

# HERE'S FULL TEXT OF CALIFORNIA'S NEW WATER AND POWER ACT

## THE VALLEY OF BEAUTIFUL DREAMS

By ARTHUR F. THOMAS

city's dream of a metropolis fame.

Section 1. It is hereby declared to be the policy of the State to conserve, develop and control the waters of the State for the use and benefit of the people.

Section 2. The California Water and Power Board, hereinafter called the Board, is hereby established, composed of five members who shall be appointed by the Governor, one of whom he shall designate as chairman and executive officer, who shall devote all his time to the duties of the office. The members shall be qualified electors of the State and shall be so appointed as to be fairly representative of the State geographically and of its irrigation and municipal interests. Members shall hold office for four years, except that those first appointed, one shall hold office until January 1, 1924, one until January 1, 1925, one until January 1, 1926, and two until January 1, 1927. The chairman shall receive a salary of fifteen thousand dollars per annum. The other members shall receive a per diem of twenty dollars while engaged in the performance of duty and all members shall receive their necessary expenses. The legislature may increase their compensation. Each member shall execute to the State such bonds as the Governor may require. The legislature shall have power by a two-thirds vote of all its members to remove any one of the members of the Board from office for dereliction of duty or corruption or incompetency; and it shall be the duty of the legislature to provide by law for the removal of members by recall, following so far as pertinent the provisions of Article XXIII of the constitution, except that a successor of any member recalled shall be appointed by the Governor for the unexpired term, as shall be done in the case of a vacancy or otherwise arising. A majority of the members shall constitute a quorum for the transaction of business and no vacancy in the board shall impair the right of the remaining members to exercise all the powers of the board. The board shall maintain its office at Sacramento.

Section 3. The board shall have power:

(a). To acquire by purchase, lease, condemnation, gift or other legal means, land, water, water rights, easements, electric energy and other property necessary or convenient for its purposes of this article, and likewise to acquire, and also to construct, complete and operate, works, dams, reservoirs, canals, pipelines, conduits, power houses, transmission lines, structures, roads, railroads, machinery and things necessary or convenient for the conservation, development, storage and distribution of water, and the generation, transmission and distribution of electric energy. No electric energy shall be purchased by the board at a price to exceed one-half of one cent per kilowatt hour at the power plant, based upon a fifty per cent load factor, except for standby service as provided in Section twelve hereof;

(b). To purchase, acquire, produce, manufacture or otherwise provide facilities, materials, supplies raw or unfinished and any property or thing necessary or convenient to the accomplishment of the purposes of this article;

(c). To supply water or electric energy or both to the State, political subdivisions and other users, and, subject to the provisions of this article, to prescribe the terms of contracts, and fix the price therefor and collect the same;

(d). To use the waters and the lands of the State, or any material therein or thereon, and to require the reservation from sale or other disposition of such lands and material as, in the opinion of the Board, will be required for the purposes of this article;

(e). To require the reservation of water from appropriation for such periods as it may provide;

(f). In the name of the State to apply for and accept, under the provisions of the laws of the United States or of any State grants, permits, licenses and privileges in the opinion of the Board necessary for the accomplishment of the purposes of this article;

(g). To co-operate and contract with political subdivisions of this State and, with the approval of the Governor, with the United States and other states, concerning the conservation and use of interstate and other waters and the generation and use of electric energy and the acquisition, construction, completion, maintenance and operation of works necessary or convenient for the accomplishment of the purposes of this article;

(h). To acquire or construct for political subdivisions distributing systems for water or electric energy bought from the State, upon terms that, in the opinion of the Board, will repay to the State within twenty-five years the cost thereof with interest. The title to or interest of the State in such systems shall vest in the political subdivision when paid for;

(i). To sue and be sued, and to exercise in the name of the State the power of eminent domain for the purpose of acquiring any property, or the use or joint use of any property, deemed by the Board necessary for the purpose of this article;

(j). To provide itself with suitable office and field facilities, and to appoint, define the duties, and fix the compensation of such expert and all assistants and other employees as it may require, subject to such civil service regulations as the board may provide;

(k). To define projects and to

adopt rules and regulations to govern its activities;

(l). To exercise all powers needed for the accomplishment of the purposes of this article and such additional powers as may be granted by the legislature.

