

## Assembly Bill No. 2224

### CHAPTER 341

An act to amend Section 53090 of the overnment Code, to amend Section 20216 of the Public Contract Code, to add Article 21.5 (commencing with Section 20355) to the Public Contract Code, and to add Part 16 (commencing with Section 105000) to Division 10 of the Public Utilities Code, relating to transportation.

[Approved by Governor August 31, 2002. Filed with Secretary of State September 3, 2002.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2224, Nation. Sonoma-Marín Area Rail Transit District.

Existing law establishes various local entities to carry out transportation functions within their respective areas of jurisdiction.

This bill would create the Sonoma-Marín Area Rail Transit District within the Counties of Sonoma and Marin. The bill would establish a 12-member board of directors to govern the district. The bill would require the district to work with specified authorities to achieve a safe, efficient, and compatible system of passenger and freight rail service. The bill would authorize the district to own, operate, manage, and maintain a passenger rail system within the territory of the district. The bill would authorize the district to contract for goods and services, to employ labor, to grant, purchase, lease, condemn for use, or otherwise use real or personal property for transit purposes, to impose voter-approved taxes, to invest revenues, to issue bonds and execute equipment trust certificates, and to create improvement and special benefit districts. The bill would require the Public Employee Relations Board to perform specified duties relating to collective bargaining. The bill would also authorize the district to annex territory and to dissolve. The bill would make related changes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 53090 of the Government Code is amended to read:

53090. As used in this article:

(a) "Local agency" means an agency of the state for the local performance of governmental or proprietary function within limited boundaries. "Local agency" does not include the state, a city, a county, a rapid transit district, or a rail transit district whose board of directors



is appointed by public bodies or officers or elected from election districts within the area comprising the district, or a district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code.

(b) “Building ordinances” means ordinances of a county or city regulating building and construction and removal of buildings, including ordinances relating to the matters set forth in Section 38660 and similar matters, and including ordinances relating to building permits and building inspection.

SEC. 2. Section 20216 of the Public Contract Code is amended to read:

20216. (a) Notwithstanding any other provision of law, any contract by the San Francisco Bay Area Rapid Transit District, the Southern California Rapid Transit District, the Golden Gate Bridge, Highway and Transportation District, the Sonoma-Marín Area Rail Transit District, the San Diego Metropolitan Transit Development Board, the North San Diego County Transit Development Board, a county transportation commission that is subject to the competitive negotiation provisions of Section 20229.1, 20231.5, or 20916.3 of this code, or Section 120224.4, 125228, or 130238 of the Public Utilities Code, a transit district, city, county, city and county, or transportation agency, that is subject to the competitive negotiation provisions of Section 20217, and any other transportation agency that is authorized to use comparable competitive negotiation provisions after July 1, 1992, shall comply with the requirements of this section.

(b) Other than proprietary information, the content of any request for proposal, any proposal received, and any other communications between a transportation agency and a potential bidder on a contract that is subject to subdivision (a) shall be made available to the public no later than the same time that a recommendation for awarding a contract is made to the governing board or persons responsible for approving the award of a contract to a bidder, except that the price proposed in any bidder’s initial proposal shall be available upon the opening of the bid by the agency requesting the proposal.

(c) No person may participate in the evaluation of any proposal for the award of a contract that is subject to subdivision (a) if any of the following conditions apply:

(1) The person has a financial interest in the outcome of the evaluation or the contract.

(2) The person has received a gift of over two hundred fifty dollars (\$250) during the previous 12 months from a bidder directly, or indirectly through an intermediary, if it is known to the person that the gift was in whole or in part funded by the bidder.



(d) The agency board or any person responsible for awarding a contract under this article shall not have any ex parte communication with a bidder or any representative of the bidder except in writing and if the communication is made public.

(e) A contract may not be awarded until 15 days after the staff recommendation has been made available to the public.

(f) An agency using the competitive negotiation process shall maintain in writing, and make available upon request, a complete description of the process and the policies and procedures used by the agency in doing so, including all standards, criteria, public protest procedures, and method of contract award. The agency shall also keep a complete record of its actions on each procurement.

(g) For purposes of this section and Sections 20217, 20229.1, 20231.5, and 20916.3 of this code and Sections 120224.4 and 130238 of the Public Utilities Code, “competitive negotiation” means a procurement process used by an agency in lieu of a competitive sealed bid process when conditions are not appropriate for the use of sealed bids, and that permits the consideration of price, technical experience, past performance, management, or other factors in selecting the most cost-effective proposal for the manufacture and delivery of specified goods, transit vehicles, or equipment. The process includes negotiations with manufacturers or providers after the receipt of initial proposals during which performance or technical standards and other criteria may be revised in order to secure proposals most advantageous to the purchasing agency or to cure any deficiencies contained in the original proposals.

SEC. 3. Article 21.5 (commencing with Section 20355) is added to Chapter 1 of Part 3 of Division 2 of the Public Contract Code, to read:

Article 21.5. Sonoma-Marín Area Rail Transit District

20355. The provisions of this article shall apply to contracts by the Sonoma-Marín Area Rail Transit District, as provided for in Part 16 (commencing with Section 105000) of Division 10 of the Public Utilities Code.

20355.1. The purchase of all supplies, equipment, and materials when the expenditure required exceeds forty thousand dollars (\$40,000), and the construction of facilities and works when the expenditure required exceeds ten thousand dollars (\$10,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published at least once in a newspaper of general circulation. This publication shall be made at least 10 days before the bids are received. The district may reject any and all bids and readvertise in its discretion.



20355.2. If after rejecting bids the district determines that the supplies, equipment, and materials may be purchased at a lower price in the open market, the district may proceed to purchase the supplies, equipment, and materials in the open market without further observance of the provisions requiring contracts, bids, or notice.

20355.3. In case of an emergency, the board may, by resolution passed by a two-thirds vote of all its members, declare and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in the emergency without observance of the provisions requiring contracts, bids, or notice. If notice for bids to let contracts will not be given, the board shall also comply with Chapter 2.5 (commencing with Section 22050).

20355.4. (a) Upon determining that immediate remedial measures are necessary to avert or alleviate damage to property of the district or to repair or restore damaged or destroyed property of the district in order to ensure that the facilities of the district are available to serve the transportation needs of the general public, and upon determining that available remedial measures, including procurement in compliance with Sections 20355, 20355.1, 20355.2, and 20355.3 are inadequate, the general manager may authorize the expenditure of money previously appropriated specifically by the board for the direct purchases of goods and services, without observance of the provisions of those sections.

(b) The general manager shall, after any such expenditure, submit to the board a full report explaining the necessity for the action.

20355.5. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:

- (a) Cash.
- (b) A cashier's check made payable to the district.
- (c) A certified check made payable to the district.
- (d) A bidder's bond executed by an admitted surety insurer, made payable to the district.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the district beyond 60 days from the time the award is made.

20355.6. Notwithstanding Section 20355.1, and upon a finding by two-thirds of all members of the board that the proposed purchase in compliance with Sections 20355.1 and 20355.2 does not constitute a method of procurement adequate for the operation of district facilities or equipment, the board may direct the procurement of prototype



equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of any provisions requiring contracts, bids, or notice.

