Senate Bill No. 1

Passed the Senate August 31, 2008

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Secretary of the Senate

Passed the Assembly August 28, 2008

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Chief Clerk of the Assembly

This bill was received by the Governor this _____ day of _____, 2008, at _____ o'clock ____M.

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Private Secretary of the Governor

CHAPTER _____

An act to add and repeal Section 65595.5 of the Government Code, and to add Sections 127.5 and 134.5 to, to add Division 33 (commencing with Section 83000) to, and to repeal and add Part 2.2 (commencing with Section 10530) of Division 6 of, the Water Code, relating to water, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, Perata. Water quality, flood control, water storage, and wildlife preservation.

(1) The Integrated Regional Water Management Planning Act of 2002 authorizes a regional water management group, as defined, to prepare and adopt a regional water plan meeting specified requirements.

This bill would repeal these provisions of law and enact the Integrated Regional Water Management Planning Act. Regional water management groups, as defined, would be authorized to prepare and adopt integrated regional water management plans meeting specified requirements.

The Department of Water Resources would be required to develop project solicitation and evaluation guidelines for a specified funding source.

(2) Under existing law, various bond acts have been approved by the voters to provide funds for water projects, facilities, and programs. The Disaster Preparedness and Flood Prevention Bond Act of 2006, a bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of $4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of $5,388,000,000 for the purposes of financing a safe drinking water, water quality and supply, flood control, and resource protection program. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, an initiative bond act

approved by the voters at the November 5, 2002, statewide general election, authorizes the issuance of bonds in the amount of $3,440,000,000 to finance a safe drinking water, water quality, and water reliability program. The Costa-Machado Water Act of 2000, a bond act approved by the voters at the March 7, 2000, statewide direct primary election, authorizes the issuance of bonds in the amount of $1,970,000,000 for the purposes of financing a safe drinking water, water quality, flood protection, and water reliability program.

This bill, with regard to those bond funds, would appropriate $820,973,000 as follows: of the funds made available pursuant to the Disaster Preparedness and Flood Prevention Bond Act of 2006, $135,000,000 to the Department of Water Resources for essential emergency preparedness supplies and projects, and $150,000,000 to the department for stormwater flood management project grants; of the funds made available pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, $50,000,000 to the State Department of Public Health for grants for small community drinking water systems infrastructure improvements and related actions, $50,400,000 to the State Department of Public Health for grants for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water, $181,971,000 to the department for integrated regional water management activities, $90,000,000 to the department for the implementation of Delta water quality improvement projects that protect drinking water supplies, $100,000,000 to the department for the acquisition, preservation, protection, and restoration of Sacramento-San Joaquin Delta resources, $12,000,000 to the department to complete planning and feasibility studies associated with new surface storage under the California Bay-Delta Program, $15,000,000 to the department for planning and feasibility studies to identify potential options for the reoperation of the state's flood protection and water supply systems, $10,000,000 to the department to update the California Water Plan, $10,000,000 to the State Coastal Conservancy for projects on the Santa Ana River, and $7,300,000 to the department for the urban streams restoration program; of the funds made available under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, $3,760,000 to the department for planning and feasibility studies associated with

surface storage under the California Bay-Delta Program; and of the funds made available pursuant to the Costa-Machado Water Act of 2000, $2,272,000 to the department for the Sacramento River Hamilton City Area Flood Damage Reduction Project and $3,450,000 to the department for the Franks Tract Pilot Project.

The bill would provide that up to 5% of the funds appropriated by the bill may be expended to pay for the administrative costs of that program. The bill would provide that funds appropriated by the bill are available for encumbrance until June 30, 2010. On January 10, 2010, program recipients would be required to report to the fiscal committees of the Legislature with regard to the committed and anticipated expenditures of these funds. The bill would require the Director of Finance to administratively establish positions necessary to implement activities funded by the bill's appropriations.

(3) Under the Porter-Cologne Water Quality Control Act, the State Water Resources Control Board and the California regional water quality control boards are the principal state agencies with authority over matters relating to water quality.

This bill would require the state board, in consultation with other agencies, to develop pilot projects in the Tulare Lake Basin and the Salinas Valley focused on nitrate contamination. The bill would require the state board to create an interagency task force, as needed, to oversee the pilot projects and submit a report to the Legislature on the scope and findings of the projects within 2 years of receiving funding. The state board would be required to implement recommendations for developing a groundwater cleanup program for the Central Valley Water Quality Control Region and the Central Coast Water Quality Control Region based upon pilot project results within 2 years of submitting the report to the Legislature.

