

Introduced by Senator FlorezFebruary 25, 2009

An act to add Division 26.7 (commencing with Section 79700) to the Water Code, relating to financing a water supply reliability and ecosystem recovery and restoration 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 301, as introduced, Florez. Water Supply Reliability and Ecosystem Recovery and Restoration Act of 2009.

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 Water Supply Reliability and Ecosystem Recovery and Restoration Act of 2009, which, if approved by the voters, would authorize, for the purposes of financing specified water supply reliability and ecosystem recovery and restoration programs, the issuance of bonds in the amount of \$15,000,000,000 pursuant to the State General Obligation Bond Law. The bill would provide for submission of the bond act to the voters at the next statewide election.

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

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

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

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

3
4 DIVISION 26.7. THE WATER SUPPLY RELIABILITY AND
5 ECOSYSTEM RECOVERY AND RESTORATION ACT OF
6 2009

7
8 CHAPTER 1. SHORT TITLE

9
10 79700. This division shall be known and may be cited as the
11 Water Supply Reliability and Ecosystem Recovery and Restoration
12 Act of 2009.

13
14 CHAPTER 2. FINDINGS AND DECLARATIONS

15
16 79701. The people of California find and declare all of the
17 following:

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

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

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

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

31
32 CHAPTER 3. DEFINITIONS

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

- 1 (a) “Bay Delta Conservation Plan” means the final plan, if any,
2 prepared pursuant to the Planning Agreement regarding the Bay
3 Delta 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) “Commission” means the California Water Commission
9 established by Section 150.
- 10 (e) “Committee” means the Water Supply Reliability and
11 Ecosystem Recovery and Restoration Committee created by
12 Section 79784.
- 13 (f) “Delta” means the Sacramento-San Joaquin Delta as defined
14 in Section 12220.
- 15 (g) “Delta conveyance facilities” means facilities that convey
16 water directly from the Sacramento River to the State Water Project
17 or the federal Central Valley Project pumping facilities in the south
18 Delta.
- 19 (h) “Department” means the Department of Water Resources.
- 20 (i) “Director” means the Director of Water Resources.
- 21 (j) “Disadvantaged community” has the meaning set forth in
22 subdivision (a) of Section 79505.5.
- 23 (k) “Economically distressed area” means a municipality with
24 a population of 20,000 persons or less, a rural county, or a
25 reasonably isolated and divisible segment of a larger municipality
26 where the segment of the population is 20,000 persons or less,
27 with a financial hardship, as determined by the department after
28 considering factors including, but not limited to, median income
29 of the residents, rate of unemployment, and low population density.
- 30 (l) “Fund” means the Water Supply Reliability and Ecosystem
31 Recovery and Restoration Fund of 2009 created by Section 79720.
- 32 (m) “Integrated regional water management plan” means a
33 comprehensive plan for a defined geographic area, the specific
34 development and content of which shall be defined by guidelines
35 adopted by the department. At a minimum, an integrated regional
36 water management plan describes the major water-related
37 objectives and conflicts within a region, considers a broad variety
38 of water management strategies, and identifies the appropriate
39 combination of water demand and supply management alternatives,
40 water quality protections, and environmental stewardship actions

1 to provide long-term, reliable, and high-quality water supplies and
 2 to protect the environment.

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

6 (o) “Public agency” means a state agency or department, district,
 7 joint powers authority, city, county, city and county, or other
 8 political subdivision of the state.

9 (p) “Sacramento hydrologic region” means ____.

10 (q) “Secretary” means the Secretary of the Natural Resources
 11 Agency.

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

16
 17 CHAPTER 4. GENERAL PROVISIONS
 18

19 79710. An amount that equals not more than 1 percent of the
 20 funds allocated for a grant program pursuant to this division may
 21 be used to pay the administrative costs of that program.

22 79710.5. Up to 5 percent of funds allocated for each program
 23 funded by this division may be used to finance planning and
 24 monitoring necessary for the successful design, selection, and
 25 implementation of the projects authorized under that program.
 26 This section shall not otherwise restrict funds ordinarily used by
 27 an agency for “preliminary plans,” “working drawings,” and
 28 “construction” as defined in the annual Budget Act for a capital
 29 outlay project or grant project. Water quality monitoring shall be
 30 integrated into the surface water ambient monitoring program
 31 administered by the State Water Resources Control Board.

32 79711. Chapter 3.5 (commencing with Section 11340) of Part
 33 1 of Division 3 of Title 2 of the Government Code does not apply
 34 to the development or implementation of programs or projects
 35 authorized or funded under this division.

36 79712. (a) Prior to disbursing grants pursuant to this division,
 37 each state agency that is required to administer a competitive grant
 38 program under this division shall develop project solicitation and
 39 evaluation guidelines. The guidelines may include a limitation on
 40 the dollar amount of grants to be awarded.

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

12 79713. It is the intent of the people that the investment of public
13 funds pursuant to this division should result in public benefits.