20355.7. (a) Notwithstanding any other provision of law, the governing board of the Sonoma-Marín Area Rail Transit District may direct the purchase of (1) electronic equipment, including, but not limited to, computers, telecommunications equipment, fare collection equipment, radio and microwave equipment, and other related electronic equipment and apparatus used in rail transit operations; and (2) specialized rail transit equipment, including, but not limited to, rail cars, by competitive negotiation upon a finding by two-thirds of all members of the board that the purchase of that equipment in compliance with provisions of this code generally applicable to the purchase does not constitute a method of procurement adequate for the district's needs. This section does not apply to contracts for construction or for the procurement of any product available in substantial quantities to the general public.

(b) Competitive negotiation, for the purposes of this section, shall include, as a minimum, all of the following elements:

(1) A request for proposal shall be prepared and submitted to an adequate number of qualified sources, as determined by the district in its discretion, to permit reasonable competition consistent with the nature and requirements of the procurement. In addition, notice of the request for proposal shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before the proposals are received. The district shall make reasonable efforts to generate the maximum feasible number of proposals from qualified sources and shall make a finding to that effect before proceeding to negotiate if only a single response to the request for proposal is received.

(2) The request for proposal shall identify significant evaluation factors, including price, and their relative importance.

(3) The district shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for contract award.

(4) The award shall be made to the qualified bidder whose proposal will be most advantageous to the district with price and other factors considered. If the award is not made to the bidder whose proposal contains the lowest price, the board shall make a finding setting forth the basis for the award.

(c) The board may reject any and all proposals and request new proposals at its discretion.



(d) A person who submits, or who plans to submit, a proposal may protest any acquisition conducted in accordance with this section as follows:

(1) Protests based on the content of the request for proposal shall be filed with the district within 10 calendar days after the request for proposal is first advertised in accordance with subdivision (b). The district shall issue a written decision on the protest prior to the opening of proposals. A protest may be renewed by refileing the protest with the district within 15 calendar days after the mailing of the notice of the recommended award.

(2) Any bidder may protest the recommended award on any ground not based upon the content of the request for proposals by filing a protest with the district within 15 calendar days after the mailing of the notice of the recommended award.

(3) Any protest shall contain a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest. Protestors shall have an opportunity to appear and be heard before the board prior to the opening of proposals in the case of protests based on the content of the request for proposals, prior to final award in the case of protests based on other grounds or the renewal of protests based on the content of the request for proposals.

(e) Provisions in any contract concerning women and minority business enterprises, which provisions are in accordance with the request for proposals, shall not be subject to negotiation with the successful bidder.

SEC. 4. Part 16 (commencing with Section 105000) is added to Division 10 of the Public Utilities Code, to read:

PART 16. SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS

105000. This part shall be known and may be cited as the Sonoma-Marín Area Rail Transit District Act.

105001. It is the intent of the Legislature in enacting this part to provide for a unified, comprehensive institutional structure for the ownership and governance of a passenger rail system within the Counties of Sonoma and Marin that shall operate in harmony with existing freight service that operates upon the same rail line and serves the Counties of Humboldt, Marin, Mendocino, Napa, and Sonoma. It is the further intent of the Legislature that the district established by this act may succeed to the powers, duties, obligations, liabilities, immunities, and exemptions of both the Sonoma-Marín Area Rail



Transit Commission and the Northwestern Pacific Railroad Authority upon their dissolution. Because there is no general law under which this district could be formed, the adoption of a special act and the formation of a special district is required.

105002. Unless the context otherwise requires, the provisions of this chapter govern the construction of this part.

105003. As used in this part, the following terms have the following meanings:

(a) “District” means the Sonoma-Marín Area Rail Transit District.

(b) “Rail transit” means the transportation of passengers and their incidental baggage by rail.

(c) “Rail transit works” or “rail transit facilities” means any or all real and personal property, equipment, rights or interests owned or to be acquired by the district for rail transit service purposes, including ancillary bicycle and pedestrian pathways that provide connections between and access to station sites.

(d) “Board of directors,” “board,” or “directors” means the board of directors of the district.

(e) “Public agency” includes the state, and any county, city and county, city, district, or other political subdivision or public entity of, or organized under the laws of, this state, or any department, instrumentality, or agency thereof.

105004. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Part 1 (commencing with Section 56000) Division 3 of Title 5 of the Government Code), shall not apply to the formation or dissolution of the district, or the annexation of additional contiguous territory to the district.

CHAPTER 2. FORMATION OF DISTRICT

105010. There is hereby created the Sonoma-Marín Area Rail Transit District, comprising the territory lying within the boundaries of the Counties of Marin and Sonoma.

105011. Through compliance with the provisions for annexation set forth in Chapter 7 (commencing with Section 105280), the territory of all or part of any other contiguous county may be included within the district.

105012. (a) Upon the dissolution of the Sonoma-Marín Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, the district shall succeed to any or all of the powers, duties, rights, obligations, liabilities, indebtedness, bonded and otherwise, immunities, and exemptions of the commission and its board of commissioners and the authority and its board of directors.



(b) Upon the dissolution of the Sonoma-Marín Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, the district shall assume the rights and obligations of the commission and the authority under any contract to which the commission or the authority is a party and which is to be performed, in whole or in part, on or after the date of dissolution of the Sonoma-Marín Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, including, without limitation, any existing operating agreements with the North Coast Railroad Authority. The district shall thereafter negotiate in good faith a new operating agreement with the North Coast Railroad Authority. If the parties are unable to reach an agreement on the new operating agreement, the parties shall select a mutually agreed upon third party to mediate a resolution of the dispute.

(c) All real and personal property owned by the Sonoma-Marín Area Rail Transit Commission and the Northwestern Pacific Railroad Authority may be transferred to the district. Any real or personal property owned individually or jointly by the Golden Gate Bridge, Highway and Transportation District, the County of Marin, or the Marin County Transit District, or any other public agency, may be transferred to the district. The transfer of any right-of-way from the Northwestern Pacific Railroad Authority, the Golden Gate Bridge, Highway and Transportation District, the County of Marin, or the Marin County Transit District to the district shall be made subject to any existing easements for freight and passenger excursion service issued to the North Coast Railroad Authority prior to the time of the transfer.

(d) Upon the dissolution of the Sonoma-Marín Area Rail Transit Commission, the district shall assume, without any condition whatsoever, all responsibilities and obligations previously assumed by the commission with respect to its fund transfer agreement with Caltrans for the funding of the Sonoma-Marín Area Rail Transit Project.

(e) On and after the date of dissolution of the Sonoma-Marín Area Rail Transit Commission and the Northwestern Pacific Railroad Authority, any reference in any provision of law or regulation to the commission or the authority shall be deemed to refer to the district.

### CHAPTER 3. GOVERNMENT OF DISTRICT

#### Article 1. Board of Directors

105020. The government of the district shall be vested in a board of directors, which shall consist of 12 members, appointed as follows:

(a) Two members of the Sonoma County Board of Supervisors, each of whom shall also serve on the Board of Directors of the Sonoma



County Transportation Authority, appointed by the Sonoma County Board of Supervisors.

(b) Two members of the Marin County Board of Supervisors, appointed by the Marin County Board of Supervisors.

(c) Three members, each of whom shall be a mayor or council member of a city or town within the County of Sonoma, appointed by the Sonoma County Mayors and Council Members Association or its successor, provided the following conditions are met:

(1) At least two members are also city representatives for the Sonoma County Transportation Authority.

