

CITY OF OAKLAND

BILL ANALYSIS

FILED
OFFICE OF THE CITY
CLERK
OAKLAND



Date: October 2, 2007

Bill Number: SB 3 and SB 4 The Water Supply Reliability Bond

Act of 2008

Bill Author: Senator Dave Codgill

DEPARTMENT INFORMATION

Contact: Lesley Estes

Department: CEDA

Telephone: 238-7431 **FAX #** 238-7286 **E-mail:** lcestes@oaklandnet.com

RECOMMENDED POSITION: (SUPPORT, SUPPORT IF AMENDED, NEUTRAL, WATCH, OPPOSE, NOT RELEVANT)

WATCH

Staff recommends that City council not take a position on this legislation until more information is available from various interest groups regarding possible opportunities and impacts.

Summary of the Bill

Water Resources and Water Infrastructure legislation. Similar legislation was introduced January, 2007 by the same authors and met significant opposition with environmental organizations. This appears to be a broader version with additional funding language including potential restoration and stormwater funds for the SF Bay area. Most of the organizations and legislative specialists have not yet developed concrete positions. It is anticipated staff will be able to gain more information in the next two weeks

Positive Factors for Oakland

Potential funding for restoration and stormwater funds for the SF Bay area.

Negative Factors for Oakland

Potential significant opposition with environmental organizations.

PLEASE RATE THE EFFECT OF THIS MEASURE ON THE CITY OF OAKLAND:

Item: _____
City Council
October 02, 2007

- Critical** (top priority for City lobbyist, city position required ASAP)
 Very Important (priority for City lobbyist, city position necessary)
 Somewhat Important (City position desirable if time and resources are available)
 Minimal or **None** (do not review with City Council, position not required)

Known support:

unknown

Known Opposition:

unknown

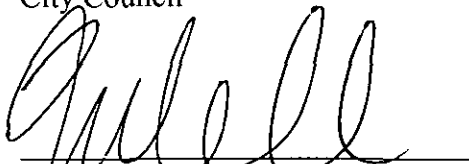
Attach bill text and state/federal legislative committee analysis, if available.

Respectfully Submitted,



Claudia Cappio
Development Director
Community & Economic Development Agency

Approved for Forwarding to
City Council



Office of City Administrator

Item: _____
City Council
October 02, 2007

BILL NUMBER: SBX2 3 INTRODUCED
BILL TEXT

INTRODUCED BY Senators Cogdill and Ackerman

SEPTEMBER 19, 2007

An act to add Division 26.7 (commencing with Section 79700) to the Water Code, relating to financing a water supply reliability and environmental restoration 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

SB 3, as introduced, Cogdill. Water Supply Reliability Bond Act of 2008.

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

This bill would enact the Water Supply Reliability Bond Act of 2008 which, if approved by the voters, would authorize, for the purposes of financing a specified water supply reliability and environmental restoration program, the issuance of bonds in the amount of \$9,085,000,000 pursuant to the State General Obligation Bond Law.

The bill would provide for submission of the bond act to the voters at the November 4, 2008, statewide general election.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Division 26.7 (commencing with Section 79700) is added to the Water Code, to read:

DIVISION 26.7. WATER SUPPLY RELIABILITY BOND ACT OF 2008

CHAPTER 1. SHORT TITLE

79700. This division shall be known and may be cited as the Water Supply Reliability Bond Act of 2008.

CHAPTER 2. DEFINITIONS

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

(a) "Bay Delta Conservation Plan" means the conservation program prepared pursuant to the "Planning Agreement regarding the Bay Delta Conservation Plan" dated October 6, 2006.

(b) "Bay-Delta Estuary" means the delta, Suisun Bay, and Suisun

Marsh.

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

(d) "Committee" means the Water Supply Reliability Finance Committee created by Section 79782.

(e) "Delta" means the Sacramento-San Joaquin Delta as defined in Section 12220.

(f) "Department" means the Department of Water Resources.

(g) "Director" means the Director of Water Resources.