14 79714. The State Auditor shall annually conduct a
15 programmatic review and an audit of expenditures from the fund.
16 The State Auditor shall report its findings annually on or before
17 March 1 to the commission, the Governor, and the Legislature,
18 and shall make the findings available to the public.

19 79715. Funds provided by this division shall not be used to
20 support or pay for the costs of environmental mitigation measures
21 or compliance obligations of any party except as part of the
22 environmental mitigation costs of projects financed by this division.
23 Funds provided by this division may be used for environmental
24 enhancements or other public benefits.

25 79716. (a) Funds provided by this division shall not be
26 expended to pay the costs of the design, construction, operation,
27 or maintenance of Delta conveyance facilities. Those costs shall
28 be the responsibility of the agencies that benefit from the design,
29 construction, operation, or maintenance of those facilities.

30 (b) (1) The Legislature may enact legislation necessary to
31 implement programs funded pursuant to this division.

32 (2) Notwithstanding paragraph (1), the Legislature may amend
33 or repeal this chapter only by a statute that is passed in each house
34 by rollcall vote entered into the journal, with two-thirds of the
35 membership concurring.

36 79717. This division does not authorize the State Water
37 Resources Control Board or any court to impose any fees or
38 charges on water users for the mitigation of impacts to water
39 quality, fish and wildlife, or other public trust or beneficial use.

1 79718. This division does not limit or otherwise affect the
2 application of Sections 10505, 10505.5, 11128, 11460, 11461,
3 11462, 11463 and Sections 12200 to 12220, inclusive. However,
4 those sections do not create any right, in areas outside of the
5 Sacramento River hydrologic region, to water originating within
6 the Sacramento River hydrologic region as a result of facilities
7 constructed with the proceeds of bonds issued and sold pursuant
8 to this division. For purposes of this division, the Sacramento
9 hydrologic region does not include the Delta.

10 79719. (a) Notwithstanding any provision of this division,
11 consistent with the agreement described in State Water Resources
12 Control Board Order WR 2001-05, the United States, as operator
13 of the Central Valley Project, and the department, as operator of
14 the State Water Project, shall continue to operate in accordance
15 with that agreement for as long as required by the terms that
16 agreement. For the duration of that agreement and any extensions
17 of that agreement, the department shall be jointly responsible, with
18 the United States, for meeting the flow-related water quality
19 objectives contained in the 1995 Water Quality Control Plan for
20 the Bay-Delta Estuary, including any revisions to that plan, and
21 the Revised Water Right Decision 1641.

22 (b) Notwithstanding any provision of this division, if the State
23 Water Resources Control Board revises the Revised Water Right
24 Decision 1641 after the expiration of the agreement described in
25 subdivision (a), or any other water right decision that allocates
26 responsibility for meeting flow-related objectives in the Bay-Delta
27 Water Quality Control Plan, the responsibility for meeting the
28 modified flow-related objectives shall be based upon findings by
29 the State Water Resources Control Board or a court of competent
30 jurisdiction, that (1) the exercise of the water rights upon which
31 the obligation is imposed are a cause of the water quality concern
32 or harm to public trust or other beneficial use that is being
33 addressed, and (2) the obligation to be imposed is in proportion to
34 the finding of causation.

35 (c) Notwithstanding any provision of this division, to the extent
36 that the State Water Resources Control Board or a court of
37 competent jurisdiction imposes any obligation in accordance with
38 subdivision (b), based on a finding that multiple diversions each
39 contribute incrementally to impact fish and wildlife or any other
40 public trust or other beneficial uses in the Delta, the obligation

1 imposed shall be based on and be consistent with water right
2 priorities and shall not affect the application of Sections 10505 to
3 10506, inclusive, Section 11128, Article 3 (commencing with
4 Section 11460) of Chapter 3 of Part 3 of, and Part. 4.5
5 (commencing with Section 12200) of, Division 6.

6
7 CHAPTER 5. WATER SUPPLY RELIABILITY AND ECOSYSTEM
8 RECOVERY AND RESTORATION FUND OF 2009
9

10 79720. The proceeds of bonds issued and sold pursuant to this
11 division shall be deposited in the Water Supply Reliability and
12 Ecosystem Recovery and Restoration Fund of 2009, which is
13 hereby created.

14
15 CHAPTER 6. WATER SUPPLY RELIABILITY
16

17 79721. The sum of one billion five hundred million dollars
18 (\$1,500,000,000) shall be available, upon appropriation by the
19 Legislature, from the fund to the department for competitive grants
20 in accordance with Section 79722.

21 79722. (a) Except as provided in subdivision (g) or (h), the
22 department shall award grants under this chapter to eligible projects
23 that implement an adopted integrated regional water management
24 plan.

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

32 (c) For the purpose of awarding a grant pursuant to this chapter,
33 the department shall require a local cost share of not less than 50
34 percent of the total costs of the projects. The department may waive
35 or reduce the cost-sharing requirement for projects that directly
36 benefit a disadvantaged community or an economically distressed
37 area.

