

## Assembly Bill No. 21

### CHAPTER 628

An act to add Section 116760.46 to the Health and Safety Code, relating to drinking water, and making an appropriation therefor.

[Approved by Governor October 8, 2013. Filed with  
Secretary of State October 8, 2013.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 21, Alejo. Safe Drinking Water Small Community Emergency Grant Fund.

Existing law establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans to provide for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law requires the department to establish criteria to be met for projects to be eligible for consideration for this funding.

This bill would authorize the department to assess a specified annual charge in lieu of interest on loans for water projects made pursuant to the Safe Drinking Water State Revolving Fund, and deposit that money into the Safe Drinking Water Small Community Emergency Grant Fund, which the bill would create in the State Treasury. The bill would limit the grant fund to a maximum of \$50,000,000. The bill would authorize the department to expend the money for grants for specified water projects that serve disadvantaged and severely disadvantaged communities, thereby making an appropriation.

Appropriation: yes.

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

SECTION 1. Section 116760.46 is added to the Health and Safety Code, to read:

116760.46. (a) The Safe Drinking Water Small Community Emergency Grant Fund is hereby created in the State Treasury.

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

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

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

(c) (1) For any loans made for projects meeting the eligibility criteria under Section 116760.50, the department may assess an annual charge to be deposited in the grant fund in lieu of interest that would otherwise be charged.

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

(3) The charge authorized by this subdivision may be applied at any time during the term of the financing and, once applied, shall remain unchanged.

(4) The charge authorized by this subdivision shall not increase the financing repayment amount, as set forth in the terms and conditions imposed pursuant to this chapter.

(d) (1) Moneys in the grant fund may be expended on grants for projects that meet the requirements stated in Section 116475 and that serve disadvantaged and severely disadvantaged communities.

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

(3) Funds expended pursuant to this section shall be expended in a manner consistent with the federal EPA grant regulations established in Section 35.3530(b)(2) of Title 40 of the Code of Federal Regulations.