

AMENDED IN ASSEMBLY MARCH 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 295

Introduced by Assembly Member Salas

February 11, 2013

~~An act to amend Section 10702 of the Water Code, relating to groundwater.~~ *An act to repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a public benefits associated with water storage projects program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California, and for the handling and disposition of those funds.*

LEGISLATIVE COUNSEL'S DIGEST

AB 295, as amended, Salas. ~~Water: groundwater.~~ *California Statewide Water Reliability Act of 2014.*

(1) Existing law creates the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.

This bill would enact the California Statewide Water Reliability Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$3,000,000,000 pursuant to the State General Obligation Bond Law to finance a public benefits associated with water storage projects program.

This bill would provide for the submission of this bond act to the voters at the November 4, 2014, statewide general election.

~~Existing law declares that groundwater is a valuable natural resource in the state and should be managed to ensure its safe production and its quality. Existing law also authorizes certain local agencies to adopt and implement groundwater management plans.~~

~~This bill would make technical, nonsubstantive changes to the latter provision.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: ~~no~~^{yes}. State-mandated local program: no.

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

1 SECTION 1. Division 26.7 (commencing with Section 79700)
2 of the Water Code is repealed.

3 SEC. 2. Division 26.7 (commencing with Section 79700) is
4 added to the Water Code, to read:

5
6 DIVISION 26.7. CALIFORNIA STATEWIDE WATER
7 RELIABILITY ACT OF 2014

8
9 CHAPTER 1. SHORT TITLE

10
11 79700. This division shall be known, and may be cited, as the
12 California Statewide Water Reliability Act of 2014.

13
14 CHAPTER 3. DEFINITIONS

15
16 79702. Unless the context otherwise requires, the definitions
17 set forth in this section govern the construction of this division, as
18 follows:

19 (a) "CALFED Bay-Delta Program" means the program
20 described in the Record of Decision dated August 28, 2000.

21 (b) "Commission" means the California Water Commission.

1 (c) “Committee” means the California Statewide Water
2 Reliability Finance Committee created by Section 79812.

3 (d) “Delta” means the Sacramento-San Joaquin Delta, as
4 defined in Section 12220.

5 (e) “Delta conveyance facilities” means facilities that convey
6 water directly from the Sacramento River to the State Water Project
7 or the federal Central Valley Project pumping facilities in the
8 south Delta.

9 (f) “Department” means the Department of Water Resources.

10 (g) “Director” means the Director of Water Resources.

11 (h) “Fund” means the California Statewide Water Reliability
12 Fund of 2014 created by Section 79716.

13 (i) “Nonprofit organization” means an organization qualified
14 to do business in California and qualified under Section 501(c)(3)
15 of Title 26 of the United States Code.

16 (j) “Public agency” means a state agency or department,
17 district, joint powers authority, city, county, city and county, or
18 other political subdivision of the state.

19 (k) “Secretary” means the Secretary of the Natural Resources
20 Agency.

21 (l) “State General Obligation Bond Law” means the State
22 General Obligation Bond Law (Chapter 4 (commencing with
23 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
24 Code).

25
26 *CHAPTER 4. GENERAL PROVISIONS*

27
28 79705. An amount that equals not more than 5 percent of the
29 funds allocated for a grant program pursuant to this division may
30 be used to pay the administrative costs of that program.

31 79706. Up to 10 percent of funds allocated for each program
32 funded by this division may be expended for planning and
33 monitoring necessary for the successful design, selection, and
34 implementation of the projects authorized under that program.
35 This section shall not otherwise restrict funds ordinarily used by
36 an agency for “preliminary plans,” “working drawings,” and
37 “construction” as defined in the annual Budget Act for a capital
38 outlay project or grant project. Water quality monitoring shall be
39 integrated into the surface water ambient monitoring program
40 administered by the State Water Resources Control Board.

1 79707. Chapter 3.5 (commencing with Section 11340) of Part
2 1 of Division 3 of Title 2 of the Government Code does not apply
3 to the development or implementation of programs or projects
4 authorized or funded under this division other than Chapter 8
5 (commencing with Section 79740).

6 79709. It is the intent of the people that the investment of public
7 funds pursuant to this division will result in public benefits.

8 79710. The State Auditor shall annually conduct a
9 programmatic review and an audit of expenditures from the fund.
10 The State Auditor shall report its findings annually on or before
11 March 1 to the Governor and the Legislature, and shall make the
12 findings available to the public.

