

SENATE BILL

No. 2

**Introduced by Senator Cogdill
(Principal coauthor: Senator Hollingsworth)**

October 27, 2009

An act to add Section 13170.3 to, and to add Division 26.7 (commencing with Section 79700) to, the Water Code, relating to a safe drinking water and water supply reliability 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, and declaring the urgency thereof.

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as introduced, Cogdill. Safe, Clean, and Reliable Drinking Water Supply Act of 2010: water quality control plan.

(1) 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 Safe, Clean, and Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$9,400,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program.

The bill would provide for the submission of the bond act to the voters at the November 2, 2010, statewide general election.

(2) Existing law requires the Secretary of the Natural Resources Agency to convene a committee to develop and submit to the Governor and the Legislature, on or before December 31, 2008, recommendations

for implementing a specified strategic plan relating to the sustainable management of the Sacramento-San Joaquin Delta.

This bill would impose requirements relating to a water quality control plan for the Bay-Delta Estuary.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

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. Section 13170.3 is added to the Water Code, to
2 read:

3 13170.3. (a) The United States, as operator of the federal
4 Central Valley Project, and the department, as operator of the State
5 Water Project, shall continue to operate consistently with the
6 agreement described in state board order WR 2001-05 so long as
7 required by the terms of that agreement and so long as it is in effect,
8 including any extensions of the agreement.

9 (b) If after the expiration of the agreement described in
10 subdivision (a) the state board revises water rights decision D-1641
11 or any other water rights decision allocating responsibility for
12 meeting flow-related objectives in a water quality control plan for
13 the Bay-Delta Estuary the responsibility for meeting the modified
14 flow-related objectives shall be based upon findings by the state
15 board or a court of competent jurisdiction that the exercise of the
16 water rights upon which the obligation is imposed is a cause of
17 the water quality concern or harm to the public trust or other
18 beneficial use that is being addressed, and the obligation to be
19 imposed is in proportion to the finding of causation.

20 (c) To the extent that the state board or a court of competent
21 jurisdiction imposes any obligation in accordance with subdivision
22 (b) based on a finding that multiple diversions each contribute
23 incrementally to impact fish and wildlife or any other public trust
24 or other beneficial uses in the Delta, the obligation imposed shall
25 not affect water right priorities.

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

1 DIVISION 26.7. THE SAFE, CLEAN, AND RELIABLE
2 DRINKING WATER SUPPLY ACT OF 2010

3
4 CHAPTER 1. SHORT TITLE

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6 79700. This division shall be known, and may be cited, as the
7 Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

8
9 CHAPTER 2. FINDINGS AND DECLARATIONS

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11 79701. The people of California find and declare all of the
12 following:

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

17 (b) Every Californian should have access to clean, safe, and
18 reliable drinking water.

19 (c) Providing adequate supplies of clean, safe, and reliable
20 drinking water is vital to keeping California’s economy growing
21 and strong.

22 (d) Encouraging water conservation and recycling are
23 commonsense methods to make more efficient use of existing
24 water supplies.

25 (e) Protecting lakes, rivers, and streams from pollution, cleaning
26 up polluted groundwater supplies, and protecting water sources
27 that supply the entire state are crucial to providing a reliable supply
28 of drinking water and protecting the state’s natural resources.

29
30 CHAPTER 3. DEFINITIONS

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32 79702. Unless the context otherwise requires, the definitions
33 set forth in this section govern the construction of this division, as
34 follows:

35 (a) “Bay Delta Conservation Plan” means the final plan prepared
36 pursuant to the planning agreement regarding the Bay Delta
37 Conservation Plan, dated October 6, 2006.

38 (b) “Bay-Delta Estuary” means the Delta, Suisun Bay, and
39 Suisun Marsh.

- 1 (c) “CALFED Bay-Delta Program” means the program
- 2 described in the Record of Decision dated August 28, 2000.
- 3 (d) “Commission” means the California Water Commission.
- 4 (e) “Committee” means the Safe, Clean, and Reliable Drinking
- 5 Water Supply Finance Committee created by Section 79812.
- 6 (f) “Delta” means the Sacramento-San Joaquin Delta, as defined
- 7 in Section 12220.
- 8 (g) “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 (h) “Delta counties” means the Counties of Solano, Yolo,
- 13 Sacramento, Contra Costa, and San Joaquin.
- 14 (i) “Delta Plan” has the meaning set forth in Section 85059.
- 15 (j) “Department” means the Department of Water Resources.
- 16 (k) “Director” means the Director of Water Resources.
- 17 (l) “Disadvantaged community” has the meaning set forth in
- 18 subdivision (a) of Section 79505.5.
- 19 (m) “Economically distressed area” means a municipality with
- 20 a population of 20,000 persons or less, a rural county, or a
- 21 reasonably isolated and divisible segment of a larger municipality
- 22 where the segment of the population is 20,000 persons or less,
- 23 with a financial hardship, as determined by the department after
- 24 considering factors including, but not limited to, median income
- 25 of the residents, rate of unemployment, and low population density.
- 26 (n) “Fund” means the Safe, Clean, and Reliable Drinking Water
- 27 Supply Fund of 2010 created by Section 79720.
- 28 (o) “Integrated regional water management plan” has the
- 29 meaning set forth in Section 10534.
- 30 (p) “Nonprofit organization” means an organization qualified
- 31 to do business in California and qualified under Section 501(c)(3)
- 32 of Title 26 of the United States Code.
- 33 (q) “Public agency” means a state agency or department, district,
- 34 joint powers authority, city, county, city and county, or other
- 35 political subdivision of the state.
- 36 (r) “Secretary” means the Secretary of the Natural Resources
- 37 Agency.
- 38 (s) “State General Obligation Bond Law” means the State
- 39 General Obligation Bond Law (Chapter 4 (commencing with

1 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
2 Code).

3
4 CHAPTER 4. GENERAL PROVISIONS
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6 79705. An amount that equals not more than 5 percent of the
7 funds allocated for a grant program pursuant to this division may
8 be used to pay the administrative costs of that program.

9 79706. Up to 10 percent of funds allocated for each program
10 funded by this division may be expended for planning and
11 monitoring necessary for the successful design, selection, and
12 implementation of the projects authorized under that program.
13 This section shall not otherwise restrict funds ordinarily used by
14 an agency for “preliminary plans,” “working drawings,” and
15 “construction” as defined in the annual Budget Act for a capital
16 outlay project or grant project. Water quality monitoring shall be
17 integrated into the surface water ambient monitoring program
18 administered by the State Water Resources Control Board.

19 79707. Chapter 3.5 (commencing with Section 11340) of Part
20 1 of Division 3 of Title 2 of the Government Code does not apply
21 to the development or implementation of programs or projects
22 authorized or funded under this division other than Chapter 8
23 (commencing with Section 79740).

24 79708. (a) Prior to disbursing grants pursuant to this division,
25 each state agency that is required to administer a competitive grant
26 program under this division shall develop and adopt project
27 solicitation and evaluation guidelines. The guidelines may include
28 a limitation on the dollar amount of grants to be awarded.

