

# Referendum Measure

TO BE SUBMITTED TO THE ELECTORS  
OF THE STATE OF CALIFORNIA AT  
THE SPECIAL ELECTION TO BE HELD

Tuesday, December 19, 1933

---

TOGETHER WITH

Arguments Respecting the Same

---

Part I ..... Arguments  
Part II (Appendix) ..... Text of Measure

---

Compiled by  
**FRED B. WOOD**  
Legislative Counsel

And Distributed by  
**FRANK C. JORDAN**  
Secretary of State

---

CALIFORNIA STATE PRINTING OFFICE  
HARRY HAMMOND, STATE PRINTER  
SACRAMENTO, 1933

# PART I

## Arguments

<p><b>1 WATER AND POWER. Referendum against Act of Legislature.</b> Act creates Water Project Authority, comprising Attorney General, State Controller, State Treasurer, Director of Finance and Director of Public Works, empowered to construct and operate system of works, called Central Valley Project, for development, distribution and sale of water and electric energy in Sacramento and San Joaquin valleys; construction cost to be met by issuing revenue bonds in amount not exceeding one hundred and seventy million dollars; principal and interest on bonds, and operating costs, to be met by revenues from project; provides for cooperation with Federal Government in constructing and financing project.</p>	YES	
	NO	

(For Full Text of Measure, see Page 2, Part II)

### Argument in Favor of Water and Power Referendum Measure

Closely linked with President Roosevelt's National Recovery program, this act provides for the construction of a great water conservation project which will give immediate employment to more than 25,000 men for at least three years, thereby affording a livelihood for approximately 100,000 persons.

This tremendous aid to unemployment relief and economic recovery in California will be accomplished without a single dollar of cost or obligation to California taxpayers!

All costs of the entire program will be defrayed through Federal aid and a revenue bond system, or self-financing plan, which requires that revenues of the project pay for the project. Selfish interests, determined to go to any extremes to win their case, will undoubtedly seek to confuse and mislead the voters on this aspect of the project, but the complete answer to such misrepresentation is in the act itself in the words: "Neither the payment of the principal or any part thereof, or any interest thereon, constitutes a debt, liability or obligation of the State of California."

The Central Valley Project, as this is called, takes up where the Boulder Canyon and Metropolitan Aqueduct left off, spreading its benefits over a 500-mile area extending from northern California into southern California. It will solve the water problems of the Sacramento Valley and the San Joaquin Valley—the rich

tributary country of Los Angeles, together with the problems of the San Francisco-Oakland bay area, for a generation to come.

The project consists of a dam 420 feet high at Kennett, near Redding; a conduit from the Delta to Martinez to furnish water to the industries along Suisun Bay; a series of dams on the San Joaquin River to furnish water to the upper San Joaquin Valley; another huge dam at Friant, near Fresno, with canals leading north and south.

Surplus flood waters will be conserved for summer use, saving thousands of acres from return to desert; navigability of the Sacramento and San Joaquin Rivers will be greatly increased; salt water encroachment in the fertile Delta area will be halted.

And in addition to these benefits, the project will produce hydroelectric power at low cost which will be sold to pay costs of the work. A main transmission line from Kennett to Antioch will make available cheap electric energy to farmers, homeowners and industrialists, as well as cities and districts.

If the people of California, through confusion or deception, fail to approve this project, it means that California will lose the benefit of a \$170,000,000 project. It means that an outright grant of \$43,000,000 from the Federal Government will be lost. It means that 25,000 idle men will be denied the right to work and support their families.

Chief opposition to this project comes from one source—the power trust! Do not be de-

ceived on that score. Admitted representatives of the power companies did their utmost to defeat this recovery program in the Legislature and they now seek to defeat it on the ballot. You will be flooded with propaganda against this measure—propaganda issued by the power companies with your money!

But the issue is clear-cut. This act will help your State. It will reduce your power rates. It is vital to every laboring man, every farmer, every business man. It will bring you millions of dollars in rate savings, jobs for 25,000 unemployed now on charity rolls at public expense.

And its great benefits can not and will not cost you one cent!

Vote for your own interest.

**VOTE "YES!"**

**BRADFORD S. CRITTENDEN,**  
State Senator, 20th District.

**J. I. WAGY,**  
State Senator, 34th District.

**FRANK W. MIXTER,**  
State Senator, 32d District.

**CHARLES W. DEMPSTER,**  
Assemblyman, 61st District.

#### **Argument Against Water and Power Referendum Measure**

In its final hours the recent Legislature hastily adopted a patchwork measure, Assembly Bill No. 259.

The referendum has been invoked so that the people may vote on the bill.

An elaborate plan for the transfer of surplus water from the Sacramento to the San Joaquin Valley is proposed with the object of reclaiming certain lands and bringing into production of additional lands in the southern portion of San Joaquin. The futility of thus increasing the unsalable crop surplus and folly of increasing agricultural competition are apparent. Nor is it certain that the Sacramento Valley will always have water to spare. True, there is a recapture clause; but once communities in the San Joaquin become dependent on water from the Sacramento, they will find a way to keep it. Thus the development of the Sacramento Valley will be limited.

*To the region south of Tehachapi, the bill is nothing but a liability.*

The State is to finance the scheme by issuing "revenue bonds," not exceeding 170 millions, interest and principal of which are (in theory) to be paid back out of receipts from sales of water and energy. This amount is to be diminished by such sum as the Federal Government may contribute and also by "such an amount as may be appropriated and made available out of the treasury of the State of California in aid of the construction of said project, or any unit thereof." Furthermore, the bill provides that "any State agency, or the State, or any department, board, commission, bureau, division or office thereof, may advance or contribute money, rights of way, labor, materials and any other property for the construction, operation or maintenance of the said Central Valley Project or any unit thereof." That trick language is a sufficient reason for defeating the bill.

The Federal Government has made no promises of aid.

The bill, originally introduced as a water conservation measure, in its legislative progress was twisted into a huge State power production business measure, with water as an incidental feature.

Profits from energy sales are likely to be illusory in view of the excess electric energy in California (now 50 per cent over demand), and, on completion of Boulder Dam, the power available will be twice the amount now sold. It will take ten to twenty years to absorb the surplus now existing or being developed.

Nor would water conservation be accomplished, for that depends on the State's ability to sell its energy and water at a price to pay the principal and interest of the so-called "revenue bonds."

Finally, although the bonds are not to be legal obligations of the entire State, there would be an irresistible insistence that the State, which got the money from the bondholders and used it, was under a moral obligation to repay the millions so borrowed and lost. The taxpayers would stand the losses.

