




San Benito County Water District

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FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BENITO

JUL 09 2025

July 8, 2025

BY 
DEPUTY CLERK

Honorable J. Omar Rodriguez, Presiding Judge
Superior Court of California, County of San Benito
450 4th Street
San Benito, CA 95023

RE: San Benito County 2024-2025 Civil Grand Jury

To the Honorable J. Omar Rodriguez:

The following constitutes the response of the San Benito County Water District (hereinafter the "District") to the Findings and Recommendations of the 2024-2025 Civil Grand Jury Consolidated Report (hereinafter the "Report") issued on June 9, 2025 and addressed to the District on June 12, 2025.

History of Water in San Benito County Prior to Proposition A and B, and Current Need for Imported Water

Prior to the importation of Federal Water that was enabled by Proposition A and B in 1977, the local groundwater basin was in critical overdraft. Groundwater levels had been declining for decades. Something needed to be done to stem the declining groundwater, or the basin could potentially run out of usable water. Additionally, groundwater quality was poor, containing high amounts of salt and hardness. High salts and hardness required extensive use of water softeners, which caused the City of Hollister and Sunnyslope Water District to violate the Waste Discharge Requirements issued by the State of California. In 1977 the San Benito County Water District proposed to the voters a solution to the problem, and the importation of water from the Federal Central Valley Project was overwhelmingly approved.

Current estimates place 500,000 acre-feet of usable in our basin, and we have imported approximately 800,000 acre-feet of water from the Central Valley Project. The math is easy: without the 800,000 acre-feet of imported water the usable water in the basin would have been depleted long ago.

Without imported Central Valley water, no new homes would have been able to be built, agriculture could not exist, and the local economy would have collapsed. If the importation of water ceased today, the basin would immediately be in overdraft, agriculture would cease to exist, the cost to treat water to meet the Waste Discharge Requirements would be orders of magnitude

greater than the cost to import water, ultimately leading to a failed local economy, wells going dry, and homes and businesses of little value.

The land tax and water charges created by the 1977 bond measures are a critically important source of revenue for the District and are directly responsible for San Benito County's growth since then. The delivery of imported water to the region has significantly improved water quality for agricultural and municipal use and has prevented the over-drafting of the local groundwater basin. Absent this tax the District would not be able to continue to provide these critical services and the County would have an insufficient water supply to meet its needs.

The need for ongoing maintenance of the local and federal equipment used to deliver this water to County residents is explicit in Proposition B and inherent in developing any long-term water delivery facilities. That maintenance can only occur with funding, which is the explicit purpose of the tax and maintenance language of Proposition B. Any interpretation of Proposition B that ignores the need to fund ongoing maintenance after the loan repayment period implies abandonment of the facilities once the loan is paid off. Assuming the immediate abandonment of a \$120M infrastructure investment when the debt is repaid is an untenable position, especially in light of the ongoing and future water needs that were identified and addressed in 1977 when the votes were passed.

Prior Grand Jury Reports and Responses

The District has made wise use of the tax revenues since Proposition B was passed, for the benefit of the District and County's constituents. Unfortunately, the Report mischaracterizes basic facts and obfuscates a straightforward issue. This exact issue has been analyzed in previous investigations, none of which found that the tax was intended to expire or escalated the issue to a report with findings and recommendations. To clear up any lingering confusion, in the 2023-2024 investigation period the District worked with the Auditor's Office to amend the tax bill to include "O&M" so the bills matched the intent of the ballot measures. The District believed this clarification settled any confusion about the purpose of Proposition B and the ongoing tax for operations and maintenance of the delivery and distribution network.

As one example of a mischaracterization or misunderstanding in the Report, the current Report states that a 2018 memo from the District's outside counsel concedes that Proposition B is ambiguous. This is not true, and the memo is attached here. The memo clearly states in its "Brief Answer" that "the voters did not intend that a tax expire at the maturity of the loan for the Zone 6 distribution system". The Report itself quotes the no-ambiguity language from that memo and the Citizen Complaint with the following: "nothing in the plain language of either measure supports a conclusion that the voters intended the land tax to expire upon the retirement of the loan." Simply put, the memo is clear that there is no ambiguity in the plain language of the ballot measure.

The memo takes the additional step of interpreting Proposition B through the use of extrinsic aids, which is the analytical process for ambiguous voter measures, and comes to the same conclusion. However, using extrinsic aids to determine the meaning of the statute *as if* there is ambiguity does concede ambiguity. The use of extrinsic aids simply serves to supplement the plain language analysis, not contradict the basis of the plain language analysis, and only as an additional analytical tool to reinforce the plain language interpretation.

