

EXHIBIT 5-B

AMENDED IN SENATE APRIL 13, 2004

SENATE BILL

No. 1529

Introduced by Senator McPherson  
(Principal coauthor: Senator Perata)  
(Coauthors: Assembly Members Calderon, Firebaugh, McCarthy,  
Negrete McLeod, and Salinas)

February 19, 2004

~~An act to add Section 2.5 to the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977), relating to water. An act to amend Sections 9, 202, 203, 204, 205, 252, 253, and 431 of, to amend the heading of Article 6 (commencing with Section 671) of Chapter 3 of Part 5 of, to add Section 202.5 to, to add Chapter 3.5 (commencing with Section 685) to Part 5 of, to repeal Sections 136, 671, and 673 of, to repeal Chapter 2 (commencing with Section 221) of Part 3 of, and to repeal Article 2 (commencing with Section 471) of Chapter 8 of Part 4 of, the Monterey Peninsula Water Management District Law (Chapter 527 of the Statutes of 1977), relating to the Monterey Peninsula Water Management District.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1529, as amended, McPherson. Monterey Peninsula Water Management District.

~~Existing law, the Monterey Peninsula Water Management District Law, establishes the Monterey Peninsula Water Management District and provides for its powers and purposes.~~

~~This bill would amend that law to declare that it is the intent of the Legislature to assist local efforts to improve the water supply on the Monterey Peninsula.~~

(1) *The existing Monterey Peninsula Water Management District Law establishes the Monterey Peninsula Water Management District and provides for its powers and purposes. The district law provides for the election of 5 members and the appointment of 2 members to the district's board of directors. The district law requires the board of the district to call an election for the voters of the district to approve projects proposed to be undertaken by the board. The district law authorizes the board to issue revenue bonds in accordance with certain provisions of law, and subject to approval by district voters.*

*This bill would, except during a certain transition period, provide for a 7-member board comprised of 6 mayors or other elected city officials, and one member of the Monterey County Board of Supervisors, as specified. The bill would provide that each board member has one vote, except that, upon the call and request of any board member present and able to vote, both a majority vote of the board members of the district and a majority vote of the board members representing a majority of the population of the district would be required to pass an ordinance, resolution, or motion.*

*The bill would repeal the provisions that require an election to be held to approve projects proposed to be undertaken by the board, and would require instead, the board to hold a hearing to consider public comments regarding a proposed project. The bill would authorize the board, by resolution adopted by the affirmative vote of a majority of the board members, to issue revenue bonds, without voter approval, but subject to referendum by the voters, to pay the costs of constructing facilities for the production, storage, transmission, or treatment of water.*

*By establishing requirements on the district and other public agencies with regard to the operations of the district, the bill would impose a state-mandated local program.*

*The bill would become operative on the date on which the Secretary of State notifies the Monterey Peninsula Water Management District that the United States Attorney General has "precleared," in accordance with a certain federal law, certain changes that the bill would make with regard to voting by district voters.*

(2) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: ~~no~~ yes.

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

1 ~~SECTION 1. Section 2.5 is added to the Monterey Peninsula~~  
2 *SECTION 1. Section 9 of the Monterey Peninsula Water*  
3 *Management District Law (Chapter 527 of the Statutes of 1977)*  
4 *is amended to read:*

5 Sec. 9. "Board" and "board of directors" means the  
6 governing board of directors of the district ~~elected or appointed~~  
7 *selected* pursuant to Chapter ~~I 1~~ (commencing with Section 201)  
8 of Part 3 of this law.