**VOTE NO.**

**ARTHUR H. BREED,**  
President Pro Tem, California Senate.

**J. W. MCKINLEY,**  
State Senator, Los Angeles County.

**W. P. RICH,**  
State Senator, Tenth District.

**CLIFFORD R. KALLAM,**  
Assemblyman, Thirty-fourth District.

## PART II

### Appendix

**WATER AND POWER. Referendum against Act of Legislature.** Act creates Water Project Authority, comprising Attorney General, State Controller, State Treasurer, Director of Finance and Director of Public Works, empowered to construct and operate system of works, called Central Valley Project, for development, distribution and sale of water and electric energy in Sacramento and San Joaquin valleys; construction cost to be met by issuing revenue bonds in amount not exceeding one hundred and seventy million dollars; principal and interest on bonds, and operating costs, to be met by revenues from project; provides for cooperation with Federal Government in constructing and financing project.

1

YES
NO

The Legislature of the State of California, in regular session in 1933, passed, and the governor of the State of California on the fifth day of August, 1933, approved the following act, and a petition bearing the signatures of a sufficient number of electors asking that the act be submitted to the electors for their approval or rejection, having been filed with the secretary of state, in due time, the said act is hereby submitted on referendum.

(This proposed law does not expressly amend any existing law; therefore the provisions thereof are printed in BLACK-FACED TYPE to indicate that they are NEW.)

**PROPOSED LAW**

An act providing for the construction, operation and maintenance of a system of works, designated as the Central Valley Project, for the conservation, development, distribution and utilization of water, and the production, distribution and utilization of electric energy; approving and authorizing said Central Valley Project; providing for the sale and disposition of water and power made available by said project; defining and prescribing the units or parts of said project; also defining the prerequisite conditions under which said project shall be constructed; defining the duties and powers of the Department of Public Works, the Director of Public Works, the State Engineer, the State Controller and the State Treasurer in relation to said project; creating a Water Project Authority and defining its duties and powers in relation to said project; providing for cooperation with the United States of America in constructing and financing the construction of said project; authorizing the Water Project Authority to exercise the power of eminent domain for necessary purposes in connection with the construction, operation and maintenance of said project; expressing the consent of the State to the use and occupation of certain rights of way; providing that any expense resulting from interference with State property or State activities caused by the construction, operation or maintenance of said project shall be paid otherwise than from funds established and created for the purposes of this act; authorizing any State

agency or the State or any department, board, commission, bureau, division or office thereof to advance or contribute money or property for the purposes of the act and providing for the repayment therefor; authorizing certain organizations to contract with the Water Project Authority for the purchase or use of water and power; authorizing the issuance and sale of revenue bonds in an amount not to exceed the sum of one hundred seventy millions of dollars for the purpose of defraying the cost of construction of said project, providing for the payment of such bonds with the interest thereon; and providing for the creation of a Central Valley Water Project construction fund and a Central Valley Water Project revenue fund in the State treasury.

[Approved by the Governor August 5, A.D. 1933.]

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

Section 1. It is hereby declared that the public interest, welfare, convenience and necessity require the construction in the manner herein provided of a system of works for the conservation, development, storage, distribution and utilization of water, with incidental generation, transmission, and distribution of electrical energy which system of works is hereby designated as the Central Valley Project, and is hereby specifically approved and authorized.

Sec. 2. Definitions. The term "authority" when used in this act shall refer to and mean the Water Project Authority of the State of California. The term "department" when used in this act shall refer to and mean the Department of Public Works of the State of California. The term "State agency" when used in this act, either in the singular or the plural, shall refer to and mean any county, city and county, city, municipality, or any department or agency thereof, irrigation district, reclamation district, or other public or municipal district. The term "bond" when used in this act either in the singular or plural shall mean any bond or other written evidence of indebtedness which the Water Project Authority may issue under this act in order to secure funds with which to carry out the purposes of this act.

Sec. 3. The construction of said Central Valley Project is, and is hereby declared to be,

single object, and the units thereof, hereinafter described, collectively constitute, and it is hereby declared that they collectively constitute, one project. The construction, operation and maintenance of said Central Valley Project as herein provided for is hereby declared to be in all respects for the welfare and benefit of the people of the State, for the improvement of their prosperity and their living conditions, and the authority and the department shall be regarded as performing a governmental function in carrying out the provisions of this act.

Sec. 4. Said Central Valley Project as hereby authorized shall consist of the following units:

(1) A dam, reservoir and hydroelectric power plant, or plants, with necessary afterbay and regulatory appurtenant works located on the Sacramento River, at or near Kennett, Shasta County, California; also a transmission line having capacity sufficient to transmit all the electric energy which can be generated at said dam, including substations, transformer stations, and other facilities for the distribution of power from Kennett Dam to a central substation near the city of Antioch, which transmission line shall be located in such manner and along such route as shall enable the most convenient distribution of electrical energy to the load centers traversed thereby, or capable of service therefrom. Said unit is designated as the Kennett Dam, and shall be constructed and used primarily for improvement of navigation on the Sacramento River to Red Bluff, for increasing flood protection in the Sacramento Valley, for salinity control in the Sacramento-San Joaquin Delta, and for storage and stabilization of the water supply of the Sacramento River for irrigation and domestic use, and secondarily for the generation of electric energy and other beneficial uses. Said dam shall be built to such height, said reservoir shall have such capacity and said power plant or plants shall be of such capacity as the authority shall determine; provided, that said reservoir shall have a storage capacity of not less than two million nine hundred and forty thousand acre-feet of water.

(2) A conduit or canal, equipped with all necessary pumping plants and other works to convey water, and extending westerly from a diversion point near Knightsen, California, southerly of Suisun Bay to the vicinity of Martinez, California. Said unit is designated as the Contra Costa Conduit, and shall be of such capacity as shall be determined by the authority to be necessary to furnish an adequate supply of water for industrial, agricultural, domestic and other beneficial uses in the area served by it.

(3) A channel or canal, together with all necessary dams, pumping plants, conduits, and other works as shall be determined by the authority to be necessary to convey a supply of water for irrigation and other beneficial uses, from the lower Sacramento River into the San Joaquin Delta, and also adequate to convey and transport not less than three thousand cubic feet of water per second from a point on the lower San Joaquin River southerly to the mouth of Fresno Slough. Said unit is designated as the San Joaquin Pumping System.

(4) A dam, reservoir and hydroelectric power plant, or plants, to be located on the San Joaquin River, at or near Friant, Fresno County,

California. San Joaquin River. Said unit is designated as Friant Dam, and shall be constructed and used primarily for improvement of navigation, flood control, and storage and stabilization of the water supply of the San Joaquin River, for irrigation and domestic use, and secondarily for the generation of electric energy and other beneficial uses. Said dam shall be built to such height, said reservoir shall have such capacity and said power plant, or plants, shall be of such capacity as the authority shall determine; provided, that said reservoir shall have a capacity of not less than four hundred thousand acre-feet of water.

