

AMENDED IN ASSEMBLY MAY 19, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2043

**Introduced by Assembly Members Bigelow and Conway
(Coauthors: Assembly Members Achadjian, Dahle, Hagman, Jones,
Linder, Morrell, Patterson, Wagner, and Wilk)**

February 20, 2014

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 safe drinking water and water supply reliability program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2043, as amended, Bigelow. Safe, Clean, and Reliable Drinking Water Supply 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 Safe, Clean, and Reliable Drinking Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of ~~\$7,935,000,000~~ \$8,035,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program.

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

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

Vote: 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3 Seventh Extraordinary Session of the Statutes of 2009, is repealed.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. THE SAFE, CLEAN, AND RELIABLE
8 DRINKING WATER SUPPLY ACT OF 2014

9
10 CHAPTER 1. SHORT TITLE

11
12 79700. This division shall be known and may be cited as the
13 Safe, Clean, and Reliable Drinking Water Supply Act of 2014.

14
15 CHAPTER 2. FINDINGS AND DECLARATIONS

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

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

1 (b) Every Californian should have access to clean, safe, and
2 reliable drinking water.

3 (c) Providing adequate supplies of clean, safe, and reliable
4 drinking water is vital to keeping California’s economy growing
5 and strong.

6 (d) Encouraging water conservation and recycling are
7 commonsense methods to make more efficient use of existing
8 water supplies.

9 (e) Protecting lakes, rivers, and streams from pollution, cleaning
10 up polluted groundwater supplies, and protecting water sources
11 that supply the entire state are crucial to providing a reliable supply
12 of drinking water and protecting the state’s natural resources.

13
14 CHAPTER 3. DEFINITIONS

15
16 79702. Unless the context otherwise requires, the definitions
17 set forth in this section govern the construction of this division, as
18 follows:

19 (a) “Bay-Delta Estuary” means the Delta, Suisun Bay, and
20 Suisun Marsh.

21 (b) “CALFED Bay-Delta Program” means the program
22 described in the Record of Decision dated August 28, 2000.

23 (c) “Commission” means the California Water Commission.

24 (d) “Committee” means the Safe, Clean, and Reliable Drinking
25 Water Supply Finance Committee created by Section 79792.

26 (e) “Delta” means the Sacramento-San Joaquin Delta, as defined
27 in Section 85058.

28 (f) “Delta conveyance facilities” means facilities that convey
29 water directly from the Sacramento River to the State Water Project
30 or the federal Central Valley Project pumping facilities in the south
31 Delta.

32 (g) “Delta Plan” has the meaning set forth in Section 85059.

33 (h) “Department” means the Department of Water Resources.

34 (i) “Director” means the Director of Water Resources.

35 (j) “Disadvantaged community” has the meaning set forth in
36 subdivision (a) of Section 79505.5.

37 (k) “Economically distressed area” means a municipality with
38 a population of 20,000 persons or less, a rural county, or a
39 reasonably isolated and divisible segment of a larger municipality
40 where the segment of the population is 20,000 persons or less,

1 with an annual median household income that is less than 85
2 percent of the statewide median household income, and with one
3 or more of the following conditions as determined by the
4 department:

- 5 (1) Financial hardship.
- 6 (2) Unemployment rate at least 2 percent higher than the
7 statewide average.
- 8 (3) Low population density.
- 9 (l) "Fund" means the Safe, Clean, and Reliable Drinking Water
10 Supply Fund of 2014 created by Section 79716.
- 11 (m) "Integrated regional water management plan" has the
12 meaning set forth in Section 10534.
- 13 (n) "Nonprofit organization" means an organization qualified
14 to do business in California and qualified under Section 501(c)(3)
15 of Title 26 of the United States Code.
- 16 (o) "Public agency" means a state agency or department, district,
17 joint powers authority, city, county, city and county, or other
18 political subdivision of the state.
- 19 (p) "State General Obligation Bond Law" means the State
20 General Obligation Bond Law (Chapter 4 (commencing with
21 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
22 Code).

23
24 CHAPTER 4. GENERAL PROVISIONS
25

26 79705. An amount that equals not more than 5 percent of the
27 funds allocated for a grant program pursuant to this division may
28 be used to pay the administrative costs of that program.

29 79706. Up to 10 percent of funds allocated for each program
30 funded by this division may be expended for planning and
31 monitoring necessary for the successful design, selection, and
32 implementation of the projects authorized under that program.
33 This section shall not otherwise restrict funds ordinarily used by
34 an agency for "preliminary plans," "working drawings," and
35 "construction" as defined in the annual Budget Act for a capital
36 outlay project or grant project. Water quality monitoring shall be
37 integrated into the surface water ambient monitoring program
38 administered by the State Water Resources Control Board.

39 79707. Chapter 3.5 (commencing with Section 11340) of Part
40 1 of Division 3 of Title 2 of the Government Code does not apply

1 to the development or implementation of programs or projects
2 authorized or funded under this division other than Chapter 8
3 (commencing with Section 79750).

4 79708. (a) Prior to disbursing grants pursuant to this division,
5 each state agency that is required to administer a competitive grant
6 program under this division shall develop and adopt project
7 solicitation and evaluation guidelines. The guidelines may include
8 a limitation on the dollar amount of grants to be awarded.

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

20 79709. It is the intent of the people that the investment of public
21 funds pursuant to this division will result in public benefits.

22 79710. The California State Auditor shall annually conduct a
23 programmatic review and an audit of expenditures from the fund.
24 The California State Auditor shall report its findings annually on
25 or before March 1 to the Governor and the Legislature, and shall
26 make the findings available to the public.