9 *SEC. 2. Section 136 of the Monterey Peninsula Water*  
10 *Management District Law (Chapter 527 of the Statutes of 1977)*  
11 *is repealed.*

12 ~~Sec. 136. The provisions of the Uniform District Election~~  
13 ~~Law (Part 3 (commencing with Section 23500), Division 14,~~  
14 ~~Elections Code), so far as they may be applicable, shall govern all~~  
15 ~~general Monterey Peninsula Water Management District~~  
16 ~~elections, and the provisions of the Elections Code, so far as they~~  
17 ~~may be applicable shall govern all special Monterey Peninsula~~  
18 ~~Water Management District elections, except as in this law~~  
19 ~~otherwise provided.~~

20 *SEC. 3. Section 202 of the Monterey Peninsula Water*  
21 *Management District Law (Chapter 527 of the Statutes of 1977)*  
22 *is amended to read:*

23 Sec. 202. (a) ~~The Subject to subdivision (b), the board shall~~  
24 ~~consist of seven members selected in accordance with this chapter.~~  
25 *the following manner:*

26 (1) *One member shall be the member of the county board of*  
27 *supervisors who represents most of the unincorporated population*  
28 *within the boundaries of the district, who shall succeed the county*  
29 *board of supervisor member appointed pursuant to Section 203 on*  
30 \_\_\_\_\_

31 (2) *One member shall be the Mayor of the City of Seaside, who*  
32 *shall succeed the member representing Division 1 upon the*  
33 *expiration of that term of office or a vacancy in that office,*

1 *whichever occurs first. The mayor, with the consent of the city*  
2 *council, may select another elected city official to represent the city*  
3 *on the board in lieu of the mayor.*

4 (3) *One member shall be the Mayor of the City of Del Rey Oaks,*  
5 *who shall succeed the member representing Division 2, upon the*  
6 *expiration of his or her term of office or occurrence of a vacancy*  
7 *in that office, whichever occurs first. The mayor, with the consent*  
8 *of the city council, may select another elected city official to*  
9 *represent the city on the board in lieu of the mayor.*

10 (4) *One member shall be the Mayor of the City of Monterey,*  
11 *who shall succeed the member representing Division 3, upon the*  
12 *expiration of his or her term of office or occurrence of a vacancy*  
13 *in that office, whichever occurs first. The mayor, with the consent*  
14 *of the city council, may select another elected city official to*  
15 *represent the city on the board in lieu of the mayor.*

16 (5) *One member shall be the Mayor of the City of Pacific Grove,*  
17 *who shall succeed the member representing Division 4, upon the*  
18 *expiration of his or her term of office or occurrence of a vacancy*  
19 *in that office, whichever occurs first. The mayor, with the consent*  
20 *of the city council, may select another elected city official to*  
21 *represent the city on the board in lieu of the mayor.*

22 (6) *One member shall be the Mayor of the City of*  
23 *Carmel-by-the-Sea, who shall succeed the member representing*  
24 *Division 5, upon the expiration of his or her term of office or the*  
25 *occurrence of a vacancy in that office, whichever occurs first. The*  
26 *mayor, with the consent of the city council, may select another*  
27 *elected city official to represent the city on the board in lieu of the*  
28 *mayor.*

29 (7) *One member shall be the Mayor of the City of Sand City,*  
30 *who shall succeed the member appointed by the city selection*  
31 *committee pursuant to Section 203 on \_\_\_\_\_. The mayor, with the*  
32 *consent of the city council, may select another elected city official*  
33 *to represent the city on the board in lieu of the mayor.*

34 (b) (1) *The board members elected pursuant to Section 203*  
35 *who are serving on the board on January 1, 2005, shall serve until*  
36 *the expiration of their terms.*

37 (2) *The county board of supervisor member appointed pursuant*  
38 *to Section 203 who is serving on the board on January 1, 2005,*  
39 *shall serve until \_\_\_\_\_.*

1 (3) *The member appointed by the city selection committee*  
2 *pursuant to Section 203 who is serving on the board on January*  
3 *1, 2005, shall serve until \_\_\_\_\_.*

4 *SEC. 4. Section 202.5 is added to the Monterey Peninsula*  
5 *Water District Law (Chapter 527 of the Statutes of 1977), to read:*