29 (b) Prior to disbursing grants, the state agency shall conduct
30 three public meetings to consider public comments prior to
31 finalizing the guidelines. The state agency shall publish the draft
32 solicitation and evaluation guidelines on its Internet Web site at
33 least 30 days before the public meetings. One meeting shall be
34 conducted at a location in northern California, one meeting shall
35 be conducted at a location in the central valley, and one meeting
36 shall be conducted at a location in southern California. Upon
37 adoption, the state agency shall transmit copies of the guidelines
38 to the fiscal committees and the appropriate policy committees of
39 the Legislature.

1 79709. It is the intent of the people that the investment of public
2 funds pursuant to this division will result in public benefits.

3 79710. The State Auditor shall annually conduct a
4 programmatic review and an audit of expenditures from the fund.
5 The State Auditor shall report its findings annually on or before
6 March 1 to the Governor and the Legislature, and shall make the
7 findings available to the public.

8 79711. Funds provided by this division shall not be expended
9 to support or pay for the costs of environmental mitigation
10 measures or compliance obligations of any party except as part of
11 the environmental mitigation costs of projects financed by this
12 division. Funds provided by this division may be used for
13 environmental enhancements or other public benefits.

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

19 79713. This division does not limit or otherwise affect the
20 application of Sections 10505, 10505.5, 11128, 11460, 11461,
21 11462, and 11463 and Sections 12200 to 12220, inclusive.
22 However, those sections do not create any right, in areas outside
23 of the Sacramento River hydrologic region, to water originating
24 within the Sacramento River hydrologic region as a result of
25 facilities constructed with the proceeds of bonds issued and sold
26 pursuant to this division. For purposes of this section, the
27 Sacramento River hydrologic region does not include any area
28 within the Delta.

29 79714. Eligible applicants under this division are public
30 agencies, nonprofit organizations, public utilities, and mutual water
31 companies. To be eligible for funding under this division, a project
32 proposed by a public utility that is regulated by the Public Utilities
33 Commission or a mutual water company shall have a clear and
34 definite public purpose and shall benefit the customers of the water
35 system.

36 79715. The Legislature may enact legislation necessary to
37 implement programs funded by this division, except as otherwise
38 provided in Section 79749.5.

CHAPTER 5. SAFE, CLEAN, AND RELIABLE DRINKING WATER
SUPPLY FUND OF 2010

79720. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Safe, Clean, and Reliable Drinking Water Supply Fund of 2010, which is hereby created in the State Treasury.

CHAPTER 6. WATER SUPPLY RELIABILITY

79721. The sum of one billion one hundred million dollars (\$1,100,000,000) shall be available, upon appropriation by the Legislature, from the fund to the department for competitive grants and expenditures in accordance with Section 79722.

79722. (a) Except as provided in subdivision (f), the department shall award grants to eligible projects that implement an adopted integrated regional water management plan.

(b) An urban water supplier that does not prepare, adopt, and submit its urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6) is ineligible to receive funds made available pursuant to Section 79721 until the urban water management plan is prepared and submitted in accordance with the requirements of that act.

(c) For the purposes of awarding a grant under this chapter, the department shall require a local cost share of not less than 50 percent of the total costs of the project. The department may waive or reduce the cost-sharing requirement for projects that directly benefit a disadvantaged community or an economically distressed area.

(d) Eligible projects are those included in adopted integrated regional water management plans consistent with Part 2.2 (commencing with Section 10530) of Division 6.

(e) The funding provided in Section 79721 shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County (designated as the San Diego subregion), the Santa Ana River watershed and southern Orange County (designated as the Santa Ana subregion),

1 and the Los Angeles and Ventura County watersheds (designated
2 as the Los Angeles subregion), and shall allocate funds to those
3 areas in accordance with this subdivision. The North and South
4 Lahontan hydrologic regions shall be treated as one area for the
5 purpose of allocating funds. The department may recognize
6 multiple integrated regional water management plans in each of
7 the areas allocated funding. Funds made available by this chapter
8 shall be allocated as follows:

- 9 (1) North Coast: \$64,000,000.
- 10 (2) San Francisco Bay: \$89,000,000.
- 11 (3) Central Coast: \$68,000,000.
- 12 (4) Los Angeles subregion: \$110,000,000.
- 13 (5) Santa Ana subregion: \$88,000,000.
- 14 (6) San Diego subregion: \$76,000,000.
- 15 (7) Sacramento River: \$73,000,000.
- 16 (8) San Joaquin River: \$69,000,000.
- 17 (9) Tulare/Kern: \$71,000,000.
- 18 (10) North/South Lahontan: \$65,000,000.
- 19 (11) Colorado River Basin: \$64,000,000.
- 20 (12) Mountain Counties Overlay: \$63,000,000.
- 21 (13) Interregional: \$200,000,000.

22 (f) Interregional funds may be expended directly or granted by
23 the department to address multiregional needs or state priorities,
24 including, but not limited to, any of the following:

- 25 (1) Investing in new water technology development and
26 deployment.
- 27 (2) Meeting state water recycling and water conservation goals.
- 28 (3) Adapting to climate change impacts.
- 29 (4) Reducing contributions to climate change.
- 30 (5) Other projects to improve statewide water management
31 systems.
- 32 (6) Other projects and activities designed to meet the needs of
33 disadvantaged communities or economically distressed areas
34 including technical and grant writing assistance.
- 35 (7) Fifty million dollars (\$50,000,000) of the interregional funds
36 shall be available for costs incurred in connection with recreation
37 and fish and wildlife enhancement at State Water Project facilities.
38 The funds shall be available to meet the costs associated with
39 planning, construction, operation, and maintenance for recreation
40 and fish and wildlife enhancement.

1 79723. (a) The sum of four hundred million dollars
2 (\$400,000,000) shall be available, upon appropriation by the
3 Legislature, from the fund to the department for grants and
4 expenditures for the planning, design, and construction of local
5 and regional conveyance projects that support regional and
6 interregional connectivity and water management. Projects shall
7 be consistent with an adopted integrated regional water
8 management plan and shall provide one or more of the following
9 benefits:

10 (1) Improvements in regional or interregional water supply and
11 water supply reliability.

12 (2) Mitigation of conditions of groundwater overdraft, saline
13 water intrusion, water quality degradation, or subsidence.

14 (3) Adaptation to the impacts of hydrologic changes.

15 (4) Improved water security from drought, natural disasters, or
16 other events that could interrupt imported water supplies.

17 (5) Providing safe drinking water for disadvantaged communities
18 and economically distressed areas.

19 (b) Not more than 10 percent of the funds provided by this
20 section shall be available for planning, investigations, studies, and
21 monitoring.

22 (c) The department shall require a cost share of not less than 50
23 percent of total project costs from nonstate sources. The department
24 may waive or reduce the cost share requirement for projects that
25 directly benefit disadvantaged communities or economically
26 distressed areas.

27 79724. (a) The sum of four hundred million dollars
28 (\$400,000,000) shall be available, upon appropriation by the
29 Legislature from the fund, to the department for grants and direct
30 expenditures for the planning, design, and construction of local
31 and regional drought relief projects that reduce the impacts of
32 drought conditions, including, but not limited to, the impacts of
33 reductions in Delta diversions. Projects shall be consistent with
34 an adopted integrated regional water management plan and include
35 any of the following types of projects:

36 (1) Water conservation and efficiency projects, including
37 installation of water efficiency fixtures.

38 (2) Water recycling and related infrastructure.

39 (3) Stormwater capture.

40 (4) Groundwater cleanup.