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

1 (1) Agricultural and urban water use efficiency implementation
2 projects, feasibility studies, technical assistance, education, public
3 outreach, and projects that result in water savings, increased
4 instream flow, improved water quality, or increased energy
5 efficiency.

6 (2) Recycling, reclamation, water treatment for the recovery of
7 water supplies, desalination, and associated facilities, including
8 distributions systems.

9 (3) Groundwater and surface storage projects, and conjunctive
10 use and reservoir reoperations projects.

11 (4) Groundwater contamination prevention, cleanup, and
12 treatment, and other water quality projects necessary to protect
13 existing or potential water supplies. The implementation of a
14 project financed pursuant to this paragraph does not relieve a
15 responsible party or liable person from that person's obligation
16 under existing state or federal law to clean up or remediate, or
17 otherwise treat, contaminated water.

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

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

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

24 (e) Eligible applicants are public agencies, public utilities, and
25 mutual water companies. To be eligible for funding under Section
26 79721, projects proposed by public utilities that are regulated by
27 the Public Utilities Commission and projects proposed by mutual
28 water companies shall have a clear and definite public purpose
29 and shall benefit the customers of the respective water system.

30 (f) The funding provided in Section 79721 shall be allocated to
31 each hydrologic region as identified in the California Water Plan
32 in accordance with this subdivision. For the South Coast hydrologic
33 region, the department shall establish three funding areas that
34 reflect the watersheds of San Diego County (designated as the San
35 Diego subregion), the Santa Ana River watershed and southern
36 Orange County (designated as the Santa Ana subregion), and the
37 Los Angeles and Ventura County watersheds (designated as the
38 Los Angeles subregion), and shall allocate funds to those areas in
39 accordance with this subdivision. The North and South Lahontan
40 hydrologic regions shall be treated as one area for the purpose of

1 allocating funds. The department may recognize multiple integrated
2 regional water management plans in each of the areas allocated
3 funding. Funds made available by this chapter shall be allocated
4 as follows:

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

18
19 (g) For purposes of paragraph (7) of subdivision (f),
20 “Sacramento River” does not include any portion of the Delta.

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

- 24 (1) Investing in new water technology development and
25 deployment.
- 26 (2) Meeting state water recycling and water conservation goals.
- 27 (3) Adapting to climate change impacts.
- 28 (4) Reducing contributions to climate change.
- 29 (5) Other projects to improve statewide water management
30 systems.
- 31 (6) Other projects and activities designed to meet the needs of
32 disadvantaged communities or economically distressed areas,
33 including technical and grant writing assistance.

34 (i) Fifty million dollars (\$50,000,000) of the interregional funds
35 provided in subdivision (h) shall be expended for costs incurred
36 in connection with the provision of recreation and fish and wildlife
37 enhancement at state water projects. The funds shall be available
38 to meet the cost associated with the planning, construction,
39 operation, and maintenance for recreation and fish and wildlife
40 enhancement.

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

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

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

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

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

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

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

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

26

27 CHAPTER 7. DELTA SUSTAINABILITY AND CONVEYANCE

28

29 79730. (a) The Bay-Delta Estuary is a unique and irreplaceable
30 combination of environmental and economic resources. Current
31 management and use of the Delta is not sustainable, and results in
32 a high level of conflict among various interests. Future Delta
33 sustainability is threatened by changing hydrology due to climate
34 change, water diversions, flood risk, seismic events, nonnative
35 species, toxics, and other environmental problems. Future
36 management of the Delta must improve Delta ecosystem health
37 and improve the means of Delta water conveyance in order to
38 protect drinking water quality, improve water supply and water
39 supply reliability, restore ecosystem health, and preserve
40 agricultural and recreational values in the Delta, while providing

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

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

11 (c) In implementing this chapter, the commission and the
12 department shall develop, in cooperation with the Department of
13 Fish and Game and the State Water Resources Control Board, a
14 comprehensive Delta sustainability program that includes both
15 ecosystem and water conveyance improvements, and that meets
16 all of the following criteria:

17 (1) Reduces impacts to native fish caused by the operation of
18 the export pumps and improves the operational flexibility and
19 ability of the State Water Project and the Central Valley Project
20 to provide the ecosystem and water supply benefits described by
21 this subdivision.

22 (2) Provides conditions that will allow for habitat improvements
23 for fish and wildlife in the Delta, the recovery of listed species,
24 and sustainable ecosystem functions.

25 (3) Provides improved water supply reliability and conveyance
26 for the State Water Project and the Central Valley Project and for
27 water transfers.

28 (4) Reduces the quantity of bromide, total organic carbon, and
29 total dissolved solids in the water pumped at state and federal water
30 pumping facilities to protect the public health and improves the
31 ability to manage salinity.

32 (5) Reduces vulnerability to seismic events in or near the Delta
33 and provides flexibility to manage uncertainties associated with
34 climate change and future fishery needs.