6 *Sec. 202.5. (a) While serving on the board, each board*  
7 *member shall exercise his or her independent judgment on behalf*  
8 *of the interests of the district's residents, property owners, and the*  
9 *public as a whole. This section does not require the abstention of*  
10 *any member on any matter, nor does it create a right of action for*  
11 *any person.*

12 *(b) No incompatibility of office shall result from an official*  
13 *serving on the board and on the governing board of a city or*  
14 *county.*

15 *SEC. 5. Section 203 of the Monterey Peninsula Water*  
16 *Management District Law (Chapter 527 of the Statutes of 1977)*  
17 *is amended to read:*

18 *Sec. 203. Five (a) Subject to Section 202, the board shall*  
19 *consist of seven members selected pursuant to this section.*

20 *(b) Five members shall be elected by the qualified electors in*  
21 *of the district. One member shall be a member of the board of*  
22 *supervisors of the county residing in the district, appointed by the*  
23 *board of supervisors, serving at the pleasure of the board of*  
24 *supervisors, and serving ex officio. One member shall be the*  
25 *mayor, member of the governing body, or chief executive officer*  
26 *of a city which is a member unit who shall be appointed by those*  
27 *members of the city selection committee of the county*  
28 *representing member units pursuant to the provisions of Article 11*  
29 *(commencing with Section 50270) of Chapter 1 of Part 1 of*  
30 *Division 1 of Title 5 of the Government Code, serving at the*  
31 *pleasure of the appointing power, and serving ex officio.*

32 *SEC. 6. Section 204 of the Monterey Peninsula Water*  
33 *Management District Law (Chapter 527 of the Statutes of 1977)*  
34 *is amended to read:*

35 *Sec. 204. Each elected member of the board elected pursuant*  
36 *to Section 203 shall be a voter an elector of the district.*

37 *SEC. 7. Section 205 of the Monterey Peninsula Water*  
38 *Management District Law (Chapter 527 of the Statutes of 1977)*  
39 *is amended to read:*

1     Sec. 205. (a) The term of office of each elective member of  
 2 the board shall be four years, ~~provided, however except~~ that the  
 3 first five elective members shall, by lot, determine that two  
 4 directors shall serve for two years and three directors for four  
 5 years. A vacancy in the office of elected member of the board shall  
 6 be filled pursuant to Section 1780 of the Government Code. The  
 7 qualification of voters and the election of the elected members of  
 8 the board shall be in accordance with the ~~provisions of the Uniform~~  
 9 ~~District Election Law (Part 3 (commencing with Section 23500);~~  
 10 ~~Division 14, Elections Code) (Part 4 (commencing with Section~~  
 11 ~~10500) of Division 10 of the Elections Code), except as otherwise~~  
 12 provided in this part.

13     (b) *This section applies to board members elected pursuant to*  
 14 *Section 203.*

15     SEC. 8. Chapter 2 (commencing with Section 221) of Part 3  
 16 of the Monterey Peninsula Water Management District Law  
 17 (Chapter 527 of the Statutes of 1977) is repealed.

18

19     ~~CHAPTER 2. ALTERNATE METHOD OF CONDUCTING ELECTIONS~~  
 20     ~~OF ELECTED MEMBERS OF THE BOARD~~

21

22     ~~Sec. 221. The district may, by resolution adopted by a~~  
 23 ~~majority of the members of the board at least 140 days before the~~  
 24 ~~next general district election, be divided into as many divisions as~~  
 25 ~~there are elected members of the board. All directors thereafter~~  
 26 ~~elected shall be residents of their division and shall be registered~~  
 27 ~~voters at the time of their election and during their term of office.~~

