

AMENDED IN SENATE MARCH 18, 2014  
AMENDED IN SENATE MARCH 5, 2014  
AMENDED IN SENATE JANUARY 7, 2014  
AMENDED IN SENATE SEPTEMBER 11, 2013  
AMENDED IN SENATE AUGUST 26, 2013  
AMENDED IN ASSEMBLY MAY 21, 2013  
AMENDED IN ASSEMBLY APRIL 23, 2013  
AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1331**

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**Introduced by Assembly Member Rendon**  
*(Coauthors: Assembly Members Ian Calderon and Yamada)*

February 22, 2013

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An act to repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a ~~clean and safe~~ *clean, safe, and reliable* drinking water program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 1331, as amended, Rendon. ~~Clean and Safe~~ *Clean, Safe, and Reliable* Drinking Water Act of 2014.

(1) Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) 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 ~~Clean and Safe~~ *Clean, Safe, and Reliable* Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$8,000,000,000 pursuant to the State General Obligation Bond Law to finance a ~~clean and safe~~ *clean, safe, and reliable* drinking water program.

This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

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 of the Water Code, as added by Section 1 of Chapter 3 of the  
3 Seventh Extraordinary Session of the Statutes of 2009, is repealed.  
4 SEC. 2. Division 26.7 (commencing with Section 79700) is  
5 added to the Water Code, to read:

6  
7 DIVISION 26.7. ~~CLEAN AND SAFE~~ *CLEAN, SAFE, AND*  
8 *RELIABLE* DRINKING WATER ACT OF 2014.

9  
10 CHAPTER 1. SHORT TITLE

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12 79700. This division shall be known, and may be cited, as the  
13 ~~Clean and Safe~~ *Clean, Safe, and Reliable* Drinking Water Act of  
14 2014.

CHAPTER 2. FINDINGS

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

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

(b) Every Californian should have access to clean, safe, and reliable drinking water, consistent with the human right to water and Section 106.3. Providing adequate supplies of clean, safe, and reliable drinking water is vital to keeping California’s economy growing and strong.

(c) Climate change has impaired California’s capacity to ensure clean, safe, and reliable drinking water, as droughts have become more frequent and more severe, and ecosystems have become stressed. Higher temperatures mean less snow pack, which is the state’s largest water reservoir. Scientists project a loss of at least 25 percent of the snow pack in the Sierra Nevada Mountains by 2050. The Colorado River basin, which provides drinking water to southern California, has experienced prolonged drought .

(d) California’s water infrastructure continues to age and deteriorate. More than 50 years ago, Californians approved the construction of the State Water Project. In the decades that followed, California’s water leaders developed the most sophisticated system of state, federal, regional, and local water infrastructure anywhere in the world. In recent decades, however, that water infrastructure and the water environment on which it depends have deteriorated.

(e) In the years since the voters approved the State Water Project, California’s population has continued to grow, from less than 16 million in 1960 to more than 37 million in 2010. A growing population and a growing economy have put greater stress on California’s natural resources, including water. The Department of Finance projects that California’s population will reach 50 million by 2049.

(f) A growing population and a growing economy have put greater stress on California’s natural resources, including water. Contamination of groundwater aquifers from economic activity

1 in the agricultural and industrial sectors has threatened vital  
2 drinking water supplies.

3 (g) As California and its water infrastructure have grown,  
4 increasing demands on California’s limited water supplies and  
5 deteriorating aquatic ecosystems have led to intense conflict,  
6 further threatening the reliability of clean and safe drinking water.

7 79702. The people of California find and declare all of the  
8 following:

9 (a) A sustainable water future can provide the means for  
10 California to maintain vibrant communities, globally competitive  
11 agriculture, and healthy ecosystems, which are all a part of the  
12 quality of life that attracts so many to live in California.

13 (b) Responding to climate change, ensuring clean and safe  
14 drinking water, and preparing for California’s continued growth  
15 will require a diversified portfolio of strategies and investments  
16 to address the many water challenges facing California.

17 (c) Improving water quality offers one of the most immediate  
18 steps to ensuring a clean and safe drinking water supply. California  
19 needs water quality improvements at all parts of the hydrologic  
20 cycle, from source water in the watersheds where the state’s  
21 drinking water supplies originate to wastewater treatment *and*  
22 *potential reuse* to improve surface water quality for those who live  
23 downstream.

24 (d) Addressing the challenges to the sustainability of the Delta,  
25 the heart of the California water system, will help resolve some  
26 of the conflicts that impede progress in improving the statewide  
27 water system.

28 (e) Enhancing regional water self-reliance *consistent with*  
29 *Section 85021* offers a key strategy for addressing climate change  
30 and improving water supply reliability. It helps the Delta and it  
31 helps local communities to address their own water challenges.  
32 Water conservation and water recycling form one part of the  
33 regional water self-reliance strategy and are commonsense methods  
34 to make more efficient use of existing water supplies.

35  
36 CHAPTER 3. DEFINITIONS  
37

38 79703. Unless the context otherwise requires, the definitions  
39 set forth in this section govern the construction of this division, as  
40 follows:

- 1 (a) “CALFED Bay-Delta Program” means the program  
2 described in the Record of Decision dated August 28, 2000.
- 3 (b) “Commission” means the California Water Commission.
- 4 (c) “Committee” means the ~~Clean and Safe~~ *Clean, Safe, and*  
5 *Reliable* Drinking Water Finance Committee created by Section  
6 79802.
- 7 (d) “Delta” means the Sacramento-San Joaquin Delta, as defined  
8 in Section 85058.
- 9 (e) “Delta conveyance facilities” means facilities that convey  
10 water directly from the Sacramento River to the State Water Project  
11 or the federal Central Valley Project pumping facilities in the south  
12 Delta.
- 13 (f) “Delta counties” means the Counties of Contra Costa,  
14 Sacramento, San Joaquin, Solano, and Yolo.
- 15 (g) “Department” means the Department of Water Resources.
- 16 (h) “Director” means the Director of Water Resources.
- 17 (i) “Disadvantaged community” has the meaning set forth in  
18 subdivision (a) of Section 79505.5.
- 19 (j) “Economically distressed area” means a municipality with  
20 a population of 20,000 persons or less, a rural county, or a  
21 reasonably isolated and divisible segment of a larger municipality  
22 where the segment of the population is 20,000 persons or less,  
23 with an annual median household income that is less than 85  
24 percent of the statewide median household income, and with one  
25 or more of the following conditions as determined by the  
26 department:
- 27 (1) Financial hardship.
- 28 (2) Unemployment rate at least 2 percent higher than the  
29 statewide average.
- 30 (3) Low population density.
- 31 (k) “Fund” means the ~~Clean and Safe~~ *Clean, Safe, and Reliable*  
32 *Drinking Water* Fund of 2014 created by Section 79717.
- 33 (l) “Integrated regional water management plan” has the  
34 meaning set forth in Section 10534.
- 35 (m) “Nonprofit organization” means an organization qualified  
36 to do business in California and qualified under Section 501(c)(3)  
37 of Title 26 of the United States Code.
- 38 (n) “Public agency” means a state agency or department, district,  
39 joint powers authority, city, county, city and county, or other  
40 political subdivision of the state.

1 (o) “Rainwater” has the meaning set forth in subdivision (c) of  
2 Section 10573.

3 (p) “Severely disadvantaged community” has the meaning set  
4 forth in subdivision (n) of Section 116760.20 of the Health and  
5 Safety Code.

6 (q) “Small community water system” means a community water  
7 system that serves no more than 3,300 service connections or a  
8 yearlong population of no more than 10,000 persons.

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

13 (s) “State small water system” has the meaning set forth in  
14 subdivision (n) of Section 116275 of the Health and Safety Code.

15 (t) “Stormwater” has the meaning set forth in subdivision (e)  
16 of Section 10573.

17  
18 CHAPTER 4. GENERAL PROVISIONS  
19

20 79705. An amount that equals not more than 5 percent of the  
21 funds allocated for a financial assistance program pursuant to this  
22 division may be used to pay the administrative costs of that  
23 program.

24 79706. Unless otherwise specified, up to 10 percent of funds  
25 allocated for each program funded by this division may be  
26 expended for planning and monitoring necessary for the successful  
27 design, selection, and implementation of the projects authorized  
28 under that program. This section shall not otherwise restrict funds  
29 ordinarily used by an agency for “preliminary plans,” “working  
30 drawings,” and “construction” as defined in the annual Budget Act  
31 for a capital outlay project or grant project. Water quality  
32 monitoring data shall be collected and reported to the State Water  
33 Resources Control Board in a manner that is compatible and  
34 consistent with surface water monitoring data systems or  
35 groundwater monitoring data systems administered by the State  
36 Water Resources Control Board. Watershed monitoring data shall  
37 be collected and reported to the Department of Conservation in a  
38 manner that is compatible and consistent with the statewide  
39 watershed program data system administered by the Department  
40 of Conservation.

1 79707. Chapter 3.5 (commencing with Section 11340) of Part  
2 1 of Division 3 of Title 2 of the Government Code does not apply  
3 to the development or implementation of programs or projects  
4 authorized or funded under this division other than Chapter 9  
5 (commencing with Section 79760).