1 (5) Local and regional conveyance projects that improve
2 connectivity and water management.

3 (6) Other local and regional water supply reliability projects.

4 (b) Projects funded pursuant to this section shall meet both of
5 the following conditions:

6 (1) The project shall provide a sustainable water supply that
7 does not contribute to groundwater overdraft or increase surface
8 water diversions.

9 (2) The project shall be capable of being operational within two
10 years of receiving the grant.

11 (c) Preference shall be given to applicants that can demonstrate
12 substantial past and current investments in conservation and local
13 water projects.

14 (d) Not more than 10 percent of the funds provided by this
15 section shall be available for planning, investigations, studies, and
16 monitoring.

17 (e) The department shall require a cost share of not less than 50
18 percent of total project costs from nonstate sources. The department
19 may waive or reduce the cost share requirement for projects that
20 directly benefit disadvantaged communities or economically
21 distressed areas.

22 (f) Of the funds provided in this section, not less than fifty
23 million dollars (\$50,000,000) shall be available for grants to
24 disadvantaged communities and economically distressed areas
25 experiencing economic impacts from drought and from disruptions
26 in delivery from the State Water Project and the federal Central
27 Valley Project.

28

29 CHAPTER 7. DELTA SUSTAINABILITY

30

31 79730. (a) The Bay-Delta Estuary is a unique and irreplaceable
32 combination of environmental and economic resources. Current
33 management and use of the Delta is not sustainable, and results in
34 a high level of conflict among various interests. Future Delta
35 sustainability is threatened by changing hydrology due to climate
36 change, water diversions, flood risk, seismic events, nonnative
37 species, toxics, and other environmental problems. Future
38 management of the Delta must improve Delta ecosystem health
39 and improve the means of Delta water conveyance in order to
40 protect drinking water quality, improve water supply reliability,

1 restore ecosystem health, and preserve agricultural and recreational
2 values in the Delta, while providing to counties and watersheds of
3 origin assurances that their priority to water resources will be
4 protected and that programs or facilities implemented or
5 constructed in the Delta will not result in redirection of
6 unmitigated, significant adverse impacts to the counties and
7 watershed of origin. Many sources of funding will be needed to
8 implement improved Delta management.

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

13 79731. The sum of two billion dollars (\$2,000,000,000) shall
14 be available, upon appropriation from the fund, for grants and
15 direct expenditures, as follows:

16 (a) (1) Five hundred million dollars (\$500,000,000) for projects,
17 including grants to Delta counties and cities within the Delta, that
18 provide public benefits and support Delta sustainability options,
19 including projects and supporting scientific studies and assessments
20 that do any of the following:

21 (A) Ensure that urban and agricultural water supplies derived
22 from the Delta, including water supplies used within the Delta, are
23 not disrupted because of catastrophic failures of Delta levees
24 resulting from earthquakes, floods, land sinking, rising ocean
25 levels, or other forces.

26 (B) Assist in preserving economically viable and sustainable
27 agriculture and other economic activities in the Delta.

28 (C) Improve the quality of drinking water derived from the
29 Delta.

30 (D) Improve levee and flood control facilities and other vital
31 infrastructure necessary to protect Delta communities affected by
32 the implementation of this chapter.

33 (E) Provide physical improvements or other actions to create
34 water flow and water quality conditions within the Delta to provide
35 adequate habitat for native fish and wildlife.

36 (F) Facilitate other projects that provide public benefits and
37 support Delta sustainability options approved by the Legislature,
38 including costs associated with planning, monitoring, and design
39 of alternatives, and project modifications and adaptations necessary
40 to achieve the goals of this chapter.

1 (G) Mitigate other impacts of water conveyance and ecosystem
2 restoration.

3 (H) Provide or improve water quality facilities and other
4 infrastructure.

5 (2) Of the funds provided in this subdivision, not less than fifty
6 million dollars (\$50,000,000) shall be available for matching grants
7 for improvements to wastewater treatment facilities upstream of
8 the Delta to improve Delta water quality.

9 (b) One billion five hundred million dollars (\$1,500,000,000)
10 for projects to protect and enhance the sustainability of the Delta
11 ecosystem, including any of the following:

12 (1) Projects for the development and implementation of the Bay
13 Delta Conservation Plan, consistent with Chapter 10 (commencing
14 with Section 2800) of Division 3 of the Fish and Game Code. The
15 projects shall be implemented through a cooperative effort among
16 regulatory agencies, regulated and potentially regulated entities,
17 and affected parties, including state and federal water contractors.
18 These funds may be expended for the preparation of environmental
19 documentation and environmental compliance.

20 (2) Other projects to protect and restore native fish and wildlife
21 dependent on the Delta ecosystem, including the acquisition of
22 water rights and the removal or reduction of undesirable invasive
23 species.

24 (3) Projects to reduce greenhouse gas emissions from exposed
25 Delta soils.

26 (4) Projects that reduce impacts of mercury contamination of
27 the Delta and its watersheds, and remediation and elimination of
28 continuing sources of mercury contamination.

29 (5) Scientific studies and assessments that support the projects
30 authorized under this section.

31 (c) Funds provided by this chapter shall be available for
32 appropriation to, among other entities, the Sacramento-San Joaquin
33 Delta Conservancy for implementation consistent with the Delta
34 Plan.

35 79732. (a) A project that receives funding pursuant to
36 subdivision (a) of Section 79731 shall only be eligible for funding
37 pursuant to other provisions of this division to the extent that the
38 combined state funding pursuant to this division does not exceed
39 50 percent of the total project costs.

1 (b) The department shall determine what constitutes a project
2 for the purposes of subdivision (a).

3
4 CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL
5 IMPROVEMENT
6

7 79740. (a) Notwithstanding Section 162, the commission may
8 make the determinations, findings, and recommendations required
9 of it by this chapter independent of the views of the director. All
10 final actions by the commission in implementing this chapter shall
11 be taken by a majority of the members of the commission at a
12 public meeting noticed and held pursuant to the Bagley-Keene
13 Open Meeting Act (Article 9 (commencing with Section 11120)
14 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
15 Code).

16 (b) Notwithstanding Section 13340 of the Government Code,
17 the sum of three billion dollars (\$3,000,000,000) is hereby
18 continuously appropriated from the fund, without regard to fiscal
19 years, to the commission for public benefits associated with water
20 storage projects that improve the operation of the state water
21 system, are cost effective, and provide a net improvement in
22 ecosystem and water quality conditions, in accordance with this
23 chapter. Funds authorized for, or made available to, the commission
24 pursuant to this chapter shall be available and expended only for
25 the purposes provided in this chapter, and shall not be subject to
26 appropriation or transfer by the Legislature or the Governor for
27 any other purpose.

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

33 (d) Any project constructed with funds provided by this chapter
34 shall be subject to Section 11590.

35 79741. Projects for which the public benefits are eligible for
36 funding under this chapter consist of only the following:

37 (a) Surface storage projects identified in the CALFED Bay-Delta
38 Program Record of Decision, dated August 28, 2000.

1 (b) Groundwater storage projects and groundwater
2 contamination prevention or remediation projects that provide
3 water storage benefits.

4 (c) Conjunctive use and reservoir reoperation projects.

5 (d) Local and regional surface storage projects that improve the
6 operation of water systems in the state and provide public benefits.