27 79711. Funds provided by this division shall not be expended
28 to support or pay for the costs of environmental mitigation
29 measures or compliance obligations of any party except as part of
30 the environmental mitigation costs of projects financed by this
31 division or for costs for groundwater cleanup pursuant to the
32 requirements of Chapter 9 (commencing with Section 79770).
33 Funds provided by this division may be used for environmental
34 enhancements or other public benefits.

35 79712. Funds provided by this division shall not be expended
36 to pay the costs of the design, construction, operation, or
37 maintenance of Delta conveyance facilities. Those costs shall be
38 the responsibility of the water agencies that benefit from the design,
39 construction, operation, or maintenance of those facilities.

1 79713. (a) This division does not diminish, impair, or
2 otherwise affect in any manner whatsoever any area of origin,
3 watershed of origin, county of origin, or any other water rights
4 protections, including, but not limited to, rights to water
5 appropriated prior to December 19, 1914, provided under the law.
6 This division does not limit or otherwise affect the application of
7 Article 1.7 (commencing with Section 1215) of Chapter 1 of Part
8 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461,
9 11462, and 11463, and Sections 12200 to 12220, inclusive.

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

18 (c) Nothing in this division supersedes, limits, or otherwise
19 modifies the applicability of Chapter 10 (commencing with Section
20 1700) of Part 2 of Division 2, including petitions related to any
21 new conveyance constructed or operated in accordance with
22 Chapter 2 (commencing with Section 85320) of Part 4 of Division
23 35.

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

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

37 79714. Eligible applicants under this division are public
38 agencies, nonprofit organizations, public utilities, and mutual water
39 companies. To be eligible for funding under this division, a project
40 proposed by a public utility that is regulated by the Public Utilities

1 Commission or a mutual water company shall have a clear and
2 definite public purpose and shall benefit the customers of the water
3 system.

4 79715. The Legislature may enact legislation necessary to
5 implement programs funded by this division, except as otherwise
6 provided in Section 79760.

7 79716. The proceeds of bonds issued and sold pursuant to this
8 division shall be deposited in the Safe, Clean, and Reliable
9 Drinking Water Supply Fund of 2014, which is hereby created in
10 the State Treasury.

11
12 CHAPTER 5. DROUGHT RELIEF
13

14 79720. The sum of ~~three~~ *four* hundred ninety-five million
15 dollars ~~(\$395,000,000)~~ (*\$495,000,000*) shall be available, upon
16 appropriation by the Legislature from the fund, for the purposes
17 of this chapter.

18 ~~79720.1.~~

19 79722. (a) From the funds described in Section 79720, two
20 hundred million (\$200,000,000) shall be available, upon
21 appropriation by the Legislature from the fund, for the planning,
22 design, and construction of local and regional drought relief
23 projects that reduce the impacts of drought conditions, including,
24 but not limited to, the impacts of reductions in Delta diversions.
25 Eligible projects include all of the following:

26 (1) Water conservation and efficiency projects, including
27 installation of the most water efficient fixtures commercially
28 available.

29 (2) Water recycling and related infrastructure.

30 (3) Groundwater cleanup.

31 (4) Local and regional conveyance projects that improve water
32 supplies and public benefits associated with conveyance facilities.

33 (5) Other local and regional water supply reliability projects.

34 (6) Local and regional surface water storage projects that provide
35 emergency water supplies and water supply reliability in drought
36 conditions.

37 (b) Projects funded pursuant to this section shall meet both of
38 the following requirements:

1 (1) The project will provide a sustainable water supply that does
2 not contribute to groundwater overdraft or increase surface water
3 diversions.

4 (2) The project is capable of being operational within two years
5 of receiving the grant.

6 (c) Preference shall be given to applicants that can demonstrate
7 substantial past and current investments in conservation and local
8 water projects.

9 (d) Not more than 10 percent of the funds provided pursuant to
10 this section shall be available for planning, investigations, studies,
11 and monitoring.

12 (e) The department shall require a cost share of not less than 50
13 percent of total project costs from nonstate sources. The department
14 may waive or reduce the cost-sharing requirement for projects that
15 directly benefit disadvantaged communities or economically
16 distressed areas.

17 *79724. From the funds described in Section 79720, the sum of*
18 *one hundred million dollars (\$100,000,000) shall be available for*
19 *local and regional water projects that improve water supply*
20 *reliability, including surface storage projects, with priority given*
21 *to projects that do one or more of the following:*

22 *(a) Provide emergency water supplies.*

23 *(b) Increase hydropower production for the purposes of meeting*
24 *peak energy demands or improving energy reliability in areas of*
25 *the state that have lost significant energy production capabilities.*

26 *(c) Improve dam stability in seismic events.*

27 ~~79724.~~

28 79726. (a) From the funds described in Section 79720, the
29 sum of seventy-five million dollars (\$75,000,000) shall be
30 available, upon appropriation by the Legislature from the fund, to
31 the State Water Resources Control Board for grants for small
32 community wastewater treatment projects that protect water quality
33 and meet all of the following criteria:

34 (1) The project is for the planning, design, permitting,
35 construction, or improvement of a wastewater treatment facility,
36 sewer system, or related infrastructure necessary to meet water
37 quality standards or prevent contamination of surface water or
38 groundwater resources.

39 (2) The project will serve a community with a population of
40 20,000 or less.

1 (3) The project meets other standards that may be established
2 by the State Water Resources Control Board with respect to the
3 design, construction, financing, and operation of the project.

4 (b) Priority for funding shall be given for projects located in,
5 or that benefit, disadvantaged communities and economically
6 distressed areas.

