

AMENDED IN ASSEMBLY AUGUST 11, 2014

AMENDED IN ASSEMBLY JUNE 12, 2014

**SENATE BILL**

**No. 866**

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**Introduced by ~~Committee on Budget and Fiscal Review~~ Senators  
*Wolk and Steinberg***

January 9, 2014

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~~An act to amend Sections 12722 and 12728 of, and to add Section 12559 to, the Health and Safety Code, relating to fireworks, and declaring the urgency thereof, to take effect immediately. An act to add Section 75089 to the Public Resources Code, to add Section 79591 to, and 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 water quality, supply, and infrastructure improvement 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

SB 866, as amended, ~~Committee on Budget and Fiscal Review~~ *Wolk*. ~~Fireworks: tax on distribution.~~ *Water Quality, Supply, and Infrastructure Improvement 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. Existing law, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative measure approved by the voters as Proposition 84 at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$5,388,000,000 for the purposes of safe drinking water, water quality and supply, flood control, natural resource protection, and park improvements. Existing law, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, an initiative measure approved by the voters as Proposition 50 at the November 5, 2002, statewide general election, authorizes, for the purposes of financing a safe drinking water, water quality, and water reliability program, the issuance of bonds in the amount of \$3,440,000,000.*

*This bill would enact the Water Quality, Supply, and Infrastructure Improvement Act of 2014, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,995,000,000 pursuant to the State General Obligation Bond Law to finance a water quality, supply, and infrastructure improvement program. This bill, upon voter approval, would reallocate \$105,000,000 of specified funds authorized for the purposes of Proposition 84 and \$95,000,000 of specified funds authorized for the purposes of Proposition 50 for the purposes of a water quality, supply, and infrastructure improvement program.*

*This bill would provide for the submission of these provisions 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.*

~~Existing law authorizes the annual retail sale of safe and sane fireworks from June 28 to July 6, inclusive, pursuant to a license issued by the State Fire Marshal, unless otherwise prohibited or regulated by law or ordinance. Existing law authorizes various entities, including the State Fire Marshal, to seize certain prohibited fireworks. Existing law requires an authority that seizes fireworks to notify the State Fire Marshal of the seizure and to provide specified information. Existing law requires the State Fire Marshal to dispose of the seized fireworks~~

~~and requires dangerous fireworks to be disposed of according to specified procedures. Existing law establishes the State Fire Marshal Fireworks Enforcement and Disposal Fund (fund) in the State Treasury. Existing law requires moneys in the fund to be used by the State Fire Marshal for various purposes, including for the education of public safety agencies in the proper handling and management of dangerous fireworks and to further assist in public safety and education efforts within the general public as well as public safety agencies on the proper and responsible use of safe and sane fireworks. Existing law makes a violation of the law and regulations relating to fireworks a crime.~~

~~This bill would require the moneys in the fund to be used for the training of public safety agencies in the proper handling and management of dangerous fireworks and to further assist in public safety efforts within the general public as well as public safety agencies on the proper and responsible use, seizure, and storage of safe and sane fireworks. The bill would also authorize moneys in the fund to be used for the disposal of any seized fireworks and any infrastructure requirements necessary for the disposal of fireworks as well as used for the administration of the fund by the Office of the State Fire Marshal or its contracted designee.~~

~~This bill would require, commencing January 1, 2015, a distributor, as defined, to pay a tax upon distribution, as defined, of safe and sane fireworks, as provided. The bill would require the revenue from the tax to be deposited into the fund to be used for the purposes described above. The bill would authorize the State Fire Marshal to adjust the tax rate if the revenue in the fund is not estimated to cover expenses. The bill would specifically exclude a violation of these provisions from being a crime. The bill would also authorize the seizure of safe and sane fireworks distributed in this state by an unlicensed distributor for which the required tax has not been paid.~~

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

~~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. Section 75089 is added to the Public Resources
- 2     Code, to read:

1 75089. Notwithstanding any other law, one hundred five million  
2 dollars (\$105,000,000) of the funds authorized for the purposes  
3 of this division and set aside for the administration and bond  
4 issuance costs are reallocated for the purposes of Division 26.7  
5 (commencing with Section 79700) of the Water Code.

6 SEC. 2. Section 79591 is added to the Water Code, to read:  
7 79591. Notwithstanding any other law, ninety-five million  
8 dollars (\$95,000,000) of the funds authorized for the purposes of  
9 this division and set aside for the administration and bond issuance  
10 costs are reallocated for the purposes of Division 26.7  
11 (commencing with Section 79700).

