

AMENDED IN ASSEMBLY MARCH 26, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1874**

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**Introduced by Assembly Member Gonzalez**

February 19, 2014

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An act to add Sections ~~10546.1, 10546.2, and 10546.3 to 10534.5 and 10536.5 to, and to add Chapter 7 (commencing with Section 10551) to Part 2.2 of Division 6 of, the Water Code, relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1874, as amended, Gonzalez. Integrated regional water management plans: funding.

Existing law, the Integrated Regional Water Management Planning Act of 2002, authorizes a regional water management group to prepare and adopt an integrated regional water management plan with specified components relating to water supply and water quality. *Existing law authorizes the Department of Water Resources to award grants to eligible projects consistent with an adopted integrated regional water management plan.*

This bill would require the ~~Department of Water Resources to develop, by October 1, 2015, department to develop~~ a streamlined application process for the ~~funding of regional projects and programs~~ *certain regional water management groups*. The bill would ~~require the Department of Water Resources to promptly review and pay invoices associated with grants for regional projects and programs. The bill would require the Department of Finance to review the Department of Water Resources' contracting procedures for the distribution of grants for regional projects and programs and to report its findings to the Legislature~~ *require, in order to receive integrated regional water*

*management funds through this streamlined application process, the specified regional water management group to file with the department a streamlined application form that includes information relating to projects to be funded by integrated regional water management grant funds. The bill would require the department, upon appropriation of integrated regional water management funds, to award integrated regional water management grant funds for approved applications, proportionately consistent with any applicable statutory formula. The bill would require the recipient regional water management group, within 90 days, to provide the department with a list of integrated regional water management projects to be funded by the integrated regional water management grant funds, including a description, budget, and schedule for each project, and would require the department, within 60 days of receiving the project information, to distribute the funding to the regional water management group. The bill would require a regional water management group to quarterly report expenditures and activities for each project to the department and would require the department, at least once every 2 years, to audit each funding area and regional water management group that receives integrated regional water management funds from the department.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

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

1 SECTION 1. Section 10534.5 is added to the Water Code, to  
 2 read:

3 10534.5. “Funding area” means a hydrologic region, as  
 4 identified by the California Water Plan, as updated.

5 SEC. 2. Section 10536.5 is added to the Water Code, to read:

6 10536.5. “Planning region” means an integrated regional  
 7 water management region, as identified by the California Water  
 8 Plan, as updated.

9 SEC. 3. Chapter 7 (commencing with Section 10551) is added  
 10 to Part 2.2 of Division 6 of the Water Code, to read:

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12 CHAPTER 7. STREAMLINED APPLICATIONS

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14 10551. A streamlined application process, as specified under  
 15 this chapter, for the funding of integrated regional water

1 *management plans shall be available to the following regional*  
2 *water management groups:*

3 *(a) A regional water management group that represents a*  
4 *funding area that is made up of a single planning region.*

5 *(b) If a funding area covers more than one planning region, a*  
6 *regional water management group that represents all planning*  
7 *regions within the funding area, if those regions have reached a*  
8 *written agreement concerning the proportional allocation of*  
9 *integrated regional water management funds to the individual*  
10 *planning regions within the funding area.*

11 *10552. To receive integrated regional water management funds*  
12 *through the streamlined application process, a regional water*  
13 *management group described in Section 10551 shall complete,*  
14 *and file with the department, a streamlined application form. The*  
15 *streamlined application form shall be developed by the department*  
16 *and shall require a regional water management group to do all*  
17 *of the following:*

18 *(a) Specify the amount of funding that the regional water*  
19 *management group is requesting. In instances where the funding*  
20 *area covers more than one planning region, the combined total of*  
21 *all the applications from within the funding area shall be consistent*  
22 *with the written agreement described in subdivision (b) of Section*  
23 *10551.*

24 *(b) Describe the types of projects to be funded by the integrated*  
25 *regional water management grant funds and demonstrate how the*  
26 *projects will provide multiple benefits.*

27 *(c) Demonstrate how the projects comply with applicable*  
28 *statutory requirements governing the award of integrated regional*  
29 *water management grant funds.*

30 *(d) If more than one planning region is within the funding area,*  
31 *provide documentation showing that all planning regions within*  
32 *the funding area have reached a written agreement concerning*  
33 *the allocation of integrated regional water management funds*  
34 *within the funding area.*

35 *(e) Identify the recipient public agency that will receive the*  
36 *integrated regional water management grant funds.*

37 *10553. If the department approves a streamlined application*  
38 *pursuant to Section 10552 of a regional water management group*  
39 *described in Section 10551, the department, upon appropriation*  
40 *of integrated regional water management funds to the department,*

1 shall award integrated regional water management grant funds,  
2 proportionately consistent with any applicable statutory formula,  
3 to the regional water management group.