13 79711. Funds provided by this division shall not be expended
14 to support or pay for the costs of environmental mitigation
15 measures or compliance obligations of any party except as part
16 of the environmental mitigation costs of projects financed by this
17 division. Funds provided by this division may be used for
18 environmental enhancements or other public benefits.

19 79712. Funds provided by this division shall not be expended
20 to pay the costs of the design, construction, operation, or
21 maintenance of Delta conveyance facilities. Those costs shall be
22 the responsibility of the water agencies that benefit from the design,
23 construction, operation, or maintenance of those facilities.

24 79713. (a) This division does not diminish, impair, or
25 otherwise affect in any manner whatsoever any area of origin,
26 watershed of origin, county of origin, or any other water rights
27 protections, including, but not limited to, rights to water
28 appropriated prior to December 19, 1914, provided under the law.
29 This division does not limit or otherwise affect the application of
30 Article 1.7 (commencing with Section 1215) of Chapter 1 of Part
31 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461,
32 11462, and 11463, and Sections 12200 to 12220, inclusive.

33 (b) For the purposes of this division, an area that utilizes water
34 that has been diverted and conveyed from the Sacramento River
35 hydrologic region, for use outside the Sacramento River hydrologic
36 region or the Delta, shall not be deemed to be immediately adjacent
37 thereto or capable of being conveniently supplied with water
38 therefrom by virtue or on account of the diversion and conveyance
39 of that water through facilities that may be constructed for that
40 purpose after January 1, 2015.

1 (c) *Nothing in this division supersedes, limits, or otherwise*
2 *modifies the applicability of Chapter 10 (commencing with Section*
3 *1700) of Part 2 of Division 2, including petitions related to any*
4 *new conveyance constructed or operated in accordance with*
5 *Chapter 2 (commencing with Section 85320) of Part 4 of Division*
6 *35.*

7 (d) *Unless otherwise expressly provided, nothing in this division*
8 *supersedes, reduces, or otherwise affects existing legal protections,*
9 *both procedural and substantive, relating to the state board's*
10 *regulation of diversion and use of water, including, but not limited*
11 *to, water rights priorities, the protection provided to municipal*
12 *interests by Sections 106 and 106.5, and changes in water rights.*
13 *Nothing in this division expands or otherwise alters the state*
14 *board's existing authority to regulate the diversion and use of*
15 *water or the court's existing concurrent jurisdiction over California*
16 *water rights.*

17 79714. *Eligible applicants under this division are public*
18 *agencies, nonprofit organizations, public utilities, and mutual*
19 *water companies. To be eligible for funding under this division, a*
20 *project proposed by a public utility that is regulated by the Public*
21 *Utilities Commission or a mutual water company shall have a*
22 *clear and definite public purpose and shall benefit the customers*
23 *of the water system.*

24 79715. *The Legislature may enact legislation necessary to*
25 *implement programs funded by this division, except as otherwise*
26 *provided in Section 79749.5.*

27 79716. *The proceeds of bonds issued and sold pursuant to this*
28 *division shall be deposited in the California Statewide Water*
29 *Reliability Fund of 2014, which is hereby created in the State*
30 *Treasury.*

31

32 *CHAPTER 8. CALIFORNIA STATEWIDE WATER RELIABILITY*

33

34 79740. (a) *Notwithstanding Section 162, the commission may*
35 *make the determinations, findings, and recommendations required*
36 *of it by this chapter independent of the views of the director. All*
37 *final actions by the commission in implementing this chapter shall*
38 *be taken by a majority of the members of the commission at a*
39 *public meeting noticed and held pursuant to the Bagley-Keene*
40 *Open Meeting Act (Article 9 (commencing with Section 11120) of*

1 Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
2 Code).

3 (b) Notwithstanding Section 13340 of the Government Code,
4 the sum of three billion dollars (\$3,000,000,000) is hereby
5 continuously appropriated from the fund, without regard to fiscal
6 years, to the commission for public benefits associated with water
7 storage projects that improve the operation of the state water
8 system, are cost effective, and provide a net improvement in
9 ecosystem and water quality conditions, in accordance with this
10 chapter. Funds authorized for, or made available to, the
11 commission pursuant to this chapter shall be available and
12 expended only for the purposes provided in this chapter, and shall
13 not be subject to appropriation or transfer by the Legislature or
14 the Governor for any other purpose.

