

AMENDED IN ASSEMBLY APRIL 23, 2013

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 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: relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 295, as amended, Salas. ~~California Statewide Water Reliability Act of 2014. Water: water supply: infrastructure.~~

Existing law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, known as the California Water Plan.

This bill would establish findings and declarations stating that the November 2014 ballot currently includes a bond measure for \$11.14 billion to fund projects related to water, that many Californians lack access to clean, safe, and affordable drinking water, and that it is in the general public interest to pass a general obligation bond to help fund projects that address the critical and immediate needs of disadvantaged, rural, or small communities and projects that leverage

state and federal drinking water quality and wastewater treatment funds. The bill would also require the State Water Resources Control Board and the Drinking Water and Environmental Management Division of the State Department of Public Health to initiate and complete a comprehensive study relating to the need for state funding for water projects and, on or before July 1, 2014, to provide a report to the Legislature summarizing those findings.

~~(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.~~

~~Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.~~

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

- 1 SECTION 1. *The Legislature finds and declares all of the*
- 2 *following:*
- 3 (a) *The November 2014 ballot currently includes a bond*
- 4 *measure for \$11.14 billion to fund projects related to water supply*
- 5 *reliability, water quality, Sacramento-San Joaquin Delta*
- 6 *sustainability, watershed conservation and protection, and water*
- 7 *recycling.*
- 8 (b) *Many Californians lack access to clean, safe, and affordable*
- 9 *drinking water. In some communities, economic conditions prevent*

1 *the community from generating sufficient funding to correct water*
2 *system deficiencies or source water quality.*

3 *(c) It is in the general public interest to pass a general obligation*
4 *bond that includes, but is not limited to, grants and loans to state*
5 *and local agencies to help fund projects that address the critical*
6 *and immediate needs of disadvantaged, rural, or small communities*
7 *and projects that leverage state and federal drinking water quality*
8 *and wastewater treatment funds. In order to determine the amount*
9 *of state funding necessary to accomplish these improvements, the*
10 *Legislature requires additional information.*

11 *SEC. 2. The State Water Resources Control Board and the*
12 *Drinking Water and Environmental Management Division of the*
13 *State Department of Public Health shall initiate and complete a*
14 *comprehensive study relating to the need for state funding for*
15 *projects necessary to ensure that all Californians have access to*
16 *safe drinking water and, on or before July 1, 2014, shall submit*
17 *a report to the Legislature that identifies and prioritizes these*
18 *projects.*

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

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

23

24 ~~DIVISION 26.7. CALIFORNIA STATEWIDE WATER~~
25 ~~RELIABILITY ACT OF 2014~~

26

27 ~~CHAPTER 1. SHORT TITLE~~

28

29 ~~79700. This division shall be known, and may be cited, as the~~
30 ~~California Statewide Water Reliability Act of 2014.~~

31

32 ~~CHAPTER 3. DEFINITIONS~~

33

34 ~~79702. Unless the context otherwise requires, the definitions~~
35 ~~set forth in this section govern the construction of this division, as~~
36 ~~follows:~~

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

39 ~~(b) "Commission" means the California Water Commission.~~

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

3 ~~(d) “Delta” means the Sacramento-San Joaquin Delta, as defined~~
 4 ~~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 south~~
 8 ~~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, district,~~
 17 ~~joint powers authority, city, county, city and county, or other~~
 18 ~~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 of~~
16 ~~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 ~~(e) 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 water~~
15 ~~or the court's existing concurrent jurisdiction over California water~~
16 ~~rights.~~

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

1 of 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 commission~~
11 ~~pursuant to this chapter shall be available and expended only for~~
12 ~~the purposes provided in this chapter, and shall not be subject to~~
13 ~~appropriation or transfer by the Legislature or the Governor for~~
14 ~~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 the~~
33 ~~operation of water systems in the state and provide public benefits.~~

34 ~~79742. A project shall not be funded pursuant to this chapter~~
35 ~~unless it provides measurable improvements to the Delta ecosystem~~
36 ~~or to the tributaries to the Delta.~~

37 ~~79743. (a) Funds allocated pursuant to this chapter may be~~
38 ~~expended solely for the following public benefits associated with~~
39 ~~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 ecosystems~~
4 ~~and native fish and wildlife, including those ecosystems and fish~~
5 ~~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, increases~~
10 ~~in flood reservation space in existing reservoirs by exchange for~~
11 ~~existing or increased water storage capacity in response to the~~
12 ~~effects of changing hydrology and decreasing snow pack on~~
13 ~~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 the~~
20 ~~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 approvals,~~
27 ~~certifications, and agreements required to be completed have been~~
28 ~~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~~
38 ~~the 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 6525
39 of the Government Code, the joint powers authorities described
40 in subdivision (a) shall not include in their membership any