(h) "Fund" means the Reliable Water Supply Bond Fund of 2008 created by Section 79720.

(i) "Integrated regional water management plan" means a comprehensive plan for a defined geographic area, the content of which shall be consistent with guidelines adopted by the department. At a minimum, an integrated regional water management plan describes the major water-related objectives and conflicts within a region, considers a broad variety of water management strategies, and identifies the appropriate combination of water demand and supply management alternatives, water quality protections, and environmental stewardship actions to provide long-term, reliable, and high-quality water supplies and to protect the environment.

(j) "Nonprofit organization" means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Internal Revenue Code.

(k) "Public agency" means a state agency or department, district, joint powers authority, city, county, city and county, or other political subdivision of the state.

(l) "Secretary" means the Secretary of the Resources Agency.

(m) "State General Obligation Bond Law" means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

CHAPTER 3. GENERAL PROVISIONS

79710. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the costs to administer that program.

79711. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division.

79712. (a) Prior to disbursing grants pursuant to this division, any state agency or department that is required to administer a grant program under this division shall develop project solicitation and evaluation guidelines. The guidelines may include a limitation on the dollar amount of grants to be awarded.

(b) The state agency or department shall conduct two public meetings to consider public comments prior to finalizing the guidelines. The state agency or department shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California and one meeting shall be conducted at a location in southern California.

(c) Upon adoption, the state agency or department shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

79713. Nothing in this division shall be construed to diminish, impair, or otherwise affect any area of origin, watershed of origin, county of origin, or any other water rights protections provided under the law.

CHAPTER 4. RELIABLE WATER SUPPLY BOND FUND OF 2008

79720. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Reliable Water Supply Bond Fund of 2008, which is hereby created.

CHAPTER 5. DELTA SUSTAINABILITY

79730. (a) The Bay-Delta Estuary is a unique and irreplaceable combination of environmental and economic resources. Current management and use of the delta is not sustainable, and results in a high level of conflict among various interests. Future delta sustainability is threatened by changing hydrology, flood risk, seismic events, nonnative species, toxics, and other environmental problems. Future management of the delta must improve delta ecosystem health and improve the means of delta water conveyance in order to protect drinking water quality, improve water supply and water supply reliability, restore ecosystem health, and preserve agricultural and recreational values in the delta. Many sources of funding will be needed to implement improved delta management.

(b) This chapter provides state funding for public benefits associated with projects needed to assist in the delta's sustainability as a vital resource for fish, wildlife, water quality, water supply, agriculture, and recreation.

(c) The Legislature hereby directs the department to implement, as part of a comprehensive delta package, improvements in delta water conveyance and delta ecosystem health, taking into consideration any recommendations of the Blue Ribbon Task Force established by Executive Order S-17-06 and the Bay Delta Conservation Plan. The improvements shall meet the following criteria:

(1) Reduce impacts to native fish caused by operation of the export pumps for the State Water Project and the Central Valley Project.

(2) Provide conditions that will allow for habitat improvements for fish and wildlife in the delta.

(3) Provide improved water supply and water supply reliability for the State Water Project and the Central Valley Project.

(4) Reduce the quantity of bromide, total organic carbon, and chlorides in the water pumped at the Harvey O. Banks and C.W. "Bill" Jones pumping plants to protect the public health and improve the ability of the State Water Project and the Central Valley Project to manage salinity.

(5) Reduce vulnerability to seismic events in or near the delta, and provide flexibility to manage uncertainties associated with hydrologic changes and future fishery needs.

(6) Provide for conveyance of water deliveries for the State Water Project and the Central Valley Project, as well as voluntary market water transfers.

(7) Provide sufficient capacity to protect against future droughts by conveying water during wet years to storage in reservoirs and groundwater banks south of the delta for use during dry years.

(d) The costs for the design, construction, operation, and maintenance of any conveyance facility shall be the responsibility of the agencies that benefit from its design, construction, operation, and maintenance, including State Water Project and Central Valley Project contractors.

(e) This section shall not be amended or repealed unless approved by the Legislature with two-thirds of the members of each house voting in favor thereof.