15 (c) Projects shall be selected by the commission through a
16 competitive public process that ranks potential projects based on
17 the expected return for public investment as measured by the
18 magnitude of the public benefits provided, pursuant to criteria
19 established under this chapter.

20 (d) Any project constructed with funds provided by this chapter
21 shall be subject to Section 11590.

22 79741. Projects for which the public benefits are eligible for
23 funding under this chapter consist of only the following:

24 (a) Surface storage projects identified in the CALFED Bay-Delta
25 Program Record of Decision, dated August 28, 2000, except for
26 projects prohibited by Chapter 1.4 (commencing with Section
27 5093.50) of Division 5 of the Public Resources Code.

28 (b) Groundwater storage projects and groundwater
29 contamination prevention or remediation projects that provide
30 water storage benefits.

31 (c) Conjunctive use and reservoir reoperation projects.

32 (d) Local and regional surface storage projects that improve
33 the operation of water systems in the state and provide public
34 benefits.

35 79742. A project shall not be funded pursuant to this chapter
36 unless it provides measurable improvements to the Delta ecosystem
37 or to the tributaries to the Delta.

38 79743. (a) Funds allocated pursuant to this chapter may be
39 expended solely for the following public benefits associated with
40 water storage projects:

1 (1) *Ecosystem improvements, including changing the timing of*
2 *water diversions, improvement in flow conditions, temperature,*
3 *or other benefits that contribute to restoration of aquatic*
4 *ecosystems and native fish and wildlife, including those ecosystems*
5 *and fish and wildlife in the Delta.*

6 (2) *Water quality improvements in the Delta, or in other river*
7 *systems, that provide significant public trust resources, or that*
8 *clean up and restore groundwater resources.*

9 (3) *Flood control benefits, including, but not limited to,*
10 *increases in flood reservation space in existing reservoirs by*
11 *exchange for existing or increased water storage capacity in*
12 *response to the effects of changing hydrology and decreasing snow*
13 *pack on California's water and flood management system.*

14 (4) *Emergency response, including, but not limited to, securing*
15 *emergency water supplies and flows for dilution and salinity*
16 *repulsion following a natural disaster or act of terrorism.*

17 (5) *Recreational purposes, including, but not limited to, those*
18 *recreational pursuits generally associated with the outdoors.*

19 (b) *Funds shall not be expended pursuant to this chapter for*
20 *the costs of environmental mitigation measures or compliance*
21 *obligations except for those associated with providing the public*
22 *benefits as described in this section.*

23 79744. *In consultation with the Department of Fish and*
24 *Wildlife, the State Water Resources Control Board, and the*
25 *department, the commission shall develop and adopt, by regulation,*
26 *methods for quantification and management of public benefits*
27 *described in Section 79743 by December 15, 2016. The regulations*
28 *shall include the priorities and relative environmental value of*
29 *ecosystem benefits as provided by the Department of Fish and*
30 *Wildlife and the priorities and relative environmental value of*
31 *water quality benefits as provided by the State Water Resources*
32 *Control Board.*

33 79745. (a) *Except as provided in subdivision (c), no funds*
34 *allocated pursuant to this chapter may be allocated for a project*
35 *before December 15, 2016, and until the commission approves the*
36 *project based on the commission's determination that all of the*
37 *following have occurred:*

38 (1) *The commission has adopted the regulations specified in*
39 *Section 79744 and specifically quantified and made public the cost*
40 *of the public benefits associated with the project.*

1 (2) *The department has entered into a contract with each party*
 2 *that will derive benefits, other than public benefits, as defined in*
 3 *Section 79743, from the project that ensures the party will pay its*
 4 *share of the total costs of the project. The benefits available to a*
 5 *party shall be consistent with that party’s share of total project*
 6 *costs.*

7 (3) *The department has entered into a contract with each public*
 8 *agency identified in Section 79744 that administers the public*
 9 *benefits, after that agency makes a finding that the public benefits*
 10 *of the project for which that agency is responsible meet all the*
 11 *requirements of this chapter, to ensure that the public contribution*
 12 *of funds pursuant to this chapter achieves the public benefits*
 13 *identified for the project.*

14 (4) *The commission has held a public hearing for the purposes*
 15 *of providing an opportunity for the public to review and comment*
 16 *on the information required to be prepared pursuant to this*
 17 *subdivision.*

