

AMENDED IN SENATE APRIL 8, 2014
AMENDED IN SENATE MARCH 18, 2014
AMENDED IN SENATE MARCH 5, 2014
AMENDED IN SENATE JANUARY 7, 2014
AMENDED IN SENATE SEPTEMBER 11, 2013
AMENDED IN SENATE AUGUST 26, 2013
AMENDED IN ASSEMBLY MAY 21, 2013
AMENDED IN ASSEMBLY APRIL 23, 2013
AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1331

Introduced by Assembly Member Rendon
(Principal coauthors: Assembly Members Alejo and Quirk-Silva)
(Coauthors: Assembly Members Ian Calderon, Chau, Stone, and Yamada)
(Coauthor: Senator Lara)

February 22, 2013

An act to repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a clean, safe, and reliable drinking water program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL’S DIGEST

AB 1331, as amended, Rendon. Clean, Safe, and Reliable Drinking Water Act of 2014.

(1) Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

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

This bill would enact the Clean, Safe, and Reliable Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$8,000,000,000 pursuant to the State General Obligation Bond Law to finance a clean, safe, and reliable drinking water program.

This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Division 26.7 (commencing with Section 79700)
2 of the Water Code, as added by Section 1 of Chapter 3 of the
3 Seventh Extraordinary Session of the Statutes of 2009, is repealed.

4 SEC. 2. Division 26.7 (commencing with Section 79700) is
5 added to the Water Code, to read:

6
7 DIVISION 26.7. CLEAN, SAFE, AND RELIABLE
8 DRINKING WATER ACT OF 2014.

9
10 CHAPTER 1. SHORT TITLE

11
12 79700. This division shall be known, and may be cited, as the
13 Clean, Safe, and Reliable Drinking Water Act of 2014.

CHAPTER 2. FINDINGS

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79701. The people of California find and declare all of the following:

(a) Safeguarding supplies of clean and safe drinking water to California’s homes, businesses, and farms is an essential responsibility of government, and critical to protecting the quality of life for Californians.

(b) Every Californian should have access to clean, safe, and reliable drinking water, consistent with the human right to water and Section 106.3. Providing adequate supplies of clean, safe, and reliable drinking water is vital to keeping California’s economy growing and strong.

(c) Climate change has impaired California’s capacity to ensure clean, safe, and reliable drinking water, as droughts have become more frequent and more severe, and ecosystems have become stressed. Higher temperatures mean less snow pack, which is the state’s largest water reservoir. Scientists project a loss of at least 25 percent of the snow pack in the Sierra Nevada Mountains by 2050. The Colorado River basin, which provides drinking water to southern California, has experienced prolonged drought .

(d) California’s water infrastructure continues to age and deteriorate. More than 50 years ago, Californians approved the construction of the State Water Project. In the decades that followed, California’s water leaders developed the most sophisticated system of state, federal, regional, and local water infrastructure anywhere in the world. In recent decades, however, that water infrastructure and the water environment on which it depends have deteriorated.

(e) In the years since the voters approved the State Water Project, California’s population has continued to grow, from less than 16 million in 1960 to more than 37 million in 2010. A growing population and a growing economy have put greater stress on California’s natural resources, including water. The Department of Finance projects that California’s population will reach 50 million by 2049.

(f) A growing population and a growing economy have put greater stress on California’s natural resources, including water. Contamination of groundwater aquifers from economic activity

1 in the agricultural and industrial sectors has threatened vital
2 drinking water supplies.

3 (g) As California and its water infrastructure have grown,
4 increasing demands on California's limited water supplies and
5 deteriorating aquatic ecosystems have led to intense conflict,
6 further threatening the reliability of clean and safe drinking water.

7 79702. The people of California find and declare all of the
8 following:

9 (a) A sustainable water future can provide the means for
10 California to maintain vibrant communities, globally competitive
11 agriculture, and healthy ecosystems, which are all a part of the
12 quality of life that attracts so many to live in California.

13 (b) Responding to climate change, ensuring clean and safe
14 drinking water, and preparing for California's continued growth
15 will require a diversified portfolio of strategies and investments
16 to address the many water challenges facing California.

17 (c) Improving water quality offers one of the most immediate
18 steps to ensuring a clean and safe drinking water supply. California
19 needs water quality improvements at all parts of the hydrologic
20 cycle, from source water in the watersheds where the state's
21 drinking water supplies originate to wastewater treatment and
22 potential reuse to improve surface water quality for those who live
23 downstream.

24 (d) Addressing the challenges to the sustainability of the Delta,
25 the heart of the California water system, will help resolve some
26 of the conflicts that impede progress in improving the statewide
27 water system.

28 (e) Enhancing regional water self-reliance consistent with
29 Section 85021 offers a key strategy for addressing climate change
30 and improving water supply reliability. It helps the Delta and it
31 helps local communities to address their own water challenges.
32 Water conservation and water recycling form one part of the
33 regional water self-reliance strategy and are commonsense methods
34 to make more efficient use of existing water supplies.

35

36 CHAPTER 3. DEFINITIONS

37

38 79703. Unless the context otherwise requires, the definitions
39 set forth in this section govern the construction of this division, as
40 follows:

- 1 (a) “CALFED Bay-Delta Program” means the program
2 described in the Record of Decision dated August 28, 2000.
- 3 (b) “Commission” means the California Water Commission.
- 4 (c) “Committee” means the Clean, Safe, and Reliable Drinking
5 Water Finance Committee created by Section 79802.
- 6 (d) “Delta” means the Sacramento-San Joaquin Delta, as defined
7 in Section 85058.
- 8 (e) “Delta conveyance facilities” means facilities that convey
9 water directly from the Sacramento River to the State Water Project
10 or the federal Central Valley Project pumping facilities in the south
11 Delta.
- 12 (f) “Delta counties” means the Counties of Contra Costa,
13 Sacramento, San Joaquin, Solano, and Yolo.
- 14 (g) “Department” means the Department of Water Resources.
- 15 (h) “Director” means the Director of Water Resources.
- 16 (i) “Disadvantaged community” has the meaning set forth in
17 subdivision (a) of Section 79505.5.
- 18 (j) “Economically distressed area” means a municipality with
19 a population of 20,000 persons or less, a rural county, or a
20 reasonably isolated and divisible segment of a larger municipality
21 where the segment of the population is 20,000 persons or less,
22 with an annual median household income that is less than 85
23 percent of the statewide median household income, and with one
24 or more of the following conditions as determined by the
25 department:
- 26 (1) Financial hardship.
- 27 (2) Unemployment rate at least 2 percent higher than the
28 statewide average.
- 29 (3) Low population density.
- 30 (k) “Fund” means the Clean, Safe, and Reliable Drinking Water
31 Fund of 2014 created by Section 79717.
- 32 (l) “Integrated regional water management plan” has the
33 meaning set forth in Section 10534.
- 34 (m) “Nonprofit organization” means an organization qualified
35 to do business in California and qualified under Section 501(c)(3)
36 of Title 26 of the United States Code.
- 37 (n) “Public agency” means a state agency or department, district,
38 joint powers authority, city, county, city and county, or other
39 political subdivision of the state.

1 (o) “Rainwater” has the meaning set forth in subdivision (c) of
2 Section 10573.

3 (p) “Secretary” means the Secretary of the Natural Resources
4 Agency.

5 ~~(p)~~

6 (q) “Severely disadvantaged community” has the meaning set
7 forth in subdivision (n) of Section 116760.20 of the Health and
8 Safety Code.

9 ~~(q)~~

10 (r) “Small community water system” means a community water
11 system that serves no more than 3,300 service connections or a
12 yearlong population of no more than 10,000 persons.

13 (s) “State board” means the State Water Resources Control
14 Board.

15 ~~(s)~~

16 (t) “State General Obligation Bond Law” means the State
17 General Obligation Bond Law (Chapter 4 (commencing with
18 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
19 Code).

20 ~~(s)~~

21 (u) “State small water system” has the meaning set forth in
22 subdivision (n) of Section 116275 of the Health and Safety Code.

23 ~~(t)~~

24 (v) “Stormwater” has the meaning set forth in subdivision (e)
25 of Section 10573.

26

27 CHAPTER 4. GENERAL PROVISIONS

28

29 79705. An amount that equals not more than 5 percent of the
30 funds allocated for a financial assistance program pursuant to this
31 division may be used to pay the administrative costs of that
32 program.

33 79706. Unless otherwise specified, up to 10 percent of funds
34 allocated for each program funded by this division may be
35 expended for planning and monitoring necessary for the successful
36 design, selection, and implementation of the projects authorized
37 under that program. This section shall not otherwise restrict funds
38 ordinarily used by an agency for “preliminary plans,” “working
39 drawings,” and “construction” as defined in the annual Budget Act
40 for a capital outlay project or grant project. Water quality

1 monitoring data shall be collected and reported to the ~~State Water~~
2 ~~Resources Control Board~~ *state board* in a manner that is compatible
3 and consistent with surface water monitoring data systems or
4 groundwater monitoring data systems administered by the ~~State~~
5 ~~Water Resources Control Board~~ *state board*. Watershed monitoring
6 data shall be collected and reported to the Department of
7 Conservation in a manner that is compatible and consistent with
8 the statewide watershed program data system administered by the
9 Department of Conservation.

10 79707. Chapter 3.5 (commencing with Section 11340) of Part
11 1 of Division 3 of Title 2 of the Government Code does not apply
12 to the development or implementation of programs or projects
13 authorized or funded under this division other than Chapter 9
14 (commencing with Section 79760).

