

**OCEANO COMMUNITY SERVICES DISTRICT
IMPARTIAL ANALYSIS OF MEASURE B-12**

This measure will determine whether the Board of Directors of the Oceano Community Services District ("the Board") shall be required to hold an election prior to the sale of any water to an entity residing outside of the jurisdictional boundaries of the Oceano Community Services District ("OCSD").

This measure is proposed by an initiative petition. The statement of the measure indicates that one primary purpose of the measure is to provide the OCSD rate payers with the right to be fully informed about water supply contracts which may affect the water supply available to the OCSD, and to provide the rate payers with the right to vote on water sales that may affect their future.

Approval of the measure would enact an ordinance requiring that an election be held prior to any permanent sale of water to any entity residing outside the jurisdictional boundaries of the OCSD. The ordinance will require that all details of any proposed sale, including impacts to Oceano, shall be presented in a report prepared by a registered water engineer and a certified public accountant. Under the terms of the measure, the report must be mailed to every registered voter residing in the District no later than 60 days prior to the election.

The measure does not specify the exact question that shall be posed to the voters of the District if an election is required by the measure. From the stated purpose, County Counsel presumes that the question would be something to the following effect: Whether the Board of the OCSD shall sell water to [a specific entity], which entity resides outside of the jurisdictional boundaries of the OCSD.

The OCSD has three sources of water supply: ground water; water received from Lake Lopez, which is governed by a contract with the San Luis Obispo Flood Control and Water Conservation District (SLOFCWCD); and state water, which is also governed by a contract between the SLOFCWCD and the OCSD. It is unclear from the measure whether the measure is intended to apply to all water supply sources. If so, the measure may conflict with provisions of those contracts governing the authority of the OCSD to sell water outside of the boundaries of the OCSD.

The measure may be subject to legal challenge on one or more grounds, including that it is beyond the power of the electorate to enact because the legislature has delegated to community services district governing boards the power to sell water and, additionally, because the matter of who or which entity the OCSD may contract with to sell water is an administrative matter not within the initiative power of the voters.

A "Yes" vote on this measure is a vote in favor of requiring that an election be held prior to any permanent sale of water to any entity outside the OCSD.

A "No" vote on this measure is a vote against requiring that an election be held prior to any permanent sale of water to any entity outside the OCSD.

s/ WARREN JENSEN
County Counsel

The above is an impartial analysis of Measure B-12. If you desire a copy of the full text of the measure, it is available on the County Clerk-Recorder's website at <http://www.slovote.com> or call (805) 781-5228 and a copy will be mailed to you.

NO ARGUMENTS FOR OR AGAINST MEASURE B-12 WERE SUBMITTED

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