

AMENDED IN ASSEMBLY NOVEMBER 4, 2009

AMENDED IN SENATE NOVEMBER 2, 2009

CALIFORNIA LEGISLATURE—2009—10 SEVENTH EXTRAORDINARY SESSION

SENATE BILL

No. 2

Introduced by Senator Cogdill

(Principal coauthor: Senator Hollingsworth)

(Principal coauthors: Assembly Members Blakeslee and Caballero)

(Coauthors: Senators Cedillo and Florez)

October 27, 2009

An act to add Division 26.7 (commencing with Section 79700) to the Water Code, relating to a safe drinking water and water supply reliability program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

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

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

This bill would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would authorize the issuance of bonds in the amount of ~~\$9,990,000,000~~ \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program.

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

(2) This bill would take effect only if SB 1 of the 2009–10 7th Extraordinary Session is enacted and becomes effective.

(2)

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

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

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

3
4 DIVISION 26.7. THE SAFE, CLEAN, AND RELIABLE
5 DRINKING WATER SUPPLY ACT OF 2010

6
7 CHAPTER 1. SHORT TITLE

8
9 79700. This division shall be known, and may be cited, as the
10 Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

11
12 CHAPTER 2. FINDINGS AND DECLARATIONS

13
14 79701. The people of California find and declare all of the
15 following:

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

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

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

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

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

5
6 CHAPTER 3. DEFINITIONS
7

8 79702. Unless the context otherwise requires, the definitions
9 set forth in this section govern the construction of this division, as
10 follows:

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

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

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

18 (d) “Commission” means the California Water Commission.

19 (e) “Committee” means the Safe, Clean, and Reliable Drinking
20 Water Supply Finance Committee created by Section 79812.

21 (f) “Delta” means the Sacramento-San Joaquin Delta, as defined
22 in Section 12220.

23 (g) “Delta conveyance facilities” means facilities that convey
24 water directly from the Sacramento River to the State Water Project
25 or the federal Central Valley Project pumping facilities in the south
26 Delta.

27 (h) “Delta counties” means the Counties of Solano, Yolo,
28 Sacramento, Contra Costa, and San Joaquin.

29 (i) “Delta Plan” has the meaning set forth in Section 85059.

30 (j) “Department” means the Department of Water Resources.

31 (k) “Director” means the Director of Water Resources.

32 (l) “Disadvantaged community” has the meaning set forth in
33 subdivision (a) of Section 79505.5.

34 (m) “Economically distressed area” means a municipality with
35 a population of 20,000 persons or less, a rural county, or a
36 reasonably isolated and divisible segment of a larger municipality
37 where the segment of the population is 20,000 persons or less,
38 with an annual median household income that is less than 85
39 percent of the statewide median household income, and with one

1 or more of the following conditions as determined by the
2 department:

3 (1) Financial hardship.

4 (2) Unemployment rate at least 2 percent higher than the
5 statewide average.

6 (3) Low population density.

7 (n) “Fund” means the Safe, Clean, and Reliable Drinking Water
8 Supply Fund of 2010 created by Section 79716.

9 (o) “Integrated regional water management plan” has the
10 meaning set forth in Section 10534.

11 (p) “Nonprofit organization” means an organization qualified
12 to do business in California and qualified under Section 501(c)(3)
13 of Title 26 of the United States Code.

14 (q) “Public agency” means a state agency or department, district,
15 joint powers authority, city, county, city and county, or other
16 political subdivision of the state.

17 (r) “Secretary” means the Secretary of the Natural Resources
18 Agency.

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

23
24 CHAPTER 4. GENERAL PROVISIONS
25

26 79705. An amount that equals not more than 5 percent of the
27 funds allocated for a grant program pursuant to this division may
28 be used to pay the administrative costs of that program.

29 79706. Up to 10 percent of funds allocated for each program
30 funded by this division may be expended for planning and
31 monitoring necessary for the successful design, selection, and
32 implementation of the projects authorized under that program.
33 This section shall not otherwise restrict funds ordinarily used by
34 an agency for “preliminary plans,” “working drawings,” and
35 “construction” as defined in the annual Budget Act for a capital
36 outlay project or grant project. Water quality monitoring shall be
37 integrated into the surface water ambient monitoring program
38 administered by the State Water Resources Control Board.

39 79707. Chapter 3.5 (commencing with Section 11340) of Part
40 1 of Division 3 of Title 2 of the Government Code does not apply

1 to the development or implementation of programs or projects
2 authorized or funded under this division other than Chapter 8
3 (commencing with Section 79740).

4 79708. (a) Prior to disbursing grants pursuant to this division,
5 each state agency that is required to administer a competitive grant
6 program under this division shall develop and adopt project
7 solicitation and evaluation guidelines. The guidelines may include
8 a limitation on the dollar amount of grants to be awarded.

9 (b) Prior to disbursing grants, the state agency shall conduct
10 three public meetings to consider public comments prior to
11 finalizing the guidelines. The state agency shall publish the draft
12 solicitation and evaluation guidelines on its Internet Web site at
13 least 30 days before the public meetings. One meeting shall be
14 conducted at a location in northern California, one meeting shall
15 be conducted at a location in the central valley, and one meeting
16 shall be conducted at a location in southern California. Upon
17 adoption, the state agency shall transmit copies of the guidelines
18 to the fiscal committees and the appropriate policy committees of
19 the Legislature.

20 79709. It is the intent of the people that the investment of public
21 funds pursuant to this division will result in public benefits.

22 79710. The State Auditor shall annually conduct a
23 programmatic review and an audit of expenditures from the fund.
24 The State Auditor shall report its findings annually on or before
25 March 1 to the Governor and the Legislature, and shall make the
26 findings available to the public.

27 79711. Funds provided by this division shall not be expended
28 to support or pay for the costs of environmental mitigation
29 measures or compliance obligations of any party except as part of
30 the environmental mitigation costs of projects financed by this
31 division or for costs for groundwater cleanup pursuant to the
32 requirements of Chapter 10 (commencing with Section 79770).
33 Funds provided by this division may be used for environmental
34 enhancements or other public benefits.

35 79712. Funds provided by this division shall not be expended
36 to pay the costs of the design, construction, operation, or
37 maintenance of Delta conveyance facilities. Those costs shall be
38 the responsibility of the water agencies that benefit from the design,
39 construction, operation, or maintenance of those facilities.