15 79708. (a) ~~Prior to~~ *Before* disbursing grants or loans pursuant
16 to this division, each state agency that receives an appropriation
17 from the funding made available by this division to administer a
18 competitive grant or loan program under this division shall develop
19 and adopt project solicitation and evaluation guidelines. The
20 guidelines shall include monitoring and reporting requirements
21 and may include a limitation on the dollar amount of grants or
22 loans to be awarded. If the state agency previously has developed
23 and adopted project solicitation and evaluation guidelines that
24 comply with the requirements of this subdivision, it may use those
25 guidelines.

26 (b) ~~Prior to~~ *Before* disbursing grants or loans, the state agency
27 shall conduct three public meetings to consider public comments
28 prior to finalizing the guidelines, as the implementing state agency
29 determines to be necessary. The state agency shall publish the draft
30 solicitation and evaluation guidelines on its Internet Web site at
31 least 30 days before any public meetings held pursuant to this
32 subdivision. Upon adoption, the state agency shall transmit copies
33 of the guidelines to the fiscal committees and the appropriate policy
34 committees of the Legislature.

35 79709. It is the intent of the people that:

36 (a) The investment of public funds pursuant to this division will
37 result in public benefits that address the most critical statewide
38 needs and priorities for public funding.

39 (b) Beneficiaries pay for the benefits they receive from projects
40 funded pursuant to this division.

1 (c) In the appropriation and expenditure of funding authorized
2 by this division, priority will be given to projects that leverage
3 private, federal, or local funding or produce the greatest public
4 benefit.

5 (d) A funded project advances the purposes of the chapter from
6 which the project received funding.

7 (e) In making decisions regarding water resources, state and
8 local water agencies use the best available science to inform those
9 decisions.

10 (f) Special consideration will be given to projects that employ
11 new or innovative technology or practices, including decision
12 support tools that support the integration of multiple jurisdictions,
13 including, but not limited to, water supply, flood control, land use,
14 and sanitation.

15 (g) Except as provided in Sections 79726 and 79727, the costs
16 of stewardship, operation, and maintenance of the projects funded
17 by this division will be paid from other sources of revenue that are
18 sustainable over the long term.

19 (h) Evaluation of projects considered for funding pursuant to
20 this division will include review by professionals in the fields
21 relevant to the proposed project.

22 (i) To the extent practicable, a project supported by funds made
23 available by this division will include signage informing the public
24 that the project received funds from the Clean, Safe, and Reliable
25 Drinking Water Act of 2014.

26 (j) Projects funded with proceeds from this division will be
27 consistent with Division 7 (commencing with Section 13000) of
28 this code and Section 13100 of the Government Code.

29 79710. (a) The California State Auditor shall annually conduct
30 a programmatic review and an audit of expenditures from the fund.

31 (b) Notwithstanding Section 10231.5 of the Government Code,
32 the California State Auditor shall report its findings annually on
33 or before March 1 to the Governor and the Legislature, and shall
34 make the findings available to the public.

35 (c) If an audit, required by statute, of a public agency that
36 receives funding authorized by this division is conducted pursuant
37 to state law and reveals any impropriety, the California State
38 Auditor or the Controller may conduct a full audit of any or all of
39 the activities of the public agency.

1 (d) The state agency issuing any grant or loan with funding
2 authorized by this division shall require adequate reporting of the
3 expenditures of the funding from the grant or loan.

4 79711. (a) Funds provided by this division shall not be
5 expended to support or pay for the costs of *project or permit*
6 *specific* environmental mitigation measures except as part of the
7 environmental mitigation costs of projects financed by this division.
8 Funds provided by this division may be used for environmental
9 enhancements or other public benefits.

10 (b) Funds provided by this division shall not be expended for
11 the acquisition or transfer of water rights except for a dedication
12 of water approved in accordance with Section 1707.

13 79712. Funds provided by this division shall not be expended
14 to pay the costs of the design, construction, operation, mitigation,
15 or maintenance of Delta conveyance facilities. Those costs shall
16 be the responsibility of the water agencies that benefit from the
17 design, construction, operation, or maintenance of those facilities.

18 79713. (a) This division does not diminish, impair, or
19 otherwise affect in any manner whatsoever any area of origin,
20 watershed of origin, county of origin, or any other water rights
21 protections, including, but not limited to, rights to water
22 appropriated ~~prior to~~ *before* December 19, 1914, provided under
23 the law. This division does not limit or affect the application of
24 Article 1.7 (commencing with Section 1215) of Chapter 1 of Part
25 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461,
26 11462, and 11463, and Sections 12200 to 12220, inclusive.

27 (b) For the purposes of this division, an area that utilizes water
28 that has been diverted and conveyed from the Sacramento River
29 hydrologic region, for use outside the Sacramento River hydrologic
30 region or the Delta, shall not be deemed to be immediately adjacent
31 thereto or capable of being conveniently supplied with water
32 therefrom by virtue or on account of the diversion and conveyance
33 of that water through facilities that may be constructed for that
34 purpose after January 1, 2014.

35 (c) Nothing in this division supersedes, limits, or otherwise
36 modifies the applicability of Chapter 10 (commencing with Section
37 1700) of Part 2 of Division 2, including petitions related to any
38 new conveyance constructed or operated in accordance with
39 Chapter 2 (commencing with Section 85320) of Part 4 of Division
40 35.

1 (d) Unless otherwise expressly provided, nothing in this division
2 supersedes, reduces, or otherwise affects existing legal protections,
3 both procedural and substantive, relating to the state board's
4 regulation of diversion and use of water, including, but not limited
5 to, water right priorities, the protection provided to municipal
6 interests by Sections 106 and 106.5, and changes in water rights.
7 Nothing in this division expands or otherwise alters the state
8 board's existing authority to regulate the diversion and use of water
9 or the courts' existing concurrent jurisdiction over California water
10 rights.

11 (e) Nothing in this division shall be construed to affect the
12 California Wild and Scenic Rivers Act (Chapter 1.4 (commencing
13 with Section 5093.50) of Division 5 of the Public Resources Code)
14 and funds authorized pursuant to this division shall not be available
15 for any project that could have an adverse effect on the values
16 upon which a wild and scenic river or any other river is afforded
17 protections pursuant to the California Wild and Scenic Rivers Act.

18 (f) Nothing in this division supersedes, limits, or otherwise
19 modifies the Sacramento-San Joaquin Delta Reform Act of 2009
20 (Division 35 (commencing with Section 85000)).

21 79714. Eligible applicants under this division are public
22 agencies, public utilities, federally recognized Indian tribes, state
23 Indian tribes listed on the Native American Heritage Commission's
24 California Tribal Consultation List, and nonprofit organizations.
25 A public agency may use funding authorized by this division to
26 benefit recipients of water from mutual water companies that
27 operate a public water system if the funding provides public
28 benefits. To be eligible for funding under this division, a project
29 proposed by a public utility shall have a clear and definite public
30 purpose, benefit its customers, and comply with Public Utilities
31 Commission rules on government funding for public utilities.

32 79715. The Legislature may enact legislation necessary to
33 implement programs funded by this division.

34 ~~79716. (a) Unless otherwise specified, any state agency that~~
35 ~~has the statutory authority to implement one or more of the~~
36 ~~purposes specified in this bond may be eligible for appropriations~~
37 ~~from the funding made available by this division.~~

38 ~~(b)~~

39 79716. (a) Funding made available by this division shall not
40 be appropriated to a specific project.

1 (e)
 2 (b) Projects funded pursuant to this division ~~may~~ shall use the
 3 services of the California Conservation Corps or certified
 4 community conservation corps, as defined in Section 14507.5 of
 5 the Public Resources Code Code, whenever feasible.

6 (d)
 7 (c) The Legislature may approve multiyear budget change
 8 proposals for appropriation of the funds authorized by this division.
 9 79717. The proceeds of bonds issued and sold pursuant to this
 10 division shall be deposited into the Clean, Safe, and Reliable
 11 Drinking Water Fund of 2014, which is hereby created in the State
 12 Treasury.

13 79718. Each state agency that receives an appropriation of
 14 funding made available by this division shall be responsible for
 15 establishing metrics of success and reporting the status of projects
 16 and all uses of the funding on the state’s bond accountability
 17 Internet Web site, as provided by statute.

18 79719. All references in this division to other provisions of law
 19 shall incorporate those provisions as they may be amended.

20

21 CHAPTER 5. CLEAN AND SAFE DRINKING WATER

22

23 79720. The sum of one billion dollars (\$1,000,000,000) shall
 24 be available, upon appropriation by the Legislature from the fund,
 25 to the state board for expenditures, grants, and loans for projects
 26 that improve water quality or help provide clean and safe drinking
 27 water to all Californians.

28 79721. The projects eligible for funding pursuant to this chapter
 29 shall help improve water quality for a beneficial use. The purposes
 30 of this chapter are to:

31 (a) Reduce contaminants in drinking water supplies regardless
 32 of the source of the water or the contamination, including the
 33 assessment and prioritization of the risk to the safety of drinking
 34 water supplies.

35 (b) Address the critical and immediate needs of disadvantaged,
 36 rural, or small communities that suffer from contaminated drinking
 37 water supplies, including, but not limited to, projects that address
 38 a public health emergency.

39 (c) Leverage other private, federal, state, and local drinking
 40 water quality and wastewater treatment funds.

1 (d) Reduce contaminants in discharges to, and improve the
2 quality of, surface water streams.

3 (e) Improve water quality of surface water streams, including
4 multibenefit stormwater quality projects.

5 (f) Prevent further contamination of drinking water supplies.

6 (g) Provide disadvantaged communities with public drinking
7 water infrastructure that provides clean and safe drinking water
8 supplies that the community can sustain over the long term.

9 (h) Ensure access to clean, safe, and affordable drinking water
10 for California's communities.

11 79722. (a) A project that receives funding under this chapter
12 shall be selected by a competitive grant or loan process with added
13 consideration for those projects that leverage private, federal, or
14 local funding. This subdivision shall not apply to projects for the
15 purposes of Section 79727 that address a public health priority for
16 which no other source of funding can be identified.