(2) All of the members are from cities on the rail line in Sonoma County.

(3) No city has more than one member.

(d) The member of the City Council of the City of Novato who also serves on the Marin County Congestion Management Agency, appointed by the Marin County Congestion Management Agency or its successor.

(e) The member of the City Council of the City of San Rafael who also serves on the Marin County Congestion Management Agency, appointed by the Marin County Congestion Management Agency or its successor.

(f) One member, who shall be a mayor or council member of a city or town within the County of Marin and a member of the Marin County Congestion Management Agency, appointed by the Marin County Council of Mayors and Council Members or its successor.

(g) Two members of the Golden Gate Bridge, Highway and Transportation District, neither of whom shall be a member of the Marin or Sonoma County Boards of Supervisors, appointed by the Golden Gate Bridge, Highway and Transportation District or its successor.

105021. (a) The 12 members of the board shall serve staggered, four-year terms.

(b) Within 60 days of its occurrence, any vacancy on the board shall be filled by the body that originally made the appointment to the office in which the vacancy exists.

105022. The board may fix the amount of compensation to be paid to each member of the board. The compensation shall not exceed five hundred dollars (\$500) in any one calendar month. Each member shall be allowed necessary traveling and personal expenses incurred in the performance of his or her duties as may be authorized by the board.

105023. In the event that new territory is annexed to the district pursuant to Chapter 7 (commencing with Section 105280), and upon the affirmative vote of a majority of directors, which shall include an affirmative vote of at least three directors from each county within the



district appointed pursuant to subdivisions (a) to (f), inclusive, of Section 105020, the board may restructure the membership of the board to provide representation of the new territory on the board.

#### Article 2. Powers and Duties of Board of Directors

105030. The board is the legislative body of the district and, consistent with the provisions of this part, shall determine all district policy.

105031. The board shall select one of its members as chairperson, and another of its members as vice chairperson, who shall serve in the absence of the chairperson.

105032. It shall be the duty of the board and it shall have the power to:

(a) Own, operate, manage, and maintain a passenger rail system within the territory of the district.

(b) Determine the rail transit facilities, including ancillary bicycle and pedestrian pathways, to be acquired and constructed by the district, the manner of operation, and the means to finance them.

(c) Adopt an annual budget for the district that provides for the compensation of its officers and employees.

(d) Fix rates, rentals, charges, and classifications of rail transit service operated by the district.

(e) Adopt an administrative code that prescribes the powers and duties of district officers, the method of appointment of district employees, and the methods, procedures, and systems for the operation and management of the district.

(f) Adopt rules and regulations governing the use of rail transit facilities owned or operated by the district.

(g) Cause a postaudit of the financial transactions and records of the district to be made at least annually by a certified public accountant.

(h) Adopt rules and regulations providing for the administration of employer-employee relations.

(i) Do any and all things necessary to carry out the purposes of this part.

#### Article 3. Meetings and Legislation

105040. All meetings of the board shall be conducted in the manner prescribed by the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).



105041. A majority of the board constitutes a quorum for the transaction of its business.

105042. The affirmative vote of a majority of the members of the board shall be necessary and, except as otherwise provided in this act, shall be sufficient to carry out any order, resolution, or ordinance coming before the board.

105043. The board shall establish rules for its proceedings and determine the place and time for its meetings.

105044. The acts of the board shall be expressed by motion, resolution, or ordinance.

#### Article 4. Other Officers

105050. The board shall appoint a general manager for the district. The board may appoint a secretary, a chief engineer, a legal counsel, a controller, an auditor, a treasurer, and other officers, assistants, and deputies, as the board may deem necessary and provide for by ordinance. These officers shall serve at the pleasure of the board. The offices of auditor, controller, and treasurer may be held by separate officers or combined and held by one officer.

105051. The Counties of Marin and Sonoma, the Golden Gate Bridge, Highway and Transportation District, or any other public agency may render assistance to the district as it may require, including the performance by officers of the counties, the Golden Gate Bridge, Highway and Transportation District, or other public agency of the functions of legal counsel, controller, auditor, and treasurer. The district shall reimburse the counties, the Golden Gate Bridge, Highway and Transportation District, or other public agency for the services performed by them for the district.

105052. The powers and duties of the general manager are:

(a) To head the administrative branch of the district and to be responsible to the board for the proper administration of all affairs of the district.

(b) To appoint, supervise, suspend, or remove district officers, other than members of the board and officers appointed by the board.

(c) To supervise and direct the preparation of the annual budget for the board and to be responsible for its administration after its adoption.

(d) To formulate and present to the board plans for rail transit facilities within the district and the means to finance them.

(e) To supervise the planning, acquisition, construction, maintenance, and operation of the rail transit facilities of the district.

(f) To attend meetings of the board.



- (g) To prepare and submit to the board, as soon as practicable after the end of each fiscal year, a complete report of the finances and administrative activities of the district for the preceding year.
- (h) To perform other and additional duties as the board may require.

CHAPTER 4. POWERS AND FUNCTIONS OF THE DISTRICT

Article 1. Corporate Powers

105060. The district has perpetual succession and may adopt a seal and alter it at its pleasure.

105061. The district may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

105062. All claims for money or damages against the district are governed by Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, except as provided herein, or by other statutes or regulations expressly applicable thereto.

Article 2. Contracts

105070. The district may make contracts and enter into stipulations of any nature whatsoever, employ labor, and do all acts necessary and convenient for the full exercise of the powers granted in this part.

105071. No officer or employee of the district shall in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board, or in the profits to be derived therefrom, contrary to the provisions of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code.

105072. The district may insure against any accident or destruction of the rail transit system or any part thereof. The district may insure against loss of revenues from any cause whatsoever. In proceedings authorizing the issuance of any bonds, the district may provide for the carrying of insurance in an amount and of a character as may be specified, and may provide for the payment of premiums thereon. The district may also provide insurance as provided in Part 6 (commencing with Section 989) of Division 3.6 of Title 1 of the Government Code.

105073. The district may contract for the services of independent contractors.

105074. For purposes of entering into design-build contracts, the district is a “transit operator” within the meaning of Article 6.8 (commencing with Section 20209.5) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code.



105075. The district is a local agency for purposes of the Natural Disaster Assistance Act, Chapter 7.5 (commencing with Section 8680) of Division 1 of Title 2 of the Government Code.

105076. The district shall be considered the succeeding agency to the “Sonoma-Marín Area Rail Transit Authority” for the purpose of receiving funds available under paragraph (30) of subdivision (a) of Section 14556.40 of the Government Code.

### Article 3. Property

105085. The district may take by grant, purchase, devise, or lease, or condemn in proceedings under eminent domain, or otherwise acquire, and hold and enjoy, real property of every kind within or without the district necessary to the full or convenient exercise of its powers. The board may lease, mortgage, sell, or otherwise dispose of any real or personal property when in its judgment it is in the best interests of the district to do so.

105086. The district may exercise the right of eminent domain to take any property necessary or convenient to the exercise of the powers granted in this act. The district, in exercising that right, shall, in addition to the damage for the taking, injury, or destruction of property, also pay the cost, exclusive of betterment and with credit for salvage value, of removal, reconstruction, or relocation of any substitute facilities, including structures, railways, mains, pipes, conduits, wires, cables or poles of any public utility which is required to be moved to a new location.

