elected pursuant to this article shall be four years and until their successors are elected and qualified.

Term of office

11857.5. Nothing in this article shall affect the term of office of district directors in office on the effective date of this section.

Same

Article 3. Terms of Office of Directors

11861. The directors elected at the formation election shall hold their respective offices only until the first day of January next following the next general election and until their successors are elected and qualified.

Terms of first directors

11862. Of the directors elected at the first election following the formation election, those three elected by the highest vote shall hold office for four years, and the other two for two years, and until their successors are elected and qualified. Thereafter, at each biennial general election, a number of directors corresponding to the number whose terms of office expire shall be elected for the term of four years.

Staggered terms

11863. Directors elected at the formation election shall enter upon their official duties immediately upon the filing of the order declaring the result of the election with the Secretary of State, after qualifying according to law. The terms of directors elected after the formation election shall commence on the first day of January next following their election.

Commencement of official duties

11865. Vacancies on the board shall be filled as provided in this section:

Vacancies

(a) The remaining board members may fill the vacancy by appointment until the next district general election that is scheduled 90 or more days after the effective date of the vacancy. The appointment shall be made within a period of 60 days immediately subsequent to the effective date of such vacancy. A notice of such vacancy shall be posted in three or more conspicuous places in the district at least 15 days before the appointment is made.

In lieu of making an appointment, the remaining members of the board may within 60 days of the vacancy call a special election to fill the vacancy. The person elected at such special election shall hold office for the remainder of the term in which the vacancy occurred.

(b) If the vacancy is not filled by appointment as provided in subdivision (a), or if the board has not called for an election within 60 days of the vacancy, the board of supervisors of the county representing the larger portion of the district area in which the election to fill the vacancy will be held may fill the vacancy by appointment within 90 days of the effective date of the vacancy or may order the district to call a special election to fill the vacancy.

(c) If within 90 days of the effective date of the vacancy, the remaining members of the board or the appropriate board of supervisors have not filled the vacancy by appointment and no election has been called for, the district shall call a special election to fill the vacancy.

(d) A person elected at an election to fill a position to which an appointment was made pursuant to this section shall take office immediately upon issuance of the certificate of election by the secretary of the district, after qualifying according to law, and shall hold office for the remainder of the term in which the vacancy occurs.

Article 4. Powers and Duties of Directors

Oath

11881. The oath of office of directors shall be taken, subscribed, and filed with the secretary of the district at any time after the director has notice of his election or appointment but not later than 15 days after the commencement of his term of office. No other filing is required.

Organization of board

11882. The board shall choose one of its members president, and another vice president, who shall be authorized to act for the president during his absence or disability, and shall provide for the time and place of holding its meetings, which shall be held at least once each month.

Legislative body

11883. The board is the legislative body of the district and determines all questions of policy.

Administrative powers

11884. All matters and things necessary for the proper administration of the affairs of the district which are not provided for in this division shall be provided for by the board.

11885. The board shall supervise and regulate every utility owned and operated by the district, including the fixing of rates, rentals, charges, and classifications, and the making and enforcement of rules, regulations, contracts, practices, and schedules, for or in connection with any service, product, or commodity owned or controlled by the district.

Supervision, regulation of district utilities

11886. The board shall by resolution determine and create such number and character of positions as are necessary properly to carry on the functions of the district and shall establish an appropriate salary, salary range, or wage for each position so created. The board may by resolution abolish any such position. Except as otherwise provided, appointments to such positions shall be made by the general manager in accordance with the civil service provisions applicable thereto.

District employees

11886.1. The board of a district which has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may delegate to the general manager the authority to take any or all of the actions provided for in Section 11886.

Same

11887. The board of any district having 600 or more employees may appoint not to exceed 15 employees to positions requiring peculiar and exceptional qualifications, including those of a scientific, professional, or expert character or of special confidence.

Same: experts, etc.

11887.1. The board of a district which has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may, notwithstanding Section 11887, determine that additional positions requiring peculiar and exceptional qualifications, including, but not limited to, those of a scientific, professional, or expert character or of special confidence, or positions with significant managerial responsibility, shall be exempt from the district civil service if the total number of these exempt positions, including the exempt positions filled pursuant to Section 11887, does not exceed 5 percent of the total civil service positions of the district. However, the board may not determine any position to be exempt as long as that position is filled by an employee appointed pursuant to the district civil service.

Same

11887.2. The board of a district which has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may, notwithstanding any other provision of this division, appoint or remove only those officers or employees who are exempt from the district civil service and who either report directly to the board or report to another officer who reports directly to the board. All other officers and employees exempt from the district civil service shall be appointed by, and serve at the pleasure of the general manager.

Same

The board may contract for the services of any officer who reports directly to the board or who reports to an officer who reports directly to the board and may authorize the general manager to contract for the services of other officers and exempt employees. The term of these contracts may not exceed five years in duration.

Contracts for professional, other services

11888. The board may from time to time contract for or employ any professional service required by the district or for the performance of work or services which cannot satisfactorily be performed under the civil service provisions of this division.

Examination of accounts

11889. The board shall employ an expert who shall examine and report, at least annually, upon the system of accounts kept by the district.

Payment of salaries, wages

11890. The salaries or wages of all officers and employees of a district shall be paid periodically as the board may prescribe. At the expiration of the period fixed for the payment of salaries or wages a payroll shall be prepared, showing all persons employed during the preceding salary period and stating the amount of compensation to which each person is entitled. Payment of the salary or wages of each person specified in the payroll may be made after approval of the payroll by the board or the general manager in accordance with rules adopted by the board.

Payment of demands

11891. The board may provide by resolution, under such terms and conditions as it sees fit, for the payment of demands against the district without prior specific approval thereof by the board if the demand is for a purpose for which an expenditure has been previously approved by the board and in an amount not greater than the amount so authorized, and if the demand is approved by the general manager.

Same

11891.5. The board of any district which has owned and operated a water distribution system for at least 10 years and which maintains a system of accounting substantially in accordance with the Uniform System of Accounts for Water Utilities prescribed by the Public Utilities Commission may provide, by resolution, under the terms and conditions as it sees fit, for the payment, without prior specific approval by the board, of demands against the district which relate to obligations incurred for purposes and within the amounts specified for those purposes in a projection of the district's operations for a period of not longer than one year, if the demands are approved by the general manager. The projection shall be expressed in terms of the major groups of accounts in the uniform system of accounts and shall be incorporated in the resolution.

Same

11891.6. The board of a district which has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more which maintains a system of accounting substantially in accordance with the Uniform System of Accounts for Electrical Corporations prescribed by the Public

Utilities Commission, or any other generally accepted accounting system, may provide, by resolution, under the terms and conditions as it sees fit, for the payment, without prior specific approval by the board, of demands against the district which relate to obligations incurred for purposes and within the amounts specified for those purposes in a projection of the District's operations for a period of not longer than one year, if the demands are approved by the general manager. The projection shall be expressed in terms of the major groups of accounts in the system of accounts and shall be incorporated in the resolution.

Revolving funds

11892. To facilitate the business of the district, the board may provide for the creation and administration of revolving funds as the needs of the district may require. The aggregate amount of the revolving funds shall not exceed one hundred thousand dollars ($100,000). The revolving funds shall be disbursed in accordance with rules established by the board, and all payments from any revolving fund shall be reported to the board and vouchers filed therefore.

Same

11892.1. Notwithstanding Section 11892, the board of a district which has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may, to facilitate the business of the district, provide for the creation and administration of revolving funds as the needs of the district may require. The aggregate amount of the revolving funds shall not exceed two hundred thousand dollars ($200,000). The revolving funds shall be disbursed in accordance with the rules adopted by the board, and all payments from any revolving fund be reported to the board and vouchers filed therefore.

Saturday holiday

11893. If a legal holiday falls on a Saturday, the board may provide by resolution that the Friday preceding is a holiday within the district for the purpose of closing its offices and excusing its employees from work.

Thanksgiving holiday

11894. The board may provide by resolution, if necessary to implement a memorandum of understanding adopted pursuant to Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code, that the Friday following the Thursday in November appointed as Thanksgiving Day is a holiday within the district for the purpose of closing its offices and excusing its employees from work.

Name change

11895. A district may, by resolution adopted by a majority of the board, change its name. A certified copy of the resolution changing the name of the district shall be recorded in each county included in whole or in part within the district and shall be transmitted to the Treasurer.

Article 5. Meetings and Legislation

Quorum

11907. A majority of the board constitutes a quorum for the transaction of business.

Compensation

11908. The board shall establish rules for its proceedings and may provide, by ordinance or resolution, that each member shall receive for each attendance at the meetings of the board, or for each day's service rendered as a director by request of the board, the sum of one hundred dollars ($100). No director shall receive any other compensation, nor receive pay for more than six days in any one calendar month. For purposes of this section, the determination of whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

Incurred expenses

11908.1. (a) Notwithstanding Section 11908, a district with a board having seven directors may provide, by resolution or ordinance, that each director shall receive compensation in an amount not to exceed one hundred dollars ($100) per day for each day's attendance at public meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, or, in lieu of that compensation, a salary of not to exceed six hundred dollars ($600) per month subject to annual adjustments pursuant subdivision (b), together with any expenses incurred in the performance of his or her duties required or authorized by the board. No resolution or ordinance establishing compensation pursuant to this subdivision shall provide for any automatic increase in that compensation.

(b) Any district which adopts salaries for directors pursuant to subdivision (a) may increase those salaries by not more than 5 percent for each calendar year following the operative date of the last adjustment, commencing with the calendar year following adoption of the salary or increase.

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

Same

11908.2. (a) Notwithstanding Section 11908, the board of a district which has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may provide, by ordinance or resolution, that each director shall receive compensation in an amount not to exceed one hundred dollars ($100) per day for each day's attendance at public meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of 10 days in any calendar month, together with any expenses incurred in the performance of his or her duties required or authorized by the board. The board may, by resolution or ordinance, increase the compensation per day by not more than 5 percent for each calendar year following the operative date of the last adjustment, commencing with the 1988 calendar year. No resolution or ordinance establishing compensation pursuant to this subdivision shall provide for any automatic increase in that compensation. For purposes of this section, the determination of

whether a director's activities on any specific day are compensable shall be made pursuant to Article 2.3 (commencing with Section 53232) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code. Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

Expression of board action

11909. The acts of the board shall be expressed by motion, resolution, or ordinance. No ordinance, resolution, or motion shall have any validity or effect unless passed by the affirmative votes of at least three directors of a five-ward district, or at least four directors of a seven-ward district.

Ordinance: publication

11910. (a) No ordinance shall be passed by the board within five days of the day of its introduction or at any time other than a regular or adjourned regular meeting. All ordinances or summaries of ordinances shall be published after passage.

(b) The publication of ordinances, as required by subdivision (a), may be satisfied by either of the following actions:

(1) Within 15 days after adoption of the ordinance or amendment to an ordinance, the board of directors shall publish a summary of the ordinance or amendment with the names of those directors voting for and against the ordinance or amendment and the secretary shall post in the office of the secretary of the board of directors a certified copy of the full text of the adopted ordinance or amendment along with the names of those directors voting for and against the ordinance or amendment.

(2) If the general manager determines that it is not feasible to prepare a fair and adequate summary of the adopted ordinance or amendment, and if the board of directors so orders, within 15 days after adoption of the ordinance or amendment to an ordinance, a display advertisement of at least one-quarter of a page shall be published. The advertisement shall indicate the general nature of, and provide information about, the proposed or adopted ordinance or amendment, including information sufficient to enable the public to obtain copies of the complete text of the ordinance or amendment, and the names of those directors voting for and against the ordinance or amendment.

Same: enacting clause

11911. The enacting clause of all ordinances shall be as follows: "Be it enacted by the board of directors of _____ municipal utility district:"

Same: execution

11912. All ordinances shall be signed by the president of the board or the vice president, and attested by the secretary.

Article 6. Other Officers

General manager

11926. The board shall appoint and fix the salary of a general manager, who shall have full charge and control of the construction of the works of the district and of their maintenance and operation, and also of the administration of the business affairs of the district.

Qualifications

11927. All other things being equal, the board shall appoint as general manager some person who has had experience in municipal engineering or in the construction or management of public utilities.

Residence

11928. The general manager need not be a resident of this State at the time of his appointment.

Term, removal, etc.

11929. The general manager shall hold office for an indefinite term and may be removed by the board only upon the adoption of a resolution by the affirmative vote of not less than three members of the board of a five-ward district, or four members of the board of a seven-ward district. Before the general manager may be removed, he shall, if he demands it, be given a written statement of the reasons alleged for his removal and he shall have the right to be publicly heard thereon at a meeting of the board prior to the final vote on the resolution providing for his removal, but pending and during such hearing the board may suspend him from office. The board may not reduce the salary of the general manager below the amount fixed at the time of his original appointment except upon the adoption of a resolution by a like vote and after a like opportunity to be heard. The action of the board in suspending or removing the general manager or reducing his salary, if approved by a majority of the membership of the board, is final.

Period prior to operation

11930. Notwithstanding this article, until such time as the district has operated, controlled, or used works or parts of works for providing the inhabitants and public agencies within the boundaries of the district with the utility services, or any of them, specified in this division, for a period of six months, the board may or may not appoint a general manager, who during such time holds office at the pleasure of the majority of the board.

Accountant, secretary, treasurer, attorney

11931. The board may appoint an accountant, a secretary, a treasurer, and an attorney, who shall hold office during the pleasure of the board.

Attorney: qualifications

11932. The attorney shall be admitted to practice law in the Supreme Court of the State, and shall have been actively engaged in the practice of his profession for not less than three years next preceding his appointment.

Assistants to officers

11933. The board may also provide for assistants to any officer of the district who shall hold office at the pleasure of the board and may perform any and all acts that their principal may perform, when authorized so to do by the board.

Consolidation of offices

11934. The board may consolidate any of the district offices in one person.

Oath of office

11935. The oath of office of all appointive officers of the district shall be taken, subscribed, and filed with the secretary of the district at any time after the officer has notice of his appointment but not

later than 15 days after the commencement of his term of office. No other filing is required.

11936. Each appointive officer shall give such bond and in such amount as the board may require. **Bond**

11937. The powers of the general manager are: **Powers of general manager**

(a) To see that all ordinances of the district are enforced.

(b) To administer the civil service system of the district and, except as otherwise provided in this division, to appoint to the positions created by the board which are subject to the civil service provisions of this division, such employees as are necessary for the administration of the affairs of the district, and to remove such employees, in accordance with the provisions of the civil service system.

(c) To attend all meetings of the board and submit a general report of the affairs of the district.

(d) To keep the board advised as to the needs of the district.

(e) To prepare or cause to be prepared all plans and specifications for the construction of the works of the district.

(f) To devote his entire time to the business of the district.

(g) To perform such other and additional duties as the board may require.

11938. The general manager shall within 90 days from the end of each fiscal year cause to be published a summary of the financial report showing the result of operations for the preceding fiscal year and the financial status of the district on the last day thereof. The publication shall be made in the manner provided in this division for the publication of ordinances and notices generally. **General manager: financial report**

11939. The attorney shall take charge of all suits and other legal matters to which the district is a party or in which it is legally interested. He shall give his advice or opinion in writing whenever required by the board. He shall be the legal adviser of the general manager and other district officers and shall prepare and approve the forms of all ordinances, resolutions, contracts, bonds, and other legal documents connected with the business of the district. He shall perform such other and additional services as the board may require. **Attorney: duties**

11940. The accountant shall install and maintain a system of auditing and accounting which shall completely and at all times show the financial condition of the district and provide reasonable assurance that the financial transactions of the district were executed in accordance with the instructions of the board. The accountant shall prepare all instruments necessary for the payment of demands against the district in accordance with the instructions **Accountant: duties**

of the board. The accountant shall perform such other duties as the board may require.

Treasurer: duties

11941. The treasurer shall be the custodian of the funds of the district and shall make payments and execute instruments for the payment of demands against the district after determination by the accountant that the demands are authorized. The treasurer shall keep an account of all receipts and disbursements.

Powers of treasurer

11942. With the consent of the board, the treasurer may:

(a) Authorize the trust department of any state or national bank, or a trust company authorized to act as such, to receive as his agent deposits of any securities acquired by the district.

(b) Place and maintain for safekeeping, as a trust deposit with the trust department of any state or national bank, or a trust company authorized to act as such, any securities owned by the district.

The bank or trust company selected shall have a total paid-in capital of at least one million dollars ($1,000,000). The treasurer shall take from the trust department or trust company a receipt for the securities, and neither the treasurer nor the district is responsible for the custody and safe return of the securities until they are withdrawn from the trust department or trust company by the treasurer. Any trust department or trust company to which securities are delivered, either as agent or depositary for the treasurer, shall make such disposition of the securities as the treasurer directs and is responsible only for strict compliance with written instructions given to it by the treasurer. All such securities are at all times subject to the order of the treasurer.

Article 7. Initiative and Referendum

Elections Code, application of

11950. The initiative and referendum provisions of Chapter 4 (commencing with Section 9300) of Division 9 of the Elections Code shall apply to every municipal utility district.

CHAPTER 4. CIVIL SERVICE SYSTEM

Article 1. Establishment

12051. The general manager shall adopt a civil service system for the selection, examination, employment, classification, advancement, suspension, and discharge of employees included in the "district civil service." **Adoption by general manager**

12052. The general manager shall adopt rules and regulations to carry out the purposes of the civil service provisions of this division and may from time to time amend existing rules. Except as otherwise provided herein such rules shall govern applications, examinations, eligibility, duration of eligible lists; certifications of eligibles; appointments; promotions; transfers; resignations; layoffs or reductions in force, both permanent and temporary, due to lack of work or funds, retrenchment, or completion of work; the filling of positions, temporary, seasonal, and permanent; classification; and such other matters as are not in conflict with the civil service provisions of this division. **Rules and regulations: scope**

12053. The rules and regulations or any proposed amendments thereto shall be in writing and a copy thereof shall be posted in a conspicuous place in the office of the district and shall not become effective until 20 days after the posting thereof. The board may require that such rules and regulations or amendments thereof be submitted to it for approval prior to posting. Any person interested may within 10 days after such posting file written objections to such proposed rules or amendments, or any part thereof, with the general manager, in which event the rules or amendments shall not become effective until the general manager has given notice of a hearing and heard objections thereto and announced his decision on the objections. **Same: publication, objections**

12054. The civil service provisions of this chapter do not apply to any district until such time as it has operated, controlled, or used works or parts of works for the providing of any of the utility services specified in this division. A civil service system may, however, be adopted at any time after the district commences to operate, control, or use works or parts of works for the providing of any of the utility services specified in this division, and such system shall be adopted within six months thereafter. **Time of application of provisions**

12055. The "district civil service" includes every employee of the district except all of the following: **"District civil service"**

(a) Officers elected by the people.

(b) Officers, assistant officers, and other persons and employees appointed by the board of directors.

(c) Temporary construction employees.

(d) Part-time employees.

(e) The unfilled positions (not to exceed 15) requiring peculiar and exceptional qualifications, including those of a scientific, professional, or expert character or of special confidence, as may be exempted from "district civil service" upon the recommendation of the general manager approved by the board.

(f) Limited-term employees appointed for a period not to exceed two years. Limited-term appointments may be extended for an additional period not to exceed two years upon approval of the general manager.

(g) Employees occupying positions determined to be exempt from the district civil service pursuant to Section 11887.1.

Article 2. Appointments

Competitive tests

12101. All appointments under the civil service system shall be made for the good of the public service and solely on the basis of integrity, character, merit, fitness, and industry as established by appropriate competitive tests, without regard to partisan, political, social, or other considerations, and shall be made from lists of eligibles prepared by the general manager.

Temporary appointments

12102. (a) When no list of eligibles is available for a position in the class requisitioned by the department or division head, the general manager may make a noncivil service appointment thereto for a period of not exceeding six months and only until a regular appointment can be made, but no person shall be compensated under a noncivil service appointment, or appointments, for a period exceeding six months in any fiscal or calendar year, and no office or employment may be filled by a noncivil service appointment for more than six months in the aggregate in one fiscal or calendar year.

(b) This section does not apply to a district which has owned or operated an electric distribution system for at least eight years and has a population of 250,000 or more.

Same

12102.1. When no list of eligibles is available for a position in the class requisitioned by the department or division head, the general manager of a district which has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may make a noncivil service appointment thereto for a period of not exceeding 12 months and only until a regular appointment can be made.

Promotional tests

12103. The general manager may make appointments to higher positions exclusively promotional by tests from lower ranks.

Probation period

12104. Every appointee to a permanent position shall be on probation for six months, except that the general manager may establish a probationary period for up to 12 months for professional, scientific, technical, administrative, management, or executive positions, or for positions requiring certification by the state pursuant to Chapter 9 (commencing with Section 13625) of

Division 7 of the Water Code. The general manager may terminate the appointment during the probationary period. If the appointment is not then terminated it shall be permanent, subject to this division and the rules and regulations adopted pursuant to this division.

Article 3. Blanketing-In

Incumbents when system adopted

12131. The incumbents of permanent positions who have held such positions for a period of at least six months continuously next preceding the time that a civil service system is first adopted shall be continued in their positions as if appointed thereto after examination and certification from a list of eligibles, and shall be governed thereafter by this division and the rules and regulations adopted pursuant thereto but shall not be subject to the six months' probation period.

Officers, employees of acquired facilities

12132. Whenever any district acquires existing facilities from a publicly or privately owned public utility, whether by proceedings in eminent domain or otherwise, any or all of the officers or employees of such public utility whose duties pertained to the facilities acquired may be appointed to positions in the district's civil service system without examination and certification from a list of eligibles and shall be governed thereafter by this division and the rules and regulations adopted pursuant thereto but shall not be subject t the six months' probation period.

Employees on military leave of absence

12133. If a civil service system is adopted for a district during the period of a leave of absence granted under Section 395.4 of the Military and Veterans Code or similar legislation, the officer or employee shall, on the termination of his leave of absence, be restored to a position in the district's civil service system wherein he shall have the same or equivalent status as of the last working day before his leave of absence began. The officer or employee shall hold that position as if appointed thereto after examination and certification from a list of eligibles, and shall be governed thereafter by the rules and regulations of the civil service system, except that if such officer or employee had held a permanent position with the district for a period of six months continuously next preceding the beginning of his leave of absence, he shall not be subject to the six months' probation period.

Same

12134. Whenever a district acquires existing facilities from a public utility, whether by proceedings in eminent domain or otherwise, any officer or employee of the public utility who left a permanent position with such utility pertaining principally to the facilities acquired in order to perform training and service under the Selective Training and Service Act of 1940 shall be entitled to be appointed to a position with permanent status in the district's civil service under the same conditions as would have governed his right to reinstatement with the public utility under Section 8 (b) of that act if the district had not acquired those facilities.

No civil service status acquired by other officers or employees of the district shall prevent their removal by layoff or transfer from positions to which reinstatement is provided for in this section.

Article 4. Discipline

Removal, etc.

12161. No person employed under civil service provisions of this division or of any rules and regulations adopted pursuant thereto in a permanent position shall be removed, discharged, or suspended except for cause.

Proper causes

12162. Removal or discharge may be made for any of the following causes: incompetence, habitual intemperance, immoral conduct, insubordination, discourteous treatment of the public, dishonesty, or inattention to public service.

Suspension

12163. The department or division head may for disciplinary purposes suspend a subordinate for a period of not exceeding 15 days and suspension shall carry with it a loss of salary for the period of suspension.

Request for hearing

12164. Within five days after the mailing of written notice of removal, discharge, or suspension, any employee may file a written request with the general manager for an opportunity to be heard in his own defense or, at the employee's option, may utilize a grievance procedure if the district and a recognized employee organization have agreed after meeting and conferring in good faith pursuant to Section 3505 of the Government Code that a grievance procedure may be used in disciplinary proceedings involving removals, discharges, and suspensions as an alternative to the procedure provided for in Sections 12165 and 12166.

Hearing, committee, notice

12165. When such request is made the general manager shall immediately appoint from officers or assistant officers of the district (other than elected officials), or heads of departments or divisions, a committee of three to hear and determine such charges and shall notify the person accused of the time and place when the charges will be heard by mailing a notice to his last known address.

Hearing, decision, review

12166. The committee shall examine into the case and make such decision as it deems just and may among other things order the employee discharged, suspended, or reinstated. Its order or decision shall be final unless the employee within 10 days after the date of the order requests the general manager to review the order, in which event the general manager may require any additional evidence he deems material, and his order or decision, with or without such additional evidence, shall be final.