7 ~~79722.~~

8 79728. From the funds described in Section 79720, one hundred
9 twenty million dollars (\$120,000,000) shall be available to the
10 State Department of Public Health for grants to assist small, rural,
11 and disadvantaged community drinking water systems to provide
12 clean drinking water consistent with the criteria established under
13 the Safe Drinking Water State Revolving Fund.

14
15 CHAPTER 6. WATER SUPPLY RELIABILITY

16
17 79730. The sum of eight hundred forty million dollars
18 (\$840,000,000) shall be available, upon appropriation by the
19 ~~Legislature~~, *Legislature* from the fund, to the department for
20 competitive grants and expenditures in accordance with Section
21 79731.

22 79731. (a) Except as provided in subdivision (f), the
23 department shall award grants to eligible projects that implement
24 an adopted integrated regional water management plan.

25 (b) An urban water supplier that does not prepare, adopt, and
26 submit its urban water management plan in accordance with the
27 Urban Water Management Planning Act (Part 2.6 (commencing
28 with Section 10610) of Division 6) is ineligible to receive funds
29 made available pursuant to Section 79730 until the urban water
30 management plan is prepared and submitted in accordance with
31 the requirements of that act.

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

38 (d) Eligible projects are those included in adopted integrated
39 regional water management plans consistent with Part 2.2

1 (commencing with Section 10530) of Division 6, including, but
 2 not limited to, local and regional surface water storage projects.

3 (e) The funding provided in Section 79730 shall be allocated
 4 to each hydrologic region as identified in the California Water
 5 Plan in accordance with this subdivision. For the South Coast
 6 hydrologic region, the department shall establish three funding
 7 areas that reflect the watersheds of San Diego County (designated
 8 as the San Diego subregion), the Santa Ana River watershed and
 9 southern Orange County (designated as the Santa Ana subregion),
 10 and the Los Angeles and Ventura County watersheds (designated
 11 as the Los Angeles subregion), and shall allocate funds to those
 12 areas in accordance with this subdivision. The North and South
 13 Lahontan hydrologic regions shall be treated as one area for the
 14 purpose of allocating funds. For purposes of this subdivision, the
 15 Sacramento River hydrologic region does not include the Delta.
 16 For purposes of this subdivision, the Mountain Counties Overlay
 17 is not eligible for funds from the Sacramento River hydrologic
 18 region or the San Joaquin River hydrologic region. The department
 19 may recognize multiple integrated regional water management
 20 plans in each of the areas allocated funding. Funds made available
 21 by this chapter shall be allocated as follows:

- 22 (1) North Coast: \$36,000,000.
- 23 (2) San Francisco Bay: \$105,600,000.
- 24 (3) Central Coast: \$46,400,000.
- 25 (4) Los Angeles subregion: \$158,400,000.
- 26 (5) Santa Ana subregion: \$102,400,000.
- 27 (6) San Diego subregion: \$69,600,000.
- 28 (7) Sacramento River: \$60,800,000.
- 29 (8) San Joaquin River: \$51,200,000.
- 30 (9) Tulare/Kern: \$56,000,000.
- 31 (10) North/South Lahontan: \$40,800,000.
- 32 (11) Colorado River Basin: \$37,600,000.
- 33 (12) Mountain Counties Overlay: \$35,200,000.
- 34 (13) Interregional: \$40,000,000.

35 (f) Interregional funds may be expended directly or granted by
 36 the department to address multiregional needs or state priorities,
 37 including, but not limited to, any of the following:

- 38 (1) Investing in new water technology development and
 39 deployment.
- 40 (2) Meeting state water recycling and water conservation goals.

- 1 (3) Adapting to climate change impacts.
- 2 (4) Reducing contributions to climate change.
- 3 (5) Other projects to improve statewide water management
- 4 systems.

5 (6) Other projects and activities designed to meet the needs of
6 disadvantaged communities or economically distressed areas
7 including technical and grant writing assistance.

8 79732. Of the funds provided in Section 79730, not less than
9 10 percent shall be allocated to disadvantaged communities.

10 79733. (a) The sum of three hundred fifty million dollars
11 (\$350,000,000) shall be available, upon appropriation by the
12 Legislature, from the fund to the department for grants and
13 expenditures for the planning, design, and construction of local
14 and regional conveyance projects that support regional and
15 interregional connectivity and water management. Projects shall
16 be consistent with an adopted integrated regional water
17 management plan and shall provide one or more of the following
18 benefits:

19 (1) Improvements in regional or interregional water supply and
20 water supply reliability.

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

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

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

26 (5) Providing safe drinking water for disadvantaged communities
27 and economically distressed areas.

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

31 (c) The department shall require a cost share of not less than 50
32 percent of total project costs from nonstate sources. The department
33 may waive or reduce the cost share requirement for projects that
34 directly benefit disadvantaged communities or economically
35 distressed areas.

36

37 CHAPTER 7. DELTA SUSTAINABILITY

38

39 79740. (a) The Bay-Delta Estuary is a unique and irreplaceable
40 combination of environmental and economic resources. Current

1 management and use of the Delta is not sustainable, and results in
2 a high level of conflict among various interests. Future Delta
3 sustainability is threatened by changing hydrology due to climate
4 change, water diversions, flood risk, seismic events, nonnative
5 species, toxics, and other environmental problems. Future
6 management of the Delta must improve Delta ecosystem health
7 and improve the means of Delta water conveyance in order to
8 protect drinking water quality, improve water supply reliability,
9 restore ecosystem health, and preserve agricultural and recreational
10 values in the Delta, while providing to counties and watersheds of
11 origin assurances that their priority to water resources will be
12 protected and that programs or facilities implemented or
13 constructed in the Delta will not result in redirection of
14 unmitigated, significant adverse impacts to the counties and
15 watershed of origin. Many sources of funding will be needed to
16 implement improved Delta management.