(5) A canal or conduit leading from said Friant Reservoir northerly to a point on the Chowchilla River. Said unit is designated as the Madera Canal, and shall be of such capacity as shall be determined by the authority to be necessary to furnish an adequate supply of water for beneficial purposes in the area to be served by it.

(6) A canal or conduit extending from said Friant Reservoir southerly to a point on Kern River near the city of Bakersfield in Kern County. Said unit is designated as Friant-Kern Canal. Said canal or conduit shall be of such capacity as shall be determined by the authority to be necessary to furnish an adequate supply of water for beneficial purposes in the area to be served by it. Said unit may include such pumps, supplemental dams and other works as are determined by the authority to be necessary for the economical and advantageous construction and operation and maintenance of the said unit.

(7) Such other units as may be from time to time added to the units hereinabove specifically enumerated by the authority, and authority shall be and is hereby empowered to add additional units consistent with and which may be constructed, maintained and/or operated as a part of said Central Valley Project and in furtherance of the single object contemplated by section 3 of this act.

In addition to the works specified in the foregoing subdivisions said units shall include such plants and works for the generation of electric energy by steam or other power, and such electric transmission lines and facilities for the sale, use and distribution of electric energy as are determined by the authority to be necessary for making a reasonable, proper and advantageous sale, use and distribution of electric energy made available by said units.

Sec. 5. There is hereby created a Water Project Authority of the State of California which shall be and constitute a body politic and corporate with power of perpetual succession and with power to sue and be sued and with the further powers, duties and responsibilities hereinafter provided. Said authority shall consist of five members who shall be the Attorney General, the State Controller, the State Treasurer, the Director of Finance and the Director of Public Works, or in the event the office of the Attorney General, the State Controller, the State Treasurer, the Director of Finance, Director of Public Works, or any thereof, hereafter be discontinued or abolished by law, then the Governor shall appoint any qualified person or any officer of the State of California to fill any vacancy resulting from the abolition or dis-

continuance of such office. If any such vacancy shall occur during a session of the Legislature said appointment by the Governor shall be made during said session and shall not be effective until confirmed by vote of the Senate. If any such vacancy shall occur while the Legislature is not in session, said appointment by the Governor shall terminate ten days after the next legislative session begins unless said appointment shall within said time be confirmed as above provided. The Director of Public Works shall be the chairman of said authority. The State Engineer shall be the executive officer of said authority, and shall exercise such powers and perform such duties in addition to his regular duties as State Engineer, as the authority shall prescribe and may receive and be paid such additional salary for said additional duties as may be fixed by the authority. The authority shall employ a secretary and shall establish and maintain an office in the city of Sacramento. The authority shall have and adopt a seal bearing its name, which seal shall be affixed to such records and other instruments as the authority may direct and all courts shall take judicial notice of said seal. The authority is authorized to adopt from time to time, as necessary or expedient, suitable rules and regulations for the administration of this act. The authority and the department are each authorized to employ such legal counsel and other persons as may be necessary to enable said authority and said department to properly perform the duties imposed upon them respectively by this act. The department shall, from its employees, furnish to the authority such technical and other assistants as are required from time to time upon the order of the authority. Such special legal and technical assistants as may be required by the authority or the department in effectuating the purposes of this act may be exempted from the provisions of the State Civil Service Act. A majority in number of the members of said authority shall be empowered to act for said authority. All members of said authority, shall serve as such without compensation but they shall receive their actual and necessary expenses when engaged in travel upon the business of the authority.

Sec. 6. There is hereby created in the State treasury a fund to be known as the Central Valley Water Project construction fund, hereinafter referred to as the "construction fund"; and a fund to be known as the Central Valley Water Project revenue fund, hereinafter referred to as the "revenue fund."

Sec. 7. The authority is hereby directed to construct said Central Valley Project, when, in the judgment of said authority appropriations, contributions and revenues from all sources of every kind and character which are available or which will be made or become available upon, during, after or before construction of said Central Valley Project, including contracts which the authority may negotiate and enter into with responsible persons, firms, corporations or agencies, public or private, including the United States of America, and State agencies, for the sale or disposal of water, water flow, the use of water, water storage, electric energy or other resources and facilities to be made available by said Central Valley Project, or from other sources, are or will be available from such

sources in such amounts and at such times as will afford funds sufficient to pay and discharge as and when the same become due and payable as herein provided, all cost and expense, of whatsoever kind or character, incurred prior to construction, and all cost and expense, of whatsoever kind or character, of construction, operation and maintenance of said Central Valley Project, together with necessary repairs and replacements thereto, including funds sufficient to meet and pay, as and when the same shall become due and payable, any and all bonds, together with interest accruing thereon, which may be issued under the provisions of this act, within a period of not to exceed seventy years after the beginning of the construction of said project; provided, that the construction of said unit designated as the San Joaquin Pumping System, or any part of said unit, may be deferred until such time as the authority may determine that the construction of the same is required and is economically justified; and in case the construction of said unit, or any part of said unit be so deferred, the construction of all other units and parts of said Central Valley Project shall be commenced and carried to completion without reference to said San Joaquin Pumping System, the construction of which or of some part thereof, shall have been so deferred. The authority is authorized and directed to ascertain and determine when said project, or any unit thereof, is completed and thereupon the said project, or unit thereof, shall be deemed completed for all the purposes of this act.

Sec. 8. In entering into and awarding contracts as provided in this act, in case of equal or equivalent offers, including consideration the cost of construction, operation and maintenance of the necessary lines, plants and other works to deliver the commodity or service which is to be delivered under such contracts, the authority shall grant preference to State agencies, or other organizations not organized or doing business for profit but primarily for the purpose of supplying water or electric energy to their own citizens or members.

During the existence of the national emergency as declared in the National Industrial Recovery Act (H. R. 5755, 73d Congress, 1st Session) the terms of such contracts and the value of the injury to the business and services of public utilities then serving the territory which is to be served by the State agency or organization and what if any compensation shall be paid as a condition precedent or subsequent to the awarding of the contract shall be determined by the President of the United States or the proper officer or agency of the United States government to whom is delegated the authority to grant or loan money of the United States government under the provisions of the National Industrial Recovery Act for the purpose of the project, so far as said President or officer deems such determination necessary or proper to the awarding of the contract.

Sec. 9. The authority is hereby expressly authorized and empowered, subject to the provisions of this act, to fix and establish the prices, rates and charges at which any and all the resources and facilities made available by said Central Valley Project shall be sold or disposed of; to enter into any and all contracts and agreements, and to do any and all things

which, in its judgment are necessary, convenient or expedient for the accomplishment of any and all the purposes and objects of this act, under such general regulations, and upon such terms, limitations and conditions as it shall prescribe; and it is and shall be the duty of the authority to enter into such contracts and fix and establish such prices, rates and charges so as to at all times provide revenue which will afford sufficient funds to pay all costs of operation and maintenance of any and all of the works authorized by this act, together with necessary repairs and replacements thereto, and which will provide at all times sufficient funds to meet and pay any and all payments for redemption of any and all bonds and interest thereon, which may be issued as provided in this act, as and when any and all such costs and charges become due and payable; provided, that nothing contained in this act shall authorize any change, alteration or revision of any such rates, prices or charges as established by any contract entered into under authority of this act except as provided by any such contract.