12 SEC. 3. Division 26.7 (commencing with Section 79700) of the  
13 Water Code, as added by Section 1 of Chapter 3 of the Seventh  
14 Extraordinary Session of the Statutes of 2009, is repealed.

15 SEC. 4. Division 26.7 (commencing with Section 79700) is  
16 added to the Water Code, to read:

17  
18 *DIVISION 26.7. WATER QUALITY, SUPPLY, AND*  
19 *INFRASTRUCTURE IMPROVEMENT ACT OF 2014*

20  
21 *CHAPTER 1. SHORT TITLE*

22  
23 79700. This division shall be known, and may be cited, as the  
24 Water Quality, Supply, and Infrastructure Improvement Act of  
25 2014.

26  
27 *CHAPTER 2. FINDINGS*

28  
29 79701. The people of California find and declare all of the  
30 following:

31 (a) Safeguarding California’s supply of clean and safe water  
32 for homes, businesses, and farms is an essential responsibility of  
33 government, and critical to protecting the quality of life for all  
34 Californians.

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

37 (c) California has been experiencing more frequent and severe  
38 droughts and is currently enduring the worst drought in 200 years.  
39 These droughts are magnifying the shortcomings of our current  
40 water infrastructure.

1 (d) California’s water infrastructure continues to age and  
2 deteriorate. More than 50 years ago, Californians approved the  
3 construction of the State Water Project. In recent decades,  
4 however, that infrastructure has proven inadequate to meet  
5 California’s growing needs.

6 (e) This measure provides funding to implement the three  
7 objectives of the California Water Action Plan which are more  
8 reliable water supplies, the restoration of important species and  
9 habitat, and a more resilient and sustainably managed water  
10 infrastructure.

11 (f) Developing and guarding our water resources is critical for  
12 California to maintain vibrant communities, globally competitive  
13 agriculture, and healthy ecosystems.

14 (g) Encouraging water conservation and recycling are  
15 commonsense methods to make more efficient use of existing water  
16 supplies.

17 (h) Sustainable water management in California depends upon  
18 reducing and reversing overdraft and water quality impairment  
19 of groundwater basins. Investments to expand groundwater storage  
20 and reduce and reverse overdraft and water quality impairment  
21 of groundwater basins provide extraordinary public benefit and  
22 are in the public interest.

23 (i) Protecting lakes, rivers, and streams, cleaning up polluted  
24 groundwater supplies, and preserving water sources that supply  
25 the entire state are crucial to providing a reliable supply of water  
26 and protecting the state’s natural resources.

27 (j) The Water Quality, Supply, and Infrastructure Improvement  
28 Act of 2014 provides a comprehensive and fiscally responsible  
29 approach for addressing the varied challenges facing California’s  
30 water resources.

31  
32 *CHAPTER 3. DEFINITIONS*

33  
34 79702. Unless the context otherwise requires, the definitions  
35 set forth in this section govern the construction of this division, as  
36 follows:

37 (a) “Acquisition” means obtaining a fee interest or any other  
38 interest in real property, including, easements, leases, water, water  
39 rights, or interest in water obtained for the purposes of instream  
40 flows and development rights.

- 1 (b) “CALFED Bay-Delta Program” means the program  
2 described in the Record of Decision dated August 28, 2000.
- 3 (c) “Commission” means the California Water Commission.
- 4 (d) “Committee” means the Water Quality, Supply, and  
5 Infrastructure Improvement Finance Committee created by Section  
6 79787.
- 7 (e) “Delta” means the Sacramento-San Joaquin Delta, as  
8 defined in Section 85058.
- 9 (f) “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  
12 south Delta.
- 13 (g) “Delta counties” means the Counties of Contra Costa,  
14 Sacramento, San Joaquin, Solano, and Yolo.
- 15 (h) “Delta plan” has the meaning set forth in Section 85059.
- 16 (i) “Director” means the Director of Water Resources.
- 17 (j) “Disadvantaged community” has the meaning set forth in  
18 subdivision (a) of Section 79505.5.
- 19 (k) “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 (l) “Fund” means the Water Quality, Supply, and Infrastructure  
32 Improvement Fund of 2014 created by Section 79715.
- 33 (m) “Instream flows” means a specific streamflow, measured  
34 in cubic feet per second, at a particular location for a defined time,  
35 and typically follows seasonal variations.
- 36 (n) “Integrated regional water management plan” has the  
37 meaning set forth in Part 2.2 (commencing with Section 10530)  
38 of Division 6, as that part may be amended.
- 39 (o) “Long-term” means for a period of not less than 20 years.

1 (p) “Nonprofit organization” means an organization qualified  
2 to do business in California and qualified under Section 501(c)(3)  
3 of Title 26 of the United States Code.