7 79742. A project shall not be funded pursuant to this chapter
8 unless it provides measurable improvements to the Delta ecosystem
9 or to the tributaries to the Delta.

10 79743. (a) Funds allocated pursuant to this chapter may be
11 expended solely for the following public benefits associated with
12 water storage projects:

13 (1) Ecosystem improvements, including changing the timing of
14 water diversions, improvement in flow conditions, temperature,
15 or other benefits that contribute to restoration of aquatic ecosystems
16 and native fish and wildlife, including those ecosystems and fish
17 and wildlife in the Delta.

18 (2) Water quality improvements in the Delta, or in other river
19 systems, that provide significant public trust resources, or that
20 clean up and restore groundwater resources.

21 (3) Flood control benefits, including, but not limited to, increases
22 in flood reservation space in existing reservoirs by exchange for
23 existing or increased water storage capacity in response to the
24 effects of changing hydrology and decreasing snow pack on
25 California’s water and flood management system.

26 (4) Emergency response, including, but not limited to, securing
27 emergency water supplies and flows for dilution and salinity
28 repulsion following a natural disaster or act of terrorism.

29 (5) Recreational purposes, including, but not limited to, those
30 recreational pursuits generally associated with the outdoors.

31 (b) For the purposes of this chapter, “public benefits” does not
32 include the costs of environmental mitigation measures or
33 compliance obligations established prior to the enactment of this
34 division under state or federal law.

35 79744. In consultation with the Department of Fish and Game,
36 the State Water Resources Control Board, and the department, the
37 commission shall develop and adopt, by regulation, methods for
38 quantification and management of public benefits described in
39 Section 79743 by December 15, 2012. The regulations shall include
40 the priorities and relative environmental value of ecosystem

1 benefits as provided by the Department of Fish and Game and the
2 priorities and relative environmental value of water quality benefits
3 as provided by the State Water Resources Control Board.

4 79745. (a) Except as provided in subdivision (c), no funds
5 allocated pursuant to this chapter may be allocated for a project
6 before December 15, 2012, and until the commission approves the
7 project based on the commission's determination that all of the
8 following have occurred:

9 (1) The commission has adopted the regulations specified in
10 Section 79744 and specifically quantified and made public the cost
11 of the public benefits associated with the project.

12 (2) The department has entered into a contract with each party
13 that will derive benefits, other than public benefits, as defined in
14 Section 79743, from the project that ensures the party will pay its
15 share of the total costs of the project. The benefits available to a
16 party shall be consistent with that party's share of total project
17 costs.

18 (3) The department has entered into a contract with each public
19 agency identified in Section 79744 that administers the public
20 benefits, after that agency makes a finding that the public benefits
21 of the project for which that agency is responsible meet all the
22 requirements of this chapter, to ensure that the public contribution
23 of funds pursuant to this chapter achieves the public benefits
24 identified for the project.

25 (4) The commission has held a public hearing for the purposes
26 of providing an opportunity for the public to review and comment
27 on the information required to be prepared pursuant to this
28 subdivision.

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

30 (A) Feasibility studies have been completed.

31 (B) The commission has found and determined that the project
32 is feasible, is consistent with all applicable laws and regulations,
33 and will advance the long-term objectives of restoring ecological
34 health and improving water management for beneficial uses of the
35 Delta.

36 (C) All environmental documentation associated with the project
37 has been completed, and all other federal, state, and local approvals,
38 certifications, and agreements required to be completed have been
39 obtained.

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

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

7 79746. (a) The public benefit cost share of a project funded
8 pursuant to this chapter, other than a project described in
9 subdivision (c) of Section 79741, may not exceed 50 percent of
10 the total costs of any project funded under this chapter.

11 (b) No project may be funded unless it provides ecosystem
12 improvements as described in paragraph (1) of subdivision (a) of
13 Section 79743 that are at least 50 percent of total public benefits
14 of the project funded under this chapter.

15 79747. (a) A project is not eligible for funding under this
16 chapter unless, by January 1, 2018, all of the following conditions
17 are met:

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

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

24 (3) The director receives commitments for not less than 75
25 percent of the nonpublic benefit cost share of the project.

26 (b) If compliance with subdivision (a) is delayed by litigation
27 or failure to promulgate regulations, the date in subdivision (a)
28 shall be extended by the commission for a time period that is equal
29 to the time period of the delay, and funding under this chapter that
30 has been dedicated to the project shall be encumbered until the
31 time at which the litigation is completed or the regulations have
32 been promulgated.

33 79748. Surface storage projects funded pursuant to this chapter
34 and described in subdivision (a) of Section 79741 may be made a
35 unit of the Central Valley Project as provided in Section 11290
36 and may be financed, acquired, constructed, operated, and
37 maintained pursuant to Part 3 (commencing with Section 11100)
38 of Division 6.

39 79749. The funds allocated for the design, acquisition, and
40 construction of surface storage projects identified in the CALFED

1 Bay-Delta Record of Decision, dated August 28, 2000, pursuant
2 to this chapter may be provided for those purposes to local joint
3 powers authorities formed by irrigation districts and other local
4 water districts and local governments within the applicable
5 hydrologic region to design, acquire, and construct those projects.

6 (b) The joint powers authorities described in subdivision (a)
7 may include in their membership governmental and
8 nongovernmental partners that are not located within their
9 respective hydrologic regions in financing the surface storage
10 projects, including, as appropriate, cost share participation or equity
11 participation. The department shall be an ex-officio member of
12 each joint powers authority subject to this section, but the
13 department shall not control the governance, management, or
14 operation of the surface water storage projects.

15 (c) A joint powers authority subject to this section shall own,
16 govern, manage, and operate a surface water storage project,
17 subject to the requirement that the ownership, governance,
18 management, and operation of the surface water storage project
19 shall advance the purposes set forth in this chapter.

20 79749.5. (a) In approving the Safe, Clean, and Reliable
21 Drinking Water Supply Act of 2010, the people were informed
22 and hereby declare that the provisions of this chapter are necessary,
23 integral, and essential to meeting the single object or work of the
24 Safe, Clean, and Reliable Drinking Water Supply Act of 2010. As
25 such, any amendment of the provisions of this chapter by the
26 Legislature without voter approval would frustrate the scheme and
27 design that induced voter approval of this act. The people therefore
28 find and declare that any amendment of the provisions of this
29 chapter by the Legislature shall require a vote of two-thirds of the
30 membership in each house of the Legislature and voter approval.

31 (b) This section shall not govern or be used as authority for
32 determining whether the amendment of any other provision of this
33 act not contained in this chapter would constitute a substantial
34 change in the scheme and design of this act requiring voter
35 approval.