6 79708. (a) Prior to disbursing grants or loans pursuant to this  
7 division, each state agency that receives an appropriation from the  
8 funding made available by this division to administer a competitive  
9 grant or loan program under this division shall develop and adopt  
10 project solicitation and evaluation guidelines. The guidelines shall  
11 include monitoring and reporting requirements and may include  
12 a limitation on the dollar amount of grants or loans to be awarded.  
13 If the state agency previously has developed and adopted project  
14 solicitation and evaluation guidelines that comply with the  
15 requirements of this subdivision, it may use those guidelines.

16 (b) Prior to disbursing grants or loans, the state agency shall  
17 conduct three public meetings to consider public comments prior  
18 to finalizing the guidelines, as the implementing state agency  
19 determines to be necessary. The state agency shall publish the draft  
20 solicitation and evaluation guidelines on its Internet Web site at  
21 least 30 days before any public meetings held pursuant to this  
22 subdivision. Upon adoption, the state agency shall transmit copies  
23 of the guidelines to the fiscal committees and the appropriate policy  
24 committees of the Legislature.

25 79709. It is the intent of the people that:

26 (a) The investment of public funds pursuant to this division will  
27 result in public benefits that address the most-urgent *critical*  
28 statewide needs and priorities for public funding.

29 (b) Beneficiaries pay for the benefits they receive from projects  
30 funded pursuant to this division.

31 ~~(c) Any relevant statute enacted before voters approve this bond~~  
32 ~~will be considered in the appropriation and expenditure of the~~  
33 ~~funding authorized by this division.~~

34 ~~(d)~~

35 (c) In the appropriation and expenditure of funding authorized  
36 by this division, priority will be given to projects that leverage  
37 private, federal, or local funding or produce the greatest public  
38 benefit.

39 (e)

1 (d) A funded project advances the purposes of the chapter from  
2 which the project received funding.

3 ~~(f)~~

4 (e) In making decisions regarding water resources, state and  
5 local water agencies use the best available science to inform those  
6 decisions.

7 ~~(g)~~

8 (f) Special consideration will be given to projects that employ  
9 new or innovative technology or practices, including decision  
10 support tools that ~~demonstrate~~ *support* the ~~multiple benefits of~~  
11 ~~integrating~~ *integration of* multiple jurisdictions, including, but not  
12 limited to, water supply, flood control, land use, and sanitation.

13 ~~(h) Projects funded with proceeds from this division will~~  
14 ~~contribute to improving the sustainability of local communities.~~

15 ~~(i)~~

16 (g) Except as provided in Sections 79726 and 79727, the costs  
17 of stewardship, operation, and maintenance of the projects funded  
18 by this division will be paid from other sources of revenue that are  
19 sustainable over the long term.

20 ~~(j)~~

21 (h) Evaluation of projects considered for funding pursuant to  
22 this division will include review by professionals in the fields  
23 relevant to the proposed project.

24 ~~(k)~~

25 (i) To the extent practicable, a project supported by funds made  
26 available by this division will include signage informing the public  
27 that the project received funds from the ~~Clean and Safe~~ *Clean,*  
28 *Safe, and Reliable* Drinking Water Act of 2014.

29 ~~(l)~~

30 (j) Projects funded with proceeds from this division will be  
31 consistent with Division 7 (commencing with Section 13000) of  
32 this code and Section 13100 of the Government Code.

33 79710. (a) The California State Auditor shall annually conduct  
34 a programmatic review and an audit of expenditures from the fund.

35 (b) Notwithstanding Section 10231.5 of the Government Code,  
36 the California State Auditor shall report its findings annually on  
37 or before March 1 to the Governor and the Legislature, and shall  
38 make the findings available to the public.

39 (c) If an audit, required by statute, of a public agency that  
40 receives funding authorized by this division is conducted pursuant

1 to state law and reveals any impropriety, the California State  
2 Auditor or the Controller may conduct a full audit of any or all of  
3 the activities of the public agency.

4 (d) The state agency issuing any grant or loan with funding  
5 authorized by this division shall require adequate reporting of the  
6 expenditures of the funding from the grant or loan.

7 79711. (a) Funds provided by this division shall not be  
8 expended to support or pay for the costs of environmental  
9 mitigation measures ~~or environmental compliance obligations of~~  
10 ~~any party~~ except as part of the environmental mitigation costs of  
11 projects financed by this division. Funds provided by this division  
12 may be used for environmental enhancements or other public  
13 benefits.

14 (b) Funds provided by this division shall not be expended for  
15 the acquisition or transfer of water rights except for a permanent  
16 dedication of water approved in accordance with Section  
17 1707 ~~where the state board specifies that the water is in addition~~  
18 ~~to water that is required for regulatory requirements as provided~~  
19 ~~in subdivision (c) of Section 1707. The requirement that a~~  
20 ~~dedication of water be permanent shall not preclude the expenditure~~  
21 ~~of funds provided by this division for the initiation of the dedication~~  
22 ~~as a short-term or temporary urgency change, that is approved in~~  
23 ~~accordance with Section 1707 and either Chapter 6.6 (commencing~~  
24 ~~with Section 1435) of, or Chapter 10.5 (commencing with Section~~  
25 ~~1725) of, Part 2 of Division 2, during the period required to prepare~~  
26 ~~any environmental documentation and for approval of permanent~~  
27 ~~dedication. 1707.~~

28 79712. Funds provided by this division shall not be expended  
29 to pay the costs of the design, construction, operation, mitigation,  
30 or maintenance of Delta conveyance facilities. Those costs shall  
31 be the responsibility of the water agencies that benefit from the  
32 design, construction, operation, or maintenance of those facilities.

33 79713. (a) This division does not diminish, impair, or  
34 otherwise affect in any manner whatsoever any area of origin,  
35 watershed of origin, county of origin, or any other water rights  
36 protections, including, but not limited to, rights to water  
37 appropriated prior to December 19, 1914, provided under the law.  
38 This division does not limit or affect the application of Article 1.7  
39 (commencing with Section 1215) of Chapter 1 of Part 2 of Division

1 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and  
2 11463, and Sections 12200 to 12220, inclusive.

3 (b) For the purposes of this division, an area that utilizes water  
4 that has been diverted and conveyed from the Sacramento River  
5 hydrologic region, for use outside the Sacramento River hydrologic  
6 region or the Delta, shall not be deemed to be immediately adjacent  
7 thereto or capable of being conveniently supplied with water  
8 therefrom by virtue or on account of the diversion and conveyance  
9 of that water through facilities that may be constructed for that  
10 purpose after January 1, 2014.

11 (c) Nothing in this division supersedes, limits, or otherwise  
12 modifies the applicability of Chapter 10 (commencing with Section  
13 1700) of Part 2 of Division 2, including petitions related to any  
14 new conveyance constructed or operated in accordance with  
15 Chapter 2 (commencing with Section 85320) of Part 4 of Division  
16 35.

17 (d) Unless otherwise expressly provided, nothing in this division  
18 supersedes, reduces, or otherwise affects existing legal protections,  
19 both procedural and substantive, relating to the state board's  
20 regulation of diversion and use of water, including, but not limited  
21 to, water right priorities, the protection provided to municipal  
22 interests by Sections 106 and 106.5, and changes in water rights.  
23 Nothing in this division expands or otherwise alters the state  
24 board's existing authority to regulate the diversion and use of water  
25 or the courts' existing concurrent jurisdiction over California water  
26 rights.

27 (e) Nothing in this division shall be construed to affect the  
28 California Wild and Scenic Rivers Act (Chapter 1.4 (commencing  
29 with Section 5093.50) of Division 5 of the Public Resources Code)  
30 and funds authorized pursuant to this division shall not be available  
31 for any project that could have an adverse effect on the ~~free-flowing~~  
32 ~~condition of values upon which~~ a wild and scenic river or any other  
33 river *is* afforded protections pursuant to the California Wild and  
34 Scenic Rivers Act.

35 (f) Nothing in this division supersedes, limits, or otherwise  
36 modifies the Sacramento-San Joaquin Delta Reform Act of 2009  
37 (Division 35 (commencing with Section 85000)).

38 79714. Eligible applicants under this division are public  
39 agencies, public utilities, federally recognized Indian tribes, state  
40 Indian tribes listed on the Native American Heritage Commission's

1 California Tribal Consultation List, and nonprofit organizations.  
 2 A public agency may use funding authorized by this division to  
 3 benefit recipients of water from mutual water companies that  
 4 operate a public water system if the funding provides public  
 5 benefits. To be eligible for funding under this division, a project  
 6 proposed by a public utility shall have a clear and definite public  
 7 purpose, benefit its customers, and comply with Public Utilities  
 8 Commission rules on government funding for public utilities.

9 79715. The Legislature may enact legislation necessary to  
 10 implement programs funded by this division.

11 79716. (a) Unless otherwise specified, any state agency that  
 12 has the statutory authority to implement one or more of the  
 13 purposes specified in this bond may be eligible for appropriations  
 14 from the funding made available by this division.