4 (q) “Proposition 1E” means the Disaster Preparedness and  
5 Flood Prevention Bond Act of 2006 (Chapter 1.699 (commencing  
6 with Section 5096.800) of Division 5 of the Public Resources  
7 Code).

8 (r) “Proposition 84” means the Safe Drinking Water, Water  
9 Quality and Supply, Flood Control, River and Coastal Protection  
10 Bond Act of 2006 (Division 43 (commencing with Section 75001)  
11 of the Public Resources Code).

12 (s) “Public agency” means a state agency or department,  
13 district, joint powers authority, city, county, city and county, or  
14 other political subdivision of the state.

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

17 (u) “Secretary” means the Secretary of the Natural Resources  
18 Agency.

19 (v) “Severely disadvantaged community” has the meaning set  
20 forth in subdivision (a) of Section 116760.20 of the Health and  
21 Safety Code.

22 (w) “Small community water system” means a community water  
23 system that serves no more than 3,300 service connections or a  
24 yearlong population of no more than 10,000 persons.

25 (x) “State board” means the State Water Resources Control  
26 Board.

27 (y) “State General Obligation Bond Law” means the State  
28 General Obligation Bond Law (Chapter 4 (commencing with  
29 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
30 Code).

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

33 (aa) “Stormwater” has the meaning set forth in subdivision (e)  
34 of Section 10573.

35 (ab) “Water right” means a legal entitlement authorizing water  
36 to be diverted from a specified source and put to a beneficial,  
37 nonwasteful use.

## CHAPTER 4. GENERAL PROVISIONS

1  
2  
3 79703. An amount that equals not more than 5 percent of the  
4 funds allocated for a grant program pursuant to this division may  
5 be used to pay the administrative costs of that program.

6 79704. Unless otherwise specified, up to 10 percent of funds  
7 allocated for each program funded by this division may be  
8 expended for planning and monitoring necessary for the successful  
9 design, selection, and implementation of the projects authorized  
10 under that program. This section shall not otherwise restrict funds  
11 ordinarily used by an agency for “preliminary plans,” “working  
12 drawings,” and “construction” as defined in the annual Budget  
13 Act for a capital outlay project or grant project. Water quality  
14 monitoring data shall be collected and reported to the state board  
15 in a manner that is compatible and consistent with surface water  
16 monitoring data systems or groundwater monitoring data systems  
17 administered by the state board. Watershed monitoring data shall  
18 be collected and reported to the Department of Conservation in a  
19 manner that is compatible and consistent with the statewide  
20 watershed program administered by the Department of  
21 Conservation.

22 79705. Chapter 3.5 (commencing with Section 11340) of Part  
23 1 of Division 3 of Title 2 of the Government Code does not apply  
24 to the development or implementation of programs or projects  
25 authorized or funded under this division other than Chapter 8  
26 (commencing with Section 79750).

27 79706. (a) Prior to disbursing grants or loans pursuant to this  
28 division, each state agency that receives an appropriation from  
29 the funding made available by this division to administer a  
30 competitive grant or loan program under this division shall develop  
31 and adopt project solicitation and evaluation guidelines. The  
32 guidelines shall include monitoring and reporting requirements  
33 and may include a limitation on the dollar amount of grants or  
34 loans to be awarded. If the state agency has previously developed  
35 and adopted project solicitation and evaluation guidelines that  
36 comply with the requirements of this subdivision, it may use those  
37 guidelines.

38 (b) Prior to disbursing grants or loans, the state agency shall  
39 conduct three public meetings to consider public comments prior  
40 to finalizing the guidelines. The state agency shall publish the draft

1 *solicitation and evaluation guidelines on its Internet Web site at*  
2 *least 30 days before the public meetings. One meeting shall be*  
3 *conducted at a location in northern California, one meeting shall*  
4 *be conducted at a location in the central valley of California, and*  
5 *one meeting shall be conducted at a location in southern*  
6 *California. Upon adoption, the state agency shall transmit copies*  
7 *of the guidelines to the fiscal committees and the appropriate policy*  
8 *committees of the Legislature.*

9 *79707. It is the intent of the people that:*

10 *(a) The investment of public funds pursuant to this division will*  
11 *result in public benefits that address the most critical statewide*  
12 *needs and priorities for public funding.*

13 *(b) In the appropriation and expenditure of funding authorized*  
14 *by this division, priority will be given to projects that leverage*  
15 *private, federal, or local funding or produce the greatest public*  
16 *benefit.*

17 *(c) A funded project advances the purposes of the chapter from*  
18 *which the project received funding.*

19 *(d) In making decisions regarding water resources, state and*  
20 *local water agencies will use the best available science to inform*  
21 *those decisions.*

22 *(e) Special consideration will be given to projects that employ*  
23 *new or innovative technology or practices, including decision*  
24 *support tools that support the integration of multiple jurisdictions,*  
25 *including, but not limited to, water supply, flood control, land use,*  
26 *and sanitation.*

27 *(f) Evaluation of projects considered for funding pursuant to*  
28 *this division will include review by professionals in the fields*  
29 *relevant to the proposed project.*

30 *(g) To the extent practicable, a project supported by funds made*  
31 *available by this division will include signage informing the public*  
32 *that the project received funds from the Water Quality, Supply,*  
33 *and Infrastructure Improvement Act of 2014.*

34 *(h) Projects funded with proceeds from this division will be*  
35 *consistent with Division 7 (commencing with Section 13000) of*  
36 *this code and Section 13100 of the Government Code.*

37 *(i) Projects funded with proceeds from this division will promote*  
38 *state planning priorities consistent with the provisions of Section*  
39 *65041.1 of the Government Code and sustainable communities*  
40 *strategies consistent with the provisions of subparagraph (B) of*

1 paragraph (2) of subdivision (b) of Section 65080 of the  
2 Government Code, to the extent feasible.

3 (j) California's working agricultural and forested landscapes  
4 will be preserved wherever possible. To the extent feasible,  
5 watershed objectives included in this division should be achieved  
6 through use of conservation easements and voluntary landowner  
7 participation, including, but not limited to, the use of easements  
8 pursuant to Division 10.2 (commencing with Section 10200) and  
9 Division 10.4 (commencing with Section 10330) of the Public  
10 Resources Code and voluntary habitat credit exchange  
11 mechanisms.

12 79708. (a) The Department of Finance shall provide for an  
13 independent audit of expenditures pursuant to this division. The  
14 secretary shall publish a list of all program and project  
15 expenditures pursuant to this division not less than annually, in  
16 written form, and shall post an electronic form of the list on the  
17 Natural Resources Agency's Internet Web site.

18 (b) If an audit, required by statute, of any entity that receives  
19 funding authorized by this division is conducted pursuant to state  
20 law and reveals any malfeasance, the California State Auditor or  
21 the Controller may conduct a full audit of any or all of the activities  
22 of that entity.

23 (c) The state agency issuing any grant or loan with funding  
24 authorized by this division shall require adequate reporting of the  
25 expenditures of the funding from the grant or loan.

26 (d) Prior to soliciting projects pursuant to this division, state  
27 agencies shall submit guidelines to the secretary. The secretary  
28 shall verify that the guidelines are consistent with applicable  
29 statutes and for all the purposes enumerated in this division. The  
30 secretary shall post an electronic form of the guidelines submitted  
31 by state agencies and the subsequent verifications on the Natural  
32 Resources Agency's Internet Web site.

33 79709. (a) Funds expended pursuant to this division for the  
34 acquisition of a permanent dedication of water shall be in  
35 accordance with Section 1707 where the state board specifies that  
36 the water is in addition to water that is required for regulatory  
37 requirements as provided in subdivision (c) of Section 1707. The  
38 expenditure of funds provided by this division may include the  
39 initiation of the dedication as a short term or temporary urgency  
40 change, that is approved in accordance with Section 1707 and

1 *either Chapter 6.6 (commencing with Section 1435) of, or Chapter*  
2 *10.5 (commencing with Section 1725) of, Part 2 of Division 2,*  
3 *during the period required to prepare any environmental*  
4 *documentation and for approval of permanent dedication.*

5 *(b) Funds expended pursuant to this division for the acquisition*  
6 *of long-term transfers of water shall be transfers in accordance*  
7 *with Sections 1735, 1736, and 1737 if the state board, after*  
8 *providing notice and opportunity for a hearing, approves such a*  
9 *petition. Funds expended pursuant to this division shall prioritize*  
10 *permanent transfers and long-term transfers of water. Long-term*  
11 *transfers shall be for a period of not less than 20 years, except for*  
12 *any water transfers for the benefit of subsection (d) of Section*  
13 *3406 of the Central Valley Project Improvement Act (Title 34 of*  
14 *Public Law 102-575).*

15 *(c) Funds expended as described in this section shall only be*  
16 *used for projects that will provide fisheries or ecosystem benefits*  
17 *or improvements that are greater than required applicable*  
18 *environmental mitigation measures or compliance obligations in*  
19 *effect at the time the funds from this division are made available*  
20 *for the project and funds shall not be credited to any such measures*  
21 *or obligations, except for any water transfers for the benefit of*  
22 *subsection (d) of Section 3405 of Title 34 of the Central Valley*  
23 *Project Improvement Act (Title 34 of Public Law 102-575).*