36
37 CHAPTER 9. CONSERVATION AND WATERSHED PROTECTION

38
39 79750. The sum of one billion five hundred million dollars
40 (\$1,500,000,000) shall be available, upon appropriation by the

1 Legislature from the fund, in accordance with this chapter, for
 2 expenditures and grants for ecosystem and watershed protection
 3 and restoration projects, including, but not limited to, all of the
 4 following watersheds:

- 5 (a) The San Joaquin River watershed.
- 6 (b) The Kern River and Tulare Basin watersheds.
- 7 (c) The Salton Sea and Colorado River watersheds.
- 8 (d) The Los Angeles River watershed.
- 9 (e) The San Gabriel River watershed.
- 10 (f) The Santa Ana River watershed.
- 11 (g) The Klamath River watershed, including the Trinity, Scott,
 12 and Shasta Rivers and watersheds.
- 13 (h) The North Coast watersheds.
- 14 (i) The San Francisco Bay watersheds.
- 15 (j) The Central Coast watersheds.
- 16 (k) The South Coast watersheds.
- 17 (l) The Lake Tahoe Basin watershed.
- 18 (m) The Sacramento River watershed, including the Yolo
 19 Bypass.
- 20 (n) The San Diego County coastal watersheds.
- 21 (o) The Ventura River watershed.
- 22 (p) The Sierra Nevada Mountain watersheds.
- 23 (q) The Mojave River watershed.
- 24 (r) The Owens River watershed.
- 25 (s) The Santa Monica Bay watershed.
- 26 (t) The watersheds of Marin County.
- 27 (u) The watersheds of Orange County.

28 79751. Funds provided under this chapter may be appropriated
 29 to the Natural Resources Agency, the Department of Fish and
 30 Game, the Wildlife Conservation Board, the California
 31 Conservation Corps, the Department of Conservation, the
 32 Department of Parks and Recreation, the Department of Forestry
 33 and Fire Protection, or to state conservancies for expenditures and
 34 grants consistent with this chapter and other applicable laws.

35 79752. (a) Funds provided for the Sacramento River and San
 36 Joaquin River watersheds under Section 79750 shall be available
 37 for projects consistent with the ecosystem restoration program
 38 element of the California Bay-Delta Program, or its successor, or
 39 the San Joaquin River Parkway Master Plan.

1 (b) Funds provided for Salton Sea watershed projects under
2 Section 79750 shall be available for Salton Sea restoration activities
3 identified for “Period I” in the Natural Resources Agency report
4 entitled “Salton Sea Ecosystem Restoration Program Preferred
5 Alternative Report and Funding Plan,” dated May 2007.

6 (c) Funds provided for the Lake Tahoe Basin watershed under
7 Section 79750 shall be available for projects consistent with the
8 Lake Tahoe Environmental Improvement Program.

9 (d) Funds provided for the Los Angeles River and San Gabriel
10 River watersheds under Section 79750 shall be available pursuant
11 to Section 79508, and for projects identified in the Los Angeles
12 River Revitalization Master Plan.

13 79753. (a) Of the funds made available pursuant to Section
14 79750, the sum of sixty-five million dollars (\$65,000,000) shall
15 be available, upon appropriation by the Legislature from the fund,
16 to the Department of Fish and Game for expenditures and grants
17 to protect the Delta ecosystem and the state’s water supply from
18 invasive species, including, but not limited to, asiatic clams, zebra
19 mussels, quagga mussels, and New Zealand mud snails.

20 (b) At least thirty-five million dollars (\$35,000,000) of the funds
21 allocated pursuant to subdivision (a) shall be available for grants
22 to public agencies, including water agencies, to pay for capital
23 expenditures associated with the control of invasive species,
24 including, but not limited to, chlorination facilities, habitat
25 modifications, and monitoring equipment. The Department of Fish
26 and Game shall administer this grant program.

27 (c) The Legislature, by statute, shall establish requirements for
28 both of the following:

29 (1) Repayment of grant funds made available pursuant to this
30 section in the event of cost recovery from parties responsible for
31 the introduction of invasive species that affect the Delta ecosystem
32 and the state’s water supply.

33 (2) Recipients of grants to make reasonable efforts to recover
34 costs from parties described in paragraph (1).

35 79754. For restoration and ecosystem protection projects under
36 this chapter, the services of the California Conservation Corps or
37 community conservation corps shall be used whenever feasible.

38 79755. (a) Of the funds provided in Section 79750, not less
39 than two hundred million dollars (\$200,000,000) shall be available
40 to the State Coastal Conservancy for projects within coastal

1 counties and coastal watersheds. Of this amount, not less than
2 twenty million dollars (\$20,000,000) shall be available for grants
3 in San Diego County, including grants to the San Diego River
4 Conservancy, and not less than twenty million dollars
5 (\$20,000,000) shall be available for the Santa Ana River Parkway.

6 (b) Of the funds provided in Section 79750, not less than twenty
7 million dollars (\$20,000,000) shall be available to the Wildlife
8 Conservation Board for direct expenditures or grants for the
9 acquisition of water rights from willing sellers and the conveyance
10 of water for the benefit of migratory birds on wildlife refuges and
11 wildlife habitat areas subject to Section 3406(d) of the federal
12 Central Valley Project Improvement Act (Public Law 102-575),
13 if the acquisition of water rights by the Wildlife Conservation
14 Board is consistent with that federal act. All costs associated with
15 the acquisition of water rights by the Wildlife Conservation Board
16 for the purposes set forth under this section shall be paid out of
17 the funds designated for the Wildlife Conservation Board.

18 (c) Of the funds provided in Section 79750, not less than one
19 hundred million dollars (\$100,000,000) shall be available to the
20 Wildlife Conservation Board for direct expenditures or grants for
21 the protection or restoration of watershed lands or rivers and
22 streams that support species listed as threatened or endangered
23 under state or federal law, consistent with the requirements of
24 programs identified in Division 2 (commencing with Section 700)
25 of the Fish and Game Code, and requirements to implement or
26 develop a natural community conservation plan pursuant to Chapter
27 10 (commencing with Section 2800) of Division 3 of the Fish and
28 Game Code.

29 (d) Of the funds provided in Section 79750, not less than
30 seventy-five million dollars (\$75,000,000) shall be available for
31 the purposes described in subdivision (d) of Section 79752.

32 (e) Of the funds provided in Section 79750, not less than ten
33 million dollars (\$10,000,000) shall be available to the Baldwin
34 Hills Conservancy.

35 (f) Of the funds provided in Section 79750, not less than fifteen
36 million dollars (\$15,000,000) shall be available for Santa Monica
37 Bay watershed projects pursuant to Division 23 (commencing with
38 Section 33000) of the Public Resources Code.

1 (g) Of the funds provided in Section 79750, not less than fifty
2 million dollars (\$50,000,000) to the State Coastal Conservancy
3 for coastal salmon restoration projects.

4 (h) Of the funds provided in Section 79750, not less than one
5 hundred million dollars (\$100,000,000) to the Lake Tahoe
6 Conservancy for the Lake Tahoe Environmental Improvement
7 Program as described in subdivision (c) of Section 79752.

8 (i) Of the funds provided in Section 79750, not less than
9 seventy-five million dollars (\$75,000,000) shall be available to
10 the Sierra Nevada Conservancy for grants, loans, direct
11 expenditures, and other purposes and projects consistent with the
12 mission and laws governing the conservancy, including, but not
13 limited to, physical projects, projects for the provision of public
14 access, educational and interpretive activities, projects to improve
15 community sustainability and institutional infrastructure, planning,
16 including collaborative public processes, monitoring, and research
17 activities.

18 (j) Of the funds provided in Section 79750, not less than
19 seventy-five million (\$75,000,000) shall be available for the
20 purposes described in subdivision (b) of Section 79752.