79731. The sum of one billion nine hundred million dollars (\$1,900,000,000) shall be available for appropriation by the Legislature from the fund to the department for grants and direct expenditure, as follows:

(a) Five hundred million dollars (\$500,000,000) for projects to do any of the following:

(1) Ensure that urban and agricultural water supplies derived from the delta, including water supplies used within the delta to support beneficial uses, are not disrupted because of catastrophic failures of delta levees resulting from earthquakes, floods, land sinking, rising ocean levels, or other forces.

(2) Improve the quality of drinking water derived from the delta.

(3) Provide physical improvements or other actions to create water flow conditions within the delta to improve habitat for native fish and wildlife.

(4) Protect transportation and other vital infrastructure in and around the delta.

(5) Facilitate other capital projects that provide public benefits and support delta sustainability options, including projects associated with planning, monitoring and design of alternatives, and project modifications and adaptations necessary to achieve the goals of this paragraph.

(b) One billion four hundred million dollars (\$1,400,000,000) for projects to protect and enhance the sustainability of the delta ecosystem, including any of the following:

(1) Projects for the development and implementation of a Bay Delta Conservation Plan and projects that are consistent with the findings of the Blue Ribbon Task Force established by Executive Order S-17-06. The projects shall be implemented through a cooperative effort among regulatory agencies, regulated and potentially regulated entities, and affected parties, including state and federal water contractors. These funds may be expended for the preparation of environmental documentation and environmental compliance, and for implementing projects identified in the plan.

(2) Other projects to protect and restore native fish and wildlife dependent on the delta ecosystem, including the removal or reduction of invasive plant and animal species, and the reduction of toxic substances in delta waters that are harmful to native species.

(c) Expenditure of any portion of the funds provided pursuant to this chapter is contingent on the adoption and implementation of a comprehensive plan for delta sustainability, including improvements in conveyance within the delta and ecosystem health.

CHAPTER 6. WATER SUPPLY RELIABILITY

79760. The sum of one billion dollars (\$1,000,000,000) shall be available for appropriation by the Legislature from the fund to the department for competitive grants to improve water supply and water supply reliability, protect and improve water quality, and protect the environment.

79761. (a) Except as provided in subdivision (g), the department shall award grants to eligible projects that are consistent with an adopted integrated regional water management plan.

(b) An urban water supplier that does not prepare, adopt, and submit its urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6) is ineligible to receive funds made available pursuant to this chapter until the urban water management plan is prepared and submitted in accordance with the requirements of that act.

(c) For the purposes of awarding a grant under this chapter, the department shall require a cost share of not less than ___ percent of project costs. The department may waive or reduce the cost-sharing requirement for projects that directly benefit a disadvantaged community, or rural or other economically distressed area.

(d) Eligible projects include any of the following:

(1) Agricultural and urban water use efficiency implementation projects that result in water savings, increased instream flow, improved water quality, or increased energy efficiency.

(2) Recycling, reclamation, desalination, and associated facilities, including distribution systems.

(3) Groundwater and surface storage projects, and conjunctive use and reservoir reoperation projects.

(4) Groundwater contamination prevention, cleanup, and treatment projects or other water quality projects necessary to protect existing or potential water supplies.

(5) Planning and implementation of flood management programs, including projects that use structural or nonstructural means to address multipurpose objectives.

(6) Nonpoint source pollution reduction and stormwater capture, storage, cleanup, treatment, and management.

(7) Water infrastructure reliability projects to prevent or reduce water service interruptions due to natural or human made disasters.

(8) Other projects that improve water supply reliability or improve the supply and delivery of safe drinking water.

(9) Planning and feasibility studies or technical assistance that supports the objectives of the projects in this section.

(e) Eligible applicants are public agencies, public utilities, and mutual water companies. To be eligible for funding under this chapter, projects proposed by public utilities that are regulated by the Public Utilities Commission and mutual water companies shall have a clear and definite public purpose and shall benefit the customers of those respective water systems.

