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Clean Water and Water Conservation Bond Law of 1978

Text of Proposed Law

This law proposed by Assembly Bill 399 (Statutes of 1977, Chapter 1160) is submitted to the people in accordance with the provisions of Article XVI of the Constitution.

This proposed law does not expressly amend any existing law; therefore, the provisions thereof are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Chapter 12.5 (commencing with Section 13955) is added to Division 7 of the Water Code, to read:

CHAPTER 12.5. CLEAN WATER AND WATER CONSERVATION BOND LAW OF 1978

13955. *This chapter shall be known and may be cited as the Clean Water and Water Conservation Bond Law of 1978.*

13956. *The Legislature hereby finds and declares that clean water, which fosters the health of the people, the beauty of their environment, the expansion of industry and agriculture, the enhancement of fish and wildlife, the improvement of recreational facilities and the provision of pure drinking water at a reasonable cost, is an essential public need. However, because the State of California is subject to great fluctuations in precipitation which have created semiarid and arid conditions in many parts of the state, and because the state has historically experienced a dry year on the average once every fourth year and has occasionally experienced such dry years consecutively resulting in conditions of drought, it is of paramount importance that the limited water resources of the state be preserved and protected from pollution and degradation in order to ensure continued economic, community, and social growth. Although the State of California is endowed with abundant lakes and ponds, streams and rivers, and hundreds of miles of shoreline, as well as large quantities of underground water, these vast water resources are threatened by pollution, which, if not checked, will impede the state's economic, community and social growth. The chief cause of pollution is the discharge of inadequately treated waste into the waters of the state. Many public agencies have not met the demands for adequate waste treatment or the control of water pollution because of inadequate financial resources and other responsibilities. Increasing population accompanied by accelerating urbanization, growing demands for water of high quality, rising costs of construction and technological changes mean that unless the state acts now the needs may soar beyond the means available for public finance. Meeting these needs is a proper purpose of the federal, state and local governments. Local agencies, by reason of their closeness to the problem, should continue to have primary responsibility for construction, operation and maintenance of the facilities necessary to cleanse our waters. Since water pollution knows no political boundaries and since the cost of eliminating the existing backlog of needed facilities and of providing additional facilities for future needs will be beyond the ability of local agencies to pay, the state, to meet its responsibility to protect and promote the health, safety and welfare of the inhabitants of the state, should assist in the financing. The federal government is contributing to the cost of control of water pollution, and just provision should be made to cooperate with the United States of America.*

13956.5. *The Legislature further finds and declares that the people of the state have a primary interest in the development and implementation of programs, devices, and systems to conserve water so as to make more efficient use of existing water supplies and to reclaim wastewater in order to supplement present surface and underground water supplies. Utilization of reclaimed water and water which has otherwise been conserved will economically benefit the people of the state, will augment the existing water supplies of many local communities, and will assist in meeting future water requirements of the state. It is therefore further intended by the Legislature that the state undertake all appropriate steps to encourage and develop water conservation and reclamation so that such water may be made available to help meet the growing water requirements of the state.*

13957. *It is the intent of this chapter to provide necessary funds to insure the full participation by the state under the provisions of Title II of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and acts amendatory thereof or supplementary thereto, and to provide funds for state participation in the financing of projects, for the control of water pollution, or for the development of water conservation and wastewater reclamation, which are ineligible for federal assistance under Title II of the Federal Water Pollution*

Control Act and acts amendatory thereof or supplementary thereto.

13958. *The State General Obligation Bond Law is adopted for the purpose of the issuance, sale and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter except that, notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of the bonds shall not exceed 50 years from the date of each respective series. The maturity of each respective series shall be calculated from the date of such series.*

13959. *As used in this chapter, and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words shall have the following meanings:*

(a) *"Committee" means the Clean Water and Water Conservation Finance Committee created by Section 13960.*

(b) *"Board" means the State Water Resources Control Board.*

(c) *"Fund" means the State Clean Water and Water Conservation Fund.*

(d) *"Municipality" shall have the same meaning as in the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and acts amendatory thereof or supplementary thereto and shall also include the state or any agency, department, or political subdivision thereof.*

(e) *"Treatment works" shall have the same meaning as in the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and acts amendatory thereof or supplementary thereto, and shall also include such additional devices and systems as are necessary and proper to control water pollution, reclaim wastewater, or reduce use of and otherwise conserve water.*

(f) *"Construction" means any one or more of the following: preliminary planning to determine the feasibility of treatment works, engineering, architectural, legal, fiscal, or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures, or other necessary actions, erection, building, acquisition, alteration, remodeling, improvement, or extension of treatment works, or the inspection or supervision of any of the foregoing items.*