15 (b) Funding made available by this division shall not be  
 16 appropriated to a specific project.

17 (c) Projects funded pursuant to this division ~~shall~~ *may* use the  
 18 services of the California Conservation Corps or certified  
 19 community conservation corps, as defined in Section 14507.5 of  
 20 the Public Resources Code, ~~whenever feasible.~~

21 (d) *The Legislature may approve multiyear budget change*  
 22 *proposals for appropriation of the funds authorized by this division.*

23 79717. The proceeds of bonds issued and sold pursuant to this  
 24 division shall be deposited into the ~~Clean and Safe~~ *Clean, Safe,*  
 25 *and Reliable* Drinking Water Fund of 2014, which is hereby created  
 26 in the State Treasury.

27 ~~79718. (a) The funding authorized by this division shall be~~  
 28 ~~subject to the oversight of a state agency established by statute for~~  
 29 ~~that purpose.~~

30 ~~(b)~~

31 79718. Each state agency that receives an appropriation of  
 32 funding made available by this division shall be responsible for  
 33 establishing metrics of success and reporting the status of projects  
 34 and all uses of the funding on the state’s bond accountability  
 35 Internet Web site, as provided by statute.

36

37 CHAPTER 5. CLEAN AND SAFE DRINKING WATER

38

39 79720. The sum of one billion dollars (\$1,000,000,000) shall  
 40 be available, upon appropriation by the Legislature from the fund,

1 for expenditures, grants, and loans for projects that improve water  
2 quality or help provide clean and safe drinking water to all  
3 Californians.

4 79721. The projects eligible for funding pursuant to this chapter  
5 shall help improve water quality for a beneficial use. The purposes  
6 of this chapter are to:

7 (a) Reduce contaminants in drinking water supplies regardless  
8 of the source of the water or the contamination, including the  
9 assessment and prioritization of the risk to the safety of drinking  
10 water supplies.

11 (b) Address the critical and immediate needs of disadvantaged,  
12 rural, or small communities that suffer from contaminated drinking  
13 water supplies, including, but not limited to, projects that address  
14 a public health emergency.

15 (c) Leverage other private, federal, state, and local drinking  
16 water quality and wastewater treatment funds.

17 (d) Reduce contaminants in discharges to, and improve the  
18 quality of, surface water streams.

19 (e) Improve water quality of surface water streams, including  
20 multibenefit stormwater quality projects.

21 (f) Prevent further contamination of drinking water supplies.

22 (g) Provide disadvantaged communities with public drinking  
23 water infrastructure that provides clean and safe drinking water  
24 supplies that the community can sustain over the long term.

25 (h) Ensure access to clean, safe, and affordable drinking water  
26 for California's communities.

27 79722. (a) A project that receives funding under this chapter  
28 shall be selected by a competitive grant or loan process with added  
29 consideration for those projects that leverage private, federal, or  
30 local funding. This subdivision shall not apply to projects for the  
31 purposes of Section 79727 that address a public health priority for  
32 which no other source of funding can be identified.

33 (b) An agency administering grants or loans for the purposes  
34 of this chapter shall assess the capacity of a community to pay for  
35 the operation and maintenance of the facility to be funded.

36 (c) A project that receives funding authorized by this chapter  
37 may be implemented by any public water system or other public  
38 water agency.

39 79723. An applicant for a project to clean up a groundwater  
40 aquifer shall demonstrate that a public agency has authority to

1 manage the water resources in that aquifer in order to be eligible  
2 for funding pursuant to this chapter. This section does not apply  
3 to projects that install treatment facilities at the wellhead, customer  
4 connection, or the tap.

5 79724. The contaminants that may be addressed with funding  
6 pursuant to this chapter may include, but shall not be limited to,  
7 nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,  
8 selenium, hexavalent chromium, mercury, PCE  
9 (perchloroethylene), TCE (trichloroethylene), DCE  
10 (dichloroethene), DCA (dichloroethane), 1, 2, 3 TCP  
11 (trichloropropane), carbon tetrachloride, 1,4-dioxane,  
12 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron,  
13 manganese, and uranium.

14 79725. Of the funds authorized in Section 79720, not less than  
15 four hundred million dollars (\$400,000,000) shall be available for  
16 deposit in the State Water Pollution Control Revolving Fund Small  
17 Community Grant Fund created pursuant to Section 13477.6 for  
18 grants for wastewater treatment projects. Priority shall be given  
19 to projects that serve disadvantaged communities and severely  
20 disadvantaged communities, and to projects that address public  
21 health hazards. Projects ~~shall~~ *may* include, but not be limited to,  
22 projects that identify, plan, design, and implement regional  
23 mechanisms to consolidate wastewater systems or provide  
24 affordable treatment technologies.

25 79726. (a) Of the funds authorized in Section 79720, one  
26 hundred million dollars (\$100,000,000) shall be available for  
27 deposit in the Emergency Clean Water Grant Fund, established  
28 pursuant to Section 116475 of the Health and Safety Code, for  
29 grants and direct expenditures to finance public health emergencies  
30 and urgent actions, as may be determined by the Legislature, to  
31 ensure that safe drinking water supplies are available to all  
32 Californians. Eligible projects include, but are not limited to, the  
33 following:

34 (1) Providing interim water supplies, including, but not limited  
35 to, bottled water, where necessary to protect public health.

36 (2) Identifying, planning, designing, and constructing projects  
37 that improve *or replace* existing water systems to provide safe,  
38 reliable, accessible, and affordable drinking water, provide other  
39 sources of safe drinking water, including, but not limited to,  
40 replacement wells, and prevent contamination.

1 (3) Establishing connections to an adjacent water system.

2 (4) The design, purchase, installation, and initial operating costs  
3 for interim water treatment equipment and systems.

4 (b) The administering entity may expend up to ten million  
5 dollars (\$10,000,000) for grants and loans to address the water  
6 quality needs of private well owners that have no other source of  
7 funding and serve members of a disadvantaged community.

8 79727. (a) Of the funds authorized in Section 79720, four  
9 hundred million dollars (\$400,000,000) shall be available for grants  
10 and loans for public water system infrastructure improvements  
11 and related actions to meet safe drinking water standards, ensure  
12 affordable drinking water, or both. Priority shall be given to  
13 projects that provide treatment for contamination or access to an  
14 alternate drinking water source or sources for small community  
15 water systems or state small water systems in disadvantaged  
16 communities whose drinking water source is impaired by chemical  
17 and nitrate contaminants and other health hazards identified by  
18 the implementing agency. Eligible recipients serve disadvantaged  
19 communities and are public agencies or incorporated mutual water  
20 companies. The implementing agency may make grants for the  
21 purpose of financing feasibility studies and to meet the eligibility  
22 requirements for a construction grant. Eligible expenses may  
23 include initial operation and maintenance costs for systems serving  
24 disadvantaged communities, for a period not to exceed two years.  
25 Special consideration shall be given to projects that provide shared  
26 solutions for multiple communities, at least one of which is a  
27 disadvantaged community that lacks safe, affordable drinking  
28 water and is served by a small community water system, state  
29 small water system, or a private well. Construction grants shall be  
30 limited to five million dollars (\$5,000,000) per project, except that  
31 the implementing agency may set a limit of not more than twenty  
32 million dollars (\$20,000,000) for projects that provide regional  
33 benefits or are shared among multiple entities, at least one of which  
34 shall be a small disadvantaged community. Not more than 25  
35 percent of a grant may be awarded in advance of actual  
36 expenditures.

37 (b) The administering entity may expend up to twenty-five  
38 million dollars (\$25,000,000) of the funds allocated in subdivision

39 (a) for technical assistance to eligible communities.

1 79728. Of the funds authorized in Section 79720, up to one  
2 hundred million dollars (\$100,000,000) shall be available for  
3 improving groundwater quality, including, but not limited to, the  
4 costs of planning, design, and construction of improvements  
5 necessary to resume delivery of safe drinking water.

6 79729. (a) For the purposes of awarding funding under this  
7 chapter, a local cost share of not less than 50 percent of the total  
8 costs of the project shall be required. The cost-sharing requirement  
9 may be waived or reduced for projects that directly benefit a  
10 disadvantaged community or an economically distressed area.

11 (b) At least 10 percent of the funds available pursuant to this  
12 chapter shall be allocated for projects serving severely  
13 disadvantaged communities.

14 (c) Funding authorized pursuant to this chapter shall include  
15 funding for technical assistance to disadvantaged communities.  
16 The agency administering this funding shall operate a  
17 multidisciplinary technical assistance program for small and  
18 disadvantaged communities.

19 (d) Funding for planning activities, including technical  
20 assistance, to benefit disadvantaged communities may exceed 10  
21 percent of the funds allocated, subject to the determination of the  
22 need for additional planning funding by the state agency  
23 administering the funding.