(f) The funding provided in Section 79760 shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast Region, the department shall establish three funding areas that reflect the watersheds of San Diego County and southern Orange County, the Santa Ana River watershed, and the Los Angeles and Ventura County watersheds respectively, and allocate funds to those areas. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. The department may recognize multiple integrated regional water management plans in each of the areas allocated funding. Funds made available by this chapter shall be allocated as follows:

(1) North Coast	\$45,000,000
(2) San Francisco Bay	\$107,500,000
(3) Central Coast	\$54,000,000
(4) Los Angeles/Ventura	\$155,500,000
(5) Santa Ana River	\$92,500,000
(6) San Diego/South Orange	\$78,500,000
(7) Sacramento River	\$67,500,000
(8) San Joaquin River	\$57,500,000
(9) Tulare/Kern (Tulare Lake)	\$59,000,000
(10) North/South Lahontan	\$38,500,000
(11) Colorado River Basin	\$44,500,000
(12) Interregional	\$200,000,000

(g) Interregional funds may be expended directly or granted by the department to address multiregional needs or statewide priorities, including, but not limited to, any of the following:

- (1) Investing in new water technology development and deployment.
- (2) Meeting state water recycling goals.
- (3) Adapting to changing hydrology.
- (4) Independent science to support resources management.
- (5) Other projects to improve statewide water management systems, including projects identified in the CALFED Bay-Delta Program Record of Decision or the California Water Plan update that would make more efficient use of existing storage facilities or local or regional surface storage projects.

CHAPTER 7. WATER STORAGE DEVELOPMENT PROJECTS

79762. (a) For the purposes of this chapter, "account" means the Water Storage Development Account created by subdivision (b).

(b) The Water Storage Development Account is hereby created in the fund.

(c) The sum of five billion six hundred million dollars (\$5,600,000,000) is hereby transferred from the fund to the account. Notwithstanding Section 13340 of the Government Code, the funds in the account are hereby continuously appropriated to the department, without regard to fiscal years, as follows:

(1) The sum of five billion one hundred million dollars (\$5,100,000,000) for the design, acquisition, and construction of surface water storage projects to finance the state's cost share in accordance with subdivision (b) of Section 79764. The following surface water storage projects being investigated by the department under the CALFED Bay-Delta Program are eligible for funding pursuant to this chapter:

(A) Sites Reservoir located in the Counties of Colusa and Glenn, as identified in the North-of-the-Delta Offstream Storage Investigation Initial Alternatives Information Report, dated May 2006.

(B) Temperance Flat Reservoir located in the Counties of Fresno and Madera, as identified in the Upper San Joaquin River Basin Storage Investigation Initial Alternatives Information Report, dated June 2005.

(C) Expansion of Los Vaqueros Reservoir located in the County of Contra Costa, as identified in the Los Vaqueros Expansion Investigation Initial Alternatives Information Report, dated September 2005.

(2) Five hundred million dollars (\$500,000,000) for grants and expenditures for the planning, design, and construction of local surface water storage projects, and projects described in Section 79766.

(d) This section shall not be amended or repealed unless approved by the Legislature with two-thirds of the members of each house voting in favor thereof.

79763. (a) Any new surface water storage projects constructed with funds made available pursuant to paragraph (1) of subdivision (c) of Section 79762 shall be operated in conjunction with delta conveyance improvements and other storage facilities to develop greater and more diverse benefits and to offset the impacts of changing hydrology and decreasing snow pack on California's water and flood management systems.

(b) To the extent feasible, surface water storage projects constructed with funds made available pursuant to this chapter shall be operated to provide water quality improvements for disadvantaged

communities, and rural and other economically distressed areas, and to further the rights of areas of origin to develop water resources for beneficial uses within the watersheds of origin.

(c) The director shall approve both the operations plan and the operations manager for any new surface water storage project funded by this chapter.

(d) Both the operations plan and operations manager shall represent and provide for the interests of all of the cost-sharing partners of the project. The operations manager may be a local, state, or federal agency, or other entity that is subject to the terms of agreements developed by the cost-sharing partners.