21 79756. (a) One hundred million dollars (\$100,000,000) of the
22 funds provided pursuant to Section 79750 shall be allocated to the
23 Department of Forestry and Fire Protection for direct expenditures
24 or grants for fuel treatment and forest restoration projects to protect
25 watersheds tributary to dams or reservoirs from the adverse impacts
26 of fire and erosion, to promote forest health in those watersheds,
27 to protect life and property, to provide for climate change
28 adaptation, and reduce total wildfire costs and losses. Funds shall
29 be available in accordance with the following requirements:

30 (1) Sixty-seven million dollars (\$67,000,000) shall be available
31 to the Department of Forestry and Fire Protection to provide
32 technical assistance for project development and implementation
33 and to fund grants to public agencies and nonprofit organizations
34 for the purpose of fuel treatment projects that will reduce wildfire
35 risks, protect watersheds tributary to water storage facilities, and
36 promote watershed health.

37 (2) Twenty-five million dollars (\$25,000,000) shall be available
38 to the Department of Forestry and Fire Protection to provide
39 technical assistance for project development and implementation,
40 and for grants and loans for fuel treatment and reforestation projects

1 to eligible landowners as defined in subdivision (b) of Section
2 4793 of the Public Resources Code and consistent with the
3 provisions of the California Forest Improvement Act of 1978.

4 (3) The sum of eight million dollars (\$8,000,000) shall be
5 available to do all of the following:

6 (A) Reimburse incremental costs to the Department of Forestry
7 and Fire Protection resulting from implementation of fuel reduction
8 projects consistent with the provisions of the Vegetation
9 Management Program established under Article 2 (commencing
10 with Section 4475) of Chapter 7 of Part 2 of Division 4 of the
11 Public Resources Code. These projects shall include three or more
12 pilot projects to utilize the fuels removed for energy production
13 or other wood product uses.

14 (B) Reimburse costs of conservation camp crews used to conduct
15 fuel reduction activities, and costs to the Department of Forestry
16 and Fire Protection for conducting prefire management projects
17 consistent with the 1996 California Fire Plan or its successor plan.

18 (b) Funding criteria and projects shall demonstrate the linkage
19 between the project and the protection of watershed health,
20 protection of watershed storage capacity, maintenance or
21 enhancement of forest health, protection of life and property, and
22 greenhouse gas reduction.

23 79757. Of the funds provided in Section 79750, not more than
24 two hundred fifty million dollars (\$250,000,000) shall be available
25 for dam removal and related measures in the Klamath River
26 watershed if the secretary finds that all of the following conditions
27 have been met:

28 (a) The State of California, the State of Oregon, the United
29 States, and PacifiCorp have executed a dam removal agreement.

30 (b) The State of California, the State of Oregon, and the United
31 States have made the determinations required under the agreement
32 to effect dam removal.

33 (c) Ratepayer funds required by the agreement have been
34 authorized and will be timely provided.

35 (d) All other conditions required in the agreement have been
36 met.

37 79758. Of the funds provided in Section 79750, not less than
38 ten million dollars (\$10,000,000) shall be allocated to Siskiyou
39 County for the purpose of economic development as defined in
40 Section 13997.2 of the Government Code. Upon submission of

1 materials by Siskiyou County, the Secretary of Business,
 2 Transportation and Housing Agency may authorize up to an
 3 additional ten million dollars (\$10,000,000) for economic
 4 development if it is determined that a greater amount is necessary
 5 to offset the impacts to the economy of Siskiyou County from the
 6 removal of the dams.

7 79759. Of the funds provided in Section 79750, not less than
 8 five million dollars (\$5,000,000) shall be deposited in the
 9 California Waterfowl Habitat Preservation Account for the
 10 purposes of implementing the California Waterfowl Habitat
 11 Program described in Article 7 (commencing with Section 3460)
 12 of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code,
 13 the California Landowner Incentive Program, and the Permanent
 14 Wetland Easement Program.

15 79760. Of the funds provided in Section 79750, sixty million
 16 dollars (\$60,000,000) shall be available to the Natural Resources
 17 Agency for projects authorized under Section 3406 (b) (10) of the
 18 Central Valley Project Improvement Act that improve salmonid
 19 fish passage in the Sacramento River watershed.

20 79761. For the purposes of this chapter, the terms “restoration”
 21 and “protection” have the meanings set forth in Section 75005 of
 22 the Public Resources Code.

23
 24 CHAPTER 10. GROUNDWATER PROTECTION AND WATER
 25 QUALITY
 26

27 79770. (a) The sum of one hundred seventy million dollars
 28 (\$170,000,000) shall be available, upon appropriation by the
 29 Legislature from the fund, for expenditures, grants, and loans for
 30 projects to prevent or reduce the contamination of groundwater
 31 that serves as a source of drinking water. Projects shall be
 32 consistent with an adopted integrated regional water management
 33 plan. Funds appropriated pursuant to this section shall be available
 34 to the State Department of Public Health for projects necessary to
 35 protect public health by preventing or reducing the contamination
 36 of groundwater that serves as a major source of drinking water for
 37 a community.

38 (b) Projects shall be prioritized based upon the following criteria:

39 (1) The threat posed by groundwater contamination to the
 40 affected community’s overall drinking water supplies, including

1 the need for treatment of alternative supplies if groundwater is not
2 available due to contamination.

3 (2) The potential for groundwater contamination to spread and
4 reduce drinking water supply and water storage for nearby
5 population areas.

6 (3) The potential of the project, if fully implemented, to enhance
7 local water supply reliability.

8 (4) The potential of the project to increase opportunities for
9 groundwater recharge and optimization of groundwater supplies.

10 (c) The State Department of Public Health shall give additional
11 consideration to projects that meet any of the following criteria:

12 (1) The project is implemented pursuant to a comprehensive
13 basinwide groundwater quality management and remediation plan
14 or is necessary to develop a comprehensive groundwater plan.

15 (2) Affected groundwater provides a local supply that, if
16 contaminated and not remediated, will require import of additional
17 water from outside the region.

18 (3) The project will serve an economically disadvantaged
19 community or an economically distressed area.

20 (4) The project addresses contamination at a site where the
21 responsible parties have not been identified, or where the
22 responsible parties are unwilling or unable to pay for cleanup.

23 (d) Of the amount made available by this section, up to eighty
24 million dollars (\$80,000,000) shall be available for projects that
25 meet the requirements of this section and both of the following
26 criteria:

27 (1) The project is part of a basinwide management and
28 remediation plan for which federal funds have been allocated.

29 (2) The project addresses contamination at a site on the list
30 maintained by the Department of Toxic Substances Control
31 pursuant to Section 25356 of the Health and Safety Code or a site
32 listed on the National Priorities List pursuant to the Comprehensive
33 Environmental Response, Compensation, and Liability Act of 1980
34 (42 U.S.C. Sec. 9601 et seq.).

35 (e) Of the amount made available by this section, fifty million
36 dollars (\$50,000,000) shall be available to the State Department
37 of Public Health for grants and direct expenditures to finance
38 emergency and urgent actions in accordance with this section on
39 behalf of disadvantaged communities and economically distressed

1 areas to ensure that safe drinking water supplies are available to
2 all Californians.

3 (e) The Legislature, by statute, shall establish both of the
4 following:

5 (1) Requirements for repayment of grant funds in the event of
6 cost recovery from parties responsible for the groundwater
7 contamination.