24

25 CHAPTER 6. PROTECTING RIVERS, LAKES, STREAMS, COASTAL  
26 WATERS, AND WATERSHEDS

27

28 79730. ~~(a)~~—The sum of one billion five hundred million dollars  
29 (\$1,500,000,000) shall be available, upon appropriation by the  
30 Legislature from the fund, in accordance with this chapter, for  
31 expenditures and grants for multibenefit ecosystem and watershed  
32 protection and restoration projects in accordance with statewide  
33 priorities.

34 ~~(b)~~—Of the funds made available by this section, the following  
35 specified amounts shall be made available to the specified regions,  
36 with consideration of the population of each region:

37 (1) \_\_\_\_\_ million dollars (\$ \_\_\_\_\_) for the North Coast region.

38 (2) \_\_\_\_\_ million dollars (\$ \_\_\_\_\_) for the San Francisco Bay

39 Area.

1 (3) \_\_\_\_\_ million dollars (\$ \_\_\_\_\_) for the Sierra Nevada and  
2 Cascade Range region.

3 (4) \_\_\_\_\_ million dollars (\$ \_\_\_\_\_) for the Central Coast region.

4 (5) \_\_\_\_\_ million dollars (\$ \_\_\_\_\_) for the Central Valley region.

5 (6) \_\_\_\_\_ million dollars (\$ \_\_\_\_\_) for the Southern California  
6 region.

7 79731. (a) *Of the funds made available by this chapter, the*  
8 *following specified amounts shall be made available to the*  
9 *specified regions for any purpose described in Section 79732 or*  
10 *for a region-specific purpose or priority identified below:*

11 (1) *Seventy-six million dollars (\$76,000,000) for the North Coast*  
12 *region with a priority for protection and restoration of anadromous*  
13 *fish populations and coastal watersheds.*

14 (2) *One hundred nine million dollars (\$109,000,000) for the*  
15 *San Francisco Bay Area, not including the Delta, with a priority*  
16 *for protection and restoration of regional watersheds or watersheds*  
17 *that provide water supply to the region.*

18 (3) *One hundred nine million dollars (\$109,000,000) for the*  
19 *Sierra Nevada and Cascade Range region, with a priority for*  
20 *protection and restoration of watersheds that produce water for*  
21 *the statewide water system.*

22 (4) *Seventy-six million dollars (\$76,000,000) for the Central*  
23 *Coast region, with a priority for protection of coastal resources.*

24 (5) *Seventy-six million dollars (\$76,000,000) for the Central*  
25 *Valley region, not including the Delta.*

26 (6) *One hundred forty-two million dollars (\$142,000,000) for*  
27 *the region in the jurisdiction of the California Regional Water*  
28 *Quality Control Board, Los Angeles, with a priority for protection,*  
29 *restoration, and connectivity of the Los Angeles or San Gabriel*  
30 *Rivers and the tributaries of those rivers. Additional region-specific*  
31 *purposes shall include the following:*

32 (A) *Programs to support the State of California’s exercise of*  
33 *its sovereign right to manage the Los Angeles River in*  
34 *collaboration with the communities through which it passes.*

35 (B) *Multibenefit programs to protect and restore the Santa*  
36 *Monica Mountains and San Gabriel Mountains watersheds.*

37 (C) *Multibenefit programs that address water quality and water*  
38 *supply issues related to the region’s urban watersheds and*  
39 *communities.*

1 (D) *Multibenefit programs to improve connectivity and create*  
2 *greenways along rivers, including projects that build connections*  
3 *between the river and the neighborhoods through which it passes*  
4 *and provide for river-based recreation.*

5 (E) *Multibenefit programs that build partnerships between the*  
6 *State of California and local governments near rivers and promote*  
7 *education and engagement of the local communities, especially*  
8 *disadvantaged communities, in decisions as to the management*  
9 *of rivers.*

10 (7) *Seventy-six million dollars (\$76,000,000) for the region in*  
11 *the jurisdiction of the California Regional Water Quality Control*  
12 *Board, Santa Ana, with a priority for protection and restoration*  
13 *of the Santa Ana River watershed or groundwater resources.*

14 (8) *Seventy-six million dollars (\$76,000,000) for the region in*  
15 *the jurisdiction of the California Regional Water Quality Control*  
16 *Board, San Diego, for protection and restoration of the region's*  
17 *watersheds.*

18 (9) *Ten million dollars (\$10,000,000) for the region in the*  
19 *jurisdiction of the California Regional Water Quality Control*  
20 *Board, Lahontan or Colorado River Basin, for protection and*  
21 *restoration of the region's watersheds and wetland resources.*

22 (b) *In selecting projects for funding, a state agency that receives*  
23 *an appropriation of funds available pursuant to this section shall*  
24 *seek, consider, and incorporate comments from communities that*  
25 *are adjacent or near the proposed project.*

26 (c) *In order to promote community participation in watershed*  
27 *protection efforts, a state agency that receives an appropriation*  
28 *of funds available pursuant to this section may disburse funding*  
29 *to a nonprofit organization before the organization has incurred*  
30 *expenses for the project, subject to the state agency's careful*  
31 *supervision and oversight of the organization's expenditure of*  
32 *funding authorized by this chapter.*

33 ~~79731.~~

34 79732. *In protecting and restoring California rivers, lakes,*  
35 *streams, and watersheds, the purposes of this chapter are to:*

36 (a) *Protect and increase the economic benefits arising from*  
37 *healthy watersheds, fishery resources, and instream flow.*

38 (b) *Implement watershed adaptation projects in order to reduce*  
39 *the impacts of climate change on California's communities and*  
40 *ecosystems.*

1 (c) Restore river parkways throughout the state, including, but  
2 not limited to, projects pursuant to the California River Parkways  
3 Act of 2004 (Chapter 3.8 (commencing with Section 5750) of  
4 Division 5 of the Public Resources Code), in the Urban Streams  
5 Restoration Program established pursuant to Section 7048, and  
6 urban river greenways.

7 (d) Protect and restore aquatic, wetland, and migratory bird  
8 ecosystems, including fish and wildlife corridors and the  
9 acquisition of water rights for instream flow pursuant to Section  
10 1707.

11 (e) Fulfill the obligations of the State of California in complying  
12 with the terms of multiparty settlement agreements related to water  
13 resources.

14 (f) Remove barriers to fish passage.

15 (g) Collaborate with federal agencies in the protection of fish  
16 native to California and wetlands in the central valley of California.

17 (h) Implement fuel treatment projects to reduce wildfire risks,  
18 protect watersheds tributary to water storage facilities, and promote  
19 watershed health.

20 (i) Protect and restore rural and urban watershed health to  
21 improve watershed storage capacity, forest health, protection of  
22 life and property, stormwater resource management, and  
23 greenhouse gas reduction.

24 (j) Promote access and recreational opportunities to watersheds  
25 and waterways that are compatible with habitat values and water  
26 quality objectives.

27 (k) Promote educational opportunities to instruct and inform  
28 Californians, including young people, about the value of  
29 watersheds.

30 (l) Protect and restore coastal watersheds, including, but not  
31 limited to, bays, marine estuaries, and nearshore ecosystems.

32 (m) Reduce pollution or contamination of rivers, lakes, streams,  
33 or coastal waters, prevent and remediate mercury contamination  
34 from legacy mines, and protect or restore natural system functions  
35 that contribute to water supply, water quality, or flood management.

36 (n) Assist in the recovery of endangered, threatened, or  
37 migratory species by improving watershed health, instream flows  
38 pursuant to Section 1707, fish passage, coastal or inland wetland  
39 restoration, or other means, such as natural community  
40 conservation plan and habitat conservation plan implementation.

1 (o) Promote urban forestry pursuant to the Urban Forest Act of  
2 1978 (Chapter 2 (commencing with Section 4799.06) of Division  
3 4 of the Public Resources Code).

4 ~~79732.~~

5 79733. For restoration and ecosystem protection projects under  
6 this chapter, the services of the California Conservation Corps or  
7 a local conservation corps certified by the California Conservation  
8 Corps shall be used whenever feasible.

9 ~~79733.~~

10 79734. (a) Notwithstanding Section 79711, of the funds  
11 authorized in Section 79730, five hundred million dollars  
12 (\$500,000,000) shall be available to fulfill the obligations of the  
13 State of California in complying with the terms of any of the  
14 following:

15 (1) The February 18, 2010, Klamath Basin Restoration  
16 Agreement or Klamath Hydroelectric Settlement Agreement.

17 (2) The Quantification Settlement Agreement, as ~~defined~~  
18 *provided* in subdivision (a) of Section 1 of Chapter 617 of the  
19 Statutes of 2002 *and in Chapters 611, 612, and 613 of the Statutes*  
20 *of 2003.*

21 (3) The San Joaquin River Restoration Settlement, as described  
22 in Part I of Subtitle A of Title X of Public Law 111-11.

23 (4) Section 3406(d) of Title 34 of Public Law 102-575.