17 ~~(b) An agency administering grants or loans for the purposes~~
18 ~~of this chapter~~ *The state board* shall assess the capacity of a
19 community to pay for the operation and maintenance of the facility
20 to be funded.

21 (c) A project that receives funding authorized by this chapter
22 may be implemented by any public water system or other public
23 water agency.

24 79723. An applicant for a project to clean up a groundwater
25 aquifer shall demonstrate that a public agency has authority to
26 manage the water resources in that aquifer in order to be eligible
27 for funding pursuant to this chapter. This section does not apply
28 to projects that install treatment facilities at the wellhead, customer
29 connection, or the tap.

30 79724. The contaminants that may be addressed with funding
31 pursuant to this chapter may include, but shall not be limited to,
32 nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,
33 selenium, hexavalent chromium, mercury, PCE
34 (perchloroethylene), TCE (trichloroethylene), DCE
35 (dichloroethene), DCA (dichloroethane), 1, 2, 3 TCP
36 (trichloropropane), carbon tetrachloride, 1,4-dioxane,
37 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron,
38 manganese, and uranium.

39 79725. Of the funds authorized in Section 79720, not less than
40 four hundred million dollars (\$400,000,000) shall be available for

1 deposit in the State Water Pollution Control Revolving Fund Small
2 Community Grant Fund created pursuant to Section 13477.6 for
3 grants for wastewater treatment projects. Priority shall be given
4 to projects that serve disadvantaged communities and severely
5 disadvantaged communities, and to projects that address public
6 health hazards. Projects may include, but not be limited to, projects
7 that identify, plan, design, and implement regional mechanisms
8 to consolidate wastewater systems or provide affordable treatment
9 technologies.

10 79726. (a) Of the funds authorized in Section 79720, one
11 hundred million dollars (\$100,000,000) shall be available for
12 deposit in the Emergency Clean Water Grant Fund, established
13 pursuant to Section 116475 of the Health and Safety Code, for
14 grants and direct expenditures to finance public health emergencies
15 and urgent actions, as may be determined by the Legislature, to
16 ensure that safe drinking water supplies are available to all
17 Californians. Eligible projects include, but are not limited to, the
18 following:

19 (1) Providing interim water supplies, including, but not limited
20 to, bottled water, where necessary to protect public health.

21 (2) Identifying, planning, designing, and constructing projects
22 that improve or replace existing water systems to provide safe,
23 reliable, accessible, and affordable drinking water, provide other
24 sources of safe drinking water, including, but not limited to,
25 replacement wells, and prevent contamination.

26 (3) Establishing connections to an adjacent water system.

27 (4) The design, purchase, installation, and initial operating costs
28 for interim water treatment equipment and systems.

29 (b) The ~~administering entity~~ *state board* may expend up to ten
30 million dollars (\$10,000,000) for grants and loans to address the
31 water quality needs of private well owners that have no other source
32 of funding and serve members of a disadvantaged community.

33 79727. (a) Of the funds authorized in Section 79720, four
34 hundred million dollars (\$400,000,000) shall be available for grants
35 and loans for public water system infrastructure improvements
36 and related actions to meet safe drinking water standards, ensure
37 affordable drinking water, or both. Priority shall be given to
38 projects that provide treatment for contamination or access to an
39 alternate drinking water source or sources for small community
40 water systems or state small water systems in disadvantaged

1 communities whose drinking water source is impaired by chemical
2 and nitrate contaminants and other health hazards identified by
3 the implementing agency. Eligible recipients serve disadvantaged
4 communities and are public agencies or incorporated mutual water
5 companies. The ~~implementing agency~~ *state board* may make grants
6 for the purpose of financing feasibility studies and to meet the
7 eligibility requirements for a construction grant. Eligible expenses
8 may include initial operation and maintenance costs for systems
9 serving disadvantaged communities, for a period not to exceed
10 two years. Special consideration shall be given to projects that
11 provide shared solutions for multiple communities, at least one of
12 which is a disadvantaged community that lacks safe, affordable
13 drinking water and is served by a small community water system,
14 state small water system, or a private well. Construction grants
15 shall be limited to five million dollars (\$5,000,000) per project,
16 except that the implementing agency may set a limit of not more
17 than twenty million dollars (\$20,000,000) for projects that provide
18 regional benefits or are shared among multiple entities, at least
19 one of which shall be a small disadvantaged community. Not more
20 than 25 percent of a grant may be awarded in advance of actual
21 expenditures.

22 (b) The ~~administering entity~~ *state board* may expend up to
23 twenty-five million dollars (\$25,000,000) of the funds allocated
24 in subdivision (a) for technical assistance to eligible communities.

25 79728. Of the funds authorized in Section 79720, up to one
26 hundred million dollars (\$100,000,000) shall be available for
27 improving groundwater quality, including, but not limited to, the
28 costs of planning, design, and construction of improvements
29 necessary to resume delivery of safe drinking water.

30 79729. (a) For the purposes of awarding funding under this
31 chapter, a local cost share of not less than ~~50~~ 25 percent of the
32 total costs of the project shall be required. The cost-sharing
33 requirement may be waived or reduced for projects that directly
34 benefit a disadvantaged community or an economically distressed
35 area.

36 (b) At least 10 percent of the funds available pursuant to this
37 chapter shall be allocated for projects serving severely
38 disadvantaged communities.

39 (c) Funding authorized pursuant to this chapter shall include
40 funding for technical assistance to disadvantaged communities.

1 The agency administering this funding shall operate a
2 multidisciplinary technical assistance program for small and
3 disadvantaged communities.

4 (d) Funding for planning activities, including technical
5 assistance, to benefit disadvantaged communities may exceed 10
6 percent of the funds allocated, subject to the determination of the
7 need for additional planning funding by the state agency
8 administering the funding.

9

10 CHAPTER 6. PROTECTING RIVERS, LAKES, STREAMS, COASTAL
11 WATERS, AND WATERSHEDS
12

13 79730. The sum of one billion five hundred million dollars
14 (\$1,500,000,000) shall be available, upon appropriation by the
15 Legislature from the fund, in accordance with this chapter, for
16 expenditures and grants for multibenefit ecosystem and watershed
17 protection and restoration projects ~~in accordance with statewide~~
18 ~~priorities that protect and improve California watersheds, wetlands,~~
19 ~~forests, and flood plains.~~

20 ~~79731. (a) Of the funds made available by this chapter, the~~
21 ~~following specified amounts shall be made available to the~~
22 ~~specified regions for any purpose described in Section 79732 or~~
23 ~~for a region-specific purpose or priority identified below:~~

24 ~~(1) Seventy-six million dollars (\$76,000,000) for the North~~
25 ~~Coast region with a priority for protection and restoration of~~
26 ~~anadromous fish populations and coastal watersheds.~~

27 ~~(2) One hundred nine million dollars (\$109,000,000) for the~~
28 ~~San Francisco Bay Area, not including the Delta, with a priority~~
29 ~~for protection and restoration of regional watersheds or watersheds~~
30 ~~that provide water supply to the region.~~

31 ~~(3) One hundred nine million dollars (\$109,000,000) for the~~
32 ~~Sierra Nevada and Cascade Range region, with a priority for~~
33 ~~protection and restoration of watersheds that produce water for~~
34 ~~the statewide water system.~~

35 ~~(4) Seventy-six million dollars (\$76,000,000) for the Central~~
36 ~~Coast region, with a priority for protection of coastal resources.~~

37 ~~(5) Seventy-six million dollars (\$76,000,000) for the Central~~
38 ~~Valley region, not including the Delta.~~

39 ~~(6) One hundred forty-two million dollars (\$142,000,000) for~~
40 ~~the region in the jurisdiction of the California Regional Water~~

1 Quality Control Board, Los Angeles, with a priority for protection,
2 restoration, and connectivity of the Los Angeles or San Gabriel
3 Rivers and the tributaries of those rivers. Additional region-specific
4 purposes shall include the following:

5 (A) Programs to support the State of California's exercise of its
6 sovereign right to manage the Los Angeles River in collaboration
7 with the communities through which it passes.

8 (B) ~~Multibenefit programs to protect and restore the Santa
9 Monica Mountains and San Gabriel Mountains watersheds.~~

10 (C) ~~Multibenefit programs that address water quality and water
11 supply issues related to the region's urban watersheds and
12 communities.~~

13 (D) ~~Multibenefit programs to improve connectivity and create
14 greenways along rivers, including projects that build connections
15 between the river and the neighborhoods through which it passes
16 and provide for river-based recreation.~~

17 (E) ~~Multibenefit programs that build partnerships between the
18 State of California and local governments near rivers and promote
19 education and engagement of the local communities, especially
20 disadvantaged communities, in decisions as to the management of
21 rivers.~~

22 (7) ~~Seventy-six million dollars (\$76,000,000) for the region in
23 the jurisdiction of the California Regional Water Quality Control
24 Board, Santa Ana, with a priority for protection and restoration of
25 the Santa Ana River watershed or groundwater resources.~~

26 (8) ~~Seventy-six million dollars (\$76,000,000) for the region in
27 the jurisdiction of the California Regional Water Quality Control
28 Board, San Diego, for protection and restoration of the region's
29 watersheds.~~

30 (9) ~~Ten million dollars (\$10,000,000) for the region in the
31 jurisdiction of the California Regional Water Quality Control
32 Board, Lahontan or Colorado River Basin, for protection and
33 restoration of the region's watersheds and wetland resources.~~

34 (b) ~~In selecting projects for funding, a state agency that receives
35 an appropriation of funds available pursuant to this section shall
36 seek, consider, and incorporate comments from communities that
37 are adjacent or near the proposed project.~~