1 79713. (a) This division does not limit or otherwise affect the
2 application of Sections 10505, 10505.5, 11128, 11460, 11461,
3 11462, and 11463 and Sections 12200 to 12220, inclusive diminish,
4 impair, or otherwise affect in any manner whatsoever any area of
5 origin, watershed of origin, county of origin, or any other water
6 rights protections, including, but not limited to, rights to water
7 appropriated prior to December 19, 1914, provided under the law.
8 This division does not limit or otherwise affect the application of
9 Article 1.7 (commencing with Section 1215) of Chapter 1 of Part
10 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461,
11 11462, and 11463, and Sections 12200 to 12220, inclusive. .
12 *diminish, impair, or otherwise affect in any manner whatsoever*
13 *any area of origin, watershed of origin, county of origin, or any*
14 *other water rights protections, including, but not limited to, rights*
15 *to water appropriated prior to December 19, 1914, provided under*
16 *the law. This division does not limit or otherwise affect the*
17 *application of Article 1.7 (commencing with Section 1215) of*
18 *Chapter 1 of Part 2 of Division 2, Sections 10505, 10505.5, 11128,*
19 *11460, 11461, 11462, and 11463, and Sections 12200 to 12220,*
20 *inclusive.*

21 (b) For the purposes of this division, an area that utilizes water
22 that has been diverted and conveyed from the Sacramento River
23 hydrologic region, for use outside the Sacramento River hydrologic
24 region or the Delta, shall not be deemed to be immediately adjacent
25 thereto or capable of being conveniently supplied with water
26 therefrom by virtue or on account of the diversion and conveyance
27 of that water through facilities that may be constructed for that
28 purpose after January 1, 2010.

29 (c) Nothing in this division supersedes, limits, or otherwise
30 modifies the applicability of Chapter 10 (commencing with Section
31 1700) of Part 2 of Division 2, including petitions related to any
32 new conveyance constructed or operated in accordance with
33 Chapter 2 (commencing with Section 85320) of Part 4 of Division
34 35.

35 (d) Unless otherwise expressly provided, nothing in this division
36 supersedes, reduces, or otherwise affects existing legal protections,
37 both procedural and substantive, relating to the state board's
38 regulation of diversion and use of water, including, but not limited
39 to, water right priorities, the protection provided to municipal
40 interests by Sections 106 and 106.5, and changes in water rights.

1 Nothing in this division expands or otherwise alters the state
2 board's existing authority to regulate the diversion and use of water
3 or the courts' existing concurrent jurisdiction over California water
4 rights.

5 79714. Eligible applicants under this division are public
6 agencies, nonprofit organizations, public utilities, and mutual water
7 companies. To be eligible for funding under this division, a project
8 proposed by a public utility that is regulated by the Public Utilities
9 Commission or a mutual water company shall have a clear and
10 definite public purpose and shall benefit the customers of the water
11 system.

12 79715. The Legislature may enact legislation necessary to
13 implement programs funded by this division, except as otherwise
14 provided in Section 79749.5.

15 79716. *The proceeds of bonds issued and sold pursuant to this*
16 *division shall be deposited in the Safe, Clean, and Reliable*
17 *Drinking Water Supply Fund of 2010, which is hereby created in*
18 *the State Treasury.*

19
20
21

CHAPTER 5. DROUGHT RELIEF

22 79720. The sum of ~~three hundred fifty-five million dollars~~
23 ~~(\$355,000,000)~~ *four hundred fifty-five million dollars*
24 *(\$455,000,000)* shall be available, upon appropriation by the
25 Legislature from the fund, for the purposes of this chapter.

26 79720.1. (a) From the funds described in Section 79720, ~~ninety~~
27 ~~million dollars (\$90,000,000)~~ *one hundred ninety million dollars*
28 *(\$190,000,000)* shall be available, upon appropriation by the
29 Legislature from the fund, for the planning, design, and
30 construction of local and regional drought relief projects that reduce
31 the impacts of drought conditions, including, but not limited to,
32 the impacts of reductions in Delta diversions. Eligible projects
33 include all of the following:

34 (1) Water conservation and efficiency projects, including
35 ~~installation of water efficiency fixtures.~~ *installation of the most*
36 *water efficient fixtures commercially available.*

37 (2) Water recycling and related infrastructure.

38 (3) Groundwater cleanup.

39 (4) Local and regional conveyance projects that improve water
40 supplies and public benefits associated with conveyance facilities.

1 (5) Other local and regional water supply reliability projects.

2 (6) *Local and regional surface water storage projects that*
3 *provide emergency water supplies and water supply reliability in*
4 *drought conditions.*

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

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

10 (2) The project is capable of being operational within two years
11 of receiving the grant.

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

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

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

23 (f) *From the funds described in this section, the sum of one*
24 *hundred million dollars (\$100,000,000) shall be made available*
25 *for local and regional water projects, including surface storage*
26 *projects, that provide emergency water supplies and water supply*
27 *reliability in drought conditions in San Diego County.*

28 79720.2. From the funds described in Section 79720, the sum
29 of ninety million dollars (\$90,000,000) shall be available, upon
30 appropriation by the Legislature from the fund, for grants to
31 disadvantaged communities and economically distressed areas
32 experiencing economic impacts from drought for drought relief
33 projects and programs.

34 79720.3. From the funds described in Section 79720, the sum
35 of seventy-five million dollars (\$75,000,000) shall be available,
36 upon appropriation by the Legislature from the fund, to the State
37 Water Resources Control Board for grants for small community
38 wastewater treatment projects, to protect water quality, that meet
39 all of the following criteria:

1 (a) The project is for the planning, design, permitting,
2 construction, or improvement of a wastewater treatment facility,
3 sewer system, or related infrastructure necessary to meet water
4 quality standards or prevent contamination of surface water or
5 groundwater resources.

6 (b) The project will serve a community with a population of
7 20,000 or less.

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

11 79720.4. (a) From the funds described in Section 79720, eighty
12 million dollars (\$80,000,000) shall be available for deposit into
13 the Safe Drinking Water State Revolving Fund created pursuant
14 to Section 116760.30 of the Health and Safety Code.

15 (b) From the funds described in this section, up to eight million
16 dollars (\$8,000,000) shall be made available for grants for projects
17 within the City of Maywood that design and implement water
18 supply infrastructure upgrades that provide for safe drinking water.

19 79720.6. From the funds described in Section 79720, the sum
20 of twenty million dollars (\$20,000,000) shall be available for water
21 quality and public health projects on the New River.

22
23 CHAPTER 6. WATER SUPPLY RELIABILITY
24

25 79721. The sum of one billion fifty million dollars
26 (\$1,050,000,000) shall be available, upon appropriation by the
27 Legislature, from the fund to the department for competitive grants
28 and expenditures in accordance with Section 79722.

29 79722. (a) Except as provided in subdivision (f), the
30 department shall award grants to eligible projects that implement
31 an adopted integrated regional water management plan.

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

39 (c) For the purposes of awarding a grant under this chapter, the
40 department shall require a local cost share of not less than 50

1 percent of the total costs of the project. The department may waive
2 or reduce the cost-sharing requirement for projects that directly
3 benefit a disadvantaged community or an economically distressed
4 area.

5 (d) Eligible projects are those included in adopted integrated
6 regional water management plans consistent with Part 2.2
7 (commencing with Section 10530) of Division 6, including, but
8 not limited to, local and regional surface water storage projects.