The District is understandably frustrated that this issue has been raised again. This issue was also raised in the 2023-2024 Civil Grand Jury Report by a citizen complaint, and was addressed by the responses of the County's various agencies. The attached memo was submitted to the County Clerk in 2018 and apparently satisfied the Grand Jury then, because no further action was taken other than investigation. After a review of Proposition A and Proposition B, the Report, and the 2018 memo it is clear that there is no end to the ongoing tax for operations and maintenance, and the ongoing tax after loan repayment was both explicit and inherent in the voter measures.

Response to 2024-2025 Grand Jury Report

Finding and Recommendation 1:

F1: The original text of the 1977 measure is open to many interpretations. The current practice of continuing to collect tax revenue is not reflected in the intention of the measure from 1977. This is an agreement that identifies terms and conditions for the construction of facilities and a payback plan. It's a loan from USBR to the SBCWD, and essentially, the voter-approved measure allows for the payback of the loan plus ongoing maintenance.

Response: The District agrees in part and disagrees in part with this Finding.

Agrees: The District agrees that the voter-approved measure allows for payback of the loan plus ongoing maintenance.

Disagrees: The District disagrees that the original text of the 1977 is open to many interpretations. The District disagrees with the statement that the current practice of collecting tax revenue is not reflected in the 1977 measure. Contrary to that finding, Proposition B lists a series of *ad valorem* taxes, standby charges, and volume-based water charges, recognizes that those taxes and charges may increase in the future, and applies those taxes and charges with the operation and maintenance of the water delivery and distribution facilities.

Contradictory: This finding is contradictory in that it states that "the voter-approved measure allows for the payback of the loan *plus* ongoing maintenance" but also states that the "practice of continuing to collect tax revenue is not reflected in the intention of the measure from 1977." (emphasis added)

Conflating: The Report conflates and confuses Proposition A and Proposition B of 1977. Proposition A relates to an agreement with the US Bureau of Reclamation (USBR) for delivery of water. Proposition B approved a loan to construct the Zone 6 Distribution System to distribute that water, and taxes to repay the loan and pay for ongoing maintenance of the delivery and distribution system. When Finding 1 states that "This is an agreement that identifies terms and conditions for the construction of facilities and a payback plan", that is not true. The "agreement" is Proposition A for water delivery. The Proposition B funds construction and maintenance of the delivery and distribution system of that water.

R1: The SBCWD should cease any further collection of tax revenue based on the 1977 Measure for the loan repayment. A new measure should be written and submitted to the county residents for a vote at the next upcoming election (June 2026).

Response: The District will not implement this recommendation. The District does not collect tax revenue. Rather, the District levies the tax and San Benito County collects the revenue. No new measure is necessary because the current ballot measure is clear on its face.

Finding and Recommendation 2:

F2: Stating “40-year repayment period” implies a sunset of part of the tax.

Response: The District disagrees with this finding. The “40-year repayment period” language is in reference to “*unknown increases in cost* that must be paid and that may occur from time to time.” (emphasis added). Otherwise, there is no language in Proposition B that establishes any time period for either repayment or taxes.

R2: Beginning with the 2025-2026 tax year, cancel the tax on the loan repayment. The repayment period of 40 years is over, and the loan has been paid off. According to the County Counsel, the only way to remove the tax collection is to take legal action to have it removed. If a person(s) or group would like to spend the time and funds in doing so, then they may be successful, but there is no guarantee of removal.

Response: The District agrees in part and disagrees in part.

Agrees: The District agrees that the repayment period is over and the loan is paid off. The District agrees with County Counsel that legal action from an interested party would be necessary to overturn the tax, and that there is no guarantee of success, especially in light of the validity of the tax for operations and maintenance of the delivery and distribution system.

Disagrees: The District will not implement this recommendation. District disagrees that the current taxes are for loan repayment. The current taxes and charges are for Operations and Maintenance, not repayment of the loan.

Finding and Recommendation 3:

F3: Attorneys hired by SBCWD interpreted the language on the 1977 ballot as having no end date.

Response: The District disagrees with this finding. The Report itself, and its reference to the citizen complaint, show that special counsel concluded that the 1977 Proposition B does not have an end date for the collection of the tax.