38 (c) ~~In order to promote community participation in watershed
39 protection efforts, a state agency that receives an appropriation of
40 funds available pursuant to this section may disburse funding to a~~

1 ~~nonprofit organization before the organization has incurred~~
2 ~~expenses for the project, subject to the state agency's careful~~
3 ~~supervision and oversight of the organization's expenditure of~~
4 ~~funding authorized by this chapter.~~

5 79731. (a) *Of the funds made available by this chapter, seven*
6 *hundred fifty million dollars (\$750,000,000) shall be available for*
7 *appropriation as follows:*

8 (1) *Baldwin Hills Conservancy: eight million six hundred*
9 *thousand dollars (\$8,600,000).*

10 (2) *California Tahoe Conservancy: twenty-five million seven*
11 *hundred thousand dollars (\$25,700,000).*

12 (3) *Coachella Valley Mountains Conservancy: seventeen million*
13 *one hundred thousand dollars (\$17,100,000).*

14 (4) *San Diego River Conservancy: eight million six hundred*
15 *thousand dollars (\$8,600,000).*

16 (5) *San Gabriel and Lower Los Angeles Rivers and Mountains*
17 *Conservancy: thirty-four million three hundred thousand dollars*
18 *(\$34,300,000).*

19 (6) *San Joaquin River Conservancy: seventeen million one*
20 *hundred thousand dollars (\$17,100,000).*

21 (7) *Santa Monica Mountains Conservancy: fifty-five million*
22 *seven hundred thousand dollars (\$55,700,000).*

23 (8) *Sierra Nevada Conservancy: fifty-five million seven hundred*
24 *thousand dollars (\$55,700,000).*

25 (9) *State Coastal Conservancy: three hundred million dollars*
26 *(\$300,000,000).*

27 (10) *Wildlife Conservation Board: one hundred eighty-four*
28 *million three hundred thousand dollars (\$184,300,000).*

29 (11) *California Ocean Protection Council: forty-two million*
30 *nine hundred thousand dollars (\$42,900,000).*

31 (b) *Of the funds allocated to the State Coastal Conservancy*
32 *pursuant to paragraph (9) of subdivision (a), one hundred seven*
33 *million dollars one hundred thousand dollars (\$107,100,000) are*
34 *available as follows:*

35 (1) *Forty-two million eight hundred thousand dollars*
36 *(\$42,800,000) shall be available for projects that help restore*
37 *coastal salmonid populations.*

38 (2) *Sixty-four million three hundred thousand dollars*
39 *(\$64,300,000) shall be available for flood control projects on*

1 *public lands that provide critical flood, water quality, and wetland*
2 *ecosystem benefits to the San Francisco Bay region.*

3 79732. In protecting and restoring California rivers, lakes,
4 streams, and watersheds, the purposes of this chapter are to:

5 (a) Protect and increase the economic benefits arising from
6 healthy watersheds, fishery resources, and instream flow.

7 (b) Implement watershed adaptation projects in order to reduce
8 the impacts of climate change on California's communities and
9 ecosystems.

10 (c) Restore river parkways throughout the state, including, but
11 not limited to, projects pursuant to the California River Parkway
12 Act of 2004 (Chapter 3.8 (commencing with Section 5750) of
13 Division 5 of the Public Resources Code), in the Urban Streams
14 Restoration Program established pursuant to Section 7048, and
15 urban river greenways.

16 (d) Protect and restore aquatic, wetland, and migratory bird
17 ecosystems, including fish and wildlife corridors and the
18 acquisition of water rights for instream flow pursuant to Section
19 1707.

20 (e) Fulfill the obligations of the State of California in complying
21 with the terms of multiparty settlement agreements related to water
22 resources.

23 (f) Remove barriers to fish passage.

24 (g) Collaborate with federal agencies in the protection of fish
25 native to California and wetlands in the central valley of California.

26 (h) Implement fuel treatment projects to reduce wildfire risks,
27 protect watersheds tributary to water storage facilities, and promote
28 watershed health.

29 (i) Protect and restore rural and urban watershed health to
30 improve watershed storage capacity, forest health, protection of
31 life and property, stormwater resource management, and
32 greenhouse gas reduction.

33 (j) Promote access and recreational opportunities to watersheds
34 and waterways that are compatible with habitat values and water
35 quality objectives.

36 (k) Promote educational opportunities to instruct and inform
37 Californians, including young people, about the value of
38 watersheds.

39 (l) Protect and restore coastal watersheds, including, but not
40 limited to, bays, marine estuaries, and nearshore ecosystems.

1 (m) Reduce pollution or contamination of rivers, lakes, streams,
2 or coastal waters, prevent and remediate mercury contamination
3 from legacy mines, and protect or restore natural system functions
4 that contribute to water supply, water quality, or flood management.

5 (n) Assist in the recovery of endangered, threatened, or
6 migratory species by improving watershed health, instream flows
7 pursuant to Section 1707, fish passage, coastal or inland wetland
8 restoration, or other means, such as natural community
9 conservation plan and habitat conservation plan implementation.

10 (o) Promote urban forestry pursuant to the Urban Forest Act of
11 1978 (Chapter 2 (commencing with Section 4799.06) of Part 2.5
12 of Division 4 of the Public Resources Code).

13 79733. For restoration and ecosystem protection projects under
14 this chapter, the services of the California Conservation Corps or
15 a local conservation corps certified by the California Conservation
16 Corps shall be used whenever feasible.

17 79734. (a) (1) Notwithstanding Section 79711, of the funds
18 authorized in Section 79730, five hundred million dollars
19 (\$500,000,000) shall be available for appropriation to the secretary
20 to fulfill the obligations of the State of California in complying
21 with the terms of any of the following:

22 ~~(1)~~

23 (A) The February 18, 2010, Klamath Basin Restoration
24 Agreement or Klamath Hydroelectric Settlement Agreement.

25 ~~(2) The~~

26 (B) *Chapters 611, 612, and 613 of the Statutes of 2003, which*
27 *were enacted to facilitate the execution and implementation of the*
28 *Quantification Settlement Agreement, as provided in subdivision*
29 *(a) of Section 1 of Chapter 617 of the Statutes of 2002 and in*
30 *Chapters 611, 612, and 613 of the Statutes of 2003 including*
31 *restoration of the Salton Sea.*

32 ~~(3)~~

33 (C) The San Joaquin River Restoration Settlement, as described
34 in Part I of Subtitle A of Title X of Public Law 111-11.

35 ~~(4)~~

36 (D) Section 3406(d) of Title 34 of Public Law 102-575.

37 ~~(5)~~

38 (E) The Tahoe Regional Planning Compact set forth in Section
39 66801 of the Government Code pursuant to Title 7.42 (commencing
40 with Section 66905) of the Government Code.

1 (2) *Expenditures funded by this subdivision shall comply with*
2 *Section 16727 of the Government Code.*

3 (b) ~~Of the funds authorized in Section 79730, two hundred fifty~~
4 ~~million dollars (\$250,000,000) shall be available to the Natural~~
5 ~~Resources Agency, subject to appropriation and direction by the~~
6 ~~Legislature, to support projects of a state conservancy, not~~
7 ~~including the Delta Conservancy, as provided in the conservancy's~~
8 ~~strategic plan. for appropriation to the secretary for a competitive~~
9 ~~program to fund multibenefit watershed and urban rivers~~
10 ~~enhancement projects in urban watersheds, including watersheds~~
11 ~~that drain into the San Francisco Bay, that increase regional and~~
12 ~~local water self-sufficiency, and that meet at least two or more of~~
13 ~~the following objectives:~~

14 ~~(e) In order to guide the expenditure of funds described in this~~
15 ~~chapter, the Natural Resources Agency shall develop a statewide~~
16 ~~natural resource protection plan to identify priorities consistent~~
17 ~~with the purposes of this section. All expenditures by state~~
18 ~~conservancies and state agencies of funds described in this section~~
19 ~~shall advance the priorities set forth in the statewide natural~~
20 ~~resource protection plan. The plan shall aggregate and coordinate~~
21 ~~existing state planning efforts and shall be completed within one~~
22 ~~year of voter approval of this division.~~

23 ~~(d) In coordination with the Natural Resources Agency, all state~~
24 ~~conservancies expending funds provided pursuant to subdivision~~
25 ~~(b) shall provide biennial written reports to the Natural Resources~~
26 ~~Agency on expenditures made and how those expenditures advance~~
27 ~~the statewide priorities set forth in the statewide natural resource~~
28 ~~protection plan developed pursuant to subdivision (c). The Natural~~
29 ~~Resources Agency shall produce and make available to the public~~
30 ~~biennial written reports on total expenditures made and progress~~
31 ~~toward meeting statewide priorities.~~

32 (1) *Promote groundwater recharge and water reuse.*

33 (2) *Reduce energy consumption.*

34 (3) *Use soils, plants, and natural processes to treat runoff.*

35 (4) *Create or restore native habitat.*

36 (5) *Increase regional and local resiliency and adaptability to*
37 *climate change.*

38 (c) *The program described in subdivision (b) shall be*
39 *implemented by state conservancies, the Wildlife Conservation*
40 *Board, or other entities designated by the secretary whose*

1 *jurisdiction includes urban watersheds. The projects are subject*
2 *to a plan developed jointly by the conservancies, the Wildlife*
3 *Conservation Board, or other designated entities in consultation*
4 *with the secretary.*

5 *(d) At least 25 percent of the funds available pursuant to this*
6 *section shall be allocated for projects that benefit disadvantaged*
7 *communities.*

8 *(e) Up to 10 percent of the funds available pursuant to this*
9 *section may be allocated for project planning.*

10 79735. For the purposes of this chapter, the terms “protection”
11 and “restoration” have the meanings set forth in Section 75005 of
12 the Public Resources Code.