18 (5) *All of the following additional conditions are met:*

19 (A) *Feasibility studies have been completed.*

20 (B) *The commission has found and determined that the project*
 21 *is feasible, is consistent with all applicable laws and regulations,*
 22 *and will advance the long-term objectives of restoring ecological*
 23 *health and improving water management for beneficial uses of the*
 24 *Delta.*

25 (C) *All environmental documentation associated with the project*
 26 *has been completed, and all other federal, state, and local*
 27 *approvals, certifications, and agreements required to be completed*
 28 *have been obtained.*

29 (b) *The commission shall submit to the Legislature its findings*
 30 *for each of the criteria identified in subdivision (a) for a project*
 31 *funded pursuant to this chapter.*

32 (c) *Notwithstanding subdivision (a), funds may be made*
 33 *available under this chapter for the completion of environmental*
 34 *documentation and permitting of a project.*

35 79746. (a) *The public benefit cost share of a project funded*
 36 *pursuant to this chapter, other than a project described in*
 37 *subdivision (c) of Section 79741, may not exceed 50 percent of the*
 38 *total costs of any project funded under this chapter.*

39 (b) *No project may be funded unless it provides ecosystem*
 40 *improvements as described in paragraph (1) of subdivision (a) of*

1 Section 79743 that are at least 50 percent of total public benefits
2 of the project funded under this chapter.

3 79747. (a) A project is not eligible for funding under this
4 chapter unless, by January 1, 2022, all of the following conditions
5 are met:

6 (1) All feasibility studies are complete and draft environmental
7 documentation is available for public review.

8 (2) The commission makes a finding that the project is feasible,
9 and will advance the long-term objectives of restoring ecological
10 health and improving water management for beneficial uses of the
11 Delta.

12 (3) The director receives commitments for not less than 75
13 percent of the nonpublic benefit cost share of the project.

14 (b) If compliance with subdivision (a) is delayed by litigation
15 or failure to promulgate regulations, the date in subdivision (a)
16 shall be extended by the commission for a time period that is equal
17 to the time period of the delay, and funding under this chapter that
18 has been dedicated to the project shall be encumbered until the
19 time at which the litigation is completed or the regulations have
20 been promulgated.

21 79748. Surface storage projects funded pursuant to this chapter
22 and described in subdivision (a) of Section 79741 may be made a
23 unit of the Central Valley Project as provided in Section 11290
24 and may be financed, acquired, constructed, operated, and
25 maintained pursuant to Part 3 (commencing with Section 11100)
26 of Division 6.

27 79749. (a) The funds allocated for the design, acquisition, and
28 construction of surface storage projects identified in the CALFED
29 Bay-Delta Record of Decision, dated August 28, 2000, pursuant
30 to this chapter may be provided for those purposes to local joint
31 powers authorities formed by irrigation districts and other local
32 water districts and local governments within the applicable
33 hydrologic region to design, acquire, and construct those projects.

34 (b) The joint powers authorities described in subdivision (a)
35 may include in their membership governmental partners that are
36 not located within their respective hydrologic regions in financing
37 the surface storage projects, including, as appropriate, cost-share
38 participation or equity participation. Notwithstanding Section
39 6525 of the Government Code, the joint powers authorities
40 described in subdivision (a) shall not include in their membership

1 any for-profit corporation, or any mutual water company whose
 2 shareholders and members include a for-profit corporation or any
 3 other private entity. The department shall be an ex officio member
 4 of each joint powers authority subject to this section, but the
 5 department shall not control the governance, management, or
 6 operation of the surface water storage projects.

7 (c) A joint powers authority subject to this section shall own,
 8 govern, manage, and operate a surface water storage project,
 9 subject to the requirement that the ownership, governance,
 10 management, and operation of the surface water storage project
 11 shall advance the purposes set forth in this chapter.

12 79749.5. (a) In approving the California Statewide Water
 13 Reliability Act of 2014, the people were informed and hereby
 14 declare that the provisions of this chapter are necessary, integral,
 15 and essential to meeting the single object or work of the California
 16 Statewide Water Reliability Act of 2014. As such, any amendment
 17 of the provisions of this chapter by the Legislature without voter
 18 approval would frustrate the scheme and design that induced voter
 19 approval of this act. The people therefore find and declare that
 20 any amendment of the provisions of this chapter by the Legislature
 21 shall require an affirmative vote of two-thirds of the membership
 22 in each house of the Legislature and voter approval.