79764. (a) Expenditure of any portion of the funds provided pursuant to this chapter for any surface water storage project described in paragraph (1) of subdivision (c) of Section 79762 is contingent upon all of the following:

(1) A finding by the director and the secretary that the project is feasible, consistent with all applicable laws and regulations, and will advance the objectives of the CALFED Bay-Delta Program.

(2) Development of a comprehensive financing plan for the project that includes the state's cost share for the project benefits described in subdivision (b), any cost sharing by the federal government for federal interests identified in the project, and any other cost sharing by state or local public agencies or private entities for water supply, power generation, or other benefits generated by the project. The comprehensive financing plan shall allocate all project costs among all project beneficiaries in relation to the benefits received. The state's cost share for the project benefits shall not exceed 50 percent of the total project costs for projects funded under this chapter.

(3) Agreements with potential water users to contract and pay for not less than 75 percent of the agricultural and urban water supply benefits of the project.

(4) Prior to the receipt of funds pursuant to this section, local cost-sharing requirements shall be met and provided by funds derived from the respective local areas.

(b) Funds described in paragraph (1) of subdivision (c) of Section 79762 shall be available only to finance the portion of a surface water storage project that provides any of the following public benefits:

(1) Major ecosystem restoration, including improvements to riverine ecosystems and fisheries habitat through flow, temperature, diversion management, and mitigation of water supply losses resulting from programs to restore or enhance fish or wildlife resources.

(2) Water quality improvement of a major river or water body that serves as a water supply source for more than one region of the state and provides significant public trust resources.

(3) Flood control benefits, including, but not limited to, increases in flood reservation space in existing reservoirs by exchange for capacity in a new reservoir.

(4) Emergency response, including securing emergency water supplies and flows for dilution and salinity repulsion following natural disaster or acts of terrorism.

(5) Response to the effects of changing hydrology and decreasing snow pack on California's flood management systems.

(6) Recreational purposes, including, but not limited to, those recreational pursuits generally associated with the out-of-doors, such as camping, picnicking, fishing, hunting, wildlife viewing, water contact sports, boating, and sightseeing, and the associated facilities of campgrounds, picnic areas, water and sanitary facilities, parking areas, view points, boat launching ramps, and any

others necessary to make project land and water areas available for use by the public.

(c) The expenditure of funds described in paragraph (1) of subdivision (c) of Section 79762 shall be prioritized based upon the expected return for public investment as measured by the magnitude and diversity of benefits pursuant to subdivision (b) that would be provided by the proposed expenditure. For the purposes of carrying out this subdivision, the department shall consult with the Department of Fish and Game, the State Water Resources Control Board, the California regional water quality control boards, the State Department of Public Health, the Department of Parks and Recreation, the California Bay-Delta Authority or its successor, and other relevant state agencies.

79765. Any surface water storage facility constructed with funds made available pursuant to this chapter shall be made a part of the State Water Resources Development System, and shall be acquired, constructed, operated, and maintained pursuant to Part 3 (commencing with Section 11100) of Division 6.

79766. (a) Locally managed conjunctive use and groundwater storage projects and projects that improve the efficiency or reliability of existing surface storage facilities funded pursuant to this chapter shall be consistent with an adopted integrated regional water management plan, and provide one or more of the following benefits:

- (1) Improvements in regional or interregional water supply reliability.
- (2) Mitigation of conditions of groundwater overdraft, saline water intrusion, groundwater quality degradation, or subsidence.
- (3) Adaptation to the impacts of hydrologic changes.
- (4) Improved water security from drought, natural disasters, or other events that could interrupt imported water supplies.

(b) The department shall allocate grants as follows:

- (1) Not less than 20 percent shall be allocated to the combined North Coast, San Francisco Bay, Sacramento River, and North Lahontan hydrologic regions as identified in the California Water Plan.
- (2) Not less than 20 percent shall be allocated to the combined Central Coast, San Joaquin River, Tulare Lake, and South Lahontan hydrologic regions as identified in the California Water Plan.
- (3) Not less than 20 percent shall be allocated to the combined South Coast and Colorado River hydrologic regions as identified in the California Water Plan.