35 (6) Promotes ecosystem restoration of the Delta.

36 (7) Facilitates wet year water storage for use in dry years.

37 (d) The Legislature may only amend or repeal this section by a
38 statute that is passed in each house by rollcall vote entered into
39 the journal, two-thirds of the membership concurring.

1 79731. The sum of two billion dollars (\$2,000,000,000) is
2 available from the fund to the commission, upon appropriation by
3 the Legislature, for grants and direct expenditure, as follows:

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

7 (1) Ensure that urban and agricultural water supplies derived
8 from the Delta, including water supplies used within the Delta, are
9 not disrupted because of catastrophic failures of Delta levees
10 resulting from earthquakes, floods, land sinking, rising ocean
11 levels, or other forces.

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

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

16 (4) Protect transportation and other vital infrastructure in and
17 around the Delta.

18 (5) 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 (b) One billion three hundred million dollars (\$1,300,000,000)
24 for projects to protect and enhance the sustainability of the Delta
25 ecosystem, including any of the following:

26 (1) Projects for the development and implementation of the Bay
27 Delta Conservation Plan, if that plan is finalized, that promote the
28 conservation, as that term is defined in Chapter 10 (commencing
29 with Section 2800) of Division 3 of the Fish and Game Code, of
30 covered species, and for native fishery restoration projects. The
31 projects shall be implemented through a cooperative effort among
32 regulatory agencies, regulated and potentially regulated entities,
33 and affected parties, including state and federal water contractors.
34 These funds may be expended for the preparation of environmental
35 documentation and environmental compliance.

36 (2) Other projects to protect and restore native fish and wildlife
37 dependent on the Delta ecosystem, including the acquisition of
38 water rights and the removal or reduction of undesirable invasive
39 species.

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

3 79732. The expenditure of any portion of the funds provided
4 pursuant to this chapter is contingent on the adoption and
5 implementation of a comprehensive plan for Delta sustainability
6 to implement the program described in subdivision (c) of Section
7 79730.

8 79733. The secretary shall adopt the plan described in Section
9 79732 and submit it to the commission. On or before April 1 of
10 each year following the submission of the plan, the secretary shall
11 evaluate the progress in implementing the plan, determine if
12 adequate progress is being made, and submit those findings to the
13 commission along with recommendations to improve the
14 implementation of the plan.

15

16 CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL
17 IMPROVEMENT

18

19 79740. (a) Notwithstanding Section 162, the commission may
20 make the determinations, findings, and recommendations required
21 of it by this chapter independent of the views of the director. All
22 final actions by the commission in implementing this chapter shall
23 be taken by a majority of the members of the commission at a
24 public meeting noticed and held pursuant to the Bagley-Keene
25 Open Meeting Act (Article 9 (commencing with Section 11120)
26 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
27 Code).

28 (b) Notwithstanding Section 13340 of the Government Code,
29 the sum of seven billion dollars (\$7,000,000,000) is hereby
30 continuously appropriated from the fund to the commission,
31 without regard to fiscal year, for water storage projects for the sole
32 purpose of providing public benefits that improve the operation
33 of the state water system, are cost effective, and provide a net
34 improvement in ecosystem and water quality conditions, in
35 accordance with this chapter. Funds authorized for, or made
36 available to, the commission pursuant to this chapter shall be
37 available and used only for the purposes provided in this chapter,
38 and shall not be subject to appropriation or transfer by the
39 Legislature or the Governor for any other purpose.

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

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

8 79741. Projects for which the public benefits are eligible for
9 funding under this chapter shall provide measurable improvements
10 to the Delta ecosystem or tributaries of the Delta, including, but
11 not limited to, increased instream flows, Delta flow requirements,
12 and water quality improvements. These projects shall consist of
13 any of the following:

14 (a) Surface storage projects identified in the CALFED Bay-Delta
15 Program Record of Decision, dated August 28, 2000, which
16 cumulatively have an estimated annual yield of at least one million
17 acre-feet of water.

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

21 (c) Conjunctive use and reservoir reoperation projects.

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

24 79742. Funds allocated pursuant to this chapter may be
25 expended solely for the following public benefits associated with
26 water storage projects:

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

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

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

1 79743. In consultation with the Department of Fish and Game,
2 the State Water Resources Control Board, and the department, the
3 commission shall develop and adopt, by regulation, methods for
4 quantification and management of public benefits described under
5 Section 79742 by December 15, 2010. The regulations shall include
6 the priorities and relative environmental value of ecosystem
7 benefits as provided by the Department of Fish and Game and the
8 priorities and relative environmental value of water quality benefits
9 as provided by the State Water Resources Control Board.

10 79744. (a) Except as provided under subdivision (c), funds
11 allocated pursuant to this chapter shall not be allocated for a project
12 until the commission approves the project based on the
13 commission's determination that all of the following have occurred:

14 (1) The commission has adopted the regulations specified in
15 Section 79743 and specifically quantified and made public the cost
16 of the public benefits associated with the project.

