

Bond Case Briefs

Municipal Finance Law Since 1971

WATER CONSERVATION DISTRICT FEES - CALIFORNIA

City of San Buenaventura v. United Water Conservation District

Supreme Court of California, California - December 4, 2017 - P.3d - 2017 WL 6001905 - 17 Cal. Daily Op. Serv. 11, 444

City filed separate petitions for writ of mandate and writ of administrative mandate and claims for reverse validation and declaratory relief against water conservation district that managed county groundwater resources challenging constitutionality of district's groundwater charges to city and other well operators for certain water years, which were consolidated.

District filed cross-complaint, seeking declaratory relief upholding its groundwater charge. The Superior Court entered a declaratory judgment and issued the writs of mandate, ordering district to refund charges to city for certain water years. District appealed and city cross-appealed. The Supreme Court granted review, superseding the opinion of the Court of Appeal.

The Supreme Court of California held that:

- Groundwater charge did not constitute "charge for a property related service," within meaning of constitutional provision restricting amount of such charge to proportional cost of service attributable to parcel on which it was imposed, disapproving *Pajaro Valley Water Management Agency v. Amrhein*, 59 Cal.Rptr.3d 484, and *Griffith v. Pajaro Valley Water Management Agency*, 163 Cal.Rptr.3d 243, and
- Court of Appeal was required to consider whether charge bore reasonable relationship to benefits of district's conservation activities, as required for charge to qualify as nontax fee that did not require voter approval.

Water conservation district's groundwater charge to city and other well operators for conservation and management services did not constitute "charge for a property related service," within meaning of constitutional provision restricting amount of such charge to proportional cost of service attributable to parcel on which it was imposed; district conserved groundwater in underground basins that did not correspond with parcel boundaries, basins were managed by district for benefit of public, not merely for benefit of well operators, and groups were not same, as some well operators extracted water for their own use, while others, such as city, extracted water for sale and distribution elsewhere; disapproving *Pajaro Valley Water Management Agency v. Amrhein*, 59 Cal.Rptr.3d 484, and *Griffith v. Pajaro Valley Water Management Agency*, 163 Cal.Rptr.3d 243.

Court of Appeal was required to consider whether record demonstrated that water conservation district's groundwater charge to city and other well operators for conservation and management services, which was imposed without voter approval, bore reasonable relationship to benefits of district's conservation activities, as required for charge to qualify as non tax fee that did not require voter approval under constitutional provision governing vote approval of tax levies, in city's action against district challenging constitutionality of charge, especially in light of statute requiring that charges for pumping groundwater for nonagricultural uses generally must be at least three times

the charges for pumping water for agricultural uses.