(c) Not more than 10 percent of the funds provided for locally managed conjunctive use and groundwater storage projects pursuant to this chapter may be used for grants and expenditures for planning, investigations, studies, and monitoring that lead to improved groundwater management.

(d) For the purposes of awarding a grant pursuant to this chapter, the department shall require cost sharing from nonstate sources of not less than ___ percent of project costs. The department may waive or reduce the cost-sharing requirement for projects that directly benefit disadvantaged communities or other economically distressed areas.

CHAPTER 8. RESOURCE STEWARDSHIP AND ENVIRONMENTAL RESTORATION PROGRAM

79775. The sum of five hundred million dollars (\$500,000,000) shall be available for appropriation by the Legislature from the fund to the secretary for expenditures and grants for resource stewardship, ecosystem restoration, urban watershed, and stormwater

management projects, including, but not limited to, all of the following watersheds:

- (a) The San Joaquin River system.
- (b) The Sacramento River corridor.
- (c) The Salton Sea watersheds.
- (d) The Los Angeles River watershed.
- (e) The San Gabriel River watershed.
- (f) The Santa Ana River watershed.
- (g) The Klamath River watershed.
- (h) North coast watersheds.
- (i) San Francisco Bay watersheds.
- (j) Central coast watersheds.
- (k) South coast watersheds.
- (l) The Lake Tahoe basin.
- (m) The Tulare Lake and Kern River watershed.

79776. (a) The sum of eighty-five million dollars (\$85,000,000) shall be available for appropriation by the Legislature from the fund to the Department of Fish and Game for expenditures and grants to protect the delta ecosystem and the state's water supply from invasive species including, but not limited to, asiatic clams, zebra mussels, quagga mussels, and New Zealand mud snails.

(b) At least fifty million dollars (\$50,000,000) of the funds provided pursuant to subdivision (a) shall be used for grants to public agencies, including water agencies, to pay for capital expenditures associated with the control of invasive species, including but not limited to, chlorination facilities, habitat modifications, and monitoring equipment. The Department of Fish and Game shall administer the grant program.

79777. The sum of _____ dollars (\$_____) shall be available to the department for the development, rehabilitation, acquisition, and restoration costs related to providing public access to recreation and fish and wildlife resources in connection with state water project obligations pursuant to Section 11912.

CHAPTER 9. FISCAL PROVISIONS

79780. (a) Bonds in the total amount of nine billion eighty-five million dollars (\$9,085,000,000), not including the amount of any refunding bonds issued in accordance with Section 79792, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding 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 the principal of, and interest on, the bonds as the principal and interest become due and payable.

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

79781. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division, except Section 16727 of the Government Code shall not apply to the extent that it is inconsistent with any other provision of this division.

79782. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the Reliable Water Supply Finance Committee is hereby created. For purposes of this division, the Reliable Water Supply Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law.

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

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

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

79783. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

79784. "Board," as defined in Section 16722 of the Government Code for the purposes of compliance with the State General Obligation Bond Law, means the department.

79785. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

79786. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

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

(b) The sum that is necessary to carry out the provisions of Section 79789, appropriated without regard to fiscal years.

79787. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

79788. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with

SEC. 3. (a) Notwithstanding any other provision of law, with respect to the Water Supply Reliability Bond Act of 2008, as set forth in Section 1 of this act, all ballots of the November 4, 2008, statewide general election shall have printed thereon and in a square thereof, exclusively, the words: "Water Supply Reliability Bond Act of 2008" and in the same square under those words, the following in 8-point type:

"This act will provide financing for Sacramento-San Joaquin Delta Sustainability, water supply reliability, and environmental restoration projects by authorizing a \$9.085 billion dollar bond act."

(b) Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

(c) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choices by means thereof are in compliance with this section.

SEC. 4. Section 1 of this act shall take effect only upon the approval by the voters of the Water Supply Reliability Bond Act of 2008, as set forth in that section.

____ CORRECTIONS Digest--Vote Key. _____