Section 4. The California Water and Power Finance Committee, herein called the Committee, is hereby established, composed of the Governor, Controller, Treasurer, chairman of the Board of Control and chairman of the California Water and Power Board, all of whom shall serve thereon without compensation. A majority of the Committee shall constitute a quorum for the transaction of business.

Section 5. Bonds of the State of California, not exceeding the sum of five hundred dollars, may be issued and sold from time to time to carry out the purposes of this article, and the full faith and credit of the State of California is hereby pledged for the payment of the principal of said bonds as the same mature, and the interest accruing thereon as the same falls due.

Section 6. Bonds herein authorized shall be issued and sold by the committee as herein provided and shall be serial bonds, payable in not more than fifty years from date of issuance, and shall be in such form or forms and denominations, and subject to such terms and conditions of issue, conversion, redemption, maturities, payment, and rate or rates of interest, not exceeding six per cent per annum payable semi-annually, and time or times of payment of interest, as the Committee from time to time at or before the issue thereof may prescribe. The principal and interest thereon shall be payable in United States gold coin. Said bonds shall be signed by the treasurer and countersigned by the governor or his engraved signature; and the great seal of the State of California shall be impressed thereon; all coupons thereto shall be signed by the treasurer by his engraved or lithographed signature. The Board shall pay, from funds available to it, the expense of issuing and selling such bonds and the necessary expenses of the Committee in connection therewith.

Bonds herein authorized may from time to time first be offered at not less than par as a popular loan, under such regulations prescribed by the Committee from time to time, as will in its opinion give the people as nearly as may be an equal opportunity to participate therein; but the Committee may make allotment in full upon applications for smaller amounts of bonds in advance of any date which it may set for the closing of subscriptions and may reject or reduce allotments upon later applications for larger amounts, and may reject or reduce allotments upon applications from incorporated banks and trust companies for their own account and make allotment to others, and may establish a graduate scale of allotments, and may from time to time adopt any or all of said methods, should any such action be deemed by it to be in the public interest; provided, that such reduction or increase of allotment of such bonds shall be made under general rules to be prescribed by said Committee and shall apply to all subscribers similarly situated. Any portion of the bonds so offered and not taken may be otherwise disposed of by the Committee in such manner and at such price or prices, not less than par, as it may determine. The Committee may cancel any of the bonds so offered and not taken and reissue them in different denominations.

Section 7. Bonds herein authorized shall be issued and sold only upon the acquisition of such property and rights, and for the acquisition, construction, development, completion, operation and maintenance of such projects as the Board may deem necessary or convenient to the accomplishment of the purposes of this article: Provided, that from time to time upon written requisition of the Board the Committee shall issue and sell bonds not exceeding in the aggregate five million dollars, the proceeds of which shall be placed in the Water and Power Revolving Fund in the State Treasury, which fund is hereby created, to be used by the Board for the purpose of defraying its expenses, acquiring property, rights, facilities, materials and supplies, carrying charges during construction and meeting other costs incurred in carrying out the purposes of this article: Provided, further, that if at any time the revenues from projects shall be insufficient to pay the interest on and principal of outstanding bonds as same fall due, the Committee, with the consent of the Governor, in order to avoid appropriations from the general fund and resulting taxation, may issue and sell bonds to provide funds required to make such payments of interest or principal. Except as otherwise provided in this article, the Committee shall issue and sell bonds only upon the written requisition of the Board stating the amount of money required and the purpose for which it is to be used and accompanied by a duly authorized certificate of the board describing the property or rights to be acquired or the project proposed, and stating the estimated cost thereof and showing the same to have been investigated and approved and, in the case of a project, that plans and estimates therefor, a copy of which shall be annexed to such certificate, have been prepared and adopted by the Board and further certifying that, in the opinion of the Board, the revenue from the property or rights

to be acquired or from the proposed project, together with available revenues from other projects, will be sufficient to pay within fifty years in addition to other necessary expenses, the principal and interest of the bonds requested to be issued. The proceeds of the sale of such bonds shall be placed in the treasury and shall be used by the Board exclusively for the purposes for which the same were issued.