R3: The SBCWD and the County should jointly hire an independent law firm for an unbiased interpretation of the 1977 ballot measure within the next six months.

Response: The District will not implement this recommendation. Hiring a law firm is an unnecessary expense for both the District and the County, and ultimately their constituents. The language of Proposition B does not contain an end date, so no further legal analysis is necessary or beneficial.

Finding and Recommendation 4:

F4: SBCWD claims tax revenue currently provides for Operations and Maintenance (O&M) costs.

Response: The District agrees that the tax revenue provides for Operations and Maintenance costs.

R4: An audit of the budgets from SBCWD should be completed to review the average cost for O&M within the next 90 days.

Response: The District will not implement this recommendation. The District already completes publicly-available annual audits that have been certified. The District already provided five years' of operating costs to the Grand Jury on December 13, 2024, and the Report does not allege any discrepancies in those costs.

Findings and Recommendation 5:

F5: SBCWD accounting methods do not capture and bill the customers for O&M expenses.

Response: The District disagrees. The District's budget, accounting, and audits correctly reflect the funds collected for O&M expenses.

R5: In the next 30-45 days, SBCWD should change its accounting methods to specifically identify loan repayment versus O&M charges.

Response: The District will not implement this recommendation. There are no funds collected for loan repayment. The loan has been repaid.

Findings and Recommendation 6:

F6: The original \$19,900,000 was paid off in 1995. The USBR said that if the loan was paid off early, there would be a discount down to \$19,200,000. The funds to pay off the loan were borrowed through the district with approval from the SBCWD Board of Directors, and the secondary loan was paid off around 2006-2007. Although enough money is collected each tax year to pay off these loans, SBCWD continues to make payments that are due to increase in 2026. The bond measure on the 1977 ballot did not authorize additional loans.

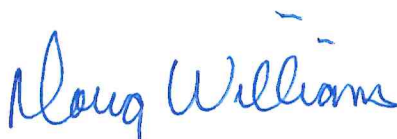
Response: The District disagrees with this finding. The Report conflates the USBR loan for the Zone 6 distribution system and a capital obligation under the Central Valley Project. Proposition A authorized the District to execute a contract with USBR for water service, and obligates the district to the capital costs associated with building the facilities necessary to convey

water from the Central Valley Project to San Benito County, as well as capital costs for facilities located in the Central Valley that are necessary to produce water received through the contract. Payment of these Proposition A expenses is not a payment on a loan. Proposition B, the subject of the Report, authorized a loan and tax to construct and maintain the delivery and distribution system for the water delivered by USBR.

R6: The SBCWD should seek voter approval for additional loan encumbrances in the next election cycle of June 2026.

Response: The District will not implement this recommendation. No additional voter approval is necessary, as there are no unapproved loans or encumbrances.

Sincerely,

A handwritten signature in blue ink that reads "Doug Williams". The signature is written in a cursive, flowing style.

Doug Williams, President

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March 19, 2018

DOCUMENT #

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Joe Paul Gonzalez
County Clerk, Auditor & Recorder
440 Fifth Street
Hollister, CA 95023

Re: San Benito County Water District Land Tax

Dear Joe Paul:

In response to your letter of January 17, 2018, enclosed please find a Memorandum prepared by the District's Special Counsel, Jonathan Cristy and Daniel O'Hanlon, of Kronick, Moskovitz, Tiedemann & Girard, pertaining to the land tax levied by the District in Zone 6.

Please contact the undersigned if you have any questions or need additional information.

Sincerely,

PIPAL SPURZEM & LIEM LLP

By


DAVID E. PIPAL

cc: Jeff Cattaneo
Barbara Thompson, County Counsel



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MEMORANDUM

TO: Joe Paul Gonzalez
County Clerk, Auditor & Recorder
Registrar of Voters
County of San Benito

CC: Jeff Cattaneo, San Benito County Water District
David E. Pipal, Pipal & Spurzem LLP

FROM: Jonathan P. Cristy, Daniel J. O'Hanlon

DATE: March 13, 2018

RE: Voter Intent Regarding the Land Tax Levied by the San Benito County Water District

Our office serves as special counsel to the San Benito County Water District. The District has asked us to respond to your question regarding the land tax that is levied by the District.

BACKGROUND

At the November 8, 1977, election, the voters of Zone 6 of the San Benito County Water Conservation and Flood Control District approved the following two ballot measures:

PROPOSITION A

Shall the San Benito County Water Conservation and Flood Control District enter into a water service contract with the Bureau of Reclamation of the United States Department of the Interior for importation of water into Zone 6 of said District?