9 (e) The funding provided in Section 79721 shall be allocated
10 to each hydrologic region as identified in the California Water
11 Plan in accordance with this subdivision. For the South Coast
12 hydrologic region, the department shall establish three funding
13 areas that reflect the watersheds of San Diego County (designated
14 as the San Diego subregion), the Santa Ana River watershed and
15 southern Orange County (designated as the Santa Ana subregion),
16 and the Los Angeles and Ventura County watersheds (designated
17 as the Los Angeles subregion), and shall allocate funds to those
18 areas in accordance with this subdivision. The North and South
19 Lahontan hydrologic regions shall be treated as one area for the
20 purpose of allocating funds. For purposes of this subdivision, the
21 Sacramento River hydrologic region does not include the Delta.
22 For purposes of this subdivision, the Mountain Counties Overlay
23 is not eligible for funds from the Sacramento River hydrologic
24 region or the San Joaquin River hydrologic region. The department
25 may recognize multiple integrated regional water management
26 plans in each of the areas allocated funding. Funds made available
27 by this chapter shall be allocated as follows:

- 28 (1) North Coast: \$45,000,000.
- 29 (2) San Francisco Bay: \$132,000,000.
- 30 (3) Central Coast: \$58,000,000.
- 31 (4) Los Angeles subregion: \$198,000,000.
- 32 (5) Santa Ana subregion: \$128,000,000.
- 33 (6) San Diego subregion: \$87,000,000.
- 34 (7) Sacramento River: \$76,000,000.
- 35 (8) San Joaquin River: \$64,000,000.
- 36 (9) Tulare/Kern: \$70,000,000.
- 37 (10) North/South Lahontan: \$51,000,000.
- 38 (11) Colorado River Basin: \$47,000,000.
- 39 (12) Mountain Counties Overlay: \$44,000,000.
- 40 (13) Interregional: \$50,000,000.

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

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

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

7 (3) Adapting to climate change impacts.

8 (4) Reducing contributions to climate change.

9 (5) Other projects to improve statewide water management
10 systems.

11 (6) Other projects and activities designed to meet the needs of
12 disadvantaged communities or economically distressed areas
13 including technical and grant writing assistance.

14 (g) *Ten million dollars of the interregional funds shall be*
15 *available for a grant to the University of California, Sierra Nevada*
16 *Research Institute of the University of California, for the*
17 *development and deployment of measurement infrastructure and*
18 *related information technology to identify and analyze water supply*
19 *impacts of climate change on the Sierra Nevada snow pack and*
20 *runoff.*

21 *79722.5. Of the funds provided in Section 79721, not less than*
22 *10 percent shall be allocated to disadvantaged communities.*

23 79723. (a) The sum of three hundred fifty million dollars
24 (\$350,000,000) shall be available, upon appropriation by the
25 Legislature, from the fund to the department for grants and
26 expenditures for the planning, design, and construction of local
27 and regional conveyance projects that support regional and
28 interregional connectivity and water management. Projects shall
29 be consistent with an adopted integrated regional water
30 management plan and shall provide one or more of the following
31 benefits:

32 (1) Improvements in regional or interregional water supply and
33 water supply reliability.

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

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

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

39 (5) Providing safe drinking water for disadvantaged communities
40 and economically distressed areas.

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

4 (c) The department shall require a cost share of not less than 50
5 percent of total project costs from nonstate sources. The department
6 may waive or reduce the cost share requirement for projects that
7 directly benefit disadvantaged communities or economically
8 distressed areas.

9

10 CHAPTER 7. DELTA SUSTAINABILITY

11

12 79730. (a) The Bay-Delta Estuary is a unique and irreplaceable
13 combination of environmental and economic resources. Current
14 management and use of the Delta is not sustainable, and results in
15 a high level of conflict among various interests. Future Delta
16 sustainability is threatened by changing hydrology due to climate
17 change, water diversions, flood risk, seismic events, nonnative
18 species, toxics, and other environmental problems. Future
19 management of the Delta must improve Delta ecosystem health
20 and improve the means of Delta water conveyance in order to
21 protect drinking water quality, improve water supply reliability,
22 restore ecosystem health, and preserve agricultural and recreational
23 values in the Delta, while providing to counties and watersheds of
24 origin assurances that their priority to water resources will be
25 protected and that programs or facilities implemented or
26 constructed in the Delta will not result in redirection of
27 unmitigated, significant adverse impacts to the counties and
28 watershed of origin. Many sources of funding will be needed to
29 implement improved Delta management.

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

34 79731. The sum of two billion two hundred fifty million dollars
35 (\$2,250,000,000) shall be available, upon appropriation from the
36 fund, for grants and direct expenditures, as follows:

37 (a) (1) Seven hundred fifty million dollars (\$750,000,000) for
38 projects, including grants to Delta counties and cities within the
39 Delta, that provide public benefits and support Delta sustainability

1 options, including projects and supporting scientific studies and
2 assessments that do any of the following:

3 (A) Ensure that urban and agricultural water supplies derived
4 from the Delta, including water supplies used within the Delta, are
5 not disrupted because of catastrophic failures of Delta levees
6 resulting from earthquakes, floods, land sinking, rising ocean
7 levels, or other forces.

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

10 (C) Improve the quality of drinking water derived from the
11 Delta.

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

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

18 (F) Facilitate other projects that provide public benefits and
19 support Delta sustainability options approved by the Legislature,
20 including costs associated with planning, monitoring, and design
21 of alternatives, and project modifications and adaptations necessary
22 to achieve the goals of this chapter.

23 (G) Mitigate other impacts of water conveyance and ecosystem
24 restoration.

25 (H) Provide or improve water quality facilities and other
26 infrastructure.

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

31 (3) Of the funds provided in this subdivision, up to two hundred
32 fifty million dollars (\$250,000,000) may be expended in the Delta
33 to provide assistance to local governments and the local agricultural
34 economy due to loss of productive agricultural lands for habitat
35 and ecosystem restoration within the Delta.

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

39 (1) Projects for the development and implementation of the Bay
40 Delta Conservation Plan, consistent with Chapter 10 (commencing

1 with Section 2800) of Division 3 of the Fish and Game Code. The
 2 projects shall be implemented through a cooperative effort among
 3 regulatory agencies, regulated and potentially regulated entities,
 4 and affected parties, including state and federal water contractors.
 5 These funds may be expended for the preparation of environmental
 6 documentation and environmental compliance.

7 (2) Other projects to protect and restore native fish and wildlife
 8 dependent on the Delta ecosystem, including the acquisition of
 9 water rights and the removal or reduction of undesirable invasive
 10 species.

11 (3) Projects to reduce greenhouse gas emissions from exposed
 12 Delta soils.

13 (4) Projects that reduce impacts of mercury contamination of
 14 the Delta and its watersheds, and remediation and elimination of
 15 continuing sources of mercury contamination.

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

18 (c) Funds provided by this chapter shall be available for
 19 appropriation to, among other entities, the Sacramento-San Joaquin
 20 Delta Conservancy for implementation consistent with the Delta
 21 Plan.

22 79732. (a) A project that receives funding pursuant to
 23 subdivision (a) of Section 79731 shall only be eligible for funding
 24 pursuant to other provisions of this division to the extent that the
 25 combined state funding pursuant to this division does not exceed
 26 50 percent of the total project costs.

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

29

30 CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL
 31 IMPROVEMENT

32

33 79740. (a) Notwithstanding Section 162, the commission may
 34 make the determinations, findings, and recommendations required
 35 of it by this chapter independent of the views of the director. All
 36 final actions by the commission in implementing this chapter shall
 37 be taken by a majority of the members of the commission at a
 38 public meeting noticed and held pursuant to the Bagley-Keene
 39 Open Meeting Act (Article 9 (commencing with Section 11120))

1 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
2 Code).