Section 8. The Board shall establish such rates for service as in its judgment will provide, in addition to the expenses of operation, maintenance, depreciation, interest and reserve for losses, funds to pay the principal and interest of all bonds issued under this article, as the same fall due, together with all sums which may be advanced from the general fund and interest thereon as herein provided.

Each project, as the same may be defined by the Board, shall be charged by the Board with its cost, which shall include its property share as fixed by the Board of all expenditures from the water and power revolving fund and the share so charged shall be credited to such revolving fund which shall be replenished, to the extent of the amount so credited, from the proceeds of bonds sold to provide funds for the cost of such project. The Board shall establish such rates for the service furnished by each project as in its judgment will pay, within fifty years, such cost thereof, and the expense of operation, maintenance, depreciation, interest, insurance and reserve for losses; provided that where the rates are intended to provide for the repayment of expenditures made in acquiring or constructing distributing systems for political subdivisions, they shall be so fixed as in the judgment of the Board will repay the amount of such expenditures with interest within twenty-five years. The Board may change rates when in its opinion advisable to meet changed conditions and shall always keep its rates as near the amount required to pay such cost and expenses as practicable, and shall fix similar rates under substantially similar conditions.

Section 9. All revenues of the Board, except proceeds from the sale of bonds, shall be paid into the State Treasury and shall be applied first, to the payment of the expenses of the Board, costs of operation, maintenance, depreciation and insurance and losses, and second, to the payment of interest on and principal of said bonds.

If at any time the moneys in the State treasury applicable to the payment of interest or principal of said bonds, shall be insufficient to pay the same as it falls due, moneys shall be temporarily advanced from the general fund for that purpose, and there is hereby appropriated from the general fund in the State treasury such sum annually as will be necessary to pay such interest and principal, and there shall be collected each year in the same manner and at the same time as other State revenue is collected such sum in addition to the other revenues of the State as shall be required to pay the sums appropriated for payment of interest and principal as herein provided, and it is hereby made the duty of all officers charged by law with any duty with regard to the levy and collection of said revenue to do and perform each and every act which shall be necessary to collect such additional sum.

All moneys paid from the general fund in the State treasury for principal or interest on such bonds shall be returned into said general fund out of the revenues of the Board as soon as the same becomes available, together with interest thereon from the several dates of such advances until so returned at the rate of six per cent per annum compounded semi-annually.

Section 10. Out of the money in the State treasury not otherwise appropriated, the sum of two hundred and fifty thousand dollars is hereby appropriated to be credited to the Board and an equivalent amount shall be returned into the general fund in the State treasury out of the first moneys available in the water and power revolving fund.

Section 11. The Committee may establish such funds in the State treasury as in its judgment may be required to carry out the purpose of this article.

Moneys herein provided for the Board shall be drawn from the treasury by warrant of the controller on demands made by the Board and allowed and audited by the State Department of Finance.

The Board, the Controller, the Treasurer and the Committee shall keep full and particular account and record of all their proceedings under this article, and shall transmit to the Governor annually a report thereof, not less than one thousand copies of which shall be printed, to be by the Governor, laid before the legislature bi-annually and all books and papers pertaining to the matters provided for in this article, shall at all times be open to the inspection of any officer or citizen of the State. All accounts of receipts and disbursements shall be audited annually by the State Department of Finance.