Every contract made by the authority for the sale of water, use of water, water storage, electric energy or other service, shall provide that in the event of any failure or default in the payment of any moneys specified in such contract to be paid to the authority for such water, use of water, water storage, electric energy or other service, the authority may, upon such notice as it shall determine, cease to furnish or deliver water, use of water, water storage, electric energy or other service under such contract.

The act of the authority in ceasing on any such failure to furnish or deliver water, use of water, water storage, electric energy or other service under such contract shall not deprive the authority of or limit any remedy provided by such contract or by law for the recovery of any and all moneys due or which may become due under such contract.

Any contract or lease made by the authority with any person, firm or corporation other than a State agency, providing for the furnishing by the authority of water, the use of water, water storage, electric energy or other service, for resale by such person, firm or corporation, shall be subject to cancellation by the authority upon five years' notice, and such contract or lease must be so canceled in whole or in part whenever the State, or any financially responsible State agency, shall make application for such water, use of water, water storage, electric energy, or other service, or any part thereof covered by such contract or lease, and shall enter into a contract or lease binding itself to take such water, use of water, water storage, electric energy or other service or any part thereof and pay for the same, at a rate or price at least equal to that specified in the contract or lease to be canceled, and for a period at least equal to the unexpired portion of the term of such contract; provided, that the authority shall not so cancel any such contract unless and until it shall first determine and assure itself that notwithstanding such cancellation, it will receive and be paid a total revenue or consideration at least equal to that which would be received by it were such contract not so canceled, and within the unexpired portion of the term of such contract or lease.

In case of the award by the authority of any contract or lease to any State agency for the furnishing of water, the use of water, water storage, electric energy, or other service, upon demand made therefor by such State agency, the authority shall construct, acquire, or otherwise provide the necessary works and facilities for transmitting such water, electric energy, or other service to a central point from which such water, electric energy or other service may be most conveniently distributed within the territory to be served under such contract or lease.

Sec. 10. It shall be the duty of the governing body or board charged with the levying of taxes or assessments in any State agency which shall contract to purchase from the authority any water, use of water, water storage, electricity, electric power or other service, to provide for the punctual payment to the authority of all amounts which become due under such contract; and such board or governing body must, whenever necessary, levy upon all property in such State agency not exempt from taxation, a tax or assessment sufficient to provide for all payments under such contract then due, or to become due within the then current fiscal year. It shall be the duty of all officers of any such State agency charged with the collection of the taxes or assessments levied by such State agency to enforce and collect all taxes or assessments so levied or assessed for the purpose of providing payment of the moneys due or to become due under such contract as herein provided. All moneys so collected for such taxes or assessments shall be kept in a separate fund by the Treasurer or other officer of such State agency charged with the safe-keeping and disbursement of funds of such State agency, and, upon the written demand of the authority, such officer shall pay over to the authority all such moneys in his possession or control, which moneys shall be applied by the authority to the satisfaction of the amount due under such contract. In the event of failure, neglect or refusal of any officer or officers of any State agency to levy any tax or assessment necessary to provide payment by such State agency under any contract with the authority, or to enforce or to collect any such tax or assessment, or to pay over to the authority any money collected on such tax or assessment, the authority may take such action in a court of competent jurisdiction as it may deem necessary to compel the performance in their proper sequence of all duties relating to the levying and collection of such taxes or assessments and the payment of the moneys collected therefrom to the authority as herein provided. The use by the authority of any remedy herein specified for the enforcement of any contract made with it shall not be deemed exclusive and shall not deprive the authority of any other remedy provided by law or limit the application of any such other remedy.

Sec. 11. In the construction and operation by the authority of any project under the provisions of this act, no watershed or area wherein water originates, or any area immediately adjacent thereto which can conveniently be supplied with water therefrom, shall be deprived by the authority directly or indirectly of the prior right to all of said water reasonably required to adequately supply the beneficial needs of said watershed, area or any of the

[ five ]

Inhabitants or property owners therein. In no other way than by purchase or otherwise as in this act provided shall said water rights as herein defined, of said watershed, area or the inhabitants be impaired or curtailed by the authority, but the provisions of this section shall be strictly limited to the acts and proceedings of the authority, as such, and shall not apply to any persons or State agencies. These provisions shall not be so construed as to create any new property rights other than against the authority as in this act provided or to require the authority to furnish to any person without adequate compensation therefor any water which shall have been made available by the construction of any works by the authority.

In the construction and operation by the authority of any project under the provisions of this act, no exchange of the waters of any watershed or area for the waters of any other watershed or area may be made by the authority unless the water requirements of the watershed or area wherein such exchange is made are first and at all times met and satisfied to the extent that such requirements would have been met were the exchange not made, and no right to the use of water shall be gained or lost by reason of any such exchange thereof.

Sec. 12. For the purpose of constructing, maintaining and operating said Central Valley Project the authority is hereby empowered to acquire for and in the name of the State of California, by gift, by exchange, by purchase or by eminent domain proceedings any and all water, water rights, rights of way, easements, lands, electric energy, power resources and facilities, and property or appurtenances thereto of every kind and description and any appurtenances to any such property as said authority shall determine to be required and necessary for the proper construction, maintenance and operation of said Central Valley Project, and for effectuating the purposes and objects to be accomplished by the construction, maintenance and operation of said project. The cost of construction of said project shall include the cost and expense of acquiring any and all such property and any such cost and expense is hereby declared to be an integral part of the capital cost of such Central Valley Project. When the authority can not acquire any property of any character needed, as provided herein, by agreement with the owner or owners, it shall be lawful for the authority, and said authority is hereby authorized, to condemn and take in the name of the State of California, any such property under the provisions of the laws of this State relating to eminent domain proceedings. Said authority shall not have power to commence any such proceedings in eminent domain unless and until said authority shall first have passed a resolution declaring that public interest and necessity require the acquisition of such property and such resolution shall be conclusive evidence (a) of the public necessity of such acquisition; (b) that such property is necessary, and (c) that such proposed acquisition is planned in a manner which will be most compatible with the greatest public good and the least private injury; provided, however, that no water heretofore appropriated, or for which application has heretofore been filed and remains in good standing, nor any tunnels, canals,

dams and appurtenant works dedicated to public use prior to July 1, 1933, may be acquired by the authority through eminent domain proceedings except, unless and until it shall have been first determined in a court of competent jurisdiction that the use proposed to be made thereof by the authority is a more necessary public use than that to which it has already been filed, appropriated or dedicated; provided that where property has been appropriated to public use by any individual firm or private corporation, the use of such property for the same purpose by said authority or by any State agency shall be deemed a more necessary public use than the use of such property by such individual firm or private corporation; provided, further, that where any such property has, prior to July 1, 1933, been filed on, appropriated or dedicated to public use by any State agency as defined in this act, the use thereof by such State agency shall be deemed a more necessary public use; provided, further, that where any such property has, prior to July 1, 1933, been filed on, appropriated or dedicated to a public use by any such State agency and the use proposed to be made thereof by the authority is consistent with the continuance of the use thereof by said State agency for its purposes, then the right to use such property for the purposes proposed by the authority is common and consistent with the use being made thereof by said State agency may be acquired by eminent domain.