3 (b) Notwithstanding Section 13340 of the Government Code,
4 the sum of three billion dollars (\$3,000,000,000) is hereby
5 continuously appropriated from the fund, without regard to fiscal
6 years, to the commission for public benefits associated with water
7 storage projects that improve the operation of the state water
8 system, are cost effective, and provide a net improvement in
9 ecosystem and water quality conditions, in accordance with this
10 chapter. Funds authorized for, or made available to, the commission
11 pursuant to this chapter shall be available and expended only for
12 the purposes provided in this chapter, and shall not be subject to
13 appropriation or transfer by the Legislature or the Governor for
14 any other purpose.

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

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

22 79741. Projects for which the public benefits are eligible for
23 funding under this chapter consist of only the following:

24 (a) Surface storage projects identified in the CALFED Bay-Delta
25 Program Record of Decision, dated August 28, 2000, except for
26 projects prohibited by Chapter 1.4 (commencing with Section
27 5093.50) of Division 5 of the Public Resources Code.

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

31 (c) Conjunctive use and reservoir reoperation projects.

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

34 79742. A project shall not be funded pursuant to this chapter
35 unless it provides measurable improvements to the Delta ecosystem
36 or to the tributaries to the Delta.

37 79743. (a) Funds allocated pursuant to this chapter may be
38 expended solely for the following public benefits associated with
39 water storage projects:

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

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

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

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

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

19 (b) Funds shall not be expended pursuant to this chapter for the
20 costs of environmental mitigation measures or compliance
21 obligations except for those associated with providing the public
22 benefits as described in Section 79743.

23 79744. In consultation with the Department of Fish and Game,
24 the State Water Resources Control Board, and the department, the
25 commission shall develop and adopt, by regulation, methods for
26 quantification and management of public benefits described in
27 Section 79743 by December 15, 2012. The regulations shall include
28 the priorities and relative environmental value of ecosystem
29 benefits as provided by the Department of Fish and Game and the
30 priorities and relative environmental value of water quality benefits
31 as provided by the State Water Resources Control Board.

32 79745. (a) Except as provided in subdivision (c), no funds
33 allocated pursuant to this chapter may be allocated for a project
34 before December 15, 2012, and until the commission approves the
35 project based on the commission's determination that all of the
36 following have occurred:

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

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

7 (3) The department has entered into a contract with each public
8 agency identified in Section 79744 that administers the public
9 benefits, after that agency makes a finding that the public benefits
10 of the project for which that agency is responsible meet all the
11 requirements of this chapter, to ensure that the public contribution
12 of funds pursuant to this chapter achieves the public benefits
13 identified for the project.

14 (4) The commission has held a public hearing for the purposes
15 of providing an opportunity for the public to review and comment
16 on the information required to be prepared pursuant to this
17 subdivision.

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

19 (A) Feasibility studies have been completed.

20 (B) The commission has found and determined that the project
21 is feasible, is consistent with all applicable laws and regulations,
22 and will advance the long-term objectives of restoring ecological
23 health and improving water management for beneficial uses of the
24 Delta.

25 (C) All environmental documentation associated with the project
26 has been completed, and all other federal, state, and local approvals,
27 certifications, and agreements required to be completed have been
28 obtained.

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

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

35 79746. (a) The public benefit cost share of a project funded
36 pursuant to this chapter, other than a project described in
37 subdivision (c) of Section 79741, may not exceed 50 percent of
38 the total costs of any project funded under this chapter.

39 (b) No project may be funded unless it provides ecosystem
40 improvements as described in paragraph (1) of subdivision (a) of

1 Section 79743 that are at least 50 percent of total public benefits
2 of the project funded under this chapter.

3 79747. (a) A project is not eligible for funding under this
4 chapter unless, by January 1, 2018, all of the following conditions
5 are met:

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

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

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

14 (b) If compliance with subdivision (a) is delayed by litigation
15 or failure to promulgate regulations, the date in subdivision (a)
16 shall be extended by the commission for a time period that is equal
17 to the time period of the delay, and funding under this chapter that
18 has been dedicated to the project shall be encumbered until the
19 time at which the litigation is completed or the regulations have
20 been promulgated.

21 79748. Surface storage projects funded pursuant to this chapter
22 and described in subdivision (a) of Section 79741 may be made a
23 unit of the Central Valley Project as provided in Section 11290
24 and may be financed, acquired, constructed, operated, and
25 maintained pursuant to Part 3 (commencing with Section 11100)
26 of Division 6.

27 79749. (a) The funds allocated for the design, acquisition, and
28 construction of surface storage projects identified in the CALFED
29 Bay-Delta Record of Decision, dated August 28, 2000, pursuant
30 to this chapter may be provided for those purposes to local joint
31 powers authorities formed by irrigation districts and other local
32 water districts and local governments within the applicable
33 hydrologic region to design, acquire, and construct those projects.

34 (b) The joint powers authorities described in subdivision (a)
35 may include in their membership governmental and
36 nongovernmental partners that are not located within their
37 respective hydrologic regions in financing the surface storage
38 projects, including, as appropriate, cost share participation or equity
39 participation. The department shall be an ex-officio member of
40 each joint powers authority subject to this section, but the

1 department shall not control the governance, management, or
2 operation of the surface water storage projects.

3 (c) A joint powers authority subject to this section shall own,
4 govern, manage, and operate a surface water storage project,
5 subject to the requirement that the ownership, governance,
6 management, and operation of the surface water storage project
7 shall advance the purposes set forth in this chapter.

8 79749.5. (a) In approving the Safe, Clean, and Reliable
9 Drinking Water Supply Act of 2010, the people were informed
10 and hereby declare that the provisions of this chapter are necessary,
11 integral, and essential to meeting the single object or work of the
12 Safe, Clean, and Reliable Drinking Water Supply Act of 2010. As
13 such, any amendment of the provisions of this chapter by the
14 Legislature without voter approval would frustrate the scheme and
15 design that induced voter approval of this act. The people therefore
16 find and declare that any amendment of the provisions of this
17 chapter by the Legislature shall require a vote of two-thirds of the
18 membership in each house of the Legislature and voter approval.

19 (b) This section shall not govern or be used as authority for
20 determining whether the amendment of any other provision of this
21 act not contained in this chapter would constitute a substantial
22 change in the scheme and design of this act requiring voter
23 approval.

24

25 CHAPTER 9. CONSERVATION AND WATERSHED PROTECTION

26

27 79750. The sum of one billion seven hundred ~~thirty-five million~~
28 ~~dollars~~ ~~(\$1,735,000,000)~~ *eighty-five million dollars*
29 *(\$1,785,000,000)* shall be available, upon appropriation by the
30 Legislature from the fund, in accordance with this chapter, for
31 expenditures and grants for ecosystem and watershed protection
32 and restoration projects, including, but not limited to, all of the
33 following watersheds:

- 34 (a) The San Joaquin River watershed.
- 35 (b) The Kern River and Tulare Basin watersheds.
- 36 (c) The Salton Sea and Colorado River watersheds.
- 37 (d) The Los Angeles River watershed.
- 38 (e) The San Gabriel River watershed.
- 39 (f) The Santa Ana River watershed.