24 (5) ~~Other multiparty settlement agreements in effect as of~~  
25 ~~January 1, 2014, including the~~ *The Tahoe Regional Planning*  
26 *Compact set forth in Section 66801 of the Government Code*  
27 *pursuant to Title 7.42 (commencing with Section 66905) of the*  
28 *Government Code.*

29 (b) Of the funds authorized in Section 79730, two hundred fifty  
30 million dollars (\$250,000,000) shall be available to the Natural  
31 Resources ~~Agency~~ *Agency, subject to appropriation and direction*  
32 *by the Legislature, to support projects of a state conservancy*  
33 *conservancy, not including the Delta Conservancy, as provided in*  
34 *the conservancy's strategic plan.*

35 (c) In order to guide the expenditure of funds described in this  
36 chapter, the Natural Resources Agency shall develop a statewide  
37 natural resource protection plan to identify priorities consistent  
38 with the purposes of this section. All expenditures by state  
39 conservancies and state agencies of funds described in this section  
40 shall advance the priorities set forth in the statewide natural

1 resource protection plan. *The plan shall aggregate and coordinate*  
 2 *existing state planning efforts and shall be completed within one*  
 3 *year of voter approval of this division.*

4 (d) In coordination with the Natural Resources Agency, all state  
 5 conservancies expending funds provided pursuant to subdivision  
 6 (b) shall provide ~~biannual~~ *biennial* written reports to the Natural  
 7 Resources Agency on expenditures made and how those  
 8 expenditures advance the statewide priorities set forth in the  
 9 statewide natural resource protection plan developed pursuant to  
 10 subdivision (c). The Natural Resources Agency shall produce and  
 11 make available to the public ~~biannual~~ *biennial* written reports on  
 12 total expenditures made and progress toward meeting statewide  
 13 priorities.

14 ~~79734.~~

15 79735. For the purposes of this chapter, the terms “protection”  
 16 and “restoration” have the meanings set forth in Section 75005 of  
 17 the Public Resources Code.

18

19 CHAPTER 7. CLIMATE CHANGE AND DROUGHT PREPAREDNESS  
 20 FOR REGIONAL WATER SECURITY

21

22 79740. The sum of two billion dollars (\$2,000,000,000) shall  
 23 be available, upon appropriation by the Legislature from the fund,  
 24 for expenditures and competitive grants and loans to projects that  
 25 respond to climate change and contribute to regional water security  
 26 as provided in this chapter.

27 79741. In order to improve regional water self-reliance ~~security~~  
 28 and adapt to the effects on water supply arising out of climate  
 29 change, the purposes of this chapter are to:

30 (a) Help water infrastructure systems adapt to climate change,  
 31 including, but not limited to, sea level rise.

32 (b) Provide incentives for water agencies throughout each  
 33 watershed to collaborate in managing the region’s water resources  
 34 and setting regional priorities for water infrastructure.

35 (c) Improve regional water self-reliance, including projects that  
 36 reduce future reliance on the Delta watershed in meeting  
 37 California’s future water supply needs, consistent with Section  
 38 85021.

1 (d) Fund the increment of project ~~costs~~ *costs, up to 50 percent*  
2 *of the total cost of a project, related to the project's public*  
3 *benefits, defined as follows:*

4 (1) *Any regional self-reliance improvement to meet water supply*  
5 *needs.*

6 (2) *Any net improvement to public trust resources, including*  
7 *the conservation of species listed as endangered or threatened*  
8 *under the federal Endangered Species Act of 1973 (16 U.S.C. Sec.*  
9 *1531 et seq.) or the California Endangered Species Act (Chapter*  
10 *1.5 (commencing with Section 2050) of Division 3) of the Fish and*  
11 *Game Code.*

12 79742. (a) In selecting among proposed projects in a  
13 watershed, the scope of the adopted integrated regional water  
14 management plan may be considered by the administering state  
15 agency, with priority going to projects in plans that cover a greater  
16 portion of the watershed. If a plan covers substantially all of the  
17 watershed, then the plan's project priorities shall be given  
18 deference.

19 (b) An urban water supplier that does not prepare, adopt, and  
20 submit its urban water management plan in accordance with the  
21 Urban Water Management Planning Act (Part 2.6 (commencing  
22 with Section 10610) of Division 6) is ineligible to apply for funds  
23 made available pursuant to this chapter until the urban water  
24 management plan is prepared and submitted in accordance with  
25 the requirements of that act.

26 (c) An agricultural water supplier that does not prepare, adopt,  
27 and submit its agricultural water management plan in accordance  
28 with the Agricultural Water Management Planning Act (Part 2.8  
29 (commencing with Section 10800) of Division 6) is ineligible to  
30 apply for funds made available pursuant to this chapter until the  
31 agricultural water management plan is prepared and submitted in  
32 accordance with the requirements of that act.

33 (d) A local agency that does not prepare, adopt, and submit its  
34 groundwater management plan in accordance with Part 2.75  
35 (commencing with Section 10750) of Division 6 is ineligible to  
36 apply for funds made available pursuant to this chapter until the  
37 plan is prepared and submitted in accordance with the requirements  
38 of that part. The groundwater management plan requirement shall  
39 not apply to a water replenishment district formed pursuant to  
40 Division 18 (commencing with Section 60000) or to a local agency

1 that serves or has authority to manage an adjudicated groundwater  
2 basin.

3 (e) For the purposes of awarding funding under this chapter, a  
4 cost share from nonstate sources of not less than 50 percent of the  
5 total costs of the project shall be required. The cost sharing  
6 requirement may be waived or reduced for projects that directly  
7 benefit a disadvantaged community or an economically distressed  
8 area.

9 (f) Not less than 10 percent of the funds authorized by this  
10 chapter shall be allocated to projects that directly benefit  
11 disadvantaged communities.

12 (g) For the purposes of awarding funding under ~~this chapter~~  
13 *Section 79744*, the applicant shall demonstrate that the integrated  
14 regional water management plan the applicant's project implements  
15 ~~addresses~~ *contributes to addressing* the risks in the region to water  
16 supply and water infrastructure arising from climate change.

17 (h) Projects that achieve multiple benefits shall receive special  
18 consideration.

19 79743. Subject to the determination of regional priorities by  
20 the regional water management group *and the purposes described*  
21 *in Section 79741*, ~~eligible~~ *projects eligible for funding allocated*  
22 *regionally by Section 79744* may include, but are not limited to,  
23 projects that promote any of the following:

24 (a) Water reuse and recycling *for nonpotable reuse and direct*  
25 *and indirect potable reuse*.

26 (b) Water-use efficiency and water conservation.

27 (c) Local and regional surface and underground water storage,  
28 including groundwater aquifer cleanup or recharge projects.

29 (d) Regional water conveyance facilities that improve integration  
30 of separate water systems.

31 (e) Watershed protection, restoration, and management projects,  
32 *including projects that reduce the risk of wildfire or improve water*  
33 *supply reliability*.

34 (f) Stormwater resource management, including, but not limited  
35 to, the following:

36 (1) Projects to reduce, manage, treat, or capture rainwater or  
37 stormwater.

38 (2) Projects that provide multiple benefits such as water quality,  
39 water supply, flood control, or open space.

1 (3) Decision support tools that evaluate the benefits and costs  
2 of multibenefit stormwater projects.

3 (4) Projects to implement a stormwater resource plan developed  
4 in accordance with Part 2.3 (commencing with Section 10560) of  
5 Division 6.

6 (g) Conjunctive use of surface and groundwater storage  
7 facilities.

8 (h) ~~Water desalination projects, including projects that~~  
9 ~~incorporate renewable energy generation and reduce regional~~  
10 ~~reliance on water from the Delta watershed to meet California's~~  
11 ~~future water supply needs pursuant to Section 85021.~~ *projects.*

12 (i) Decision support tools to model regional water management  
13 strategies to account for climate change and other changes in  
14 regional demand and supply projections.

15 79744. (a) Of the funds authorized in Section 79740, the sum  
16 of one billion dollars (\$1,000,000,000) shall be allocated to the  
17 hydrologic regions as identified in the California Water Plan in  
18 accordance with this section. For the South Coast hydrologic  
19 region, the department shall establish three funding areas that  
20 reflect the watersheds of San Diego County *and southern Orange*  
21 *County* (designated as the San Diego subregion), the Santa Ana  
22 River watershed ~~and southern Orange County~~ (designated as the  
23 Santa Ana subregion), and the Los Angeles and Ventura County  
24 watersheds (designated as the Los Angeles subregion), and shall  
25 allocate funds to those areas in accordance with this subdivision.  
26 The North and South Lahontan hydrologic regions shall be treated  
27 as one area for the purpose of allocating funds. For purposes of  
28 this subdivision, the Sacramento River hydrologic region does not  
29 include the Delta. For purposes of this subdivision, the Mountain  
30 Counties Overlay is not eligible for funds from the Sacramento  
31 River hydrologic region or the San Joaquin River hydrologic  
32 region. Multiple integrated regional water management plans may  
33 be recognized in each of the areas allocated funding.

34 (b) Funds described in this section shall be allocated as follows:

35 (1) Forty-five million dollars (\$45,000,000) for the North Coast  
36 hydrologic region.

37 (2) One hundred thirty-two million dollars (\$132,000,000) for  
38 the San Francisco Bay hydrologic region.

39 (3) Fifty-eight million dollars (\$58,000,000) for the Central  
40 Coast hydrologic region.