PROPOSITION B

Shall the San Benito County Water Conservation and Flood Control District, on behalf of Zone 6, a part of the San Felipe Division of the Central Valley Project, in order to supplement existing agricultural, municipal and industrial water supplies, be authorized to do the following:

1. Borrow \$19,900,000.00 from the United States to provide funds to build a system to distribute imported water locally in Zone 6 of said District;
2. Operate and maintain said system;
3. Re-pay the United States for said District's share of the cost of the construction of the federal facilities portion of said project and the cost of operation and maintenance of said facilities;

the Engineer's estimate of charges and taxes sufficient to re-pay the above being as follows, but does not include unknown increases in cost that must be paid and that may occur from time to time during the 40 year repayment period:

- a. In the area served by a pressurized distribution system there will be an annual maximum stand-by-charge of \$10.00 per acre of land.
- b. A land tax with a maximum of \$1.00 per \$100.00 of assessed valuation per annum.
- c. A groundwater charge of \$5.00 per acre foot of agricultural water pumped.
- d. A charge of \$34.00 per acre foot of agricultural water delivered through a pressurized system.
- e. A groundwater charge of \$29.00 per acre foot of municipal and industrial water pumped.
- f. A charge of \$90.00 per acre foot of municipal and industrial water delivered directly to municipal and industrial water systems.

QUESTION

Did the voters intend to limit authorization of the land tax described in Measure "B" to expire 40 years after the date that the loan for \$19,900,000 was made to the Water District by the United States government?

BRIEF ANSWER

Based on the plain language of the measure, which does not state an expiration date for the land tax, the voters did not intend that the tax expire at the maturity of the loan for the Zone 6 distribution system. Extrinsic aids to interpretation support this conclusion as well.

DISCUSSION

Analytic Approach.

A measure adopted by a vote of the people should be interpreted so as to give effect to the intent of the electorate. See Creighton v. City of Santa Monica (1984) 160 Cal.App.3d 1011, 1018.

"In determining intent, we look first to the words themselves. [Citations.] When the language is clear and unambiguous, there is no need for construction. [Citations.] When the language is susceptible of more than one reasonable interpretation, however, we look to a variety of extrinsic aids, including the ostensible objects to be achieved, the evils to be remedied, the legislative history, public policy, contemporaneous administrative construction, and the statutory scheme of which the statute is a part. [Citations.]" (People v. Woodhead (1987) 43 Cal.3d 1002, 1007-1008.)



Plain Language of the Measure.

At the November 8, 1977, election, the voters approved two propositions that authorized the Water District to incur the obligations necessary to implement an integrated water supply program.

The election was held because a standard provision of the Bureau of Reclamation's contracts for water service requires that the electors of a contracting agency "authorize by an election or ratify [the] contract in order to grant to the Contractor the power to levy and collect all necessary taxes and assessments if and when needed." The election satisfied this provision in the proposed contract negotiated by the Water District.

Absence of Limiting Language. No Expiration Date for the Obligations. The two propositions authorized the Water District to incur a set of obligations. Specifically, Proposition A authorized the Water District to enter into a water service contract with the Bureau of Reclamation. Proposition B authorized a borrowing of \$19.9 million from the United States to construct the Zone 6 distribution system, operation and maintenance of that system, and payment for and operation and maintenance of the federal facilities to deliver water imported through the San Felipe Division of the federal Central Valley Project to Zone 6.

No expiration date for those authorizations is stated in the two measures. Of the several obligations to be incurred by the Water District, only the loan from the United States for the cost of the Zone 6 distribution system had an expected termination date of 40 years after commencement of delivery of water (expected to be in 1983). The standard water service contract with the Bureau of Reclamation remains in effect for a period of 40 years commencing with the year in which water is first available but is renewable for successive periods of up to 40 years each. The undertaking to operate and maintain the system has no definite termination date.

It is fair to assume that the Water District board's intention and the voters' expectations were that the construction of facilities and acquisition of an external water supply described in the propositions would establish a water system that would last into the indefinite future. If so, then the Water District would need to continue levying rates and charges past the maturity date of the loan. The land tax was presented in the ballot measure along with the various rates and charges and not distinguished from them as being related to the loan, so it likewise could have been expected to continue to be levied to support the other obligations authorized by Proposition A and Proposition B.

