

## San Diego Water Authority—Charter Highlights

The San Diego Water Authority (SDWA) is organized pursuant to the County Water Authority Act (California Annotated Water Code—Appendix, Chapter 45). Under this act a group of any of a variety of agencies—municipal corporations, utility districts, etc—can form a water authority, which is equivalent to a public corporation like a city or district. Those wanting to form the authority petition the county supervisors by resolution and the county supervisors hold an election.

Note that San Diego receives over 90% of its water from two sources: The Colorado River and the Northern California Aqueduct. Only recently has it undertaken to develop new sources rather than simply manage and allocate what's already there. A substantial portion of Colorado River water is being withdrawn—Southern California has been withdrawing more than its share and that process is ending.

The Water Authority has the power to: contract, eminent domain, sue and be sued, construct and maintain facilities, including those in the public right-of-way, borrow money; issue bonds, impose & collect taxes, hire and dismiss employees and contractors, enter into joint agreements with other public entities to provide services, acquire, hold and dispose of water rights, buy and sell water. It also has the power to sell water to non-members if not needed by members, acquire, treat, purify and sell reclaimed water, set and collect rates for water sales, generate and sell hydropower, buy and sell natural gas and electricity, set and collect standby charges, connection charges and related charges.

All power is vested in a board of directors. All members shall have at least one representative on the board, appointed by the highest authority of the member agencies. Each member shall have an additional representative for each 5% of assessed value it contains of the total assessed value of all members. Each member shall have a vote for each \$5 million it has contributed to the authority. Contributed to the authority means charges paid to the authority by a member for water, standby charges, other fees, tax revenue, etc. Votes are assigned each year, based on the previous years contributions. (There are currently 866 votes, e.g. San Diego has 373, Vista Irrigation District has 24, and so on.). One half of all representatives is a quorum and 50% of the total votes are needed to take any action. Proxies are permitted.

Issuing debt (bonds) must be submitted to the voters and receive a 2/3 voter approval. Bonds so authorized must contain details of maturity, per cent return and other items. Water rates are to recover all costs of providing water including paying off debt. If rates fall short, the board may impose taxes to make up the difference however limitations are placed on this to make sure that rates go to an adequate level. Non-bond indebtedness can be incurred up to 1/10<sup>th</sup> of 1% of assessed value of all property within the member territories without going to the voters. Emergency bonds may be sold up to 1/2 of 1% of assessed property value to repair or replace facilities damaged by an act of God, etc. Taxes imposed on members shall be allocated based on assessed property values. Such taxes may be paid by the members or directly levied and collected by members as property taxes.

When members annex territory such territory shall become part of the authority. Water districts may elect to annex to the authority as a new member, or by a vote of the district's electors. Districts may also consolidate with a district already part of the authority, thus becoming part of the authority. There are special conditions for federal property.

There is nothing in the underlying charter about the details of operations, structure and the exact nature of charges. The Authority is currently looking at a major overhaul of its rate structure.