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

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

30 (4) The commission has held a public hearing for the purposes
31 of providing an opportunity for the public to review and comment
32 on the information required to be prepared pursuant to this
33 subdivision.

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

35 (A) Feasibility studies have been completed.

36 (B) The director has found and determined that the project is
37 feasible, is consistent with all applicable laws and regulations, and
38 will advance the long-term objectives of restoring ecological health
39 and improving water management for beneficial uses of the
40 Bay-Delta system.

1 (C) All environmental documentation associated with the project
2 has been completed, and all other federal, state, and local approvals,
3 certifications, and agreements required to be completed have been
4 obtained.

5 (b) The commission shall submit to the Legislature its findings
6 for each of the criteria listed in subdivision (a) for a project funded
7 pursuant to this chapter.

8 (c) Notwithstanding subdivision (a), funds may be made
9 available under this chapter for the completion of environmental
10 documentation and permitting of a project if all of the conditions
11 of this section have been met, with the exception of conditions
12 pursuant to subparagraph (C) of paragraph (5) of subdivision (a).

13 79745. (a) The public benefit cost share of a project funded
14 pursuant to this chapter, except for a project described in
15 subdivision (c) of Section 79741, shall be based on the direct
16 benefit received by the public for the project.

17 (b) A project shall not be funded unless it provides ecosystem
18 improvements, as described in paragraph (1) of subdivision (a) of
19 Section 79742.

20 79746. (a) A project identified in subdivision (a) of Section
21 79741 is not eligible for funding under this chapter unless, by
22 January 1, 2014, both of the following conditions are met:

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

25 (2) The commission makes a finding that the project is feasible,
26 and will advance the long-term objectives of restoring ecological
27 health and improving water management for beneficial uses of the
28 Bay-Delta system.

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

36 79747. Surface storage projects funded pursuant to this chapter
37 and described in subdivision (a) of Section 79741 may be made a
38 unit of the Central Valley Project as provided in Section 11290
39 and may be financed, acquired, constructed, operated, and

1 maintained pursuant to Part 3 (commencing with Section 11100)
2 of Division 6.

3 79748. (a) Notwithstanding Sections 79740 to 79747,
4 inclusive, upon a finding by the commission and the director that
5 doing so is feasible and capable of being consistent with all
6 applicable laws and regulations, the funds allocated for the design,
7 acquisition, and construction of surface storage projects identified
8 in the CALFED Bay-Delta Record of Decision, dated August 28,
9 2000, shall be provided for those purposes to local joint powers
10 authorities formed by irrigation districts, and other local water
11 districts and local governments within the applicable hydrologic
12 region to design, acquire, and construct those projects.

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

22 (c) A joint powers authority subject to this section shall own,
23 govern, manage, and operate a surface water storage project,
24 subject to the requirement that the ownership, governance,
25 management, and operation of the surface water storage project
26 shall advance the purposes set forth in this chapter.

27

28 CHAPTER 9. ECOSYSTEM RECOVERY AND RESTORATION

29

30 79749. The sum of one billion dollars (\$1,000,000,000) is
31 available, upon appropriation by the Legislature from the fund,
32 for expenditures and grants provided to irrigation districts, flood
33 control districts, local joint powers authorities, local governments,
34 and counties within the Delta, for the purpose of addressing water
35 supply reliability, water quality, and restoration activities, as may
36 be necessary within the Delta as a result of the implementation of
37 Chapter 6 (commencing with Section 79721) and Chapter 7
38 (commencing with Section 79730). These activities may include
39 any of the following:

- 1 (a) Relocation of existing diversion points to locations where
2 fish impacts are lower and water quality is higher in order to
3 prevent impacts to native fishes directly through entrainment and
4 indirectly through effects on hydrology and the quality of return
5 water flow.
- 6 (b) Funding and implementing levee improvement projects,
7 especially in urban areas, while also expanding levee special
8 projects and subvention programs until a long-term levee strategy
9 is formulated.
- 10 (c) The development of a Delta economic plan to support
11 increased investment in agriculture, recreation, tourism, and other
12 resilient land uses.
- 13 (d) The establishment of a Delta investment fund to provide a
14 credit base for a broad-based and resilient Delta economy.
15 79750. The sum of one billion dollars (\$1,000,000,000) is
16 available, upon appropriation by the Legislature from the fund,
17 for expenditure in accordance with this chapter, for expenditures
18 and grants for ecosystem and watershed protection and restoration
19 projects, including, but not limited to, all of the following
20 watersheds:
- 21 (a) The San Joaquin River watershed.
22 (b) The Kern River and Tulare Basin watersheds.
23 (c) The Salton Sea and Colorado River watersheds.
24 (d) The Los Angeles River watershed.
25 (e) The San Gabriel River watershed.
26 (f) The Santa Ana River watershed.
27 (g) The Klamath River watershed, including the Trinity, Scott,
28 and Shasta Rivers and watersheds.
29 (h) North coast watersheds.
30 (i) San Francisco Bay watersheds.
31 (j) Central coast watersheds.
32 (k) South coast watersheds.
33 (l) Lake Tahoe Basin watershed.
34 (m) The Sacramento River watershed, excluding the Delta and
35 including the Yolo Bypass.
36 (n) San Diego County coastal watersheds.
37 (o) The Ventura River watershed.
38 (p) The Sierra Nevada Mountain watersheds.
39 (q) The Mojave River watershed.