No Expiration Date for the Exactions. Proposition B included, for the information of the voters, an engineer's estimate of the amounts of the land tax and the other charges that would be sufficient to fund the program. The text of neither Proposition A nor Proposition B includes language authorizing the exactions. No election was needed for the exactions.

No voter authorization for the exactions was necessary, because the types of exactions expected to be used to finance the program – the land tax, the stand-by charge, the groundwater charges, and the charges for water delivered – are all authorized by the Water District's statute



without voter approval. In particular, Section 17 of the Water District's statute provides, in part, that:

The board shall have power, in any year:

To levy taxes upon all land in each or any of said zones ... , according to benefits derived or to be derived therein to pay the cost and expenses of carrying out any of the objects or purposes of this act of benefit to such zones Said taxes shall be based upon the assessment rolls used by the county for general tax purposes. [emphasis added]

Another principle of interpretation of ballot measures is that the drafters who frame an initiative statute and the voters who enact it may be deemed to be aware of the relevant law (In re Lance W. (1985) 37 Cal.3d 873, 890, fn. 11). The relevant statutory provision that authorizes the land tax, Section 17, contains no limitation on its duration.

Neither Proposition A nor Proposition B explicitly states an expiration date for the land tax (or for any other charge expected to be used to satisfy the Water District's obligations). To read Proposition B as implicitly limiting the duration of the land tax would be to read it as an initiative measure that modifies, or partially repeals, the Water District board's power under Section 17. There is a general presumption against repeals by implication, although the presumption may be overcome where the later provision gives undebatable evidence of an intent to supersede the earlier. See Arvin Union School Dist. v. Ross (1985) 176 Cal.App.3d 189, 199. The language of Proposition B does not provide such evidence.

No Linkage of the Land Tax and the Loan. The Water District's statute does not reserve the land tax to use for repaying loans. Nor does the ballot language link the land tax specifically or exclusively to the loan. Instead, it is stated in Proposition B that the engineer has estimated that the set of six exactions listed in the text will be sufficient to fund the set of obligations authorized by the propositions. Therefore, retirement of the loan would not lead automatically to expiration of the land tax.

The Reference to the 40 year Repayment Period. The second portion of the text of Proposition B in which the phrase "the 40 year repayment period" appears is an explanatory section that follows the first portion of the text that authorizes the Water District to incur obligations. This second portion of the text sets out the engineer's estimate of the amounts of taxes and charges necessary to meet the Water District's obligations during a 40-year period.

As described further below, the forty-year period referred to is the expected forty-year repayment period from 1983 to 2022 for the \$19.9 million loan. The specific statement made in the ballot text is simply that the engineer had not included any projections of price increases during that period in its sufficiency analysis – "the estimate ... does not include unknown increases in cost that must be paid and that may occur from time to time during the 40 year repayment period."

The description of the engineer's estimate lists the land tax and five other charges and their expected amounts, but this section of Proposition B does not include language authorizing



these exactions, nor does it include any statement that the land tax (or any other charge) expires in forty years.

Extrinsic Aids.

Ambiguity. There is no explicit statement in Proposition B that the Water District is authorized to undertake the proposed obligations or to levy the land tax only during “the forty year repayment period” of the loan. To assert that the mention of a “40 year repayment period” in the text implies an expiration date is to assert that the language of the ballot is ambiguous.

In cases where the language of a measure is susceptible of more than one reasonable interpretation, then extrinsic aids such as evidence of the intention of the drafters and any materials presented to the voters along with the ballot can be used to clarify the asserted ambiguity.

Intention of the Drafters. Evidence of the intention of the drafters of a ballot measure, while not determinative, may deserve some consideration when addressing perceived ambiguities (see Stanton v. Panish (1980) 28 Cal.3d 107, 114).

The estimate of the amounts of the necessary exactions included in the ballot was taken from a Master Plan Report prepared by Creegan & D’Angelo – McCandless, a joint venture, Consulting Engineers, in July 1977. The report was prepared specifically to support the Water District’s application to the Bureau of Reclamation for the loan to finance the construction of the Zone 6 internal distribution system. The anticipated term of the loan was forty years, from 1983 through 2022.

The report includes a table showing the forecasted expenses over the period 1979 through 2022 with respect to the water supply contract, operation and maintenance of the federal facilities and the Zone 6 distribution facilities, and debt service on the loan. The table also shows the engineer’s proposed set of taxes and other charges in amounts sufficient to meet the funding requirements for all of those expenses. The table, in fact, shows the land tax being levied over the entire 44-year period.