(g) *"Eligible project" means a project for the construction of treatment works which is all of the following:*

(1) *Eligible for federal assistance, whether or not federal funds are then available therefor;*

(2) *Necessary to prevent water pollution;*

(3) *Certified by the board as entitled to priority over other treatment works, and which complies with applicable water quality standards, policies and plans.*

(h) *"Eligible state assisted project" means a project for the construction of treatment works which is all of the following:*

(1) *Ineligible for federal assistance.*

(2) *Necessary to prevent water pollution or feasible and cost effective for conservation or reclamation of water.*

(3) *Certified by the board as entitled to priority over other treatment works and which complies with applicable water quality and other applicable federal or state standards, policies, and plans.*

(i) *"Federal assistance" means funds available to a municipality either directly or through allocation by the state, from the federal government as grants for construction of treatment works, pursuant to Title II of the Federal Water Pollution Control Act, and acts amendatory thereof or supplementary thereto.*

13959.5. *There is in the State Treasury the State Clean Water and Water Conservation Fund, which fund is hereby created.*

13960. *The Clean Water and Water Conservation Finance Committee is hereby created. The committee shall consist of the Governor or his designated representative, the State Controller, the State Treasurer, the Director of Finance, and the chairman of the board. The executive officer of the board shall serve as a member of the committee in the absence of the chairman. Said committee shall be the "committee" as that term is used in the State General Obligation Bond Law.*

13961. *The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of three hundred seventy-five million dollars (\$375,000,000), in the manner provided in this chapter. Such debt or debts, liability or liabilities, shall be created for the purpose of providing the fund to be used for the object and work specified in Section 13962.*

13962. (a) *The moneys in the fund shall be used for the purposes set forth in this section.*

(b) *The board is authorized to enter into contracts with municipalities having authority to construct, operate and maintain treatment works, for grants to such municipalities to aid in the construction of eligible projects.*

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chapter. All references in this chapter to "herein" shall be deemed to refer both to this chapter and such law.

17602. As used in this chapter, and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words shall have the following meanings:

(a) "Committee" means the State School Building Finance Committee created by Section 15909.

(b) "Board" means the State Allocation Board.

(c) "Fund" means either the State School Building Aid Fund or the State School Building Lease-Purchase Fund as specified by the board for the purposes of Section 17614 and as otherwise determined by law.

17603. For the purpose of creating a fund to provide aid to school districts of the state in accordance with the provisions of the State School Building Aid Law of 1952 and the State School Building Lease-Purchase Law of 1976, and of all acts amendatory thereof and supplementary thereto, and to provide funds to repay any money advanced or loaned to the State School Building Aid Fund or the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code, the committee shall be and is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of three hundred fifty million dollars (\$350,000,000) in the manner provided herein, but not in excess thereof.

17604. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state as shall be required to pay the principal and interest on said bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of said revenue, to do and perform each and every act which shall be necessary to collect such additional sum.

On the several dates of maturity of said principal and interest in each fiscal year, there shall be transferred to the General Fund in the State Treasury, all of the money in the fund, not in excess of the principal of and interest on the said bonds then due and payable, except as herein provided for the prior redemption of said bonds, and, in the event such money so returned on said dates of maturity is less than the said principal and interest then due and payable, then the balance remaining unpaid shall be returned into the General Fund in the State Treasury out of the fund as soon thereafter as it shall become available.

17605. All money deposited in the fund (1) as annual repayments pursuant to Section 16080, or (2) as lease payments pursuant to Section 17726, or (3) pursuant to the provisions of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, shall be available only for transfer to the General Fund, as provided in Section 17604. When transferred to the General Fund such money shall be applied as a reimbursement to the General Fund on account of principal and interest due and payable or paid from the General Fund on the earliest issue of school building bonds for which the General Fund has not been fully reimbursed by such transfer of funds.

17606. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter, such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal of

and the interest on the bonds issued and sold pursuant to the provisions of this chapter as said principal and interest become due and payable.

(b) Such sum as is necessary to carry out the provisions of Section 17607, which sum is appropriated without regard to fiscal years.

17607. For the purposes of carrying out the provisions of this chapter the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any moneys made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this chapter.