The authority shall have no power to take or destroy the whole or any part of the line or plant of any common carrier railroad or State agency, or the appurtenances thereof, either the construction of any dam, canal, or other works or by including the same within the area of any reservoir, unless and until the authority shall have provided and substituted for the facilities so to be taken or destroyed, new facilities of like character, and at least equal in usefulness, with suitable adjustment for any increase or decrease in the cost of operating and maintenance thereof, or unless and until such taking or destruction shall have been permitted by agreement duly executed between the authority and such common carrier, public utility or State agency, and the expense of the authority in complying with these requirements shall be deemed part of the cost of constructing such project.

In the event such authority and any common carrier railroad or other public utility or State agency fail to agree as to the character or location of new facilities to be provided as in this section required, the character and location of such new facilities and any other controversy concerning requirements imposed by this section shall be submitted to and determined and decided by the Railroad Commission of the State of California; provided further that nothing in this section contained, shall in any way interfere with or abridge the right of the authority or of any State agency to acquire any property through the exercise of the right of eminent domain.

The authority in the name of and for the State of California, may take immediate possession and use of any property required for the construction, operation or maintenance of said Central Valley Project upon first commencing

eminent domain proceedings according to law in a court of competent jurisdiction, and thereupon giving such security in the way of money deposited as the court in which such proceedings are pending may direct, and in such amounts as the court may determine to be reasonably adequate to secure to the owner of the property sought to be taken, immediate compensation for such taking, and any damage incident thereto, including damages sustained by reason of an adjudication that there is no necessity for taking the property.

The authority is empowered to sell or otherwise dispose of any rights of way, easements or property when it shall determine that the same is no longer needed for the purposes of this act, or to lease or rent the same or otherwise take and receive and apply, for the purposes and objects of this act, or any thereof, the income or profit and revenue therefrom.

Sec. 13. The State of California hereby consents to the use and occupation of any and all real property now or hereafter owned by the State, and not dedicated to public use, necessary for the construction, operation, or maintenance of said Central Valley Project, including lands of the State lying beneath any navigable waters of the State of California; provided that whenever any lands or rights of way of the State, heretofore or hereafter dedicated to public use, are necessary for the construction, operation, or maintenance of said Central Valley Project, such lands or rights of way may be used therefor, but only in accordance with the terms and conditions of an agreement to be first entered into between the authority and the department or agency of the State of California having the jurisdiction over or control and management of such lands or rights of way.

Sec. 14. The authority, by and through the department, shall design all works to be constructed under the authority of this act. The authority may construct such works or any portion thereof by and through the department or may contract with the United States of America that such works or any part thereof may be constructed by and through the department under the supervision and subject to the approval of the United States, its instrumentalities or agencies. The cost of any and all of such works shall be paid from the proceeds of bonds issued and sold under the provisions of this act, or from contributions or appropriations or loans as herein provided.

All works to be constructed under the authority of this act shall be constructed under and in accordance with the provisions of an act entitled "The State Contract Act," approved June 10, 1933 (Statutes of 1933, chapter 788), in so far as the provisions of said act may be applicable; provided, however, that the amount of cash bidders' bonds or certified checks required to accompany any bid submitted, when bids relating to the construction of any such works are called for, shall be fixed and determined by the authority. The authority shall require of each contractor such bonds for the faithful performance of any contract or sub-contract entered into hereunder and for the payment of any labor, materials or supplies used in, upon, for or about the performance of the work contracted to be done, fixing such terms and conditions, and in such amounts, as

it may deem necessary. Moneys realized on any such bonds shall be paid into the construction fund.

Sec. 15. Notwithstanding any provision of this act to the contrary, or in conflict herewith, the authority is empowered to enter into contracts with the United States of America, its instrumentalities or agencies, or any thereof, for the purpose of financing the construction, maintenance and operation of said Central Valley Project and may in such contracts authorize the United States, its instrumentalities or agencies to supervise and approve the construction, maintenance and operation of the said Central Valley Project, or any portion or unit thereof, until such time as any moneys expended, advanced or loaned by said United States, its instrumentalities or agencies, and agreed to be repaid thereto by said authority, shall have been fully repaid. It is the purpose and intent of this act that the authority shall be authorized, and the authority is hereby expressly authorized and empowered, to accept cooperation from the United States of America, its instrumentalities and agencies in the construction, maintenance and operation and in financing the construction, maintenance and operation of said Central Valley Project, and with particular reference to appropriate provisions of the following acts of Congress: The Reconstruction Finance Corporation Act of 1932, as amended; the Emergency Relief and Construction Act of 1932, as amended; and the National Industrial Recovery Act of 1933, and any other legislation which Congress may have heretofore adopted or may hereafter adopt under which aid, assistance and cooperation, may be furnished by the United States of America in the construction, maintenance and operation or in financing the construction, maintenance and operation of said Central Valley Project and the authority shall have full power to do any and all things necessary in order to avail itself of such aid, assistance and cooperation under Federal legislation now or hereafter enacted by Congress.

Subject to the foregoing, the authority shall have full charge and control of the construction, operation and maintenance of said Central Valley Project and the collection of all rates, charges and revenues of whatsoever character therefrom. The authority shall proceed with the construction of said Central Valley Project immediately upon there being made available, funds for such work and shall prosecute such work to completion as rapidly as possible. The collection of said rates, charges and revenues shall be continued as herein provided until all bonds issued hereunder are fully redeemed and paid.