13

14 CHAPTER 7. CLIMATE CHANGE AND DROUGHT PREPAREDNESS
15 FOR REGIONAL WATER SECURITY

16

17 79740. The sum of two billion dollars (\$2,000,000,000) shall
18 be available, upon appropriation by the Legislature from the fund,
19 for expenditures and competitive grants and loans to projects that
20 respond to climate change and contribute to regional water security
21 as provided in this chapter.

22 79741. In order to improve regional water self-reliance and
23 adapt to the effects on water supply arising out of climate change,
24 the purposes of this chapter are to:

25 (a) Help water infrastructure systems adapt to climate change,
26 including, but not limited to, sea level rise.

27 (b) Provide incentives for water agencies throughout each
28 watershed to collaborate in managing the region’s water resources
29 and setting regional priorities for water infrastructure.

30 (c) Improve regional water self-reliance, including projects that
31 ~~reduce future reliance on the Delta watershed in meeting~~
32 ~~California’s future water supply needs, consistent with Section~~
33 ~~85021.~~

34 (d) ~~Fund the increment of project costs, up to 50 percent of the~~
35 ~~total cost of a project, related to the project’s public benefits,~~
36 ~~defined as follows:~~

37 (1) ~~Any regional self-reliance improvement to meet water supply~~
38 ~~needs.~~

39 (2) ~~Any net improvement to public trust resources, including~~
40 ~~the conservation of species listed as endangered or threatened~~

1 under the federal Endangered Species Act of 1973 (16 U.S.C. Sec.
2 1531 et seq.) or the California Endangered Species Act (Chapter
3 1.5 (commencing with Section 2050) of Division 3) of the Fish
4 and Game Code.

5 79742. (a) In selecting among proposed projects in a
6 watershed, the scope of the adopted integrated regional water
7 management plan may be considered by the administering state
8 agency, with priority going to projects in plans that cover a greater
9 portion of the watershed. If a plan covers substantially all of the
10 watershed, then the plan's project priorities shall be given deference
11 *if the project and plan otherwise meet the requirements of this*
12 *division and the Integrated Regional Water Management Planning*
13 *Act of 2002 (Part 2.2 (commencing with Section 10530) of Division*
14 *6).*

15 (b) An urban water supplier that does not prepare, adopt, and
16 submit its urban water management plan in accordance with the
17 Urban Water Management Planning Act (Part 2.6 (commencing
18 with Section 10610) of Division 6) is ineligible to apply for funds
19 made available pursuant to this chapter until the urban water
20 management plan is prepared and submitted in accordance with
21 the requirements of that act. *The department shall certify that an*
22 *urban water management plan meets the requirements of the Urban*
23 *Water Management Planning Act and Sections 10608.56 and*
24 *10631.5 before awarding any grants or loans pursuant to this*
25 *chapter.*

26 (c) An agricultural water supplier that does not prepare, adopt,
27 and submit its agricultural water management plan in accordance
28 with the Agricultural Water Management Planning Act (Part 2.8
29 (commencing with Section 10800) of Division 6) is ineligible to
30 apply for funds made available pursuant to this chapter until the
31 agricultural water management plan is prepared and submitted in
32 accordance with the requirements of that act. *The department shall*
33 *certify that an agricultural water management plan meets the*
34 *requirements of the Agricultural Water Management Planning Act*
35 *and Section 10608.56 before awarding any grants or loans*
36 *pursuant to this chapter.*

37 (d) A local agency that does not prepare, adopt, and submit its
38 groundwater management plan in accordance with Part 2.75
39 (commencing with Section 10750) of Division 6 is ineligible to
40 apply for funds made available pursuant to this chapter until the

1 plan is prepared and submitted in accordance with the requirements
2 of that part. ~~The groundwater management plan requirement shall~~
3 ~~not apply to a water replenishment district formed pursuant to~~
4 ~~Division 18 (commencing with Section 60000) or to a local agency~~
5 ~~that serves or has authority to manage an adjudicated groundwater~~
6 ~~basin~~ *department shall certify that a groundwater management*
7 *plan meets the requirements of that part and Section 10753.7*
8 *before awarding any grants or loans pursuant to this chapter.*

9 (e) For the purposes of awarding funding under this chapter, a
10 cost share from nonstate sources of not less than ~~50~~ 25 percent of
11 the total costs of the project shall be required. The cost sharing
12 requirement may be waived or reduced for projects that directly
13 benefit a disadvantaged community or an economically distressed
14 area.

15 (f) Not less than 10 percent of the funds authorized by this
16 chapter shall be allocated to projects that directly benefit
17 disadvantaged communities.

18 (g) For the purposes of awarding funding under Section 79744,
19 the applicant shall demonstrate that the integrated regional water
20 management plan the applicant's project implements contributes
21 to addressing the risks in the region to water supply and water
22 infrastructure arising from climate change.

23 (h) Projects that achieve multiple benefits shall receive special
24 consideration.

25 79743. Subject to the determination of regional priorities by
26 the regional water management group and the purposes described
27 in Section 79741, projects eligible for funding allocated regionally
28 by Section 79744 *shall be regional projects or programs, as*
29 *defined in Section 10537, and* may include, but are not limited to,
30 projects that promote any of the following:

31 (a) Water reuse and recycling for nonpotable reuse and direct
32 and indirect potable reuse.

33 (b) Water-use efficiency and water conservation.

34 (c) Local and regional surface and underground water storage,
35 including groundwater aquifer cleanup or recharge projects.

36 (d) Regional water conveyance facilities that improve integration
37 of separate water systems.

38 (e) Watershed protection, restoration, and management projects,
39 including projects that reduce the risk of wildfire or improve water
40 supply reliability *or water quality.*

1 (f) Stormwater resource management, including, but not limited
2 to, the following: *management plans and projects pursuant to the*
3 *Stormwater Resource Planning Act (Part 2.3 (commencing with*
4 *Section 10560) of Division 6).*

5 (1) ~~Projects to reduce, manage, treat, or capture rainwater or~~
6 ~~stormwater.~~

7 (2) ~~Projects that provide multiple benefits such as water quality,~~
8 ~~water supply, flood control, or open space.~~

9 (3) ~~Decision support tools that evaluate the benefits and costs~~
10 ~~of multibenefit stormwater projects.~~

11 (4) ~~Projects to implement a stormwater resource plan developed~~
12 ~~in accordance with Part 2.3 (commencing with Section 10560) of~~
13 ~~Division 6.~~

14 (g) Conjunctive use of surface and groundwater storage
15 facilities.

16 (h) Water desalination projects.

17 (i) ~~Decision support tools to model regional water management~~
18 ~~strategies to account for climate change and other changes in~~
19 ~~regional demand and supply projections.~~

20 (i) *Improvement of water quality, including drinking water*
21 *treatment and distribution, groundwater and aquifer remediation,*
22 *matching water quality to water use, wastewater treatment, water*
23 *pollution prevention, and management of urban and agricultural*
24 *runoff.*

25 79744. (a) Of the funds authorized in Section 79740, the sum
26 of one billion dollars (\$1,000,000,000) shall be ~~allocated~~
27 ~~administered according to this section.~~

28 (b) *Funds made available pursuant to this section shall be*
29 *available for appropriation to, and shall be administered by, the*
30 *department in close collaboration with the state board. Specific*
31 *project and planning grant awards shall be selected jointly by the*
32 *director and chair of the state board.*

33 (c) *Funds shall be allocated to the hydrologic regions as*
34 *identified in the California Water Plan in accordance with this*
35 *section. For the South Coast hydrologic region, the department*
36 *shall establish three funding areas that reflect the watersheds of*
37 *San Diego County and southern Orange County (designated as the*
38 *San Diego subregion), the Santa Ana River watershed (designated*
39 *as the Santa Ana subregion), and the Los Angeles and Ventura*
40 *County watersheds (designated as the Los Angeles subregion),*

1 and shall allocate funds to those areas in accordance with this
2 subdivision. The North and South Lahontan hydrologic regions
3 shall be treated as one area for the purpose of allocating funds. For
4 purposes of this subdivision, the Sacramento River hydrologic
5 region does not include the Delta. For purposes of this subdivision,
6 the Mountain Counties Overlay is not eligible for funds from the
7 Sacramento River hydrologic region or the San Joaquin River
8 hydrologic region. Multiple integrated regional water management
9 plans may be recognized in each of the areas allocated funding.

10 ~~(b)~~

11 (d) Funds described in this section shall be allocated as follows:

12 (1) Forty-five million dollars (\$45,000,000) for the North Coast
13 hydrologic region.

14 (2) One hundred thirty-two million dollars (\$132,000,000) for
15 the San Francisco Bay hydrologic region.

16 (3) Fifty-eight million dollars (\$58,000,000) for the Central
17 Coast hydrologic region.

18 (4) One hundred ninety-eight million dollars (\$198,000,000)
19 for the Los Angeles subregion.

20 (5) One hundred ~~twenty-eight~~ *nineteen* million dollars
21 ~~(\$128,000,000)~~ *(\$119,000,000)* for the Santa Ana subregion.

22 (6) ~~Eighty-seven~~ *Ninety-six* million dollars ~~(\$87,000,000)~~
23 *(\$96,000,000)* for the San Diego subregion.

24 (7) Seventy-six million dollars (\$76,000,000) for the Sacramento
25 River hydrologic region.

26 (8) Sixty-four million dollars (\$64,000,000) for the San Joaquin
27 River hydrologic region.

28 (9) Seventy million dollars (\$70,000,000) for the Tulare/Kern
29 hydrologic region.

30 (10) Fifty-one million dollars (\$51,000,000) for the North/South
31 Lahontan hydrologic region.

32 (11) Forty-seven million dollars (\$47,000,000) for the Colorado
33 River Basin hydrologic region.