Legal rights, remedies

12167. Nothing in the civil service provisions of this division deprives any person of his rights and remedies in a court of competent jurisdiction.

CHAPTER 5. RETIREMENT SYSTEM

Article 1. Establishment

Board action

12301. The board may establish a retirement system for the officers, whether elective or appointive, or both, and employees of the district and provide for the payment of annuities, pensions, retirement allowances, disability payments, and death benefits, or any of them.

Fund

12302. The district may maintain its own retirement fund or may provide for benefits to eligible officers and employees, or their beneficiaries, by means of group insurance or other insurance, or by such means as in the opinion of the board will satisfactorily provide an adequate and sure method of meeting the payments contemplated by the retirement system.

Actuarial report

12303. Before establishing any retirement system the board shall secure a report from a qualified actuary, which shall show the cost of the benefits provided by the system, and the prospective assets and liabilities of the system.

Powers of board

12304. The board may adopt all ordinances and resolutions and perform all acts necessary or convenient to the initiation, maintenance, and administration of the retirement system.

Participation in state system

12305. A district may make all or part of its officers, whether elective or appointive, or both, and employees members of the Public Employees' Retirement System by contract entered into between the district and the board of administration of the system under the Public Employees' Retirement Law (Part 3 (commencing with Section 20000) of Division 5 of Title 2 of the Government Code); and the district may perform all acts necessary or convenient for that participation.

Classification of included members

12306. The board may classify and determine the officers, whether elective or appointive, or both, and employees who shall be included as members in the retirement system and may change the classification from time to time. Membership of all officers and employees so classified and included in the retirement system is compulsory.

Deferred compensation plan participants

12307. Notwithstanding any other provision of law, a participant in a deferred compensation plan may also participate in the district's retirement system, and, in ascertaining the amount of compensation of such participant, for purposes of computing the amount of his contributions or benefits under the district's retirement system, any amount deducted from his wages pursuant to Section 12338 shall be included.

Terms and conditions

12331. The board may prescribe the terms and conditions upon which the officers and employees of the district or their beneficiaries shall be entitled to benefits and the amounts thereof.

"Prior service"

12332. The retirement allowance may be predicated in part upon service rendered the district by a member prior to the establishment of the retirement system, which service is known as "prior service."

Contributions to retirement system

12333. The board shall provide that both the district and the members shall contribute to the retirement system. Based on tables and assumptions adopted by the board, it shall fix the rates of contributions by officers and employees of the district who are members of the retirement system.

Member contributions

12334. All members of the retirement system shall contribute in the manner and amount fixed by the board and such contributions may be collected by deducting the amounts thereof from the salary, wages, or compensation due such members.

District contributions

12335. Liabilities accruing under the retirement system because of benefits other than such as are the equivalent of contributions by the members, with accumulated interest, shall be met by contributions by the district. Prior service or other liabilities of the district may be met by annual appropriations instead of by one appropriation for the total of the liabilities; but until the present value of regular contributions for current service, together with assets then available, equals the present value of all allowances and benefits granted or to be granted under the system, the appropriation for any one year when added to any unused balance of any previous appropriations for such purpose shall not be less than the amount disbursed during that year on account of prior service or other liabilities of the district.

Refund upon withdrawal

12336. If any member withdraws from the retirement system prior to retirement the total amount contributed by him with such interest as may be credited thereto shall be returned to him; provided, however, that the board may prescribe the terms and conditions upon which a member, whose district service is terminated except by death or retirement, may elect to leave his contributions and interest thereon in the retirement fund, and the terms and conditions upon which a retirement allowance may be made to him after such termination based upon his contributions prior to such termination.

Exemption of benefits

12337. All money received by any person as an annuity, pension, retirement allowance, disability payment, or death benefit from the retirement system, and all contributions and interest thereon returned to any member of the retirement system, whether in the actual possession of such person or deposited, loaned, or invested by him, is unassignable, and is exempt from execution or any other

process except to the extent permitted by Section 704.110 of the Code of Civil Procedure.

12337.5. Notwithstanding the provisions of Section 12337, the retirement board may comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter, authorizing the district to deduct appropriate amounts from the retirement allowance or benefit payable to any such retired member or beneficiary of a retired member for the purpose of paying premiums of any group medical or hospital service plan, or both, approved by the district, for the benefit of such retired member or his dependents, for the payment of personal income taxes to the Government of the United States or of the State of California, or for the purchase of shares in, or the payment of money to, the utility district credit union.

Deductions from retirement allowance or benefit

12338. Nothing in this division shall prevent a district from establishing a deferred compensation plan for some or all of its officers and employees pursuant to Article 1.1 (commencing with Section 53212) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code.

Deferred compensation plan

Article 3. Retirement Board

12361. The board shall create a retirement board of not more than five members, at least two members of which shall be the elected representatives of the employees, to administer the retirement system, and shall define its powers and duties and the tenure of the members.

Member powers, duties

12362. All members of the retirement board shall serve without pay.

Compensation

12363. The retirement board shall determine the eligibility of officers, employees, and their dependents to participation in the system and shall be the sole authority and judge under such ordinances as may be adopted by the board as to the conditions under which persons may be admitted to and continue to receive benefits of any sort under the retirement system, and may modify allowances for service and disability. The determination of the retirement board shall be final and conclusive and shall not be modified or set aside except for fraud or abuse of discretion.

Determination of eligibility, conditions, etc.

12364. If the district maintains its own retirement fund, the retirement board shall have exclusive control of the administration, investment, and disbursement of the retirement fund. The retirement fund is a trust fund held for the exclusive purposes of providing benefits to members of the retirement system and their survivors and beneficiaries. Investment of the fund shall be subject to the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Administration of retirement fund

Investment of assets

12365.6. In addition to such other investments that are authorized by this article, the retirement board may, in its discretion, invest the assets of the retirement fund in deeds of trust and mortgages. Investments made under this section shall not exceed, in the aggregate, an amount equal to 25 percent of the assets of the system.

Same: deeds of trust

12365.7. (a) Notwithstanding any other provision of this chapter, the retirement board, or the district's treasurer with the approval of the retirement board, may enter into security loan agreements with broker-dealers and with California or national banks for the purpose of prudently supplementing the income normally received from investments.

(b) "Security loan agreement" means a written contract whereby a legal owner, the lender, agrees to lend specific marketable corporate or government securities for a period not to exceed one year. The lender retains the right to collect from the borrower all dividends, interest, premiums, rights, and any other distributions to which the lender would otherwise have been entitled. The lender waives the right to vote the securities during the term of the loan. The lender may terminate the contract upon not more than five business days' notice as agreed, and the borrower may terminate the contract upon not less than two business days' notice as agreed. The borrower shall provide collateral to the lender in the form of cash or bonds or other interest-bearing notes and obligations of the United States or federal instrumentalities eligible for investment by a lending retirement fund.

The collateral shall be in an amount equal to at least 102 percent of the market value of the loaned securities as agreed. The lender shall monitor the market value of the loaned securities daily. The loan agreement shall provide for payment of additional collateral on a daily basis, or at the time the value of the loaned securities increases, to agreed-upon ratios. In no event shall the amount of the collateral be less than the market value of the loaned securities.

(c) "Marketable securities" means securities that are freely traded on recognized exchanges or marketplaces.

(d) The retirement board or district treasurer entering into security loan agreements shall do all of the following:

(1) Maintain detailed records of all security loans.

(2) Develop controls and reports to monitor the conduct of the transactions.

(3) Publicize the net results of the security loan transaction separate from the results of other investment activities.

Investments

12365.8. Notwithstanding any other provision of this article, the retirement system may invest in any and all investments authorized by Section 1372 of the Financial Code and Section 12871 of this code.

12366. Notwithstanding Section 12364, the retirement board may contract with one or more qualified investment managers in connection with the investment program of the retirement board.

Investment counsel

12367. The retirement board may authorize a trust company or a trust department of any state or national bank authorized to conduct the business of a trust company in this state or the Federal Reserve Bank of San Francisco or any branch thereof within this state, to act as custodian of any securities invested in by the retirement board. Any such bank or trust company may be authorized to collect the income from such securities or the proceeds of the sale thereof for the retirement board, and deposit said income or funds in the account of the retirement system. The compensation of such bank or trust company for such custodial services shall be fixed by agreement and shall be paid in the same manner and from the same funds as are other costs of administration of the retirement system. Securities of the retirement fund held by the custodian bank or trust company may be registered in the nominee name of the custodian or of the retirement system. The custodian bank or trust company shall make such disposition of the securities as the retirement board shall authorize. All such securities are at all times subject to the order of the retirement board.

Custodian of securities

12368. Funds held by a district pursuant to a written agreement between the district and the employees of the district to defer a portion of the compensation otherwise receivable by the district's employees and pursuant to a plan for such deferral as adopted by the board, may be invested in the types of investments set forth in Section 53609 of the Government Code.

Investment of deferred compensation plan fund

Article 4. Investigation and Penalties

12391. At least once in each four-year period after the establishment of the retirement system the board shall cause to be made an actuarial valuation of the assets and liabilities of the retirement fund, and upon the basis of such investigation and valuation shall make such revision or change of the rates of contribution, the periods and conditions of service, and amounts of retirement allowances as may be necessary.

Actuarial valuation, etc.

12392. Except as herein provided, no member of the board or of the retirement board, nor any member of the retirement system or employee of the district, shall have any interest direct or indirect in the making of any investment or in the gains or profits accruing therefrom, and no such person, directly or indirectly, for himself or as an agent or partner of others, shall borrow any of its funds, nor shall any such person in any manner use the same except to make such current and necessary payments as are authorized by the retirement board, nor shall such a person become an endorser or surety as to, or in any manner an obligor for investments of the retirement fund.

Interest in investments, etc

CHAPTER 6. POWERS AND FUNCTIONS OF DISTRICT

Article 1. Corporate Power

12701. A district has perpetual succession and may adopt a seal and alter it at pleasure. **Perpetual successions, seal**

12702. A district may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction. **Suits**

12702.5. (a) Except as specified in subdivision (b), any judicial action or proceeding against a district that provides electric utility service, to attack, review, set aside, void, or annul an ordinance, resolution, or motion fixing or changing a rate or charge for an electric commodity or an electric service furnished by a district and adopted on or after July 1, 2000, shall be commenced within 120 days of the effective date of that ordinance, resolution, or motion. **Same**

(b) The statute of limitations specified in subdivision (a) does not apply to any judicial action or proceeding filed pursuant to Chapter 13.7 (commencing with Section 54999) of Part 1 of Division 2 of Title 5 of the Government Code to protest or challenge a rate or charge or to seek the refund of a capital facilities fee if the notice and disclosure requirements of Section 54999.35 of the Government Code have not been followed.

12703. A district may exercise the right of eminent domain to take any property necessary or convenient to the exercise of the powers granted in this division. **Eminent domain**

Article 2. Contracts

12721. A district may make contracts and enter into stipulations of any nature whatsoever, either in connection with eminent domain proceedings or otherwise, including, without limiting the generality of the foregoing, contracts and stipulations to indemnify and save harmless, to employ labor, and to do all acts necessary and convenient for the full exercise of the powers granted in this division. **Power to contract**

12722. Neither the general manager nor any director of the district shall in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board, or in the profits to be derived therefrom. Any violation of this provision is a misdemeanor, and conviction shall work a forfeiture of office. This section has no application to contracts awarded to corporations in which such officer owns less than 1 percent of the entire capital stock. **Interest in contracts**

12723. Whenever the board, by resolution passed by a majority of its members, determines that the public interest will be served, a district constructing or operating plants and appurtenant facilities for the generation of electrical power by nuclear energy may purchase or acquire insurance for such properties against physical **Nuclear energy: acquiring insurance**

loss or damage and the resultant loss of capacity for the generation of electrical power from insurance companies organized in the United States or foreign countries as either stock companies or assessment or nonassessment mutual companies. In the event such insurance is acquired from an assessment mutual company, a district shall have authority to share in the initial organization expenses of the company, to become a member of the company, and to assume liability for retrospective premium adjustments in accordance with the terms and conditions of the policy or contract of insurance issued by such company.

Article 3. Purchases

Purchase contracts

12751. (a) Except as specified in Section 12751.5, the purchase of all supplies and materials, when the expenditure required exceeds twenty-five thousand dollars ($25,000), or in a district that has a population of 250,000 or more, when the expenditure required exceeds fifty thousand dollars ($50,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published pursuant to Section 6061 of the Government Code at least 10 days before bids are received. The district may reject any and all bids and readvertise in its discretion. The board may authorize the general manager to determine, in the discretion of the general manager, whether to reject all bids and whether, after the bids have been rejected, to readvertise.

(b) The dollar limit identified in subdivision (a) shall annually be adjusted upward or downward to reflect the percentage change in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the U.S. Department of Commerce. The annual adjustments shall be rounded to the nearest one thousand dollars ($1,000).

Same: general manager authority

12751.1. Notwithstanding Section 12751, the board of a district which has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may authorize the general manager to determine the lowest responsible bidder and to award a contract to that bidder.

Same

12751.2. Notwithstanding Section 12751, the board of a district which has owned and operated water distribution or sewage disposal systems for at least eight years and has a population of 250,000 or more may authorize the general manager to act for the board in determining the lowest responsible bidder and awarding a contract to that bidder where the expenditure required by the bid price is less than one hundred thousand dollars ($100,000). When acting pursuant to this section, the general manager shall, in each instance, promptly notify the board of the action taken.

Alternative acquisition process

12751.3. (a) The purpose of this section is to provide affected districts with an alternative acquisition process that will result in reduced costs to ratepayers. Notwithstanding Section 12751,

when the expenditure for the purchase of supplies and materials exceeds fifty thousand dollars ($50,000) and the district determines that ratepayers reasonably can expect a net benefit in the cost of district services, and the district may provide for the purchase of the supplies and materials by contract let in accordance with best value at the lowest cost acquisition policies adopted by the board pursuant to this section.

(b) The best value at the lowest cost acquisition policies adopted pursuant to subdivision (a) shall include the following:

(1) Price and service level proposals that reduce the district's overall operating costs.

(2) Supplies and materials standards that support the district's strategic supplies and materials acquisition and management program direction.

(3) A procedure for protest and resolution.

(c) For purposes of this section, "best value at the lowest cost acquisition" means a competitive procurement process whereby the award of a contract for supplies and materials may take into consideration any of the following factors:

(1) The total cost to the district of its use or consumption of supplies and materials.

(2) The operation cost or benefit incurred by the district as a result of contract award.

(3) The value to the district of vendor-added services.

(4) The quality, effectiveness, and innovation of supplies, materials, and services.

(5) The reliability of delivery or installation schedules.

(6) The terms and conditions of product warrantees and vendor guarantees.

(7) The financial stability of the vendor.

(8) The vendor's quality assurance program.

(9) The vendor's experience with the provision of supplies, materials, and services.

(10) The consistency of the vendor's proposed supplies, materials, and services with the district's overall supplies and materials procurement program.

(11) The economic benefits to the general community related to job creation or retention.

(d) If a district that did not purchase supplies and materials by contract let pursuant to this section before January 1, 2006, elects to purchase supplies and materials by contract, let in accordance

with best value acquisition policies adopted by the board pursuant to this section, the district shall submit a report to the Legislative Analyst on or before January 1, 2011. The district shall include in the report a summary of the costs and benefits of best value acquisition compared to traditional low bid procurement practices. The report shall also include statistics showing the number of contracts awarded to small businesses, minority-owned businesses, and new businesses and the number of years each contract awardee had been in business. The report shall also include an analysis of the effects of best value procurement practices on these businesses, the nature of any disputes arising from the use of best value procurement practices, and the status of those disputes. On or before April 1, 2011, the Legislative Analyst shall report to the Legislature on the use of "best value at lowest cost acquisition" procurement practices used by municipal utility districts, and recommend whether to modify this section and extend the authority of additional districts to elect to purchase supplies and materials by contract let in accordance with best value acquisition policies, beyond January 1, 2012.

(e) The district shall ensure that all businesses have a fair and equitable opportunity to compete for, and participate in, district contracts and shall also ensure that discrimination in the award and performance of contracts does not occur on the basis of marital status, ancestry, medical condition, any characteristic listed or defined in Section 11135 of the Government Code, or retaliation for having filed a discrimination complaint in the performance of district contractual obligations.

(f) A district that did not purchase supplies and materials by contract let pursuant to this section before January 1, 2006, shall not purchase supplies and materials by contract let pursuant to this section after January 1, 2012.

Purchase in open market

12752. If after the bids have been rejected, the board determines and declares by a four-fifths vote of all the members of a five-ward district, or by a five-sevenths vote of all the members of a seven-ward district, that in its opinion the materials and supplies may be purchased at a lower price in the open market, the board may proceed, or may authorize the general manager to proceed, to purchase the supplies and materials in the open market without further observance of the provisions requiring contracts, bids, or notice.

Public emergency: suspension of restrictions

12753. In case of any great emergency, the board may, by resolution passed by a four-fifths vote of all the members of a five-ward district, or by a five-sevenths vote of all the members of a seven-ward district, declare and determine that such emergency exists, and thereupon proceed to expend sums or enter into contracts involving the expenditure of any sums needed in such emergency without observance of the provisions requiring contracts, bids, or notice.

Article 4. Property

12771. A district may take by grant, purchase, gift, devise, or lease, or condemn in proceedings under eminent domain, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary to the full or convenient exercise of its powers. The board may lease, mortgage, sell, or otherwise dispose of any real or personal property within or without the district when in its judgment it is for the best interests of the district so to do. The provisions of this section apply to all sales or mortgages heretofore or hereafter made.

Power to acquire, hold, sell, etc.

12772. A district may destroy a record pursuant to Chapter 7 (commencing with Section 60200) of Division 1 of Title 6 of the Government Code**.**

Disposition of records, etc.

Article 5. Utility Works and Service

12801. A district may acquire, construct, own, operate, control, or use, within or without, or partly within or partly without, the district, works or parts of works for supplying the inhabitants of the district and public agencies therein, or some of them, with light, water, power, heat, transportation, telephone service, or other means of communication, or means for the collection, treatment, or disposition of garbage, sewage, or refuse matter, and may do all things necessary or convenient to the full exercise of the powers herein granted. The district may also purchase any of such commodities or services from any other utility district, public agency, person, or private company, and distribute them.

Acquisition, etc., of works

12802. A district may accept, without limitation by any other provisions of this division requiring approval of indebtedness, contributions of money, rights of way, labor, materials and any other property for the construction, maintenance, and operation of any enterprise in which the district is authorized to engage, and may enter into any contracts and cooperate with and accept cooperation from the State, or any department, instrumentality, or agency thereof, or any public agency of the State in the construction, maintenance, and operation of, and in financing the construction, maintenance, and operation of, any such enterprise.

Acceptance of contributions: cooperation with public agencies

12803. Except as provided in this division with reference to sewage disposal, a district shall not interfere with or exercise any control over any existing utility owned and operated by any public agency in the district, unless by consent of the legislative body of the public agency and upon such terms as are mutually agreed upon between the board and the legislative body of the public agency.

Interference with other public utilities

12804. Whenever there is a surplus of water, light, heat, or power above that which is required by inhabitants or public agencies within a district, the district may sell or otherwise dispose of the surplus outside of the district to persons, firms, and public or private corporations, or public agencies outside the district.

Sale of surplus products

Rental, lease of unused facilities

12805. Whenever any of the facilities, works, or utilities of the district, or part thereof, is not used or employed to its fullest capacity for the benefit or requirements of the district or its inhabitants, the district may enter into an agreement with public agencies or any person, firm, or corporation, upon such terms and conditions as are satisfactory to the board, for renting, leasing, or otherwise using the available portion or parts of the facilities, works, or utilities, and in connection with any such agreement, renting, or leasing the district may undertake or perform any services incidental thereto.

Use by, service to other public agencies in district

12806. The district and any public agencies included therein may at any time enter into appropriate contracts for the use by any such public agencies of commodities or service furnished by any of the works acquired, owned, or operated, or authorized to be acquired, constructed, or completed by the district, or of any of the facilities of the district.

Sale of by-products

12807. A district may sell or otherwise dispose of any water, sewage effluent, fertilizer, or other by-product resulting from the operation of a sewage disposal system, and may construct, maintain, and operate such pipelines and other works as are necessary for that purpose.

Construction by district

12808. A district may construct works across or along any street or public highway, or over any of the lands which are the property of the State, and it shall have the same rights and privileges appertaining thereto as are granted to municipalities within the State. The district shall restore any such street or highway to its former state as near as may be, and in compliance with local ordinances, and shall not use it in a manner to unnecessarily impair its usefulness. A district may also construct its works across any stream or watercourse.

Electrical transmission or distribution lines; approval; procedure

12808.5. (a) Notwithstanding Sections 53091 and 65402 of the Government Code, Section 12808 of the Public Utilities Code and Section 1469 of the Streets and Highways Code or any other provision of law, no district may locate or construct, any lines, for the transmission or distribution of electrical energy, including poles and other accessory structures, unless such facilities are approved pursuant to this section.

(b) The district shall hold a public hearing on proposal facilities which are subject to this section.

(1) Mailed notice of the public hearing shall be provided at least 10 days prior to the hearing, to the owners of all property within 300 feet of the route along which such facilities are proposed to be located.

(2) If mailed notice as required in paragraph (1) above would result in notice to more than 250 persons, as an alternative to such mailed notice, notice may be given by placing a display advertisement of at

lease one-fourth page in a newspaper of general circulation within the area affected by the proposed facility.

(c) After holding a hearing as provided in subdivision (b), the district shall submit any proposed facilities to the legislative body of each local agency in which such facilities are to be located. The legislative bodies shall conduct a public hearing, receive evidence, and, within 60 days, adopt a resolution approving an alternative, or disapproving, the proposed facilities.

Any resolution adopted pursuant to this subdivision shall contain findings concerning:

(1) The consistency of the proposed facilities with the local agency's general plan and applicable redevelopment and specific plans.

(2) Whether there are feasible alternatives to the proposal.

(3) Such other factors related to the public health, safety and welfare as are included within the ordinance adopted by the local agency pursuant to subdivision (e) of this section.

Failure of a legislative body to render a decision within 60 days shall be deemed to constitute an approval of the proposed facilities.

(d) Notwithstanding the provisions of subdivision (c), the governing board of the district by vote of four-fifths of its members may render a local agency's decision inapplicable to proposed facilities if the district, at a publicly noticed hearing, determines by resolution that there is no feasible alternative to the district's proposal. Prior to adopting the resolution, the district shall read into the record the local agency's resolution. The board shall, within 10 days, notify the city or county concerned of such action. If the governing board has taken such action the local agency may commence an action in the superior court of the county whose action is involved or in which is situated the city whose action is involved, seeking a review of such action of the governing board of the district to determine whether it was supported by substantial evidence. The evidence before the court shall include, but not be limited to, the record of the proceedings before the city, county, and local agency. The city or county shall cause a copy of the complaint to be served on the board. If the court determines that such action was not supported by substantial evidence, it shall declare it to be of no force and effect, and the local agency's decision shall be applicable to the proposed facilities.

(e) This section shall not apply to:

(1) Any facilities proposed to be located within any local agency which has not adopted an ordinance setting forth criteria to govern its decision pursuant to subdivision (c) of this section.

(2) Any electrical distribution lines of less than 100,000 volts.

(f) As used in this section, the term "feasible" means capable of being accomplished in a successful manner with a reasonable period of time, taking into account economic, environmental, social, and technological factors.

(g) As used in this section, "local agency" means a city, a city and county, or a county. Within cities this section shall not apply to counties.

Rates and charges

12809. The rates and charges for commodities or service furnished by a district shall be fixed by the board. As far as possible utilities shall be self-supporting but the board is not required to fix a rate which in its opinion is unreasonably high, nor to cover by rates large expenditures and the interest thereon required for future needs and developments.

Same: joint collection

12810. The board may provide that rates, tolls, and charges for any sewage disposal enterprise or service may be collected with the rates, tolls, and charges for any water or other utility service rendered by the district, and that all rates may be billed upon the same bill and collected as one item. If charges for water and sewage disposal service are billed upon the same bill the district may discontinue water service in the event of failure to pay the whole or any part of the bill.

Same: manner of collection

12811. The board may provide for the collection of fees, tolls, rates, rentals, or other charges in any lawful manner and may provide for collection by action at law, and all remedies for the collection and enforcement thereof are cumulative and may be pursued alternatively or consecutively as the board determines. In addition to the amount of the fees, tolls, rates, rentals, or other charges, the board may provide for a penalty of not more than 10 percent or interest at the prevailing prime interest rate, but not to exceed 1-1/2 percent per month, or both, in the event of nonpayment within the time and in the manner prescribed by the board, and may provide for collection of the penalty and interest.