1 79751. (a) Funds provided for the Sacramento River and San
2 Joaquin River watersheds under Section 79750 shall be available
3 for projects consistent with the ecosystem restoration program
4 element of the California Bay-Delta Program, or its successor, or
5 the San Joaquin River Parkway Master Plan.

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

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

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

18 79752. (a) The sum of two hundred fifty million dollars
19 (\$250,000,000) is available, upon appropriation by the Legislature
20 from the fund, to the Department of Fish and Game for
21 expenditures and grants to fund the Aquatic Invasives Management
22 Plan and to protect the Delta ecosystem and the state’s water supply
23 from invasive species, including, but not limited to, Asiatic clams,
24 zebra mussels, quagga mussels, striped bass, and New Zealand
25 mud snails.

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

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

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

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

1 79753. For restoration and ecosystem protection projects under
2 this chapter, the services of the California Conservation Corps or
3 community conservation corps shall be used whenever feasible.

4 79754. Funds provided under this chapter may be appropriated
5 to the Resources Agency, the Department of Fish and Game, the
6 Wildlife Conservation Board, the California Conservation Corps,
7 the Department of Parks and Recreation, or to state conservancies
8 for expenditures and grants consistent with this chapter and other
9 applicable laws.

10 79755. Of the funds made available pursuant to Section 79750,
11 not less than two hundred million dollars (\$200,000,000) shall be
12 available to the State Coastal Conservancy for coastal watershed
13 projects within coastal counties and coastal watersheds. Of these
14 funds, not less than forty million dollars (\$40,000,000) shall be
15 available for projects in the Santa Ana River Watershed.

16 79756. Of the funds provided in Section 79750, not less than
17 one hundred million dollars (\$100,000,000) shall be available to
18 the Wildlife Conservation Board for direct expenditure or grants
19 for the acquisition of water rights from willing sellers and the
20 conveyance of water for the benefit of migratory birds on wildlife
21 refuges and wildlife habitat areas subject to subdivision (d) of
22 Section 3406 of the federal Central Valley Project Improvement
23 Act (Public Law 102-575).

24 79757. Of the funds provided in Section 79750, not less than
25 two hundred million dollars (\$200,000,000) shall be available to
26 the Wildlife Conservation Board for direct expenditure or grants
27 for the protection or restoration of watershed lands that provide
28 sources of drinking water or rivers and streams that support species
29 listed as threatened or endangered under state or federal law.

30 79758. The sum of one hundred million dollars (\$100,000,000)
31 is available, upon appropriation by the Legislature from the fund,
32 to the Wildlife Conservation Board, in consultation with the
33 Department of Forestry and Fire Protection, for grants and direct
34 expenditures for watershed restoration in fire damaged areas, and
35 for fuel load reduction and other projects to reduce the potential
36 for watershed damage from wildfires to protect water quality, fish,
37 and wildlife.

38 79759. The sum of one hundred fifty million dollars
39 (\$150,000,000) is available, upon appropriation by the Legislature
40 from the fund, to the Department of Fish and Game and the State

1 Coastal Conservancy for grants and expenditures for projects that
2 improve fish passage on rivers and streams, including barrier
3 removal, sediment management, and related watershed restoration.
4 79761. For the purposes of this chapter, the terms “restoration”
5 and “protection” have the meanings set forth in Section 75005 of
6 the Public Resources Code.

7
8 CHAPTER 10. GROUNDWATER PROTECTION AND WATER
9 QUALITY

10

11 79775. (a) The sum of three hundred million dollars
12 (\$300,000,000) is available, upon appropriation by the Legislature
13 from the fund, for expenditures, grants, and loans for projects to
14 prevent or reduce the contamination of groundwater that serves as
15 a source of drinking water. Projects shall be consistent with an
16 adopted integrated regional water management plan. Except as
17 provided in subdivision (d), funds appropriated pursuant to this
18 section shall be available to the State Water Resources Control
19 Board for projects necessary to protect public health by preventing
20 or reducing the contamination of groundwater that serves as a
21 major source of drinking water for a community.

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

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

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

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

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

34 (c) The board shall give additional consideration to projects that
35 meet any of the following criteria:

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

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

4 (3) The project will serve an economically disadvantaged
5 community or an economically distressed area.