34 (12) Forty-four million dollars (\$44,000,000) for the Mountain
35 Counties Overlay.

36 ~~(e)~~

37 (e) Funds allocated pursuant to this section may be used for the
38 purposes described in Sections 79745 and 79747.

39 79745. (a) Of the funds authorized by Section 79740, two
40 hundred fifty million dollars (\$250,000,000) shall be available *for*

1 *appropriation to the department* for direct expenditures, grants,
2 and loans for water conservation and water use efficiency plans,
3 projects, and programs, including either of the following:

4 (1) Urban water conservation plans, projects, and programs,
5 including regional projects and programs, implemented to achieve
6 urban water use targets developed pursuant to Section 10608.20.
7 Priority for funding shall be given to programs that do any of the
8 following:

9 (A) Assist water suppliers and regions to implement
10 conservation programs and measures that are not locally cost
11 effective.

12 (B) Support water supplier and regional efforts to implement
13 programs targeted to enhance water use efficiency for commercial,
14 industrial, and institutional water users.

15 (C) Assist water suppliers and regions with programs and
16 measures targeted toward realizing the conservation benefits of
17 implementation of the provisions of the state landscape model
18 ordinance.

19 (2) Agricultural water management plans or agricultural water
20 use efficiency projects and programs developed pursuant to Part
21 2.8 (commencing with Section 10800) of Division 6. Of the funds
22 provided by this section, one hundred million dollars
23 (\$100,000,000) shall be available for improving on-farm water
24 use efficiency, including, but not limited to, drip irrigation.

25 (b) Section 1011 applies to all conservation measures that an
26 agricultural water supplier or an urban water supplier implements
27 with funding under this chapter. This subdivision does not limit
28 the application of Section 1011 to any other measures or projects
29 implemented by a water supplier.

30 (c) For purposes of this section, funded projects shall not be
31 required to comply with the requirements of the Integrated
32 Regional Water Management Planning Act of 2002 (Part 2.2
33 (commencing with Section 10530) of Division 6). The funding
34 available pursuant to this section may be appropriated to an
35 integrated regional water management program or plan.

36 79746. Of the funds authorized by Section 79740, five hundred
37 million dollars (\$500,000,000) shall be available *to the state board*,
38 upon appropriation by the Legislature from the fund, for grants
39 and low-interest loans for water recycling and advanced treatment
40 technology projects, including all of the following:

- 1 (a) Water recycling projects, including, but not limited to,
2 treatment, storage, conveyance, and distribution facilities for
3 potable and nonpotable recycling projects.
- 4 (b) Contaminant and salt removal projects, including, but not
5 limited to, groundwater and seawater desalination and associated
6 treatment, storage, conveyance, and distribution facilities.
- 7 (c) Dedicated distribution infrastructure to serve residential,
8 agricultural, commercial, and industrial end-users to allow the use
9 of recycled water.
- 10 (d) Pilot projects for new salt and contaminant removal
11 technology.
- 12 (e) Groundwater recharge infrastructure related to recycled
13 water.
- 14 (f) Technical assistance and grant writing assistance for
15 disadvantaged communities.
- 16 (g) For projects funded pursuant to this section, at least a ~~50~~ 25
17 percent local cost share shall be required. That cost share may be
18 suspended or reduced for disadvantaged communities and
19 economically distressed areas.
- 20 (h) Water supply reliability improvement for critical urban water
21 supplies in designated superfund areas with groundwater
22 contamination listed on the National Priorities List established
23 pursuant to Section 105 of the Comprehensive Environmental
24 Response, Compensation, and Liability Act of 1980, ~~as amended~~
25 (42 U.S.C. Sec. 9605(a)(8)(B)).
- 26 (i) Projects funded pursuant to this section shall be selected on
27 a competitive basis, considering all of the following criteria:
- 28 (1) Regional water supply reliability improvement.
- 29 (2) Water quality and ecosystem benefits related to decreased
30 reliance on diversions from the Delta or instream flows.
- 31 (3) Public health benefits from improved drinking water quality.
- 32 (4) Cost effectiveness.
- 33 (5) Energy efficiency and greenhouse gas emission impacts.
- 34 (6) Reasonable geographic allocation to eligible projects
35 throughout the state including both northern and southern
36 California and coastal and inland regions.
- 37 (j) For the purposes of this section, eligible projects shall
38 implement a plan or strategy by one or more regional water
39 agencies or integrated regional water management groups to

1 incorporate water recycling or advanced treatment technology into
2 the region's water supplies.

3 (k) For purposes of this section, competitive programs shall be
4 implemented consistent with water recycling programs
5 administered pursuant to Sections 79140 and 79141 or consistent
6 with desalination programs administered pursuant to Sections
7 79545 and 79547.2.

8 (l) For purposes of this section, funded projects shall not be
9 required to comply with the requirements of the Integrated
10 Regional Water Management Planning Act of 2002 (Part 2.2
11 (commencing with Section 10530) of Division 6).

12 ~~79747. (a) It is the policy of the State of California that~~
13 ~~stormwater shall be managed for water supply benefits to the~~
14 ~~maximum extent possible, in conjunction with other benefits that~~
15 ~~effective stormwater management may provide. Funding for~~
16 ~~stormwater management shall be drawn from federal, state,~~
17 ~~regional, and local agency resources, to the extent available.~~

18 ~~(b)~~

19 ~~79747. (a) Of the funds authorized by Section 79740, two~~
20 ~~hundred fifty million dollars (\$250,000,000) shall be available for~~
21 ~~appropriation to the state board for grants and loans for~~
22 ~~multibenefit stormwater management projects that develop,~~
23 ~~implement, or improve a stormwater capture and reuse plan~~
24 ~~consistent with Part 2.3 (commencing with Section 10560) of~~
25 ~~Division 6 and that capture and put to beneficial use stormwater~~
26 ~~or dry weather runoff.~~

27 ~~(e) Eligible projects may include, but shall not be limited to,~~
28 ~~green infrastructure, rainwater and stormwater capture projects,~~
29 ~~and stormwater treatment facilities.~~

30 ~~(d) Development of plans for stormwater projects shall address~~
31 ~~the entire watershed and incorporate the perspectives of~~
32 ~~communities adjacent to the affected waterways, especially~~
33 ~~disadvantaged communities.~~

34 ~~(e) For purposes of this section, funded projects shall not be~~
35 ~~required to comply with the requirements of the Integrated~~
36 ~~Regional Water Management Planning Act of 2002 (Part 2.2~~
37 ~~(commencing with Section 10530) of Division 6). The funding~~
38 ~~available pursuant to this section may be appropriated to an~~
39 ~~integrated regional water management program or plan.~~

1 (b) Stormwater capture and reuse projects developed pursuant
2 to an adopted integrated regional water management plan in
3 compliance with Part 2.2 (commencing with Section 10530) of
4 Division 6 are also eligible for funding under this section if those
5 projects were identified and developed in substantive compliance
6 with Part 2.3 (commencing with Section 10560) of Division 6.

7 (c) Projects eligible for funding under this section shall assist
8 in the capture and reuse of stormwater or dry weather runoff.
9 Eligible projects include any of the following:

10 (1) Projects that capture, convey, treat, or put to beneficial use
11 stormwater or dry weather runoff.

12 (2) The development of stormwater capture and reuse plans
13 pursuant to Part 2.3 (commencing with Section 10560) of Division
14 6.

15 (3) Decision support tools, data acquisition, and data analysis
16 to identify and evaluate the benefits and costs of potential
17 stormwater capture and reuse projects.

18 (4) Projects that, in addition to capturing and reusing
19 stormwater or dry weather runoff, improve water quality, provide
20 public benefits, such as augmentation of water supply, flood
21 control, open space and recreation, and projects designed to mimic
22 or restore natural watershed functions.

23 (d) The state board shall grant special consideration to plans
24 or projects that provide multiple benefits such as water quality,
25 water supply, flood control, natural lands, or recreation.

26 (e) The state board shall require a 25 percent local cost share
27 for grant funds, but may suspend or reduce the matching
28 requirements for projects that capture or reuse stormwater or dry
29 weather runoff in disadvantaged communities.

30 (f) The state board shall adopt a policy establishing criteria for
31 projects funded by this section to ensure that a project funded
32 pursuant to this section complies with water quality laws and does
33 not put at risk any groundwater or surface water supplies.

34 79748. In order to receive funding authorized by this chapter
35 to address groundwater quality or supply in an aquifer, the
36 applicant shall demonstrate that a public agency has authority to
37 manage the water resources in that aquifer. A groundwater
38 management plan adopted and approved pursuant to Part 2.75
39 (commencing with Section 10750) of Division 6 shall be deemed
40 sufficient to satisfy the requirements of this section.

CHAPTER 8. SACRAMENTO-SAN JOAQUIN DELTA
SUSTAINABILITY

1
2
3
4 79750. (a) The sum of one billion dollars (\$1,000,000,000)
5 shall be available, upon appropriation by the Legislature from the
6 fund, for grants and direct expenditures to improve the
7 sustainability of the Delta as follows:

8 (1) Four hundred million dollars (\$400,000,000) of the funding
9 available pursuant to this chapter shall be available *for*
10 *appropriation to the department* for the purpose identified in
11 subdivision (b) of Section 79751.

12 (2) Six hundred million dollars (\$600,000,000) of the funding
13 available pursuant to this chapter shall be available *for*
14 *appropriation to the Sacramento-San Joaquin Delta Conservancy*
15 for the purposes identified in subdivisions (a) and (c) of Section
16 79751.

17 (3) Funding available pursuant to paragraphs (1) and (2) may
18 be combined to provide funding to projects that accomplish more
19 than one of the purposes identified in Section 79751.