105087. (a) The district may take by gift, or take or convey by grant, purchase, devise, or lease, and hold and enjoy, real and personal property of every kind within or without the district necessary for, incidental to, or convenient for, transit-oriented joint development projects that meet the definition and requirement set forth in subdivision (b).

(b) (1) For purposes of this section, a “transit-oriented joint development project” is a commercial, residential, or mixed-use development that is undertaken in connection with existing, planned, or proposed intermodal transit facilities and is located one-fourth mile or less from the external boundaries of that facility.

(2) Any transit-oriented joint development project created under this section shall comply with the land use and zoning regulations of the city, county, or city and county in which the project is located.

(c) The authority granted under this section extends to any joint powers agency of which the district is a member and for which the district serves as the managing agency.



(d) The district may not exercise its power of eminent domain in order to make an acquisition under this section.

#### Article 4. Rail Transit Facilities and Service

105095. The district may provide a rail transit system for the transportation of passengers and their incidental baggage by rail.

105096. (a) The district may acquire, construct, own, operate, control, or use rights-of-way, rail lines, stations, platforms, switches, yards, terminals, parking lots, and any and all other facilities necessary or convenient for rail transit within and without the district, together with all physical structures necessary or convenient for the access of persons and vehicles thereto, including ancillary bicycle and pedestrian pathways, and may acquire or contract for any interest in or rights to the use or joint use of any or all of the foregoing.

(b) The district may contract with any public agency or person for the operation of shuttle services necessary or convenient for rail transit.

(c) The district shall comply with the design review process of the local jurisdiction in which any rail transit facilities are to be constructed. The local jurisdiction's design review and approval shall be for advisory purposes only.

(d) In Sonoma County, north of Healdsburg, the district shall locate commuter stations only within incorporated areas.

(e) In Marin County north of San Rafael, the district shall locate commuter stations only within areas that are incorporated as of the operative date of this part.

105097. The district may lease or contract for the use of its rail transit facilities, or any portion thereof, to any operator, and may provide for subleases by the operator upon any terms and conditions it deems in the public interest. As used in this section, "operator" means any public agency or any person.

105098. Except as otherwise provided in Section 105143, the board may contract with any public agency or person to provide rail transit facilities and services for the district.

105099. The district may construct and operate or acquire and operate rail transit works and facilities in, under, upon, over, across, or along any state or public highway or any stream, bay or watercourse, or over any of the lands that are the property of the state, to the same extent that these rights and privileges are granted to municipalities within the state.

105100. Except as otherwise provided in Section 105087, the provisions of Article 5 (commencing with Section 53090) of Chapter 1



of Part 1 of Division 2 of Title 5 of the Government Code shall not be applicable to the district.

105101. The district may enter into agreements for the joint use of any property and rights by the district and any city, public agency, or public utility operating transit facilities and may enter into agreements with any city, public agency, or public utility operating any transit facilities, wholly or partially within or without the district, for the joint use of any property of the district or of the city, public agency, or public utility, or for the establishment of through routes, joint fares, transfer of passengers, or pooling agreements.

105102. The district may, without limitation by any other provisions of this part requiring approval of indebtedness, accept contributions of money, grants, loans, rights-of-way, labor, materials, and any other property from the state or the United States, or any department, instrumentality, or agency thereof, or from any public agency for the acquisition, construction, maintenance, and operation of rail transit facilities. The district may, without limitation by any other provisions of this part, enter into any contract and cooperate with and accept cooperation from the state or the United States, or any department, instrumentality, or agency thereof, or any public agency in the acquisition, construction, maintenance, and operation of, and in financing the acquisition, construction, maintenance, and operation of, any rail transit facilities. The district may do any and all things necessary in order to obtain the aid, assistance, and cooperation under any federal or state legislation now or hereafter enacted. Any evidence of indebtedness issued under this section shall constitute a negotiable instrument.

105103. The rates and charges for rail transit service furnished pursuant to this part shall be fixed by the board and shall be reasonable.

105104. The district shall work with the North Coast Railroad Authority, the Federal Railroad Administration, and any of its successor agencies, to achieve safe, efficient, and compatible operations of both passenger rail and freight service along the rail line in Sonoma and Marin Counties.

105105. The district shall be responsible for any advance payment of any portion of the North Coast Railroad Authority's Q-Fund loan repayment obligation caused by the district's action. Any amount advanced by the district shall be reimbursed by the North Coast Railroad Authority at the time the North Coast Railroad Authority's obligation to repay that portion of the Q-Fund loan would otherwise become due.



## Article 5. Taxation

105115. Upon the affirmative vote of a majority of the directors, which shall include an affirmative vote of at least three directors from each county within the district appointed pursuant to subdivisions (a), (b), (c), (d), (e), and (f) of Section 105020, the board may by resolution submit to the voters of the district a measure proposing a retail transactions and use tax ordinance in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code.

## Article 6. Investments and Deposits

105125. The district's investment of any surplus money in its treasury, including money in any sinking fund, shall be in accordance with Article 1 (commencing with Section 53600) of Chapter 4 of Part 1 of Division 2 of the Government Code.

105126. The district's deposit of district money shall be in accordance with Article 2 (commencing with Section 53630) of Chapter 4 of Part 1 of Division 2 of the Government Code.

## CHAPTER 5. PERSONNEL

## Article 1. Employee Relations

105140. Except as otherwise provided in this article and in Article 2 (commencing with Section 105150), the determination of questions concerning employee representation and the conduct of employee-employer relations within the district shall be governed by the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code).

105141. Except as otherwise provided in Article 2 (commencing with Section 105150), whenever a majority of the employees employed by the district in a unit appropriate for collective bargaining indicate a desire to be represented by a labor organization, and upon determining that the labor organization represents at least a majority of the employees in the appropriate unit, the board and the accredited representative of employees shall bargain in good faith and make all reasonable efforts to reach agreement on the terms of a written contract governing wages, hours, and other terms and conditions of employment within the scope of representation set forth in Section 3504 of the Government Code.

105142. (a) If, after a reasonable period of time, representatives of the district and the accredited representatives of the employees fail to



reach agreement either on the terms of a written contract governing wages, hours, and other terms and conditions of employment or the interpretation or application of the terms of an existing contract, upon the agreement of both the district and the representatives of the employees, the dispute may be submitted to an arbitration board.

(b) The arbitration board shall be composed of two representatives of the district and two representatives of the labor organization, and they shall endeavor to agree upon the selection of a fifth member. If they are unable to agree, the names of five persons experienced in labor arbitration shall be obtained from the State Conciliation Service. The labor organization and the district shall, alternately, strike a name from this list, and the name remaining after the labor organization and the district have stricken four names shall be designated as the fifth arbitrator and chairperson of the board of arbitration. The labor organization and the district shall determine by lot who shall first strike a name from the list. The decision of a majority of the arbitration board shall be final and binding upon the parties thereto.

(c) Each party shall be responsible for the expense of the presentation of its case. All other expenses of arbitration shall be borne equally by the parties and the expenses may include the making of a verbatim record of the proceedings and transcript of that record.