(4) Existing law requires the department, not later than January 1, 2009, to update a model water efficient landscape ordinance. Existing law generally requires rules and regulations of the department to be first presented to the California Water Commission and to become effective only upon approval of the commission.

This bill, until December 31, 2009, would provide that commission review and approval does not apply to the

department's adoption of regulations updating the model water efficient landscape ordinance.

(5) The bill would authorize the department to utilize the Program Manager class series that was created for the California Bay-Delta Authority for positions to manage vital departmental activities.

Appropriation: yes.

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

SECTION 1. Section 65595.5 is added to the Government Code, to read:

65595.5. (a) Notwithstanding Section 161 of the Water Code, until December 31, 2009, in order to ensure timely implementation of water conservation activities relating to landscaping, Section 161 of the Water Code does not apply to the department's adoption of regulations required by Section 65595.

(b) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

SEC. 2. Section 127.5 is added to the Water Code, to read:

127.5. The department may utilize the program manager class series that was created for the California Bay-Delta Authority, for positions to manage vital departmental activities, including those relating to climate change mitigation and adaptation, water management, and statewide planning.

SEC. 3. Section 134.5 is added to the Water Code, to read:

134.5. The Director of Finance shall administratively establish positions necessary to implement activities funded by the appropriations made in Division 33 (commencing with Section 83000).

SEC. 4. Part 2.2 (commencing with Section 10530) of Division 6 of the Water Code is repealed.

SEC. 5. Part 2.2 (commencing with Section 10530) is added to Division 6 of the Water Code, to read:

PART 2.2. INTEGRATED REGIONAL WATER MANAGEMENT PLANS

Chapter 1. Short Title

10530. This part shall be known and may be cited as the Integrated Regional Water Management Planning Act.

Chapter 2. Legislative Findings and Declarations

10531. The Legislature finds and declares all of the following:

(a) Water is a valuable natural resource in California, and should be managed to ensure the availability of sufficient supplies to meet the state's agricultural, domestic, industrial, and environmental needs. It is the intent of the Legislature to encourage local agencies to work cooperatively to manage their available local and imported water supplies to improve the quality, quantity, and reliability of those supplies.

(b) Local agencies can realize efficiencies by coordinating and integrating their assets and seeking mutual solutions to water management issues.

(c) The reliability of water supplies can be significantly improved by diversifying water portfolios, taking advantage of local and regional opportunities, and considering a broad variety of water management strategies as described in the California Water Plan.

(d) The implementation of this part will facilitate the development of integrated regional water management plans, thereby assisting each region of the state to improve water supply reliability, water quality, and environmental stewardship to meet current and future needs.

(e) Water management is integrally linked to public health and the health of all natural resources within our watersheds. It is the intent of the Legislature that water management strategies and projects are carried out in a way that promotes these important public values.

Chapter 3. Definitions

10532. Unless the context otherwise requires, the definitions set forth in this chapter govern the construction of this part.

10533. "Basin plan" means a water quality control plan developed pursuant to Section 13240.

10534. "Integrated regional water management plan" means a comprehensive plan for a defined geographic area, the specific development, content, and adoption of which shall satisfy requirements developed pursuant to this part. At a minimum, an integrated regional water management plan describes the major water-related objectives and conflicts within a region, considers a broad variety of water management strategies, identifies the appropriate mix of water demand and supply management alternatives, water quality protections, and environmental stewardship actions to provide long-term, reliable, and high-quality water supply and protect the environment, and identifies disadvantaged communities in the region and takes the water-related needs of those communities into consideration.

10535. "Local agency" means any city, county, city and county, special district, joint powers authority, or other political subdivision of the state, a public utility as defined in Section 216 of the Public Utilities Code, or a mutual water company as defined in Section 2725 of the Public Utilities Code.

10536. "Plan" means an integrated regional water management plan.

10537. "Regional projects or programs" means projects or programs identified in an integrated regional water management plan that accomplish any of the following:

(a) Reduce water demand through agricultural and urban water use efficiency.

(b) Increase water supplies for any beneficial use through the use of any of the following, or other, means:

(1) Groundwater storage and conjunctive water management.
(2) Desalination.
(3) Precipitation enhancement.
(4) Water recycling.
(5) Regional and local surface storage.
(6) Water-use efficiency.
(7) Stormwater management.

(c) Improve operational efficiency and water supply reliability, including conveyance facilities, system reoperation, and water transfers.

(d) Improve water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff.