Liens and delinquent charges

12811.1. (a) Except when prohibited by Section 12822.6, a district may, by resolution or ordinance, require the owner of record of real property within the district to pay the fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant, and those fees, tolls, rates, rentals, and other charges that have become delinquent, together with interest and penalties thereon, are a lien on the property when a certificate is filed in the office of the county recorder pursuant to subdivision (b) and the lien has the force, effect, and priority of a judgment lien. No lien may be created under this section on any publicly owned property.

(b) A lien under this section attaches when the district files for recordation in the office of the county recorder a certificate specifying the amount of the delinquent fees, tolls, rates, rentals, or other charges together with interest and penalties thereon; the

name of the owner of record of the property to which services were rendered by the district; and the legal description of the property. Within 30 days of receipt of payment of all amounts due, including recordation fees paid by the district, the district shall file for recordation a release of the lien.

(c) A district may, by resolution or ordinance, provide that any delinquent fees, tolls, rates, rentals, or other charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant, may be collected on the tax roll in the same manner as property taxes. Before any entity may collect any delinquent fees, tolls, rates, rentals, or other charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant on the tax roll, the district shall prepare a report, provide notice, conduct a public hearing, and file a certificate in the office of the county recorder, as follows:

(1) The general manager shall prepare and file with the district board of directors a report that describes each affected parcel of real property and the amount of the delinquent fees, tolls, rates, rentals, or other charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant for each affected parcel for the year. The general manager shall give notice of the filing of the report and of the time, date, and place for a public hearing by publishing the notice pursuant to Section 6066 of the Government Code in a newspaper of general circulation, and by mailing the notice to the owner of each affected parcel at least 14 days prior to the date of the hearing.

(2) At the public hearing, the board of directors shall hear and consider any objections or protests to the report. At the conclusion of the public hearing, the board of directors may adopt or revise the delinquent fees, tolls, rates, rentals, or other charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant. The board of directors shall make its determination on each affected parcel and its determinations shall be final.

(3) On or before August 10 of each year following these determinations, the general manager shall file with the county auditor a copy of the final report adopted by the board of directors. The county auditor shall enter the amount of the delinquent fees, tolls, rates, rentals, or other charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant, against each of the affected parcels of real property as they appear on the current assessment roll. The county tax collector shall

include the amount of the delinquent fees, tolls, rates, rentals, or charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant, on the tax bills for each affected parcel of real property and collect the delinquent fees, tolls, rates, rentals, or charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant, in the same manner as property taxes.

(4) The district may recover any delinquent fees, tolls, rates, rentals, or other charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant, by recording in the office of the county recorder of the county in which the affected parcel is located, a certificate declaring the amount of the delinquent fees, tolls, rates, rentals, or charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant, due, and the name and last known address of the person liable therefor. From the time of recordation of the certificate, the amount of the delinquent fees, tolls, rates, rentals, or charges, together with interest and penalties thereon, including any delinquent fees, tolls, rates, rentals, or other charges for services rendered to a lessee, tenant, or subtenant, constitutes a lien against the affected real property of the delinquent property owner in that county. This lien shall have the force, effect, and priority of a judgment lien. Within 30 days of receipt of payment of all amounts due, including recordation fees paid by the district, the district shall file for recordation a release of the lien.

(5) The district shall not recover on the tax roll any delinquent fees, tolls, rates, rentals, or other charges for services for commercial use to a commercial tenant under an account established by the commercial tenant, from any subsequent tenant or the property owner, due to nonpayment of charges by a previous commercial tenant. For this purpose, the term "subsequent commercial tenant" shall not include an entity or adult person that was located at the same address during the period the charges or penalties accrued. This paragraph does not apply to master-metered accounts.

(d) Notwithstanding Sections 6103 and 27383 of the Government Code, in filing any instrument, paper, or notice pursuant to this section, the district shall pay all applicable recording fees prescribed by law.

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

(f) The remedies in this section are cumulative and in addition to any other remedy provided by law. The district may pursue remedies alternatively or consecutively.

(g) This section does not apply to delinquent fees or charges for the furnishing of electrical service.

Customer assistance program

12811.2. (a) Notwithstanding any other provision of law, a district may establish a temporary relief program for assistance to needy customers of the district who are financially unable to pay in full bills for services furnished by the district within the normal period for payment thereof, and may expend funds, enter into contracts, and cooperate with and accept cooperation from any state or local public agency or private nonprofit organization in the implementation of such a program.

(b) As used in this section, "needy" means either of the following:

(1) A household with an income which does not exceed the greater of either (A) an amount equal to 150 percent of the poverty level of this state, as determined pursuant to paragraph (2) of subdivision (e) of Section 16367.5 of the Government Code, or (B) an amount equal to 60 percent of the state median income.

(2) A household with an income which meets guidelines for existing public assistance programs funded by the federal government.

Apportionment of expenses of sewage facilities

12812. The board may apportion all or a portion of the expenses of operation and maintenance of any sewage disposal facilities constructed by the district, and the interest on any bonds issued therefor, among the public agencies whose sewers are connected with district facilities. The board shall establish rules for determining the apportionment, which among other things shall be based on the quantity, quality, or characteristics of the sewage delivered by each public agency.

Financing of enterprise

12813. Notwithstanding any of the provisions of this article, the board may, in its discretion, finance any sewage disposal or solid waste resource recovery enterprise, the interest on and retirement of any bonded indebtedness therefor, and provide for the maintenance and operation thereof entirely by the levy and collection of taxes upon the property within the special district for which the enterprise is constructed or operated, or by rates and charges imposed upon the users of the facilities of the enterprise, or by both taxes, rates, and charges, apportionment of expenses among public agencies served, or any combination of the foregoing.

Adding of fluorine to water supply

12814. A district may add fluorine or fluorine compounds to the water supply of the district only if the voters of the district have approved the addition of the fluorine and fluorine compounds to the water supply. If a majority of the voters of a district voting upon the proposition at an election called and held as prescribed in Section 12815 have voted in favor of the addition of fluorine and fluorine compounds to the water supply of the district, the district shall, subject to Article 1 (commencing with Section 116275), of Chapter 4 of Part 12 of Division 104 of, and Sections 116325, 116340, 116345, and 116500 of, the Health and Safety Code, add to water intended

for consumption or use by the public, including domestic, industrial, and other uses, fluorine and fluorine compounds.

Special election

12815. The board may call a special election at any time for the purpose of submitting to the voters of the district the proposition as to whether or not the voters approve the addition of fluorine and fluorine compounds to the public water supply of the district. The ordinance calling an election shall fix the date on which the election shall be held, the wording of the proposition and the manner of holding the election and of voting for or against the proposition. The election shall be consolidated, in the manner provided in Section 13209, with a statewide primary or general election. The ordinance shall be published. Another election in the district on the same or substantially the same proposition shall not be called by the board, pursuant to this section or Section 12815.1, within four years after such election.

Petition for election

12815.1. The board shall adopt an ordinance, in accordance with the provisions of Section 12815, calling an election for the purpose of submitting to the voters of the district the proposition as to whether or not the voters approve the addition of fluorine and fluorine compounds to the public water supply of the district, when a petition for the election has been filed with, and certified as sufficient by, the secretary of the district. The election shall be conducted in accordance with Section 12815. Petitions meeting the requirements of Sections 12814 to 12816, inclusive, shall be in lieu of the initiative procedure provided by Article 1 (commencing with Section 9300) of Chapter 4 of Division 9 of the Elections Code.

Same: certification

12815.2. Petitions which meet the requirements of this article shall be certified as sufficient.

Same: notice, statement, publication, circulation

12815.3. Before circulating the petition, its proponents shall publish a notice of intention to do so. The notice shall be accompanied by a printed statement, not exceeding 500 words in length, stating the reasons for the petition. The notice and statement shall be published at least once in a newspaper of general circulation which is published in the district.

Within 10 days after notice is published, the proponents shall file a copy of such notice and the accompanying statement, and an affidavit as to the publishing thereof, with the secretary. The petition may be circulated among the voters of the district twenty-one days after notice is published. The petition shall bear a copy of the printed notice of intention and its accompanying statement. Signatures shall be secured and the petition shall be presented to the secretary for filing within 180 days from the date of the first publication of the notice of intention.

Same: contents

12815.4. The petition shall declare that the public interest or necessity demands that a special election be called by the board of directors for the purpose of submitting to the voters of the

district the proposition as to whether or not the voters approve the addition of fluorine and fluorine compounds to the public water supply of the district. The petition may be presented in sections, but each section shall contain a declaration of public interest or necessity, and shall have attached thereto an affidavit substantially in the same form as set forth in Section 9022 of the Elections Code. In addition, each section shall be designed as set forth in Section 9020 of the Elections Code.

12815.5. Any registered voter who is a resident of the district may circulate the petition anywhere within the district. Each section of the petition shall bear the name of a county, and only registered voters of that county shall sign such section.

Same: circulation

12815.6. The petition shall be filed by the proponents, or by any person or persons authorized, in writing, by the proponents. All sections of the petition shall be filed at one time. When the petition is presented for filing, the secretary shall determine the total number of signatures affixed to the petition. If, from this examination, the secretary determines that the petition has been signed by at least 5 percent of the registered voters in the district, then the secretary shall accept the petition for filing. The petition shall be deemed as filed on that date. Any sections of the petition not so filed shall be void for all purposes.

Same: filing

12815.7. If the petition contains more than 500 signatures, the secretary shall, within 30 days from the date such petition is filed, verify such signatures by means of a random sampling. The random sample of signatures shall be drawn in such a manner that every signature filed with the secretary is given an equal opportunity to be included in the sample. Such a random sampling shall include an examination of at least 500 or 5 percent of the signatures, whichever is greater.

Same: verification

If the projection made from the random sampling as to signature validity shows the number of valid signatures as between 90 and 110 percent of the signatures needed to declare the petition sufficient, the secretary shall examine and verify each signature filed.

12815.8. In determining valid signatures from voter registration records, the secretary may use the duplicate file of affidavits or may check the signatures against facsimiles of voter signatures, provided that the method of preparing and displaying the facsimiles complies with law.

Same

12815.85. The secretary shall attach to the petition, a certificate showing the result of the signature examination, and shall notify the proponents of either the sufficiency or insufficiency of the petition.

Same: certification

12815.9. If the petition is found insufficient, no action shall be taken on it. However, the failure to secure sufficient signatures shall not preclude the later filing of a new petition to the same effect.

Same: sufficiency

If the petition is found to be sufficient, the secretary shall certify the results of the signature examination to the board at its next regular meeting.

Arguments

12816. (a) At least 90 days prior to the election provided for in Sections 12815 and 12815.1, notice of the election shall be published within the district. Any voter or group of voters may prepare and file with the county elections official of the county containing the largest number of voters within the district an argument for or against the proposition to be submitted. The argument shall not be greater than 300 words in length. If more than one argument for or more than one argument against the proposition is filed within the time permitted the county elections official shall select one of the arguments for printing. No more than three signatures shall appear with any argument. The county elections official of each county in the district shall mail, or cause to be mailed, to each registered voter in that county in the district one copy of the argument for and one copy of the argument against the proposition. The arguments shall be mailed with the sample ballot.

(b) Based on the time reasonably necessary to prepare and print the arguments and sample ballots for the particular election, the county elections official shall fix and determine a reasonable date prior to the election after which no arguments for or against the proposition may be submitted for printing and distribution to the voters as provided in this section. Notice of the date fixed shall be published by the county elections official pursuant to Section 6061 of the Government Code. Arguments may be changed up to and including the date fixed by the county elections official.

Recreational facilities and expenditures

12817. A district may, through contract or otherwise, construct, maintain, improve and operate public recreational facilities appurtenant to any water reservoir owned or operated by the district, and the district may expend funds on such public recreational facilities.

Sale of water within the district

(a) No publicly owned utility shall commence the distribution or sale of water for municipal, domestic, industrial or similar purposes for, on, or to, any land within a district already engaged in similar distribution or sale of water and which land is already subject to the lien of a general obligation bonded indebtedness of the district for these purposes. However, a publicly owned utility may commence to provide the service to the land, otherwise prohibited, upon either of the following conditions:

(1) If the board of directors of the district shall by resolution permit the service.

(2) In any portion of the district proposed to be served by the publicly owned utility in which the total number of registered voters residing therein exceeds 200, and in which at least two-thirds of the voters shall have voted at a special district election to permit the

service. The election shall be called and held as an initiative measure pursuant to Article 1 (commencing with Section 9300) of Chapter 4 of Division 9 of the Elections Code.

(b) As used in this section, "district" shall mean only a municipal utility district.

12819. (a) Every district furnishing light, heat, or power shall expend no funds for advertising when the advertising encourages increased consumption of the services or commodities. **Advertising**

(b) Nothing in this section shall prohibit a district furnishing light, heat, or power from expending funds for advertising which encourages the more efficient operation of the facilities, works, or utilities of the district, or for advertising which encourages the more efficient use of light, heat, or power, the conservation of energy or natural resources, or presents accurate information on the economical purchase, maintenance, or use of any appliance or device using light, heat, or power.

(c) Nothing in this section shall prohibit a district furnishing light, heat, or power from expending funds for advertising for the purposes of economic development that benefits ratepayers, retaining customers, marketing competitive services and commodities, or promoting electrotechnologies that enhance productivity or provide environmental benefits, within or without the district.

12819.5. Whenever a business transaction of a municipal utility district furnishing electricity, gas, or water service where the utility has 10,000 or more service connections, or telephone service is such that a personal appearance by a person is required by the district and the person is unable to appear at the district's place of business during the district's usual business hours, then the district shall provide a reasonable and convenient alternative to the person such as an appointment outside the district's usual business hours or allowing the person to conduct the transaction by telephone, mail, or both. **Business hours**

12820. (a) A district may employ a suitable security force. The employees of the district that are designated by the general manager as security officers shall have the authority and powers conferred by subdivision (a) of Section 830.34 of the Penal Code upon peace officers. The district shall adhere to the standards for recruitment and training of peace officers established by the Commission on Peace Officer Standards and Training pursuant to Title 4 (commencing with Section 13500) of Part 4 of the Penal Code. **Security officers**

(b) Every security officer employed by a district shall conform to the standards for peace officers of the Commission on Peace Officer Standards and Training. Any officer who fails to conform to these standards shall not continue to have the powers of a security officer.

Violations: penalties

12821. (a) Notwithstanding Section 117070 or 117120 of the Health and Safety Code, any violation of a rule or regulation of a district adopted pursuant to Section 117060 or 117105 of the Health and Safety Code shall be a misdemeanor unless the district by ordinance declares the violations to be an infraction.

(b) Every violation declared an infraction pursuant to subdivision (a) shall be punishable by (1) a fine not exceeding fifty dollars ($50) for a first violation; (2) a fine not exceeding one hundred dollars ($100) for a second violation of the same ordinance within one year; and (3) a fine not exceeding two hundred fifty dollars ($250) for each additional violation of the same ordinance within one year.

Submeter system

12821.5. (a) Whenever residential light, heat, or power is furnished through a submeter system by a master-meter customer for sale to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer is responsible for maintenance and repair of its submeter facilities beyond the master meter, and nothing in this section requires a district to make repairs to or perform maintenance on the submeter system.

(b) Every master-meter customer shall provide an itemized billing of charges for light, heat, and power to each individual user generally in accordance with the form and content of bills of the district to its residential customers, including, but not limited to, the opening and closing readings for the meter, and the identification of all rates and quantities under the applicable rate structure. The master-meter customer shall charge each user of the service at a rate which does not exceed the rate which would be applicable if the user were receiving residential light, heat, or power directly from the district. The master-meter customer shall also post, in a conspicuous place, the applicable prevailing residential rate schedule, as published by the district.

(c) The district shall notify each master-meter customer of its responsibilities to its users under this section.

Same: delinquent account

12822. (a) This section applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.

(b) If a district furnishes individually metered residential light, heat, water, or power to residential occupants in a detatched single-family dwelling, multiunit residential structure, mobilehome park, or permanent residential structures in a labor camp, as defined in Section 17008 of the Health and Safety Code, and the owner, manager, or operator or the dwelling, structure, or park is the customer of record of the service, the district shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears, that service will be terminated in 10 days. The written notice shall further inform the

residential occupants that they have the right to become customers of the district without being required to pay the amount due on the delinquent account. The notice shall be in English and in the languages listed in Section 1632 of the Civil Code.

(c) The district is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service, and meets the requirements of the district's rules. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the district, or if there is a physical means, legally available to the district, of selectively terminating service to those residential occupants who have not met the requirements of the district's rule, the district shall make service available to the residential occupants who have met those requirements.

(d) If prior service for a period of time is a condition for establishing credit with the district, residence and proof of prompt payment of rent or other credit obligation acceptable to the district for that period of time is a satisfactory equivalent.

(e) Any residential occupant who becomes a customer of the district pursuant to this section whose periodic payments, such as rental payments, include charges for residential light, heat, water, or power, where these charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the district for those services during the preceding payment period.

Master meter: termination notice

12822.1. (a) If a district furnishes residential light, heat, water, or power to residential occupants through a master meter in a multiunit residential structure, mobilehome park, or permanent residential structures in a labor camp, as defined in Section 17008 of the Health and Safety Code, and the owner, manager, or operator of the structure or park is listed by the district as the customer of record of the service, the district shall make every good faith effort to inform the residential occupants, by means of a written notice posted on the door of each residential unit at least 15 days prior to termination, when the account is in arrears, that service will be terminated on a date specified in the notice. If it is not reasonable or practicable to post the notice on the door of each residential unit, the district shall post two copies of the notice in each accessible common area and at each point of access to the structure or structures. The notice shall further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, of the district without being required to pay the amount due on the delinquent account. The notice also shall specify, in plain language, what the residential occupants are required to do in order to prevent the termination or reestablish service; the estimated monthly cost of service; the title,

address, and telephone number of a representative of the district who can assist the residential occupants in continuing service; and the address and telephone number of a legal services project, as defined in Section 6213 of the Business and Professions Code, which has been recommended by the local county bar association. The notice shall be in English and in the languages listed in Section 1632 of the Civil Code.

(b) The district is not required to make service available to the residential occupants unless each residential occupant or a representative of the residential occupants agrees to the terms and conditions of service, and meets the requirement of law and the district's rules. However, if one or more of the residential occupants or the representative of the residential occupants are willing and able to assume responsibility for subsequent charges to the account to the satisfaction of the district, or if there is a physical means, legally available to the district, of selectively terminating service to those residential occupants who have not met the requirements of the district's rules or for whom the representative of the residential occupants is not responsible, the district shall make service available to the residential occupants who have met those requirements or on whose behalf those requirements have been met.

(c) If prior service for a period of time, or other demonstration of credit worthiness is a condition for establishing credit with the district, residence and proof of prompt payment of rent or other credit obligation during that period of time acceptable to the district is a satisfactory equivalent.

(d) Any residential occupant who becomes a customer of the district pursuant to this section whose periodic payments, such as rental payments, include charges for residential light, heat, water, or power, where these charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the district for those services during the preceding payment period.

(e) If a district furnishes residential service subject to subdivision (a), the district may not terminate that service in any of the following situations:

(1) During the pendency of an investigation by the district of a customer dispute or complaint.

(2) If the customer has been granted an extension of the period for payment of a bill.

(3) For an indebtedness owed by the customer to any other public agency or when the obligation represented by the delinquent account or other indebtedness was incurred with any public agency other than the district.

(4) If a delinquent account relates to another property owned, managed, or operated by the customer.

(5) If a public health or building officer certifies that termination would result in a significant threat to the health or safety of the residential occupants or the public.

(f) Notwithstanding any other provision of law, and in addition to any other remedy provided by law, if the owner, operator, or manager, by any act or omission, directs, permits, or fails to prevent a termination of service while any residential unit is occupied, the residential occupant or the representative of the residential occupants may commence an action for the recovery of all of the following:

(1) Reasonable costs and expenses incurred by the residential occupant or the representative of the residential occupants related to restoration of service.

(2) Actual damages related to the termination of service.

(3) Reasonable attorney's fees of the residential occupants, the representative of the residential occupants, or each of them, incurred in the enforcement of this section, including, but not limited to, enforcement of a lien.

(g) Notwithstanding any other provision of law, and in addition to any other remedy provided by law, if the owner, manager, or operator, by any act or omission, directs, permits, or fails to prevent a termination of service while any residential unit receiving that service is occupied, the corporation may commence an action for the recovery of all of the following:

(1) Delinquent charges accruing prior to the expiration of the notice prescribed by subdivision (a).

(2) Reasonable costs incurred by the corporation related to the restoration of service.

(3) Reasonable attorney's fees of the corporation incurred in the enforcement of this section or in the collection of delinquent charges, including, but not limited to, enforcement of a lien.

If the court finds that the owner, manager, or operator has paid the amount in arrears prior to termination, the court shall allow no recovery of any charges, costs, damages, expenses, or fees under this subdivision from the owner, manager, or operator.

An abstract of any money judgment entered pursuant to subdivision (f) or (g) shall be recorded pursuant to Section 697.310 of the Code of Civil Procedure.

(h) No termination of service subject to this section may be effected without compliance with this section, and any service wrongfully terminated shall be restored without charge to the residential

occupants or customer for the restoration of the service. In the event of a wrongful termination by the district, the district shall, in addition, be liable to the residential occupants or customer for actual damages resulting from the termination and for the costs of enforcement of this section, including, but not limited to, reasonable attorney's fees, if the residential occupants or the representative of the residential occupants make a good faith effort to have the service continued without interruption.

(i) The district shall adopt rules and regulations necessary to implement this section and shall liberally construe this section to accomplish its purpose of ensuring that service to the residential occupants is not terminated due to nonpayment by the customer unless the district has made every reasonable effort to continue service to the residential occupants. The rules and regulations shall include, but are not limited to, guidelines for assistance to actual users in the enforcement of this section and requirements for the notice prescribed by subdivision (a), including, but not limited to, clear wording, large and bold face type, and comprehensive instructions to ensure full notice to the actual user.

(j) Nothing in this section broadens or restricts any authority of a local agency that existed prior to January 1, 1989, to adopt an ordinance protecting a residential occupant from the involuntary termination of residential public utility service.

(k) This section preempts any statute or ordinance permitting punitive damages against any owner, manager, or operator on account of an involuntary termination of residential public utility service or permitting the recovery of costs associated with the formation, maintenance, and termination of a tenant's association.

(l) For purposes of this section, "representative of the residential occupants" does not include a tenants' association.

Same

12822.6. (a) The decision of a district to require a new residential applicant to deposit a sum of money with the district prior to establishing an account and furnishing service shall be based solely upon the creditworthiness of the applicant as determined by the district.

(b) No municipal utility district owning or operating a public utility furnishing services for residential use to a tenant under an account established by the tenant shall seek to recover any charges or penalties for the furnishing of services to, or for the tenant's residential use from, any subsequent tenant or the property owner due to nonpayment of charges by a previous tenant. For this purpose, the term "subsequent tenant" shall not include any adult person who lived at the residence during the period that the charges or penalties accrued. The district may collect a deposit from the tenant service applicant prior to establishing an account for the tenant. The district may not require that service to subsequent tenants be furnished on

the account of the landlord or property owner unless the property owner voluntarily agrees to that requirement, nor may the district refuse to furnish services to a tenant in the tenant's name based on the nonpayment of charges by a previous tenant.

(c) A district subject to this section may not demand or receive security in an amount that exceeds twice the estimated average periodic bill or three times the estimated average monthly bill.

(d) In the event of tenant nonpayment of all or a portion of the bill, the deposit shall be applied to the final bill issued when services is terminated.

(e) This section shall not apply to master-metered apartment buildings.

Termination of residential service

12823. (a) No district furnishing its inhabitants with light, water, power, or heat may terminate residential service for nonpayment of a delinquent account unless the district first gives notice of the delinquency and impending termination, as provided in Section 12823.

(b) No district shall terminate residential service for nonpayment in any of the following situations:

(1) During the pendency of an investigation by the district of a customer dispute or complaint.

(2) When a customer has been granted an extension of the period for payment of a bill.

(3) On the certification of a licensed physician and surgeon that to do so will be life threatening to the customer and the customer is financially unable to pay for service within the normal payment period and is willing to enter into an amortization agreement with the district pursuant to subdivision (e) with respect to all charges that the customer is unable to pay prior to delinquency.