105143. The district may contract for management services with any public agency or person and may contract for operations and maintenance services with the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code. However, the district may not contract out the performance of services performed by or fairly claimable by employees of a bargaining unit without the agreement of the accredited representative of that bargaining unit's employees.

## Article 2. Transfer of Collective Bargaining Rights

105150. The Legislature hereby finds and declares that the creation of the district may adversely affect the collective bargaining rights, wages, benefits, and employment opportunities of employees of the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code.

105151. Notwithstanding the provisions of Article 1 (commencing with Section 105140), in order to protect and preserve the collective bargaining rights of employees of the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code, whose employment opportunities may be adversely affected by the adoption and implementation of this division, upon the



district's decision to commence rail service, the district shall establish at least three collective bargaining units comprised of the following:

- (a) A transportation operators collective bargaining unit.
- (b) A transportation maintenance collective bargaining unit.
- (c) A transportation dispatch and equipment servicing collective bargaining unit.

For purposes of this section, the district's decision to commence rail service shall be effected by the district's adoption of a resolution that confirms that sufficient financing exists to undertake rail service and declares the intention of the district to take all reasonable and necessary steps to commence rail service.

105152. For a period of four years, commencing with the district's decision to commence rail service as provided in Section 105151, or until the expiration of the current collective bargaining agreement, whichever is later, employees of the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code, who are employed by that district in classifications assigned to the same or similar collective bargaining units as those set out in Section 105151, shall be given priority of employment within the collective bargaining units set forth in Section 105151. Any dispute arising over the appropriate placement within a collective bargaining unit or over any assignment of classifications made by the district to a bargaining unit set forth in Section 105151 shall be resolved by the Public Employee Relations Board. Any determination of the Public Employee Relations Board shall be consistent with the intent of this section.

105153. The district shall recognize and bargain with, as the accredited representative of the employees within the collective bargaining units set forth in Section 105151, the accredited collective bargaining representatives that represent the same or similar bargaining units within the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code. This recognition shall be maintained unless changed by mutual agreement of the district and the affected collective bargaining representative or the representative is decertified in accordance with the rules and procedures of the Public Employee Relations Board for the certification and decertification of employee representatives.

105154. Employees of the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code who transfer to the district and into a collective bargaining unit set forth in Section 105151, shall be credited with any accrued seniority earned at the district from which they have transferred, and shall not suffer a loss in their rate of wages, pension benefits, pension



accrual rights, health benefits, retiree health benefits, vacation accrual, or other seniority-based benefits, such as job bidding and transfer rights, as a result of their transfer to the district.

105155. To facilitate implementation of the employee rights enumerated in this section, the district and the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code may engage in joint collective bargaining with the accredited representatives of the collective bargaining units set forth in Section 105151 and the same or similar collective bargaining units within the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code to establish uniform wages, health benefits, pension benefits, and other uniform terms and conditions of employment. To maintain continuity of pension benefits, the district shall have the right to appoint at least one representative to any joint labor-management retirement board that administers a retirement plan in which employees of the district and employees of the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code are participants, provided that an equal number of employer and employee representatives on the retirement board is maintained. In addition, the district shall enter into a reciprocity agreement through the Public Employees' Retirement System (PERS) which recognizes PERS service with the district organized pursuant to Part 3 (commencing with Section 27000) of Division 16 of the Streets and Highways Code of any district employee employed in a collective bargaining unit set forth in Section 105151 whose members' pensions are provided through PERS.

Article 3. Rights of Employees of Existing Facilities

105160. (a) Whenever the district acquires existing facilities from a publicly or privately owned utility, either in proceedings by eminent domain or otherwise, to the extent necessary for operation of facilities, all of the employees of the utility whose duties pertain to the facilities acquired who have been employed by the utility for at least 75 days shall be appointed to comparable positions in the district without examination. These employees shall be given sick leave, seniority, and vacation credits in accordance with the records of the acquired public utility. No employee of any acquired public utility shall suffer any worsening of wages, seniority, pension, vacation, or other benefits by reason of the acquisition.



(b) The provisions of this section shall not apply to officers or managerial employees of the acquired utility except as designated by the board.

105161. Whenever the district acquires existing facilities from a publicly or privately owned utility, either in proceedings in eminent domain or otherwise, that has a pension plan in operation, members and beneficiaries of the pension plan shall continue to have the rights, privileges, benefits, obligations, and status with respect to the established system. The outstanding obligations and liabilities of the public utility by reason of that pension plan shall be considered and taken into account and allowance made therefor in the purchase price of the public utility. The persons entitled to pension benefits as provided in this section and the benefits that are provided shall be specified in the agreement or order by which any public utility is acquired by the district.

#### Article 4. Retirement System

105170. The adoption, terms, and conditions of any retirement system covering employees of the district in a bargaining unit represented by a labor organization shall be pursuant to a collective bargaining agreement between the labor organization and the district. For purposes of this section, “officers” does not include members of the board.

105171. The board may contract with the Board of Administration of the Public Employees’ Retirement System or with a retirement system maintained pursuant to the County Employees Retirement Law of 1937 and enter all, or any portion, of its employees under either of those systems. Employees of the district in a bargaining unit that is represented by a labor organization shall not be included in the contract except as authorized by a collective bargaining agreement.

105172. All persons receiving pension benefits from an acquired public utility, and all persons entitled to pension benefits under any pension plan of the acquired public utility, may become members or receive pensions under a pension plan established by the district by mutual agreement of those persons and the district. The agreement may provide for the waiver of all rights, privileges, benefits, and status with respect to the pension plan of the acquired public utility.

#### Article 5. Other Benefits

105180. The district shall obtain coverage for the district and its employees under Title II of the federal Social Security Act, as amended,



(42 U.S.C. Sec. 401 et seq.) and the related provisions of the Federal Contributions Act, as amended (26 U.S.C. Sec. 3101 et seq.).

105181. The district shall obtain coverage for the district and its employees under the workers' compensation, unemployment compensation, and disability and unemployment insurance laws of this state.

CHAPTER 6. BONDS AND OTHER EVIDENCE OF INDEBTEDNESS

Article 1. Authorization and Issuance of General Obligation Bonds

105200. Whenever the board deems it necessary for the district to incur a bonded indebtedness for the acquisition or improvement of real property authorized by this part or necessary or convenient for the carrying out of the powers of the district, the board shall, by ordinance, adopted by a vote of two-thirds of all members of the board, so declare and call an election to be held in the district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of bonds of the district, provided the total amount of bonds issued and outstanding pursuant to this article shall not exceed 15 percent of the assessed value of the taxable property of the district as shown by the last equalized assessment roll of the counties within the district. The ordinance shall state:

(a) The purposes for which the proposed debt is to be incurred, which may include all costs and estimated costs incidental to or connected with the accomplishment of those purposes, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant, and other fees; bond and other reserve funds; working capital; bond interest estimated to accrue during the construction period and for a period not to exceed three years thereafter; and expenses of all proceedings for the authorization, issuance, and sale of the bonds.

(b) The estimated cost of accomplishing those purposes.

(c) The amount of the principal of the indebtedness.

(d) The maximum term the bonds proposed to be issued shall run before maturity, which shall not exceed 50 years from the date thereof or the date of each series thereof.

(e) The maximum rate of interest to be paid, which shall not exceed 7 percent per annum.

(f) The proposition to be submitted to the voters, which may include one or more purposes.