Sec. 16. Any State agency, or the State, or any department, board, commission, bureau, division or office thereof, may advance or contribute money, rights of way, labor, materials and any other property for the construction, operation or maintenance of the said Central Valley Project or any unit thereof. Appropriations therefor may be made from any funds available for such purpose. Any State agency may also issue its general obligation bonds for any such purpose and all proceedings for the authorization, issue and sale of such bonds shall be had under the law governing the issue and sale of bonds for public improvements by such par-

ticular State agency. Money or property so advanced or contributed may be immediately transferred or delivered to the authority to be used for the purpose for which such advance or contribution was made. The authority may enter into a binding agreement with any State agency or the State or any department, board, commission, bureau, division or office thereof to repay any money or the value of any rights of way, labor, materials or other property so advanced or contributed; provided, no repayment therefor shall be made until all obligations issued by the authority for the construction of the Central Valley Project shall have been fully redeemed and paid, and then only out of the revenues received from the operation of such Central Valley Project. After all bonds issued hereunder have been fully redeemed and paid, the authority may continue to collect revenues from the use and operation of said Central Valley Project for the purpose of reimbursing any State agency or the State or any department, board, commission, bureau, division or office thereof for any expenditures which may have been made by it (excepting any direct contributions which the State may make for the construction thereof), and for the purpose of repayment of any amount the authority shall have agreed to repay for money, rights of way, labor, materials or other property advanced or contributed for the construction of said Central Valley Project, or unit thereof; provided, the authority is authorized to receive and accept from any and all sources money, rights of way, labor, materials or any other property for the construction, operation or maintenance of said Central Valley Project, or any unit or specific portion of unit thereof, or for any of the purposes of this act, and may agree with the person or entity so contributing to apply said money or property in the manner and for the purpose so contributed, and such contribution, or contributions shall thereupon be used and applied in accordance with such agreement.

No water right, reservoir, conduit or facility for the generation, production, transmission or distribution of electric energy, acquired by the authority shall ever be sold, granted or conveyed by the authority so that the authority shall thereby be divested of the title to and ownership of the same; but any State agency, mutual water company, political subdivision, or other entity or organization, is expressly authorized to enter into contracts with the authority for the purchase or for the use of water, water flow, water storage, electric energy, or other resources and facilities made available by the said Central Valley Project.

Sec. 17. When any of the works herein authorized are being constructed by the authority by and through the department, said department or the authority, or either or both thereof, may carry or cause to be carried such an amount of insurance or indemnity bond or bonds as protection against loss or damage as the authority may deem proper. The authority is further empowered to carry such an amount of insurance to cover any accident or destruction in part or in whole to any works authorized hereunder until all bonds sold as herein provided, together with interest thereon, have been fully redeemed and paid. All money collected on any indemnity bond or insurance policy as

the result of any damage or injury to any such works shall be used for the purpose of repairing or rebuilding such works, as long as there are bonds outstanding and unredeemed. The authority is also empowered to carry insurance or indemnity bonds insuring against the loss of revenues to be derived from said Central Valley Project by reason of any interruption in the use of said project, or any part thereof, from any cause whatever, and the proceeds of such insurance or indemnity bonds shall be paid into the fund into which the revenues are required to be paid and shall be applied to the same purposes and in the same manner as other moneys in the said fund. Such insurance or indemnity bonds may be in an amount equal to the probable revenues to be received from the use and operation of said project during any period of time that may be determined upon by the authority and fixed in its discretion, and be paid for out of the revenue fund. The authority may provide in the proceedings authorizing the issuance of bonds for the carrying of insurance as authorized by this act, and the purchase and carrying of such insurance shall thereupon be obligatory upon said authority and be paid for out of the revenue fund.

Sec. 18. For the purpose of providing money and funds to pay the cost and expense of construction of said Central Valley Project, the authority is authorized and empowered to issue revenue bonds in a total sum of not to exceed one hundred seventy millions of dollars; provided, however, that the aggregate amount of such bonds hereby authorized shall be reduced by such an amount as the United States of America shall appropriate and make available as its contribution towards the construction said project or any unit thereof; and provided further that the aggregate amount of any such bonds hereby authorized shall be further reduced by such an amount as may be appropriated and made available out of the treasury of the State of California in aid of the construction of said project or any unit thereof.

Sec. 19. Any and all such bonds so authorized shall be issued in the name of the authority and shall constitute obligations only of said authority and shall be identified as Water Project Authority revenue bonds and shall contain a recital on the face thereof that the payment or redemption of said bonds and the payment of interest thereon is secured by a first and direct charge and lien upon the revenues of any nature whatever received from the operation of said Central Valley Project for the construction of which the said bonds are issued and that neither the payment of the principal or any part thereof or any interest thereon constitutes a debt, liability or obligation of the State of California. Bonds issued under the provisions of this act shall not constitute or be a debt, liability or obligation of the State, and the payment of both principal and interest of all such bonds shall be secured only by the rates, charges, and revenues established or accruing from the use or operation of the said Central Valley Project, and shall be paid from such revenues or from such contributions or appropriations as may be made available under the terms of this act. All bond redemption and interest payments shall constitute a first and direct charge and lien on all revenues received from the operation of sa.

Central Valley Project, on all interest accruing from said revenues and on all sinking funds deducted out of said revenues. The collection of said revenues shall be continued until all bonds issued hereunder, together with interest thereon, are fully redeemed and paid.

Sec. 20. All bonds authorized under the terms of this act may be issued and sold from time to time and in such amounts as may be deemed necessary in the judgment of the authority to provide sufficient funds for the construction of said Central Valley Project and to pay all costs and expenses, including interest due and payable, prior to and during the period of actual construction thereof and for a period of one year after completion thereof and the proceeds from said revenue bonds are hereby made available for such purpose; provided, that nothing herein contained shall limit or restrict the use by the authority for such purposes of any money appropriated by this act for the purpose of carrying out the provisions of this act.

The authority shall determine the form, conditions and denominations of all said bonds, and shall determine the dates which the bonds so to be sold shall bear and the interest rate thereon, which shall not exceed five and one-half per cent per annum. It shall not be necessary that all bonds of the same authorized issue bear the same interest rate. Principal and interest on such bonds shall be payable at such place or places as may be fixed and determined by the authority, and said bonds may contain provisions for registration thereof as to principal only, and as to both principal and interest. Said bonds shall be issued in coupon form with interest payable at such times as may be determined by the said authority, and shall mature at such times and in such amounts as the said authority may prescribe. The authority may provide for the retirement of said bonds at any time or times prior to their maturity, and in such manner and upon payment of such premiums as may be fixed and determined in the proceedings providing for the issuance of such bonds and referred to therein. All such bonds shall be signed by the chairman of the authority and countersigned by the Governor. The signature of the Governor may be by facsimile. All interest coupons shall bear the facsimile signature of the chairman of the authority. In case any of such officers whose signature or countersignature appear on the bonds or coupons shall cease to be such officer before the delivery of such bonds to the purchaser, such signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if they had remained in the office until the delivery of the bonds. Bonds authorized under this act may be sold below the par or face value thereof, such sale price, however, not to be less than that which will yield the purchaser not to exceed five and one-half per cent per annum according to standard tables of bond values, and such sale price shall include the interest which has accrued thereon up to the date of delivery of said bonds. Successive issues of bonds within the limits of the authorization as contained in this act shall have equal preference with respect to the redemption thereof and the payment of interest thereon; provided, however, the authority may fix different maturity dates serially or otherwise,

for such successive issues. All bonds issued under the terms of this act shall be negotiable instruments under the law merchant. All bonds issued and sold under or by authority of this act shall be sold on sealed proposals to the highest and best bidder after such advertising for bids as the authority may deem proper; provided, however, said authority may reject any and all bids so submitted and may thereafter sell such bonds so advertised for sale at private sale under such terms and conditions as said authority may deem most advantageous; provided, they are not sold at a price below that of the best bid which was rejected.