28     ~~Sec. 222. After the adoption of the resolution by the board to~~  
 29 ~~establish resident voting divisions in the district, the board of~~  
 30 ~~directors shall establish the boundaries of the divisions on the basis~~  
 31 ~~of equalizing as nearly as practicable the number of registered~~  
 32 ~~voters in each division. The board shall from time to time~~  
 33 ~~reestablish such boundaries on such basis. The creation or~~  
 34 ~~modification of divisions shall not affect the term of any director~~  
 35 ~~until his term shall expire.~~

36     ~~Sec. 223. At the first election of directors following the~~  
 37 ~~adoption of the resolution by the board establishing resident voting~~  
 38 ~~divisions, the number of directors to be elected shall correspond~~  
 39 ~~with the number of directors whose terms expire. The directors~~  
 40 ~~whose terms have not expired shall serve their unexpired terms~~

1 under the qualifications to hold office that existed prior to the  
2 adoption of the resolution establishing resident voting divisions.  
3 In such first election and in all subsequent elections, the form of  
4 the ballot and the conduct of the election shall be governed by the  
5 Uniform District Election Law for resident voting districts.

6 ~~Sec. 224. Any actions taken by the board and any proceedings~~  
7 ~~taken by the district in connection therewith, prior to the adoption~~  
8 ~~of the resolution changing the method of voting, shall not be~~  
9 ~~affected by such resolution.~~

10 *SEC. 9. Section 252 of the Monterey Peninsula Water*  
11 *Management District Law (Chapter 527 of the Statutes of 1977)*  
12 *is amended to read:*

13 *Sec. 252. The chairman chairperson of the board shall preside*  
14 *at all meetings of the board. In the case of the absence or inability*  
15 *to act of the chairperson, the vice chairperson shall preside. In the*  
16 *case of the absence or inability to act of the chairman or*  
17 *chairperson and vice chairman chairperson, the members present*  
18 *shall by a resolution entered in the records of the board, select by*  
19 *a majority vote of those members present one of their number to*  
20 *act as temporary chairman chairperson. Any member of the board*  
21 *may administer oaths when necessary in the performance of his or*  
22 *her official duties.*

23 *SEC. 10. Section 253 of the Monterey Peninsula Water*  
24 *Management District Law (Chapter 527 of the Statutes of 1977)*  
25 *is amended to read:*

26 *Sec. 253. (a) A majority of the members of the board shall*  
27 *constitute a quorum for the transaction of business. The board shall*  
28 *act only by ordinance, resolution, or motion. On all ordinances, the*  
29 *roll shall be called and the ayes and noes recorded in the records*  
30 *of the board. Resolutions and motions may be adopted by voice*  
31 *vote, but on demand of any member the roll shall be called. Except*  
32 *as otherwise provided in this act, no ordinance, resolution, or*  
33 *motion shall be passed nor become effective without the*  
34 *affirmative vote of the majority of the members of the board.*

35 *(b) Subject to subdivision (c), each member has one vote.*

36 *(c) (1) Upon the call and request of any board member present*  
37 *and able to vote, the passage of an ordinance, resolution, or*  
38 *motion shall require both the affirmative vote of a majority of the*  
39 *members of the board and the affirmative vote of a majority of the*

1 members of the board representing a majority of the population of  
2 the district.

3 (2) For the purpose of determining the population within a city  
4 or unincorporated area within the district, the most recent federal  
5 census or Department of Finance population estimate shall be  
6 used.

7 SEC. 11. Section 431 of the Monterey Peninsula Water  
8 Management District Law (Chapter 527 of the Statutes of 1977)  
9 is amended to read:

10 Sec. 431. Subject to the provisions of Article 2 (commencing  
11 with Section 471) of Chapter 8 of this part, the (a) The board, by  
12 resolutions thereof adopted from time to time resolution, may  
13 establish improvement zones within the district without reference  
14 to the boundaries of other zones, setting forth in such resolutions  
15 that resolution descriptions thereof by metes and bounds and  
16 entitling identifying each of such zones zone by a zone number, and  
17 may institute zone projects for the specific benefit of such those  
18 zones. The board may, by resolution, may amend the boundaries  
19 by annexing property to or by withdrawing property from such  
20 these zones or may divide existing zones into two or more zones  
21 or may superimpose a new or amended zone on zones already in  
22 existence, setting forth in such resolutions that resolution  
23 descriptions of the amended, divided, or superimposed zones by  
24 metes and bounds and entitling identifying each of such zones zone  
25 by a zone number. Any territory in the district may be included  
26 within one or more improvement zones.