17608. Upon request of the board, supported by a statement of the apportionments made and to be made pursuant to Sections 16000 to 16201, inclusive, and Chapter 22 (commencing with Section 17700) of Part 10 of Division 1 of Title 1, the committee shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter in order to make such apportionments, and, if so, the amount of bonds then to be issued and sold. A sufficient number of bonds authorized under this chapter shall be issued and sold so that seventy-five million dollars (\$75,000,000) shall be available for apportionment on July 1, 1978, and ten million dollars (\$10,000,000) shall become available for apportionment on the fifth day of each month thereafter until a total of three hundred fifty million dollars (\$350,000,000) has become available for apportionment. Successive issues of bonds may be authorized and sold to make such apportionments progressively, and it shall not be necessary that all of the bonds herein authorized to be issued shall be sold at any one time.

17609. In computing the net interest cost under Section 16754 of the Government Code, interest shall be computed from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupon rate or rates specified in the bid, such computation to be made on a 360-day year basis.

17610. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the State Treasurer.

17611. All proceeds from the sale of the bonds herein authorized deposited in the fund, as provided in Section 16757 of the Government Code, except those derived from premium and accrued interest, shall be available for the purpose herein provided, but shall not be available for transfer to the General Fund pursuant to Section 17604 to pay principal and interest on bonds.

17612. With respect to the proceeds of bonds authorized by this chapter, all the applicable provisions of Sections 16000 to 16207, inclusive, and Sections 17700 to 17749, inclusive, shall apply.

17613. Out of the first money realized from the sale of bonds under this chapter, there shall be repaid any moneys advanced or loaned to the State School Building Aid Fund or to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act.

17614. Of the moneys made available by this chapter not to exceed the sum of one hundred million dollars (\$100,000,000), or such amount thereof that the board may determine necessary therefor, shall be available for the purposes of Sections 16000 to 16207, inclusive, of the State School Building Aid Law of 1952, and the balance of moneys made available by this chapter shall be available for the purposes of the State School Building Lease-Purchase Law of 1976.

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Grants may be made pursuant to this section to reimburse municipalities for the state share of construction costs for eligible projects which received federal assistance but which did not receive an appropriate state grant due solely to depletion of the fund created pursuant to the Clean Water Bond Law of 1974; provided, however, that eligibility for reimbursement under this section is limited to the actual construction capital costs incurred.

Any contract pursuant to this section may include such provisions as may be agreed upon by the parties thereto, and any such contract concerning an eligible project shall include, in substance, the following provisions:

- (1) An estimate of the reasonable cost of the eligible project;
- (2) An agreement by the board to pay to the municipality, during

the progress of construction or following completion of construction as may be agreed upon by the parties, an amount which equals at least 12½ percent of the eligible project cost determined pursuant to federal and state laws and regulations;

(3) An agreement by the municipality, (i) to proceed expeditiously with, and complete, the eligible project, (ii) to commence operation of the treatment works on completion thereof, and to properly operate and maintain such works in accordance with applicable provisions of law, (iii) to apply for and make reasonable efforts to secure federal assistance for the eligible project, (iv) to secure the approval of the board before applying for federal assistance in order to maximize the amounts of such assistance received or to be received for all eligible projects in the state, and (v)

to provide for payment of the municipality's share of the cost of the eligible project.

(c) In addition to the powers set forth in subdivision (b) of this section, the board is authorized to enter into contracts with municipalities for grants for eligible state assisted projects.

Any contract for an eligible state assisted project pursuant to this section may include such provisions as may be agreed upon by the parties thereto, provided, however, that the amount of moneys which may be granted or otherwise committed to municipalities for such projects shall not exceed fifty million dollars (\$50,000,000) in the aggregate.

Any contract concerning an eligible state assisted project shall include, in substance, the following provisions:

(1) An estimate of the reasonable cost of the eligible state assisted project;

(2) An agreement by the board to pay to the municipality, during the progress of construction or following completion of construction, as may be agreed upon by the parties, an amount which at least equals the local share of the cost of construction of such projects as determined pursuant to applicable federal and state laws and regulations;

(3) An agreement by the municipality (i) to proceed expeditiously with, and complete, such project, (ii) to commence operation of such project on completion thereof, and to properly operate and maintain such project in accordance with applicable provisions of law, (iii) to provide for payment of the municipality's share of the cost of such project (iv) if appropriate, to apply for and make reasonable efforts to secure federal assistance, other than that available pursuant to Title II of the Federal Water Pollution Control Act, for such project and to secure the approval of the board before applying for federal assistance in order to maximize the amounts of such assistance received or to be received for all eligible state assisted projects.

(d) The board may make direct grants to any municipality or by contract or otherwise undertake plans, surveys, research, development and studies necessary, convenient or desirable to the effectuation of the purposes and powers of the board pursuant to this division and to prepare recommendations with regard thereto, including the preparation of comprehensive statewide or areawide studies and reports on the collection, treatment and disposal of waste under a comprehensive cooperative plan.