1 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 (e) 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 any~~
 20 ~~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 is~~
 34 ~~necessary, may be issued and sold to provide a fund to be used for~~
 35 ~~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 Government~~
2 ~~Code for the purposes of compliance with the State General~~
3 ~~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 amount~~
7 ~~required to pay the principal of, and interest on, the bonds each~~
8 ~~year, and it is the duty of all officers charged by law with any duty~~
9 ~~in regard to the collection of the revenue to do and perform each~~
10 ~~and every act that is necessary to collect that additional sum.~~

11 79816. ~~Notwithstanding Section 13340 of the Government~~
12 ~~Code, there is hereby appropriated from the General Fund in the~~
13 ~~State Treasury, for the purposes of this division, an amount that~~
14 ~~will equal the total of the following:~~

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

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

20 79817. ~~The board may request the Pooled Money Investment~~
21 ~~Board to make a loan from the Pooled Money Investment Account~~
22 ~~in accordance with Section 16312 of the Government Code for the~~
23 ~~purpose of carrying out this division. The amount of the request~~
24 ~~shall not exceed the amount of the unsold bonds that the committee~~
25 ~~has, by resolution, authorized to be sold for the purpose of carrying~~
26 ~~out this division. The board shall execute those documents required~~
27 ~~by the Pooled Money Investment Board to obtain and repay the~~
28 ~~loan. Any amounts loaned shall be deposited in the fund to be~~
29 ~~allocated in accordance with this division.~~

30 79818. ~~Notwithstanding any other provision of this division,~~
31 ~~or of the State General Obligation Bond Law, if the Treasurer sells~~
32 ~~bonds that include a bond counsel opinion to the effect that the~~
33 ~~interest on the bonds is excluded from gross income for federal~~
34 ~~tax purposes under designated conditions, the Treasurer may~~
35 ~~maintain separate accounts for the bond proceeds invested and for~~
36 ~~the investment earnings on those proceeds, and may use or direct~~
37 ~~the use of those proceeds or earnings to pay any rebate, penalty,~~
38 ~~or other payment required under federal law or take any other~~
39 ~~action with respect to the investment and use of those bond~~
40 ~~proceeds, as may be required or desirable under federal law in~~

1 order to maintain the tax-exempt status of those bonds and to obtain
2 any other advantage under federal law on behalf of the funds of
3 this state.

4 79819. ~~For the purposes of carrying out this division, the~~
5 ~~Director of Finance may authorize the withdrawal from the General~~
6 ~~Fund of an amount or amounts not to exceed the amount of the~~
7 ~~unsold bonds that have been authorized by the committee to be~~
8 ~~sold for the purpose of carrying out this division. Any amounts~~
9 ~~withdrawn shall be deposited in the fund. Any money made~~
10 ~~available under this section shall be returned to the General Fund,~~
11 ~~with interest at the rate earned by the money in the Pooled Money~~
12 ~~Investment Account, from proceeds received from the sale of bonds~~
13 ~~for the purpose of carrying out this division.~~

14 79820. ~~All money deposited in the fund that is derived from~~
15 ~~premiums and accrued interest on bonds sold pursuant to this~~
16 ~~division shall be reserved in the fund and shall be available for~~
17 ~~transfer to the General Fund as a credit to expenditures for bond~~
18 ~~interest.~~

19 79821. ~~Pursuant to Chapter 4 (commencing with Section~~
20 ~~16720) of Part 3 of Division 4 of Title 2 of the Government Code,~~
21 ~~the cost of bond issuance shall be paid out of the bond proceeds.~~
22 ~~These costs shall be shared proportionately by each program funded~~
23 ~~through this division.~~

24 79822. ~~The bonds issued and sold pursuant to this division~~
25 ~~may be refunded in accordance with Article 6 (commencing with~~
26 ~~Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of~~
27 ~~the Government Code, which is a part of the State General~~
28 ~~Obligation Bond Law. Approval by the electors of the state for the~~
29 ~~issuance of the bonds under this division shall include approval~~
30 ~~of the issuance of any bonds issued to refund any bonds originally~~
31 ~~issued under this division or any previously issued refunding bonds.~~

32 79823. ~~The proceeds from the sale of bonds authorized by this~~
33 ~~division are not “proceeds of taxes” as that term is used in Article~~
34 ~~XIII B of the California Constitution, and the disbursement of~~
35 ~~these proceeds is not subject to the limitations imposed by that~~
36 ~~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~~
3 ~~Chapter 74 of the Statutes of 2012, is repealed.~~

4 ~~SEC. 4. Section 2 of this act shall be submitted to the voters~~
5 ~~at 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.~~

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