- 1 (g) The Klamath River watershed, including the Trinity, Scott,
2 and Shasta Rivers and watersheds.
3 (h) The North Coast watersheds.
4 (i) The San Francisco Bay watersheds.
5 (j) The Central Coast watersheds.
6 (k) The South Coast watersheds.
7 (l) The Lake Tahoe Basin watershed.
8 (m) The Sacramento River watershed, including the Yolo
9 Bypass.
10 (n) The San Diego County coastal watersheds.
11 (o) The Ventura River watershed.
12 (p) The Sierra Nevada Mountain watersheds.
13 (q) The Mojave River watershed.
14 (r) The Owens River watershed.
15 (s) The Santa Monica Bay watershed.
16 (t) The watersheds of Marin County.
17 (u) The watersheds of Orange County.
- 18 79751. Funds provided under this chapter may be appropriated
19 to the Natural Resources Agency, the Department of Fish and
20 Game, the Wildlife Conservation Board, the California
21 Conservation Corps, the Department of Conservation, the
22 Department of Parks and Recreation, the Department of Forestry
23 and Fire Protection, or to state conservancies for expenditures and
24 grants consistent with this chapter and other applicable laws.
- 25 79752. (a) Funds provided for the Sacramento River and San
26 Joaquin River watersheds under Section 79750 shall be available
27 for projects consistent with the ecosystem restoration program
28 element of the California Bay-Delta Program, or its successor, or
29 the San Joaquin River Parkway Master Plan.
- 30 (b) Funds provided for Salton Sea watershed projects under
31 Section 79750 shall be appropriated to the Natural Resources
32 Agency and shall be available for Salton Sea restoration activities
33 identified for “Period I” in the Natural Resources Agency report
34 entitled “Salton Sea Ecosystem Restoration Program Preferred
35 Alternative Report and Funding Plan,” dated May 2007.
- 36 (c) Funds provided for the Lake Tahoe Basin watershed under
37 Section 79750 shall be available for projects consistent with the
38 Lake Tahoe Environmental Improvement Program.
- 39 (d) Funds provided for the Los Angeles River and San Gabriel
40 River watersheds under Section 79750 shall be available pursuant

1 to Section 79508, and for projects identified in the Los Angeles
2 River Revitalization Master Plan.

3 79754. For restoration and ecosystem protection projects under
4 this chapter, the services of the California Conservation Corps or
5 community conservation corps shall be used whenever feasible.

6 79755. (a) Of the funds provided in Section 79750, not less
7 than two hundred fifty million dollars (\$250,000,000) shall be
8 available to the State Coastal Conservancy for projects within
9 coastal counties and coastal watersheds. Of this amount, not less
10 than forty million dollars (\$40,000,000) shall be available for
11 grants in San Diego County, including not less than twenty million
12 dollars (\$20,000,000) in grants to the San Diego River
13 Conservancy, not less than forty million dollars (\$40,000,000)
14 shall be available for the Santa Ana River Parkway, and not less
15 than twenty million dollars (\$20,000,000) shall be available for
16 grants for protection and restoration of the Bolsa Chica wetlands
17 and adjacent uplands and for associated visitor and interpretive
18 natural history or archeological facilities.

19 (b) Of the funds provided in Section 79750, not less than one
20 hundred million dollars (\$100,000,000) shall be available to the
21 Wildlife Conservation Board for direct expenditures or grants for
22 the acquisition of water rights from willing sellers and the
23 conveyance of water for the benefit of migratory birds on wildlife
24 refuges and wildlife habitat areas subject to Section 3406(d) of the
25 federal Central Valley Project Improvement Act (Public Law
26 102-575), if the acquisition of water rights by the Wildlife
27 Conservation Board is consistent with that federal act. All costs
28 associated with the acquisition of water rights by the Wildlife
29 Conservation Board for the purposes set forth under this section
30 shall be paid out of the funds designated for the Wildlife
31 Conservation Board.

32 (c) Of the funds provided in Section 79750, not less than two
33 hundred fifteen million dollars (\$215,000,000) shall be available
34 to the Wildlife Conservation Board for direct expenditures or grants
35 for the protection or restoration of watershed lands or rivers and
36 streams that support species listed as threatened or endangered
37 under state or federal law, consistent with the requirements of
38 programs identified in Division 2 (commencing with Section 700)
39 of the Fish and Game Code, and requirements to implement or
40 develop a natural community conservation plan pursuant to Chapter

1 10 (commencing with Section 2800) of Division 3 of the Fish and
2 Game Code. Of the funds provided in this section, the sum of
3 twenty-five million dollars (\$25,000,000) shall be available to the
4 San Joaquin River Conservancy for river parkway projects. Of the
5 funds provided in this subdivision, not less than twenty million
6 dollars (\$20,000,000) shall be available for watershed protection
7 projects that reduce the fragmentation of habitats by promoting
8 the linkage of existing public lands in Ventura County. In order
9 to ensure programmatic consistency with ongoing state
10 conservancy programs, any project financed pursuant to this
11 paragraph within the jurisdiction of any conservancy, shall be upon
12 application of, and by grant to, that respective conservancy. The
13 conservancy may apply on behalf of a local agency, and in that
14 case, the board may make the grant award directly to that local
15 agency.

16 (d) Of the funds provided in Section 79750, seventy-five million
17 dollars (\$75,000,000) shall be available to the San Gabriel and
18 Lower Los Angeles Rivers and Mountains Conservancy for the
19 purposes described in subdivision (d) of Section 79752.

20 (e) Of the funds provided in Section 79750, seventy-five million
21 dollars (\$75,000,000) shall be available to the Santa Monica
22 Mountains Conservancy for implementation of watershed
23 protection activities throughout the watershed of the upper Los
24 Angeles River.

25 (f) Of the funds provided in Section 79750, twenty million
26 dollars (\$20,000,000) shall be available to the Baldwin Hills
27 Conservancy.

28 (g) Of the funds provided in Section 79750, twenty-five million
29 dollars (\$25,000,000) shall be available for Santa Monica Bay
30 watershed projects pursuant to Division 23 (commencing with
31 Section 33000) of the Public Resources Code.

32 (h) Of the funds provided in Section 79750, fifty million dollars
33 (\$50,000,000) shall be available to the State Coastal Conservancy
34 for coastal salmonid restoration projects.

35 (i) Of the funds provided in Section 79750, one hundred million
36 dollars (\$100,000,000) shall be available to the Lake Tahoe
37 Conservancy for the Lake Tahoe Environmental Improvement
38 Program as described in subdivision (c) of Section 79752.

39 (j) Of the funds provided in Section 79750, twenty million
40 dollars (\$20,000,000) shall be available to the Department of

1 Conservation for the California Farmland Conservancy Program
2 Act (Division 10.2 (commencing with Section 10200) of the Public
3 Resources Code). Up to five million dollars (\$5,000,000) may be
4 used for the Department of Conservation Watershed Coordinator
5 Grant Program.