The authority may contract loans and borrow money through the sale of bonds of the same character as those herein authorized, from the United States or any of its departments, agencies or instrumentalities upon such conditions and terms as may be agreed to and such bonds shall be subject to all the provisions of this act except the requirement that bonds be first offered at public sale pursuant to advertisement.

Temporary or interim bonds, certificates or receipts, of any denominations whatever and with or without coupons attached thereto, to be signed by the chairman of the authority, may be issued and delivered until the definitive bonds are executed and available for delivery.

The purchase price of bonds issued hereunder shall be paid to the Treasurer of the State of California for the account of the authority.

Notwithstanding anything otherwise provided in this act, any expense incurred by the authority for advertising, engraving, printing, clerical, legal or other services necessary to properly perform the services and duties relating to the sale and issuance of bonds under the authority of this act shall be paid from the proceeds of the sale of bonds issued hereunder by the State Treasurer upon warrants of the State Controller.

Sec. 21. The proceeds from the sale of all bonds authorized under the provisions of this act shall be paid to the Treasurer of the State of California to the credit of the construction fund and shall be deposited as demand deposits forthwith in such depository or depositories as may be authorized by law to receive deposits of State funds to the credit of the construction fund, which fund shall at all times be kept segregated and set apart from all other funds. Such proceeds shall be paid out or disbursed solely for the construction of said Central Valley Project, for surveys, preparation of plans and specifications and for payment of all other costs and expenses prior to and during construction, for the acquisition of the necessary water, water rights, rights of way, easements, lands, electric energy, power resources and facilities, and other property of every kind and description and any appurtenances to any such property necessary therefor, and the payment of interest becoming due and payable on such bonds prior to and during the period of actual construction and for the period of one year after the completion of construction and for all costs and expenses during a period of one year after completion of construction only as the need therefor shall arise and the authority may agree with the purchaser of said bonds upon any conditions or limitations restricting the disbursement of such funds that may be deemed advisable for the purpose of assuring the proper application of

such funds; provided, that nothing herein contained shall limit or restrict the use by the authority for such purposes of any money appropriated by this act for the purpose of carrying out the provisions of this act. All moneys in such fund and not required to meet preconstruction, acquisition, or construction costs and expenses, or interest thereon, of the Central Valley Project, or unit thereof, for which such bonds were issued and sold, and all funds constituting surplus revenues which are not immediately needed for the particular object or purpose to which they must be applied or are pledged shall be invested in bonds and obligations eligible for investment of surplus State moneys; provided, the authority may provide in the proceedings authorizing the issuance of said bonds that the investment of such moneys shall be made only in particular bonds and obligations within the classifications eligible for such investment and such provisions shall thereupon be binding upon the said authority and all officials having anything to do with such investment.

Any surplus which may exist in said construction fund shall be applied to the retirement of bonds issued for construction of said Central Valley Project by purchase or call and in the event such bonds can not be purchased at a price satisfactory to the authority and are not by their terms callable prior to maturity such surplus shall be paid into the fund applicable to the payment of principal and interest of said bonds and shall be used for that purpose. The proceedings authorizing the issuance of bonds may provide limitations and conditions upon the time and manner of applying such surplus to the purchase or call of outstanding bonds and the terms upon which they shall be purchased or called and such limitations and conditions shall be followed and observed in the application and use of such surplus. All bonds so retired by purchase or call shall be immediately canceled.

All revenues received from the operation of the Central Valley Project shall be paid over by the authority at least monthly to the State Treasurer, who shall deposit the same forthwith as demand deposits in such depository or depositories as may be authorized by law to receive deposits of State funds to the credit of the revenue fund, which fund shall at all times be kept segregated and set apart from all other funds.

Sec. 22. From the money so deposited in the construction fund as hereinabove provided, the State Treasurer shall, to the place or places of payment named in said bonds, transfer such sums as may be required to pay the interest as it becomes due on all bonds sold and outstanding for the construction of said Central Valley Project during the period of actual construction and during a period of one year after completion thereof. The Treasurer shall thereafter transfer from the revenue fund to the place or places named in said bonds such sums as may be required to pay the interest on said bonds and redeem the principal thereof as such interest payments and bond redemptions fall due for all bonds issued and sold, and all funds so transferred for the payment of principal or interest on such bonds shall be segregated and applied solely for the payment of such principal and interest.

The amounts required to be transferred by the State Treasurer as provided in this act shall be ascertained and computed by the authority and

the certificate of the authority shall be conclusive and binding upon the State Treasurer.

The moneys remaining in the revenue fund after providing the amount required for interest and redemption of bonds as hereinabove provided shall be devoted to the payment of the costs of operation and maintenance of said Central Valley Project including necessary replacements thereto to the extent necessary therefor.

Sec. 23. The proceedings authorizing the issuance of bonds may provide for the setting up of a reserve fund or funds out of the revenues not needed for the payment of operation, maintenance and replacements, and not needed for the payment of principal and interest as the same currently mature, and may provide for the preservation and continuance of such reserve fund or funds in a manner to be provided therein, and such proceedings may also require the immediate application of all surplus moneys in such revenue fund to the retirement of such bonds prior to maturity, by call or purchase, in such manner and upon such terms and the payment of such premiums as may be deemed advisable in the judgment of said authority. The moneys remaining in the revenue fund after providing the amount required for interest and redemption of bonds as hereinabove provided, shall be held and applied as provided in the proceedings authorizing the issuance of said bonds.

In the event the proceedings authorizing the issuance of said bonds do not require surplus revenues to be held or applied in any particular manner, they shall be allocated and used for such other purposes incidental to the construction, operation and maintenance of said Central Valley Project and making necessary replacements thereto as the authority may determine.

Warrants for payments to be made on account of such bonds shall be duly drawn by the State Controller upon request of the State Treasurer whenever the drawing of such warrants shall be required in order to make such payments.

Sec. 24. Moneys required to meet the costs of construction of said Central Valley Project and all expenses and costs incidental thereto, and to meet the costs of operating and maintaining and making necessary replacements thereto, shall be paid by the State Treasurer from the proper fund therefor upon demand of the authority and after audit thereof in the manner provided by law and upon warrants drawn by the State Controller.