- 1 (4) One hundred ninety-eight million dollars (\$198,000,000)  
2 for the Los Angeles subregion.
- 3 (5) One hundred twenty-eight million dollars (\$128,000,000)  
4 for the Santa Ana subregion.
- 5 (6) Eighty-seven million dollars (\$87,000,000) for the San Diego  
6 subregion.
- 7 (7) Seventy-six million dollars (\$76,000,000) for the Sacramento  
8 River hydrologic region.
- 9 (8) Sixty-four million dollars (\$64,000,000) for the San Joaquin  
10 River hydrologic region.
- 11 (9) Seventy million dollars (\$70,000,000) for the Tulare/Kern  
12 hydrologic region.
- 13 (10) Fifty-one million dollars (\$51,000,000) for the North/South  
14 Lahontan hydrologic region.
- 15 (11) Forty-seven million dollars (\$47,000,000) for the Colorado  
16 River Basin hydrologic region.
- 17 (12) Forty-four million dollars (\$44,000,000) for the Mountain  
18 Counties Overlay.
- 19 (c) Funds allocated pursuant to this section may be used for the  
20 purposes described in Sections 79745 and 79747.
- 21 79745. (a) Of the funds authorized by Section 79740, two  
22 hundred fifty million dollars (\$250,000,000) shall be ~~used~~ *available*  
23 for direct expenditures, grants, and loans for water conservation  
24 and water use efficiency plans, projects, and programs, including  
25 either of the following:
- 26 (1) Urban water conservation plans, projects, and programs,  
27 including regional projects and programs, implemented to achieve  
28 urban water use targets developed pursuant to Section 10608.20.  
29 Priority for funding shall be given to programs that do any of the  
30 following:
- 31 (A) Assist water suppliers and regions to implement  
32 conservation programs and measures that are not locally cost  
33 effective.
- 34 (B) Support water supplier and regional efforts to implement  
35 programs targeted to enhance water use efficiency for commercial,  
36 industrial, and institutional water users.
- 37 (C) Assist water suppliers and regions with programs and  
38 measures targeted toward realizing the conservation benefits of  
39 implementation of the provisions of the state landscape model  
40 ordinance.

1 (2) Agricultural water management plans or agricultural water  
2 use efficiency projects and programs developed pursuant to Part  
3 2.8 (commencing with Section 10800) of Division 6. Of the funds  
4 provided by this section, one hundred million dollars  
5 (\$100,000,000) shall be available for improving on-farm water  
6 use efficiency, including, but not limited to, drip irrigation.

7 (b) Section 1011 applies to all conservation measures that an  
8 agricultural water supplier or an urban water supplier implements  
9 with funding under this chapter. This subdivision does not limit  
10 the application of Section 1011 to any other measures or projects  
11 implemented by a water supplier.

12 (c) *For purposes of this section, funded projects shall not be*  
13 *required to comply with the requirements of the Integrated*  
14 *Regional Water Management Planning Act of 2002 (Part 2.2*  
15 *commencing with Section 10530) of Division 6). The funding*  
16 *available pursuant to this section may be appropriated to an*  
17 *integrated regional water management program or plan.*

18 79746. Of the funds authorized by Section 79740, five hundred  
19 million dollars (\$500,000,000) shall be available, upon  
20 appropriation by the Legislature from the fund, for grants and  
21 low-interest loans for water recycling and advanced treatment  
22 technology projects, including all of the following:

23 (a) Water recycling projects, including, but not limited to,  
24 treatment, storage, conveyance, and distribution facilities for  
25 potable and nonpotable recycling projects.

26 (b) Contaminant and salt removal projects, including, but not  
27 limited to, groundwater and seawater desalination *and associated*  
28 *treatment, storage, conveyance, and distribution facilities.*

29 (c) Dedicated distribution infrastructure to serve residential,  
30 agricultural, commercial, and industrial end-users to allow the use  
31 of recycled water.

32 (d) Pilot projects for new salt and contaminant removal  
33 technology.

34 (e) Groundwater recharge infrastructure related to recycled  
35 water.

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

38 (g) For projects funded pursuant to this section, at least a 50  
39 percent local cost share shall be required. That cost share may be

1 suspended or reduced for disadvantaged communities and  
 2 economically distressed areas.

3 *(h) Water supply reliability improvement for critical urban*  
 4 *water supplies in designated superfund areas with groundwater*  
 5 *contamination listed on the National Priorities List established*  
 6 *pursuant to Section 105 of the Comprehensive Environmental*  
 7 *Response, Compensation, and Liability Act of 1980, as amended*  
 8 *(42 U.S.C. Sec. 9605(a)(8)(B)).*

9 ~~(h)~~

10 *(i) Projects funded pursuant to this section shall be selected on*  
 11 *a competitive basis, considering all of the following criteria:*

- 12 *(1) ~~Water~~ Regional water supply reliability improvement.*
- 13 *(2) Water quality and ecosystem benefits related to decreased*  
 14 *reliance on diversions from the Delta or instream flows.*
- 15 *(3) Public health benefits from improved drinking water quality.*
- 16 *(4) Cost effectiveness.*
- 17 *(5) Energy efficiency and greenhouse gas emission impacts.*
- 18 *(6) Reasonable geographic allocation to eligible projects*  
 19 *throughout the state that contribute to attainment of the statewide*  
 20 *recycled water goal as established in Section 13577 including both*  
 21 *northern and southern California and coastal and inland regions.*

22 ~~(i)~~

23 *(j) For the purposes of this section, eligible projects shall*  
 24 *implement a plan or strategy by one or more regional water*  
 25 *agencies or integrated regional water management groups to*  
 26 *incorporate water recycling or advanced treatment technology into*  
 27 *the region’s water supplies. supplies.*

28 ~~(j)~~

29 *(k) For purposes of this section, competitive programs shall be*  
 30 *implemented consistent with water recycling programs*  
 31 *administered pursuant to Sections 79140 and 79141 or consistent*  
 32 *with desalination programs administered pursuant to Sections*  
 33 *79545 and 79547.2.*

34 ~~*(k) Fifty percent of the moneys available pursuant to this section*~~  
 35 ~~*shall be allocated for grants and 50 percent shall be allocated for*~~  
 36 ~~*a low-interest loan program.*~~

37 *(l) For purposes of this section, funded projects shall not be*  
 38 *required to comply with the requirements of the Integrated*  
 39 *Regional Water Management Planning Act of 2002 (Part 2.2*  
 40 *(commencing with Section 10530) of Division 6).*

1 79747. (a) It is the policy of the State of California that  
2 stormwater shall be managed for water supply benefits to the  
3 maximum extent possible, in conjunction with other benefits that  
4 effective stormwater management may provide. Funding for  
5 stormwater management shall be drawn from federal, state,  
6 regional, and local agency resources, to the extent available.

7 (b) Of the funds authorized by Section 79740, two hundred fifty  
8 million dollars (\$250,000,000) shall be available for grants and  
9 loans for multibenefit stormwater management projects.

10 (c) Eligible projects may include, but shall not be limited to,  
11 green infrastructure, rainwater and stormwater capture projects,  
12 and stormwater treatment facilities.

13 (d) Development of plans for stormwater projects shall address  
14 the entire watershed and incorporate the perspectives of  
15 communities adjacent to the affected waterways, especially  
16 disadvantaged communities.

17 (e) *For purposes of this section, funded projects shall not be*  
18 *required to comply with the requirements of the Integrated*  
19 *Regional Water Management Planning Act of 2002 (Part 2.2*  
20 *(commencing with Section 10530) of Division 6). The funding*  
21 *available pursuant to this section may be appropriated to an*  
22 *integrated regional water management program or plan.*

23 79748. In order to receive funding authorized by this chapter  
24 to address groundwater quality or supply in an aquifer, the  
25 applicant shall demonstrate that a public agency has authority to  
26 manage the water resources in that aquifer. A groundwater  
27 management plan adopted and approved pursuant to Part 2.75  
28 (commencing with Section 10750) of Division 6 shall be deemed  
29 sufficient to satisfy the requirements of this section.

30

31 CHAPTER 8. SACRAMENTO-SAN JOAQUIN DELTA  
32 SUSTAINABILITY

33

34 79750. (a) The sum of one billion dollars (\$1,000,000,000)  
35 shall be available, upon appropriation by the Legislature from the  
36 fund, for grants and direct expenditures to improve the  
37 sustainability of the ~~Delta~~. *Delta as follows:*

38 (1) *Four hundred million dollars (\$400,000,000) of the funding*  
39 *available pursuant to this chapter shall be available for the purpose*  
40 *identified in subdivision (b) of Section 79751.*

1 (2) Six hundred million dollars (\$600,000,000) of the funding  
2 available pursuant to this chapter shall be available for the  
3 purposes identified in subdivisions (a) and (c) of Section 79751.

4 (3) Funding available pursuant to paragraphs (1) and (2) may  
5 be combined to provide funding to projects that accomplish more  
6 than one of the purposes identified in Section 79751.