Section 12. The State and political subdivision shall have a preferred right to water and electric energy controlled by the Board as against privately owned public utilities selling water or electric energy to the public and on contract or act of the Board shall interfere with such preferred right. As between those otherwise equally entitled, the Board shall supply water

or electric energy to political subdivisions near the source of supply, to the extent of their reasonable needs, in preference to those more remote.

The Board shall not supply water to a privately owned public utility for the production of electric energy and shall not supply directly or indirectly to privately owned public utilities which sell electric energy or water to the public more than twenty per cent of the total amount of electric energy or water under its control, and contracts therefor shall not extend over a longer period than five years, or be renewed before one year prior to renewing such contract, the Board shall publish notice of its intention so to do, at least six days each week for a period of sixty days, in at least one newspaper published and circulated in this State, and designated by order of the Board for that purpose; and at least 30 days' prior notice shall be mailed to the legislative bodies of all counties and incorporated municipalities and to irrigation districts situate within the territory which, in the opinion of the Board, may use such electric energy. Public utilities taking such contracts shall be required to provide the Board with standby service at reasonable rates.

Section 13. Nothing contained in this article shall prevent any political subdivision itself, or in co-operation with other political subdivisions, from developing any water or electric energy owned or controlled by it; but plans for any such development hereafter proposed shall be submitted to the board for suggestions and criticism, so that the co-operation of the board may be secured, if practicable, for the fullest development of the proposed project. The board may acquire and develop any such project unless the political subdivision claiming the same shall have adopted plans and estimates for the development, and authorized bonds to cover the cost thereof, or shall do so, within two years after the board shall have notified such political subdivision of its readiness to proceed with such development.

Section 14. If any proceeding in the eminent domain brought by the Board under the provisions hereof, the determination of the Board that the taking of the property described in the complaint is necessary for the purposes hereof, shall be conclusive evidence of such necessity. In any such proceedings the State may take immediate possession and use of any property required for the purpose of this article, by paying into the court such amount of money as the court, upon five days' notice to the adverse party, may determine as reasonable adequate to secure the owner of the property sought to be taken immediate payment of just compensation for such taking and any damages incident thereto.

In any such proceedings, trial by jury may be demanded and secured by any party thereto, and any proceeding begun under the provisions of Section 23a of Article XII of this Constitution shall be dismissed on the filing therein of a written demand by such party. Such demand must be filed within thirty days after service upon such party of process in such proceeding.

Property appropriated to public use may be taken under the power of eminent domain for the purposes hereof, but except as otherwise herein provided, this article shall not confer power to take the property or works owned or controlled by any political subdivision used or proposed to be used for supplying water or electric energy, or both without its consent.

Section 15. All public officers, boards, commissions, and agencies shall make available to the Board all data and information in their possession required by the Board and shall render every assistance in their power in carrying out the provisions of this article.

Section 16. As far as practicable, consistent with the speedy development of its operations, the Board shall so shape its plans as to furnish work during periods of unemployment.

Section 17. The term political subdivision, as used in this article, is hereby defined to mean and include any public board, public quasi corporation, public corporation, water district, lighting district, municipal utility district, public utility district, irrigation district, municipal corporation, town, city and county, city or county, having authority to contract for the purchase or sale, or use of water, water power, or electric energy, but shall not be construed to include any privately owned public utility.

Section 18. This article is self-executing, but legislation may be enacted in furtherance of its purpose and to facilitate its operation.

Some folks who are trying to secure the votes of the masses, seem likely to get only those of the asses.

Russia says, "Hands off," but nearby nations that observe her large army fear that soon she will say "Hands up."

Claimed the people are awoken from their long slumber, but closer observation suggests that they merely turned over for another snooze.

The girl who used to blush when she read about one piece bathing suits in the newspapers, is sitting on the beach wearing one now, and without showing any sign of embarrassment.