27 After

28 (b) After the board approves a project has been approved at an  
29 election held pursuant to Section 474 of this act, the boundaries of  
30 the zone or zones approving the project shall not be changed,  
31 except as otherwise provided in this law.

32 (c) Prior to approving a zone project, the board shall hold a  
33 hearing at which public comments regarding the project shall be  
34 considered.

35 SEC. 12. Article 2 (commencing with Section 471) of Chapter  
36 8 of Part 4 of the Monterey Peninsula Water Management District  
37 Law (Chapter 527 of the Statutes of 1977) is repealed.

38

39

40

Article 2. — Work or Projects Elections



1 Sec. 471. ~~If the board determines to proceed with a work or~~  
 2 ~~project in a zone or participating zones after the conclusion of the~~  
 3 ~~public hearing, it shall call an election to be held in the zone or~~  
 4 ~~participating zones on the question of proceeding with the work or~~  
 5 ~~project. Such election shall be called by the adoption of a notice~~  
 6 ~~of election, which shall state the date of the election, the~~  
 7 ~~proposition to be voted upon, the hours the polls will be open, and~~  
 8 ~~shall designate the election precincts, the polling place within each~~  
 9 ~~precinct and the names of the election officers consisting of one~~  
 10 ~~inspector, one judge, and one clerk for each precinct. Only~~  
 11 ~~registered voters within the zone or participating zones shall be~~  
 12 ~~entitled to vote at such election.~~

13 Sec. 472. ~~The notice of election shall be published or posted~~  
 14 ~~pursuant to the same procedure and time limits prescribed for~~  
 15 ~~giving notice of the public hearing pursuant to Section 453. No~~  
 16 ~~other notice of such election need be given nor need sample ballots~~  
 17 ~~or polling place cards be issued.~~

18 Sec. 473. (a) ~~The ballot for the election shall contain the~~  
 19 ~~following ballot measure:~~

20  
21  
22  
23  
24  
25  
26  
27

Shall the proposed work or project for Zones No. _____ in the Monterey Peninsula Water Management District be approved?	<del>Yes</del> <input type="checkbox"/>  <del>No</del> <input type="checkbox"/>
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28 ~~Shall the proposed work or project for Zones No. in the~~  
 29 ~~Monterey Peninsula Water Management District be approved?~~

30 (b) ~~The ballot measure may further include the question of~~  
 31 ~~bond financing as may be required pursuant to Section 476.~~

32 Sec. 474. ~~The election shall be conducted as one election~~  
 33 ~~comprising all of the zones affected, rather than separately in each~~  
 34 ~~zone, and precincts established may comprise territory in more~~  
 35 ~~than one zone. If a majority of the voters voting upon the~~  
 36 ~~proposition are in favor of the work or project, the board may~~  
 37 ~~proceed with the project. Except when a majority of the voters~~  
 38 ~~voting are for the work or project, the board shall not proceed with~~  
 39 ~~the work or project unless it is later approved by the voters at a~~  
 40 ~~subsequent election called and conducted pursuant to this chapter.~~

1 Such subsequent elections may be called by the board without  
2 conducting additional public hearings if the subsequent election is  
3 conducted not to exceed one year after the initial election at which  
4 the project was not approved by the majority of the voters.