17 (b) This chapter provides state funding for public benefits
18 associated with projects needed to assist in the Delta's
19 sustainability as a vital resource for fish, wildlife, water quality,
20 water supply, agriculture, and recreation.

21 79741. (a) The sum of one billion five hundred million dollars
22 (\$1,500,000,000) shall be available, upon appropriation from the
23 fund, for grants and direct expenditures for projects to protect and
24 enhance the sustainability of the Delta ecosystem, including any
25 of the following:

26 (1) Projects that advance the policy objectives described in
27 Section 85020 of the Water Code. The projects shall be
28 implemented through a cooperative effort among regulatory
29 agencies, regulated and potentially regulated entities, and affected
30 parties, including state and federal water contractors. These funds
31 may be expended for the preparation of environmental
32 documentation.

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

37 (3) Projects to reduce greenhouse gas emissions from exposed
38 Delta soils.

1 (4) Projects that reduce impacts of mercury contamination of
2 the Delta and its watersheds, and remediation and elimination of
3 continuing sources of mercury contamination.

4 (5) Scientific studies and assessments that support the projects
5 authorized under this section.

6 (b) Funds provided by this chapter shall be available for
7 appropriation to, among other entities, the department, the
8 Department of Fish and Wildlife, and the Sacramento-San Joaquin
9 Delta Conservancy for implementation consistent with the Delta
10 Plan.

11 79742. (a) A project that receives funding pursuant to
12 subdivision (a) of Section 79741 shall only be eligible for funding
13 pursuant to other provisions of this division to the extent that the
14 combined state funding pursuant to this division does not exceed
15 50 percent of the total project costs.

16 (b) The department shall determine what constitutes a project
17 for the purposes of subdivision (a).

18
19 CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL
20 IMPROVEMENT
21

22 79750. (a) Notwithstanding Section 162, the commission may
23 make the determinations, findings, and recommendations required
24 of it by this chapter independent of the views of the director. All
25 final actions by the commission in implementing this chapter shall
26 be taken by a majority of the members of the commission at a
27 public meeting noticed and held pursuant to the Bagley-Keene
28 Open Meeting Act (Article 9 (commencing with Section 11120)
29 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
30 Code).

31 (b) Notwithstanding Section 13340 of the Government Code,
32 the sum of three billion dollars (\$3,000,000,000) is hereby
33 continuously appropriated from the fund, without regard to fiscal
34 years, to the commission for public benefits associated with water
35 storage projects that improve the operation of the state water
36 system, are cost effective, and provide a net improvement in
37 ecosystem and water quality conditions, in accordance with this
38 chapter. Funds authorized for, or made available to, the commission
39 pursuant to this chapter shall be available and expended only for
40 the purposes provided in this chapter, and shall not be subject to

1 appropriation or transfer by the Legislature or the Governor for
2 any other purpose.

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

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

10 79751. Projects for which the public benefits are eligible for
11 funding under this chapter consist of only the following:

12 (a) Surface storage projects identified in the CALFED Bay-Delta
13 Program Record of Decision, dated August 28, 2000, except for
14 projects prohibited by Chapter 1.4 (commencing with Section
15 5093.50) of Division 5 of the Public Resources Code.

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

19 (c) Conjunctive use and reservoir reoperation projects.

20 (d) Local and regional surface storage projects that improve the
21 operation of water systems in the state and provide public benefits.

22 79752. A project shall not be funded pursuant to this chapter
23 unless it provides measurable improvements to the Delta ecosystem
24 or to the tributaries to the Delta.

25 79753. (a) Funds allocated pursuant to this chapter may be
26 expended solely for the following public benefits associated with
27 water storage projects:

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

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

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

1 (4) Emergency response, including, but not limited to, securing
2 emergency water supplies and flows for dilution and salinity
3 repulsion following a natural disaster or act of terrorism.

4 (5) Recreational purposes, including, but not limited to, those
5 recreational pursuits generally associated with the outdoors.

6 (b) Funds shall not be expended pursuant to this chapter for the
7 costs of environmental mitigation measures or compliance
8 obligations except for those associated with providing the public
9 benefits as described in subdivision (a).

10 79754. In consultation with the Department of Fish and
11 Wildlife, the State Water Resources Control Board, and the
12 department, the commission shall develop and adopt, by regulation,
13 methods for quantification and management of public benefits
14 described in Section 79753 by December 15, 2016. The regulations
15 shall include the priorities and relative environmental value of
16 ecosystem benefits as provided by the Department of Fish and
17 Wildlife and the priorities and relative environmental value of
18 water quality benefits as provided by the State Water Resources
19 Control Board.

20 79755. (a) Except as provided in subdivision (c), no funds
21 allocated pursuant to this chapter may be allocated for a project
22 before December 15, 2016, and until the commission approves the
23 project based on the commission's determination that all of the
24 following have occurred:

25 (1) The commission has adopted the regulations specified in
26 Section 79754 and specifically quantified and made public the cost
27 of the public benefits associated with the project.

28 (2) The department has entered into a contract with each party
29 that will derive benefits, other than public benefits, as defined in
30 Section 79753, from the project that ensures the party will pay its
31 share of the total costs of the project. The benefits available to a
32 party shall be consistent with that party's share of total project
33 costs.