(e) Improve resource stewardship, including agricultural lands stewardship, ecosystem restoration, flood plain management, recharge area protection, urban land use management, groundwater management, water-dependent recreation, fishery restoration, including fish passage improvement, and watershed management.

(f) Improve flood management through structural and nonstructural means, or by any other means.

10538. "Regional reports or studies" means reports or studies relating to any of the matters described in subdivisions (a) to (f), inclusive, of Section 10537, that are identified in an integrated regional water management plan.

10539. "Regional water management group" means a group in which three or more local agencies, at least two of which have statutory authority over water supply or water management, as well as those other persons who may be necessary for the development and implementation of a plan that meets the requirements in Sections 10540 and 10541, participate by means of a joint powers agreement, memorandum of understanding, or other written agreement, as appropriate, that is approved by the governing bodies of those local agencies.

Chapter 4. Integrated Regional Water Management Plans

10540. (a) A regional water management group may prepare and adopt an integrated regional water management plan in accordance with this part.

(b) A regional water management group may coordinate its planning activities to address or incorporate all or part of any of the following actions of its members into its plan:

(1) Groundwater management planning pursuant to Part 2.75 (commencing with Section 10750) or other specific groundwater management authority.

(2) Urban water management planning pursuant to Part 2.6 (commencing with Section 10610).

(3) The preparation of a water supply assessment required pursuant to Part 2.10 (commencing with Section 10910).

(4) Agricultural water management planning pursuant to Part 2.8 (commencing with Section 10800).

(5) City and county general planning pursuant to Section 65350 of the Government Code.

(6) Other water resource management planning, including flood protection, watershed management planning, and multipurpose program planning.

(c) At a minimum, all plans shall address all of the following:

(1) Protection and improvement of water supply reliability, including identification of feasible agricultural and urban water use efficiency strategies.

(2) Identification and consideration of the drinking water quality of communities within the area of the plan.

(3) Protection and improvement of water quality within the area of the plan, consistent with the relevant basin plan.

(4) Identification of any significant threats to groundwater resources from overdrafting.

(5) Protection, restoration, and improvement of stewardship of aquatic, riparian, and watershed resources within the region.

(6) Protection of groundwater resources from contamination.

(7) Identification and consideration of the water-related needs of disadvantaged communities in the area within the boundaries of the plan.

(d) This section does not obligate a local agency to fund the implementation of any project or program.

10541. (a) The department shall develop project solicitation and evaluation guidelines for the application of funds made available pursuant to Section 75026 of the Public Resources Code, to enable broad and diverse participation in integrated regional water management plan development and refinement.

(b) The department shall conduct two public meetings to consider public comments prior to finalizing the guidelines. The department shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California and one meeting shall be conducted at a location in

southern California. Upon adoption, the department shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature. To the extent feasible, each state agency shall provide outreach to disadvantaged communities to promote access to and participation in those meetings.

(c) The department shall consult with the board, the California regional water quality control boards, the State Department of Public Health, the Department of Fish and Game, the California Bay-Delta Authority or its successor, and other state agencies with water management responsibility and authority in the development of the guidelines.

(d) The department may periodically review and update the guidelines to accommodate changes in funding sources, statutory requirements, new commonly accepted management practices, and changes in state water management policy. Any guideline changes shall be made with appropriate consultation with other state agencies and public review pursuant to subdivisions (b) and (c).

(e) The guidelines shall require that integrated regional water management plans include all of the following:

(1) Consideration of all of the resource management strategies identified in the California Water Plan, as updated by department Bulletin No. 160-2005 and future updates.

(2) Consideration of objectives in the appropriate basin plan or plans and strategies to meet applicable water quality standards.

(3) Description of the major water-related objectives and conflicts within a region.

(4) Measurable regional objectives and criteria for developing regional project priorities.

(5) An integrated, collaborative, multibenefit approach to selection and design of projects and programs.

(6) Identification and consideration of the water-related needs of disadvantaged communities in the area within the boundaries of the plan.

(7) Performance measures and monitoring to demonstrate progress toward meeting regional objectives.

(8) A plan for implementation and financing of identified projects and programs.

(9) Consideration of greenhouse gas emissions of identified programs and projects.

(10) Evaluation of the adaptability to climate change of water management systems in the region.

(11) Documentation of data and technical analyses used in the development of the plan.

(12) A process to disseminate data and information related to the development and implementation of the plan.

(13) A process to coordinate water management projects and activities of participating local agencies and local stakeholders to avoid conflicts and take advantage of efficiencies.

(14) Any other matters identified by the department.