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

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

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

15 (2) The project addresses contamination at a site on the list
16 maintained by the Department of Toxic Substances Control
17 pursuant to Section 25356 of the Health and Safety Code or a site
18 listed on the National Priorities List pursuant to the Comprehensive
19 Environmental Response, Compensation, and Liability Act of 1980
20 (42 U.S.C. Sec. 9601 et seq.).

21 (e) Of the amount made available by this section, forty million
22 dollars (\$40,000,000) shall be available to the State Department
23 of Public Health for grants and direct expenditures to finance
24 emergency and urgent actions on behalf of disadvantaged
25 communities and economically distressed areas to ensure that safe
26 drinking water supplies are available to all Californians.

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

29 (1) Requirements for repayment of grant funds in the event of
30 cost recovery from parties responsible for the groundwater
31 contamination.

32 (2) Requirements for recipients of grants to make reasonable
33 efforts to recover costs from parties responsible for groundwater
34 contamination.

35 79776. The sum of one hundred million dollars (\$100,000,000)
36 is available, upon appropriation by the Legislature from the fund,
37 to the State Water Resources Control Board for grants for small
38 community wastewater treatment projects to protect water quality
39 that meet 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 79778. (a) The sum of three hundred million dollars
12 (\$300,000,000) is available, upon appropriation by the Legislature
13 from the fund, to the State Water Resources Control Board for
14 competitive grants and loans for stormwater management and
15 water quality projects pursuant to this section.

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

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

- 22 (1) Detention and retention basins.
- 23 (2) Dry weather diversion facilities, trash filters, and screens.
- 24 (3) Treatment wetlands creation and enhancement.
- 25 (4) Stormwater runoff reduction projects, including permeable
26 surface installation, cisterns, and collection and treatment facilities
27 for groundwater recharge.
- 28 (5) Other stormwater management infrastructure for low-impact
29 development.

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

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

- 36 (1) Water quality benefits of the project, including the project's
37 ability to reduce impairment of the receiving water body.
- 38 (2) Cost effectiveness.
- 39 (3) Public health benefits of the project.

1 (f) Eligible recipients shall include local public agencies and
 2 joint powers authorities.
 3 79779. The sum of one hundred million dollars (\$100,000,000)
 4 is available, upon appropriation by the Legislature from the fund,
 5 to the State Coastal Conservancy for projects that meet the
 6 requirements of the California Ocean Protection Act (Chapter 4
 7 (commencing with Section 35650) of Division 26.5 of the Public
 8 Resources Code). The conservancy shall allocate these funds to
 9 the Ocean Protection Council for the purpose of making grants to
 10 public agencies for projects to protect and improve water quality
 11 in areas of special biological significance, as defined in subdivision
 12 (f) of Section 36700 of the Public Resources Code.

13
 14 CHAPTER 11. WATER RECYCLING PROGRAM

15
 16 79780. (a) The sum of two hundred million dollars
 17 (\$200,000,000) is available, upon appropriation by the Legislature
 18 from the fund, to the State Water Resources Control Board for
 19 grants and loans for water recycling projects.
 20 (b) Eligible applicants for grants and loans under this chapter
 21 are public agencies, public utilities, and mutual water companies.
 22 To be eligible for funding under this chapter, projects proposed
 23 by public utilities that are regulated by the Public Utilities
 24 Commission and mutual water companies shall have a clear and
 25 definite public purpose and shall benefit the customers of those
 26 respective water systems.

27
 28 CHAPTER 12. FISCAL PROVISIONS

29
 30 79782. (a) Bonds in the total amount of fifteen billion dollars
 31 (\$15,000,000,000), not including the amount of any refunding
 32 bonds issued in accordance with Section 79794, or so much thereof
 33 as is necessary, may be issued and sold to provide a fund to be
 34 used for carrying out the purposes expressed in this division and
 35 to reimburse the General Obligation Bond Expense Revolving
 36 Fund pursuant to Section 16724.5 of the Government Code. The
 37 bonds, when sold, shall be and constitute valid and binding
 38 obligations of the State of California, and the full faith and credit
 39 of the State of California is hereby pledged for the punctual

1 payment of both the principal of, and interest on, the bonds as the
2 principal and interest become due and payable.

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

8 79783. The bonds authorized by this division shall be prepared,
9 executed, issued, sold, paid, and redeemed as provided in the State
10 General Obligation Bond Law, and all of the provisions of that
11 law apply to the bonds and to this division and are hereby
12 incorporated in this division as though set forth in full in this
13 division, except Section 16727 of the Government Code shall not
14 apply to the extent that it is inconsistent with any other provision
15 of this division.

16 79784. (a) Solely for the purpose of authorizing the issuance
17 and sale, pursuant to the State General Obligation Bond Law, of
18 the bonds authorized by this division, the Water Supply Reliability
19 and Ecosystem Recovery and Restoration Committee is hereby
20 created. For purposes of this division, the Safe Drinking Water
21 Finance Committee is “the committee” as that term is used in the
22 State General Obligation Bond Law.