(c) Any residential customer who has initiated a complaint or requested an investigation within five days of receiving the disputed bill or who has, within 13 days of mailing of the notice required by subdivision (a), made a request for extension of the payment period of a bill asserted to be beyond the means of the customer to pay in full during the normal period for payment, shall be given an opportunity for review of the complaint, investigation, or request by a review manager of the district. The review shall include consideration of whether the customer shall be permitted to amortize the unpaid balance of the account over a reasonable period of time, not to exceed 12 months. No termination of service shall be effected for any customer complying with an amortization agreement, if the customer also keeps the account current as charges accrue in each subsequent billing period.

(d) Any customer whose complaint or request for an investigation pursuant to subdivision (c) has resulted in an adverse determination

by the district may appeal the determination to the board. Any subsequent appeal of the dispute or complaint to the board is not subject to this section.

(e) Any customer meeting the requirements of paragraph (3) of subdivision (b) shall, upon request, be permitted to amortize, over a period not to exceed 12 months, the unpaid balance of any bill asserted to be beyond the means of the customer to pay within the normal period for payment.

Notice of termination of service

12823.1. (a) No district furnishing light, heat, water, or power may terminate residential service on account of nonpayment of a delinquent account unless the district first gives notice of the delinquency and impending termination, at least 10 days prior to the proposed termination, by means of a notice mailed, postage prepaid, to the customer to whom the service is billed not earlier than 19 days from the date of mailing the district's bill for services, and the 10-day period shall not commence until five days after the mailing of the notice.

(b) Every district shall make a reasonable attempt to contact an adult person residing at the premises of the customer by telephone or personal contact, at least 24 hours prior to any termination of service, except that, whenever telephone or personal contact cannot be accomplished, the district shall give, by mail, in person, or by posting in a conspicuous location at the premises, a notice of termination of service, at least 48 hours prior to termination.

(c) Every district shall make available to its residential customers who are 65 years of age or older, or who are dependent adults as defined in paragraph (1) of subdivision (b) of Section 15610 of the Welfare and Institutions Code, a third-party notification service, whereby the district will attempt to notify a person designated by the customer to receive notification when the customer's account is past due and subject to termination. The notification shall include information on what is required to prevent termination of service. The residential customer shall make a request for third-party notification on a form provided by the district, and shall include the written consent of the designated third party. The third-party notification does not obligate the third party to pay the overdue charges, nor shall it prevent or delay termination of service.

(d) Every notice of termination of service pursuant to subdivision (a) shall include all of the following information:

(1) The name and address of the customer whose account is delinquent.

(2) The amount of the delinquency.

(3) The date by which payment or arrangements for payment is required in order to avoid termination.

(4) The procedure by which the customer may initiate a complaint or request an investigation concerning service or charges, except that, if the bill for service contains a description of that procedure, the notice pursuant to subdivision (a) is not required to contain that information.

(5) The procedure by which the customer may request amortization of the unpaid charges.

(6) The procedure for the customer to obtain information on the availability of financial assistance, including private, local, state, or federal sources, if applicable.

(7) The telephone number of a representative of the district who can provide additional information or institute arrangements for payment.

Every notice of termination of service pursuant to subdivision (b) shall include the items of information in paragraphs (1), (2), (3), (6), and (7).

All written notices shall be in a clear and legible format.

(e) If a residential customer fails to comply with an amortization agreement, the district shall not terminate service without giving notice to the customer at least 48 hours prior to termination of the conditions the customer is required to meet to avoid termination, but the notice does not entitle the customer to further investigation by the district.

(f) No termination of service may be effected without compliance with this section. Any service wrongfully terminated shall be restored without charge for the restoration of service, and a notation thereof shall be mailed to the customer at his or her billing address.

12824. No electrical, gas, heat, or water municipal utility district shall, by reason of delinquency in payment for any electric, gas, heat, or water services, cause cessation of any such services on any Saturday, Sunday, legal holiday, or at any time during which the business offices of the district are not open to the public.

Termination, days allowed

12825. (a) A district furnishing light, heat, or power may engage in activities to reduce wasteful, uneconomical or unnecessary uses of energy, including, but not limited to, public information programs, the sale of insulation, the sale, rental and lease of materials or equipment for the purpose of conserving energy or reducing the need for the installation of electric generating facilities, and the adoption of voluntary and mandatory load management programs, and may also engage in activities to accelerate and participate in the development of alternative sources of energy including, but not limited to, the supply of equipment for use in connection therewith, and may do all things necessary or convenient to the full exercise of the powers herein granted. The interest rates charged on extended payment contracts for such materials or equipment shall not exceed

Conservation activities

that necessary to cover the district's full cost of money plus its administrative costs and anticipated losses due to nonpayment on such contracts.

(b) This section does not constitute a change in, but is declaratory of, the existing law.

PCB's

12826. Every district shall comply with Section 8029.5.

Economic development

12827. The board of a district that has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more may engage in programs to encourage economic development that benefits its ratepayers.

Article 5a. Claims

Claims

12830. All claims for money or damages against the district 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.

Article 6. Indebtedness

Incurring indebtedness

12841. A district may borrow money and incur indebtedness, and may issue bonds or other evidences of indebtedness. No indebtedness shall be incurred exceeding the ordinary annual income and revenue of the district without the approval of two-thirds of the voters voting on the proposition to incur such indebtedness except as follows:

(a) A further vote of the voters is not required for any indebtedness heretofore or hereafter incurred within the purposes and not exceeding the available amount of any previously authorized bond issue, and as to such indebtedness the proceeds of any of the bonds unexpended in the treasury of the district, or the par value of any of the bonds which are unsold shall be deemed a part of the ordinary annual income and revenue of the district.

(b) Any district operating a utility under rules requiring applicants for extensions to advance the expenses of such extensions and facilities for serving additional territory may enter into agreements to refund to the applicants in a subsequent year the whole or any part of the expenses so advanced, and the refunds may be paid out of the revenues of subsequent years.

Same: exclusion of self-supporting utility

12842. No district shall incur an indebtedness for public works which in the aggregate exceeds 20 percent of the assessed value of all the real and personal property within the district.

Same

12843. Indebtedness which has been incurred for the construction and operation of a public utility, where the revenue from the utility for three years or more next preceding has been sufficient to pay the interest and principal due on any bonds issued for its construction or acquisition, in addition to the cost of operation

and maintenance, shall not be counted and included in ascertaining the limit of indebtedness, and any indebtedness incurred for the acquisition, construction or operation of a public utility within any special district shall be excluded in ascertaining the aggregate indebtedness specified in Section 12842.

Federal aid

12844. A district may accept, without limitation by any other provisions of this division requiring approval of indebtedness, contributions or loans from the United States, or any department, instrumentality, or agency thereof, for the purpose of financing the construction, maintenance, and operation, of any enterprise in which the district is authorized to engage, and may enter into contracts and cooperate with, and accept cooperation from, the United States, or any department, instrumentality, or agency thereof, in the construction, maintenance, and operation, and in financing the construction, maintenance, and operation, of any such enterprise in accordance with any legislation which Congress may have heretofore adopted or may hereafter adopt, under which aid, assistance, and cooperation may be furnished by the United States in the construction, maintenance, and operation or in financing the construction, maintenance, and operation of any such enterprise. A district may do any and all things necessary in order to avail itself of such aid, assistance, and cooperation under any federal legislation now or hereafter enacted. Any evidence of indebtedness issued under this section shall constitute a negotiable instrument.

Please see Appendix II, Public Contract Code, Page 117.

Article 6a.Electric, Water,
Communications, or Sewage Disposal System Improvements

Electric, water or sewage systems

12850. This article shall apply only to districts which have owned and operated an electric distribution, water distribution, or sewage disposal system for at least eight years and which have a population of 250,000 or more.

Revenue bonds for power, water, communications, or sewage facilities

12851. A district may, from time to time, issue bonds in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), as it now reads or as hereafter amended, for the purpose of financing the construction, reconstruction, replacement, acquisition, or improvement of any facility or facilities necessary or convenient for the generation, transmission, or distribution of electricity; the storage, transmission, or distribution of water; the furnishing of communications services; or the disposal of sewage; or incidental to, or in connection with, the operation of the electric, water, communications, or sewage disposal system or facilities of the district, or for purposes of financing programs for the conservation of electricity, which shall constitute an "enterprise" within the meaning of Section 54309 of the Government Code. The authority hereby granted to the districts is in addition to all powers granted local agencies under the Revenue Bond Law of 1941, and Section

54310 of the Government Code, insofar as it is inconsistent with that authority, shall not apply.

Preliminary resolution: contents

12852. Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code, the limitations on the rate of interest set forth in subdivision (b) of Section 54402 of the Government Code and on the discount set forth in Section 54418 of the Government Code, and the requirements for refunding revenue bonds set forth in Sections 53573, 53583, 54388, and 54661 of the Government Code do not apply to the issuance and sale of bonds pursuant to this article. Whenever a district proposes to exercise the power to issue bonds pursuant to this article, the board shall adopt a preliminary resolution declaring its intention to authorize the issuance of bonds, which resolution shall specify all of the following:

(a) The purpose for which the proposed bonds are to be issued.

(b) The maximum principal amount of the bonds then proposed to be issued.

(c) The maximum term for which any of the bonds are to run.

(d) The maximum rate of interest to be payable upon the bonds which rate shall be determined by the board.

(e) The maximum discount, which shall be determined by the board.

Effective date of resolution

12853. When bonds are issued under this article, the preliminary resolution of the board adopted pursuant to this article shall take effect upon its adoption by the board subject to the right of referendum provided for in this article. Successive issues of bonds may be authorized under this article from time to time and the authority herein contained shall not be limited to any particular issue.

Referendum petition

12854. Upon any such resolution taking effect subject to the right of referendum pursuant to this article, the board shall cause the same to be published in the manner provided for the publication of notices. At any time within 60 days after the date of the second such publication a referendum petition, signed by voters in number equal to at least 3 percent of the total vote cast, as defined in Section 11507, demanding the submission of such resolution to a vote of the voters of the district for their assent to the issuance of the proposed bonds, may be filed with the secretary. Upon presentation to the secretary of a referendary petition, the resolution which is the subject thereof shall be of no effect unless and until it has been assented to by the voters.

Absence of referendum petition

12855. If no such referendary petition is presented within the period of 60 days, then upon the expiration of such period, or if the proposition of issuing the bonds specified in the resolution of the board adopted pursuant to this article has been assented to by a majority of the voters voting on the proposition, whether upon referendum or pursuant to Section 12856, then upon such

proposition having been so assented to, the resolution shall take full and final effect, and the board may proceed in accordance with the provisions of this article and issue bonds within the terms of the resolution and in accordance with the applicable provisions of the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300), Part 1, Division 2, Title 5, Government Code).

Election

12856. The board at any time may, and upon the filing of a referendum petition as provided in Section 12854 shall, adopt a resolution calling a special election for the purpose of submitting to the voters of the district the proposition of issuing revenue bonds in conformity with the preliminary resolution adopted pursuant to Section 12852. The resolution calling the election shall fix the date on which the election is to be held, the proposition to be submitted thereat, the manner of holding the election and of voting for or against the proposition, and shall state that in all other particulars the election shall be held and the votes canvassed as provided by law for the holding of elections within the district. Such election may be held separately or may be consolidated with any other election authorized by law at which the voters of the district may vote. The resolution calling the election shall be published and no other notice of the election need be given. The votes of a majority of all the voters voting on the proposition at the election are required to authorize the issuance of revenue bonds.

Added authority

12857. The authority herein contained shall be in addition to the authority conferred by Chapter 7 of this division and indebtedness incurred in accordance with the authority herein contained shall not be included in ascertaining the aggregate indebtedness specified in Section 12842.

Article 6b. Bonds

In lieu bonds

12860. Bonds issued by a district, pursuant to Article 8 (commencing with Section 53540) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, may bear interest at the rate or rates as may be fixed by the board of directors without regard to the limitations set forth in Section 53541 of the Government Code, and may be sold at a discount, as determined by the board of directors.

Article 7. Investments

Investment of surplus money

12871. A district may invest any surplus money in its treasury, including money in any sinking fund, in any of the following:

(a) Its own bonds, whether issued on behalf of the entire district or any special district.

(b) Treasury notes, certificates of indebtedness, bills, bonds of the United States, or any other evidence of indebtedness secured by the full faith and credit of the United States.

(c) Obligations issued pursuant to the Federal Home Loan Bank Act or the National Housing Act.

(d) Treasury notes or bonds of this state, or of any public corporation, municipal corporation, public district, or political subdivision within this state which are legal as security for the deposit of public funds.

(e) Obligations issued by federal intermediate credit banks, federal land banks, and banks for cooperatives.

(f) Obligations issued or assumed by the International Bank for Reconstruction and Development, the Tennessee Valley Authority, the Inter-American Development Bank, or Export-Import Bank of Washington participation certificates.

(g) Banker's acceptances of banks having total deposits of one billion dollars ($1,000,000,000) or more.

(h) Any securities in which savings banks in this state may legally invest their funds pursuant to Sections 1350 to 1366, inclusive, of the Financial Code; provided, that the provisions of said sections limiting the amount which a savings bank may invest in securities to a specified percent of its paid-up capital and surplus, or savings deposits, shall not apply to investments authorized by the terms of this section.

Direct or subsequent purchase

12872. Such investment may be made by direct purchase of any issue of such bonds, treasury notes, or obligations, or part thereof, at the original sale or by the subsequent purchase of the bonds, treasury notes, or obligations.

Sale, reinvestment

12873. Any bonds, treasury notes, or obligations purchased and held as investments by the district may from time to time be sold and the proceeds reinvested in bonds, treasury notes, or obligations as provided in this article.

Application of proceeds

12874. Sales of any bonds, treasury notes, or obligations purchased and held by the district shall from time to time be made in season so that the proceeds may be applied to the purposes for which the money with which the bonds, treasury notes, or obligations were originally purchased was placed in the treasury of the district.

Exchange of interest payments

12875. Notwithstanding any other provision of law, a district which has owned and operated a water distribution or sewage disposal system for at least eight years and which has a population of 250,000 or more may enter into contracts commonly known as "interest rate swap agreements" or "forward payment conversion agreements" with any person providing for the exchange of payments between the person and the district including, without limitation, contracts providing for the exchange of fixed interest payments for floating payments or floating interest payments for fixed payments, or a combination thereof, after giving due consideration for the creditworthiness of the counter parties, where applicable, including any rating by a nationally recognized agency or such other criteria as may be appropriate. The contracts may be made upon the terms and conditions established by the board. The authority conferred by

this section includes the authority to enter into any and all contracts incident to the exercise of the authority conferred by this section including, without limitation, contracts to obtain credit enhancement devices and contracts for the performance of professional services.

Article 8. Taxation

12891. A district may levy, and collect or cause to be collected, taxes for any lawful purpose. **Power, purpose of tax**

12891.5. A district may impose a special tax pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. The special taxes shall be applied uniformly to all taxpayers or all real property within the district, except that unimproved property may be taxed at a lower rate than improved property. **Special taxes**

12892. If, in the opinion of the board, the revenues will not be sufficient for any and all lawful purposes the board shall levy a tax for such purpose or purposes and fix the amount of money necessary to be raised therefor by taxation. **Insufficient revenues**

12893. The board shall, at the time of fixing the general tax levy and in the manner provided for the general tax levy, levy and collect annually until the district's bonds are paid, or until there is a sum in the treasury of the district set apart for that purpose to meet all sums coming due for principal and interest on the bonds, a tax sufficient to pay the annual interest on the bonds and such part of the principal thereof as becomes due before the time for fixing the next general tax levy. If the maturity of the indebtedness created by the issue of bonds begins more than one year after the date of the issuance thereof, the tax shall be levied and collected annually at the time and in the manner aforesaid, sufficient to pay the interest on the indebtedness as it falls due and to constitute a sinking fund for the payment of the principal on or before maturity. **Bond principal and interest**

12894. The taxes required to be levied and collected on account of interest, principal, and sinking fund of district bonds shall be in addition to all other taxes levied for district purposes, and shall be collected at the time and in the same manner as other district taxes are collected, and be used for no other purpose than the payment of the bonds and accruing interest. **Same: in addition to other taxes**

12895. Nothing in this division prevents the issuance of revenue bonds by a district for the entire district or any special district created therein under any provision of law permitting the issuance of revenue bonds by municipal utility districts. **Revenue bonds**

12896. The board may provide for the assessment, levy, and collection of taxes by the district, including the sale of property to the district for delinquent taxes, with penalties, interest, and cost. **Tax sales, etc.**

12897. The board may elect to avail itself of the assessments made by the assessors of the counties in which the district is situated, **Assessment, etc., by county officers**

and of the assessments made by the State Board of Equalization for those counties, and may take such assessments as the basis for district taxation and have its taxes collected by the county officials if the board declares its election so to do by resolution or ordinance and files a certified copy of the resolution or ordinance on or before the first day of August with the auditors of the counties in which the district is situated. Thereafter, each year and until otherwise provided by the board, all assessments shall be made for the district by the State Board of Equalization and the county assessors, and all taxes shall be collected for the district by the tax collectors, of the counties in which the district is situated.

Same: transmission of statement to board

12898. In such case the county auditor shall, on or before August 15th of each year, transmit to the board a statement in writing showing the total value of all property within the district, ascertained from the assessments referred to in Section 12897 as equalized.

Rate of taxes

12899. In case the board elects to avail itself of the assessments referred to in Section 12897 it shall, on or before the first week day in September, or if such week day falls upon a holiday then on the first business day thereafter, fix the rate of taxes, designating the number of cents upon each hundred dollars, using as a basis the value of property transmitted to the board by the county auditors, which rate of taxation shall be sufficient to raise the amount previously fixed by the board. These acts by the board shall constitute a valid assessment of the property and a valid levy of the taxes so fixed.

Same: transmission to county auditor

12900. The board shall immediately after fixing the rate of taxes as above provided transmit to the county auditors of the counties in which the district is situated a statement of the rate of taxes fixed by the board.

Collection of district taxes: time and manner

12901. The district's taxes so levied shall be collected at the same time and in the same manner as county taxes. When collected the net amount, ascertained as provided in this article, shall be paid to the treasurer of the district, under the general requirements and penalties provided by law for the settlement of other taxes. The district may adopt the alternative procedure of tax collection and apportionment established by Chapter 3, Part 8, Division 1 of the Revenue and Taxation Code and any amendments thereof; provided, however, that the district may thereafter abandon said alternative procedure at the end of any fiscal year of the district.

Proceeds of redemption

12902. Whenever any real property situate in any district which has availed itself of the provisions of Section 12897 has been sold for taxes and has been redeemed, the money paid for redemption shall be apportioned and paid to the district by the county treasurers receiving it in the proportion which the tax due to the district bears to the total tax for which the property was sold.

Compensation to county

12903. The compensation to be charged by and paid to any county for the performance of services under this article shall be fixed by

agreement between the board of supervisors of the county and the board. The compensation shall in no event exceed one-half of 1 percent of all money collected for the district. The compensation collected by the county shall be placed to the credit of the county salary fund.

12904. All taxes levied under this division are a lien on the property on which they are levied. Unless the board has by ordinance otherwise provided, the enforcement of the collection of such taxes shall be in the same manner and by the same means provided by law for the enforcement of liens for county taxes, all the provisions of law relating to the enforcement of the latter being made a part of this division, so far as applicable. **Lien for taxes**

Article 9. Improvement Act of 1911

12921. The Improvement Act of 1911 may be used by a district formed pursuant to this division for the construction of water facilities. In the application of said improvement act to proceedings instituted by such district, the terms used in said improvement act shall have the following meanings: **Use of Improvement Act of 1911**

(a) "City council" and "council" mean the board of the district.

(b) "Municipality" and "city" mean district.

(c) "Clerk" and "city clerk" mean secretary of the board.

(d) "Superintendent of streets," "street superintendent" and "city engineer" mean the engineer appointed by the district to perform the engineering work for the assessment district.

(e) "Tax collector" means county tax collector.

(f) "Treasurer" and "city treasurer" mean the person or officer who has charge of and makes payment of the funds of the district.

(g) "Right-of-way" shall mean any parcel of land over which the district shall have an easement for the purpose of constructing or maintaining water or sewer lines.

12922. The powers and duties conferred by the Improvement Act of 1911 on boards, officers and agents of cities shall be exercised by the respective boards, officers and agents of the district. **Exercise of powers**

Article 11. Municipal Improvement Act of 1913

13010. The Municipal Improvement Act of 1913 may be used by a district formed pursuant to this division for any purpose or purposes which a district may carry out. **Use of Improvement Act of 1913**

Article 12. Irrigation Standby or Immediate Availability Charge

13021. This article shall apply only to the ownership, operation, control, or use by a district of a system for the distribution of irrigation water and shall not affect, but shall be in addition to, the right of the board of directors of the district to fix rates and charges, **Applicability of article**

and to supervise and regulate every utility owned and operated by the district pursuant to this division.

Fixing of charge

13022. (a) A district which acquires, constructs, owns, operates, controls, or uses works for supplying its inhabitants and lands within the district with irrigation water, may, pursuant to the notice, protest, and hearing procedures in Section 53753 of the Government Code, fix by resolution on or before the first day of July of each year a water standby or immediate availability charge on all land within its boundaries to which water is made available by the district for irrigation purposes, whether the water is actually used or not. Such charge shall not apply to lands permanently dedicated exclusively to transportation of persons or property.

(b) The board of directors of a district which fixes such a standby charge may establish schedules varying the charges in different areas within a district. The board of directors may not, however, fix an annual standby charge at a rate in excess of ten dollars ($10) per acre or portion thereof, 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 a standby charge was established were followed, the district's board may, by resolution, continue the charge pursuant to this section in successive years at the same rate. If new, increased, or extended assessments are proposed, the board shall comply with the notice, protest, and hearing procedures in Section 53753 of the Government Code.

Collection of charge

13023. (a) Any district levying a standby charge, which has elected under Section 12897 to use county and state assessment and tax collection procedures, shall, on or before the first day of August of each year, furnish in writing to the county auditor of each affected county a description of each parcel of land within the district upon which a standby charge has been levied for the current fiscal year, together with the amount of standby charge fixed by the district on each parcel of land.

(b) All county officers charged with the duty of collecting taxes shall collect district standby charges with the regular tax payments to the county. Such charges shall be collected in the same form and manner as county taxes are collected and shall be paid to the district. Charges fixed by the district shall be a lien on all the property benefited thereby. Liens for such charges shall be of the same force and effect as other liens for taxes, and their collection may be enforced by the same means as provided for the enforcement of liens for state and county taxes.

Uses of funds

13024. Any funds derived from the standby charges levied pursuant to this article may be used by the district for all purposes which a

district is authorized to expend funds insofar as such purposes relate to the acquisition of a water supply or the acquisition, construction, operation, control, or use of works for supplying land within the district with irrigation water.

CHAPTER 6.5 ELECTRIC SYSTEM IMPROVEMENTS

Article 1. Application

13071. This chapter is complete authority for the issuance of bonds hereunder, and no action or proceeding not required by this chapter shall be necessary for the valid authorization and issuance of such bonds. **Authority**

13072. Unless otherwise clearly indicated by the context, all of the provisions of this chapter shall be understood as relating only to bonds issued under this chapter. **Applicability of chapter**

13073. This chapter shall apply only to districts which have owned and operated an electric distribution system for at least 10 years and which have a population of 250,000 or more. **Same**

Article 2. Definitions

13081. Unless the context otherwise requires, the provisions of this article govern the construction of this chapter. **Definitions**

13082. "Bonds" includes the meaning of "notes, certificates and other evidences of indebtedness" and in every case refers only to bonds issued under this chapter, whether so specified or not. **Same: "Bonds"**

13083. "Refund" includes the meaning of "extend" and "renew." **Same: "Refund"**

13084. "Assented to by the voters" means that the proposition indicated by the context has been submitted to the voters of the district, and has been assented to by a majority of those voters who upon that proposition at the election. **Same: "Assented to by the voters"**

13085. "Payments on principal" means payments on account of the principal of bonds, whether upon maturity or by payments into a sinking fund on account of principal, and includes premiums required to be paid on the mandatory redemption of sinking fund bonds. **Same: payments on principal"**

Article 3. General Authorization

13091. A district may borrow money from time to time for the purpose of constructing, reconstructing, replacing, extending or improving its system for supplying the district and its inhabitants with electric energy, and may issue and sell bonds to evidence the indebtedness created by such borrowing. No such money may be used: **Bonds: purposes, term**

(1) For constructing or improving works located outside the district boundaries which exist on the date this Chapter 6.5 is enacted.

(2) For acquiring any property owned by a public utility.

(3) For constructing or improving works for generating electricity.

