

IMPARTIAL ANALYSIS BY CITY ATTORNEY
CITY OF SANTA CRUZ
MEASURE H

The City of Santa Cruz is a charter city. The California Constitution authorizes the voters to adopt a city charter. The city charter has the force and effect of state law. Charter cities have the power to make and enforce all ordinances and regulations about municipal affairs, including those relating to the City's legal authority to establish, purchase and operate public works to furnish residents with water, sewer, waste collection and disposal, transportation and other public facilities and services. Under this legal authority, the City of Santa Cruz Water Department operates and maintains a water system, consisting of diversions, wells, pumps, reservoirs, tanks, treatment and distribution facilities that provide fresh, potable water throughout the City of Santa Cruz and certain areas of Santa Cruz County outside of the City's jurisdictional limits.

Section 1429 of the City Charter, entitled "Water System Inalienability," generally prohibits the City from selling, leasing, or otherwise encumbering the water system, other than property determined by at least a five vote City Council majority to be surplus, or any "rent or income" derived therefrom, without voter approval. In order to provide matching funds to take advantage of available state or federal grants or issue debt to financial major capital facilities, however, annual revenue from operating the water system frequently must be pledged as the source of the matching funds or for debt repayment. This proposed amendment to Section 1429 would retain language protecting the inalienability of the City's water system, but would delete the reference to "rent or income," to clarify the City's ability to take advantage of available grant funding and favorable debt financing terms, by pledging revenue from the water system for matching funds for grant awards and issue debt for capital facilities.

This ballot measure has been placed on the ballot by the Santa Cruz City Council. It requires a simple majority to pass.



8-18-16

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