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

24 79751. In order to promote the sustainability and resiliency of
25 the Delta, the purposes of this chapter are to:

26 (a) Protect, restore, and enhance the Delta ecosystem.
27 (b) Maintain and improve existing Delta levees.
28 (c) Promote the sustainability of the Delta.

29 79752. The funds authorized in Section 79750 shall not be
30 used to pay the costs of a public agency exercising eminent domain
31 to acquire or use property. All property acquired with moneys
32 available pursuant to this chapter shall be acquired from willing
33 sellers.

34 79754. Funding authorized by this chapter for the purpose of
35 subdivision (a) of Section 79751 may include, but is not limited
36 to, the following:

37 (a) Projects to protect and restore native fish and wildlife
38 dependent on the Delta ecosystem, including improvement of
39 aquatic or terrestrial habitat or the removal or reduction of
40 undesirable invasive species.

1 (b) Projects to reduce greenhouse gas emissions from exposed
2 Delta soils.

3 (c) Scientific studies and assessments that support the projects
4 authorized under this section.

5 79755. (a) Funding authorized by this chapter for the purpose
6 of subdivision (b) of Section 79751 shall reduce the risk of levee
7 failure and flood in the Delta and may be expended, consistent
8 with the Delta levee investment priorities recommended pursuant
9 to Section 85306, for any of the following:

10 (1) Local assistance under the Delta levee maintenance
11 subventions program under Part 9 (commencing with Section
12 12980) of Division ~~6, as that part may be amended 6.~~

13 (2) Special flood protection projects under Chapter 2
14 (commencing with Section 12310) of Part 4.8 of Division ~~6, as~~
15 ~~that chapter may be amended 6.~~

16 (3) Levee improvement projects that increase the resiliency of
17 levees within the Delta to withstand earthquake, flooding, or sea
18 level rise.

19 (4) Emergency response and repair projects.

20 (b) All projects funded pursuant to this section shall be subject
21 to Section 79050.

22 (c) *The department shall, as a part of the 2015–16 fiscal year*
23 *May budget revision, provide the Senate and Assembly Budget*
24 *Committees a proposal for implementing paragraphs (3) and (4)*
25 *of subdivision (a) including any changes to statutes necessary to*
26 *implement that proposal.*

27

28 CHAPTER 9. WATER STORAGE FOR CLIMATE CHANGE

29

30 79760. (a) Notwithstanding Section 162, the commission may
31 make the determinations, findings, and recommendations required
32 of it by this chapter independent of the views of the director. All
33 final actions by the commission in implementing this chapter shall
34 be taken by a majority of the members of the commission at a
35 public meeting noticed and held pursuant to the Bagley-Keene
36 Open Meeting Act (Article 9 (commencing with Section 11120)
37 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
38 Code).

39 (b) The commission shall submit project status reports as
40 requested to the Department of Finance.

1 (c) Projects shall be selected by the commission through a
2 competitive public process that ranks potential projects based on
3 the expected return for public investment as measured by the
4 magnitude of the public benefits provided, pursuant to criteria
5 established under this chapter.

6 (d) Only projects selected by the commission shall be eligible
7 for funding authorized by this chapter. Funding authorized by this
8 chapter shall be appropriated to the commission.

9 (e) The commission shall, to the extent feasible, maximize the
10 following:

11 (1) Leveraging of the funding made available in this chapter
12 with funds from federal, local, and private sources.

13 (2) Statewide storage benefits or regional storage benefits that
14 promote regional self-reliance.

15 79761. ~~(a)~~ The sum of two billion five hundred million dollars
16 (\$2,500,000,000) shall be available, *upon appropriation by the*
17 *Legislature*, from the fund to the commission, for expenditures,
18 competitive grants, and loans for public benefits associated with
19 projects that expand the state’s water storage capacity.

20 ~~(b) (1)~~ Five hundred million dollars (\$500,000,000) is hereby
21 appropriated to the commission from the moneys available pursuant
22 to subdivision (a) for the purposes of this chapter during each of
23 the fiscal years from the 2015–16 fiscal year to the 2019–20 fiscal
24 year, inclusive, unless the moneys in the fund available for this
25 chapter pursuant to subdivision (a) are exhausted.

26 ~~(2)~~ Funds appropriated pursuant to this subdivision shall be
27 available for encumbrance for three years in accordance with
28 Section 16304 of the Government Code. Any unencumbered
29 balance after three years shall revert to the fund for the purpose
30 of this chapter.

31 ~~(3)~~ The Legislature may augment the appropriations made
32 pursuant to this subdivision until the funds are exhausted.

33 ~~(e)~~ The Legislature shall retain authority and responsibility for
34 oversight of the commission and expenditure of the funding
35 authorized by this chapter.

36 79762. In order to expand the state’s water storage capacity to
37 address the impacts of climate change on the snow pack in the
38 Sierra Nevada Mountains and water storage resources, the purposes
39 of this chapter are to:

40 (a) Construct new surface water storage projects.

1 (b) Restore and expand groundwater aquifer storage capacity.
2 (c) Restore water storage capacity of existing surface water
3 storage reservoirs.

4 (d) Remediate or prevent contamination of groundwater aquifers.

5 (e) Construct and expand stormwater retention facilities.

6 79763. Projects for which the public benefits are eligible for
7 funding under this chapter consist of only the following:

8 (a) Surface storage projects identified in the CALFED Bay-Delta
9 Program Record of Decision, dated August 28, 2000, except for
10 projects prohibited by Chapter 1.4 (commencing with Section
11 5093.50) of Division 5 of the Public Resources Code.

12 (b) Groundwater storage projects and groundwater
13 contamination prevention or remediation projects that provide
14 water storage benefits.

15 (c) Conjunctive use and reservoir reoperation projects.

16 (d) Local and regional surface storage projects that improve the
17 operation of water systems in the state, including, but not limited
18 to, reservoirs for storing recycled water.

19 (e) Projects that remove sediment, improve dam stability in
20 seismic events, or otherwise restore water storage capacity in
21 existing water storage reservoirs.

22 79764. A project in the Delta watershed ~~or an area that receives~~
23 ~~water from the Delta watershed shall be eligible for funding shall~~
24 ~~not be funded pursuant to this chapter to further the policy set forth~~
25 ~~in Section 85021 unless it provides measurable improvements to~~
26 ~~the Delta ecosystem.~~

27 79765. (a) Funds allocated pursuant to this chapter may be
28 expended solely for the following public benefits associated with
29 water storage projects:

30 (1) Ecosystem improvements, including changing the timing of
31 water diversions, improvement in flow conditions, temperature,
32 or other benefits that contribute to restoration of aquatic ecosystems
33 and native fish and wildlife, including those ecosystems and fish
34 and wildlife in the Delta or the Delta tributaries.

35 (2) Water quality improvements in the Delta, or in other river
36 systems, that provide significant public trust fish and wildlife
37 resources, or that clean up and restore groundwater resources.

38 (3) Flood control benefits, including, but not limited to, increases
39 in flood reservation space in existing reservoirs by exchange for
40 existing or increased water storage capacity in response to the

1 effects of changing hydrology and decreasing snow pack on
2 California's water and flood management system.

3 ~~(4) Regional water storage benefits for more than one drinking~~
4 ~~water supplier or more than 3,000,000 people.~~

5 ~~(5) Emergency response, including, but not limited to, securing~~
6 ~~emergency water supplies and flows for dilution and salinity~~
7 ~~repulsion following a natural disaster or act of terrorism.~~

8 ~~(b) Funds shall not be expended pursuant to this chapter for the~~
9 ~~costs of environmental mitigation measures or compliance~~
10 ~~obligations.~~

11 *(b) Notwithstanding subdivision (a), in response to an*
12 *emergency declared by the Governor, funds provided by this*
13 *chapter may be used to acquire or to reimburse the costs of*
14 *acquiring emergency water supplies and flows for dilution and*
15 *salinity repulsion following a natural disaster or act of terrorism.*

16 79766. In consultation with the Department of Fish and
17 Wildlife, the ~~State Water Resources Control Board~~ *state board*,
18 and the department, the commission shall develop and adopt, by
19 regulation, methods for quantification and management of public
20 benefits described in Section 79765 by December 15, 2015. The
21 regulations shall include the priorities and relative environmental
22 value of ecosystem benefits as provided by the Department of Fish
23 and Wildlife and the priorities and relative environmental value
24 of water quality benefits as provided by the ~~State Water Resources~~
25 ~~Control Board~~ *state board*.

26 79767. (a) Except as provided in subdivision (c), ~~no~~ funds
27 allocated pursuant to this chapter ~~may~~ *shall not* be allocated for a
28 project until the commission approves the project based on the
29 commission's determination that all of the following have occurred:

30 (1) The commission has adopted the regulations specified in
31 Section 79766 and specifically quantified and made public the cost
32 of the public benefits associated with the project.

33 (2) ~~The~~ *For projects to be constructed and operated by the*
34 *department, the department has entered into a contract with each*
35 *party that will derive benefits, other than public benefits, as defined*
36 *in Section 79765, from the project that ensures the party will pay*
37 *its share of the total costs of the project. The benefits available to*
38 *a party shall be consistent with that party's share of total project*
39 *costs.*

1 (3) The department has entered into a contract with each public
2 agency identified in Section 79766 that administers the public
3 benefits, after that agency makes a finding that the public benefits
4 of the project for which that agency is responsible meet all the
5 requirements of this chapter, to ensure that the public contribution
6 of funds pursuant to this chapter achieves the public benefits
7 identified for the project.

8 (4) The commission has held a public hearing for the purposes
9 of providing an opportunity for the public to review and comment
10 on the information required to be prepared pursuant to this
11 subdivision.

12 (5) All of the following additional conditions are met:

13 (A) Feasibility studies have been completed.