(f) The guidelines shall include standards for identifying a region for the purpose of developing or modifying an integrated regional water management plan. At a minimum, a region shall be a contiguous geographic area encompassing the service areas of multiple local agencies, and shall be defined to maximize opportunities for integration of water management activities. The department shall develop a process to approve the composition of a region for the purposes of Sections 75026, 75027, and 75028 of the Public Resources Code.

(g) The guidelines shall require that the development and implementation of an integrated regional water management plan include a public process that provides outreach and an opportunity to participate in plan development and implementation to appropriate local agencies and stakeholders, as applicable to the region, including all of the following:

(1) Wholesale and retail water purveyors, including a local agency, mutual water company, or a water corporation as defined in Section 241 of the Public Utilities Code.

(2) Wastewater agencies.

(3) Flood control agencies.

(4) Municipal and county governments and special districts.

(5) Electrical corporations, as defined in Section 218 of the Public Utilities Code.

(6) Native American tribes that have lands within the region.

(7) Self-supplied water users, including agricultural, industrial, residential, park districts, school districts, colleges and universities, and others.

(8) Environmental stewardship organizations, including watershed groups, fishing groups, land conservancies, and environmental groups.

(9) Community organizations, including landowner organizations, taxpayer groups, and recreational interests.

(10) Industry organizations representing agriculture, developers, and other industries appropriate to the region.

(11) State, federal, and regional agencies or universities, with specific responsibilities or knowledge within the region.

(12) Disadvantaged community members and representatives, including environmental justice organizations, neighborhood councils, and social justice organizations.

(13) Any other interested groups appropriate to the region.

(h) The guidelines shall require integrated regional water management plans to be developed through a collaborative process that makes public both of the following:

(1) The process by which decisions are made in consultation with the persons or entities identified in subdivision (g).

(2) The manner in which a balance of interested persons or entities representing different sectors and interests listed in subdivision (g) have been or will be engaged in the process described in this subdivision, regardless of their ability to contribute financially to the plan.

(i) The guidelines shall provide for a process for the development, periodic review, updating, and amending of integrated regional water management plans. The department shall establish eligibility requirements for the project funding, that provide sufficient time for the updating of plans as necessary to reflect changes in the guidelines.

10543. (a) A regional water management group proposing to prepare an integrated regional water management plan shall publish a notice of intention to prepare the plan in accordance with Section 6066 of the Government Code.

(b) For the purposes of carrying out this part, the regional water management group shall make available to the public the documentation prepared pursuant to subdivision (g) of Section 10541 describing the manner in which interested parties may participate in developing the integrated regional water management plan.

(c) Upon the completion of the integrated regional water management plan, the regional water management group shall publish a notice of intention to adopt the plan in accordance with

Section 6066 of the Government Code and shall adopt the plan in a public meeting of its governing board.

Chapter 5. Funding for Qualified Projects and Programs

10544. When selecting projects and programs pursuant to Division 24 (commencing with Section 78500), Division 26 (commencing with Section 79000), Division 26.5 (commencing with Section 79500), or pursuant to any grant funding authorized on or after January 1, 2009, for water management activities, the department, the board, the State Department of Public Health, and the California Bay-Delta Authority or its successor, as appropriate, shall include in any set of criteria used to select projects and programs for funding, a criterion that provides a preference for regional projects or programs.

10546. An integrated regional water management plan prepared pursuant to this part shall be eligible for funding pursuant to Section 75026 of the Public Resources Code, and for any funding authorized on or after January 1, 2009, that is allocated specifically for implementation of integrated regional water management.

10547. This part does not prohibit the department from implementing Section 75026 of the Public Resources Code by using existing integrated regional water management guidelines in accordance with subdivision (d) of Section 75026 of the Public Resources Code.

Chapter 6. Miscellaneous

10548. This part does not affect any powers granted to a local agency by any other law.

10549. This part does not authorize a regional water management group to define, or otherwise determine, the water rights of any person.

10550. The plan or project shall not be funded pursuant to this part if it would fund activities inconsistent with applicable state and federal water quality laws.

SEC. 6. Division 33 (commencing with Section 83000) is added to the Water Code, to read:

DIVISION 33. INTEGRATED WATER SUPPLY AND FLOOD PROTECTION PLANNING, DESIGN, AND IMPLEMENTATION

83000. The Legislature hereby finds and declares all of the following:

(a) Water is vital to the economy, environment, and overall well-being of the state.