34 (3) The department has entered into a contract with each public
35 agency identified in Section 79754 that administers the public
36 benefits, after that agency makes a finding that the public benefits
37 of the project for which that agency is responsible meet all the
38 requirements of this chapter, to ensure that the public contribution
39 of funds pursuant to this chapter achieves the public benefits
40 identified for the project.

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

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

6 (A) Feasibility studies have been completed.

7 (B) The commission has found and determined that the project
8 is feasible, is consistent with all applicable laws and regulations,
9 and will advance the long-term objectives of restoring ecological
10 health and improving water management for beneficial uses of the
11 Delta.

12 (C) All environmental documentation associated with the project
13 has been completed, and all other federal, state, and local approvals,
14 certifications, and agreements required to be completed have been
15 obtained.

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

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

22 79756. (a) The public benefit cost share of a project funded
23 pursuant to this chapter, other than a project described in
24 subdivision (c) of Section 79751, shall not exceed 50 percent of
25 the total costs of any project funded under this chapter.

26 (b) ~~No~~ A project ~~may~~ *shall not* be funded unless it provides
27 ecosystem improvements as described in paragraph (1) of
28 subdivision (a) of Section 79753 that are at least 50 percent of total
29 public benefits of the project funded under this chapter.

30 79757. (a) A project is not eligible for funding under this
31 chapter unless, by January 1, 2020, all of the following conditions
32 are met:

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

35 (2) The commission makes a finding that the project is feasible,
36 and will advance the long-term objectives of restoring ecological
37 health and improving water management for beneficial uses of the
38 Delta.

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

1 (b) If compliance with subdivision (a) is delayed by litigation
2 or failure to promulgate regulations, the date in subdivision (a)
3 shall be extended by the commission for a time period that is equal
4 to the time period of the delay, and funding under this chapter that
5 has been dedicated to the project shall be encumbered until the
6 time at which the litigation is completed or the regulations have
7 been promulgated.

8 79758. Surface storage projects funded pursuant to this chapter
9 and described in subdivision (a) of Section 79751 may be made a
10 unit of the Central Valley Project, as provided in Section 11290,
11 and may be financed, acquired, constructed, operated, and
12 maintained pursuant to Part 3 (commencing with Section 11100)
13 of Division 6.

14 79759. (a) The funds allocated for the design, acquisition, and
15 construction of surface storage projects identified in the CALFED
16 Bay-Delta Record of Decision, dated August 28, 2000, pursuant
17 to this chapter may be provided for those purposes to local joint
18 powers authorities formed by irrigation districts and other local
19 water districts and local governments within the applicable
20 hydrologic region to design, acquire, and construct those projects.

21 (b) The joint powers authorities described in subdivision (a)
22 may include in their membership governmental partners that are
23 not located within their respective hydrologic regions in financing
24 the surface storage projects, including, as appropriate, cost share
25 participation or equity participation. Notwithstanding Section 6525
26 of the Government Code, the joint powers authorities described
27 in subdivision (a) shall not include in their membership any
28 for-profit corporation, or any mutual water company whose
29 shareholders and members include a for-profit corporation or any
30 other private entity. The department shall be an ex-officio member
31 of each joint powers authority subject to this section, but the
32 department shall not control the governance, management, or
33 operation of the surface water storage projects.

34 (c) A joint powers authority subject to this section shall own,
35 govern, manage, and operate a surface water storage project,
36 subject to the requirement that the ownership, governance,
37 management, and operation of the surface water storage project
38 shall advance the purposes set forth in this chapter.

39 79760. (a) In approving the Safe, Clean, and Reliable Drinking
40 Water Supply Act of 2014, the people were informed and hereby

1 declare that the provisions of this chapter are necessary, integral,
2 and essential to meeting the single object or work of the Safe,
3 Clean, and Reliable Drinking Water Supply Act of 2014. As such,
4 any amendment of the provisions of this chapter by the Legislature
5 without voter approval would frustrate the scheme and design that
6 induced voter approval of this act. The people therefore find and
7 declare that any amendment of the provisions of this chapter by
8 the Legislature shall require approval by two-thirds of the
9 membership in each house of the Legislature and voter approval.

10 (b) This section shall not govern or be used as authority for
11 determining whether the amendment of any other provision of this
12 act not contained in this chapter would constitute a substantial
13 change in the scheme and design of this act requiring voter
14 approval.

15

16 CHAPTER 9. GROUNDWATER PROTECTION AND WATER QUALITY

17

18 79770. (a) The sum of eight hundred million dollars
19 (\$800,000,000) shall be available, upon appropriation by the
20 Legislature from the fund, for expenditures, grants, and loans for
21 projects to prevent or reduce the contamination of groundwater
22 that serves as a source of drinking water. Projects shall be
23 consistent with an adopted integrated regional water management
24 plan. Funds appropriated pursuant to this section shall be available
25 to the State ~~Department of Public Health~~ *Water Resources Control*
26 *Board* for projects necessary to protect public health by preventing
27 or reducing the contamination of groundwater that serves as a
28 major source of drinking water for a community.

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

30 (1) The threat posed by groundwater contamination to the
31 affected community's overall drinking water supplies, including
32 the need for treatment of alternative supplies if groundwater is not
33 available due to contamination.

34 (2) The potential for groundwater contamination to spread and
35 reduce drinking water supply and water storage for nearby
36 population areas.

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

1 (4) The potential of the project to maximize opportunities to
2 recharge vulnerable, high-use groundwater basins and optimize
3 groundwater supplies.

4 (5) The project addresses contamination at a site for which the
5 courts or the appropriate regulatory authority has not yet identified
6 responsible parties, or where the identified responsible parties are
7 unwilling or unable to pay for the total cost of cleanup.