5 ~~Sec. 475. The election may be consolidated with any district,~~  
6 ~~city, or county election or statewide primary or general election~~  
7 ~~under the provisions of the Elections Code relating to the~~  
8 ~~consolidation of elections and, in case of consolidation, the notice~~  
9 ~~shall be as provided in the Elections Code.~~

10 ~~Sec. 476. (a) If the board that bonded indebtedness should be~~  
11 ~~incurred to pay for any portion of the cost of a proposed work or~~  
12 ~~project, the election required under this chapter shall be fully~~  
13 ~~consolidated with the bond election without complying with the~~  
14 ~~procedures for consolidation of elections set forth in the Elections~~  
15 ~~Code, and the procedures for calling and conducting the bond~~  
16 ~~election shall be applicable to both elections, and both~~  
17 ~~propositions shall be included on the ballot for that election. In the~~  
18 ~~case of a consolidated election, the resolution required under~~  
19 ~~Section 603 shall constitute the notice of election required under~~  
20 ~~this chapter and shall contain the information required under this~~  
21 ~~chapter. If a majority of the voters voting in all of the zones~~  
22 ~~participating in the election, considering the zones as a single unit~~  
23 ~~rather than separately, vote in favor of approving the project, but~~  
24 ~~the bond election fails, the board may proceed to pay the costs of~~  
25 ~~the project out of the taxes or assessments levied under this act or~~  
26 ~~from other sources excluding bonds.~~

27 ~~(b) The board may consolidate in a single ballot measure both~~  
28 ~~the project approval required pursuant to Section 473 and the bond~~  
29 ~~approval required by Article 1 (commencing with Section 601) of~~  
30 ~~Chapter 3 of Part 5.~~

31 *SEC. 13. The heading of Article 6 (commencing with Section*  
32 *671) of Chapter 3 of Part 5 of the Monterey Peninsula Water*  
33 *Management District Law (Chapter 527 of the Statutes of 1977)*  
34 *is amended to read:*

35  
36 *Article 6. Revenue Bonds Benefit Assessments*

37  
38 *SEC. 14. Section 671 of the Monterey Peninsula Water*  
39 *Management District Law (Chapter 527 of the Statutes of 1977)*  
40 *is repealed.*

1     ~~Sec. 671.— If the board by resolution determines that a bonded~~  
2 ~~indebtedness to pay for the acquisition or construction of any~~  
3 ~~works for any purposes of the district, or zone or participating~~  
4 ~~zones thereof, or for refunding any outstanding bonds should be~~  
5 ~~incurred, and can be repaid and liquidated as to both principal and~~  
6 ~~interest from revenues designated by the board, the district is~~  
7 ~~authorized and shall have the power to define such works as an~~  
8 ~~“enterprise” and to issue revenue bonds all in the manner and as~~  
9 ~~provided in the Revenue Bond Law of 1941, Chapter 6~~  
10 ~~(commencing with Section 54300) of Part I of Division 2 of Title~~  
11 ~~5 of the Government Code, and for such purpose the district shall~~  
12 ~~be considered a “local agency” as defined by Section 54307 of~~  
13 ~~such code. Any election for the issuance of revenue bonds for a~~  
14 ~~zone or participating zones of the district shall be limited to the~~  
15 ~~area of such zone or participating zones, and the proceeds from the~~  
16 ~~sale of any such revenue bonds shall be expended only for the~~  
17 ~~benefit of such zone or participating zones.~~

18     ~~SEC. 15. Section 673 of the Monterey Peninsula Water~~  
19 ~~Management District Law (Chapter 527 of the Statutes of 1977)~~  
20 ~~is repealed.~~

21     ~~Sec. 673.— All revenue bonds issued by the district may be~~  
22 ~~certified as legal investments pursuant to the Districts Securities~~  
23 ~~Law (Chapter 1 (commencing with Section 20000) of Division 10~~  
24 ~~of the Water Code).~~