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

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

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

32 79785. The committee shall determine whether or not it is
33 necessary or desirable to issue bonds authorized pursuant to this
34 division to carry out the actions specified in this division and, if
35 so, the amount of bonds to be issued and sold. Successive issues
36 of bonds may be authorized and sold to carry out those actions
37 progressively, and it is not necessary that all of the bonds
38 authorized to be issued be sold at any one time.

1 79786. “Board,” as defined in Section 16722 of the Government
2 Code for the purposes of compliance with the State General
3 Obligation Bond Law, means the department.

4 79787. There shall be collected each year and in the same
5 manner and at the same time as other state revenue is collected,
6 in addition to the ordinary revenues of the state, a sum in an amount
7 required to pay the principal of, and interest on, the bonds each
8 year, and it is the duty of all officers charged by law with any duty
9 in regard to the collection of the revenue to do and perform each
10 and every act which is necessary to collect that additional sum.

11 79788. Notwithstanding Section 13340 of the Government
12 Code, there is hereby appropriated from the General Fund in the
13 State Treasury, for the purposes of this division, an amount that
14 will equal the total of the following:

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

18 (b) The sum that is necessary to carry out the provisions of
19 Section 79789, appropriated without regard to fiscal years.

20 79789. The board may request the Pooled Money Investment
21 Board to make a loan from the Pooled Money Investment Account
22 in accordance with Section 16312 of the Government Code for the
23 purpose of carrying out this division. The amount of the request
24 shall not exceed the amount of the unsold bonds that the committee
25 has, by resolution, authorized to be sold for the purpose of carrying
26 out this division. The board shall execute those documents required
27 by the Pooled Money Investment Board to obtain and repay the
28 loan. Any amounts loaned shall be deposited in the fund to be
29 allocated in accordance with this division.

30 79790. Notwithstanding any other provision of this division,
31 or of the State General Obligation Bond Law, if the Treasurer sells
32 bonds that include a bond counsel opinion to the effect that the
33 interest on the bonds is excluded from gross income for federal
34 tax purposes under designated conditions, the Treasurer may
35 maintain separate accounts for the bond proceeds invested and for
36 the investment earnings on those proceeds, and may use or direct
37 the use of those proceeds or earnings to pay any rebate, penalty,
38 or other payment required under federal law or take any other
39 action with respect to the investment and use of those bond
40 proceeds, as may be required or desirable under federal law in

1 order to maintain the tax-exempt status of those bonds and to obtain
2 any other advantage under federal law on behalf of the funds of
3 this state.

4 79791. For the purposes of carrying out this division, the
5 Director of Finance may authorize the withdrawal from the General
6 Fund of an amount or amounts not to exceed the amount of the
7 unsold bonds that have been authorized by the committee to be
8 sold for the purpose of carrying out this division. Any amounts
9 withdrawn shall be deposited in the fund. Any money made
10 available under this section shall be returned to the General Fund,
11 with interest at the rate earned by the money in the Pooled Money
12 Investment Account, from proceeds received from the sale of bonds
13 for the purpose of carrying out this division.

14 79792. All money deposited in the fund that is derived from
15 premiums and accrued interest on bonds sold pursuant to this
16 division shall be reserved in the fund and shall be available for
17 transfer to the General Fund as a credit to expenditures for bond
18 interest.

19 79793. Pursuant to Chapter 4 (commencing with Section
20 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
21 the cost of bond issuance shall be paid out of the bond proceeds.
22 These costs shall be shared proportionately by each program funded
23 through this division.

24 79794. The bonds issued and sold pursuant to this division
25 may be refunded in accordance with Article 6 (commencing with
26 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
27 the Government Code, which is a part of the State General
28 Obligation Bond Law. Approval by the electors of the state for the
29 issuance of the bonds under this division shall include approval
30 of the issuance of any bonds issued to refund any bonds originally
31 issued under this division or any previously issued refunding bonds.

32 79795. The proceeds from the sale of bonds authorized by this
33 division are not “proceeds of taxes” as that term is used in Article
34 XIII B of the California Constitution, and the disbursement of these
35 proceeds is not subject to the limitations imposed by that article.

36 SEC. 2. Section 1 of this act shall take effect only upon the
37 approval by the voters of the Water Supply Reliability and
38 Ecosystem Recovery and Restoration Act of 2009, as set forth in
39 that section.

1 SEC. 3. Section 1 of this act shall be submitted to the voters
2 at the next statewide election in accordance with provisions of the
3 Government Code and the Elections Code governing the
4 submission of a statewide measure to the voters.

5 SEC. 4. This act is an urgency statute necessary for the
6 immediate preservation of the public peace, health, or safety within
7 the meaning of Article IV of the Constitution and shall go into
8 immediate effect. The facts constituting the necessity are:

9 In order to finance a critical water supply reliability and
10 ecosystem recovery and restoration program as soon as possible,
11 it is necessary that this act take effect immediately.