7 (b) This chapter provides state funding for public benefits  
8 associated with 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 79751. In order to promote the sustainability and resiliency of  
12 the Delta, the purposes of this chapter are to:

13 (a) Protect, restore, and enhance the Delta ecosystem.

14 (b) Maintain and improve existing Delta levees.

15 (c) Promote the sustainability of the Delta.

16 79752. The funds authorized in Section 79750 shall not be  
17 used to pay the costs of a public agency exercising eminent domain  
18 to acquire or use property. All property acquired with moneys  
19 available pursuant to this chapter shall be acquired from willing  
20 sellers.

21 79754. Funding authorized by this chapter for the purpose of  
22 subdivision (a) of Section 79751 may include, but is not limited  
23 to, the following:

24 (a) Projects to protect and restore native fish and wildlife  
25 dependent on the Delta ecosystem, including improvement of  
26 aquatic or terrestrial habitat or the removal or reduction of  
27 undesirable invasive species.

28 (b) Projects to reduce greenhouse gas emissions from exposed  
29 Delta soils.

30 (c) Scientific studies and assessments that support the projects  
31 authorized under this section.

32 79755. (a) Funding authorized by this chapter for the purpose  
33 of subdivision (b) of Section 79751 shall reduce the risk of levee  
34 failure and flood in the Delta and may be expended, consistent  
35 with the Delta levee investment priorities recommended pursuant  
36 to Section 85306, for any of the following:

37 (1) Local assistance under the Delta levee maintenance  
38 subventions program under Part 9 (commencing with Section  
39 12980) of Division 6, as that part may be amended.

1 (2) Special flood protection projects under Chapter 2  
2 (commencing with Section 12310) of Part 4.8 of Division 6, as  
3 that chapter may be amended.

4 (3) Levee improvement projects that increase the resiliency of  
5 levees within the Delta to withstand earthquake, flooding, or sea  
6 level rise.

7 (4) Emergency response and repair projects.

8 (b) All projects funded pursuant to this section shall be subject  
9 to Section 79050.

10  
11 CHAPTER 9. WATER STORAGE FOR CLIMATE CHANGE  
12

13 79760. (a) Notwithstanding Section 162, the commission may  
14 make the determinations, findings, and recommendations required  
15 of it by this chapter independent of the views of the director. All  
16 final actions by the commission in implementing this chapter shall  
17 be taken by a majority of the members of the commission at a  
18 public meeting noticed and held pursuant to the Bagley-Keene  
19 Open Meeting Act (Article 9 (commencing with Section 11120)  
20 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government  
21 Code).

22 ~~(b) (1) The commission shall submit its project selections to~~  
23 ~~any state agency created by statute for the purpose of oversight of~~  
24 ~~bond acts for confirmation of compliance with applicable legal~~  
25 ~~requirements.~~

26 ~~(2)~~

27 ~~(b) The commission shall submit project status reports as~~  
28 ~~requested to the Department of Finance or the state agency created~~  
29 ~~by statute described in paragraph (1). Finance.~~

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

35 (d) Only projects selected by the commission shall be eligible  
36 for funding authorized by this chapter. Funding authorized by this  
37 chapter shall be appropriated to the commission.

38 (e) The commission shall, to the extent feasible, maximize the  
39 following:

1 (1) Leveraging of the funding made available in this chapter  
2 with funds from federal, local, and private sources.

3 (2) Statewide storage benefits or regional storage benefits that  
4 promote regional self-reliance.

5 79761. (a) The sum of two billion five hundred million dollars  
6 (\$2,500,000,000) shall be available from the fund to the  
7 commission, for expenditures, competitive grants, and loans for  
8 public benefits associated with projects that expand the state's  
9 water storage capacity.

10 (b) (1) Five hundred million dollars (\$500,000,000) is hereby  
11 appropriated to the commission from the moneys available pursuant  
12 to subdivision (a) for the purposes of this chapter during each of  
13 the fiscal years from the 2015–16 fiscal year to the 2019–20 fiscal  
14 year, inclusive, unless the moneys in the fund available for this  
15 chapter pursuant to subdivision (a) are exhausted.

16 (2) Funds appropriated pursuant to this subdivision shall be  
17 available for encumbrance for three years in accordance with  
18 Section 16304 of the Government Code. Any unencumbered  
19 balance after three years shall revert to the fund for the purpose  
20 of this chapter.

21 (3) The Legislature may augment the appropriations made  
22 pursuant to this subdivision until the funds are exhausted.

23 (c) The Legislature shall retain authority and responsibility for  
24 oversight of the commission and expenditure of the funding  
25 authorized by this chapter.

26 79762. In order to expand the state's water storage capacity to  
27 address the impacts of climate change on the snow pack in the  
28 Sierra Nevada Mountains and water storage resources, the purposes  
29 of this chapter are to:

30 (a) Construct new surface water storage projects.

31 (b) Restore and expand groundwater aquifer storage capacity.

32 (c) Restore water storage capacity of existing surface water  
33 storage reservoirs.

34 (d) Remediate or prevent contamination of groundwater aquifers.

35 (e) Construct and expand stormwater retention facilities.

36 79763. Projects for which the public benefits are eligible for  
37 funding under this chapter consist of only the following:

38 (a) Surface storage projects identified in the CALFED Bay-Delta  
39 Program *Record of Decision, dated August 28, 2000*, except for

1 projects prohibited by Chapter 1.4 (commencing with Section  
2 5093.50) of Division 5 of the Public Resources Code.

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

6 (c) Conjunctive use and reservoir reoperation projects.

7 (d) Local and regional surface storage projects that improve the  
8 operation of water systems in the state, including, but not limited  
9 to, reservoirs for storing recycled water.

10 (e) Projects that remove sediment, improve dam stability in  
11 seismic events, or otherwise restore water storage capacity in  
12 existing water storage reservoirs.

13 ~~(f) Projects that the United States Bureau of Reclamation  
14 develops through its Water SMART storage program.~~

15 79764. A project in the Delta watershed or an area that receives  
16 water from the Delta watershed shall ~~not be funded~~ *be eligible for*  
17 *funding* pursuant to this chapter ~~unless it provides measurable~~  
18 ~~improvements to the Delta ecosystem or to the Delta watershed to~~  
19 *further the policy set forth in Section 85021.*

20 79765. (a) Funds allocated pursuant to this chapter may be  
21 expended solely for the following public benefits associated with  
22 water storage projects:

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

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

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

36 (4) Regional water storage benefits for more than one drinking  
37 water supplier or more than 3,000,000 people.

38 (5) *Emergency response, including, but not limited to, securing*  
39 *emergency water supplies and flows for dilution and salinity*  
40 *repulsion following a natural disaster or act of terrorism.*

1 (b) Funds shall not be expended pursuant to this chapter for the  
2 costs of environmental mitigation measures or compliance  
3 obligations .

4 79766. In consultation with the Department of Fish and  
5 Wildlife, the State Water Resources Control Board, and the  
6 department, the commission shall develop and adopt, by regulation,  
7 methods for quantification and management of public benefits  
8 described in Section 79765 by December 15, ~~2014~~ 2015. The  
9 regulations shall include the priorities and relative environmental  
10 value of ecosystem benefits as provided by the Department of Fish  
11 and Wildlife and the priorities and relative environmental value  
12 of water quality benefits as provided by the State Water Resources  
13 Control Board.

14 79767. (a) Except as provided in subdivision (c), no funds  
15 allocated pursuant to this chapter may be allocated for a project  
16 before ~~December 15, 2014~~, and until the commission approves the  
17 project based on the commission's determination that all of the  
18 following have occurred:

19 (1) The commission has adopted the regulations specified in  
20 Section 79766 and specifically quantified and made public the cost  
21 of the public benefits associated with the project.

22 (2) The department has entered into a contract with each party  
23 that will derive benefits, other than public benefits, as defined in  
24 Section 79765, from the project that ensures the party will pay its  
25 share of the total costs of the project. The benefits available to a  
26 party shall be consistent with that party's share of total project  
27 costs.

28 (3) The department has entered into a contract with each public  
29 agency identified in Section 79766 that administers the public  
30 benefits, after that agency makes a finding that the public benefits  
31 of the project for which that agency is responsible meet all the  
32 requirements of this chapter, to ensure that the public contribution  
33 of funds pursuant to this chapter achieves the public benefits  
34 identified for the project.

35 (4) The commission has held a public hearing for the purposes  
36 of providing an opportunity for the public to review and comment  
37 on the information required to be prepared pursuant to this  
38 subdivision.

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

40 (A) Feasibility studies have been completed.

1 (B) The commission has found and determined that the project  
2 is feasible, is consistent with all applicable laws and regulations,  
3 and, if the project is in the Delta watershed or an area that receives  
4 water from the Delta watershed, will advance *one or more of* the  
5 policy objectives specified in Section 85020.

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

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

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

16 79768. (a) The public benefit cost share of a project funded  
17 pursuant to this chapter shall not exceed 50 percent of the total  
18 costs of any project funded under this chapter.