All interest received or earned on money deposited in each and every fund herein provided for shall be credited to and become a part of the particular fund upon which said interest accrues.

The authority may provide in the proceedings authorizing the issuance of bonds or may otherwise agree with the purchasers of bonds regarding the deposit of all moneys constituting the construction fund, and the revenue fund, and provide for the deposit of such moneys at such times and with such depositories or paying agents and upon the furnishing of such security as may meet with the approval of the purchasers of such bonds; provided, however, that the depositories and security so provided for or agreed upon shall be qualified and eligible in accordance with the requirements of law.

Notwithstanding anything contained in this act the proceeds received from the sale of bonds and the revenues received from the operation of

said Central Valley Project may be used to defray any expenses incurred by the authority in connection with and incidental to the issuance and sale of bonds for the construction of said Central Valley Project, including expenses for the preparation of surveys, plans and estimates and the making of inspections and examinations as may be required by the purchasers of such bonds; provided, however, that the proceedings authorizing the issuance of such bonds may contain appropriate provisions governing the use and application of said bond proceeds and revenues for the purposes herein specified.

Sec. 25. Any provisions not inconsistent with this act may be contained in the proceedings authorizing the issuance of bonds which limit, restrict or regulate the holding, deposit, investment and application of moneys consisting of the proceeds from the sale of such bonds, or the revenues received from the operation of said Central Valley Project, and such provisions shall constitute a contract with the holders of said bonds and be binding upon said authority as long as said bonds may be outstanding.

Sec. 26. Any and all appropriations and contributions received from the United States of America, or any of its departments, instrumentalities or agencies, or from the State of California or any State agency, or political subdivision, or from any other source, for the purpose of constructing said Central Valley Project, or borrowed therefrom for such purpose, shall be received by the State Treasurer and by him deposited in and credited to the construction fund. All costs and expenses of the authority, including interest due and payable, incurred in performing the duties prescribed in this act prior to and during the construction of said Central Valley Project and for a period of one year after completion thereof, shall be paid out of said construction fund upon demands duly audited as required by law, and all such costs and expenses shall be charged as a part of the cost of construction of said project and the moneys in said fund are hereby appropriated for such purposes. Any and all appropriations and contributions received from the United States of America, or any of its departments, instrumentalities or agencies, or from the State of California or any State agency, or political subdivision, or from any other source, for the purpose of maintaining or operating said Central Valley Project, or borrowed therefrom for such purposes, shall be received by the State Treasurer and by him deposited in and credited to the revenue fund. After the expiration of one year after the completion of said Central Valley Project, all costs and expenses of the authority, including interest due and payable, incurred in performing the duties prescribed in this act, shall be paid out of said revenue fund upon demands duly audited as required by law and the moneys in said revenue fund are hereby appropriated for the payment of said costs and expenses, for the maintenance and operation of said Central Valley Project and for making necessary replacements thereto, and in the manner herein provided, to the extent necessary to pay the same, for the payment of the principal on all indebtedness incurred under the provisions of this act, as and when said principal and interest shall become due and payable.

Sec. 27. The authority, the department, the officials thereof and all State officials are

empowered to do such acts and make such agreements not inconsistent with law as may be necessary or desirable in connection with the duties and powers conferred upon them respectively by law regarding the construction, maintenance and operation of said Central Valley Project and the safeguarding of the funds and revenues required for such construction and the payment of the indebtedness incurred therefor. The State Controller, the State Treasurer, the department and the authority shall keep full and particular account and record of all their proceedings under this act, and they shall transmit to the Governor an abstract of all such proceedings thereunder with an annual report, to be by the Governor laid before the Legislature biennially, which report may contain such suggestions for changes, alterations or revisions of this act, or other legislation in aid of its purposes and objects, as may be deemed advisable or expedient.

The authority shall keep full and complete accounts concerning all matters and things relating to the said Central Valley Project and annually shall prepare balance sheet and income and profit and loss statements showing the financial condition of said Central Valley Project. All books and papers pertaining to all matters provided for in this act shall at all reasonable times be open to the inspection of any party interested, or the Governor, or any committee of the Legislature, or any citizen of the State.

Sec. 28. While any bonds issued by the authority remain outstanding, the powers, duties or existence of the said authority or any official or agency of the State shall not be diminished or impaired in any manner that will affect adversely the interests and rights of the holders of such bonds. The holder of any bond may by mandamus or other appropriate proceedings require and compel the performance of any of the duties imposed upon any State department, official or employee or imposed upon the authority or its officers, agents or employees in connection with the construction of the said Central Valley Project and in connection with the collection, deposit, application and disbursement of all revenues derived from the operation and use of the said project and in connection with the deposit and disbursement of the proceeds received from the sale of bonds; provided, however, that the enumeration of such rights and remedies herein shall not be deemed to exclude the exercise or prosecution of any other rights or remedies by the holders of such bonds.

Sec. 29. If any section, subsection, sentence, clause or phrase of this act is for any reason held to be unconstitutional, void or inoperative for any reason, the unconstitutionality or invalidity of such section, subsection, sentence, clause or phrase, shall not affect the validity of the remaining portions of this act. The Legislature hereby declares that it would have passed this act and each section, subsection, sentence, clause and phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional, void or inoperative.

Sec. 30. This act shall be known and cited as the "Central Valley Project Act of 1933."

Sec. 31. All other acts and parts of acts in conflict with any provisions of this act are hereby repealed.

**Manner in Which the Referendum Measure Will Be Designated and  
Appear on the Ballot**

<p><b>1</b> <b>WATER AND POWER.</b> Referendum against Act of Legislature. Act creates Water Project Authority, comprising Attorney General, State Controller, State Treasurer, Director of Finance and Director of Public Works, empowered to construct and operate system of works, called Central Valley Project, for development, distribution and sale of water and electric energy in Sacramento and San Joaquin valleys; construction cost to be met by issuing revenue bonds in amount not exceeding one hundred and seventy million dollars; principal and interest on bonds, and operating costs, to be met by revenues from project; provides for cooperation with Federal Government in constructing and financing project.</p>	YES	
	NO	

**CERTIFICATE OF SECRETARY OF STATE**

STATE OF CALIFORNIA, DEPARTMENT OF STATE,

SACRAMENTO, CALIFORNIA.

I, Frank C. Jordan, Secretary of State of the State of California, do hereby certify that the foregoing referendum measure will be submitted to the electors of the State of California at the special election to be held throughout the State on the nineteenth day of December, 1933.

Witness my hand and the great seal of State, at office in Sacramento, California, the first day of November, A. D. 1933



*Frank C. Jordan*  
Secretary of State.