6 (k) Of the funds provided in Section 79750, fifty million dollars
7 (\$50,000,000) shall be available to the secretary for projects in
8 accordance with the California River Parkways Act of 2004
9 (Chapter 3.8 (commencing with Section 5750) of Division 5 of
10 the Public Resources Code). Up to twenty million dollars
11 (\$20,000,000) may be transferred to the department for the Urban
12 Streams Restoration Program pursuant to Section 7048 of the
13 Water Code.

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

24 (m) Of the funds provided in Section 79750, one hundred million
25 dollars (\$100,000,000) shall be available for Salton Sea restoration
26 pursuant to subdivision (b) of Section 79752.

27 (n) Of the funds provided in Section 79750, ten million dollars
28 (\$10,000,000) shall be available to the Natural Resources Agency
29 for planning for natural resources and watershed protections to
30 address climate change impacts and adaptation.

31 (o) Of the funds provided in Section 79750, thirty million dollars
32 (\$30,000,000) shall be available to the Department of Parks and
33 Recreation for grants for watershed education facilities. Of this
34 amount, twenty million dollars (\$20,000,000) shall be available
35 for capital improvements to watershed education centers that serve
36 an urban area with a population of over one million. ~~and not less~~
37 ~~than ten million dollars (\$10,000,000) shall be available for capital~~
38 ~~improvements to nonprofit facilities that provide watershed,~~
39 ~~environmental justice, and urban greening education programs to~~

1 ~~students in the Sacramento City Unified School District and the~~
2 ~~surrounding area.~~

3 (p) Of the funds provided in Section 79750, ten million dollars
4 (\$10,000,000) shall be deposited in the California Waterfowl
5 Habitat Preservation Account for the purposes of implementing
6 the California Waterfowl Habitat Program described in Article 7
7 (commencing with Section 3460) of Chapter 2 of Part 1 of Division
8 4 of the Fish and Game Code, the California Landowner Incentive
9 Program, and the Permanent Wetland Easement Program.

10 79756. (a) One hundred million dollars (\$100,000,000) of the
11 funds provided pursuant to Section 79750 shall be allocated to the
12 Department of Forestry and Fire Protection for direct expenditures
13 or grants for fuel treatment and forest restoration projects to protect
14 watersheds tributary to dams or reservoirs from the adverse impacts
15 of fire and erosion, to promote forest health in those watersheds,
16 to protect life and property, to provide for climate change
17 adaptation, and reduce total wildfire costs and losses. Funds shall
18 be available in accordance with the following requirements:

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

26 (2) Twenty-five million dollars (\$25,000,000) shall be available
27 to the Department of Forestry and Fire Protection to provide
28 technical assistance for project development and implementation,
29 and for grants and loans for fuel treatment and reforestation projects
30 to eligible landowners as defined in subdivision (b) of Section
31 4793 of the Public Resources Code and consistent with the
32 provisions of the California Forest Improvement Act of 1978.

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

35 (A) Reimburse incremental costs to the Department of Forestry
36 and Fire Protection resulting from implementation of fuel reduction
37 projects consistent with the provisions of the Vegetation
38 Management Program established under Article 2 (commencing
39 with Section 4475) of Chapter 7 of Part 2 of Division 4 of the
40 Public Resources Code. These projects shall include three or more

1 pilot projects to utilize the fuels removed for energy production
2 or other wood product uses.

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

7 (b) Funding criteria and projects shall demonstrate the linkage
8 between the project and the protection of watershed health,
9 protection of watershed storage capacity, maintenance or
10 enhancement of forest health, protection of life and property, and
11 greenhouse gas reduction.

12 79757. Of the funds provided in Section 79750, not more than
13 two hundred fifty million dollars (\$250,000,000) shall be available
14 for dam removal and related measures in the Klamath River
15 watershed if the secretary finds that all of the following conditions
16 have been met:

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

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

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

24 (d) All other conditions required in the agreement have been
25 met.

26 79758. Of the funds provided in Section 79750, not less than
27 twenty million dollars (\$20,000,000) shall be allocated to Siskiyou
28 County for the purpose of economic development as defined in
29 Section 13997.2 of the Government Code.

30 79759. Of the funds provided in Section 79750, the sum of
31 fifty million dollars (\$50,000,000) shall be available, upon
32 appropriation by the Legislature from the fund, to the California
33 State University for the purposes of funding agricultural water
34 supply, water use, efficiency, water quality, and related research
35 and education efforts in accordance with the California State
36 University Water Resources and Policy Initiatives.

37 79759.5. Of the funds provided in Section 79750, the sum of
38 fifty million dollars (\$50,000,000) shall be available to the State
39 Coastal Conservancy for projects that meet the requirements of

1 the California Ocean Protection Act (Division 26.5 (commencing
2 with Section 35500) of the Public Resources Code).

3 79760. Of the funds provided in Section 79750, sixty million
4 dollars (\$60,000,000) shall be available to the Natural Resources
5 Agency for projects authorized under Section 3406 (b) (10) of the
6 Central Valley Project Improvement Act that improve salmonid
7 fish passage in the Sacramento River watershed.

8 79760.5. *Of the funds provided in Section 79750, fifty million*
9 *dollars (\$50,000,000) shall be available, upon appropriation by*
10 *the Legislature from the fund, to the Wildlife Conservation Board*
11 *to capitalize an advanced public infrastructure revolving fund*
12 *mitigation program, to be established by statute, designed to*
13 *improve the environmental effectiveness and efficiency of*
14 *infrastructure mitigation. These funds shall not be used to subsidize*
15 *or decrease the mitigation obligations of any party.*

16 79761. For the purposes of this chapter, the terms “restoration”
17 and “protection” have the meanings set forth in Section 75005 of
18 the Public Resources Code.

19

20 CHAPTER 10. GROUNDWATER PROTECTION AND WATER
21 QUALITY

22

23 79770. (a) The sum of ~~five hundred million dollars~~
24 ~~(\$500,000,000)~~ shall *one billion dollars (\$1,000,000,000) shall*
25 be available, upon appropriation by the Legislature from the fund,
26 for expenditures, grants, and loans for projects to prevent or reduce
27 the contamination of groundwater that serves as a source of
28 drinking water. Projects shall be consistent with an adopted
29 integrated regional water management plan. Funds appropriated
30 pursuant to this section shall be available to the State Department
31 of Public Health for projects necessary to protect public health by
32 preventing or reducing the contamination of groundwater that
33 serves as a major source of drinking water for a community.

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

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

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

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

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

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

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

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

16 (3) The project will serve an economically disadvantaged
17 community or an economically distressed area.