19 (b) In order to receive funding authorized by this chapter to  
20 improve groundwater storage in an aquifer, the applicant shall  
21 demonstrate that a public agency has authority to manage the water  
22 resources in that aquifer.

23 79769. (a) A project is not eligible for funding under this  
24 chapter unless, by January 1, 2018, all of the following conditions  
25 are met:

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

28 (2) The commission makes a finding that the project is feasible,  
29 and will advance the long-term objectives of restoring ecological  
30 health and improving water management for beneficial ~~uses~~. *uses*.

31  
32 (3) The director receives commitments for not less than 75  
33 percent of the nonpublic benefit cost share of the project.

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

1 79770. (a) Funding authorized by this chapter shall not be  
2 used to pay any share of the costs of remediation attributed to  
3 parties responsible for the contamination of a groundwater storage  
4 aquifer, but may be used to pay costs that cannot be recovered  
5 from responsible parties. Parties that receive funding for  
6 remediating groundwater storage aquifers shall exercise their best  
7 efforts to recover the costs of groundwater cleanup from the parties  
8 responsible for the contamination.

9 (b) Projects that leverage funding from local agencies and  
10 responsible parties to the maximum extent possible shall receive  
11 priority consideration in groundwater storage project selection.  
12

#### 13 CHAPTER 10. FISCAL PROVISIONS 14

15 79800. (a) Bonds in the total amount of eight billion dollars  
16 (\$8,000,000,000), or so much thereof as is necessary, not including  
17 the amount of any refunding bonds issued in accordance with  
18 Section 79812 may be issued and sold to provide a fund to be used  
19 for carrying out the purposes expressed in this division and to  
20 reimburse the General Obligation Bond Expense Revolving Fund  
21 pursuant to Section 16724.5 of the Government Code. The bonds,  
22 when sold, shall be and constitute a valid and binding obligation  
23 of the State of California, and the full faith and credit of the State  
24 of California is hereby pledged for the punctual payment of both  
25 principal of, and interest on, the bonds as the principal and interest  
26 become due and payable.

27 (b) The Treasurer shall sell the bonds authorized by the  
28 committee pursuant to this section. The bonds shall be sold upon  
29 the terms and conditions specified in a resolution to be adopted  
30 by the committee pursuant to Section 16731 of the Government  
31 Code.

32 79801. The bonds authorized by this division shall be prepared,  
33 executed, issued, sold, paid, and redeemed as provided in the State  
34 General Obligation Bond Law (Chapter 4 (commencing with  
35 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
36 Code), and all of the provisions of that law apply to the bonds and  
37 to this division and are hereby incorporated in this division as  
38 though set forth in full in this division, except subdivisions (a) and  
39 (b) of Section 16727 of the Government Code.

1 79802. (a) Solely for the purpose of authorizing the issuance  
2 and sale pursuant to the State General Obligation Bond Law  
3 (Chapter 4 (commencing with Section 16720) of Part 3 of Division  
4 4 of Title 2 of the Government Code) of the bonds authorized by  
5 this division, the ~~Clean and Safe~~ *Clean, Safe, and Reliable* Drinking  
6 Water Finance Committee is hereby created. For purposes of this  
7 division, the ~~Clean and Safe~~ *Clean, Safe, and Reliable* Drinking  
8 Water Finance Committee is the “committee” as that term is used  
9 in the State General Obligation Bond Law.

10 (b) The committee consists of the Director of Finance, the  
11 Treasurer, the Controller, the Director of Water Resources, and  
12 the Secretary of the Natural Resources Agency. Notwithstanding  
13 any other provision of law, any member may designate a  
14 representative to act as that member in his or her place for all  
15 purposes, as though the member were personally present.

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

17 (d) A majority of the committee may act for the committee.

18 79803. The committee shall determine whether or not it is  
19 necessary or desirable to issue bonds authorized pursuant to this  
20 division in order to carry out the actions specified in this division  
21 and, if so, the amount of bonds to be issued and sold. Successive  
22 issues of bonds may be authorized and sold to carry out those  
23 actions progressively, and it is not necessary that all of the bonds  
24 authorized to be issued be sold at any one time.

25 79804. For purposes of the State General Obligation Bond  
26 Law, “board,” as defined in Section 16722 of the Government  
27 Code, means the Department of Water Resources.

28 79805. There shall be collected each year and in the same  
29 manner and at the same time as other state revenue is collected,  
30 in addition to the ordinary revenues of the state, a sum in an amount  
31 required to pay the principal of, and interest on, the bonds each  
32 year. It is the duty of all officers charged by law with any duty in  
33 regard to the collection of the revenue to do and perform each and  
34 every act that is necessary to collect that additional sum.

35 79806. Notwithstanding Section 13340 of the Government  
36 Code, there is hereby appropriated from the General Fund in the  
37 State Treasury, for the purposes of this division, an amount that  
38 will equal the total of the following:

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

4 (b) The sum that is necessary to carry out the provisions of  
5 Section 79809, appropriated without regard to fiscal years.

6 79807. The board may request the Pooled Money Investment  
7 Board to make a loan from the Pooled Money Investment Account  
8 in accordance with Section 16312 of the Government Code for the  
9 purpose of carrying out this division less any amount withdrawn  
10 pursuant to Section 79809. The amount of the request shall not  
11 exceed the amount of the unsold bonds that the committee has, by  
12 resolution, authorized to be sold for the purpose of carrying out  
13 this division. The board shall execute those documents required  
14 by the Pooled Money Investment Board to obtain and repay the  
15 loan. Any amounts loaned shall be deposited in the fund to be  
16 allocated in accordance with this division.

17 79808. Notwithstanding any other provision of this division,  
18 or of the State General Obligation Bond Law, if the Treasurer sells  
19 bonds that include a bond counsel opinion to the effect that the  
20 interest on the bonds is excluded from gross income for federal  
21 tax purposes under designated conditions or is otherwise entitled  
22 to any federal tax advantage, the Treasurer may maintain separate  
23 accounts for the bond proceeds invested and for the investment  
24 earnings on those proceeds, and may use or direct the use of those  
25 proceeds or earnings to pay any rebate, penalty, or other payment  
26 required under federal law or take any other action with respect  
27 to the investment and use of those bond proceeds, as may be  
28 required or desirable under federal law in order to maintain the  
29 tax-exempt status of those bonds and to obtain any other advantage  
30 under federal law on behalf of the funds of this state.

31 79809. For the purposes of carrying out this division, the  
32 Director of Finance may authorize the withdrawal from the General  
33 Fund of an amount or amounts not to exceed the amount of the  
34 unsold bonds that have been authorized by the committee to be  
35 sold for the purpose of carrying out this division less any amount  
36 borrowed pursuant to Section 79807. Any amounts withdrawn  
37 shall be deposited in the fund. Any moneys made available under  
38 this section shall be returned to the General Fund, with interest at  
39 the rate earned by the moneys in the Pooled Money Investment

1 Account, from proceeds received from the sale of bonds for the  
2 purpose of carrying out this division.

3 79810. All moneys deposited in the fund that are derived from  
4 premium and accrued interest on bonds sold pursuant to this  
5 division shall be reserved in the fund and shall be available for  
6 transfer to the General Fund as a credit to expenditures for bond  
7 interest, except that amounts derived from premium may be  
8 reserved and used to pay the cost of bond issuance prior to any  
9 transfer to the General Fund.

10 79811. Pursuant to Chapter 4 (commencing with Section  
11 16720) of Part 3 of Division 4 of Title 2 of the Government Code,  
12 the cost of bond issuance shall be paid out of the bond proceeds,  
13 including premium, if any. To the extent the cost of bond issuance  
14 is not paid from premiums received from the sale of bonds, these  
15 costs shall be shared proportionately by each program funded  
16 through this division by the applicable bond sale.

17 79812. The bonds issued and sold pursuant to this division  
18 may be refunded in accordance with Article 6 (commencing with  
19 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of  
20 the Government Code, which is a part of the State General  
21 Obligation Bond Law. Approval by the voters of the state for the  
22 issuance of the bonds under this division shall include approval  
23 of the issuance of any bonds issued to refund any bonds originally  
24 issued under this division or any previously issued refunding bonds.

25 79813. The proceeds from the sale of bonds authorized by this  
26 division are not “proceeds of taxes” as that term is used in Article  
27 XIII B of the California Constitution, and the disbursement of  
28 these proceeds is not subject to the limitations imposed by that  
29 article.

30 SEC. 3. Section 2 of Chapter 3 of the Seventh Extraordinary  
31 Session of the Statutes of 2009, as amended by Section 1 of  
32 Chapter 74 of the Statutes of 2012, is repealed.

33 SEC. 4. Section 2 of this act shall be submitted to the voters  
34 at the November 4, 2014, statewide general election in accordance  
35 with provisions of the Government Code and the Elections Code  
36 governing the submission of a statewide measure to the voters.

37 SEC. 5. Section 2 of this act shall take effect upon the approval  
38 by the voters of the ~~Clean and Safe~~ *Clean, Safe, and Reliable*

- 1 Drinking Water Act of 2014, as set forth in that section at the
- 2 November 4, 2014, statewide general election.

O