4 10554. (a) Within 90 days of an integrated regional water  
5 management grant award pursuant to this chapter, the regional  
6 water management group shall provide the department with a list  
7 of projects to be funded by the integrated regional water  
8 management funds. The list shall specify how the projects are  
9 consistent with the adopted integrated regional water management  
10 plan and shall include all of the following information:

11 (1) Descriptive information concerning each project identified.

12 (2) The budget of each project.

13 (3) Anticipated schedule for each project.

14 (b) Within 60 days of receiving the project information pursuant  
15 to subdivision (a), the department shall distribute the funding to  
16 the regional water management group.

17 10555. The regional water management group shall report  
18 expenditures and activities for each project to the department  
19 quarterly, in a format to be determined by the department.

20 10556. The department, at least once every two years, or more  
21 frequently at its own discretion, shall audit expenditures, invoices,  
22 and reimbursements for each funding area and regional water  
23 management group that receives integrated regional water  
24 management grant funds from the department.

25 ~~SECTION 1. Section 10546.1 is added to the Water Code, to~~  
26 ~~read:~~

27 ~~10546.1. On or before October 1, 2015, the department shall~~  
28 ~~develop a streamlined application process for the funding of~~  
29 ~~regional projects and programs. A regional project or program~~  
30 ~~applicant may apply to the department for funding through the~~  
31 ~~streamlined application process if one of the following applies:~~

32 ~~(a) All regional water management groups within the hydrologic~~  
33 ~~region or subregion have reached an agreement on how the funding~~  
34 ~~which is being applied for will be divided.~~

35 ~~(b) The proposed regional program or project was selected based~~  
36 ~~on an integrated regional water management plan's comprehensive~~  
37 ~~local project selection process and that integrated regional water~~  
38 ~~management plan is consistent with the current integrated regional~~  
39 ~~water management guidelines developed by the department~~  
40 ~~pursuant to Section 10541.~~

1 ~~(e) The regional project or program applicant demonstrates that~~  
2 ~~it is undertaking all reasonable and feasible efforts to take into~~  
3 ~~account the water needs of disadvantaged communities in its~~  
4 ~~hydrologic region or subregion.~~

5 ~~(d) With respect to hydrologic regions and subregions that~~  
6 ~~receive water from the Sacramento-San Joaquin Delta, the proposed~~  
7 ~~project or program will help reduce dependence on the~~  
8 ~~Sacramento-San Joaquin Delta for water supply.~~

9 ~~SEC. 2. Section 10546.2 is added to the Water Code, to read:~~

10 ~~10546.2. (a) The Department of Finance shall review the~~  
11 ~~department's contracting procedures for the distribution of grants~~  
12 ~~for regional projects or programs for the three years prior to the~~  
13 ~~enactment of this section, and, in its review, shall consider all of~~  
14 ~~the following:~~

15 ~~(1) The maximum, minimum, and average processing time for~~  
16 ~~contracts and amendments for regional projects or programs funded~~  
17 ~~by the department.~~

18 ~~(2) The maximum, minimum, and average processing time from~~  
19 ~~reviewing a regional project or program invoice and approval to~~  
20 ~~payment of the project or program invoice.~~

21 ~~(3) Recommendations for streamlining administrative processes,~~  
22 ~~including all of the following:~~

23 ~~(A) Delegating increased responsibility to the regional project~~  
24 ~~or program applicant with respect to project or program oversight~~  
25 ~~and review of invoices.~~

26 ~~(B) Minimizing the need for contract amendments.~~

27 ~~(C) Ensuring timely processing of contracts and amendments.~~

28 ~~(D) Ensuring statewide consistency in contract management.~~

29 ~~(4) Any other information the Department of Finance deems~~  
30 ~~relevant to maximize efficiency in processing grant distributions.~~

31 ~~(b) The Department of Finance shall report its findings under~~  
32 ~~subdivision (a) to the Legislature by \_\_\_\_.~~

33 ~~(e) (1) The requirement for submitting a report imposed under~~  
34 ~~subdivision (b) is inoperative on \_\_\_\_, pursuant to Section 10231.5~~  
35 ~~of the Government Code.~~

36 ~~(2) A report to be submitted pursuant to subdivision (b) shall~~  
37 ~~be submitted in compliance with Section 9795 of the Government~~  
38 ~~Code.~~

39 ~~SEC. 3. Section 10546.3 is added to the Water Code, to read:~~

- 1 ~~10546.3. The department shall promptly review and pay~~
- 2 ~~invoices associated with grants for regional projects and programs.~~

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