8 (6) The ability of the project to provide disadvantaged
9 communities and economically distressed areas with public
10 drinking water infrastructure that provides clean and safe drinking
11 water supplies and ensures a sustainable groundwater supply.

12 (c) ~~The State Department of Public Health~~ *Water Resources*
13 *Control Board* shall give additional consideration to projects that
14 meet any of the following criteria:

15 (1) The project is implemented pursuant to a comprehensive
16 basinwide groundwater quality management and remediation plan
17 or is necessary to develop a comprehensive groundwater plan.

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

21 (3) The project will serve an economically disadvantaged
22 community or an economically distressed area.

23 (4) *The project addresses contamination at a site where the*
24 *responsible parties have not been identified or where the*
25 *responsible parties are unwilling or unable to pay for cleanup.*

26 (d) Of the amount made available by this section, not less than
27 one hundred million dollars (\$100,000,000) shall be available for
28 ~~costs associated with~~ projects, *programs, or activities* that meet
29 the requirements of this section and both of the following criteria:

30 (1) The costs are part of a basinwide management and
31 remediation plan for which federal funds have been allocated.

32 (2) The costs ~~addresses~~ *address* contamination at a site on the
33 list maintained by the Department of Toxic Substances Control
34 pursuant to Section 25356 of the Health and Safety Code or a site
35 listed on the National Priorities List pursuant to the Comprehensive
36 Environmental Response, Compensation, and Liability Act of 1980
37 (42 U.S.C. Sec. 9601 et seq.).

38 (e) Of the amount made available by this section, one hundred
39 million dollars (\$100,000,000) shall be available to the State
40 ~~Department of Public Health~~ *Water Resources Control Board* for

1 grants and direct expenditures to finance emergency and urgent
2 actions in accordance with this section on behalf of disadvantaged
3 communities and economically distressed areas to ensure that safe
4 drinking water supplies are available to all Californians.

5 ~~(f) The Legislature, by statute, shall establish both of the~~
6 ~~following:~~

7 ~~(1) A requirement that the grantee repay grant funds in the event~~
8 ~~of cost recovery from the parties responsible for the groundwater~~
9 ~~contamination.~~

10 ~~(2) A requirement that the grantee make reasonable efforts to~~
11 ~~attempt to recover the costs of cleanup from the parties responsible~~
12 ~~for the contamination, except that a grantee shall not be required~~
13 ~~to seek cost recovery related to the costs of response actions~~
14 ~~apportioned to responsible parties who are insolvent or cannot be~~
15 ~~identified or located or when a requirement to seek cost recovery~~
16 ~~would impose a financial hardship on the grantee.~~

17 79771. *(a) Funding authorized by this chapter shall not be*
18 *used to pay any share of the costs of remediation recovered from*
19 *parties responsible for the contamination of a groundwater storage*
20 *aquifer, but may be used to pay costs that cannot be recovered*
21 *from responsible parties. Parties that receive funding for*
22 *remediating groundwater storage aquifers shall exercise*
23 *reasonable efforts to recover the costs of groundwater cleanup*
24 *from the parties responsible for the contamination.*

25 *(b) Projects and activities that leverage funding from local*
26 *agencies and responsible parties to the maximum extent possible*
27 *shall receive priority consideration.*

28 79772. The contaminants that may be addressed with funding
29 pursuant to this chapter may include, but shall not be limited to,
30 nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,
31 selenium, hexavalent chromium, mercury, PCE
32 (perchloroethylene), TCE (trichloroethylene), DCE
33 (dichloroethene), DCA (dichloroethane), 1, 2, 3 TCP
34 (trichloropropane), carbon tetrachloride, 1,4-dioxane, 1,4
35 -dioxacyclohexane, NDMA (N-nitrosodimethylamine), bromide,
36 iron, manganese, and uranium.

37 79773. (a) A project that receives funding under this chapter
38 shall be selected by a competitive grant or loan process with added
39 consideration for those projects that leverage private, federal, or
40 local funding.

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

6 (c) An agency administering grants or loans for the purposes of
7 this chapter shall assess the capacity of a community to pay for
8 the operation and maintenance of the facility to be funded.

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

12 (e) Funding authorized pursuant to this chapter shall include
13 funding for technical assistance to disadvantaged communities
14 and economically distressed areas. The State Department of Public
15 Health shall operate a multidisciplinary technical assistance
16 program for disadvantaged communities and economically
17 distressed areas.

18
19 CHAPTER 10. WATER RECYCLING, CONSERVATION, AND
20 EFFICIENCY PROGRAM
21

22 79780. (a) In order to improve regional water self-reliance
23 and help ensure a sustainable water supply for California, the
24 purposes of this chapter are to:

25 (1) Advance recycled water as a sustainable, cost-effective, and
26 ~~environmental~~ *environmentally* beneficial source of water that
27 should be utilized to the fullest extent possible.

28 (2) Promote recycled water as a key component to the state's
29 sustainability strategy and an important part of the state's
30 adaptation to, and mitigation of, the impacts of climate change.

31 (3) Achieve direct and indirect long-term benefits related to
32 water and energy conservation and salinity management.

33 79781. The sum of one billion fifty million dollars
34 (\$1,050,000,000) shall be available, upon appropriation by the
35 Legislature, from the fund to the department as follows:

36 (a) The sum of eight hundred million dollars (\$800,000,000)
37 shall be available for grants and loans for water recycling and
38 advanced treatment technology projects, including all of the
39 following:

- 1 (1) Water recycling projects, including, but not limited to,
 2 treatment, storage, conveyance, and distribution facilities for
 3 potable and nonpotable water recycling projects.
- 4 (2) Contaminant and salt removal projects, including, but not
 5 limited to, groundwater and seawater desalination.
- 6 (3) Dedicated distribution infrastructure for recycled water,
 7 including residential, commercial, agricultural, and industrial
 8 end-user retrofit projects to allow use of recycled water.
- 9 (4) Pilot projects for new salt and contaminant removal
 10 technology.
- 11 (5) Groundwater recharge infrastructure related to recycled
 12 water.
- 13 (6) Technical assistance and grant writing assistance for
 14 disadvantaged communities and economically distressed areas.
- 15 (b) The sum of two hundred fifty million dollars (\$250,000,000)
 16 shall be available for direct expenditures, grants, and loans for
 17 water conservation and water use efficiency plans, projects, and
 18 programs, including any of the following:
- 19 (1) Urban water conservation plans, projects, and programs,
 20 including regional projects and programs, implemented to achieve
 21 urban water use targets pursuant to Chapter 3 (commencing with
 22 Section 10608.16) of Part 2.55 of Division 6. Priority for funding
 23 shall be given to programs that do the following:
- 24 (A) Assist water suppliers and regions to implement
 25 conservation programs and measures that are not locally cost
 26 effective.
- 27 (B) Support water supplier and regional efforts to implement
 28 programs targeted to enhance water use efficiency for commercial,
 29 industrial, and institutional water users.
- 30 (C) Assist water suppliers and regions with programs and
 31 measures targeted toward realizing the conservation benefits of
 32 implementation of the provisions of the state landscape model
 33 ordinance.
- 34 (2) Agricultural water use efficiency projects and programs
 35 pursuant to Part 2.8 (commencing with Section 10800) of Division
 36 6.
- 37 (3) Agricultural water management plans developed pursuant
 38 to Part 2.8 (commencing with Section 10800) of Division 6.
 39 79782. Of the funds made available in subdivision (a) of
 40 Section 79781, not less than fifty million dollars (\$50,000,000)

1 shall be available for projects that are designed to help restore lost
2 water supply reliability in areas with widespread groundwater
3 contamination in locations that contain sites that are listed by the
4 Department of Toxic Substances Control pursuant to Section 25356
5 of the Health and Safety Code or a site listed on the National
6 Priorities List pursuant to the federal Comprehensive
7 Environmental Response, Compensation, and Liability Act of 1980
8 (42 U.S.C. Section 9601 et seq.) and for which federal funds have
9 been allocated pursuant to Public Law 106-554.

10 79783. For projects funded pursuant to the funds made available
11 pursuant to subdivision (a) of Section 79781, at least a 50 percent
12 local cost-share shall be required. That cost share may be suspended
13 or reduced for disadvantaged communities and economically
14 distressed areas.

15 79784. Projects funded pursuant to the funds made available
16 pursuant to subdivision (a) of Section 79781 shall be selected on
17 a competitive basis, considering all of the following criteria:

- 18 (a) Water supply reliability improvement.
- 19 (b) Water quality and ecosystem benefits related to decreased
20 reliance on diversions from the Delta or instream flows.
- 21 (c) Public health benefits from improved drinking water quality.
- 22 (d) Cost-effectiveness.
- 23 (e) Energy efficiency and greenhouse gas emission impacts.

24 79785. Section 1011 applies to all conservation measures that
25 an agricultural water supplier or an urban water supplier
26 implements with funding under this chapter. This subdivision does
27 not limit the application of Section 1011 to any other measures or
28 projects implemented by a water supplier.

29 79786. The department shall award grants or loans under this
30 chapter in a competitive process that considers, as primary factors,
31 the local and statewide conservation and water use efficiency
32 benefits of the measures proposed for grants or loans.

33

34 CHAPTER 11. FISCAL PROVISIONS

35

36 79790. (a) Bonds in the total amount of ~~seven billion nine~~
37 ~~hundred thirty-five million dollars (\$7,935,000,000)~~ *eight billion*
38 *thirty-five million dollars (\$8,035,000,000)*, or so much thereof as
39 is necessary, not including the amount of any refunding bonds
40 issued in accordance with Section 79802, may be issued and sold

1 to provide a fund to be used for carrying out the purposes expressed
2 in this division and to reimburse the General Obligation Bond
3 Expense Revolving Fund pursuant to Section 16724.5 of the
4 Government Code. The bonds, when sold, shall be and constitute
5 valid and binding obligations of the State of California, and the
6 full faith and credit of the State of California is hereby pledged
7 for the punctual payment of both the principal of, and interest on,
8 the bonds as the principal and interest become due and payable.

9 (b) The Treasurer shall sell the bonds authorized by the
10 committee pursuant to this section. The bonds shall be sold upon
11 the terms and conditions specified in a resolution to be adopted
12 by the committee pursuant to Section 16731 of the Government
13 Code.

14 79791. The bonds authorized by this division shall be prepared,
15 executed, issued, sold, paid, and redeemed as provided in the State
16 General Obligation Bond Law, and all of the provisions of that
17 law apply to the bonds and to this division and are hereby
18 incorporated in this division as though set forth in full in this
19 division, except subdivisions (a) and (b) of Section 16727 of the
20 Government Code.

21 79792. (a) Solely for the purpose of authorizing the issuance
22 and sale, pursuant to the State General Obligation Bond Law, of
23 the bonds authorized by this division, the Safe, Clean, and Reliable
24 Drinking Water Supply Finance Committee is hereby created. For
25 purposes of this division, the Safe, Clean, and Reliable Drinking
26 Water Supply Finance Committee is “the committee” as that term
27 is used in the State General Obligation Bond Law.