(4) For constructing or improving works used, or to be used, in whole or in part either for the receipt, transmission and delivery of electric energy power for any supplier of electric power or for

the exchange of electric power with any person or entity. This provision shall not prevent the district from using such money for the purposes set forth in the initial sentence of this section.

Such bonds shall not be issued for a term in excess of 20 years after the date of such bonds; provided, that this sentence shall not limit the power of a district to refund such bonds.

Refunding

13092. A district shall also refund from time to time, whether at or prior to maturity, any outstanding indebtedness evidenced by its bonds, and may issue, and sell or exchange, bonds so to refund such indebtedness. Refunding bonds which are to be sold may be issued and sold at such time in advance of the time at which the bonds to be redeemed or paid out of the proceeds of such refunding bonds are to be so redeemed or paid as the board may determine.

Aggregate amount

13093. Whenever a district exercises the power to borrow money pursuant to this chapter the board may authorize the issuance of bonds in any amount which, when added to the aggregate amount of bonds of the district issued under this chapter and outstanding at the time of the acceptance of a proposal for the purchase of the bonds so authorized and payable out of the revenues out of which the bonds so authorized are to be payable shall not exceed the amount of the earned surplus derived from the operation of the electric system to which those revenues pertain, as of the end of the last fiscal year which ended not less than four months prior to the making of the finding and determination provided for in Section 13161. The aggregate amount of bonds issued under this chapter shall not exceed in face value the sum of ten million dollars ($10,000,000) in any one calendar year. The term "earned surplus" whenever used in this chapter means the excess of revenues from the inception of operation of the electric system over related expenses thereof, plus accumulated price-level depreciation, plus or minus any additional amounts credited to or charged against customers' equity employed in the business of the electric system, as determined in accordance with the then current accounting practice of the district. The term "accumulated price-level depreciation" as used in this section means the accumulated additional amounts by which depreciation based on the cost of depreciable property adjusted to reflect current price levels exceeds depreciation computed on cost.

Exceptions

13094. The limitations prescribed in Section 13093 shall not be applicable to the issuance of any refunding bonds pursuant to this chapter, and the amount of any issue of such refunding bonds may equal, but shall not exceed, the amount required for the payment or redemption of the bonds to be refunded thereby, including the premiums, if any, due upon such redemption, but excluding any interest due upon such redemption.

Outstanding bonds

13095. Any bond for the payment and discharge of which, upon maturity or upon redemption prior to maturity, provision has been made through the setting apart in a reserve fund or special trust

account created pursuant to this chapter to insure the payment thereof, of moneys sufficient for that purpose, or through the irrevocable segregation for that purpose, in some sinking fund or other fund or trust account, of moneys sufficient therefor, shall be deemed to be no longer outstanding within the meaning of any provision of this chapter.

13096. The board shall have power to determine all the terms and conditions of the issuance and sale of bonds pursuant to this chapter, excepting only as such power is limited by express provisions of this chapter. **Terms, conditions, etc.**

Article 4. Proceedings for Issuance

13101. Whenever a district proposes to exercise the power to borrow money, or to refund indebtedness, pursuant to this chapter, the board shall adopt a preliminary resolution declaring its intention to authorize the issuance of bonds for such purpose, which resolution shall specify all of the following: **Resolution**

(1) The purpose for which the proposed bonds are to be issued.

(2) The maximum principal amount of the bonds proposed to be issued in the then current calendar year.

(3) The maximum term for which any of said bonds are to run.

(4) The maximum rate of interest to be payable upon such bonds.

(5) The maximum premium, if any, to be payable on the redemption of any such bonds.

13103. When bonds are issued under this chapter, the preliminary resolution of the board adopted pursuant to this article shall take effect upon its adoption by the board subject to the right of referendum herein provided for. **Referendum**

13104. Upon any such resolution taking effect subject to the right of referendum, pursuant to this article, the board shall cause the same to be published in the manner provided for the publication of notices. At any time within 60 days after the date of the second such publication a referendary petition, signed by voters in number equal to at least 3 percent of the total vote cast, as defined in Section 11507, demanding the submission of such resolution to a vote of the voters of the district for their assent to the issuance of the proposed bonds, may be filed with the secretary. Upon presentation to the secretary of a referendary petition, the resolution which is the subject thereof shall be of no effect unless and until it has been assented to by the voters. **Publication**

13105. If no such referendary petition is presented within the aforesaid period of 60 days, then upon the expiration of said period, or if the proposition of issuing the bonds specified in the resolution of the board adopted pursuant to this article has been assented to by the voters, whether upon referendum or pursuant to any other **Issue**

provisions of this chapter, then upon such proposition having been assented to, the resolution shall take full and final effect, and the board may proceed in accordance with the provisions of this chapter and issue bonds within the terms of the resolution.

Contract

13106. The provisions of any resolution constituting a part of the proceedings for the issuance of any bonds under this chapter, when so declared by its terms, or by the terms of any other such resolution, shall constitute a contract between the district and the holders of such bonds, and the provisions thereof shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction.

Election

13107. The board at any time may adopt a resolution providing for submission to the voters of the district of the proposition of assenting to any proposed action of the board in any case where such assent is required or permitted by the terms of this chapter, or in any case where the board may deem such submission to be desirable. Such resolution may provide for such submission at any specified regular district election, or at any special election. Such resolution and such election shall, except to the extent otherwise provided in this chapter, conform to the requirements of Article 1, Chapter 7, of this division. The board shall do, or cause to be done, any and all things necessary to make such submission at the election indicated by its resolution and to determine and certify the result thereof.

Article 5. Sources of Payment

Payable out of revenue

13111. All bonds issued by a district pursuant to this chapter shall be, and shall recite upon their face that they are, payable both as to principal and interest, and as to any premiums upon the redemption thereof, out of the revenues pertaining to the electric system on account of which the indebtedness evidenced by such bonds was created, and not out of any other fund or moneys of the district.

Exceptions

13112. The provisions of this article shall not preclude any of the following:

(1) The payment of any such principal, interest or premiums through appropriate reserve funds or special trust accounts, established as hereinafter in this article provided.

(2) The payment of interest on or principal of bonds of any such issue out of sums received as premiums or accrued interest on the sale of that issue.

(3) The payment of any such principal or premiums out of the proceeds of the sale of refunding bonds issued for that purpose.

(4) The payment out of the proceeds of any bonds of the whole or a part of the interest accruing on said bonds during the period of the performance of work to be paid for out of such proceeds.

(5) The payment of any such principal, interest or premiums by the purchasers of such bonds, or by any entity, public or private, other than the district, in any case where any such purchaser or entity may have guaranteed such payment.

Article 6. Reserve Funds

13121. In connection with the exercise of the power to borrow money, to issue bonds, and to refund indebtedness, pursuant to this chapter, the board may, from time to time, establish and maintain a reserve fund or funds in the district treasury, or a special trust account or accounts with an agent or agents designated by the board as a sinking fund or otherwise, to insure the payment, when due or payable, whether at maturity or upon redemption, of the principal of, and interest on, bonds issued as aforesaid, including premiums, if any, due upon the redemption of any thereof, or for any of said purposes. Money in any such reserve fund may be used for the purchase of bonds of the issue in connection with which it was established, for cancellation and retirement pursuant to any mandatory requirement of the redemption of sinking fund bonds. Each such fund or account shall be established and maintained out of the revenues pertaining to the electric system on account of which such power is exercised or out of any moneys which under the terms of this article are applicable to the purpose, through transfers or payments made at such times and in such amounts as the board may direct.

Establishment of reserve fund

13122. Money set aside and placed in any such reserve fund or special trust account shall remain therein until from time to time expended for the purposes thereof, and shall not be used for any other purpose whatsoever, except for temporary investment thereof as provided in this chapter; provided, however,

Use of fund

(1) That money may be paid or transferred from any such fund or account in furtherance of the purpose of its establishment, to any other such fund or account established for a like purpose in connection with the same issue of bonds, to such extent as may be required or permitted under the terms of the resolution authorizing that issue; and

(2) That all money remaining in any such fund or account in excess of the amount required to make provision for the payment in full of the principal of, and interest on, the bonds with respect to which it was established, including premiums, if any, due upon the redemption of any thereof, may be returned and transferred to the revenue fund out of which such reserve fund was established.

13123. Money in any such reserve fund shall be drawn therefrom only upon demands authenticated by the signature of the accountant of the district; provided, however, that the board may, in its discretion, direct and authorize the payment from such reserve fund, by the treasurer, without such authenticated demand, (i) of

Withdrawal procedure

bonds of the issue in connection with which such reserve fund is so established when due upon maturity or call, or of coupons pertaining to bonds of such issue when due, but only upon presentation and surrender of such bonds or coupons, (ii) of interest upon registered bonds of such issue when due, or (iii) of premiums, if any, due upon the redemption of any such bonds.

Same: board authorization

13124. Money in any such special trust account shall be drawn therefrom only in accordance with directions given or authorized by the board.

Article 7. Obligation to Bondholders

Compliance with statute

13131. So long as any bonds of the district are outstanding and unpaid, or so long as provision has not been made for the full payment and discharge of all such outstanding bonds, upon maturity, or upon redemption prior to maturity, through the setting apart in a reserve fund or special trust account created pursuant to this article to insure the payment thereof, of money sufficient for that purpose, or through other irrevocable allocation to that purpose of money sufficient therefor all provisions of this article shall be complied with.

Rates

13132. The board shall fix rates for service from the electric system to which the indebtedness pertains, and collect charges for such service, such as to provide revenues at least sufficient in the aggregate to pay, as the same shall become due, the principal and interest on all such bonds so outstanding payable out of those revenues, including premiums, if any, due upon the redemption of any thereof, in addition to paying, as the same shall become due, the necessary expenses of operating and maintaining such system, and all other obligations and indebtedness payable out of those revenues.

Priority

13133. Bonds issued under this chapter shall be issued without any priority with respect to payment of principal or interest.

Sale, etc., of system

13134. The electric system of the district to which the indebtedness pertains shall not be sold or otherwise disposed of, as a whole or substantially as a whole, unless such sale or other disposition be so arranged as to provide for a continuance of payments into a fund sufficient in amount to permit payment therefrom of principal of, and interest on, and premiums, if any, due upon the redemption of, all bonds issued under this chapter.

Other indebtedness

13135. No indebtedness payable out of revenues shall be created in contravention of the provisions of any resolutions heretofore adopted by the board in connection with the authorization of any bonds payable out of revenues.

Authority of board resolution

13136. Anything in this article to the contrary notwithstanding, the board, in any resolution constituting a part of the proceedings for the issuance of any issue of bonds under this chapter may determine that the holders of the bonds of that issue are not to be

entitled to the benefits of or to enforce any or all of the provisions of this article, and to that end the board, in such resolution, shall specify the provisions of this article to the benefits of which the holders of the bonds of that issue shall be entitled; and the holders of the bonds of that issue shall not be entitled to the benefits of or to enforce any of the provisions of the article not so specified.

Article 8. Consents of Bondholders

Consents

13141. The board may provide in the resolution authorizing the issue of any bonds under this chapter that any act consented to by the holders of 60 percent in aggregate principal amount of the outstanding bonds of any issue of bonds issued under this chapter, pursuant to provisions for such consents contained in any resolution of the board constituting a part of the proceedings for the issuance of such bonds, shall not, as to the bonds of that issue, be deemed an infringement of any of the provisions of Article 7 of this chapter, or of any covenant made pursuant thereto, whatever the character of such act may be.

Modifications of bond obligations

13142. The board may provide in the resolution authorizing the issue of any bonds under this chapter the terms and conditions upon which any provision of any resolution of the board constituting a part of the proceedings for the issuance of such bonds, or any provision of such bonds or coupons appurtenant thereto, may be modified if consented to by the holders of any percentage, specified in such resolution authorizing the issue of such bonds, of the aggregate principal amount of the outstanding bonds of such issue.

Article 9. Form and Content

Discretion of board

13151. Without limiting in any way the generality of its power, the board is expressly authorized, in its discretion, to provide, in connection with any issue of bonds under this chapter all the matters contained in this article.

Amount

13151.1. The board may provide for such bonds being in such amounts, of such denominations, payable at such times, and in such form as the board may determine.

Negotiability

13151.2. The board may provide for such bonds being negotiable or nonnegotiable.

Place of payment

13151.3. The board may provide for such bonds and the interest thereon, and premiums, if any, due upon the redemption of any thereof, being payable or collectible at any place or places, within or without the State of California, and without presentation and approval of demands.

Terms of bonds

13151.4. The board may provide for such bonds being payable to bearer or only to the registered holder, either as to principal alone, or as to both principal and interest; for such bonds being with or without coupons; for such bonds being nonregisterable, or registerable, either as to principal alone, or as to both principal and

interest; for such bonds being exchangeable or nonexchangeable, convertible for nonconvertible; and for the reissuance of bonds or coupons which have been surrendered and preserved, or for the issuance of new bonds or coupons in the place of bonds or coupons which have been surrendered and canceled, wherever appropriate as incident to the discharge of any bond from registration, or to any exchange or conversion of any bond; all on such terms and conditions, and at such place or places, within or without the State of California, as the board may determine.

Redemption

13151.5. The board may provide for such bonds being redeemable, either at the option of the district, or in the operation of any sinking fund provided for the issue, at such price or prices and in such manner as the board may determine, whether or not involving the payment of a premium upon such redemption; provided, that no bond shall be subject to redemption unless such bond at the time of its issue states on its face that it is redeemable at the option of the district or by the operation of a sinking fund for bonds of that issue, as the case may be.

Duplicate

13151.6. The board may provide for the issuance by the district of a duplicate, in the manner and on such terms and conditions as the board may determine, in the event any bond, temporary bond, coupon or interim receipt of any issue is lost, destroyed or mutilated.

Agents

13151.7. The board may provide for the appointment and payment of fiscal, paying, sinking fund or other agents, or of trustees or registrars.

Treasurer

13151.8. The board may provide for the appointment of the treasurer of the district to act as such fiscal, paying, sinking fund or other agent.

Custody

13151.9. The board may provide for the custody by the district of bonds and coupons, whether pending delivery or after purchase or surrender; for the delivery of bonds and coupons by the district to the purchaser thereof; for the receipt by the district of the proceeds of the sale and for the depositing of such proceeds in the proper fund or funds.

Sale

13151.10. The board may provide for the sale of any such bonds upon such terms and conditions as the board in its discretion may determine at public sale. Bonds may be sold by the board below the par or face value thereof, at a discount not to exceed 6 percent of par value; provided further, that in the case of refunding bonds the board may provide for the refunding being made, in whole or part, by the exchange of such refunding bonds for the bonds to be refunded. Before selling the bonds, or any part thereof, the board shall give notice not less than 10 days prior to the date of sale by publication in a newspaper of general circulation circulating in the district inviting sealed bids in such manner as the board shall prescribe. If satisfactory bids are received, the bonds offered for

sale shall be awarded to the highest responsible bidder. If no bids are received, or if the board determines that the bids received are not satisfactory as to price or responsibility of the bidders, the board may reject all bids received, if any, and either readvertise or sell the bonds at private sale.

Interim bonds

13151.11. The board may provide for the issuance of interim receipts or of temporary bonds, in such form as the board may prescribe, pending the issuance of definitive bonds.

Signatures

13151.12. The board may provide for any signatures to such bonds and to any coupons thereto attached, and to any interim receipts and temporary bonds, being by facsimile.

Other indebtedness

13151.13. The board may provide for restrictions on the incurring of additional indebtedness of the district payable out of the revenues out of which the bonds then authorized are to be payable.

Same: transfers

13151.14. The board may provide for restrictions on future transfers out of the revenues out of which the bonds then authorized are to be payable.

Covenants

13151.15. The board may provide for covenants with the holders of bonds to the same effect as set forth in Article 7 of this chapter, which covenants shall not be subject to alteration or repeal, except as in Article 8 of this chapter provided.

Information to purchasers

13151.16. The board may provide for the issuance and distribution in such form as the board may determine of official statements respecting proposed issues of bonds and the properties, operations and finances of the works on account of which such bonds are to be issued, for the information of prospective purchasers of such bonds; and, in any case, where any proposition is to be submitted to the voters for their assent, whether by referendum or pursuant to any provision of this chapter, for the issuance, distribution, dissemination and publication of factual statements respecting such proposed issues of bonds, and such properties, operations and finances, for the information of such voters.

Contracts for printing, etc.

13151.17. The board may provide for the making of contracts, or the placing of orders, for the engraving or printing of any bonds, whether definitive or temporary, or of interim receipts, authorized by this chapter, or for any printing incident to the offering or issuance of any such bonds, without advertising for bids, in any case where, because of limitations of time, or requirements as to quality of work, or as to security in the control or custody of plates, or any similar cause, the board may deem it to be in the public interest so to do, anything in this division to the contrary notwithstanding, but in so doing the board shall, if practicable, obtain or cause to be obtained competitive bids, formal or informal, from bidders who can perform work of the required quality within the required time, and, in the case of engraving, who are of proper responsibility and

who have adequate facilities for the control and safekeeping of the engraved plates.

Requirements of bond issue

13152. Each issue of bonds issued pursuant to this chapter shall conform to the following requirements:

(1) Such bonds shall be serial bonds or sinking fund bonds, or a combination of serial and sinking fund bonds.

(2) Provision shall be made for the retirement of such bonds through annual payments on principal, and such payments shall begin not more than 10 years, and end not more than 20 years, after the date of such bonds.

Article 10. Validity

Relevant facts necessary to issue

13161. Prior to the issue of any bonds to be issued pursuant to this chapter, the board, after satisfying itself respecting the relevant facts, shall, by resolution, find and determine--

(1) The amount of earned surplus derived from the operation of the electric system of the district to which the revenues out of which such bonds are to be payable pertain, as of the end of the last fiscal year which ended not less than four months prior to the making of such finding and determination, and that the ascertainment of such earned surplus has been in accordance with the then current accounting practice of the district; provided, however, that such finding and determination need not be made in the case of the authorization of refunding bonds, or in any case where the voters have assented to the issuance of bonds in excess of the limitation specified in this chapter.

(2) The amount of bonds issued under this chapter which are outstanding at the time of the adoption of such resolution.

(3) That the resolution or resolutions authorizing such issue of bonds in all respects conforms or conform with the provisions of this chapter.

(4) That the indebtedness to be evidenced by such issue of bonds, together with all other indebtedness of the district, pertaining to be electric system for or on account of which such bonds are to be issued, is within every debt or other limit prescribed by the Constitution and statutes of the State of California.

(5) That upon the issuance of such bonds any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the issuance thereof, will exist, will have happened and will have been performed, in due time, form and manner, as required by the Constitution and statutes of the State of California.

Other findings

13162. The board may also, by resolution, find and determine any other facts relevant to the legality of the issue.

13163. The board, by resolution adopted in connection with any issue of bonds pursuant to this chapter, may direct that there shall be included in each of the bonds of that issue a certification and recital that any and all acts, conditions and things required to exist, to happen and to be performed, precedent to and in the incurring of the indebtedness evidenced by that bond, and in the issuing of said bond, exist, have happened and have been performed in due time, form and manner, as required by the Constitution and statutes of the State of California, and that said bond, together with all other indebtedness of the district pertaining to the electric system for or on account of which the indebtedness evidenced by said bond was incurred, is within every debt and other limit prescribed by the Constitution and statutes of the State of California.

Recital of conditions

13164. From and after the issuance of any issue of bonds the findings and determinations of the board respecting that issue made pursuant to this article shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of such bonds is at issue, and no bona fide purchaser of any such bond containing the certification and recital permitted by this article shall be required to see to the existence of any fact, or to the performance of any condition, or the taking of any proceedings, required prior to such issue, or to the application of the purchase price paid for such bonds.

Board determinations as evidence

13165. Bonds shall be deemed to be issued, within the meaning of this article whenever the definitive bonds, or any temporary bonds or interim receipts as exchangeable therefor, have been delivered to the purchasers thereof, and the purchase price thereof received, or in the case of bonds to be refunded through exchange, whenever such exchange has been made.

Issue effective

13166. The validity of bonds reciting that they have been issued pursuant to this chapter shall not be affected by any provision or limitation contained in any other section or sections of this division. All bonds issued under this chapter shall be incontestable from and after the time of payment to the district of the purchase price thereof.

Validity

Article 11. Proceeds

13171. All sums received as accrued interest on the sale of any issue of bonds issued pursuant to this chapter shall be applied to the payment of interest on or principal of bonds of that issue.

Interest

13172. All sums received as principal and premiums on the sale of any issue of bonds shall be applied to the purposes for which such bonds were issued. The board may provide in the resolution authorizing the issue of any bonds under this chapter that any portion of the proceeds of sale of the bonds may be applied to payment of interest during construction for a period of not to exceed three years from and after the date of such bonds.

Principal

Separate funds

13173. The board may from time to time establish and maintain a separate fund or funds in the district treasury for the purpose of insuring the application of such proceeds received as principal on the sale of any issue of bonds to the purposes for which the same were issued.

Limited purpose

13174. Money set aside and placed in any such separate fund shall remain therein until from time to time expended for the purposes for which such bonds were issued, including the reimbursement of other funds of the district for expenditures therefrom for purposes for which such bonds were issued, made after the adoption by the board of the preliminary resolution of intention provided for in Section 13101, and shall not be used for any other purpose whatsoever, except for temporary investment thereof as provided in this division; provided, however, that money may be paid or transferred from any such separate fund, in furtherance of the purpose of its establishment, to any other such separate fund established for a like purpose in connection with the same issue of bonds.

Withdrawal

13175. Money in any such separate fund shall be drawn therefrom only upon demands authenticated by the signature of the accountant of the district.

Action if bond purpose found impracticable

13176. If the board shall determine by resolution that the expenditure of the whole or any portion of the said principal sum of any issue of bonds for the purpose for which such bonds were issued is impracticable or unwise, the board may--

(1) Apply such money or any part thereof to the purchase of bonds of that issue, or to the payment of any such bonds, at maturity or on redemption, or to the payment of interest thereon or of premiums due on the redemption thereof; or

(2) Apply such money or any part thereof to any new purpose which is within the purposes for which bonds might be issued under the terms of this chapter; provided, however, that before applying any of such money to such new purpose the board shall adopt a resolution specifying such new purpose, the amount of such money to be applied thereto, and authorizing such application, which resolution shall be subject to the same procedures, and take final effect only in the same manner, as if it were a resolution adopted pursuant to Section 13091, authorizing the issuance of bonds for such new purpose, and such resolution authorizing such application to such new purpose, when it shall have taken final effect under such procedures, shall be sufficient authority for the applications of such money to such new purpose.

Surplus

13177. If any excess of the principal sum of the proceeds of any issue of bonds shall remain unexpended after the full accomplishment of the purpose for which such bonds were issued the board, by resolution, may direct that the same shall be applied to the purchase

of bonds of that issue, or to the payment of any such bonds, at maturity or on redemption, or to the payment of interest thereon or of premiums due on the redemption thereof, or that it shall be transferred to the revenues pertaining to the electric system in connection with which such bonds were issued.

Article 12. Short Term Borrowing

13181. A district may also have the power to borrow money from time to time for any or all of the purposes specified in this chapter, and to issue and sell notes, or other evidences, to evidence the indebtedness created by such borrowing, by resolution subject to referendum as provided in Section 13103, whenever they shall find and determine that the pubic interest and necessity require the exercise of that power. **Borrowing**

13182. All notes or other evidences of indebtedness issued under the authority of this article shall contain upon their face a recital that they are so issued and shall be payable in not to exceed three years from their date. **Maturity, etc., of notes**

13183. No amount shall be borrowed under the authority of this article which when added to the amount of all other notes or other evidences of indebtedness issued under this article and then outstanding shall exceed 50 percent of the gross operating revenues from the works on account of which it is borrowed during the preceding fiscal year. **Limitation on indebtedness**

13184. All of the provisions of this chapter not inconsistent with the terms of this article, and not by their terms made inapplicable thereto, shall apply to all notes, or other evidences, issued under the authority of this article. **Applicability of article**

Article 13. Investments

13191. Pending use for the purposes for which any reserve fund or special trust account or any other separate fund established pursuant to this chapter was so established, money set aside and placed therein may, when and to such extent and in such manner as may be directed by the said board and as may be consistent with the provisions of any resolutions of the board constituting a part of the proceedings for the issuance of the issue of bonds in connection with which such fund or account was created, be invested in the same manner as are other moneys of the district. Any such bonds or other evidences of indebtedness acquired through such investment may be resold at any time. **Investment of reserve funds, etc.**

13192. Any bonds or other securities so purchased shall constitute a part of such reserve fund, separate fund or special trust account, and any interest or any increment received by reason of such investment and the proceeds of any such resale shall be placed in, and constitute a part of, such fund or account. **Same**

Certification

13193. Bonds issued under this chapter may be presented to the State Treasurer for certification under Division 10 of the Water Code in like manner and with the same legal effect as in the case of revenue bonds issued by irrigation districts; provided, that Section 20050 of the Water Code shall not be applicable to such bonds and, notwithstanding such certification, any district may issue subsequent series or issues of bonds without certification as the district may elect.

