

CALIFORNIA PUBLIC UTILITIES COMMISSION
WATER DIVISION

FORMATION OF WATER
DISTRICTS IN CALIFORNIA

Standard Practice U-62-W

San Francisco, California
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MEMORANDUM

This report was prepared by Ali Miremadi of the Water Utilities Branch of the Evaluation and Compliance Division, which became the Water Advisory Branch of the Water Division.

A--Introduction

1. The purpose of this report is to provide information on the preliminary steps involved in forming a publicly owned water district and some of the districts that can be formed.

2. After a community has decided to form a water district, it has to obtain approval of the Local Agency Formation Commission (LAFCO) and the authorization of the county. There are several different types of districts with varying organizational structures. The breadth of authority may vary from one district to another. For example, districts may be formed to exercise jurisdiction over water, may control gas, local parks, transportation or any other public service, or a combination of these. It is important for the community to assess its future needs and choose the appropriate type of district.

3. The subsequent paragraphs give a brief overview of the steps involved in the formation of a County Waterworks District, a County Water District, or a California Water District. For more detailed information, it may be necessary to contact an attorney or a consultant who specializes in this field.

B--Local Agency Formation Commission

4. LAFCO is a local county organization which, among its many purposes, is responsible for overseeing the formation of special districts. It approves or rejects applications based on its evaluation and decision. LAFCO also provides information and guidance to the community for the logical and reasonable development of a district.

5. The first step for a community is to meet informally with the executive officer of LAFCO and follow his or her advice for filing an application. Based on the California Government Code, Section 54792, the application should contain:

- a) A statement of the nature of each proposal;
- b) A description of the boundaries of the territory proposed,to be formed into a special district....;
- c) A map showing such boundaries;
- d) Such a data and information as may be required by any rule or regulation of the Commission.
- e) Such additional data and information as may be required by the executive officer pertaining to any of the matters or factors which may be considered by the commission; and
- f) The names of the officers or persons, not to exceed three in number, who are to be furnished with copies of the executive officer's report and who are to be given mailed notice of hearing.

6. Under sub section (e), the executive officer often requires a petition signed by a majority of the residents within the proposed boundaries. Petition requirements by counties (in addition to LAFCO approval, county approval is also necessary) are covered in detail later under the discussion of the various districts. After receiving the petition LAFCO normally contacts the county planning department for an Environmental Impact Statement. Based on Section 54796 of the code in reviewing the application, LAFCO considers the following factors:

- a) Population, population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
 - b) Need for organized community services; the present cost and adequacy of government services and controls in the area; probable future needs for such services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas. As used in this subdivision, “services” is to be construed as referring to governmental services whether or not the services are such as would be provided by local agencies subject to this chapter, and as including the public facilities necessary to provision of services.
 - c) The effect of the proposed action and of alternative actions on adjacent areas, on mutual social and economic interests and on the local governmental structures of the county.
 - d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on development and the policies providing planned, orderly, effective patterns of urban development and the policies and priorities set forth in Section 54790.2 of this code.
 - e) The effect of the proposal on maintaining the physical and economic integrity of lands in an agricultural preserve in open-space uses.
 - f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
 - g) Conformity with appropriate city or county general and specific plans.
 - h) The “sphere of influence” of any local agency which may be applicable to the proposal being reviewed.
7. After the application has been received, the executive officer has 30 days to accept the application for filing, if he or she deems it complete. Within 90 days of the filing, a date, time, and place for a hearing by LAFCO is set.

C--County Waterworks District

8. Formation: Under the criteria for a county waterworks district, any portion of a county containing unincorporated territory or containing the whole or any portion of one or more incorporated cities and contiguous unincorporated territory, and not included in a district, may be formed into a district.

9. To form a county waterworks district, in addition to meeting LAFCO's requirements as mentioned previously, a petition must be presented at a regular meeting of the board of supervisors. This petition must be signed by 25 percent or more of the residences within the proposed district and should contain:

- a) The name and boundaries of the proposed district.
- b) A general description of the improvement desired for the purpose of supplying the inhabitants of the district with water.
- c) An estimate of the cost of the proposed improvement.
- d) A request that an election be called in the district for the propose of submitting to the qualified voters the proposition of forming the district.
- e) A map showing the exterior boundaries of the proposed district.

10. General information: The board of supervisors of the county will be the governing body unless a petition is signed by 10 percent of the water users for formation and appointment of a board of directors.

D--County Water District

11. Formation: The people of a county or two or more contiguous counties or portion of such county or counties, may form a county water district by providing a petition to the county board of supervisory and meeting LAFCO's requirements. This petition must be signed by at least 10 percent of the voters registered within the boundaries of the proposed district 30 days prior to the date the petition is filed. The county clerk of the county containing the proposed district will publish a notice of hearing on the formation petition once a week for at least two weeks. The petition is then submitted at the regular meeting of the board of supervisors of the county in which the proposed district is situated.

12. General information: A county water district will have a board of five directors each of whom, whether elected or appointed, must be a voter of the district.

The district may control, distribute, store, spread, sink, treat, purify, recapture and salvage any water, including any sewage and storm waters, for the beneficial use or uses of the district and its inhabitants.

The rates and charges to be collected are fixed to recover the following:

- a) Pay the operating expenses of the district.
- b) Provide for repairs and depreciation of works owned or operated by the district.
- c) Pay the interest on any bonded debt.
- d) So far as possible, provide a fund for the payment of the principal of the bonded debt as it becomes due.

E--California Water Districts

13. Formation: According to section 34153 of the California Code, the holders of title to a majority in area of land which is capable of using water beneficially for irrigation, domestic, industrial or municipal purposes and which can be serviced from common sources or supply and by the same system of works, may petition for the formation of a district. An approval from LAFCO is also necessary.

14. The petition should be presented to the board of the principal county (“principal county” means the county in which the greatest portion of the area of the land is situated at the time of the filing of the petition for formation of the district) and should contain:

- a) The name of the proposed district.
- b) A description of the proposed boundaries.
- c) The name of each affected county.
- d) The number of acres in the proposed county.
- e) The place where the principal business of the proposed district is to be transacted.
- f) The sources from which water for the uses of the district is to be secured.
- g) The signatures of the petitioners.

15. General information: According to Section 35401, this district may acquire, plan, construct, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto.