

ASSEMBLY BILL

No. 1187

**Introduced by Assembly Members Huffman and Caballero
(Principal coauthors: Assembly Members Arambula, Eng, Feuer,
and Salas)**

February 27, 2009

An act to add Division 26.7 (commencing with Section 79700) to the Water Code, relating to financing a water supply reliability and water source protection program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 1187, as introduced, Huffman. Safe, Clean, Reliable Drinking Water Supply Act of 2010.

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

This bill would enact the Safe, Clean, Reliable Drinking Water Supply Act of 2010 which, if approved by the voters, would authorize, for the purposes of financing specified water supply reliability and water source protection programs, the issuance of bonds in the amount of \$10,035,000,000 pursuant to the State General Obligation Bond Law.

The act, if approved by the voters, would require the _____ to establish and impose a fee on users of water to be used for the purposes of the act, upon appropriation by the Legislature.

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:

SECTION 1. Division 26.7 (commencing with Section 79700) is added to the Water Code, to read:

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

CHAPTER 1. SHORT TITLE

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

CHAPTER 2. FINDINGS AND DECLARATIONS

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

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

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

(c) Providing adequate supplies of clean, safe drinking water is vital to keeping California's economy growing and strong.

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

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

CHAPTER 3. DEFINITIONS

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

1 (a) “Bay Delta Conservation Plan” means the final plan prepared
2 pursuant to the Planning Agreement regarding the Bay Delta
3 Conservation Plan, dated October 6, 2006.

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

6 (c) “CALFED Bay-Delta Program” means the program
7 described in the Record of Decision dated August 28, 2000.

8 (d) “Committee” means the Safe, Clean, Reliable Drinking
9 Water Supply Finance Committee created by Section 79782.

10 (e) “Delta” means the Sacramento-San Joaquin Delta as defined
11 in Section 12220.

12 (f) “Delta conveyance facilities” means facilities that convey
13 water directly from the Sacramento River to the State Water Project
14 or the federal Central Valley Project pumping facilities in the south
15 Delta.

16 (g) “Department” means the Department of Water Resources.

17 (h) “Director” means the Director of Water Resources.

18 (i) “Disadvantaged community” has the meaning set forth in
19 subdivision (a) of Section 79505.5.

20 (j) “Fund” means the Safe, Clean, Reliable Drinking Water
21 Supply Fund created by Section 79720.

22 (k) “Integrated regional water management plan” means a
23 comprehensive plan for a defined geographic area, the specific
24 development and content of which shall be defined by guidelines
25 adopted by the department. At a minimum, an integrated regional
26 water management plan describes the major water-related
27 objectives and conflicts within a region, considers a broad variety
28 of water management strategies, and identifies the appropriate
29 combination of water demand and supply management alternatives,
30 water quality protections, and environmental stewardship actions
31 to provide long-term, reliable, and high-quality water supplies and
32 to protect the environment.

33 (l) “Nonprofit organization” means an organization qualified
34 to do business in California and qualified under Section 501(c) (3)
35 of Title 26 of the United States Internal Revenue Code.

36 (m) “Public agency” means a state agency or department,
37 district, joint powers authority, city, county, city and county, or
38 other political subdivision of the state.

39 (n) “Secretary” means the Secretary of the Natural Resources
40 Agency.

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

CHAPTER 4. GENERAL PROVISIONS

79710. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

79710.5. Up to 10 percent of funds allocated for each program funded by this division may be used to finance planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This section shall not otherwise restrict funds ordinarily used by an agency for “preliminary plans,” “working drawings,” and “construction” as defined in the annual Budget Act for a capital outlay project or grant project. Water quality monitoring performed in connection with a project funded under this division shall be integrated into the surface water ambient monitoring program administered by the State Water Resources Control Board.

79711. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under Chapter 6 (commencing with Section 79721), Chapter 7 (commencing with Section 79730), Chapter 9 (commencing with Section 79750), Chapter 10 (commencing with Section 79775), and Chapter 11 (commencing with Section 79779).

79712. (a) Prior to disbursing grants pursuant to this division, each state agency that is required to administer a competitive grant program under this division shall develop project solicitation and evaluation guidelines. The guidelines may include a limitation on the dollar amount of grants to be awarded.

(b) Prior to disbursing grants, the state agency shall conduct three public meetings to consider public comments prior to finalizing the guidelines. The state agency 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, one meeting shall be conducted in the central valley, and one meeting shall be

1 conducted at a location in southern California. Upon adoption, the
2 state agency shall transmit copies of the guidelines to the fiscal
3 committees and the appropriate policy committees of the
4 Legislature.

5 79713. It is the intent of the people that the investment of public
6 funds pursuant to this division result in public benefits.

7 79714. The State Auditor shall annually conduct a
8 programmatic review and an audit of expenditures from the fund.
9 The State Auditor shall report its findings annually on or before
10 March 1 to the Governor and the Legislature, and shall make the
11 findings available to the public.

12 79715. Funds provided by this division shall not be used to
13 support or pay for the costs of environmental mitigation measures
14 or compliance obligations of any party except as part of the
15 environmental mitigation costs of projects financed by this division.
16 Funds provided by this division may be used for environmental
17 enhancements or other public benefits.

18 79716. Funds provided by this division shall not be expended
19 to pay the costs of the design, construction, operation, or
20 maintenance of Delta conveyance facilities. Those costs shall be
21 the responsibility of the agencies that benefit from the design,
22 construction, operation, or maintenance of those facilities.

23 79717. Nothing in this division shall limit or otherwise affect
24 the application of Sections 10505, 10505.5, 11128, 11460, 11461,
25 11462, and 11463 and Sections 12200 to 12220, inclusive.

26 79718. The Legislature may enact legislation necessary to
27 implement programs funded by this division.

28 79719. Eligible applicants under this division are public
29 agencies, nonprofit organizations, public utilities, and mutual water
30 companies. To be eligible for funding under this division, a project,
31 proposed by a public utility that is regulated by the Public Utilities
32 Commission or a mutual water company, shall have a clear and
33 definite public purpose and shall benefit the customers of the water
34 system.

35
36 CHAPTER 5. SAFE, CLEAN, RELIABLE DRINKING WATER SUPPLY
37 FUND
38

39 79720. The proceeds of bonds issued and sold pursuant to this
40 division, and the fee described in Chapter 12 (commencing with

1 Section 79779.7), shall be deposited in the Safe, Clean, Reliable
2 Drinking Water Supply Fund, which is hereby created.

3
4 CHAPTER 6. WATER SUPPLY RELIABILITY
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6 79721. The sum of one billion five hundred million dollars
7 (\$1,500,000,000) shall be available, upon appropriation by the
8 Legislature, from the fund to the department for competitive grants
9 in accordance with Section 79722.

10 79722. (a) Except as provided in subdivision (f), the
11 department shall award grants to eligible projects that implement
12 an adopted integrated regional water management plan.

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

20 (c) The department shall require a local cost share of not less
21 than 50 percent of the total costs of the projects. The department
22 may waive or reduce the cost-sharing requirement for projects that
23 directly benefit a disadvantaged community.

24 (d) Eligible projects include, but are not limited to, all of the
25 following:

26 (1) Agricultural and urban water use efficiency implementation
27 projects, including, but not limited to, feasibility studies, technical
28 assistance, education, and public outreach, and projects that result
29 in water savings, increased instream flow, improved water quality,
30 or increased energy efficiency.

31 (2) Recycling, reclamation, water treatment for the recovery of
32 water supplies, desalination, and associated facilities, including
33 distributions systems.

34 (3) Groundwater and surface storage projects, and conjunctive
35 use and reservoir reoperation projects.

36 (4) Groundwater contamination prevention, cleanup, and
37 treatment, and other water quality projects necessary to protect
38 existing or potential water supplies. The implementation of a
39 project financed pursuant to this paragraph does not relieve a
40 responsible party or liable person from that person's obligation

under existing state or federal law to clean up or remediate, or otherwise treat, contaminated water.

(5) Projects that reduce contributions to climate change from water management systems.

(6) Projects that enhance the adaptability to climate change of water management systems.

(7) Other projects that meet the requirements of Section 75026 of the Public Resources Code.

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

(1) North Coast	\$70,000,000
(2) San Francisco Bay	\$150,000,000
(3) Central Coast	\$82,000,000
(4) Los Angeles subregion	\$210,000,000
(5) Santa Ana subregion	\$146,000,000
(6) San Diego subregion	\$108,000,000
(7) Sacramento River	\$103,000,000
(8) San Joaquin River	\$91,000,000
(9) Tulare/Kern	\$93,000,000
(10) North/South Lahontan	\$75,000,000
(11) Colorado River Basin	\$72,000,000
(12) Interregional	\$300,000,000

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

1 (1) Investing in new water technology development and
2 deployment.

3 (2) Meeting state water recycling and water conservation goals.

4 (3) Adapting to climate change impacts.

5 (4) Reducing contributions to climate change.

6 (5) Other projects to improve statewide water use measurement
7 and management systems.

8 (6) Other projects and activities designed to meet the needs of
9 disadvantaged communities, including technical and grant writing
10 assistance.

11 79723. (a) The sum of five hundred million dollars
12 (\$500,000,000) is available, upon appropriation by the Legislature
13 from the fund, to the department for grants and expenditures for
14 the planning, design, and construction of local and regional drought
15 relief projects that reduce the impacts of drought conditions,
16 including, but not limited to, the impacts of reductions in Delta
17 diversions. Projects shall be consistent with an adopted integrated
18 regional water management plan and include the following types
19 of projects:

20 (1) Water conservation and efficiency projects.

21 (2) Water recycling and related infrastructure.

22 (3) Stormwater capture.

23 (4) Groundwater cleanup.

24 (5) Local and regional conveyance projects that improve
25 connectivity and water management.

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

27 (b) Projects shall meet both of the following conditions:

28 (1) The project shall provide a sustainable water supply that
29 does not contribute to groundwater overdraft or increase surface
30 water diversions.

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

33 (c) Preference shall be given to applicants that can demonstrate
34 substantial past and current investments in conservation and local
35 water projects.

36 (d) The department shall require a cost share of not less than
37 50 percent of total project costs from nonstate sources. The
38 department may waive or reduce the cost share requirement for
39 projects that directly benefit disadvantaged communities.

CHAPTER 7. DELTA SUSTAINABILITY

79730. (a) The Bay-Delta Estuary is a unique and irreplaceable combination of environmental and economic resources. Current management and use of the Delta is not sustainable, and results in a high level of conflict among various interests. Future Delta sustainability is threatened by changing hydrology due to climate change, water diversions, flood risk, seismic events, nonnative species, toxics, and other environmental problems. Future management of the Delta must improve Delta ecosystem health and improve the means of Delta water conveyance in order to protect drinking water quality, improve water supply reliability, restore ecosystem health, and preserve agricultural and recreational values in the Delta, while providing to counties and watersheds of origin assurances that their priority to water resources will be protected and that programs or facilities implemented or constructed in the Delta will not result in redirection of unmitigated, significant adverse impacts to the counties and watershed of origin. Many sources of funding will be needed to implement improved Delta management.

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

(c) In implementing this chapter, the Natural Resources Agency, or another agency as may be established by statute to provide oversight and management for Delta projects shall develop, in cooperation with the department, the Department of Fish and Game, and the State Water Resources Control Board, a comprehensive Delta sustainability plan that balances the coequal goals of ecosystem revitalization and environmentally sustainable water supply, consistent with criteria to be adopted by statute.

79731. The sum of one billion nine hundred million dollars (\$1,900,000,000) is available upon appropriation by the Legislature from the fund for grants and direct expenditure, as follows:

(a) Seven hundred million dollars (\$700,000,000) for projects that provide public benefits and support Delta sustainability options, including projects that do any of the following:

(1) Ensure that urban and agricultural water supplies derived from the Delta, including water supplies used within the Delta, are

1 not disrupted because of catastrophic failures of Delta levees
2 resulting from earthquakes, floods, land sinking, rising ocean
3 levels, or other forces.

4 (2) Improve the quality of drinking water derived from the Delta.

5 (3) Provide physical improvements or other actions to create
6 waterflow and water quality conditions within the Delta to provide
7 adequate habitat for native fish and wildlife.

8 (4) Facilitate other projects that provide public benefits and
9 support Delta sustainability options approved by the Legislature,
10 including costs associated with planning, monitoring, and design
11 of alternatives, and project modifications and adaptations necessary
12 to achieve the goals of this chapter.

13 (b) One billion two hundred million dollars (\$1,200,000,000)
14 for projects to protect and enhance the sustainability of the Delta
15 ecosystem, including any of the following:

16 (1) Projects for the development and implementation of the Bay
17 Delta Conservation Plan that promote the conservation, as that
18 term is defined in Chapter 10 (commencing with Section 2800) of
19 Division 3 of the Fish and Game Code, of covered species, and
20 for native fishery restoration projects that are consistent with
21 criteria to be adopted by statute. The projects shall be implemented
22 through a cooperative effort among regulatory agencies, regulated
23 and potentially regulated entities, and affected parties, including
24 state and federal water contractors. These funds may be expended
25 for the preparation of environmental documentation and
26 environmental compliance that meets the requirements of Chapter
27 10 (commencing with Section 2800) of Division 3 of the Fish and
28 Game Code.

29 (2) Other projects to protect and restore native fish and wildlife
30 dependent on the Delta ecosystem, including the acquisition of
31 water rights, the removal or reduction of undesirable invasive
32 species, and projects both in and out of the Delta that improve the
33 ability to restore and recover native anadromous fish species.

34 (3) Projects to reduce greenhouse gas emissions from exposed
35 Delta soils.

36 (4) Projects that reduce impacts of mercury contamination of
37 the Delta and its watersheds, and remediation and elimination of
38 continuing sources of mercury contamination.

39 79732. The secretary, or other public official as may be
40 designated by statute, shall submit the plan described in subdivision

(c) of Section 79730 to the Legislature by June 30, 2011. By April 1 of each year following the submission of the plan, the secretary, or another public official as may be designated by statute, shall evaluate the progress in implementing the plan, determine if adequate progress is being made, and submit those findings to the Legislature along with recommendations to improve the implementation of the plan.

79733. (a) Except as provided in subdivision (b), no funds may be appropriated for any project pursuant to this chapter unless the project is consistent with a comprehensive Delta sustainability plan adopted by statute.

(b) Up to 10 percent of funds may be appropriated pursuant to this chapter prior to the adoption of the plan described in subdivision (a).

CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL IMPROVEMENT

79740. (a) The sum of three billion dollars (\$3,000,000,000) is available, upon appropriation by the Legislature from the fund, to the Natural Resources Agency, or another agency as may be established by statute to provide oversight and management for Delta watershed projects, for public benefits associated with water storage projects that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions, in accordance with this chapter. Funds authorized for, or made available, pursuant to this chapter shall be available and used only for the purposes provided in this chapter.

(b) Projects shall be selected by the Natural Resources Agency, or another agency as may be established by statute to provide oversight and management for Delta watershed projects, through a competitive public process that ranks potential projects based on the expected return for public investment as measured by the magnitude of the public benefits provided, pursuant to criteria established under this chapter.

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

(d) Notwithstanding subdivision (a), up to 10 percent of the three billion dollars (\$3,000,000,000) made available by

subdivision (a) shall be made available, upon appropriation by the Legislature from the fund, to the Department of Fish and Game and the State Water Resources Control Board to implement this chapter.

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

(a) Surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, excluding the expansion of the Shasta Reservoir.

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

(c) Conjunctive use and reservoir reoperation projects.

(d) Regional and local surface storage projects that improve the operation of water systems in the state and provide public benefits.

79741.5. A project shall not be funded pursuant to this chapter unless it provides measurable improvements to the Delta ecosystem, including, but not limited to, measurable contributions to Delta ecosystem improvements from the tributaries to the Delta.

79742. (a) Funds allocated pursuant to this chapter may be expended solely for the following public benefits associated with water storage projects:

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

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

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

(b) For the purposes of this chapter, "public benefits" does not include the costs of environmental mitigation measures or compliance obligations.

79743. In consultation with the Department of Fish and Game, the State Water Resources Control Board, and the department, the

Natural Resources Agency, or another agency as may be established by statute to provide oversight and management for Delta watershed projects, shall develop and adopt, by regulation, methods for quantification and management of public benefits described under Section 79742 by December 15, 2011. The regulations shall include the priorities and relative environmental value of ecosystem benefits as provided by the Department of Fish and Game and the priorities and relative environmental value of water quality benefits as provided by the State Water Resources Control Board.

79744. (a) Except as provided under subdivision (c), no funds allocated pursuant to this chapter may be allocated for a project unless the Natural Resources Agency, or another agency as may be established by statute to provide oversight and management for Delta watershed projects, approves the project based on its determination that all of the following have occurred:

(1) The Natural Resources Agency, or another agency as may be established by statute to provide oversight and management for Delta watershed projects, has adopted the regulations specified in Section 79743 and specifically quantified and made public the cost of the public benefits associated with the project.

(2) The department has entered into a contract with each party who will derive benefits, other than public benefits as defined in Section 79742, from the project that ensures the party will pay its share of the total costs of the project. The benefits available to a party shall be consistent with that party's share of total project costs.

(3) The department has entered into a contract with each public agency identified in Section 79743 that administers the public benefits, after that agency makes a finding that the public benefits of the project for which that agency is responsible meet all the requirements of this chapter, to assure that the public contribution of funds pursuant to this chapter achieves the public benefits identified for the project.

(4) The Natural Resources Agency, or another agency as may be established by statute to provide oversight and management for Delta watershed projects, has held a public hearing for the purposes of providing an opportunity for the public to review and comment on the information required to be prepared pursuant to this subdivision.

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

2 (A) Feasibility studies have been completed.

3 (B) The director has found and determined that the project is
4 feasible and is consistent with all applicable laws and regulations.

5 (C) All environmental documentation associated with the project
6 has been completed, and all other federal, state, and local approvals,
7 certifications, and agreements required to be completed have been
8 obtained.

9 (b) The Natural Resources Agency, or another agency as may
10 be established by statute to provide oversight and management for
11 Delta watershed projects, shall submit to the Legislature its findings
12 for each of the criteria listed in subdivision (a) for a project funded
13 pursuant to this chapter.

14 (c) Notwithstanding subdivision (a), funds may be made
15 available under this chapter for the completion of environmental
16 documentation and permitting of a project if all of the conditions
17 of this section have been met except for the conditions established
18 under subparagraph (C) of paragraph (5) of subdivision (a).

19 79745. (a) The public benefit cost share of a project funded
20 pursuant to this chapter, other than a project defined under
21 subdivision (c) of Section 79741, may not exceed 50 percent of
22 the total costs of any project funded under this chapter.

23 (b) No project may be funded unless it provides ecosystem
24 improvements as described in paragraph (1) of subdivision (a) of
25 Section 79742 that are at least 50 percent of total public benefits
26 of the project funded under this chapter.

27 79746. (a) No project identified in subdivision (a) of Section
28 79741 shall be eligible for funding under this chapter unless, by
29 January 1, 2014, all of the following conditions are met for the
30 project:

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

33 (2) The director makes a finding that the project is feasible.

34 (3) The director receives commitments for not less than 75
35 percent of the nonstate cost share of the project.

36 (b) If compliance with subdivision (a) is delayed by litigation
37 or failure to promulgate regulations, the date in subdivision (a)
38 shall be extended by the director for a time period that is equal to
39 the time period of the delay.

79747. Surface storage projects funded pursuant to this chapter and described in subdivision (a) of Section 79741 may be made a unit of the Central Valley Project as provided in Section 11290 and may be financed, acquired, constructed, operated, and maintained pursuant to Part 3 (commencing with Section 11100) of Division 6.

CHAPTER 9. CONSERVATION AND WATERSHED PROTECTION

79750. The sum of one billion dollars (\$1,000,000,000) is available, upon appropriation by the Legislature from the fund, in accordance with this chapter, for expenditures and grants for ecosystem and watershed protection and restoration projects, including, but not limited to, all of the following watersheds:

- (a) The San Joaquin River watershed.
- (b) The Kern River and Tulare Basin watersheds.
- (c) The Salton Sea and Colorado River watersheds.
- (d) The Los Angeles River watershed.
- (e) The San Gabriel River watershed.
- (f) The Santa Ana River watershed.
- (g) The Klamath River watershed, including the Trinity, Scott, and Shasta Rivers and watersheds.
- (h) North coast watersheds.
- (i) San Francisco Bay watersheds.
- (j) Central coast watersheds.
- (k) South coast watersheds.
- (l) Lake Tahoe Basin watershed.
- (m) The Sacramento River watershed, including the Yolo Bypass.
- (n) San Diego County coastal watersheds.
- (o) The Ventura River watershed.
- (p) The Sierra Nevada Mountain watersheds.
- (q) The Mojave River watershed.
- (r) The Owens River watershed.
- (s) The Santa Monica Bay watershed.

79751. (a) Funds provided for the Sacramento River and San Joaquin River watersheds under Section 79750 shall be available for projects consistent with the ecosystem restoration program element of the California Bay-Delta Program, or its successor, or the San Joaquin River Parkway Master Plan.

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

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

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

79752. (a) The sum of eighty-five million dollars (\$85,000,000) is available, upon appropriation by the Legislature from the fund, to the Department of Fish and Game for expenditures and grants to protect the Delta ecosystem and the state’s water supply from invasive species, including, but not limited to, asiatic clams, zebra mussels, quagga mussels, and New Zealand mud snails.

(b) At least fifty million dollars (\$50,000,000) of the funds provided pursuant to subdivision (a) shall be available for grants to public agencies, including water agencies, to pay for capital expenditures associated with the control of invasive species, including, but not limited to, chlorination facilities, habitat modifications, and monitoring equipment. The Department of Fish and Game shall administer the grant program.

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

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

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

79753. For restoration and ecosystem protection projects under this chapter, the services of the California Conservation Corps or community conservation corps shall be used whenever feasible.

79754. Funds provided under this chapter may be appropriated to the Natural Resources Agency, the Department of Fish and Game, the Wildlife Conservation Board, the California

Conservation Corps, the Department of Parks and Recreation, or to state conservancies for expenditures and grants consistent with this chapter and other applicable laws.

79755. Of the funds made available pursuant to Section 79750, not less than two hundred million dollars (\$200,000,000) shall be available to the State Coastal Conservancy for projects within coastal counties and coastal watersheds, including grants to the San Diego River Conservancy and for the Santa Ana River Parkway.

79756. Of the funds provided in Section 79750, not less than one hundred million dollars (\$100,000,000) shall be available to the Wildlife Conservation Board for direct expenditure or grants for the acquisition of water rights from willing sellers and the conveyance of water for the benefit of migratory birds on wildlife refuges and wildlife habitat areas subject to Section 3406(d) of the federal Central Valley Project Improvement Act (Public Law 102-575).

79757. Of the funds provided in Section 79750, not less than two hundred million dollars (\$200,000,000) shall be available to the Wildlife Conservation Board for direct expenditure or grants for the protection or restoration of watershed lands that provide sources of drinking water or rivers and streams that support species listed as threatened or endangered under state or federal law.

79758. The sum of one hundred million dollars (\$100,000,000) is available, upon appropriation by the Legislature from the fund, to the Wildlife Conservation Board, in consultation with the Department of Forestry and Fire Protection, for grants and direct expenditures for watershed restoration in fire damaged areas, and for fuel load reduction and other projects to reduce the potential for watershed damage from wildfires to protect water quality, fish, and wildlife.

79759. The sum of four hundred million dollars (\$400,000,000) is available, upon appropriation by the Legislature from the fund, to the Department of Fish and Game and the State Coastal Conservancy for grants and expenditures for projects that improve native fish populations on rivers and streams, including, but not limited to, barrier removal, sediment management, watershed land use planning, and related watershed restoration.

79760. For the purposes of this chapter, the terms “restoration” and “protection” have the meanings set forth in Section 75005 of the Public Resources Code.

CHAPTER 10. GROUNDWATER PROTECTION AND WATER
QUALITY

79775. (a) The sum of three hundred sixty million dollars (\$360,000,000) is available, upon appropriation by the Legislature from the fund, for expenditures, grants, and loans for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water. Projects shall be consistent with an adopted integrated regional water management plan. Funds appropriated pursuant to this section shall be available to the State Department of Public Health for projects necessary to protect public health by preventing or reducing the contamination of groundwater that serves as a major source of drinking water for a community.

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

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

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

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

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

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

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

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

1 (3) The project addresses contamination at a site where the
2 responsible parties have not been identified, or where the
3 responsible parties are unwilling or unable to pay for cleanup.

4 (d) Of the amount made available by this section, not less than
5 one hundred million dollars (\$100,000,000) shall be allocated to
6 projects that benefit disadvantaged communities, including
7 technical and grant writing assistance.

8 (e) Of the amount made available by this section, up to one
9 hundred million dollars (\$100,000,000) shall be available for
10 projects that meet the requirement of this section and both of the
11 following criteria:

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

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

20 (f) The Legislature, by statute, shall establish both of the
21 following:

22 (1) Requirements for repayment of grant funds in the event of
23 cost recovery from parties responsible for the groundwater
24 contamination.

25 (2) Requirements for recipients of grants to make reasonable
26 efforts to recover costs from parties responsible for groundwater
27 contamination.

28 79775.5. The sum of ninety million dollars (\$90,000,000) is
29 available, upon appropriation by the Legislature from the fund, to
30 the State Department of Public Health for grants and direct
31 expenditures to finance emergency and urgent actions on behalf
32 of disadvantaged communities to ensure that safe drinking water
33 supplies are available to all Californians.

34 79776. The sum of two hundred million dollars (\$200,000,000)
35 is available, upon appropriation by the Legislature from the fund,
36 to the State Water Resources Control Board for grants for small
37 community wastewater treatment projects to protect water quality
38 that meet all of the following criteria:

39 (a) The project is for the planning, design, permitting,
40 construction, or improvement of a wastewater treatment facility,

1 sewer system, or related infrastructure necessary to meet water
2 quality standards or prevent contamination of surface water or
3 groundwater resources.

4 (b) The project will serve a community with a population of
5 20,000 or less.

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

9 79777. (a) The sum of three hundred million dollars
10 (\$300,000,000) is available, upon appropriation by the Legislature
11 from the fund, to the State Water Resources Control Board for
12 competitive grants and loans for stormwater management and
13 water quality projects pursuant to this section.

14 (b) Eligible projects shall do all of the following:

15 (1) Assist in compliance with total maximum daily load (TMDL)
16 implementation plans.

17 (2) Be consistent with all applicable waste discharge permits.

18 (3) Be consistent with the applicable integrated regional water
19 management plan.

20 (4) Contribute to the implementation of a comprehensive
21 stormwater management plan that meets all of the following
22 criteria:

23 (A) Manages stormwater on a watershed basis.

24 (B) Prioritizes source control, onsite and local infiltration, and
25 reuse.

26 (C) Provides for multiple benefit project design and community
27 participation.

28 (D) Uses natural systems or mimics natural system function to
29 the maximum extent feasible.

30 (E) Includes requirements for new and upgraded infrastructure
31 and development to meet design criteria and best management
32 practices to prevent stormwater pollution.

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

36 (1) Detention and retention basins.

37 (2) Diversion, infiltration, and treatment facilities.

38 (3) Creation or enhancement of natural infiltration and treatment.

39 (4) Projects to facilitate, encourage, or support low-impact
40 development.

1 (5) Other stormwater reduction projects, including installation
2 or enhancement of permeable surfaces, cisterns, and groundwater
3 recharge facilities.

4 (d) The board shall require not less than a 50 percent local cost
5 share for grant funds, but may suspend or reduce the matching
6 requirements for disadvantaged communities.

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

9 (1) Water quality benefits from implementation of the
10 stormwater management plan.

11 (2) Creation of sustainable local jobs through the implementation
12 of the stormwater management plan.

13 (3) Overall community and public health benefits of
14 implementing the stormwater management plan.

15 (4) The project's contribution to implementing the stormwater
16 management plan.

17 79778. The sum of one hundred million dollars (\$100,000,000)
18 is available, upon appropriation by the Legislature from the fund,
19 to the California Ocean Protection Trust Fund established pursuant
20 to Section 35650 of the Public Resources Code, for projects
21 consistent with Section 35650 of the Public Resources Code.

22
23 CHAPTER 11. WATER RECYCLING AND ADVANCED WATER
24 MANAGEMENT TECHNOLOGIES
25

26 79779. The sum of five hundred million dollars (\$500,000,000)
27 is available, upon appropriation by the Legislature from the fund,
28 for grants and loans for water and advanced treatment technology
29 projects that include the following:

30 (a) Water recycling projects.

31 (b) Contaminant and salt removal projects, including
32 groundwater and seawater desalination.

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

36 (d) Pilot projects for new salt and contaminant removal
37 technology.

38 (e) Groundwater recharge infrastructure related to recycled
39 water.

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

(g) Advanced urban and agricultural water use measurement technologies, including smart water meters, to encourage water use efficiency.

79779.5. For projects funded pursuant to Section 79779, at least a 50-percent local cost share shall be required, but may be suspended or reduced for disadvantaged communities. Projects shall be selected on a competitive basis, considering all of the following criteria:

(a) Water supply reliability improvement.

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

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

(d) Cost-effectiveness.

(e) Energy efficiency and greenhouse gas emission impacts.

CHAPTER 12. STATEWIDE WATER FEE

79779.7. The ____ shall establish and impose a fee on users of water in the state to be used for the purposes of this division, including paying the principal of, and interest on, bonds issued pursuant to this division, upon appropriation by the Legislature from the fund. In establishing and implementing this fee, all of the following requirements shall be met:

(a) The amount of the fee shall not exceed the reasonable cost of the programs that the fee supports.

(b) The fee shall not be imposed upon a feepayer if that feepayer's water use does not create adverse impacts mitigated by this division or the feepayer does not benefit from programs provided by this division.

(c) The fee shall be equitably apportioned among feepayer groups.

CHAPTER 13. FISCAL PROVISIONS

79780. (a) Bonds in the total amount of ten billion thirty-five million dollars (\$10,035,000,000), not including the amount of any refunding bonds issued in accordance with Section 79792, or so much thereof as is necessary, may be issued and sold to provide

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

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

14 79781. The bonds authorized by this division shall be prepared,
15 executed, issued, sold, paid, and redeemed as provided in the State
16 General Obligation Bond Law, and all of the provisions of that
17 law apply to the bonds and to this division and are hereby
18 incorporated in this division as though set forth in full in this
19 division, except Section 16727 of the Government Code shall not
20 apply to the extent that it is inconsistent with any other provision
21 of this division.

22 79782. (a) Solely for the purpose of authorizing the issuance
23 and sale, pursuant to the State General Obligation Bond Law, of
24 the bonds authorized by this division, the Safe, Clean, Reliable
25 Drinking Water Supply Finance Committee is hereby created. For
26 purposes of this division, the Safe, Clean, Reliable Drinking Water
27 Supply Finance Committee is “the committee” as that term is used
28 in the State General Obligation Bond Law.

29 (b) The committee consists of the Director of Finance, the
30 Treasurer, and the Controller. Notwithstanding any other provision
31 of law, any member may designate a deputy to act as that member
32 in his or her place for all purposes, as though the member were
33 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 79783. 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 79784. "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 79785. 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 79786. 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 79789, appropriated without regard to fiscal years.

23 79787. 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 79788. 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 79789. 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 79790. 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 79791. 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 79792. 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 79793. 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 these
38 proceeds is not subject to the limitations imposed by that article.

39 SEC. 2. (a) (1) Notwithstanding Section 9051 of the Elections
40 Code or any other provision of law, the Attorney General shall

1 provide and return to the Secretary of State a ballot title and
2 summary in 10-point type that contains the following title and
3 summary for ____ Bill ____, adopted by the Legislature at the
4 2009–10 Regular Session:

5
6 “SAFE, CLEAN, RELIABLE DRINKING WATER SUPPLY
7 ACT OF 2010” and in the same square under those words:

8 “Safeguards supplies of safe, clean drinking water to California
9 homes, farms, and businesses. Expands conservation, cleans up
10 polluted wells, expands flood prevention and environmental
11 protection of water sources supplying the State Water Project.
12 Authorizes ten billion thirty-five million dollars (\$10,035,000,000)
13 in general obligation bonds.”

14
15 (2) The language in paragraph (1) shall be the only language
16 included in the title and summary for ____ Bill ____, adopted by
17 the Legislature at the 2009–10 Regular Session, and the Attorney
18 General shall not supplement, subtract from, or revise that
19 language.

20 (3) Notwithstanding any other provision of law, including
21 Sections 9050, 9051, 13247, 13262, and 13281 of the Elections
22 Code, the language in paragraph (1) for the title and summary shall
23 also be the language included in the ballot label for the condensed
24 statement of the ballot title, and the Attorney General shall not
25 supplement, subtract from, or revise that language, except that the
26 Attorney General may include the fiscal impact summary prepared
27 pursuant to Section 9087 of the Elections Code and Section 88003
28 of the Government Code. The ballot label is the condensed
29 statement of the ballot title and the financial impact summary.

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

33 (c) Where the voting in the election is done by means of voting
34 machines used pursuant to law in the manner that carries out the
35 intent of this section, the use of the voting machines and the
36 expression of the voters’ choices by means thereof are in
37 compliance with this section.

1 SEC. 3. Section 1 of this act shall take effect only upon the
2 approval by the voters of the Safe, Clean, Reliable Drinking Water
3 Supply Act of 2010, as set forth in that section.

O