14 (B) The commission has found and determined that the project
15 is feasible, is consistent with all applicable laws and regulations,
16 and, if the project is in the Delta watershed or an area that receives
17 water from the Delta watershed, will advance one or more of the
18 policy objectives specified in Section 85020.

19 (C) All environmental documentation associated with the project
20 has been completed, and all other federal, state, and local approvals,
21 certifications, and agreements required to be completed have been
22 obtained.

23 (b) The commission shall submit to the Legislature its findings
24 for each of the criteria identified in subdivision (a) for a project
25 funded pursuant to this chapter.

26 (c) Notwithstanding subdivision (a), funds may be made
27 available under this chapter for the completion of environmental
28 documentation and permitting of a project.

29 79768. (a) The public benefit cost share of a project funded
30 pursuant to this chapter shall not exceed 50 percent of the total
31 costs of any project funded under this chapter.

32 (b) In order to receive funding authorized by this chapter to
33 improve groundwater storage in an aquifer, the applicant shall
34 demonstrate that a public agency has authority to manage the water
35 resources in that aquifer.

36 79769. (a) A project is not eligible for funding under this
37 chapter unless, by January 1, 2018, all of the following conditions
38 are met:

39 (1) All feasibility studies are complete and draft environmental
40 documentation is available for public review.

1 (2) The commission makes a finding that the project is feasible,
 2 and will advance the long-term objectives of restoring ecological
 3 health and improving water management for beneficial uses.

4 (3) ~~The~~ *For projects to be constructed and operated by the*
 5 *department, the director receives commitments for not less than*
 6 *75 percent of the nonpublic benefit cost share of the project.*

7 (b) If compliance with subdivision (a) is delayed by litigation
 8 or failure to promulgate regulations, the date in subdivision (a)
 9 shall be extended by the commission for a time period that is equal
 10 to the time period of the delay, and funding under this chapter that
 11 has been dedicated to the project shall be encumbered until the
 12 time at which the litigation is completed or the regulations have
 13 been promulgated.

14 79770. (a) Funding authorized by this chapter shall not be
 15 used to pay any share of the costs of remediation attributed to
 16 parties responsible for the contamination of a groundwater storage
 17 aquifer, but may be used to pay costs that cannot be recovered
 18 from responsible parties. Parties that receive funding for
 19 remediating groundwater storage aquifers shall exercise their best
 20 efforts to recover the costs of groundwater cleanup from the parties
 21 responsible for the contamination.

22 (b) Projects that leverage funding from local agencies and
 23 responsible parties to the maximum extent possible shall receive
 24 priority consideration in groundwater storage project selection.

25 79771. *From the funds described in Section 79761, upon*
 26 *appropriation by the Legislature, the commission shall make*
 27 *twenty-five million dollars (\$25,000,000) available to the*
 28 *department for studying the feasibility of additional surface storage*
 29 *projects. Funds provided by this section are not available to study*
 30 *the feasibility of any storage project identified in the CALFED*
 31 *Bay-Delta Program Record of Decision, dated August 28, 2000.*

32
 33 CHAPTER 10. FISCAL PROVISIONS
 34

35 79800. (a) Bonds in the total amount of eight billion dollars
 36 (\$8,000,000,000), or so much thereof as is necessary, not including
 37 the amount of any refunding bonds issued in accordance with
 38 Section 79812 may be issued and sold to provide a fund to be used
 39 for carrying out the purposes expressed in this division and to
 40 reimburse the General Obligation Bond Expense Revolving Fund

1 pursuant to Section 16724.5 of the Government Code. The bonds,
2 when sold, shall be and constitute a valid and binding obligation
3 of the State of California, and the full faith and credit of the State
4 of California is hereby pledged for the punctual payment of both
5 principal of, and interest on, the bonds as the principal and interest
6 become due and payable.

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

12 79801. The bonds authorized by this division shall be prepared,
13 executed, issued, sold, paid, and redeemed as provided in the State
14 General Obligation Bond Law (Chapter 4 (commencing with
15 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
16 Code), and all of the provisions of that law apply to the bonds and
17 to this division and are hereby incorporated in this division as
18 though set forth in full in this division, except subdivisions (a) and
19 (b) of Section 16727 of the Government Code.

20 79802. (a) Solely for the purpose of authorizing the issuance
21 and sale pursuant to the State General Obligation Bond Law
22 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
23 4 of Title 2 of the Government Code) of the bonds authorized by
24 this division, the Clean, Safe, and Reliable Drinking Water Finance
25 Committee is hereby created. For purposes of this division, the
26 Clean, Safe, and Reliable Drinking Water Finance Committee is
27 the “committee” as that term is used in the State General Obligation
28 Bond Law.

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

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

36 (d) A majority of the committee may act for the committee.

37 79803. The committee shall determine whether or not it is
38 necessary or desirable to issue bonds authorized pursuant to this
39 division in order to carry out the actions specified in this division
40 and, if so, the amount of bonds to be issued and sold. Successive

1 issues of bonds may be authorized and sold to carry out those
2 actions progressively, and it is not necessary that all of the bonds
3 authorized to be issued be sold at any one time.

4 79804. For purposes of the State General Obligation Bond
5 Law, “board,” as defined in Section 16722 of the Government
6 Code, means the Department of Water Resources.

7 79805. There shall be collected each year and in the same
8 manner and at the same time as other state revenue is collected,
9 in addition to the ordinary revenues of the state, a sum in an amount
10 required to pay the principal of, and interest on, the bonds each
11 year. It is the duty of all officers charged by law with any duty in
12 regard to the collection of the revenue to do and perform each and
13 every act that is necessary to collect that additional sum.

14 79806. Notwithstanding Section 13340 of the Government
15 Code, there is hereby appropriated from the General Fund in the
16 State Treasury, for the purposes of this division, an amount that
17 will equal the total of the following:

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

21 (b) The sum that is necessary to carry out the provisions of
22 Section 79809, appropriated without regard to fiscal years.

23 79807. The board may request the Pooled Money Investment
24 Board to make a loan from the Pooled Money Investment Account
25 in accordance with Section 16312 of the Government Code for the
26 purpose of carrying out this division less any amount withdrawn
27 pursuant to Section 79809. The amount of the request shall not
28 exceed the amount of the unsold bonds that the committee has, by
29 resolution, authorized to be sold for the purpose of carrying out
30 this division. The board shall execute those documents required
31 by the Pooled Money Investment Board to obtain and repay the
32 loan. Any amounts loaned shall be deposited in the fund to be
33 allocated in accordance with this division.

34 79808. Notwithstanding any other provision of this division,
35 or of the State General Obligation Bond Law, if the Treasurer sells
36 bonds that include a bond counsel opinion to the effect that the
37 interest on the bonds is excluded from gross income for federal
38 tax purposes under designated conditions or is otherwise entitled
39 to any federal tax advantage, the Treasurer may maintain separate
40 accounts for the bond proceeds invested and for the investment

1 earnings on those proceeds, and may use or direct the use of those
2 proceeds or earnings to pay any rebate, penalty, or other payment
3 required under federal law or take any other action with respect
4 to the investment and use of those bond proceeds, as may be
5 required or desirable under federal law in order to maintain the
6 tax-exempt status of those bonds and to obtain any other advantage
7 under federal law on behalf of the funds of this state.

8 79809. For the purposes of carrying out this division, the
9 Director of Finance may authorize the withdrawal from the General
10 Fund of an amount or amounts not to exceed the amount of the
11 unsold bonds that have been authorized by the committee to be
12 sold for the purpose of carrying out this division less any amount
13 borrowed pursuant to Section 79807. Any amounts withdrawn
14 shall be deposited in the fund. Any moneys made available under
15 this section shall be returned to the General Fund, with interest at
16 the rate earned by the moneys in the Pooled Money Investment
17 Account, from proceeds received from the sale of bonds for the
18 purpose of carrying out this division.

19 79810. All moneys deposited in the fund that are derived from
20 premium and accrued interest on bonds sold pursuant to this
21 division shall be reserved in the fund and shall be available for
22 transfer to the General Fund as a credit to expenditures for bond
23 interest, except that amounts derived from premium may be
24 reserved and used to pay the cost of bond issuance prior to any
25 transfer to the General Fund.

26 79811. Pursuant to Chapter 4 (commencing with Section
27 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
28 the cost of bond issuance shall be paid out of the bond proceeds,
29 including premium, if any. To the extent the cost of bond issuance
30 is not paid from premiums received from the sale of bonds, these
31 costs shall be shared proportionately by each program funded
32 through this division by the applicable bond sale.

33 79812. The bonds issued and sold pursuant to this division
34 may be refunded in accordance with Article 6 (commencing with
35 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
36 the Government Code, which is a part of the State General
37 Obligation Bond Law. Approval by the voters of the state for the
38 issuance of the bonds under this division shall include approval
39 of the issuance of any bonds issued to refund any bonds originally
40 issued under this division or any previously issued refunding bonds.

1 79813. The proceeds from the sale of bonds authorized by this
2 division are not “proceeds of taxes” as that term is used in Article
3 XIII B of the California Constitution, and the disbursement of
4 these proceeds is not subject to the limitations imposed by that
5 article.

6 SEC. 3. Section 2 of Chapter 3 of the Seventh Extraordinary
7 Session of the Statutes of 2009, as amended by Section 1 of
8 Chapter 74 of the Statutes of 2012, is repealed.

9 SEC. 4. Section 2 of this act shall be submitted to the voters
10 at the November 4, 2014, statewide general election in accordance
11 with provisions of the Government Code and the Elections Code
12 governing the submission of a statewide measure to the voters.

13 SEC. 5. Section 2 of this act shall take effect upon the approval
14 by the voters of the Clean, Safe, and Reliable Drinking Water Act
15 of 2014, as set forth in that section at the November 4, 2014,
16 statewide general election.