(e) The board may from time to time with the approval of the committee transfer moneys in the fund to the State Water Quality Control Fund to be available for loans to public agencies pursuant to Chapter 6 (commencing with Section 13400) of this division.

(f) As much of the moneys in the fund as is necessary shall be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

(g) The board may adopt rules and regulations governing the making and enforcing of contracts pursuant to this section.

13963. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition

to the ordinary revenues of the state, as shall be required to pay the principal and interest on said bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of said revenue, to do and perform each and every act which shall be necessary to collect said additional sum.

All money deposited in the fund which has been derived from premium and accrued interest on bonds sold shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

13964. All money deposited in the fund pursuant to any provision of law requiring repayments to the state for assistance financed by the proceeds of the bonds authorized by this chapter shall be available for transfer to the General Fund. When transferred to the General Fund such money shall be applied as a reimbursement to the General Fund on account of principal and interest on the bonds which has been paid from the General Fund.

13965. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter such an amount as will equal the following:

(a) Such sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter, as said principal and interest become due and payable.

(b) Such sum as is necessary to carry out the provisions of Section 13966, which sum is appropriated without regard to fiscal years.

13966. For the purpose of carrying out the provisions of this chapter, the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the board in accordance with this chapter. Any moneys made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this chapter.

13967. Upon request of the board, supported by a statement of the proposed arrangements to be made pursuant to Section 13962 for the purposes therein stated, the committee shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter in order to make such arrangements, and if so, the amount of bonds then to be issued and sold. Successive issues of bonds may be authorized and sold to make such arrangements progressively, and it shall not be necessary that all of the bonds herein authorized to be issued shall be sold at any one time.

13968. The committee may authorize the State Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the State Treasurer.

13969. All proceeds from the sale of bonds, except those derived from premiums and accrued interest, shall be available for the purpose provided in Section 13962 but shall not be available for transfer to the General Fund to pay principal and interest on bonds. The money in the fund may be expended only as herein provided.

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SEC. 3. The commission, after public notice, shall hold public meetings to accomplish its duties. The commission shall by the end of the then current fiscal year, by a single resolution adopted by a majority of the membership, establish the annual salary, retirement, insurance, and other benefits of the Governor, the Lieutenant Governor, the Attorney General, the Controller, the State Treasurer, the Secretary of State, the Superintendent of Public Instruction, the members of the State Board of Equalization, justices and judges of courts of record, and Members of the Legislature. The commission shall also establish, by the same resolution, the rate for the reimbursement of travel expenses and living expenses, including the amount of per diem, if any, incurred by such officials. Such salary, retirement, insurance, and other benefits, and expenses and the commission's resolution shall become effective on the commencement of the regular session commencing after the next general election following the ratification of the resolution by a concurrent resolution of the Legislature, adopted by a majority vote of the members of each house thereof.

SEC. 4. On and after the effective date of this article, the salary, retirement, insurance, and other benefits of the Governor, the Lieutenant Governor, the Attorney General, the Controller, the State Treasurer, the Secretary of State, the Superintendent of Public Instruction, the members of the State Board of Equalization, justices and judges of courts of record, and Members of the Legislature shall be established or, as provided in this article. However, until so established, each such elected official shall continue to receive the same salary, retirement, insurance, and other benefits as such elected

official was eligible to receive immediately prior to the effective date of this article and, in addition thereto, any increases authorized prior to the effective date of this article commencing after such date.

SEC. 5. Subsequent to January 1 next following ratification of the commission's resolution, no elected official subject to this section shall be provided with an automobile except as established by the commission for official business. Such vehicles, when authorized, shall be made available for such uses as are reasonably necessary to make the official available for, and to carry out, the official's duties and responsibilities.

SEC. 6. No elected official subject to this article shall be eligible for health care benefits or insurance, except to the extent such benefits and insurance are established by the commission and do not exceed the benefits and insurance that are available to the majority of state employees in the civil service; provided, that a judge of the superior or municipal court may elect, in lieu of coverage by the state, to be covered by health care benefits or insurance provided to officers or employees of the county in which the judge sits.

SEC. 7. For service rendered prior to the effective date of a resolution of the commission establishing the retirement rights and retirement benefits, such rights and benefits shall be fixed on the basis of the law as it existed on the effective date of this article and such rights and benefits shall not be diminished by action of the commission. For service rendered after the effective date of a resolution of the commission establishing such rights and benefits, those rights and benefits shall be fixed on the basis of the resolution