8 (2) Requirements for recipients of grants to make reasonable
9 efforts to recover costs from parties responsible for groundwater
10 contamination.

11 79771. The sum of forty-five million dollars (\$45,000,000)
12 shall be available, upon appropriation by the Legislature from the
13 fund, to the State Department of Public Health for grants and direct
14 expenditures to finance emergency and urgent actions on behalf
15 of disadvantaged communities to ensure that safe drinking water
16 supplies are available to all Californians.

17 79772. The sum of ninety-five million dollars (\$95,000,000)
18 shall be available, upon appropriation by the Legislature from the
19 fund, to the State Water Resources Control Board for grants for
20 small community wastewater treatment projects to protect water
21 quality that meet all of the following criteria:

22 (a) The project is for the planning, design, permitting,
23 construction, or improvement of a wastewater treatment facility,
24 sewer system, or related infrastructure necessary to meet water
25 quality standards or prevent contamination of surface water or
26 groundwater resources.

27 (b) The project will serve a community with a population of
28 20,000 or less.

29 (c) The project meets other standards that may be established
30 by the State Water Resources Control Board with respect to the
31 design, construction, financing, and operation of the project.

32 79773. (a) The sum of one hundred forty-five million dollars
33 (\$145,000,000) shall be available, upon appropriation by the
34 Legislature from the fund, to the State Water Resources Control
35 Board for competitive grants and loans for stormwater management
36 and water quality projects pursuant to this section.

37 (b) Eligible projects shall assist in compliance with total
38 maximum daily load (TMDL) implementation plans and be
39 consistent with all applicable waste discharge permits.

1 (c) Eligible projects include facilities and infrastructure to
2 reduce, manage, and treat stormwater runoff, including, but not
3 limited to, all of the following:

- 4 (1) Detention and retention basins.
- 5 (2) Dry weather diversion facilities, trash filters, and screens.
- 6 (3) Treatment wetlands creation and enhancement.
- 7 (4) Stormwater runoff reduction projects, including permeable
8 surface installation, cisterns, and collection and treatment facilities
9 for groundwater recharge.
- 10 (5) Other stormwater management infrastructure for low impact
11 development.

12 (d) The board shall require not less than a 50 percent local cost
13 share for grant funds, but may suspend or reduce the matching
14 requirements for disadvantaged communities and economically
15 distressed areas.

16 (e) The board shall award grants on a competitive basis,
17 considering the following criteria:

- 18 (1) Water quality benefits of the project, including the project’s
19 ability to reduce impairment of the receiving water body.
- 20 (2) Cost effectiveness.
- 21 (3) Public health benefits of the project.

22 (f) Eligible recipients shall include local public agencies and
23 joint powers authorities.

24 79774. The sum of forty-five million dollars (\$45,000,000)
25 shall be available, upon appropriation by the Legislature from the
26 fund, to the State Coastal Conservancy for projects that meet the
27 requirements of the California Ocean Protection Act (Division
28 26.5 (commencing with Section 35500) of the Public Resources
29 Code). The conservancy shall allocate the funds to the Ocean
30 Protection Council to make grants to public agencies for projects
31 to protect and improve water quality in areas of special biological
32 significance, as defined in subdivision (f) of Section 36700 of the
33 Public Resources Code.

34

35 CHAPTER 11. WATER RECYCLING PROGRAM

36

37 79780. The sum of two hundred fifty million dollars
38 (\$250,000,000) shall be available, upon appropriation by the
39 Legislature from the fund, for grants and loans for water recycling

1 and advanced treatment technology projects, including all of the
2 following:

3 (a) Water recycling projects.

4 (b) Contaminant and salt removal projects, including
5 groundwater and seawater desalination.

6 (c) Dedicated distribution infrastructure for recycled water,
7 including commercial and industrial end-user retrofit projects to
8 allow use of recycled water.

9 (d) Pilot projects for new salt and contaminant removal
10 technology.

11 (e) Groundwater recharge infrastructure related to recycled
12 water.

13 (f) Technical assistance and grant writing assistance for
14 disadvantaged communities.

15 79781. Of the funds made available in Section 79780, not less
16 than 40 percent of the total shall be available for grants for
17 advanced treatment water recycling projects that produce at least
18 10,000 acre feet of water a year. For purposes of this section
19 “advanced treatment water recycling” means secondary effluent
20 that is treated by a combined process of microfiltration or
21 ultrafiltration, reverse osmosis, and advanced oxidation by means
22 of ultraviolet light and peroxide.

23 79782. For projects funded pursuant to the funds made available
24 pursuant to Section 79780, at least a 50-percent local cost share
25 shall be required. That cost share may be suspended or reduced
26 for disadvantaged communities and economically distressed areas.

27 79783. Projects funded pursuant to the funds made available
28 pursuant to Section 79780 shall be selected on a competitive basis,
29 considering all of the following criteria:

30 (a) Water supply reliability improvement.

31 (b) Water quality and ecosystem benefits related to decreased
32 reliance on diversions from the Delta or instream flows.

33 (c) Public health benefits from improved drinking water quality.

34 (d) Cost effectiveness.

35 (e) Energy efficiency and greenhouse gas emission impacts.

36 79784. (a) (1) The sum of two hundred fifty million dollars
37 (\$250,000,000) shall be available, upon appropriation by the
38 Legislature from the fund, for direct expenditures, grants, and loans
39 for water conservation and water use efficiency projects and
40 programs, including any of the following:

1 (A) Urban water conservation projects and programs, including
2 regional projects and programs, implemented pursuant to Part 2.55
3 (commencing with Section 10608). Priority for funding shall be
4 given to programs that do the following:

5 (i) Assist water suppliers and regions to implement conservation
6 programs and measures that are not locally cost-effective.

7 (ii) Support water supplier and regional efforts to implement
8 programs targeted to enhance water use efficiency for commercial,
9 industrial, and institutional water users.

10 (iii) Assist water suppliers and regions with programs and
11 measures targeted toward realizing the conservation benefits of
12 implementation of the provisions of the state landscape model
13 ordinance.

14 (B) Agricultural water use efficiency projects and programs
15 pursuant to Part 2.8 (commencing with Section 10800).

16 (C) Agricultural water management plans developed pursuant
17 to Part 2.8 (commencing with Section 10800).

18 (2) Programs and measures undertaken by agencies that are
19 required to implement only limited conservation requirements
20 under paragraph (3) of subdivision (b) of Section 10608.20 or are
21 required to perform no more than 5 percent additional conservation
22 under the requirements of Section 10608.22 are not eligible for
23 funding under this section.

24 (b) The department shall award grants or loans under this chapter
25 in a competitive process that considers, as primary factors, the
26 local and statewide conservation and water use efficiency benefits
27 of the measures proposed for grants.

28 (c) Section 1011 applies to all conservation measures that an
29 agricultural water supplier or an urban water supplier implements
30 with funding under this chapter. This subdivision does not limit
31 the application of Section 101 to any other measures or projects
32 implemented by a water supplier.

33

34 CHAPTER 12. FISCAL PROVISIONS

35

36 79810. (a) Bonds in the total amount of nine billion four
37 hundred million dollars (\$9,400,000,000), not including the amount
38 of any refunding bonds issued in accordance with Section 79822,
39 or so much thereof as is necessary, may be issued and sold to
40 provide a fund to be used for carrying out the purposes expressed

1 in this division and to reimburse the General Obligation Bond
2 Expense Revolving Fund pursuant to Section 16724.5 of the
3 Government Code. The bonds, when sold, shall be and constitute
4 valid and binding obligations of the State of California, and the
5 full faith and credit of the State of California is hereby pledged
6 for the punctual payment of both the principal of, and interest on,
7 the bonds as the principal and interest become due and payable.

