

AMENDED IN SENATE AUGUST 24, 2012
AMENDED IN SENATE JUNE 12, 2012
AMENDED IN ASSEMBLY APRIL 16, 2012
AMENDED IN ASSEMBLY APRIL 9, 2012
AMENDED IN ASSEMBLY MARCH 29, 2012
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2208

Introduced by Assembly Member Perea

February 23, 2012

An act to amend Section ~~116760.90~~ of the Health and Safety Code ~~13477.6~~ of the Water Code, relating to ~~drinking water quality~~, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2208, as amended, Perea. ~~Drinking water.~~ *Water quality.*
Existing law, the Porter-Cologne Water Quality Control Act, establishes the State Water Pollution Control Revolving Fund program pursuant to which state and federal funds are continuously appropriated from the State Water Pollution Control Revolving Fund to the State Water Resources Control Board for loans and other financial assistance for the construction of publicly owned treatment works by a municipality, the implementation of a management program, the development and implementation of a conservation and management plan, and other related purposes in accordance with the federal Clean Water Act and the state act. Existing law authorizes the board, until 2014, to assess a specified annual charge in connection with any

financial assistance made pursuant to the revolving fund program in lieu of interest that otherwise would be charged and requires the proceeds generated from the imposition of the annual charge in lieu of interest to be deposited in the State Water Pollution Control Revolving Fund Small Community Grant Fund (grant fund), along with any interest earned upon the moneys in the grant fund. Existing law provides that the annual charge in lieu of interest remain unchanged until 2014, at which time it will terminate and be replaced by an identical interest rate, and prohibits the deposit of more than \$50,000,000 into the grant fund. Existing law authorizes the board to expend the moneys in the grant fund, upon appropriation by the Legislature, for grants for eligible projects under the revolving fund program that serve small communities, as defined.

This bill would authorize the board to assess the charge in lieu of interest until 2019.

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

~~Existing law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health. Existing law, the Safe Drinking Water State Revolving Fund Law of 1997, establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law prohibits the department from approving applications for this funding unless the department determines the proposed study or project meets specified criteria.~~

~~This bill would authorize the department, with the consent of the applicants, to combine proposed studies and projects from multiple applicants.~~

~~Vote: majority^{2/3}. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no.~~

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

- 1 *SECTION 1. Section 13477.6 of the Water Code is amended*
- 2 *to read:*

1 13477.6. (a) The State Water Pollution Control Revolving
2 Fund Small Community Grant Fund is hereby created in the State
3 Treasury.

4 (b) The following moneys shall be deposited in the grant fund:

5 (1) Moneys transferred to the grant fund pursuant to subdivision
6 (c).

7 (2) Notwithstanding Section 16475 of the Government Code,
8 any interest earned upon the moneys deposited in the grant fund.

9 (c) (1) For any financing made pursuant to Section 13480, the
10 board may assess an annual charge to be deposited in the grant
11 fund in lieu of interest that would otherwise be charged.

12 (2) Any amounts collected under this subdivision shall be
13 deposited in the grant fund, not more than fifty million dollars
14 (\$50,000,000) shall be deposited in the grant fund.

15 (3) The charge authorized by this subdivision may be applied
16 at any time during the term of the financing, and once applied,
17 shall remain unchanged until ~~2014~~ 2019, at which point it shall
18 terminate and be replaced by an identical interest rate. The charge
19 shall not increase the financing repayment amount as set forth in
20 the terms and conditions imposed pursuant to this chapter.

21 (d) (1) Moneys in the grant fund, upon appropriation by the
22 Legislature to the board, may be expended, in accordance with
23 this chapter, for grants for projects described in subdivision (a) of
24 Section 13480 that serve small communities as defined in
25 subdivision (a) of Section 30925 of the Public Resources Code.

26 (2) For the purpose of approving grants, the board shall give
27 priority to projects that serve severely disadvantaged communities.

28 *SEC. 2. This act is an urgency statute necessary for the*
29 *immediate preservation of the public peace, health, or safety within*
30 *the meaning of Article IV of the Constitution and shall go into*
31 *immediate effect. The facts constituting the necessity are:*

32 *In order to protect public health by ensuring clean water, it is*
33 *necessary that this act go into immediate effect.*

34 ~~SECTION 1. Section 116760.90 of the Health and Safety Code~~
35 ~~is amended to read:~~

36 ~~116760.90. (a) The department shall not approve an application~~
37 ~~for funding unless the department determines that the proposed~~
38 ~~study or project is necessary to enable the applicant to meet safe~~
39 ~~drinking water standards, and is consistent with an adopted~~
40 ~~countywide plan, if any. The department may refuse to fund a~~

1 study or project if it determines that the purposes of this chapter
 2 may more economically and efficiently be met by means other
 3 than the proposed study or project. The department shall not
 4 approve an application for funding a project with a primary purpose
 5 to supply or attract future growth. The department may limit
 6 funding to costs necessary to enable suppliers to meet primary
 7 drinking water standards, as defined in Chapter 4 (commencing
 8 with Section 116270):

9 (b) ~~With respect to applications for funding of project design
 10 and construction, the department shall also determine all of the
 11 following:~~

12 (1) ~~Upon completion of the project, the applicant will be able
 13 to supply water that meets safe drinking water standards.~~

14 (2) ~~The project is cost effective.~~

15 (3) ~~If the entire project is not to be funded under this chapter,
 16 the department shall specify which costs are eligible for funding.~~

17 (e) ~~The department, when evaluating applications for funding
 18 for proposed studies and projects, may, with the consent of the
 19 applicants, combine proposed studies and projects from multiple
 20 applicants.~~

21 (d) ~~In considering an application for funding a project that meets
 22 all other requirements of this chapter and regulations, the
 23 department shall not be prejudiced by the applicant initiating the
 24 project prior to the department approving the application for
 25 funding. Preliminary project costs that are otherwise eligible for
 26 funding pursuant to the provisions of this chapter shall not be
 27 ineligible because the costs were incurred by the applicant prior
 28 to the department approving the application for funding.
 29 Construction costs that are otherwise eligible for funding pursuant
 30 to the provisions of this chapter shall not be ineligible because the
 31 costs were incurred after the approval of the application by the
 32 department but prior to the department entering into a contract
 33 with the applicant pursuant to Section 116761.50.~~