CHAPTER 7. BONDS

Article 1. Issuance

Purposes

13201. A district may from time to time incur a bonded indebtedness as provided in this chapter to pay the cost of acquiring, constructing, or completing the whole or any portion of any utility or works referred to in this division, or for acquiring any works, lands, structures, rights, or other property necessary or convenient to carry out the objects, purposes, or powers of the district.

Special bond election: resolution of board

13202. Whenever the board by resolution passed by vote of two-thirds of all its members determines that the public interest or necessity demands the acquisition, construction, or completion by the district of any public utility or utilities referred to in this division or any works, lands, structures, rights, or other property necessary or convenient to carry but the objects, purposes, or powers of the district, the cost of which will be too great to be paid out of the ordinary annual income and revenue of the district, it may at any subsequent meeting of the board provide for the submission of the proposition of incurring a bonded indebtedness for the purpose set forth in the resolution to the voters of the district at a special bond election held for that purpose.

Same: petition of voters

13203. In lieu of a resolution passed by the board, proceedings for the issuance of bonds for the purposes provided in this chapter may be initiated by petition of the voters of the district.

Petition: examination, verification, certification

13204. Whenever any petition signed by voters within the district equal in number to at least 15 percent of the total vote cast is presented to the board asking for the acquisition, construction, or completion of the whole or any portion of any utility or works referred to in this division or for acquiring any works, lands, structures, rights, or other property necessary or convenient to carry out the objects, purposes, or powers of the district, and also asking that a bonded indebtedness be incurred to pay for the cost thereof, the secretary of the district shall immediately examine and verify the signatures of the petition and certify the result of the examination to the board.

Transmission to board

13205. If the required number of signatures is found to be genuine, the secretary shall transmit to the board an authentic copy of the petition without the signatures.

Election

13206. Upon receiving a petition with the certificate of the secretary stating that it contains the required number of signatures, the board shall formulate for submission to the voters of the district at a special bond election called for that purpose the proposition of incurring a bonded indebtedness for the purposes set forth in the petition. In its discretion the board may defer the calling of the election until the next general election to be held in the district in order to consolidate them.

Contents of ordinance

13207. The ordinance calling a special bond election shall fix the date on which the election will be held, and the manner of holding the election and of voting for or against incurring the indebtedness. It shall also recite the objects and purposes for which the indebtedness is proposed to be incurred, the estimated cost of the utility, works, lands, structures, rights, or other property proposed to be acquired, constructed, or completed, the amount of the principal of the indebtedness to be incurred therefor, and the maximum rate of interest to be paid on the indebtedness, which shall not exceed 8 percent per annum, payable semiannually. If, however, the rate of interest to be paid on the indebtedness does not exceed 4-1/2 percent per annum, payable semi-annually, the rate of interest need not be recited in the ordinance.

More than one project

13208. Propositions for incurring indebtedness for more than one object or purpose may be submitted at the same election.

Consolidation with other elections

13209. All special bond elections held in even-numbered years shall be consolidated with the direct primary or general election. All special bond elections held in odd-numbered years shall be held on the first Tuesday after the first Monday in November and may be held separately, or may be consolidated with any other election authorized by law at which the voters of the district may vote. When a special bond election is consolidated with a statewide primary or a general election, the board shall in the ordinance calling the special bond election consolidate it with the statewide primary or the general election to be held at the same time in the respective counties in which the district is located and authorize the respective boards of supervisors to canvass the returns and certify the result of the canvass to the board; it shall be the duty of the board or boards of supervisors to so consolidate the election, canvass the returns, and cause the result thereof to be properly certified to the board. If a special bond election is consolidated with any other election, the provisions of this chapter setting forth the procedure for the calling and holding of the special bond election shall be complied with, except that the ordinance calling the election need not set forth the election precincts, polling places, and officers of election, but may provide that the precincts, polling places, and officers of election shall be the same as those set forth in the ordinance, notice, or other proceedings calling the election with which the special bond election is consolidated, and shall refer to the ordinance, notice, or other proceedings by number and title, or by other definite description.

Notice of election

13210. The ordinance shall be published, and no other notice of election need be given.

Two-thirds vote

13211. The votes of two-thirds of all the voters voting on the proposition at the election are required to authorize the issuance of bonds under this chapter.

13212. If the proposition submitted at a special bond election fails to receive the requisite number of votes, the board shall not within six months after the election hold another special election for the submission of a proposition of incurring a bonded indebtedness substantially the same as the proposition voted upon at the prior election unless a petition signed by voters within the district equal in number to at least 15 percent of the total vote cast is filed with the board, requesting that the proposition, or a proposition substantially the same, be submitted at an election to be called for that purpose.

Defeat of proposition: subsequent election

Article 2. Form and Content

13241. Bonds authorized pursuant to this chapter shall mature serially in amounts to be fixed by the board; provided, that payment shall begin not more than 10 years from the date of issuance thereof and be completed in not more than 50 years from that date; provided, further, that the board may divide any issue of bonds authorized pursuant to this chapter into two or more series, and may fix different dates of issuance and different maturity dates for the bonds of each series. The bonds of each series shall mature serially in amounts to be fixed by the board, and the board shall fix a date not more than 10 years from the date of issuance of each series for the earliest maturity of such series, and shall fix a date not more than 50 years from the date of issuance of each series for the final maturity of such series.

Bond maturity

13242. The bonds shall be issued in such denomination or denominations as the board determines, and shall be payable on the day and at the place or places fixed in the bonds, and with interest at the rate specified therein, payable semiannually.

Denominations

13243. The board may at any time prior to the issuance and sale of any bonds provide for the call and redemption of any or all of the bonds on any interest payment date prior to their fixed maturity at not exceeding the par value and accrued interest plus a premium of not exceeding 5 percent upon the principal amount of the bonds, in which event the call price fixed by the board 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 district or if there is no such newspaper printed and published within the district then the publication shall be made in a newspaper of general circulation printed and published within the county in which the district or any part thereof is situated, the first publication of which shall be at least 30 days prior to the date fixed for the redemption. After the date fixed for such redemption interest on the bonds thereafter shall cease.

Call and redemption

13244. The bonds shall be signed by the president of the board or by such officer of the district as the board shall by resolution authorize and designate for that purpose. They shall also be signed by the treasurer, and be countersigned by the secretary. The coupons

Signatures

of the bonds shall be numbered consecutively and be signed by the treasurer. All signatures and countersignatures, except that of the treasurer on the bonds, may be printed, lithographed, or engraved. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer before the delivery of the bonds to the purchaser, the signature or countersignature is nevertheless valid and sufficient for all purposes as if he had remained in office until the delivery of the bonds.

Article 3. Issue and Sale

Consideration for issue

13261. The bonds may be issued and sold for not less than their par value, but otherwise as the board determines.

Deposit and use of proceeds

13262. The proceeds of the bonds shall be placed in the district treasury to the credit of the proper fund, and shall be used exclusively for the objects or purposes for which the bonds were voted.

Interest during construction, etc.

13263. In lieu of the immediate levy of a tax to pay the interest or any part thereof on any bonded indebtedness incurred in accordance with this division, the board may in the estimate of the amount of money necessary to be raised by the bonds include a sum sufficient to pay interest on all of the bonds or part thereof during the period of acquisition, construction, or completion, but for no period in excess of five years.

Article 4. Refunding

Resolution to refund

13281. Whenever the board by resolution passed by a vote of two-thirds of all its members determines that the refunding of the whole or any portion of the bonded indebtedness will be of advantage to the district the board may refund the bonded indebtedness or any portion thereof and issue refunding bonds of the district therefor.

Effect of issuance, vote, redemption

13282. The issuance of refunding bonds shall not be construed as the incurring or increase of an indebtedness within the meaning of this division, and the approval of the voters is not required for the issuance of refunding bonds. The board may provide for the call and redemption of any or all of the bonds on any interest payment date prior to their fixed maturity in the ordinance authorizing the issuance of the refunding bonds.

Property taxable

13284. Only the property in a special district is taxable for the payment of the principal and interest on any refunding bonds which are issued for the purpose of refunding any indebtedness of a special district.

Provisions applicable

13285. Except as provided in this article, matters pertaining to the issuance of refunding bonds under this chapter shall be governed by Article 9 (commencing with Section 53550) and Article 10 (commencing with Section 53570), Chapter 3, Part 1, Division 2, Title 5 of the Government Code.

13286. The proceeds of the sale of refunding bonds shall be applied only to the purchase, or retirement at not more than par and accrued interest, or the call price, of the bonded indebtedness for which the refunding bonds were issued.

Use of proceeds

13287. In lieu of selling refunding bonds and using the proceeds to purchase or retire the bonds to be refunded, the board may exchange refunding bonds at not less than par and accrued interest for the bonds so refunded.

Exchange of bonds

13288. Whenever outstanding bonds are refunded they shall be surrendered to the treasurer of the district, who shall cancel them by endorsing on their face the manner in which the refunding was effected (whether by exchange or purchase, and amount for which so purchased, if any) and by perforating through each bond and each coupon attached thereto the word "canceled" together with the date of cancellation.

Surrender, cancellation of refunded bonds

Article 5. Status as Investments

13311. All bonds including refunding bonds issued by a district are 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 Fund, and for all sinking funds under the control of the State Treasurer. Whenever any money or funds may by law be invested in or loaned upon the security of bonds of cities, cities and counties, counties, or school districts, in the State, such money or funds may be invested in or loaned upon the security of bonds of a district; and whenever bonds of cities, cities and counties, counties, or school districts by law may be used as security for the faithful performance or execution of any court or private trust or of any other act, bonds of the district may be so used.

Legal investments

13312. All bonds of the district, to the same extent as bonds of any other municipality, are legal for use by any state or national bank or banks in the State as security for the deposit of funds of the State or of any county, city and county, city, municipality, or other public or municipal corporation within the State.

Legal security

Article 6. Validating Proceedings

13341. An action to determine the validity of bonds may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

Action to determine validity

CHAPTER 7.1. EMERGENCY FINANCING

Article 1. Incurring Indebtedness for Repair or Replacement of Damaged or Demolished Works

13345. Whenever the board, by resolution adopted by a four-fifths vote of all members of the board of a five-ward district, or by a five-sevenths vote of all members of the board of a seven-ward district, finds and determines that any part of the works of the district has been damaged or demolished by reason of fire, flood, earthquake, sabotage, or act of God or by the public enemy, and that the cost of repairing or replacing the works so damaged or demolished is too great to be paid out of the ordinary annual income and revenue of the district, and that the public interest requires the incurring of indebtedness for the purposes set forth in the resolution, the board may authorize the incurring of indebtedness for this purpose pursuant to this chapter.

Authority

13346. Whenever the board makes the finding and determination as described in Section 13345, the district may borrow money and incur indebtedness by the issuance of bonds, notes, or other securities as provided in this chapter by action of the board and without the necessity of calling and holding an election in the district. These evidences of indebtedness shall constitute general obligations of the district or shall be payable solely from revenues of the district as the board may determine in the resolution authorizing their issuance. The indebtedness may be incurred for any purpose for which the district is authorized to expend funds.

Incurring indebtedness without election

The indebtedness incurred under this chapter shall be evidenced by bonds, notes, or other evidences of indebtedness maturing in not to exceed five years from their date, shall bear interest at the rate or rates fixed by the board, and may be issued and sold at a public or private sale as the board may direct. All other terms and conditions of these evidences of indebtedness shall be fixed by the board. The maximum principal amount of all general obligation indebtedness outstanding under this chapter shall not, at any one time, exceed 1 percent of the assessed valuation of the property within the district taxable for district purposes.

The board may authorize and issue refunding notes for the purpose of paying and redeeming at or before maturity any notes previously issued and then outstanding. However, these refunding notes shall not be in excess of the limitation of indebtedness provided in this section and shall mature in not to exceed five years from the dates of the original indebtedness. Refunding notes may in turn be refunded under similar terms and conditions, except that no refunding note shall mature in excess of five years from the date of the original indebtedness.

13347. Indebtedness incurred pursuant to this chapter shall be payable from any sources of available funds, including revenues,

Repayment, levy of taxes, etc.

taxes, or state or federal grants. The board may levy and collect taxes upon all property in the district subject to taxation by the district without limitation of rate or amount for the payment of any evidences of general obligation indebtedness incurred pursuant to this chapter and the interest thereon. These taxes shall be in addition to all other taxes levied for district purposes and shall be levied at the same time and in the same manner as other district taxes are levied and, when collected, shall be deposited in a special fund and shall be used only for the payment of the principal of and interest on this indebtedness. The board shall apply for any federal or state funds available for purposes of repairing or replacing works damaged or demolished by reason of fire, flood, earthquake, sabotage, or act of God or the public enemy.

CHAPTER 7.5. SHORT-TERM BORROWING

Article 1. Proceedings for Incurring Short-Term Indebtedness

Purposes

13371. A district may borrow money and incur indebtedness for the purposes of this chapter by the issuance of bonds, notes or other evidences of indebtedness by a majority vote of its board of directors and without the necessity of calling and holding an election in the district. Such evidences of indebtedness shall constitute general obligations of the district or shall be payable solely from the revenues of the district as the board may determine in the resolution authorizing their issuance; provided, that if the board determines that the evidences of indebtedness shall constitute general obligations of the district, their issuance shall be approved by a four-fifths vote of the board. Such indebtedness may be incurred for any of the following purposes:

(a) The purchase, processing, storage, and disposal of fuel to be used for the generation and transmission of electricity, of materials to be used in the manufacture of such fuel, and of the products of such fuel, the purchase of real property and manufacturing and processing facilities from which such fuel or materials may be obtained, or interests therein.

(b) The planning, design, engineering, and licensing of facilities for the generation or transmission of electricity, and the preparation of sites and the purchase of equipment for such facilities.

(c) The planning, design, engineering, acquisition, or construction of facilities for the storage, transmission, or distribution of water.

(d) The planning, design, engineering, acquisition, or construction of facilities for the storage, transmission, or treatment of sewage or byproducts of sewage treatment.

(e) The replacement of works of the district that have been damaged or demolished by reason of fire, flood, earthquake, sabotage, or acts of God or the public enemy.

(f) Any expenses or charges incurred in connection with the foregoing purposes, and to reimburse the district for expenditures incurred for any of such purposes.

Maturity

The indebtedness incurred under this chapter shall be evidenced by bonds, notes or other evidences of indebtedness maturing in not to exceed seven years from their date, shall not result in interest costs exceeding such limits as may be fixed by the board, and may be sold either by public or by private sale. All other terms and conditions of such evidences of indebtedness shall be fixed by the board. The district may arrange for bank credit for the purposes of this section or to provide an additional source of repayment for indebtedness incurred under this chapter. The maximum principal amount of all indebtedness outstanding under this article, including the amounts drawn on available bank lines of credit, shall not at any

one time exceed the lesser of either (1) the annual average of the total revenue for the three preceding years or (2) 25 percent of the district's total outstanding bonds issued pursuant to Chapter 6 (commencing with Section 12701), Chapter 7 (commencing with Section 13201), and Chapter 8 (commencing with Section 13451).

Authority

The authority contained in this chapter shall be in addition to the authority contained in Chapter 6 (commencing with Section 12701), Chapter 7 (commencing with Section 13201), and Chapter 8 (commencing with Section 13451), and any indebtedness incurred pursuant to this chapter shall not be included in ascertaining the aggregate indebtedness permitted by Section 12842.

Refunding

13372. The district may issue refunding bonds, notes, or other evidences of indebtedness for the purpose of paying and redeeming at or before maturity any bonds, notes, or other evidences of indebtedness issued under this chapter, provided that such refunding bonds, notes, or other evidences of indebtedness shall not be in excess of the limitation of indebtedness authorized under this chapter and shall mature in not to exceed seven years from the date of the original indebtedness. Such refunding bonds, notes, or other evidences of indebtedness may in turn be refunded under like terms and conditions, provided that in no event shall such refunding notes mature in excess of seven years from the date of the original indebtedness.

Repayment, levy of taxes, etc.

13373. General obligation indebtedness issued pursuant to this chapter shall be payable from any sources of available funds, including revenues or taxes. The board is hereby authorized to levy and collect taxes upon all property in the district subject to taxation by the district without limitation of rate or amount for the payment of the evidences of such general obligation indebtedness and the interest thereon. Such taxes shall be in addition to all other taxes levied for district purposes and shall be levied at the same time and in the same manner as other district taxes are levied and when collected shall be deposited in a special fund and shall be used for no purpose other than the payment of the principal of and interest on such general obligation indebtedness.

Applicability

13374. This chapter applies only to districts which have owned and operated an electric distribution system or electric generating facilities or a water distribution or sewage disposal system for at least eight years and which contain a population of 250,000 or more.

Definition of "revenues"

13375. As used in this chapter, the term "revenues of the district" shall have the same meaning as is provided in Section 54315 of the Government Code.

Successive issue, authority

13376. When bonds are issued under this article, the preliminary resolution of the board adopted pursuant to this article shall take effect upon its adoption by the board subject to the right of referendum provided for in this article. Successive issues of bonds

may be authorized under this article from time to time and the authority herein contained shall not be limited to any particular issue.

13377. Whenever a resolution authorizes the issuance of bonds pursuant to Section 13371, the board shall cause the resolution to be published in the manner provided for the publication of notices. At any time within 60 days after the date of the second such publication a referendum petition, signed by voters in number equal to at least 3 percent of the total vote cast, as defined in Section 11507, demanding the submission of such resolution to a vote of the voters of the district for their assent to the issuance of the proposed bonds, may be filed with the secretary. Upon presentation to the secretary of a petition meeting the requirements of this section, the resolution which is the subject thereof shall be of no effect unless and until it has been approved by the voters.

Referendum petition

13378. If no such referendum petition is presented within the period of 60 days, then upon the expiration of such period, or if the proposition of issuing the bonds specified in the resolution of the board adopted pursuant to this article has been assented to by a majority of the voters voting on the proposition, whether upon referendum or pursuant to Section 13379, then upon such proposition having been so assented to, the resolution shall take full and final effect, and the board may proceed in accordance with the provisions of this article and issue bonds within the terms of the resolution.

Resolution: effective date

13379. The board at any time may, and upon the filing of a referendum petition as provided in Section 13377 shall, adopt a resolution calling a special election for the purpose of submitting to the voters of the district the proposition of issuing revenue bonds in conformity with the preliminary resolution adopted pursuant to this article. The resolution calling the election shall fix the date on which the election is to be held, the proposition to be submitted thereat, the manner of holding the election and of voting for or against the proposition, and shall state that in all other particulars the election shall be held and the votes canvassed as provided by law for the holding of elections within the district. Such election may be held separately or may be consolidated with any other election authorized by law at which the voters of the district may vote. The resolution calling the election shall be published and no other notice of the election need be given. The votes of a majority of all the voters voting on the proposition at the election are required to authorize the issuance of bonds pursuant to Section 13371.

Special election

Article 2. Borrowing to Purchase Electricity

13391. A district may borrow money and incur indebtedness for the purchasing of electricity; provided, that the maximum principal amount of indebtedness outstanding under this article shall not at any one time exceed twenty-five million dollars ($25,000,000).

Indebtedness

Article provisions

13392. All provisions of this chapter not inconsistent with this article and not by their terms made inapplicable thereto shall apply to all evidences of indebtedness issued under this article.

CHAPTER 8. SPECIAL DISTRICT FOR SEWAGE DISPOSAL OR SOLID WASTE RESOURCE RECOVERY

Article 1. Proposal of Formation

13451. One or more special districts for sewage disposal or solid waste resource recovery purposes may be created within the boundaries of a district as provided in this chapter.

Authorization; purposes

13452. Resolutions shall first be passed by the legislative bodies of half or more, but of not less than two, of the public agencies, all or any part of the area of which it is intended to include in the proposed special district, declaring that the public interest or necessity demands the creation of a special district for sewage disposal or solid waste resource recovery purposes and describing its boundaries. The boundaries of the proposed special district may include territory outside any such public agency if the territory is within the area of the municipal utility district. When the entire area of any public agency is to be included in the special district it may be described in the resolutions by name. Certified copies of the resolutions shall be filed with the secretary of the district.

Initiation by public agencies in district

13453. Instead of procedure by resolutions, a petition may be filed with the secretary of a district signed by voters within the proposed special district equal in number to at least 10 percent of the total vote cast. The boundaries of the proposed special district shall be described in the petition and shall include at least two public agencies or portions thereof. A statement of the name of any public agency constitutes a sufficient and legal description of the territory thereof if the entire area of the agency is included.

Petition in lieu of resolution

13454. The petition shall declare that the public interest or necessity demands the creation of a special district for sewage disposal or solid waste resource recovery purposes within the area of the district described in the petition. The 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.

Petition: content, form

13455. The secretary of the district shall compare the signatures with the affidavits of registration and shall certify to the sufficiency or insufficiency of the petition.

Same: sufficiency

13456. The board may initiate proceedings for the creation of a special district for sewage disposal or solid waste resource recovery purposes within the area of the district by passing a resolution declaring that the public interest or necessity demands the creation of a special district for sewage disposal or solid waste resource recovery purposes, and describing its boundaries, which shall include all or any part of two or more public agencies. A public agency to be included may be described by name. No certified copy of the resolution need be filed with the secretary of the district.

Initiation by board resolution

Article 2. Hearing

Resolution regarding name of district, time and notice of hearing

13481. Within 60 days after receipt of the resolutions of the public agencies or receipt of the certification of the sufficiency of a petition by the secretary of the district, or the passage of the resolution of the board, the board shall, by resolution, designate the special district as "(here insert name) Municipal Utility District, Special District No. (here insert number)" (all such special districts shall be numbered consecutively) and shall fix a time and place for a hearing on the proposed creation of the special district for sewage disposal or solid waste resource recovery purposes and shall publish notice thereof.

Publication of notice

13482. The notice of hearing shall be published once in a newspaper of general circulation published in the district.

Timing of hearing

13483. The time fixed for the hearing shall be not less than 30 nor more than 60 days from the date of the first publication of the notice.

Hearing

13484. At or before the hearing, any person interested may file with the secretary of the district written objections to the creation of the special district or to the inclusion of his property therein. Upon the hearing the board shall hear and determine all protests and objections. The hearing may be adjourned from time to time by the board without further notice other than an order to be entered upon the minutes of its meeting fixing the time and place of the adjournment.

Boundary change

13485. The board may reduce or enlarge the boundaries of the proposed special district, but the boundaries as enlarged shall be within the district.

Notice regarding inclusion of additional territory

13486. The board shall not approve the creation of a special district containing territory in addition to the territory included in the resolutions or petitions filed with the secretary of the district, or in its own resolution, until notice of its intention to include such additional territory has been published for the time and in the manner prescribed for the original hearing on the matter and a hearing is had pursuant to the notice.

Inclusion of public agency

13487. No public agency or portion thereof shall be included within the boundaries of a special district unless its legislative body consents by resolution, or unless the proceedings for the creation of the special district have been initiated by petition of the voters.

Approval by board

13488. If no protests are filed, or if the protests filed are overruled and denied by the board, the board shall thereupon by resolution approve the creation of the special district either as originally described or as revised by the board.

Article 3. Election

Creation, incurrence of bonded indebtedness

13511. At any time after the board has approved the creation of the proposed special district, and fixed its boundaries, the board

shall call and publish notice of an election within the proposed special district for the purpose of determining whether the proposed special district will be created and, if the board so determines, for the submission of a proposition for incurring a bonded indebtedness for the acquisition, construction, or completion by the district of any works, lands, structures, rights, or any other property necessary or convenient for the recovery of resources from solid waste or for the collection, treatment, or disposition of sewage matter for the special district. If the board determines that no bonded indebtedness is presently necessary, the board may call the election for the creation and establishment of the special district only, and a bond election may later be called.

13512. No person is entitled to vote at the election unless he is a voter of the territory included in the proposed special district. The election may be held on the same day as any other state, county, or city election and may be consolidated therewith.