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

13 79811. The bonds authorized by this division shall be prepared,
14 executed, issued, sold, paid, and redeemed as provided in the State
15 General Obligation Bond Law, and all of the provisions of that
16 law apply to the bonds and to this division and are hereby
17 incorporated in this division as though set forth in full in this
18 division, except Section 16727 of the Government Code shall not
19 apply to the extent that it is inconsistent with any other provision
20 of this division.

21 79812. (a) Solely for the purpose of authorizing the issuance
22 and sale, pursuant to the State General Obligation Bond Law, of
23 the bonds authorized by this division, the Safe, Clean, and Reliable
24 Drinking Water Finance Committee is hereby created. For purposes
25 of this division, the Safe, Clean, and Reliable Drinking Water
26 Finance Committee is “the committee” as that term is used in the
27 State General Obligation Bond Law.

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

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

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

37 79813. The committee shall determine whether or not it is
38 necessary or desirable to issue bonds authorized pursuant to this
39 division to carry out the actions specified in this division and, if
40 so, the amount of bonds to be issued and sold. Successive issues

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

4 79814. “Board,” as defined in Section 16722 of the Government
5 Code for the purposes of compliance with the State General
6 Obligation Bond Law, means the department.

7 79815. 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, and it is the duty of all officers charged by law with any duty
12 in regard to the collection of the revenue to do and perform each
13 and every act which is necessary to collect that additional sum.

14 79816. 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 79819, appropriated without regard to fiscal years.

23 79817. 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. The amount of the request
27 shall not exceed the amount of the unsold bonds that the committee
28 has, by resolution, authorized to be sold for the purpose of carrying
29 out this division. The board shall execute those documents required
30 by the Pooled Money Investment Board to obtain and repay the
31 loan. Any amounts loaned shall be deposited in the fund to be
32 allocated in accordance with this division.

33 79818. Notwithstanding any other provision of this division,
34 or of the State General Obligation Bond Law, if the Treasurer sells
35 bonds that include a bond counsel opinion to the effect that the
36 interest on the bonds is excluded from gross income for federal
37 tax purposes under designated conditions, the Treasurer may
38 maintain separate accounts for the bond proceeds invested and for
39 the investment earnings on those proceeds, and may use or direct
40 the use of those proceeds or earnings to pay any rebate, penalty,

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

7 79819. For the purposes of carrying out this division, the
8 Director of Finance may authorize the withdrawal from the General
9 Fund of an amount or amounts not to exceed the amount of the
10 unsold bonds that have been authorized by the committee to be
11 sold for the purpose of carrying out this division. Any amounts
12 withdrawn shall be deposited in the fund. Any money made
13 available under this section shall be returned to the General Fund,
14 with interest at the rate earned by the money in the Pooled Money
15 Investment Account, from proceeds received from the sale of bonds
16 for the purpose of carrying out this division.

17 79820. All money deposited in the fund that is derived from
18 premiums and accrued interest on bonds sold pursuant to this
19 division shall be reserved in the fund and shall be available for
20 transfer to the General Fund as a credit to expenditures for bond
21 interest.

22 79821. Pursuant to Chapter 4 (commencing with Section
23 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
24 the cost of bond issuance shall be paid out of the bond proceeds.
25 These costs shall be shared proportionately by each program funded
26 through this division.

27 79822. The bonds issued and sold pursuant to this division
28 may be refunded in accordance with Article 6 (commencing with
29 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
30 the Government Code, which is a part of the State General
31 Obligation Bond Law. Approval by the electors of the state for the
32 issuance of the bonds under this division shall include approval
33 of the issuance of any bonds issued to refund any bonds originally
34 issued under this division or any previously issued refunding bonds.

35 79823. The proceeds from the sale of bonds authorized by this
36 division are not “proceeds of taxes” as that term is used in Article
37 XIII B of the California Constitution, and the disbursement of
38 these proceeds is not subject to the limitations imposed by that
39 article.

1 79824. Of the nine billion four hundred million dollars
2 (\$9,400,000,000) in bonds authorized in this division, no more
3 than four billion seven hundred million dollars (\$4,700,000,000)
4 shall be sold by the Treasurer before July 1, 2015.

5 SEC. 3. Section 2 of this act shall be submitted to the voters
6 at the November 2, 2010, statewide general election in accordance
7 with provisions of the Government Code and the Elections Code
8 governing the submission of a statewide measure to the voters.

9 SEC. 4. (a) Section 2 of this act shall take effect only upon
10 the approval by the voters of the Safe, Clean, and Reliable Drinking
11 Water Supply Act of 2010, as set forth in that section at the
12 November 2, 2010, statewide general election.

13 (b) (1) Notwithstanding Section 9051 of the Elections Code or
14 any other provision of law, the Attorney General shall provide and
15 return to the Secretary of State a ballot title and summary in
16 10-point type for all state ballot pamphlets of the November 2,
17 2010, statewide general election that contains the following title
18 and summary for _____, adopted by the Legislature at the
19 2009–10 Seventh Extraordinary Session of the Legislature:

20 “SAFE, CLEAN, AND RELIABLE DRINKING WATER
21 SUPPLY ACT OF 2010” and in the same square under those
22 words:

23
24 “To protect water quality and ensure safe, clean drinking water;
25 meet the water supply needs of California residents, farms,
26 businesses, expand water conservation and recycling; restore fish
27 and wildlife habitat; reduce polluted runoff that contaminates
28 rivers, streams, beaches, and bays; and protect the safety of water
29 supplies threatened by earthquakes and other natural disasters; the
30 State of California shall issue bonds totaling nine billion four
31 hundred million dollars (\$9,400,000,000) paid from existing state
32 funds at an average cost of _____ per year over the
33 30-year life of the bond, subject to independent, annual audits, and
34 citizen oversight.”

35
36 (2) The language in paragraph (1) shall be the only language
37 included in the title and summary for _____, adopted
38 by the Legislature at the 2009–10 Regular Session, and the
39 Attorney General shall not supplement, subtract from, or revise
40 that language.

1 (3) Notwithstanding any other provision of law, including
2 Sections 9050, 9051, 13247, 13262, and 13281 of the Elections
3 Code, the language in paragraph (1) for the title and summary shall
4 also be the language included in the ballot label for the condensed
5 statement of the ballot title, and the Attorney General shall not
6 supplement, subtract from, or revise that language, except that the
7 Attorney General may include the fiscal impact summary prepared
8 pursuant to Section 9087 of the Elections Code and Section 88003
9 of the Government Code. The ballot label is the condensed
10 statement of the ballot title and the financial impact summary.

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

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

19 SEC. 5. This act is an urgency statute necessary for the
20 immediate preservation of the public peace, health, or safety within
21 the meaning of Article IV of the Constitution and shall go into
22 immediate effect. The facts constituting the necessity are:

23 In order to fund a safe, clean, and reliable water supply at the
24 earliest possible date, it is necessary that this act take effect
25 immediately.

O