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

21 (d) Of the amount made available by this section, ~~up to~~ *not less*
22 *than* one hundred million dollars (\$100,000,000) shall be available
23 for projects that meet the requirements of this section and both of
24 the following criteria:

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

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

33 *(e) Of the amount made available by this section, one hundred*
34 *million dollars (\$100,000,000) shall be available to the State*
35 *Department of Public Health for grants and direct expenditures*
36 *to finance emergency and urgent actions in accordance with this*
37 *section on behalf of disadvantaged communities and economically*
38 *distressed areas to ensure that safe drinking water supplies are*
39 *available to all Californians.*

40 (e)

1 (f) The Legislature, by statute, shall establish both of the
2 following:

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

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

9

10 CHAPTER 11. WATER RECYCLING PROGRAM

11

12 79780. The sum of ~~five hundred million dollars (\$500,000,000)~~
13 ~~shall~~ *one billion dollars (\$1,000,000,000) shall* be available, upon
14 appropriation by the Legislature from the fund, for grants and loans
15 for water recycling and advanced treatment technology projects,
16 including all of the following:

17 (a) Water recycling projects.

18 (b) Contaminant and salt removal projects, including
19 groundwater and seawater desalination.

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

23 (d) Pilot projects for new salt and contaminant removal
24 technology.

25 (e) Groundwater recharge infrastructure related to recycled
26 water.

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

29 79781. *Of the funds made available in Section 79780, not less*
30 *than fifty million dollars (\$50,000,000) shall be available for*
31 *projects that are designed to help restore lost water supply*
32 *reliability in areas with widespread groundwater contamination*
33 *in locations that contain sites that are listed by the Department of*
34 *Toxic Substances Control pursuant to Section 25356 of the Health*
35 *and Safety Code or a site listed on the National Priorities List*
36 *pursuant to the federal Comprehensive Environmental Response,*
37 *Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601*
38 *et seq.) and for which federal funds have been allocated pursuant*
39 *to Public Law 106-554.*

1 79782. For projects funded pursuant to the funds made available
2 pursuant to Section 79780, at least a 50-percent local cost share
3 shall be required. That cost share may be suspended or reduced
4 for disadvantaged communities and economically distressed areas.

5 79783. Projects funded pursuant to the funds made available
6 pursuant to Section 79780 shall be selected on a competitive basis,
7 considering all of the following criteria:

- 8 (a) Water supply reliability improvement.
- 9 (b) Water quality and ecosystem benefits related to decreased
10 reliance on diversions from the Delta or instream flows.
- 11 (c) Public health benefits from improved drinking water quality.
- 12 (d) Cost effectiveness.
- 13 (e) Energy efficiency and greenhouse gas emission impacts.

14 79784. (a) (1) The sum of two hundred fifty million dollars
15 (\$250,000,000) shall be available, upon appropriation by the
16 Legislature from the fund, for direct expenditures, grants, and loans
17 for water conservation and water use efficiency ~~projects plans,~~
18 *projects*, and programs, including any of the following:

19 (A) Urban water conservation ~~projects plans, projects,~~ and
20 programs, including regional projects and programs, implemented
21 pursuant to ~~Part 2.55 (commencing with Section 10608) of Division~~
22 ~~6. Priority for to achieve urban water use targets pursuant to~~
23 ~~Chapter 3 (commencing with Section 10608.16) of Part 2.55 of~~
24 ~~Division 6. Priority for~~ funding shall be given to programs that do
25 the following:

- 26 (i) Assist water suppliers and regions to implement conservation
27 programs and measures that are not locally cost-effective.
- 28 (ii) Support water supplier and regional efforts to implement
29 programs targeted to enhance water use efficiency for commercial,
30 industrial, and institutional water users.
- 31 (iii) Assist water suppliers and regions with programs and
32 measures targeted toward realizing the conservation benefits of
33 implementation of the provisions of the state landscape model
34 ordinance.

35 (B) Agricultural water use efficiency projects and programs
36 pursuant to Part 2.8 (commencing with Section 10800) of Division
37 6.

38 (C) Agricultural water management plans developed pursuant
39 to Part 2.8 (commencing with Section 10800) of Division 6.

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

7 ~~(b)~~

8 (2) The department shall award grants or loans under this chapter
 9 in a competitive process that considers, as primary factors, the
 10 local and statewide conservation and water use efficiency benefits
 11 of the measures proposed for grants.

12 ~~(e)~~

13 (b) Section 1011 applies to all conservation measures that an
 14 agricultural water supplier or an urban water supplier implements
 15 with funding under this chapter. This subdivision does not limit
 16 the application of Section ~~101~~ 1011 to any other measures or
 17 projects implemented by a water supplier.

18
 19 CHAPTER 12. FISCAL PROVISIONS
 20

21 79810. (a) Bonds in the total amount of ~~nine billion nine~~
 22 ~~hundred ninety million dollars (\$9,990,000,000), not including the~~
 23 ~~amount of any eleven billion one hundred forty million dollars~~
 24 ~~(\$11,140,000,000), not including the amount of any~~ refunding
 25 bonds issued in accordance with Section 79822, or so much thereof
 26 as is necessary, may be issued and sold to provide a fund to be
 27 used for carrying out the purposes expressed in this division and
 28 to reimburse the General Obligation Bond Expense Revolving
 29 Fund pursuant to Section 16724.5 of the Government Code. The
 30 bonds, when sold, shall be and constitute valid and binding
 31 obligations of the State of California, and the full faith and credit
 32 of the State of California is hereby pledged for the punctual
 33 payment of both the principal of, and interest on, the bonds as the
 34 principal and interest become due and payable.

35 (b) The Treasurer shall sell the bonds authorized by the
 36 committee pursuant to this section. The bonds shall be sold upon
 37 the terms and conditions specified in a resolution to be adopted
 38 by the committee pursuant to Section 16731 of the Government
 39 Code.

1 79811. The bonds authorized by this division shall be prepared,
2 executed, issued, sold, paid, and redeemed as provided in the State
3 General Obligation Bond Law, and all of the provisions of that
4 law apply to the bonds and to this division and are hereby
5 incorporated in this division as though set forth in full in this
6 division, except Section 16727 of the Government Code shall not
7 apply to the extent that it is inconsistent with any other provision
8 of this division.

9 79812. (a) Solely for the purpose of authorizing the issuance
10 and sale, pursuant to the State General Obligation Bond Law, of
11 the bonds authorized by this division, the Safe, Clean, and Reliable
12 Drinking Water Finance Committee is hereby created. For purposes
13 of this division, the Safe, Clean, and Reliable Drinking Water
14 Finance Committee is “the committee” as that term is used in the
15 State General Obligation Bond Law.

16 (b) The committee consists of the Director of Finance, the
17 Treasurer, the Controller, the Director of Water Resources, and
18 the Secretary of the Natural Resources Agency. Notwithstanding
19 any other provision of law, any member may designate a deputy
20 to act as that member in his or her place for all purposes, as though
21 the member were personally present.

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

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

25 79813. The committee shall determine whether or not it is
26 necessary or desirable to issue bonds authorized pursuant to this
27 division to carry out the actions specified in this division and, if
28 so, the amount of bonds to be issued and sold. Successive issues
29 of bonds may be authorized and sold to carry out those actions
30 progressively, and it is not necessary that all of the bonds
31 authorized to be issued be sold at any one time.

32 79814. “Board,” as defined in Section 16722 of the Government
33 Code for the purposes of compliance with the State General
34 Obligation Bond Law, means the department.