Voters, consolidation of elections

13513. If a proposition for incurring a bonded indebtedness is submitted at the same election with the proposal to create the special district, the votes cast on the proposition of incurring a bonded indebtedness shall be separately canvassed in the special district as a whole. The favorable vote of two-thirds of all the voters voting on the proposition of issuing bonds within the special district as finally established is required to authorize the issuance of the bonds.

Bond propositions: canvass, vote

Article 4. Establishment

13531. On the question of the creation of a special district, the returns of each public agency and of each parcel of unincorporated territory shall be canvassed separately, and the board shall order and declare the special district created and established if in each public agency and if in each parcel of unincorporated territory a majority of those who voted on the proposition of creating the special district voted in favor thereof.

Creation proposition: canvass, vote

13532. A special district has no separate corporate existence but shall be deemed to be a taxing subdivision of the district.

Taxing subdivision

Article 5. Powers and Functions

13561. Connections of all sewers within the special district to intercepting sewers of the district shall be made at such points and in such manner and under such rules, regulations, terms, charges, and conditions as the board may prescribe.

Rules, charges, etc., regarding connections

13562. Nothing in this division shall require the district to construct any sewers other than intercepting and outfall sewers. The determination by the board of what are intercepting and outfall sewers within the meaning of this division is final and conclusive.

Intercepting and outfall sewers

13563. Upon completion of sewage disposal facilities for any special district all sewage and industrial waste originating within

Disposal facilities

the special district shall be disposed of through the sewage disposal facilities of the district.

Contracts with public agencies

13564. Without limiting in any way the foregoing provisions of this division, the respective public agencies within the district and the district may contract regarding the collection, treatment, or disposition of sewage.

Facilities deemed owned, operated by district

13565. Each utility which a district is authorized to acquire, construct, own, operate, control, or use pursuant to this division shall be considered to be a utility owned and operated by the district even though service therefrom is limited to a special district created as provided in this division.

Article 5.5. Waste Water Control

Supervision, regulation of sewage disposal

13570. The board shall supervise and regulate sewage disposal within a special district, including the fixing of standards, contracts, issuance of licenses or permits, practices and schedules for or in connection with waste water control and sewage disposal functions of such special district.

Waste water regulations

13571. Without limiting in any way the provisions of this division, and in addition to the powers granted therein, the board may make and enforce such regulations for the control of quantity, quality and flow of waste water within the boundaries of a special district as are not in conflict with the general laws of the state. "Waste water" shall include all sewage, industrial and other wastes and waters, whether treated or untreated, discharged into or permitted to enter a community sewer system connected to or directly into a district interceptor for treatment in sewage disposal facilities of a special district.

Same: scope

13572. Rules and regulations pertaining to the control of quantity, quality or flow of waste water may provide for any or all of the following:

(a) Periodic technical reports to the district from contributors or dischargers into the district's system.

(b) The issuance of permits or licenses by the district as a condition of discharging waste water for treatment in sewage disposal facilities of a special district.

(c) The installation by the contributor or discharger of pretreatment works or facilities.

(d) The installation by the contributor or discharger of waste water sampling and inspection facilities.

(e) Procedures for enforcement of waste water standards and regulations adopted by the district and remedies for violation thereof.

(f) Entry by the district upon private property to make surveys, inspections or samplings.

(g) Such other provisions as are necessary to effectuate the control of the quantity, quality and flow of waste water within a special district.

13573. No person shall discharge waste water into a community sewer system connected to or directly into a district interceptor which will result in contamination, pollution or a nuisance. All discharges of waste water which are, or could be, harmful to or unreasonably affect the sewage disposal facilities of a district, or which impair or unreasonably affect the operation and maintenance of such facilities, or which violate quantity, quality and flow standards adopted by the district, and all waste water discharges which unreasonably affect, or could unreasonably affect, the quality of the district's treatment plant effluent in such a manner that receiving water quality requirements established by law cannot be met by the district, shall constitute a nuisance for the purposes of this article.

Prohibition of nuisance, etc.

13574. Whenever a discharge of waste water is in violation of the district's regulations or otherwise causes or threatens to cause a condition of contamination, pollution or nuisance, as defined in this article, the district may petition the superior court for the issuance of a preliminary or permanent injunction, or both, as may be appropriate, restraining the continuance of such discharge. In any civil action brought under this section, it shall not be necessary to allege or prove at any stage of the proceedings that irreparable damage will occur should the temporary restraining order, preliminary injunction or permanent injunction not be issued or that the remedy at law is inadequate and the temporary restraining order, preliminary injunction or permanent injunction shall issue without such allegations and without such proof.

Injunctions restraining nuisance, etc.

13575. (a) Any person who fails to comply with any order issued by the district, shall be subject to a civil penalty not to exceed ten thousand dollars ($10,000) for each day in which the discharge, violation, or refusal occurs.

Violation of order: liability

(b) Any person who intentionally or negligently violates any order issued by the district for violation of rules regulating or prohibiting discharge of waste water which causes or threatens to cause a condition of contamination, pollution or nuisance, as defined in this article, may be liable civilly in a sum not to exceed twenty-five thousand dollars ($25,000) for each day in which the violation occurs.

(c) The attorney of the district, upon request of the board, shall petition the superior court to impose, assess and recover the sums provided for in subdivisions (a) and (b). In determining the amount of the fine the court shall take into consideration all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurs and corrective action, if any, attempted or taken by the discharger.

(d) Notwithstanding any other provision of law, all civil fines imposed by the court for a violation of this section shall be distributed as follows:

(1) Fifty percent shall be transferred into the general fund of the county in which the action to recover the fine was brought.

(2) Fifty percent shall be transferred once a month to the treasurer of any municipal utility district in the county for deposit in the funds of the district.

(e) Remedies under this section are in addition to and do not supersede or limit any and all other remedies, civil or criminal, but no liability shall be recoverable under this section for any violation for which liability is recovered under Section 13575.5.

Same

13575.5. (a) The district may issue a complaint to any person on whom civil liability may be imposed pursuant to this article. The complaint shall allege the act or failure to act that constitutes a violation of law, the provision of law authorizing civil liability to be imposed pursuant to this article, and the proposed civil liability.

(b) The complaint shall be served by personal notice or certified mail on the person subject to the district's discharge and reporting requirements, and shall inform the party served that a hearing shall be conducted within 60 days after the party has been served. The hearing shall be before a hearing officer designated by the board. The person who has been issued a complaint may waive the right to a hearing, in which case the district shall not conduct a hearing. A person dissatisfied with the decision of the hearing officer may appeal to the board of directors within 30 days of notice of the hearing officer's decision.

(c) If after the hearing, or appeal, if any, it is found that the person has violated reporting or discharge requirements, the hearing officer or board may assess a fine against that person.

In determining the amount of the fine the hearing officer or board shall take into consideration all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurs and corrective action, if any, attempted or taken by the discharger.

(d) Civil liability may be imposed by the district as follows:

(1) In an amount which does not exceed one thousand dollars ($1,000) for each day for knowingly or willfully failing or refusing to furnish technical or monitoring reports.

(2) In an amount which does not exceed five thousand dollars ($5,000) for each day of intentionally or negligently discharging hazardous waste, as defined in Section 25117 of the Health and

Safety Code, knowingly falsifying any information provided in any furnished technical or monitoring report.

(3) In an amount which does not exceed ten dollars ($10) per gallon for discharges in violation of any of the district's cease and desist or other orders, or prohibitions issued, reissued, or adopted by the district.

(e) All moneys collected under this section shall be deposited in a special district account and shall be made available for the monitoring, treatment, and control of discharges into district facilities.

(f) Unless appealed, orders setting administrative civil liability shall become effective and final upon issuance thereof, and payment shall be made within 30 days. Copies of these orders shall be served by personal service or by registered mail upon the party served with the complaint and upon other persons who appeared at the hearing and requested a copy.

(g) No liability shall be recoverable under this section for any violation for which liability is recovered under Section 13575.

Same: review

13575.6. Any party aggrieved by a final order issued by the board under Section 13575.5, after granting review of a hearing officer order, may obtain review of the order of the board in the superior court by filing in the court a petition for writ of mandate within 30 days following the issuance of the order by the board. Any party aggrieved by a final order of a hearing officer issued under Section 13575.5 for which the board denies review may obtain review of the order of the hearing officer in the superior court by filing in the court a petition of writ of mandate within 30 days following the denial of review by the board.

If no aggrieved party petitions for writ of mandate within the time provided by this section, an order of the board or a hearing officer shall not be subject to review by any court or agency, except that the board may grant review on its own motion of an order issued under Section 13575.5 after the expiration of the time limits set by that section.

Same: writ of mandate

13575.7. (a) Within 30 days after service of a copy of a decision and order issued by the board pursuant to Section 13575.5, any aggrieved party may file with the superior court a petition for writ of mandate for review thereof. Failure to file a petition shall not preclude a party from challenging the reasonableness and validity of a decision or order of a hearing officer or the board in any judicial proceedings brought to enforce that decision or order or for other civil remedies.

(b) The evidence before the court shall consist of the record before the board, including the hearing officer's record, and any other relevant evidence which, in the judgment of the court, should be considered to effectuate and implement the policies of this division.

In every such case, the court shall exercise its independent judgment on the evidence.

(c) Except as otherwise provided in this section, subdivisions (e) and (f) of Section 1094.5 of the Code of Civil Procedure shall govern proceedings pursuant to this section.

Same: misdemeanor

13576. Any person who intentionally discharges waste water in any manner, in violation of any order issued by the district, which results in contamination, pollution or a nuisance, as defined in this article, is guilty of a misdemeanor.

Same: punishment

13576.5. Any person who knowingly makes any false statement or representation in any record, report, plan, or other document filed with the district, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required by the district, shall be punished by a fine of not more than twenty-five thousand dollars ($25,000) or by imprisonment in the county jail for not more than six months, or by both.

Abatement actions: parties

13577. Any abatement actions taken pursuant to the foregoing sections with respect to contamination, pollution or nuisance, as defined in this article, created by the discharge of waste water into a community sewer system shall be taken against the agent or agency operating such system and the contributor or contributors whose waste creates the contamination, pollution or nuisance.

Inspection, sampling, termination of services, etc.

13578. The district may enter upon private property of any person and sample at, inspect or survey the waste water sampling installation or pretreatment facilities or processes of any contributor or discharger to ascertain whether district regulations for control of quantity, quality and flow of waste water are being complied with. Such inspections shall be made with the consent of the owner or possessor of such facilities or, if such consent is refused, with a warrant duly issued pursuant to the procedure set forth in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure. However, in the event of an emergency affecting the public health or safety, such inspection may be made without the consent or the issuance of a warrant. The district may terminate or cause to be terminated sewage disposal or water services to such property if a violation of any rule or regulation pertaining to control of waste water is found to exist or if a discharge of waste water causes or threatens to cause a condition of contamination, pollution or nuisance, as defined in this article.

Article 6. Financing

Advancements

13591. The board may use temporarily any district funds for the payment of any costs or expenses incident to the proposed or actual creation of a special district for sewage disposal or solid waste resource recovery purposes or the acquisition, construction, or completion of any works, lands, structures, rights, or other property necessary or convenient for the recovery of resources

from solid waste or for the collection, treatment, or disposition of sewage matter for the special district or incident to the operation or maintenance of the special district.

13592. The board shall recover all district funds advanced under this article by means of taxes levied upon all property within the special district or from any appropriate funds or revenues of the special district; but nothing in this section shall compel reimbursement if the tax required therefor would amount to less than one mill ($0.001) on each one hundred dollars ($100) of assessed value of the property within the special district. **Same: tax to repay**

13593. Nothing in this article limits the general powers of a district with reference to sewage disposal or solid waste resource recovery. **Effect of article**

Article 7. Bonds

13621. At any time after the creation of a special district a proposition of incurring bonded indebtedness for the acquisition, construction, or completion by the district of any works, lands, structures, rights, or any other property necessary or convenient for the recovery of resources from solid waste or for the collection, treatment, or disposition of sewage matter for the special district may be submitted. **Election**

13622. Except as otherwise provided herein the provisions of Chapter 7 shall substantially govern as to all matters pertaining to the issuance of bonds under this article, including among other things, and without limiting the generality of the foregoing, the calling and holding of the bond election, the form, execution, issuance, maturity, redemption, refunding, validation, the payment of interest from bond funds and the status of the bonds as investments. **Bond issues**

13623. The favorable vote of two-thirds of all the voters within the special district voting on the proposition is required to authorize the issuance of the bonds. **Two-thirds vote**

13624. Only the property in the special district shall be taxable for the payment of the principal and interest on special district bonds. Until the bonds are paid, taxes shall be levied in substantial compliance with Section 12893. **Taxable property, amount of levy**

13625. Any proceeding denying the validity of the creation of any special district, or of any bonds authorized by the voters thereof pursuant to this division, shall be brought within three months after the date upon which the applicable proposition is approved by the voters. **Action regarding validity: limitation**

13626. The board may utilize the provisions of Chapter 7.1 (commencing with Section 13345) to authorize emergency financing of the repair or replacement of damaged or demolished works of the special district; provided, that the payment of the principal and interest on such bonds or evidences of indebtedness shall be **Emergency financing**

made only from revenues, taxes, or other available funds, of the special district.

Article 7.5. Short-Term Borrowing

Purposes

13631. The special district may borrow money and incur indebtedness in anticipation of the sale of bonds which have been authorized to be issued by the voters within the special district but which have not been sold and delivered, and it may issue bonds, notes, or other securities as provided in this article by action of the board and without the necessity of calling and holding an election. Such evidences of indebtedness shall constitute general obligations of the district. The indebtedness may be incurred for any of the purposes for which a bond issue had previously been approved by the voters, and to reimburse the district for expenditures incurred for any of such purposes. The indebtedness incurred under this article shall be evidenced by bonds, notes or other evidences of indebtedness maturing in not to exceed five years from their date, shall bear interest at such rate or rates as may be fixed by the board, and may be issued and sold at public sale as the board may direct. All other terms and conditions of such evidences of indebtedness shall be fixed by the board. The maximum principal amount of all indebtedness outstanding under this article shall not at any time exceed the aggregate amount of bonds which the district is then authorized to issue, less the amount of other securities then outstanding issued in anticipation of the sale of such an authorized issue.

Refunding

13632. The special district may issue refunding bonds, notes, or other securities for the purpose of paying and redeeming at or before maturity any bonds, notes or other securities issued under this article, provided that such refunding bonds, notes, or other securities shall not be in excess of the limitation of indebtedness authorized under this article and shall mature in not to exceed five years from their date.

Repayment levy of taxes, etc.

13633. Evidences of indebtedness issued pursuant to this article shall be payable from any sources of available funds of the special district, including revenues, taxes, or state or federal grants. If not previously otherwise paid the evidence of indebtedness shall be paid from the proceeds of the next sale of the bonds of the district in anticipation of which they were issued, and if not so paid, the board is hereby authorized to levy and collect taxes from all property in the special district subject to taxation by the district without limitation of rate or amount for the payment of such evidences of indebtedness. Such taxes shall be in addition to all other taxes levied for special district purposes and shall be levied at the same time and in the same manner as other district taxes are levied and when collected shall be deposited in a special fund and shall be used for no purpose other than the payment of the principal of, and interest on, such indebtedness.

13651. Any public agency or portion thereof or unincorporated territory within the boundaries of a district (hereinafter referred to collectively as "territory") not included within the boundaries of a special district may be annexed thereto in the manner provided in this article.

Authorization

13652. The board shall by resolution determine that the annexation of the territory will facilitate the acquisition or operation of a public utility for the special district, describe therein the territory, declare its intention to annex the territory to the special district, set forth the terms and conditions upon which the territory shall be annexed, fix the time and place for hearing on the question of the annexation, and provide for the giving of notice of the hearing.

Resolution, terms, etc.

13653. No public agency or portion thereof shall be annexed to a special district unless the legislative body thereof shall by resolution consent.

Consent of legislative body

13654. The terms and conditions for the annexation of territory to a special district may provide, among other things, for the payment of taxes within the territory to be annexed in addition to the taxes elsewhere in this division provided for, the fixing of rates, rentals, and charges differing from those fixed or existing elsewhere within the special district, the making of a payment or payments, or the transfer of property, real and personal, and other assets to the district by the territory proposed to be annexed.

Permissible terms and conditions

13655. Notice fixing the time and place for hearing on the question of the annexation of territory to a special district shall be published once in a newspaper of general circulation published in the district.

Hearing: notice

13656. The time for hearing shall be not less than 30 nor more than 60 days from the date of the first publication of the notice.

Same: time

13657. At or before the hearing any person interested may file with the secretary of the district written objections to the annexation of the territory to the special district or to the inclusion of his property therein. Upon the hearing, the board shall hear and determine all protests and objections.

Same: objections

13658. The hearing may be adjourned from time to time by the board without further notice other than an order entered upon the minutes of its meeting fixing the time and place of adjournment. In the event that no protests are filed or the protests filed are overruled and denied the board shall thereupon by resolution declare the territory, or a portion thereof, annexed to the special district.

Same: adjournment declaration

13659. From and after the date of filing of the resolution with the secretary of the district the annexation of the territory, or portion thereof, to the special district is complete.

Annexation complete

Effect of annexation

13660. No annexation to a special district shall operate to dissolve or terminate the legal existence of any public agency within or partly within the territory annexed.

Liability of annexed territory

13661. From and after the date of annexation any territory annexed to a special district is liable for payment of its proportionate share of any indebtedness then existing and payable by the special district. From and after the date of annexation the board shall levy upon all of the property in the territory annexed such taxes, tolls, or charges as are necessary to comply with the terms and conditions of annexation, in addition to any other district taxes authorized elsewhere in this division to be levied and collected.

Article 9. Dissolution

Requirements, effect

13691. A special district may be dissolved by resolution of the board if any proposition for the incurring of a bonded indebtedness fails to carry, and if the special district is then subject to no other indebtedness or liability pursuant to this division and has been organized for not less than two years. Such dissolution of the special district shall not prevent subsequent proceedings for the creation of a special district including the same or any part of the area of the special district dissolved.

CHAPTER 9. ANNEXATION OF PUBLIC AGENCIES

Article 1. Annexation Agreement

13801. Any public agency not included within the boundaries of a district may be annexed to the district in the manner provided in this chapter or in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of the Government Code). When proceedings for an annexation are taken pursuant to this chapter, only the provisions of this chapter shall apply to that annexation.

Authorization

13802. The legislative body of the public agency proposed to be annexed shall agree in writing with the board upon the terms and conditions of annexation, which agreement (among other things) may provide for any of the terms and conditions authorized by the District Reorganization Act of 1965 (commencing at Section 56000, Government Code). The corporate boundaries of the public agency to be annexed need not be coterminous with any election precincts.

Terms, conditions

13802.5. The terms and conditions of annexation may provide, among other things, for the levy and payment of taxes within the territory to be annexed in addition to the taxes authorized elsewhere in this division, for the fixing of rates, rentals, and charges differing from those fixed or existing elsewhere within the district, or for the making of one or more payments, or the transfer of real or personal property or other assets to the district by the public agency. Such payments may be either for the acquisition, transfer, use or right to use all or any part of the existing property of the district or for installation and construction of facilities and equipment required to serve the annexed territory.

Same: taxes

13803. After the legislative body of the public agency and the board have concurred upon the proposed terms and conditions, the secretary or clerk of the public agency to be annexed shall file a certified copy of the proposed agreement with the executive officer of the local agency formation commission.

Agreement

13804. After the filing of the proposed agreement with the executive officer, proceedings thereon shall be taken by the local agency formation commission in the manner and subject to the provisions of Part 4 (commencing at Section 56250, Government Code) of the District Reorganization Act of 1965. If the proposed annexation and agreement are approved by the commission, with or without amendment, wholly, partially or conditionally, it shall be mandatory for the board and the legislative body of the public agency to complete the proceedings for such annexation, subject to compliance with the commission's resolution making determinations.

Proceedings

Article 2. Approval by District

13821. The agreement shall become effective and be binding upon the district and the public agency when approved in the manner set forth in this chapter.

Approval

After receipt of the resolution of the local agency formation commission making determinations, the board shall by ordinance setting forth the agreement at length declare its intention of causing it to be executed by the district.

Publication, notice

13822. The ordinance, together with a notice fixing the time and place for hearing thereon, shall be published once in a newspaper of general circulation published in the district. The time fixed for the hearing shall be not less than 30 nor more than 60 days from the date of the first publication of the ordinance.

Hearing: objections

13823. At the hearing any person interested may file with the board written objections to the execution of the agreement.

Same: determination, effect of failure to show cause

13824. Upon the hearing the board shall determine whether or not the agreement will be carried into execution and shall hear and determine all objections thereto. Failure of any person interested in the district or in the matter of the proposed execution of the agreement to show cause in writing pursuant to Section 13823 constitutes an assent on his part to a change in the boundaries of the district and to the execution of the agreement.

Same: adjournment

13825. Any hearing on the agreement may be adjourned from time to time by the board without further notice other than an order to be entered upon the minutes of the meeting fixing the time and place of adjournment.

Approval

13826. If no protests are filed or if the protests filed are overruled and denied the board shall thereupon by resolution finally approve the agreement and authorize its execution, which shall be come effective when executed by the public agency, duly authorized in the manner provided in this chapter.

Execution, filing of agreements

13827. When executed by the district the agreement shall be dated and an executed copy filed with the secretary of the district. An executed copy shall also be filed with the secretary or clerk of the public agency to be annexed.

Article 3. Approval by Public Agency

Election

13851. At any time after the board has finally approved the agreement of annexation the legislative body of the public agency to be annexed shall cause an election to be held in the public agency to determine whether the public agency will be annexed to the district upon the terms and conditions stated in the agreement.

Notice of election

13852. Notice of election shall be published as provided in Section 11534 and shall either state that a copy of the annexation agreement is on file in the office of the secretary or clerk of the public agency proposed to be annexed, and open to the inspection of all persons interested, or set forth the terms and conditions of the agreement of annexation at length, in the discretion of the legislative body calling the election.

13853. The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and in addition shall set forth the proposition of annexation substantially as follows: **Ballots**

Shall the _____ (public agency) be annexed to _____ municipal utility district in accordance with and subject to all of the terms and conditions of an agreement of annexation dated _____ now on file in the office of the clerk (or secretary) of _____ public agency?	YES
	NO

13854. If upon a canvass of the election it is found that a majority of all votes cast on the proposition at the election were cast in favor of the annexation, the proposition and all of the terms and conditions of the agreement of annexation shall be deemed carried and approved by the voters; except that if the terms and conditions of the agreement of annexation provide for the assumption of any indebtedness of the district by any city proposed to be annexed, the proposition of annexation shall not be deemed carried unless approved by the vote of two-thirds of all the voters voting on the proposition at the election. **Vote**

13855. If the proposition fails to carry, the result shall be entered upon the minutes of the governing body of the public agency. **Failure to carry: entry**

13856. If the proposition receives the vote of the requisite majority of voters the governing body of the public agency shall enter in its minutes an order declaring the result of the election and shall thereupon cause the agreement of annexation to be executed by its duly authorized officers. **Favorable vote, execution of agreement**

Article 4. Establishment of Annexation

13886. Upon receipt by the district of a copy of the agreement of annexation properly executed by the district and the public agency proposed to be annexed the board shall pass a resolution declaring the public agency annexed to the district. Thereupon the secretary of the district shall make the filings provided for in Chapter 8 (commencing at Section 56450, Government Code) of Part 5 of the District Reorganization Act of 1965. The annexation shall be complete and effective on the dates specified in said Chapter 8. **Annexation of public agency**

Article 5. Annexation of Territory Annexed to Public Agencies

13911. Upon the completion of the annexation of any territory in accordance with law to any city included in the district the city clerk shall file with the secretary of the district a certified copy of the ordinance, resolution or other document completing said annexation, containing a description of the territory so annexed. **Filing copy of annexation ordinance, resolution, etc.**

Unless the district within 90 days after such filing shall file with the city clerk the district's written objections to the annexation of said territory, or to a specified portion or portions thereof, to the district, said territory, or such portion or portions thereof to which the district does not object as aforesaid, shall upon the termination of said period be deemed incorporated into and annexed to the district, and thereafter is subject to taxation, along with the entire territory of the district in accordance with the assessable valuation of the property thereof, for general district purposes, and for the payment of any indebtedness theretofore or thereafter incurred by the district. Any such objection filed with the city clerk by the district as to a portion or portions of said territory shall describe such portion or portions.