Nature's way of serving mankind is often hard to fathom, but the fact that there are seemingly no limit to mother earth's pleasing surprises, serves to keep her hardy sons of toil to edge in anticipation of the next revelation. Some 20 years ago a dreamer of energy and parts set in a small shack away out in no-man's land of a great desert and as the wind howled and drifted the fine sand in through the cracks and crannies of the flimsy structure. This man with the futuristic eye tried to get the surveyor and mule skinner to forget their troubles, by telling them that in a few short years this wild desert land would make the famed corn and cotton belt of the south and middle west set up and take notice. If you do not think John Holt had the right hunch just head your Lizzie Ford eastward for a few days of recreation and education.

You don't need to inquire the road to the great Imperial Valley, all coast highways head into the one desert trail at Banning. If you have ever been on the desert you know what the early morning just preceding sun rise is the hour supreme. No tongue or pen has ever been able to portray the beauties of the early morning lights and shadows as they race across the endless miles of desert and ascend the distant mountain slopes, leaving behind them a living, ravishing, shimmering landscape of purple and gold.

It may be that you are one of those near-men, who never get up at four in the morning, before in your life. Perhaps your friends had to literally tear you loose from the feathers, but as you stand there on the edge of the great inland empire, rubbing the sleep from your eyes and blinking at the great light that is lighting the far eastern horizon and the endless miles of valley in between, the conviction comes stealing over you that this is God's country, that great out-of-doors that the movies have often tried to tell you about, down in that great fog-film city that you call home.

You suddenly come to yourself with a snap and realize that every thing is loaded and Lizzie is rearing to go. The first ten miles is a mac drace down hill over a hard dirt road that you are sure was financed and built by the tire companies, judging by the number of small sharp rocks that ornament the surface of an otherwise perfectly good road. Plunging through whitewater river at every good ford, Lizzie literally takes the bit in her teeth and lights out for the Palm Springs at a twenty-five mile clip. long before you have finished filling your lungs with the wonderful desert ozone, a ten mile strip of pavement is reached, a few minutes put you over the Southern Pacific railroad tracks and you are rounding a point of sheer granite cliffs that rise several hundred feet above the floor of the valley, around the corner you see a clump of green trees about a mile away and someone remarks that Palm Springs and breakfast are close at hand, but you find it necessary to take the second or third guess before you finally find out that the Springs were about seven miles away instead of one.

It has been decided to have breakfast out under the pergola and as the scraping of chairs subsides your friend Jim leans over and inquires if you will have poached eggs and toast or a shot of corn flakes, reminding you that the wife cautioned you to be careful about your eating. The look of scorn that you bestow on Jim as you turn to the waiter and order ham and eggs and a stack of hot cakes a foot high, convinces him that the lure of the desert is getting into your blood and that your family doctor is due to loose a steady customer, before this trip is ended. If you had time to follow the canyon trail a mile or so you would find a wonderful cold stream and a wealth of fine shade, but as time is limited you can only divide your time between Mt. San Jacinto's snowy peak 11,000 feet almost straight overhead and the beautiful expanse of Salton Sea stretching away 40 miles to the eastward.

Ten miles of good dirt road brings you to the desert highway which is a concrete ribbon 85 miles in length; by 8:30 or 9:00 o'clock you are passing Coachella a half mile on your left. This district is noted for its fine dates and strong onions that grow to perfection on both sides of the highway for many miles. Artesian wells furnish the life blood for this favored spot and like all other sections of Southern California it is coming rapidly to the front.

High noon lands us in Westmorland, a thriving little town in the center of what is known as the soft land section, we decide to make the remaining eight miles into the town of Brawley for lunch. We find here a thriving city, growing like the proverbial weed. This is the native home of the festive cantaloupe, the central shipping point for more than 21,000 acres of this luscious fruit.

Ten miles south we come into Imperial City, the mother town of the valley. This town had all the advantage in the beginning to become the metropolis of the valley, but was handicapped by a powerful group of men in control, who were short of vision. When Holt and associates wanted to build a branch railroad from here to Holtville, 12 miles to the eastward, this group of would-be Czars wouldn't give a nickel or a foot of right-of-way, and this was the beginning of the end of Imperial

The railroad was branched off four miles south and El Centro sprung into being over night and has become the leading city of the valley, and is crowding the 10,000 mark in population and up-to-date in every respect. El Centro is the present terminus of the San Diego and Eastern railway and it is expected that it will shortly be pushed into this Inland Empire.