(b) California faces increasing challenges in managing its water supply due to climate change, uncertainty regarding the availability of water from the Sacramento-San Joaquin Delta and other sources, an increasing state population, limitations on public funds, and other factors.

(c) California must adopt a new, updated, and comprehensive set of water planning, design, and implementation policies that reflect these realities to protect its water supply future.

(d) In the past, state laws, funding schemes, and administrative actions have treated the planning, construction, and operation of water supply, groundwater, and flood control systems as separate and distinct activities, thereby reducing efficiency and water supply reliability.

(e) California has not taken full advantage of the cost savings, the environmental benefits, or the expediency of more efficient operations and usage of existing water supply, storage, and flood protection facilities.

(f) It is the policy of the state to more effectively integrate its flood protection systems with its water supply and conveyance systems in order to conserve limited public dollars, increase the available water supply, improve water quality, increase wildlife and ecosystem protections, protect public health and safety, and address the effects of climate change.

(g) The purpose of this division is to require the integration of flood protection and water systems to achieve multiple public benefits, including all of the following:

(1) Increasing water supply reliability in the least costly, most efficient, and most reliable manner to meet current and future state needs.

(2) Increasing use of water use efficiency and water conservation measures to increase and extend existing water supplies.

(3) Reducing energy consumption associated with water transport, thereby reducing state greenhouse gas emissions.

(4) Improving water management to protect and restore ecosystems and wildlife habitat.

83001. In order to provide the least costly, most efficient, and reliable water supply to a growing state, it is the intent of the Legislature that the department accomplish the following objectives:

(a) Integrate state flood protection and water supply systems.

(b) Promote conjunctive use of groundwater storage capacity to improve overall water supply and flood system operation.

(c) Promote increased water use efficiency through expanded use of water conservation, water recycling, and improvements in technology.

83002. The sum of eight hundred twenty million nine hundred seventy-three thousand dollars ($820,973,000) is hereby appropriated in accordance with the following schedule:

(a) Of the funds made available pursuant to Chapter 1.699 (commencing with Section 5096.800) of Division 5 of the Public Resources Code, the sum of two hundred eighty-five million dollars ($285,000,000) is hereby appropriated as follows:

(1) Pursuant to subdivision (c) of Section 5096.821 of the Public Resources Code, the sum of one hundred thirty-five million dollars ($135,000,000) to the department for the acquisition, design, and construction of essential emergency preparedness supplies and projects. Prior to the design or construction of any project funded pursuant to this paragraph, the California Bay-Delta Authority, or its successor, shall approve the specific project or program. Preference shall be given to projects that protect and improve Delta water quality and drinking water supplies. Of the amount made available pursuant to this paragraph, not less than thirty-five million dollars ($35,000,000) shall be expended by the department for projects to reinforce those sections of the levees that have the highest potential to suffer breaches or failure and cause harm to municipal and industrial water supply aqueducts that cross the Delta and which are vulnerable to flood damage, including the installation of scour protection on the supports of the aqueducts in those areas located adjacent to the sections of the levees that have been identified as the highest risk of breaches or failure.

(2) Pursuant to Section 5096.827 of the Public Resources Code, the sum of one hundred fifty million dollars ($150,000,000) to the department for grants for stormwater flood management projects that reduce flood damage and provide other benefits, including groundwater recharge, water quality improvement, and ecosystem restoration. Not less than one hundred million dollars ($100,000,000) of this amount shall be available for projects that address immediate public health and safety needs, strengthen existing flood control facilities to address seismic safety issues. Twenty million dollars ($20,000,000) shall be available for local agencies to meet immediate water quality needs related to combined municipal sewer and stormwater systems to prevent sewage discharges into state waters. Twenty million dollars ($20,000,000) shall be available for urban stream stormwater flood management projects to reduce the frequency and impacts of flooding in watersheds that drain to the San Francisco Bay.

(b) Of the funds made available pursuant to Division 43 (commencing with Section 75001) of the Public Resources Code, the sum of five hundred twenty-six million four hundred ninety-one thousand dollars ($526,491,000) is hereby appropriated as follows:

(1) Pursuant to Section 75022 of the Public Resources Code, the sum of fifty million dollars ($50,000,000) to the State Department of Public Health for grants for small community drinking water system infrastructure improvements and related action to meet safe drinking water standards. First priority for these funds shall be given to disadvantaged or severely disadvantaged communities lacking resources to provide safe drinking water to residents. Small community drinking water systems that are dependent on surface water and are under orders from the State Department of Public Health to boil water from existing treatment systems for parasites, viruses, or giardia shall be eligible for grants for drinking water system infrastructure improvements.

(2) Pursuant to Section 75025 of the Public Resources Code, the sum of fifty million four hundred thousand dollars ($50,400,000) to the State Department of Public Health for grants for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water. Funds appropriated by this paragraph shall be available for immediate projects needed to protect public health by preventing or reducing the contamination

of groundwater that serves as a major source of drinking water for a community.

(A) The State Department of Public Health shall prioritize project funding based on the following criteria:

(i) The threat posed by groundwater contamination to the affected community's overall drinking water supplies, including the need for the treatment or construction of alternative supplies if groundwater is not available due to contamination.

(ii) The potential for groundwater contamination to spread and reduce drinking water supply and water storage capacity for major population areas.

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

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

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

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

(ii) Affected groundwater provides a local supply that, if contaminated, will require the importation of additional water from the Sacramento-San Joaquin Delta or the Colorado River.

(iii) The project will serve an economically disadvantaged community.

(iv) Multiple contaminants affect more than one-third of the well capacity of a local water system.

(C) Of the amount made available by this paragraph, up to ten million dollars ($10,000,000) shall be allocated for projects that meet the criteria of this paragraph and both of the following criteria:

(i) The project has the potential to leverage funds.

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

(D) Of the funds made available by this paragraph, two million dollars ($2,000,000) shall be allocated to the State Department of

Public Health to contract with the State Water Resources Control Board for the purposes of Section 83002.5.

(3) (A) Pursuant to Section 75026 of the Public Resources Code, the sum of one hundred eighty-one million seven hundred ninety-one thousand dollars ($181,791,000) to the department for integrated regional water management activities as follows:

(i) One hundred million dollars ($100,000,000) for implementation grants.

(ii) Thirty-nine million dollars ($39,000,000) for planning grants, local groundwater assistance grants, and CALFED scientific research grants.

(iii) Twenty-two million ninety-one thousand dollars ($22,091,000) for projects with interregional or statewide benefits.

Of the amount made available pursuant to this paragraph, not less than ten million dollars ($10,000,000) shall be made available for expenditure to interconnect municipal and industrial water supply aqueducts that cross the Delta and that are vulnerable to flood damage, including the design and construction of interties among aqueducts that provide at least 90 percent of a regional water supply that would be threatened in the event of levee failure or other disaster, and that support an integrated regional emergency water supply system.

(iv) Twenty million seven hundred thousand dollars ($20,700,000) for program delivery costs.

(B) An implementation grant pursuant to clause (i) of subparagraph (A) shall be available only for projects included in an integrated regional water management plan that meets one of the following conditions:

(i) The plan complies with Part 2.2 (commencing with Section 10530) of Division 6.

(ii) For a plan adopted before the date on which this section is enacted, both of the following apply:

(I) The regional water management group that prepared the plan enters into a binding agreement with the department to update the plan to comply with Part 2.2 (commencing with Section 10530) of Division 6 within two years of the date on which the agreement was entered into.

(II) The regional water management group undertakes all reasonable and feasible efforts to take into account water-related

needs of disadvantaged communities in the area within the boundaries of the plan.

(C) Of the funds described in clauses (i) and (ii) of subparagraph (A), the department shall allocate not less than 10 percent to facilitate and support the participation of disadvantaged communities in integrated regional water management planning and for projects that address critical water supply or water quality needs for disadvantaged communities.

(D) Of the funds described in clause (iii) of subparagraph (A), the department shall allocate two million dollars ($2,000,000) to Tulare County for development of an integrated water quality and wastewater treatment program plan to address the drinking water and wastewater needs of disadvantaged communities in the Tulare Lake Basin. Funds allocated pursuant to this paragraph shall be available for assessment and feasibility studies necessary to develop the plan, and the plan shall include recommendations for planning, infrastructure, and other water management actions, and shall include specific recommendations for regional drinking water treatment facilities, regional wastewater treatment facilities, conjunctive use sites and groundwater recharge, groundwater for surface water exchanges, related infrastructure, and cost-sharing mechanisms. Tulare County shall consult with appropriate stakeholders, including representatives of disadvantaged communities, when preparing the plan. The department, in consultation with the State Department of Public Health, shall submit the plan to the Legislature by January 1, 2011.

(E) Of the funds described in clause (i) of subparagraph (A), the department shall allocate not less than twenty million dollars ($20,000,000) to support urban and agricultural water conservation projects necessary to meet a 20-percent reduction in per capita water use by the year 2020.

(4) Pursuant to Section 75029 of the Public Resources Code, the sum of ninety million dollars (90,000,000) to the department for the implementation of Delta water quality improvement projects that protect drinking water supplies as follows:

(A) Pursuant to subdivision (d) of Section 75029 of the Public Resources Code, the sum of fifty million dollars ($50,000,000) for drinking water intake facility projects to improve the quality of drinking water supply from the Sacramento-San Joaquin Delta that are identified in the June 2005 Delta Region Drinking Water

Quality Management Plan. Funding shall be made available for environmental review, design, and construction. Project proponents seeking funding for construction shall meet all of the following criteria:

(i) Have completed documentation required under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and a notice of determination has been filed prior to June 30, 2008.

(ii) Have demonstrated multiple benefits in conveyance and Delta operation to achieve protection or improvement to Delta pelagic fisheries, as well as drinking water quality improvement and public health protection.

(iii) Are able to complete design and commence construction before June 30, 2009.

(iv) Have local or federal cost-sharing funds immediately available.

(B) The sum of forty million dollars ($40,000,000) for projects consistent with subdivision (c) of Section 75029 of the Public Resources Code.

(5) Pursuant to Section 75033 of the Public Resources Code, the sum of one hundred million dollars ($100,000,000) to the department for the acquisition, preservation, protection, and restoration of Sacramento-San Joaquin Delta resources in accordance with Section 75033 of the Public Resources Code. The department shall expend these funds pursuant to priorities that reflect the value of the resources and land uses protected by the levees to the state as a whole, consistent with the Delta Vision Strategic Plan. Projects shall be selected to improve the stability of the Delta levee system, reduce subsidence, and assist in restoring the ecosystem of the Delta. Priority shall be given to projects that improve conditions for Delta smelt and other native fish. Up to five million dollars ($5,000,000) made available pursuant to this paragraph shall be available as grants and direct expenditures for emergency communications equipment to improve emergency response preparedness.

(6) Pursuant to Chapter 4 (commencing with Section 75041) of Division 43 of the Public Resources Code, the sum of thirty-seven million dollars ($37,000,000) to the department as follows:

(A) (i) Twelve million dollars ($12,000,000) to complete the planning and feasibility studies associated with new surface storage under the California Bay-Delta Program.

(ii) The planning and feasibility studies shall include the following information:

(I) The identification of specific construction and operation conditions proposed for each surface storage facility, including consideration of climate change, an estimated schedule for the construction and completion of each project funded under Section 75041, and the total costs of constructing each project.

(II) A description of the estimated total costs to construct each project and an allocation of the costs to public and private beneficiaries.

(iii) Any feasibility study conducted by or funded by the state for new surface storage under the California Bay-Delta Program shall evaluate funded projects consistent with all statutory and other legally established requirements for protection of environmental and natural resources, including protections for the McCloud River pursuant to Section 5093.542 of the Public Resources Code.

(iv) The feasibility studies shall be prepared and submitted to the Governor and the Legislature no later than December 31, 2009.

(B) (i) Fifteen million dollars ($15,000,000) for planning and feasibility studies to identify potential options for the reoperation of the state's flood protection and water supply systems that will optimize the use of existing facilities and groundwater storage capacity.

(ii) The studies shall incorporate appropriate climate change scenarios and be designed to determine the potential to achieve the following objectives:

(I) Integration of flood protection and water supply systems to increase water supply reliability and flood protection, improve water quality, and provide for ecosystem protection and restoration.

(II) Reoperation of existing reservoirs, flood facilities, and other water facilities in conjunction with groundwater storage to improve water supply reliability, flood control, and ecosystem protection and to reduce groundwater overdraft.

(III) Promotion of more effective groundwater management and protection and greater integration of groundwater and surface water resource uses.

(IV) Improvement of existing water conveyance systems to increase water supply reliability, improve water quality, expand flood protection, and protect and restore ecosystems.

(C) Ten million dollars ($10,000,000) to update the California Water Plan, including evaluation of climate change impacts, the development of strategies to adapt to climate change impacts, technical assistance to local agencies that incorporate climate change into their studies, reports, and plans, and the identification of strategies to reduce greenhouse gas emissions related to the storage, conveyance, and distribution of water.

(D) Of the money made available pursuant to subparagraphs (A), (B), and (C), up to two million dollars ($2,000,000) may be expended for planning and feasibility studies necessary to implement the Delta Vision Strategic Plan, developed pursuant to Executive Order No. S-17-06, dated September 28, 2006, establishing the Delta Vision process.

(7) Pursuant to Section 75050 of the Public Resources Code, the sum of seventeen million three hundred thousand dollars ($17,300,000) for the protection and restoration of rivers and streams as follows:

(A) Ten million dollars ($10,000,000) to the State Coastal Conservancy for the purposes of subdivision (i) of Section 75050 of the Public Resources Code.

(B) Seven million three hundred thousand dollars ($7,300,000) to the department for the purposes of subdivision (e) of Section 75050 of the Public Resources Code.

(c) Of the funds made available pursuant to subdivision (a) of Section 79550, the sum of three million seven hundred sixty thousand dollars ($3,760,000) is hereby appropriated to the department for planning and feasibility studies associated with surface storage under the California Bay-Delta Program.

(d) (1) Of the funds available pursuant to Section 79101.4, the sum of two million two hundred seventy-two thousand dollars ($2,272,000) is appropriated to the department for the Sacramento River Hamilton City Area Flood Damage Reduction Project.

(2) Of the funds available pursuant to subdivision (c) of Section 79196.5, the sum of three million four hundred fifty thousand dollars ($3,450,000) is appropriated to the department for the Franks Tract Pilot Project under the CALFED Drinking Water Quality Program.

83002.5. To improve understanding of the causes of groundwater contamination, identify potential remediation solutions and funding sources to recover costs expended by the state for the purposes of this section to clean up or treat groundwater, and ensure the provision of safe drinking water to all communities, the State Water Resources Control Board, in consultation with other agencies as specified in this section, shall develop pilot projects in the Tulare Lake Basin and the Salinas Valley that focus on nitrate contamination and do all of the following:

(a) (1) In collaboration with relevant agencies and utilizing existing data, including groundwater ambient monitoring and assessment results along with the collection of new information as needed, do all of the following:

(A) Identify sources, by category of discharger, of groundwater contamination due to nitrates in the pilot project basins.

(B) Estimate proportionate contributions to groundwater contamination by source and category of discharger.

(C) Identify and analyze options within the board's current authority to reduce current nitrate levels and prevent continuing nitrate contamination of these basins and estimate the costs associated with exercising existing authority.

(2) In collaboration with the State Department of Public Health, do all of the following:

(A) Identify methods and costs associated with the treatment of nitrate contaminated groundwater for use as drinking water.

(B) Identify methods and costs to provide an alternative water supply to groundwater reliant communities in each pilot project basin.

(3) Identify all potential funding sources to provide resources for the cleanup of nitrates, groundwater treatment for nitrates, and the provision of alternative drinking water supply, including, but not limited to, state bond funding, federal funds, water rates, and fees or fines on polluters.

(4) Develop recommendations for developing a groundwater cleanup program for the Central Valley Water Quality Control Region and the Central Coast Water Quality Control Region based upon pilot project results.

(b) Create an interagency task force, as needed, to oversee the pilot projects and develop recommendations for the Legislature. The interagency task force may include the board, the State

Department of Public Health, the Department of Toxic Substances Control, the California Environmental Protection Agency, the Department of Water Resources, local public health officials, the Department of Food and Agriculture, and the Department of Pesticide Regulation.

(c) Submit a report to the Legislature on the scope and findings of the pilot projects, including recommendations, within two years of receiving funding.

(d) Implement recommendations in the Central Coast Water Quality Control Region and the Central Valley Water Quality Control Region pursuant to paragraph (4) of subdivision (a) within two years of submitting the report described in subdivision (c) to the Legislature.

(e) For the Salinas Valley Pilot Project, the State Water Resources Control Board shall consult with the Monterey County Water Resources Agency.

83002.6. Up to 5 percent of the funds appropriated by this division may be expended to pay the costs incurred in the administration of that program.

83002.7. Funds appropriated by this division shall only be available for encumbrance until June 30, 2010. On January 10, 2010, any program that is the recipient of an appropriation made by this division shall report to the fiscal committees of the Legislature on the details of all committed and anticipated expenditures of these funds. The report shall include all of the following information:

(a) Fiscal detail of state operations support and local assistance costs.

(b) A general description of the project and the project funding made available by an appropriation in the annual Budget Act for the 2008–09 fiscal year or proposed to be made available in the annual Budget Act for the 2009–10 fiscal year.

(c) A description of the manner in which funds have been expended and a plan for the future expenditure of funds.

(d) An anticipated timeframe for the full expenditure of the appropriation.

(e) An anticipated timeframe for the full completion of the designated project.

(f) The amount of total matching project funding that is being provided by an entity other than the state.

Approved _____, 2008

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Governor