35 79815. There shall be collected each year and in the same
36 manner and at the same time as other state revenue is collected,
37 in addition to the ordinary revenues of the state, a sum in an amount
38 required to pay the principal of, and interest on, the bonds each
39 year, and it is the duty of all officers charged by law with any duty

1 in regard to the collection of the revenue to do and perform each
2 and every act which is necessary to collect that additional sum.

3 79816. Notwithstanding Section 13340 of the Government
4 Code, there is hereby appropriated from the General Fund in the
5 State Treasury, for the purposes of this division, an amount that
6 will equal the total of the following:

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

10 (b) The sum that is necessary to carry out the provisions of
11 Section 79819, appropriated without regard to fiscal years.

12 79817. The board may request the Pooled Money Investment
13 Board to make a loan from the Pooled Money Investment Account
14 in accordance with Section 16312 of the Government Code for the
15 purpose of carrying out this division. The amount of the request
16 shall not exceed the amount of the unsold bonds that the committee
17 has, by resolution, authorized to be sold for the purpose of carrying
18 out this division. The board shall execute those documents required
19 by the Pooled Money Investment Board to obtain and repay the
20 loan. Any amounts loaned shall be deposited in the fund to be
21 allocated in accordance with this division.

22 79818. Notwithstanding any other provision of this division,
23 or of the State General Obligation Bond Law, if the Treasurer sells
24 bonds that include a bond counsel opinion to the effect that the
25 interest on the bonds is excluded from gross income for federal
26 tax purposes under designated conditions, the Treasurer may
27 maintain separate accounts for the bond proceeds invested and for
28 the investment earnings on those proceeds, and may use or direct
29 the use of those proceeds or earnings to pay any rebate, penalty,
30 or other payment required under federal law or take any other
31 action with respect to the investment and use of those bond
32 proceeds, as may be required or desirable under federal law in
33 order to maintain the tax-exempt status of those bonds and to obtain
34 any other advantage under federal law on behalf of the funds of
35 this state.

36 79819. For the purposes of carrying out this division, the
37 Director of Finance may authorize the withdrawal from the General
38 Fund of an amount or amounts not to exceed the amount of the
39 unsold bonds that have been authorized by the committee to be
40 sold for the purpose of carrying out this division. Any amounts

1 withdrawn shall be deposited in the fund. Any money made
2 available under this section shall be returned to the General Fund,
3 with interest at the rate earned by the money in the Pooled Money
4 Investment Account, from proceeds received from the sale of bonds
5 for the purpose of carrying out this division.

6 79820. All money deposited in the fund that is derived from
7 premiums and accrued interest on bonds sold pursuant to this
8 division shall be reserved in the fund and shall be available for
9 transfer to the General Fund as a credit to expenditures for bond
10 interest.

11 79821. Pursuant to Chapter 4 (commencing with Section
12 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
13 the cost of bond issuance shall be paid out of the bond proceeds.
14 These costs shall be shared proportionately by each program funded
15 through this division.

16 79822. The bonds issued and sold pursuant to this division
17 may be refunded in accordance with Article 6 (commencing with
18 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
19 the Government Code, which is a part of the State General
20 Obligation Bond Law. Approval by the electors of the state for the
21 issuance of the bonds under this division shall include approval
22 of the issuance of any bonds issued to refund any bonds originally
23 issued under this division or any previously issued refunding bonds.

24 79823. The proceeds from the sale of bonds authorized by this
25 division are not “proceeds of taxes” as that term is used in Article
26 XIII B of the California Constitution, and the disbursement of
27 these proceeds is not subject to the limitations imposed by that
28 article.

29 79824. Of the ~~nine billion nine hundred ninety million dollars~~
30 ~~(\$9,990,000,000)~~ *eleven billion one hundred forty million dollars*
31 *(\$11,140,000,000)* in bonds authorized in this division, no more
32 ~~than four billion nine hundred ninety-five million dollars~~
33 ~~(\$4,995,000,000)~~ *shall be than five billion five hundred seventy*
34 *million dollars (\$5,570,000,000) shall be* sold by the Treasurer
35 before July 1, 2015.

36 SEC. 2. Section 1 of this act shall be submitted to the voters
37 at the November 2, 2010, statewide general election in accordance
38 with provisions of the Government Code and the Elections Code
39 governing the submission of a statewide measure to the voters.

1 SEC. 3. (a) Section 1 of this act shall take effect only upon
 2 the approval by the voters of the Safe, Clean, and Reliable Drinking
 3 Water Supply Act of 2010, as set forth in that section at the
 4 November 2, 2010, statewide general election.

5 (b) (1) Notwithstanding Section 9051 of the Elections Code or
 6 any other provision of law, the Attorney General shall provide and
 7 return to the Secretary of State a ballot title and summary in
 8 10-point type for all state ballot pamphlets of the November 2,
 9 2010, statewide general election that contains the following title
 10 and summary for Senate Bill 2, adopted by the Legislature at the
 11 2009–10 Seventh Extraordinary Session:

12 “SAFE, CLEAN, AND RELIABLE DRINKING WATER
 13 SUPPLY ACT OF 2010” and in the same square under those
 14 words:

15
 16 “To protect water quality and ensure safe, clean drinking water;
 17 meet the water supply needs of California residents, farms,
 18 businesses, expand water conservation and recycling; restore fish
 19 and wildlife habitat; reduce polluted runoff that contaminates
 20 rivers, streams, beaches, and bays; and protect the safety of water
 21 supplies threatened by earthquakes and other natural disasters; the
 22 State of California shall issue bonds totaling ~~nine billion nine~~
 23 ~~hundred ninety million dollars (\$9,990,000,000)~~ *eleven billion one*
 24 *hundred forty million dollars (\$11,140,000,000)* paid from existing
 25 state funds at an average cost of _____ per year over
 26 ~~the 30-year life of the bond~~; subject to independent, annual audits,
 27 and citizen oversight.”

28
 29 (2) The language in paragraph (1) shall be the only language
 30 included in the title and summary for Senate Bill 2, adopted by
 31 the Legislature at the 2009–10 Seventh Extraordinary Session, and
 32 the Attorney General shall not supplement, subtract from, or revise
 33 that language.

34 (3) Notwithstanding any other provision of law, including
 35 Sections 9050, 9051, 13247, 13262, and 13281 of the Elections
 36 Code, the language in paragraph (1) for the title and summary shall
 37 also be the language included in the ballot label for the condensed
 38 statement of the ballot title, and the Attorney General shall not
 39 supplement, subtract from, or revise that language, except that the
 40 Attorney General may include the fiscal impact summary prepared

1 pursuant to Section 9087 of the Elections Code and Section 88003
2 of the Government Code. The ballot label is the condensed
3 statement of the ballot title and the financial impact summary.

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

7 (d) Where the voting in the election is done by means of voting
8 machines used pursuant to law in the manner that carries out the
9 intent of this section, the use of the voting machines and the
10 expression of the voters' choices by means thereof are in
11 compliance with this section.

12 *SEC. 4. This act shall take effect only if Senate Bill 1 of the*
13 *2009–10 Seventh Extraordinary Session is enacted and becomes*
14 *effective.*

15 ~~SEC. 4.~~

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

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

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