25     ~~SEC. 16. Chapter 3.5 (commencing with Section 685) is~~  
26 ~~added to Part 5 of the Monterey Peninsula Water Management~~  
27 ~~District Law (Chapter 527 of the Statutes of 1977), to read:~~  
28

29                     CHAPTER 3.5. REVENUE BONDS

30  
31     685. (a) (1) *The board, by resolution adopted by the*  
32 *affirmative vote of a majority of the members of the board, may*  
33 *issue revenue bonds pursuant to this chapter to pay the costs of*  
34 *acquiring or constructing facilities for the production, storage,*  
35 *transmission, or treatment of water.*

36     (2) *Subject to subdivision (i), the board need not conduct an*  
37 *election or otherwise secure the approval of the voters to carry out*  
38 *this chapter.*

39     (b) *The resolution described in subdivision (a) shall describe*  
40 *in general terms the project or projects to be financed by the*

1 revenue bonds, the maximum amount of bonds proposed to be  
2 issued, and the anticipated sources of revenue to redeem the bonds.

3 (c) The board may issue revenue bonds pursuant to this chapter  
4 to generate funds to pay for the acquisition and construction of the  
5 facilities described in subdivision (a) and related costs, including  
6 engineering, inspection, legal and fiscal agents' fee, costs of the  
7 issuance and sale of the bonds, working capital, reserve fund, and  
8 bond interest estimated to accrue during the construction period  
9 and for a period not to exceed 12 months after completion of  
10 construction.

11 (d) The proceeds of the revenue bonds may be used only for the  
12 project provided for in the indenture pursuant to which the revenue  
13 bonds are issued.

14 (e) The revenue bonds shall be secured by a pledge of and lien  
15 upon the revenues of the project described in the indenture  
16 authorizing the issuance of the bonds. The revenues of the project  
17 include revenues from improvements or additions to, or extensions  
18 of the project. The revenue bonds may also be secured by  
19 additional revenues, including existing funds of the district, and  
20 other sources, to the extent set forth in the indenture.

21 (f) If any of the revenue bonds are outstanding and unpaid, the  
22 revenues and interest thereon shall not be used for any purpose not  
23 authorized by the indenture, unless the bondholders authorize the  
24 use for that purpose pursuant to the provisions of the indenture.

25 (g) Revenue bonds issued pursuant to this chapter, and  
26 contracts or obligations entered into to carry out the purposes for  
27 which bonds are issued that are payable in whole or part from the  
28 proceeds of the bonds, do not constitute a debt, liability, or  
29 obligation of the district.

30 (h) All revenue bonds issued pursuant to this chapter shall  
31 include a recital on their face that neither the payment of the  
32 principal or any part thereof, nor any interest thereon, constitutes  
33 a debt, liability, or obligation of the district.

34 (i) Resolution adopted pursuant to subdivision (a) is subject to  
35 referendum in accordance with Section 9341 of the Elections  
36 Code.

37 SEC. 17. No reimbursement is required by this act pursuant  
38 to Section 6 of Article XIII B of the California Constitution  
39 because a local agency or school district has the authority to levy  
40 service charges, fees, or assessments sufficient to pay for the

1 program or level of service mandated by this act, within the  
2 meaning of Section 17556 of the Government Code.

3 SEC. 18. This act shall become operative on the date on which  
4 the Secretary of State notifies the Monterey Peninsula Water  
5 Management District that the United States Attorney General has  
6 precleared Sections 2, 3, 5, 7, 8, 11, 12, 14, and 16 of this act  
7 pursuant to Section 1973c of Title 42 of the United States Code.  
8 ~~Water Management District Law (Chapter 527 of the Statutes of~~  
9 ~~1977), to read:~~

10 ~~Sec. 2.5.—It is the intent of the Legislature to assist local efforts~~  
11 ~~to improve the water supply on the Monterey Peninsula.~~

12

13 CORRECTIONS

14 Heading — Line 4.

15 Text — Page 13.

16

17