(g) The date of the election.

(h) The manner of holding the election and the procedure for voting for or against the measure.



(i) The ordinance may also contain any other matters authorized by this part or any other law.

105201. Notice of holding of the election shall be given by publishing, pursuant to Section 6066 of the Government Code, the ordinance calling the election in at least one newspaper published in the district. No other notice of the election need be given. Except as otherwise provided in the ordinance, the election shall be conducted as other district elections.

105202. If any proposition is defeated by the electors, the board shall not call another election on a substantially similar proposition to be held within six months after the prior election. If a petition requesting submission of this type of a proposition, signed by 15 percent of the district electors, as shown by the votes cast for all candidates for governor within the district at the last gubernatorial election, is filed with the board, the board may call an election before the expiration of six months.

105203. If two-thirds of the electors voting on the proposition vote for it, then the board may, by resolution, at the time or times it deems proper, issue bonds of the district for the whole or any part of the amount of the indebtedness so authorized and may from time to time, by resolution, provide for the issuance of any necessary amounts, until the full amount of the bonds authorized shall have been issued. The full amount of bonds may be divided into two or more series and different dates and different dates of payment fixed for the bonds of each series. A bond need not mature on an anniversary of its date. The maximum term the bonds of any series shall run before maturity shall not exceed 50 years from the date of each series respectively. In the resolution or resolutions, the board shall prescribe the form of the bonds (including, without limitation, registered bonds and coupon bonds) and the form of any coupons to be attached thereto, the registration, conversion, and exchange privileges, if any, pertaining thereto, and fix the time when the whole or any part of the principal shall become due and payable.

105204. The bonds shall bear interest at a rate or rates not exceeding 7 percent per annum, payable semiannually, except that the first interest payable on the bonds or any series thereof may be for any period not exceeding one year as determined by the board. In the resolution or resolutions providing for the issuance of the bonds, the board may also provide for call and redemption of the bonds prior to maturity at the times and prices and upon any other terms it may specify, but no bond shall be subject to call or redemption prior to maturity unless it contains a recital to that effect or unless a statement to that effect is printed thereon. The denomination or denominations of the bonds shall be stated in the resolution providing for their issuance, but shall not be less than



one thousand dollars (\$1,000). The principal of and interest on the bonds shall be payable in lawful money of the United States at the office of the treasurer of the district or at any other place or places that may be designated, or at either place or places at the option of the holders of the bonds. The bonds, or series thereof, shall be dated and numbered consecutively and shall be signed by the chairperson of the board and the treasurer, countersigned by the secretary and the official seal of the district attached. The interest coupons of the bonds shall be signed by the treasurer. All signatures, countersignatures, and seal may be printed, lithographed, or mechanically reproduced, except that one of the signatures or countersignatures on the bonds shall be manually affixed. If any officer whose signature or countersignature appears on bonds or coupons ceases to be an officer before the delivery of the bonds, his or her signature is as effective as if he or she had remained in office.

105205. The bonds may be sold as the board determines by resolution but for not less than par. Before selling the bonds or any part thereof, the board shall give notice inviting sealed bids in a manner as it may prescribe. If satisfactory bids are received, the bonds offered for sale shall be awarded to the highest responsible bidder. If no bids are received or if the board determines that the bids received are not satisfactory as to price or responsibility of the bidders, the board may reject all bids received, if any, and either readvertise or sell the bonds at private sale.

105206. Delivery of any bonds may be made at any place either inside or outside the state, and the purchase price may be received in cash or bank credits.

105207. All accrued interest and premiums received on the sale of bonds shall be placed in the fund to be used for the payment of principal of and interest on the bonds and the remainder of the proceeds of the bonds shall be placed in the treasury to the credit of the proper improvement fund and applied exclusively to the purposes for which the debt was incurred; provided, however, that when those purposes have been accomplished any moneys remaining in the improvement fund (a) shall be transferred to the fund to be used for the payment of principal of and interest on the bonds, or (b) shall be placed in a fund to be used for the purchase of outstanding bonds of the district from time to time in the open market at the prices and in the manner, either at public or private sale or otherwise, as the board may determine. Bonds so purchased shall be canceled immediately.

105208. After the expiration of three years after a bond election the board may determine, by ordinance adopted by a vote of two-thirds of all the members of the board, that any or all of the bonds authorized at the election remaining unsold shall not be issued or sold. When the



ordinance takes effect, the authorization to issue these bonds shall become void.

105209. Whenever the board deems that the expenditure of money for the purposes for which the bonds were authorized by the voters is impractical or unwise, it may, by ordinance adopted by a vote of two-thirds of all members of the board, so declare and call an election to be held in the district for the purpose of submitting to the qualified voters thereof the proposition of incurring indebtedness by the issuance of these bonds for some other purposes or, in the case where bonds have been sold, the proposition to use the proceeds for some other purposes. The procedure, so far as applicable, shall be the same as when a bond proposition is originally submitted.

105210. The board may provide for the issuance, sale, or exchange of refunding bonds to redeem or retire any bonds issued by the district upon the terms, at the times, and in the manner which it determines. Refunding bonds may be issued in a principal amount sufficient to pay all or any part of the principal of the outstanding bonds, the interest thereon, and the premiums, if any, due upon call and redemption thereof prior to maturity and all expenses of the refunding. The provisions of this article for issuance and sale of bonds apply to the issuance and sale of the refunding bonds, except that (a) no election need be called or held for the purpose of authorizing the issuance of refunding bonds, and (b) when refunding bonds are to be exchanged for outstanding bonds, the method of exchange shall be determined by the board.

105211. The provisions of Article 4 (commencing with Section 53500) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code are applicable to the district.

105212. Any bonds that are issued under the provisions of this article shall be legal investment for all trust funds; for the funds of insurance companies, banks, both commercial and savings, and trust companies; and for state school funds. Whenever any money or funds may, by any law now or hereafter enacted, be invested in bonds of cities, cities and counties, counties, school districts, or other districts within the state, the money or funds may be invested in the bonds issued under this part. Whenever bonds of cities, cities and counties, counties, school districts, or other districts within this state may, by any law now or hereafter enacted, be used as security for the performance of any act or the deposit of any public moneys, the bonds issued under this part may be so used. The provisions of this article shall be in addition to all other laws relating to legal investments and shall be controlling as the latest expression of the Legislature with respect thereto.

105213. The board may enter into any covenants deemed proper to provide for issuance of additional parity bonds and the priority and



pledge of special taxes; and any other covenants that are customary or desirable in the issuance of any bonds payable out of special funds or that are necessary, convenient, or desirable to secure the bonds or tending to make them more marketable, subject to the provisions of the ordinance calling the bond election.

Article 2. Revenue Bonds

105220. The district may issue bonds, payable from revenue of any facility or enterprise to be acquired or constructed by the district, in the manner provided by the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), all of the provisions of which are applicable to the district, except that Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code and the limitations set forth in subdivision (b) of Section 54402 and in Sections 54403 and 54418 of the Government Code do not apply to the issuance and sale of bonds pursuant to this article. As used in Section 54315 of the Government Code, “revenues” shall include, but not be limited to, the proceeds of, or any portion of the proceeds of, a sales and use tax imposed under Article 5 (commencing with Section 105115) of Chapter 4 or under any other provisions of law, so long as the resolution authorizing the bonds contains no restriction that would provide that this tax shall not continue to be imposed until the bonds are fully paid or a provision has been made for their payment in full.