Filing of objections

13912. If the district shall file its objections in the manner aforesaid to the annexation of said territory or any specified portion or portions thereof to the district, said territory, or the portion or portions thereof so objected to, shall not be annexed to the district except in the manner provided in the District Reorganization Act of 1965 (commencing at Section 56000, Government Code). Prior to the expiration of the 90 day period referred to in Section 13911, the district may from time to time withdraw such objections to the annexation of said territory or any specified portion or portions thereof by filing with the city clerk a certified copy of a resolution or resolutions of the board stating that such objections to the annexation of said territory or any specified portion or portions thereof are withdrawn. Thereupon said territory, or the portion or portions as to which such objections are so withdrawn, shall be deemed incorporated into and annexed to the district as provided in Section 13911. Any such resolution or resolutions filed with the city clerk withdrawing the district's objections to the annexation of a portion or portions of said territory shall describe such portion or portions.

Article 6. Effect of Annexation

Taxes levy, etc.

13931. From and after the date of annexation the board shall levy upon all of the property in the public agency annexed such taxes, tolls, or charges as are necessary to provide funds for the payment of the indebtedness assumed by the public agency or otherwise necessary to comply with the terms and conditions of the annexation agreement, all in addition to the general district taxes authorized elsewhere in this division to be levied and collected.

Legal existence continued

13932. No annexation of a public agency to a district shall operate to dissolve or terminate the legal existence of the public agency annexed.

CHAPTER 10. ANNEXATION OF UNINCORPORATED TERRITORY

Authorization

14051. Unincorporated territory may be annexed to a district in the manner provided in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of the Government Code).

Noncontiguous territory

14052. Unincorporated territory not contiguous to a district may not be annexed if the district does not possess facilities for supplying utility service to that territory.

CHAPTER 11. EXCLUSION OF TERRITORY

Article 1. Exclusion of Unincorporated Territory

14351. Any territory contained within a district not operating any utility and not included within the boundaries of any incorporated city and not benefited in any manner by the district or by its continued inclusion therein may be excluded therefrom by proceedings under and pursuant to the District Reorganization Act of 1965 (commencing at Section 56000, Government Code).

Proceedings

Article 2. Exclusion of Incorporated Territory

14381. If the city to which any territory included in any district has been annexed already serves electricity or water to the territory annexed, the city council or other governing body of the city may propose an agreement for the exclusion of such territory from the district.

City serving water, electricity

14382. The agreement for exclusion shall be authorized and executed and proceedings for such exclusion taken in the same manner as provided in Chapter 9 (commencing at Section 13801) for the annexation of a public agency to a district.

Proceedings

14383. If an order of exclusion is granted the board and the governing body of the city shall by contract provide for the payment by the city of the proportion of the taxes and bonded indebtedness for which the territory excluded is justly liable. If they do not agree, either may petition the superior court in and for the county in which the property is located for a judgment declaring the proportion of the taxes and bonded indebtedness for which the territory excluded is justly liable. The proceeding shall be governed by the provisions of the Code of Civil Procedure relating to declaratory relief.

Contract regarding payment of liabilities, taxes

14384. The order of exclusion does not invalidate in any manner any taxes or assessments theretofore levied or assessed against the lands excluded nor relieve the property excluded from any outstanding bonds which are a lien thereon at the time of exclusion, nor from any taxes to pay the principal or interest thereof.

Effect of order of exclusion

CHAPTER 11.5. HEARINGS

14401. Before any rates and charges for commodities or service furnished by a district are fixed or changed the general manager shall file with the board a report and recommendation thereon in writing. Within 40 days thereafter the board shall hold a public hearing on the report and recommendation. Prior to the hearing, notice of the time and place of hearing shall be published within the district pursuant to Section 6066* of the Government Code.

Report, notice and public hearing

*Please see Appendix III, Government Code, Page 119.

14402. A district or any interested person may bring an action pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure to determine the validity of district rates or charges.

Provisions to determine validity; action to set aside

Notwithstanding any other provision of law, any judicial action or proceeding to attack, review, set aside, void, or annul an ordinance, resolution, or motion fixing or changing rates or charges for the commodities or service furnished by a district shall be commenced within 120 days of the effective date of the ordinance, resolution, or motion.

14403. Before the board adopts any change in rates and charges for commodities or services furnished by an electricity district intended to increase or decrease revenues, the general manager shall file with the board a report and recommendation on the proposed changes in writing. Within 90 days, but not less than 30 days after the report is filed, except when unanticipated events cause a sudden and significant change in the electricity district's financial condition requiring an immediate response, the board shall hold a hearing on the report and recommendation. Notice of the time and place of the hearing shall be published within the district pursuant to Section 6063 of the Government Code, except that, in the case of an unanticipated event requiring an immediate response, notice may be given pursuant to Section 6063a* of the Government Code.

Report, notice and public hearing

14403.3. The report and recommendation of the general manager of an electricity district filed pursuant to Section 14403 shall include all of the following:

Report and recommendation

(a) The most recent annual report submitted pursuant to Section 11938.

(b) A statement of sales volumes by customer types for the preceding two years and estimates of sales volumes for the two years following.

(c) A statement of sources and disposition of funds for the preceding two years and estimates of sources and dispositions of funds for the two years following, whether or not the rate change does occur.

(d) A statement of capital expenditures anticipated during the next two years following.

(e) In sufficient detail to permit an assessment of the need for any proposed changes, a statement of each category of expense for the preceding two years, and estimates of each category of expense for the two years following.

(f) Other information as the general manager believes will explain or justify the proposed rate change.

(g) The basis for the allocation of the overall revenues among the various types of customers of the electricity district.

Board consideration

14403.5. At the hearing held pursuant to Section 14403, the board shall do both of the following:

(a) Permit any member of the public who has given 10 days advance written notice to present nonduplicative testimony on the proposed rate change or on any alternatives.

(b) Consider any report and recommendations submitted in writing by any member of the public on alternatives to the rate changes proposed by the general manager.

APPENDIX I

PUBLIC UTILITIES CODE
GENERAL PROVISIONS

1. This act shall be known as the Public Utilities Code.

2. The provisions of this code, insofar as they are substantially the same as existing statutory provisions relating to the same subject matter, shall be construed as restatements and continuations thereof, and not as new enactments.

3. All persons who, at the time this code takes effect, hold office under any of the acts repealed by this code, which offices are continued by this code, continue to hold them according to their former tenure.

4. No action or proceeding commenced before this code takes effect, and no right accrued, is affected by this code, but all procedure thereafter taken therein shall conform to the provisions of this code so far as possible.

5. Unless the provision or the context otherwise requires, these definitions, rules of construction, and general provisions shall govern the construction of this code.

6. Division, part, chapter, article, and section headings do not in any manner affect the scope, meaning, or intent of the provisions of this code.

7. Whenever a power is granted to, or a duty is imposed upon, a public officer, the power may be exercised or the duty may be performed by a deputy of the officer or by a person authorized, pursuant to law, by the officer, unless this code expressly provides otherwise.

8. Writing includes any form of recorded message capable of comprehension by ordinary visual means. Whenever any notice, report, statement, or record is required or authorized by this code, it shall be made in writing in the English language.

Wherever any notice or other communication is required by this code to be mailed by registered mail by or to any person or corporation, the mailing of such notice or other communication by certified mail shall be deemed to be a sufficient compliance with the requirements of law.

9. Whenever reference is made to any portion of this code or of any other law of this State, the reference applies to all amendments and additions heretofore or hereafter made.

10. "Section" means a section of this code unless some other statute is specifically mentioned. "Subdivision" means a subdivision of the section in which that term occurs unless some other section is expressly mentioned.

11. The present tense includes the past and future tenses, and the future, the present.

12. The masculine gender includes the feminine and the neuter.

13. The singular number includes the plural, and the plural, the singular.

14. "Shall" is mandatory and "may" is permissive.

15. "Oath" includes affirmation.

16. "Signature" or "subscription" includes mark when the signer or subscriber cannot write, such signer's or subscriber's name being written near the mark by a witness who writes his own name near the signer's or subscriber's name; but a signature or subscription by mark can be acknowledged or can serve as a signature or subscription to a sworn statement only when two witnesses so sign their own names thereto.

17. "State" means the State of California, unless applied to the different parts of the United States. In the latter case, it includes the District of Columbia and the territories.

18. "County" includes city and county.

19. "City" includes city and county and "incorporated town," but does not include "unincorporated town" or "village."

20. "Commission" means the Public Utilities Commission created by Section 22 of Article XII of the State Constitution, and "commissioner" means a member of the commission.

21. If any provision of this code, or the application thereof to any person or circumstance, is held invalid, the remainder of the code, or the application of such provision to other persons or circumstances, shall not be affected thereby.

APPENDIX II

PUBLIC CONTRACT CODE
MUNICIPAL UTILITY DISTRICTS

20191. Any district operating utility works may accept, without limitation by any other provisions of this division requiring approval of indebtedness, loans from any person, firm, or corporation for the purpose of financing the construction of office buildings, warehouses, and garages for the district, and the acquisition of sites therefor, with appurtenances necessary or convenient thereto. The evidence of the district's indebtedness shall constitute a negotiable instrument.

As used in this section, "construction" includes the meaning of "reconstruction," "repair," "improve," "remodeling," "rehabilitation," and "completion."

20192. (a) Whenever the cost of construction of any office building, warehouse, or garage of the district constructed under Section 20191 exceeds the sum of two thousand dollars ($2,000), the district shall adopt plans and specifications and working details, as may be proper, and shall advertise for bids for the work in accordance with the plans and specifications so adopted. All bidders shall be afforded an opportunity to examine the plans and specifications and the district shall award the contract to the lowest responsible bidder.

(b) All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:

(1) Cash.

(2) A cashier's check made payable to the district.

(3) A certified check made payable to the district.

(4) A bidder's bond executed by an admitted surety insurer, made payable to the district.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the district beyond 60 days from the time the award is made.

(c) The person or corporation to whom the contract is awarded shall be required to execute a bond for the faithful performance of the contract. The form of the bond shall be approved by the board of directors. In cases of great emergency and when necessary to protect life and property, the board of directors, by unanimous vote of all members present, may without advertising for bids therefore, have the work done by day labor.

APPENDIX III

GOVERNMENT CODE
MANNER OF PUBLICATION

6060. Whenever any law provides that publication of notice shall be made pursuant to a designated section of this article, such notice shall be published in a newspaper of general circulation for the period prescribed, the number of times, and in the manner provided in that section. As used in this article, "notice" includes official advertising, resolutions, orders, or other matter of any nature whatsoever that are required by law to be published in a newspaper of general circulation.

6061. Publication of notice pursuant to this section shall be for one time.

6063a. Publication of notice pursuant to this section shall be for at least 10 days. Three publications in a newspaper published once a week or oftener, with at least five days intervening between the first and last publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates either at the end of the day of the third publication or at the end of the tenth day, including therein the first day, whichever period is longer.

6066. Publication of notice pursuant to this section shall be once a week for two successive weeks. Two publications in a newspaper published once a week or oftener, with at least five days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the fourteenth day, including therein the first day.

INDEX

A

Accountant		
Appointment	11931	20
Duties	11940–11941	21–22
Advertising	12819	47
Annexation	13651–13661	103–4
Agreement	13801–13804	105
Approval by District	13821–13827	105–6
Approval by Public Agency	13851–13856	106–7
Exclusion of Incorporated Territory	14381–14384	111
Exclusion of Unincorporated Territory	14351	111
Filing of Proposed Agreement	13803–13804	105
Objections	13823, 13911–13912	106, 107–8
Rates and Charges	14401–14403.5	113–14
Taxes	13802.5, 13931, 14384	105, 108, 111
Terms and Conditions	13802–13803	105
Territory Annexed to Public Agencies	13911–13912	107–8
To District	13801–14403.5	105–14
Unincorporated Territory	14051–14351	109–11
Appendix I Public Utility Code General Provisions		115–16
Appendix II Public Contract Code Municipal Utility Districts		117
Appendix III Government Code Manner of Publication		119
Appointive Officers	11926–11942	19–22
Bond	11936	21
Oath of Office	11935	20–21
Appointments		
Civil Service Positions	11886	15
Non-Civil Service Positions	11887–11887.2	15–16
Officers	11926–11942	19–22
Assessments	12896–12899	61–62
Assistant Officers	11933, 12165	20, 26
Attorney		
Appointment	11931–11932	20
Duties	11939	21
Audit		
Examination of Accounts	11889	16
Install and Maintain System	11940	21–22

B

Best Value	12751.3	32
Bidding		
Materials and Supplies	12751–12752	34–36
Board of Directors (See Directors)		
Bonds		
Electric System Improvements	13071–13193	67–80
Form and Content	13241–13244	83–84
Interest on	12860, 13171, 13263	59, 77, 84
Interim	13151.11	75
Issuance	13201–13212	81–83
Issue and Sale	13261–13263	84
Proceeds	13262	84
Redemption	13243	83
Refunding	13281–13288, 13372	84–85, 90
Short-Term Borrowing	13371–13392	89–92
Signatures	13244	83–84
Special Election	12856, 13202–13212, 13379	59, 81–83, 91
Special District	13621–13626	101–2
Status as Investments	13311–13312	85
System Improvements	12851–12860	57–59
Validating Proceedings	13341	85
Borrowing	12841–12844	56–57
Special District Short-Term	13631–13633	102
Business Hours	12819.5	47

C

Civil Service System	12051–12167	23–26
Appointments	11886–11886.1, 12101–12104	15, 24–25
Blanketing-In	12131–12134	25–26
Discipline	12161–12167	26
Establishment	12051–12055	23–24
Exclusions	11887–11887.2, 12055	15–16, 23–24
Probationary Appointments	12104	24–25
Claims	12830	56
Collections		
Charges, Exclusion	12811.1(e)	42
Customer Assistance Program	12811.2	43
Delinquent Accounts	12810–12811.1, 12822–12824	40–43, 48–55
Joint	12810	40
Manner of	12811	40
Master Meter	12821.5–12822.1	48–52
Owner Record	12811.1	40–43
Penalties	12811–12811.1	40–43

Residential Occupants	12822–12822.1	48–52
Subsequent Tenants	12822–12822.1	48–52
Termination of Service	12810, 12822–12824	40, 48–55
Third Party Notification	12823.1	54–55
Competitive Bidding	12751–12752	34–36
Complaint, Customer	12823	53–54
Condemnation	12703, 12771	33, 37
Conflict of Interest	12722	33
Conservation Activities	12825	55–56
Construction		
Streets, Across or Along	12808	38
Contracts	11885, 12721–12723	15, 33–34
Emergency	12753	36
Professional and Other Services	11888	16
Contributions to District	12802, 12844	37, 57
Customer		
Actual User	12822	48–49
Assistance	12811.2	43
Master Meter	12822	48–49
Residential, Complaint	12823	53–54

D

Debt	12841–12844	56–57
Limit	12842	56
Deferred Compensation	12307, 12368	27, 31
Definitions – Terms in MUD Act	11501–11509	1–2
Delinquent Accounts	12810–12811.1, 12822–12824	40–43, 48–55
Actual User	12822	48–49
Charges, Exclusion	12811.1(e)	42
Joint	12810	40
Manner of Collection	12811	40
Owner of Record	12811.1	40–43
Penalties	12811–12811.1	40–43
Termination of Service	12810, 12822–12824	40, 48–55
Third Party Notification	12823.1	54–55
Delinquent Charges, Exclusion	12811.1(e)	42
Demands, Payment	11891–11891.6	16–17
Destruction of Records	12772	37
Directors		
Additional	11850–11855	11–12

Compensation	11908–11908.2	18–19
Conflict of Interest	12722	33
Definition	11503, 11801	1, 9
Election	11641–11656, 11821–11832	4–7, 9–11
Expression of Action	11909–11912	19
Nomination Papers	11825–11828	9–10
Oath of Office	11881	14
Powers and Duties	11881–11895	14–17
President and Vice President	11882	14
Qualifications	11653	6
Quorum	11907	17
Retirement	12306	27
Rules for Proceedings	11908	18
Terms of Office	11861–11863	13
Vacancies on the Board	11865	13–14
Discharge of Waste Water	13573–13578	97–100
Disposition of Records	12772	37

E

Economic Development	12827	56
Election		
Annexation, Public Agency	13851–13856	106–107
Board of Directors	11821–11832	9–11
Creation of Proposed Special District	13511–13513	94–95
Electric System Improvements	13107	70
Initiative and Referendum	11950	22
Proposed District	11583–11701	3–7
Special Bond	12856, 13202–13212, 13379, 13621–13623	59, 81–83, 91, 101
Electric System Improvements		
Bonds	13071–13193	67–80
Electrical Energy Distribution and Transmission Lines	12808.5	38–40
Electricity, Borrowing to Purchase	13391–13392	91–92
Emergency Financing	13345–13347	87–88
Emergency Purchases	12753	36
Eminent Domain	12703, 12771	33, 37
Employees (See Civil Service System)	12051–12167	23–26
Examination of Accounts	11889	16
Exchange of Interest Payments	12875	60–61

F

Facilities, Renting or Leasing	12805	38
Federal Aid	12844	57
Financial Report	11938	21
Financing, Emergency	13345–13347	87–88
Fluorine, Addition to Water	12814–12816	43–46
Formation of Districts	11561–11701	3–7
Formation of Special District for Sewage Disposal or Solid Waste Recovery	13451–13565	93–96
Forward Payment Conversion Agreements	12875	60–61

G

General Manager		
Appointment	11926–11928, 11930	19–20, 20
Conflict of Interest	12722	33
Financial Report	11938	21
Powers	11937	21
Removal From Office	11929	20
Report and Recommendation	14403–14403.5	113–14
Term of Office	11929	20
General Provisions	11501–11536	1–2
Grants	12844	57

H

Hearings (See also Public Hearings)		
Disciplinary	12164–12166	26
Holidays	11893–11894	17

I

Immediate Availability Charge		
Irrigation Water	13021–13024	63–65
Improvement Act of 1911	12921–12922	63
Indebtedness	12841–12844	56–57
Emergency Financing	13345–13347	87–88
Pubic Works	12841–12843	56–57
Short-Term Borrowing	13181–13184, 13371–13392, 13631–13633	79, 89–92, 102

Initiative and Referendum	11950	22
Internal Organization of Districts	11801–11950	9–22
Interests Rate Swap Agreements	12875	60
Investments	12871–12875, 13191–13193	59–61, 79–80
Irrigation, Standby or Immediate Availability Charge	13021–13024	63–65
J		
Joint Collections	12810	40
L		
Liens and Delinquent Charges	12811.1	40–43
Loans		
Federal Aid	12844	57
M		
Master-Meter Customer	12821–12822.1	48–52
Meetings and Legislation	11907–11912	17
Microfilming of Records	12772	37
Motions	11909	19
Municipal Improvement Act of 1913	13010	63
N		
Name Change of District	11895	17
Non-Civil Service Positions	11887–11887.2, 12055, 12102–12102.1	15–16, 23–24, 24
Notices, Publication	11534–11535	2
Rates and Charges	14401–14403	113
Nuclear Energy Insurance	12723	33–34
O		
Oath of Office		
Appointive Officers	11935	20–21
Directors	11881	14
Officers		
Appointive	11926–11942	19–22
Oath of Office	11935	20–21
Assistant	11933	20

Ordinances	11909–11912	19
Form	11911–11912	19
Publication	11534–11535, 11910	2, 19

P

Payment of Demands	11891–11891.6	16–17
Payroll	11890	16
PCB's	12826	56
Policy	11883	14
Positions	11886, 11887–11887.2	15, 15–16
Non-Civil Service	11887, 12055	15, 23–24
Powers and Functions of District	12701, 13024	33, 64–65
Private Property, Entry for Wastewater Sampling	13572(f), 13578	96, 100
Professional Services	11888	16
Property	12771–12772	37
Eminent Domain	12703, 12771	33, 37
Real and Personal, Acquisition and Sale	12771	37
Public Hearings		
Annexation of Public Agency	13822–13825	106
Annexation to Special District	13655–13658	103
Creation of Special District	13481–13484	94
Rates and Charges	14401–14403.5	113–14
Public Recreation Facilities	12817	46
Public Utilities Code, General Provisions	Appendix I	115–16
Public Works Indebtedness	12842–12843	56–57
Publication of Notices	11534–11535	2
Purchasing		
Emergency	12753	36
In Excess of $20,000	12751	34
Publication of Notice Requesting Bids	12751	34
Rejection of All Bids	12751–12752	34–36

Q

Quorum of Board	11907	17

Rates and Charges		
Collection of (See Collections)		
Customer Assistance Program	12811.2	43
Establishment of	12809, 14401–14403.5	40, 113–14
Hearings	14401–14403.5	113–114
Joint Collections	12810	40
Manner of Collection	12811	40
Records, Disposition of	12772	37
Recreational Facilities	12817	46
Refunding Bonds	13281–13288, 13372	84–85, 90
Refunds, Service Agreements	12841(b)	56
Regulations		
Reservoirs, Enforcement	12821	48
Responsibility of Board	11885	15
Violations	12821	48
Waste Water	13570–13578	96–100
Report and Recommendation, General Manager	14403–14403.5	113–14
Rentals	11885, 12805	15, 38
Reservoirs, Rules and Regulations Enforcement	12821	48
Residential Customer, Complaint	12823	53–54
Resolutions	11909	19
Retirement Board	12361–12392	29–31
Actuarial Valuation	12391	31
Compensation	12362	29
Custody of Securities	12367	31
Interest in Investments	12392	31
Investments	12364–12366, 12368, 12392	29–31, 31, 31
Membership	12361–12362	29
Powers and Duties	12363–12392	29–31
Retirement System	12301–12392	27–31
Benefits and Contributions	12331–12338	28–29
Benefits, Unassignable	12337	28–29
Contributions	12334–12335	28
District	12335	28
Member	12334	28
Deductions from Allowance	12337.5	29
Deferred Compensation	12307, 12368	27, 31
Establishment	12301–12307	27
Funding	12302	27
Investigation and Penalties	12391–12392	31
Public Employees' Retirement System	12305	27
Withdrawal Form	12336	28

Revenue Bonds	12851, 12856, 12895, 13379	57–58, 59, 61, 91
Revolving Funds	11892–11892.1	17
Rules and Regulations, Violations	12821	48
S		
Salaries	11886, 11890	15, 16
Sales		
Sewage By-Products	12807	38
Surplus Products	12804	37
Secretary, Appointment	11931	20
Security Force, Employment of	12820	47
Service Agreements, Refunds	12841(b)	56
Sewage Disposal Facilities		
Apportionment of Costs	12812	43
Financing	12813	43
Sewage Disposal or Solid Waste Recovery Special District For	13451–13691	93–104
Short-Term Borrowing	13181–13184, 13371, 13392, 13631–13633	79, 89–90 92, 102
Signatures, Facsimile	11536	2
Solid Waste Recovery or Sewage Disposal, Special District For	13451–13691	93–104
Special District for Sewage Disposal or Solid Waste Recovery	13451–13691	93–104
Annexations	13651–13661	103–4
Bonds	13621–13626	101–2
Dissolution	13691	104
Election	13511–13513	94–95
Establishment	13531–13532	95
Financing	13591–13593	100–101
Hearing	13481–13488	94
Powers and Functions	13561–13565	95–96
Proposal and Formation	13451–13456	93
Short-Term Borrowing	13631–13633	102
Waste Water Control	13570–13578	96–100
Special Election, Bonds	12856, 13202–13212, 13379, 13511, 13621	59, 81–83, 91, 94–95, 101
Streets, Construction Across or Along	12808	38
Submeters	12821.5–12822.1	48–52
Surplus Water, Power	12804	37

System of Accounts	11889	16
System Improvements	12850–12857	57–59
T		
Taxes	12891–12904	61–63
Annexations	13802.5, 13931, 14384	105, 108, 111
Collection by County Assessor	12897–12903	61–63
Lien on Property	12904	63
Special Taxes	12891.5	61
Termination of Service	12810, 12822–12824	40, 48–55
Treasurer		
Appointment	11931, 13151.8	20, 74
Duties and Powers	11941–11942, 12365.7	22, 30
U		
Utility Works and Service	12801–12826	37–56
V		
Validation Proceedings, Bonds	13341	85
Violations, Rules and Regulations	12821	48
W		
Wages and Salaries	11886, 11890	15, 16
Wards	11642–11647, 11801–11829	4–6, 9–10
Waste Water		
Control	13570–13578	96–100
Definitions of	13571	96
Discharge	13573–13578	97–100
Regulations	13570–13578	96–100
Sampling	13572(f), 13578	96, 100
Water		
Irrigation	13021–13024	63–65
Sales Within District	12818	46–47

EAST BAY MUNICIPAL UTILITY DISTRICT

OFFICE OF THE SECRETARY (510) 287-0440