Given the focus of the report on demonstrating feasibility of repayment of the loan, the estimate extended only to the planning horizon date of 2022 (the end of the 40-year loan repayment period). While the loan was expected to be paid off by that date, the Water District’s obligations under the water service contract and for the operation and maintenance of the water delivery and distribution systems were expected to continue beyond that date.

The Master Plan Report does not link the land tax to a specific obligation. Instead, the table of revenues and expenses displays the land tax as being combined with the other sources of revenues to satisfy the total expenditure requirements, only one component of which is debt service on the loan.

Although the report was not presented to the voters, it informed the Water District board’s understanding of the intended financing program.



The Argument in Favor of Measure B. Ballot arguments and any analysis presented to the voters in connection with a ballot proposal may be employed by the courts to determine the intent of uncertain language contained in the proposal (see Amador Valley Joint Union High Sch. Dist. v. State Bd. of Equalization (1978) 22 Cal.3d 208, 245-246; Carter v. Seaboard Finance (1949) 33 Cal.2d 564, 580-581).

The argument in favor of Proposition B refers to the need to pay both the cost of obtaining the San Felipe water under the water service contract approved by Measure A and the cost of the delivery system that includes the local distribution system (to be financed by the loan) and the federal facilities. The argument describes the set of taxes and charges as a method of repayment that fairly distributes all of these costs among the benefited groups. The argument does not link the land tax specifically to the loan repayment. There is no basis in the presentation made in the ballot argument on which to conclude that the land tax would terminate upon the final repayment of the loan.

Other Extrinsic Evidence. The form of the measures submitted to the voters was finalized in a resolution adopted by the Water District board on September 7, 1977. Prior to that date, on August 26 and August 30, notice was published fixing the time for submission of arguments for and against the propositions. That notice shows a different formulation of the authorizations to be made by Proposition B:

1. Borrow \$19,900,000 from the United States to provide funds to build a system to distribute imported water locally in Zone 6 of said District;
2. Levy charges and taxes sufficient to operate and maintain said system and to re-pay said loan;
3. Also, to levy charges sufficient to re-pay the United States for said District's share of the cost of the construction of the Federal facilities portion of said project and the cost of operation and maintenance of said facilities,

The final formulation of the measure removed the language authorizing the Water District to levy the land tax and the charges; those voter authorizations were not required by the Water District's statute or by the terms of the proposed water supply contract. Assuming, however, that this formulation reflects the Water District board's conception of the financing plan as laid out in the Master Report, this version directly states that the charges and taxes are to be levied for more than just the repayment of the loan for the Zone 6 distribution system. Assuming also that the Water District board intended the system for importation of water to continue in operation in perpetuity, it would have expected those taxes to last beyond the maturity of the loan.

CONCLUSION

The best evidence of what the voters intended is the plain language of the measures themselves. The two measures, Propositions A and B, authorized a set of obligations, including



entering into a water service contract with the Bureau of Reclamation, borrowing \$19.9 million from the United States to construct the Zone 6 distribution system, operating and maintaining that system, and paying for and operating and maintaining the federal facilities to deliver imported water to Zone 6.

Proposition B lists the several exactions the Water District expected to use to satisfy those obligations. The measure recites that the engineer estimates that those exactions in the amounts listed would be sufficient to satisfy the obligations but cautions that the estimate does not take into account any cost increases during the 40-year repayment period of the loan.

Nothing in Proposition A or B measure states that any of the obligations other than the \$19.9 million loan will terminate in forty years. Nothing in Proposition B states that the land tax or any other exaction will expire in forty years. Nothing in the measure indicates that the land tax will be levied only to pay the \$19.9 million loan. Accordingly, nothing in the plain language of either measure supports a conclusion that the voters intended the land tax to expire upon retirement of the loan.

Any argument that the mention of a "40 year repayment period" in the description of the engineer's estimate in Proposition B implies an expiration date for the land tax is rebutted by an examination of the source of the engineer's estimate. That source, the 1977 Master Plan Report, was prepared for the purpose of demonstrating the financial feasibility of the proposed loan. The report used 2022, the expected maturity of the loan, not as the termination date for taxes and charges but only as a planning horizon. The table of revenues and expenses in the report shows that the Water District intended to use the combined revenues from the land tax and the other charges to satisfy all the obligations authorized by the two measures, including those that would extend past 2022. The report did not link the land tax to the loan repayment.



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