105221. The district is a local agency within the meaning of the Revenue Bond Law of 1941, Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code. The term “enterprise” as used in the Revenue Bond Law of 1941 shall, for all purposes of this part, include the system or any or all rail transit facilities and all additions, extensions, and improvements thereto authorized to be acquired, constructed, or completed by the district. The district may issue revenue bonds under the Revenue Bond Law of 1941, for any one or more rail transit facilities authorized to be acquired, constructed, or completed by the district or, in the alternative, may issue revenue bonds under the Revenue Bond Law of 1941, for the acquisition, construction, and completion of any rail transit facilities. Nothing in this article shall prevent the district from availing itself of, or making use of, any procedure provided in this part for the issuance of bonds of any type or character for any of the rail transit facilities authorized hereunder, and all proceedings may be carried on simultaneously or, in the alternative, as the board may determine.



## Article 3. Equipment Trust Certificates

105230. The district shall have power to purchase rail transit equipment such as cars or rolling equipment; and may execute agreements, leases, and equipment trust certificates in the forms customarily used by private corporations engaged in the rail transit business appropriate to effect purchase and leasing of rail transit equipment and may dispose of the equipment trust certificates upon the terms and conditions the board deems appropriate. Payment for the equipment, or rentals therefor, may be made in installments, and the deferred installments may be evidenced by equipment trust certificates payable from any source or sources of funds specified in the certificates that are or will be legally available to the district. Title to the equipment shall not rest in the district until the equipment trust certificates are paid.

105231. The agreement to purchase or lease may direct the vendor or lessor to sell and assign or lease the rolling equipment to a bank or trust company duly authorized to transact business in the state as trustee, for the benefit and security of the equipment trust certificates and may direct the trustee to deliver the rolling equipment to one or more designated officers of the district and may authorize the district to execute and deliver simultaneously therewith an installment purchase agreement or a lease of the equipment to the district.

105232. The agreements and leases shall be duly acknowledged before a person authorized by law to take acknowledgments of deeds and in the form required for acknowledgment of deeds. The agreements, leases, and equipment trust certificates shall be authorized by resolution of the district and shall contain the covenants, conditions, and provisions deemed necessary or appropriate to insure the payment of the equipment trust certificates from legally available sources of funds specified in the certificates.

105233. The covenants, conditions, and provisions of the agreements, leases, and equipment trust certificates shall not conflict with any of the provisions of any trust agreement securing the payment of bonds, notes, or certificates of the district.

## Article 4. Improvement Acts and Special Benefit Districts

105240. The Improvement Act of 1911 (Part 1 (commencing with Section 5000) of Division 7 of the Streets and Highways Code), the Municipal Improvement Act of 1913 (Chapter 1 (commencing with Section 10000) of Division 12 of the Streets and Highways Code), and the Improvement Bond Act of 1915 (Part 1 (commencing with Section



8500) of Division 10 of the Streets and Highways Code) are applicable to the district.

105241. The provisions of Chapter 1 (commencing with Section 99000) of Part 11 of Division 10 of the Public Utilities Code are applicable to the district.

Article 5. Temporary Borrowing

105250. The district may borrow money in accordance with the provisions of Article 7 (commencing with Section 53820), or of Article 7.6 (commencing with Section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

105251. The district may borrow money in anticipation of the sale of bonds that have been authorized to be issued, but have not been sold and delivered, and may issue negotiable bond anticipation notes therefor and may renew the same from time to time. The maximum maturity of those notes, including the renewals thereof, shall not exceed five years from the date of delivery of the original notes. The notes may be paid from any moneys of the district available therefor and not otherwise pledged. If not previously otherwise paid, the notes shall be paid from the proceeds of the next sale of the bonds of the district in anticipation of which they were issued. The notes shall not be issued in any amount in excess of the aggregate amount of bonds which the district has been authorized to issue, less the amount of any bonds of that authorized issue previously sold, and also less the amount of other bond anticipation notes therefor issued and then outstanding. The notes shall be issued and sold in the same manner as the bonds. The notes and the resolution or resolutions authorizing them may contain any provisions, conditions, or limitations that a resolution of the district authorizing the issuance of bonds may contain.

Article 6. Miscellaneous

105260. The district may bring an action to determine the validity of any of its bonds, equipment trust certificates, warrants, notes, or other evidences of indebtedness pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

105261. All bonds and other evidences of indebtedness issued by the district under the provisions of this part, and the interest thereon, are free and exempt from all taxation within the state, except for transfer, franchise, inheritance, and estate taxes.

105262. Notwithstanding any other provisions of this part or any other law, the provisions of all ordinances, resolutions, and other



proceedings in the issuance by the district of any bonds, bonds with a pledge of revenues, bonds for improvement districts, revenue bonds, equipment trust certificates, notes, or any and all evidences of indebtedness or liability shall constitute a contract between the district and the holders of the bonds, equipment trust certificates, notes, or evidences of indebtedness or liability and the provisions thereof shall be enforceable against the district, or any or all of its successors or assigns, by mandamus or any other appropriate suit, action, or proceeding in law or in equity in any court of competent jurisdiction. Nothing contained in this part or in any other law shall be held to relieve the district or the territory included within it from any bonded or other debt or liability contracted by the district. Upon dissolution of the district or upon withdrawal of territory therefrom, the property formerly included within the district or withdrawn therefrom shall continue to be liable for the payment of all bonded and other indebtedness or liabilities outstanding at the time of the dissolution or withdrawal the same as if the district had not been so dissolved or the territory withdrawn therefrom, and it shall be the duty of the successors or assigns to provide for the payment of the bonded and other indebtedness and liabilities. Except as may be otherwise provided in the proceedings for the authorization, issuance, and sale of any revenue bonds, bonds secured by a pledge of revenues or bonds for improvement districts secured by a pledge of revenues, revenues of any kind or nature derived from any revenue-producing improvements, works, facilities, or property owned, operated or controlled by the district shall be pledged, charged, assigned, and have a lien thereon for the payment of the bonds as long as they are outstanding, regardless of any change in ownership, operation, or control of those revenue-producing improvements, works, facilities, or property and it shall, in such later event or events, be the duty of the successors or assigns to continue to maintain and operate the revenue-producing improvements, works, facilities, or property as long as bonds are outstanding.

#### CHAPTER 7. ANNEXATION

105280. Territory may be annexed to the district in the manner provided in this chapter.

105281. A county contiguous to the district may, by majority vote of the board of supervisors of that county, petition the district to annex all or part of the territory within the county. Alternatively, the board of the district may propose annexation of any territory contiguous to the district.



105282. If annexation is proposed pursuant to Section 105281, the board shall determine whether the additional territory proposed to be annexed will be benefited by annexation to the district, and shall pass a resolution to that effect. The resolution shall be passed by a vote of two-thirds of the members of the board and be approved by the board of supervisors of the county in which the territory is situated.

105283. The board of supervisors of the county in which the territory to be annexed is situated shall agree in writing with the board of directors of the district upon the terms and conditions of annexation. The agreement may provide for the levy and collection of special taxes within the county in addition to the taxes elsewhere provided for in this part, the fixing of rates, rentals, and charges differing from those fixed or existing elsewhere within the district, the incurring or assumption of indebtedness, the making of a payment or payments, or the transfer of property, real and personal, and other assets to the district by the county.