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

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

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

37 79793. The committee shall determine whether or not it is
38 necessary or desirable to issue bonds authorized pursuant to this
39 division to carry out the actions specified in this division and, if
40 so, the amount of bonds to be issued and sold. Successive issues

1 of bonds may be authorized and sold to carry out those actions
2 progressively, and it is not necessary that all of the bonds
3 authorized to be issued be sold at any one time.

4 79794. "Board," as defined in Section 16722 of the Government
5 Code for the purposes of compliance with the State General
6 Obligation Bond Law, means the department.

7 79795. There shall be collected each year and in the same
8 manner and at the same time as other state revenue is collected,
9 in addition to the ordinary revenues of the state, a sum in an amount
10 required to pay the principal of, and interest on, the bonds each
11 year, and it is the duty of all officers charged by law with any duty
12 in regard to the collection of the revenue to do and perform each
13 and every act which is necessary to collect that additional sum.

14 79796. Notwithstanding Section 13340 of the Government
15 Code, there is hereby appropriated from the General Fund in the
16 State Treasury, for the purposes of this division, an amount that
17 will equal the total of the following:

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

21 (b) The sum that is necessary to carry out the provisions of
22 Section 79799, appropriated without regard to fiscal years.

23 79797. The board may request the Pooled Money Investment
24 Board to make a loan from the Pooled Money Investment Account
25 in accordance with Section 16312 of the Government Code for the
26 purpose of carrying out this division less any amount withdrawn
27 pursuant to Section 79799. The amount of the request shall not
28 exceed the amount of the unsold bonds that the committee has, by
29 resolution, authorized to be sold for the purpose of carrying out
30 this division. The board shall execute those documents required
31 by the Pooled Money Investment Board to obtain and repay the
32 loan. Any amounts loaned shall be deposited in the fund to be
33 allocated in accordance with this division.

34 79798. Notwithstanding any other provision of this division,
35 or of the State General Obligation Bond Law, if the Treasurer sells
36 bonds that include a bond counsel opinion to the effect that the
37 interest on the bonds is excluded from gross income for federal
38 tax purposes under designated conditions, or is otherwise entitled
39 to any federal tax advantage, the Treasurer may maintain separate
40 accounts for the bond proceeds invested and for the investment

1 earnings on those proceeds, and may use or direct the use of those
2 proceeds or earnings to pay any rebate, penalty, or other payment
3 required under federal law or take any other action with respect
4 to the investment and use of those bond proceeds, as may be
5 required or desirable under federal law in order to maintain the
6 tax-exempt status of those bonds and to obtain any other advantage
7 under federal law on behalf of the funds of this state.

8 79799. For the purposes of carrying out this division, the
9 Director of Finance may authorize the withdrawal from the General
10 Fund of an amount or amounts not to exceed the amount of the
11 unsold bonds that have been authorized by the committee to be
12 sold for the purpose of carrying out this division. Any amounts
13 withdrawn shall be deposited in the fund. Any money made
14 available under this section shall be returned to the General Fund,
15 with interest at the rate earned by the money in the Pooled Money
16 Investment Account, from proceeds received from the sale of bonds
17 for the purpose of carrying out this division.

18 79800. All money deposited in the fund that is derived from
19 premiums and accrued interest on bonds sold pursuant to this
20 division shall be reserved in the fund and shall be available for
21 transfer to the General Fund as a credit to expenditures for bond
22 interest, except that amounts derived from premium may be
23 reserved and used to pay the cost of bond issuance prior to any
24 transfer to the General Fund.

25 79801. Pursuant to Chapter 4 (commencing with Section
26 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
27 the cost of bond issuance shall be paid out of the bond proceeds,
28 including premium, if any. To the extent the cost of bond issuance
29 is not paid from premiums received from the sale of bonds, the
30 cost shall be shared proportionately by each program funded
31 through this division by the applicable bond sale.

32 79802. The bonds issued and sold pursuant to this division
33 may be refunded in accordance with Article 6 (commencing with
34 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
35 the Government Code, which is a part of the State General
36 Obligation Bond Law. Approval by the electors of the state for the
37 issuance of the bonds under this division shall include approval
38 of the issuance of any bonds issued to refund any bonds originally
39 issued under this division or any previously issued refunding bonds.

1 79803. The proceeds from the sale of bonds authorized by this
2 division are not “proceeds of taxes” as that term is used in Article
3 XIII B of the California Constitution, and the disbursement of
4 these proceeds is not subject to the limitations imposed by that
5 article.

6 79804. Of the ~~seven billion nine hundred~~ *eight billion*
7 *thirty-five million* dollars ~~(\$7,935,000,000)~~ *(\$8,035,000,000)* in
8 bonds authorized in this division, no more than ~~three billion nine~~
9 ~~hundred sixty-seven~~ *four billion seventeen* million five hundred
10 thousand dollars ~~(\$3,967,500,000)~~ *(\$4,017,500,000)* shall be sold
11 by the Treasurer before July 1, 2019.

12 SEC. 3. Section 2 of Chapter 3 of the Seventh Extraordinary
13 Session of the Statutes of 2009, as amended by Section 1 of
14 Chapter 74 of the Statutes of 2012, is repealed.

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

19 SEC. 5. Section 2 of this act shall take effect upon the approval
20 by the voters of the Safe, Clean, and Reliable Drinking Water
21 Supply Act of 2014, as set forth in that section at the November
22 4, 2014, statewide general election.

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

27 In order to fund a safe, clean, and reliable water supply at the
28 earliest possible date, it is necessary that this act take effect
29 immediately.