23 (b) This section shall not govern or be used as authority for
 24 determining whether the amendment of any other provision of this
 25 act not contained in this chapter would constitute a substantial
 26 change in the scheme and design of this act requiring voter
 27 approval.

28
 29 *CHAPTER 12. FISCAL PROVISIONS*

30
 31 79810. (a) Bonds in the total amount of three billion dollars
 32 (\$3,000,000,000), not including the amount of any refunding bonds
 33 issued in accordance with Section 79822, or so much thereof as
 34 is necessary, may be issued and sold to provide a fund to be used
 35 for carrying out the purposes expressed in this division and to
 36 reimburse the General Obligation Bond Expense Revolving Fund
 37 pursuant to Section 16724.5 of the Government Code. The bonds,
 38 when sold, shall be and constitute valid and binding obligations
 39 of the State of California, and the full faith and credit of the State
 40 of California is hereby pledged for the punctual payment of both

1 *the principal of, and interest on, the bonds as the principal and*
2 *interest become due and payable.*

3 *(b) The Treasurer shall sell the bonds authorized by the*
4 *committee pursuant to this section. The bonds shall be sold upon*
5 *the terms and conditions specified in a resolution to be adopted*
6 *by the committee pursuant to Section 16731 of the Government*
7 *Code.*

8 *79811. The bonds authorized by this division shall be prepared,*
9 *executed, issued, sold, paid, and redeemed as provided in the State*
10 *General Obligation Bond Law, and all of the provisions of that*
11 *law apply to the bonds and to this division and are hereby*
12 *incorporated in this division as though set forth in full in this*
13 *division, except that Section 16727 of the Government Code shall*
14 *not apply to the extent that it is inconsistent with any other*
15 *provision of this division.*

16 *79812. (a) Solely for the purpose of authorizing the issuance*
17 *and sale, pursuant to the State General Obligation Bond Law, of*
18 *the bonds authorized by this division, the California Statewide*
19 *Water Reliability Committee is hereby created. For purposes of*
20 *this division, the California Statewide Water Reliability Committee*
21 *is “the committee” as that term is used in the State General*
22 *Obligation Bond Law.*

23 *(b) The committee consists of the Director of Finance, the*
24 *Treasurer, the Controller, the Director of Water Resources, and*
25 *the Secretary of the Natural Resources Agency. Notwithstanding*
26 *any other law, any member may designate a deputy to act as that*
27 *member in his or her place for all purposes, as though the member*
28 *were personally present.*

29 *(c) The Treasurer shall serve as chairperson of the committee.*

30 *(d) A majority of the members of the committee shall constitute*
31 *a quorum of the committee, and may act for the committee.*

32 *79813. The committee shall determine whether or not it is*
33 *necessary or desirable to issue bonds authorized pursuant to this*
34 *division to carry out the actions specified in this division and, if*
35 *so, the amount of bonds to be issued and sold. Successive issues*
36 *of bonds may be authorized and sold to carry out those actions*
37 *progressively, and it is not necessary that all of the bonds*
38 *authorized to be issued be sold at any one time.*

1 79814. “Board,” as defined in Section 16722 of the
2 Government Code for the purposes of compliance with the State
3 General Obligation Bond Law, means the department.

4 79815. There shall be collected each year and in the same
5 manner and at the same time as other state revenue is collected,
6 in addition to the ordinary revenues of the state, a sum in an
7 amount required to pay the principal of, and interest on, the bonds
8 each year, and it is the duty of all officers charged by law with
9 any duty in regard to the collection of the revenue to do and
10 perform each and every act that is necessary to collect that
11 additional sum.

12 79816. Notwithstanding Section 13340 of the Government
13 Code, there is hereby appropriated from the General Fund in the
14 State Treasury, for the purposes of this division, an amount that
15 will equal the total of the following:

16 (a) The sum annually necessary to pay the principal of, and
17 interest on, bonds issued and sold pursuant to this division, as the
18 principal and interest become due and payable.

19 (b) The sum that is necessary to carry out the provisions of
20 Section 79819, appropriated without regard to fiscal years.