105284. The resolution shall:

- (a) Describe the boundaries of the territory proposed to be annexed.
- (b) Designate the proposed annexation by an appropriate name.
- (c) Declare that the area to be annexed to the district will be benefited by annexation.
- (d) Name the time and place for the hearing of objections by any person interested in the proposed annexation.
- (e) Describe any terms and conditions of annexation agreed to between the district and the county pursuant to Section 105283.

105285. The resolution, together with the names of the members of the board voting for and against it, shall be published pursuant to Section 6066 of the Government Code in a newspaper published in the territory proposed to be annexed, or if there is no paper, then in some newspaper of general circulation, circulated in the territory.

105286. On the day fixed for hearing or on any day to which the hearing is adjourned, the board shall hear and consider any objections presented to the annexation of the territory. After the hearing of objections, if it is determined by a vote of two-thirds of all the members of the board that the territory proposed to be annexed will be benefited by annexation, the board shall proceed to fix and determine the boundaries of the territory to be annexed to the district.

105287. After making all necessary and proper changes in the boundaries, by a resolution passed by a vote of two-thirds of the members, the board shall order the annexation of the territory so described. The resolution, together with the names of the members of the board voting for and against the same shall be set forth in the minutes of the board.



105288. Whenever any territory is annexed to the district it shall thereupon become a part of the district subject to all the liabilities and entitled to all the benefits of the district.

#### CHAPTER 8. SERVICE ZONES

105300. One or more service zones to provide different levels of service, to provide different facilities or other improvements, or to raise additional revenues within specific areas of the district, may be created within the boundaries of the district. A service zone may consist of one or more cities, with or without unincorporated territory, or unincorporated territory alone.

105301. (a) Proceedings for the creation of a service zone may be initiated by resolution of the legislative body or bodies of the city or cities proposed to be included in the service zone, and if unincorporated territory is proposed to be included in the service zone, by resolution of the board or boards of supervisors of the county or counties in which the unincorporated territory is situated.

(b) The resolution or resolutions shall declare that the public interest or necessity demands the creation of a service zone, shall describe its boundaries, and shall request the formation of the service zone.

(c) When the entire area of a public agency is to be included in the service zone, it may be described by name.

(d) Certified copies of the resolution or resolutions shall be filed with the secretary of the district.

105302. (a) As an alternative to the initiation of proceedings for the formation of a service zone by resolution or resolutions, a petition may be filed with the secretary of the district signed by voters equal in number to at least 25 percent of the registered voters registered within the proposed service zone as determined from the affidavits of registration. The boundaries of the proposed service zone shall be described in the petition. When the entire area of a public agency is to be included in the service zone, it may be described by name.

(b) The petition shall declare that the public interest or necessity demands the creation of a service zone within the area of the district described in the petition. The petition may include one or more separate documents, but each document shall contain the affidavit of the party who circulated it, certifying that each name signed thereto is the true signature of the person whose name it purports to be.

105303. The secretary of the district shall compare the signatures in the petition with the affidavits of registration on file with the county clerk, and he or she shall certify to the board as to the sufficiency or insufficiency of the petition.



105304. (a) Within 30 days after receipt of the resolution or resolutions of the legislative body or bodies or receipt of the certification of the sufficiency of a petition by the secretary of the district, the board shall initiate proceedings for the formation of a new service zone by adopting a resolution that does all of the following:

(1) States that formation of a service zone has been initiated pursuant to either Section 105301 or 105302.

(2) Sets forth a description of the boundaries of the territory to be included in the service zone.

(3) States the different services, different levels of service, or additional revenues that the service zone will provide.

(4) Sets forth the methods by which those services or levels of service will be financed.

(5) States the reasons for forming the service zone.

(6) Proposes a name or number for the service zone.

(7) Fixes the date, time, and place for the public hearing regarding the formation of the service zone.

(b) The district shall publish notice of the hearing, including the information required by subdivision (a), pursuant to Section 6061 of the Government Code, in one or more newspapers of general circulation in the district. The district shall mail the notice to all owners of property within the proposed service zone. The district shall post the notice in at least three public places within the territory of the proposed service zone.

(c) At the hearing, the board shall hear and consider any protests to the formation of the service zone. At the conclusion of the hearing, the board may adopt a resolution ordering the formation of the service zone.

105305. The board may change the boundaries of a service zone or dissolve a zone by following the procedures in Section 105301.

105306. A local agency formation commission shall have no power or duty to review and approve or disapprove a proposal to create a service zone, a proposal to change the boundaries of a zone, or a proposal to dissolve a zone.

105307. As determined by the board, a service zone may provide any service at any level within its boundaries (that the district may provide).

105308. As determined by the board and pursuant to the requirements of this part, a service zone may exercise any fiscal powers within its boundaries (that the district may exercise).

105309. Any taxes, special taxes, assessments, or fees which are intended solely for the support of services within a zone shall be levied, assessed, and collected only within the boundaries of the zone.



105310. To assist in the operation of a service zone, the board may appoint one or more advisory groups composed of persons who reside in or own property in the zone.

CHAPTER 9. DISSOLUTION

105330. If the district operates no rail transit facilities, the board may call an election at any time for the purpose of submitting to the voters of the district the question of whether the district shall be dissolved. Upon the filing with the secretary of the district of a petition signed by voters within the district equal in number to at least 25 percent of the total vote cast at the last general statewide election, asking that the question of dissolution of the district be submitted to the voters of the district, the board shall call the election.

105331. The election for the purpose of submitting to the voters of the district the question of whether or not the district shall be dissolved shall be held within 60 days following the date on which the petition is filed.

105332. Notice of any election for dissolution, whether called because of the filing of a petition or ordered by the board without petition, shall be published. The date fixed for the election shall not be less than 30 days from the date of the first publication of the notice.

105333. The ballots for the election shall contain substantially the instructions required to be printed on ballots for use at general state and county elections and, in addition, the following:

Shall the Sonoma-Marín Area Rail Transit District be dissolved?	YES	
	NO	

105334. The board shall canvass the vote. If a majority of the votes favor dissolution, the board shall by resolution dissolve the district.

105335. The board shall file a certified copy of the resolution with the Secretary of State and for record in the office of the county recorder of the Counties of Marin and Sonoma and any other county in which territory of the district is situated.

105336. Upon dissolution, the right, title, and interest to any property owned or controlled by the district which was acquired by the district from the Golden Gate Bridge, Highway and Transportation District shall be returned to the Golden Gate Bridge, Highway and Transportation District or disposed of as designated by the Golden Gate Bridge, Highway and Transportation District. It is the intent of the



Legislature that any remaining property continue to be held in public ownership. A joint powers agency, members of which may include the Counties of Marin and Sonoma, the North Coast Railroad Authority, and the Golden Gate Bridge, Highway, and Transportation District, may be formed to hold title to the remaining district property. If a joint powers agency cannot be formed, the district, in consultation with the Counties of Marin, Sonoma, Humboldt, and Mendocino, and the Golden Gate Bridge, Highway, and Transportation District, shall make a recommendation to the Legislature regarding an appropriate disposition of the property.

105337. The board shall wind up the affairs of the district.

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