Calexico, 12 miles to the southward, is a flourishing modern city of 5,000 and is the gateway on the border land of Mexico. This little city has a great future before it, because of the fact that it is the strategic market for the hundred thousand acres of rich farming land below the border. American and Mexican capital is now combined to build both a rail and concrete highway, 45 miles south from this point to San Felipe on the Gulf of California, and give all this valley land a cheap water transportation to market. It is our belief that no man living today can see the magnitude of the result of this contemplated improvement.

During the war, King Cotton ruled the valley with an iron hand, and raised the hopes and ambitions of the rancher to dizzy heights, but like all things kingly, cotton left a trail of shattered hopes and fortunes millionaires and paupers were made over night. The past year has turned the tide of effort toward diversified farming, fruits, vineyards, poultry, turkeys, hogs and dairying and it don't require an expert to see that this land of cheap water and fertile soil is just hitting the stride to a wonderful future.

The advantage of this great valley lies in its ability to put all kinds of fruits and vegetables into the markets of the world weeks ahead of other sections and every one knows that it's the early bird that gets the worm. Just one illustration will furnish sufficient food for thought. Good land with full water rights all leveled and ready for the plow can be had for \$100 to \$200 an acre; while the same land just across the road having bearing grapes, apricots, figs or grapefruit, sells readily for \$400 to \$800 an acre. What's the answer?

Every one has heard about Imperial Valley climate and many look at it from the same position as the child who has heard of the goblin that will get you if you don't watch out. There is just as much sense in the one as the other. The Government reports show that the thousands of cultivated acres together with the trees has modified the desert heat to a large extent and the big things to remember is the fact that it's this warm weather that produces the yearly crops and makes the valley famous.

Perhaps 20% of the people that go to the valley, try to live in a light flimsy shack or tent house with no shade, and it naturally gets as hot as a Dutch oven. There isn't many places in the United States that it wouldn't. These people stay a few months, lose interest and sight of the ultimate prosperity in store for the man who stays, and come away seeking easy money in some other locality. The chances are they never had a hundred dollars in the bank at one time in their lives and never will. It's there birds that will tell you about the terrible heat in Imperial Valley.

On the other hand, it is only necessary to go down there and look over the comfortable homes, teeming acres and thriving cities, of the thousands who have gone there and stayed, to get a real answer to the problem. We have lived in this valley and we were raised up in the middle west where the horses died in the harvest field and we could get no sleep at night and our answer is that there is absolutely no comparison either as to creature comforts or prospects for home and prosperity.

We own land in this valley, but we are not in the selling game. We are merely telling a human interest story of facts concerning one of the few places of great opportunity left to the American people today. It is no piece for the man or woman with a weak backbone. If you think you would like to go down and try it for a year, don't go. But if you have been a wage-earner for years and have a true yearning to return to the soil of honest effort for a sure share of prosperity and a comfortable old age, then go while the going's good, for another year or two will see the land values doubled and quadrupled and your last state will be worse than the first.

This land of promise had ten years of nerve racking struggle, then the war prices precipitated a wonderful boom and \$100 land went to \$300 in a year. Another year and the bubble broke and the inflated values tumbled over night. It was merely a case of history repeating itself. Now the course is clear, values are on the steady up-grade, opportunities of today will be gone tomorrow. The most stable valuations in the nation are in the soil; development is only just begun, but it is going forward with a rush and snap that promises great things for the future.

Many have come to scoff and sneer, but have stayed to laud and cheer this wonderful land of promise. Ask any man who has lived five years in the Great Imperial Valley.

The business experts tell us we should cheer up, which is not so easy while the government insists we should ante up.

Torrance Fiesta, August 15-19