21 79817. The board may request the Pooled Money Investment
22 Board to make a loan from the Pooled Money Investment Account
23 in accordance with Section 16312 of the Government Code for the
24 purpose of carrying out this division. The amount of the request
25 shall not exceed the amount of the unsold bonds that the committee
26 has, by resolution, authorized to be sold for the purpose of carrying
27 out this division. The board shall execute those documents required
28 by the Pooled Money Investment Board to obtain and repay the
29 loan. Any amounts loaned shall be deposited in the fund to be
30 allocated in accordance with this division.

31 79818. Notwithstanding any other provision of this division,
32 or of the State General Obligation Bond Law, if the Treasurer
33 sells bonds that include a bond counsel opinion to the effect that
34 the interest on the bonds is excluded from gross income for federal
35 tax purposes under designated conditions, the Treasurer may
36 maintain separate accounts for the bond proceeds invested and
37 for the investment earnings on those proceeds, and may use or
38 direct the use of those proceeds or earnings to pay any rebate,
39 penalty, or other payment required under federal law or take any
40 other action with respect to the investment and use of those bond

1 *proceeds, as may be required or desirable under federal law in*
2 *order to maintain the tax-exempt status of those bonds and to*
3 *obtain any other advantage under federal law on behalf of the*
4 *funds of this state.*

5 79819. *For the purposes of carrying out this division, the*
6 *Director of Finance may authorize the withdrawal from the*
7 *General Fund of an amount or amounts not to exceed the amount*
8 *of the unsold bonds that have been authorized by the committee*
9 *to be sold for the purpose of carrying out this division. Any*
10 *amounts withdrawn shall be deposited in the fund. Any money*
11 *made available under this section shall be returned to the General*
12 *Fund, with interest at the rate earned by the money in the Pooled*
13 *Money Investment Account, from proceeds received from the sale*
14 *of bonds for the purpose of carrying out this division.*

15 79820. *All money deposited in the fund that is derived from*
16 *premiums and accrued interest on bonds sold pursuant to this*
17 *division shall be reserved in the fund and shall be available for*
18 *transfer to the General Fund as a credit to expenditures for bond*
19 *interest.*

20 79821. *Pursuant to Chapter 4 (commencing with Section*
21 *16720) of Part 3 of Division 4 of Title 2 of the Government Code,*
22 *the cost of bond issuance shall be paid out of the bond proceeds.*
23 *These costs shall be shared proportionately by each program*
24 *funded through this division.*

25 79822. *The bonds issued and sold pursuant to this division*
26 *may be refunded in accordance with Article 6 (commencing with*
27 *Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of*
28 *the Government Code, which is a part of the State General*
29 *Obligation Bond Law. Approval by the electors of the state for the*
30 *issuance of the bonds under this division shall include approval*
31 *of the issuance of any bonds issued to refund any bonds originally*
32 *issued under this division or any previously issued refunding bonds.*

33 79823. *The proceeds from the sale of bonds authorized by this*
34 *division are not “proceeds of taxes” as that term is used in Article*
35 *XIII B of the California Constitution, and the disbursement of these*
36 *proceeds is not subject to the limitations imposed by that article.*

37 79824. *Of the three billion dollars (\$3,000,000,000) in bonds*
38 *authorized in this division, no more than one billion five hundred*
39 *million dollars (\$1,500,000,000) shall be sold by the Treasurer*
40 *before July 1, 2019.*

1 *SEC. 3. Section 2 of Chapter 3 of the Seventh Extraordinary*
2 *Session of the Statutes of 2009, as amended by Section 1 of Chapter*
3 *74 of the Statutes of 2012, is repealed.*

4 *SEC. 4. Section 2 of this act shall be submitted to the voters at*
5 *the November 4, 2014, statewide general election in accordance*
6 *with provisions of the Government Code and the Elections Code*
7 *governing the submission of a statewide measure to the voters.*

8 *SEC. 5. Section 2 of this act shall take effect upon the approval*
9 *by the voters of the California Statewide Water Reliability Act of*
10 *2014 as set forth in that section at the November 4, 2014, statewide*
11 *general election.*

12 ~~SECTION 1. Section 10702 of the Water Code is amended to~~
13 ~~read:~~

14 ~~10702. A local agency authorized by law to provide water~~
15 ~~services may, by ordinance, or by resolution if the local agency is~~
16 ~~not authorized to act by ordinance, establish programs for the~~
17 ~~management of groundwater resources.~~