24 *79710. (a) Funds provided by this division shall not be*  
25 *expended to pay the costs of the design, construction, operation,*  
26 *mitigation, or maintenance of Delta conveyance facilities. Those*  
27 *costs shall be the responsibility of the water agencies that benefit*  
28 *from the design, construction, operation, mitigation, or*  
29 *maintenance of those facilities.*

30 *(b) To the extent feasible, in implementing subdivision (k) of*  
31 *Section 79731, the Sacramento-San Joaquin Delta Conservancy*  
32 *shall seek to achieve wildlife conservation objectives through*  
33 *projects on public lands or voluntary projects on private lands.*  
34 *Funds available to the Sacramento-San Joaquin Delta Conservancy*  
35 *pursuant to subdivision (k) of Section 79731 may be used, in*  
36 *consultation with the Department of Fish and Wildlife, for*  
37 *payments to landowners for the creation of measurable habitat*  
38 *improvements or other improvements to the condition of*  
39 *endangered or threatened species. The Sacramento-San Joaquin*  
40 *Delta Conservancy may develop and implement a competitive*

1 *program for habitat enhancements that maximizes voluntary*  
2 *landowner participation in projects that provide measurable and*  
3 *long-lasting habitat or species improvements in the Delta. These*  
4 *funds shall not be used to subsidize or decrease the mitigation*  
5 *obligations of any party.*

6 *(c) In implementing subdivision (k) of Section 79731, the*  
7 *Sacramento-San Joaquin Delta Conservancy shall coordinate,*  
8 *cooperate, and consult with the city or county in which a grant is*  
9 *proposed to be expended or an interest in real property is proposed*  
10 *to be acquired and with the Delta Protection Commission.*  
11 *Acquisitions by the Sacramento-San Joaquin Delta Conservancy*  
12 *pursuant to subdivision (k) of Section 79731 shall be from willing*  
13 *sellers only.*

14 *79711. (a) This division does not diminish, impair, or*  
15 *otherwise affect in any manner whatsoever any area of origin,*  
16 *watershed of origin, county of origin, or any other water rights*  
17 *protections, including, but not limited to, rights to water*  
18 *appropriated prior to December 19, 1914, provided under the law.*  
19 *This division does not limit or affect the application of Article 1.7*  
20 *(commencing with Section 1215) of Chapter 1 of Part 2 of Division*  
21 *2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and*  
22 *11463, and Sections 12200 to 12220, inclusive.*

23 *(b) For the purposes of this division, an area that utilizes water*  
24 *that has been diverted and conveyed from the Sacramento River*  
25 *hydrologic region, for use outside the Sacramento River hydrologic*  
26 *region or the Delta, shall not be deemed to be immediately adjacent*  
27 *thereto or capable of being conveniently supplied with water*  
28 *therefrom by virtue or on account of the diversion and conveyance*  
29 *of that water through facilities that may be constructed for that*  
30 *purpose after January 1, 2014.*

31 *(c) Nothing in this division supersedes, limits, or otherwise*  
32 *modifies the applicability of Chapter 10 (commencing with Section*  
33 *1700) of Part 2 of Division 2, including petitions related to any*  
34 *new conveyance constructed or operated in accordance with*  
35 *Chapter 2 (commencing with Section 85320) of Part 4 of Division*  
36 *35.*

37 *(d) Unless otherwise expressly provided, nothing in this division*  
38 *supersedes, reduces, or otherwise affects existing legal protections,*  
39 *both procedural and substantive, relating to the state board's*  
40 *regulation of diversion and use of water, including, but not limited*

1 to, water right priorities, the protection provided to municipal  
2 interests by Sections 106 and 106.5, and changes in water rights.  
3 Nothing in this division expands or otherwise alters the state  
4 board's existing authority to regulate the diversion and use of  
5 water or the courts' existing concurrent jurisdiction over California  
6 water rights.

7 (e) Nothing in this division shall be construed to affect the  
8 California Wild and Scenic Rivers Act (Chapter 1.4 (commencing  
9 with Section 5093.50) of Division 5 of the Public Resources Code)  
10 or the federal Wild and Scenic Rivers Act (16 U.S.C. Sec. 1271 et  
11 seq.) and funds authorized pursuant to this division shall not be  
12 available for any project that could have an adverse effect on the  
13 values upon which a wild and scenic river or any other river is  
14 afforded protections pursuant to the California Wild and Scenic  
15 Rivers Act or the federal Wild and Scenic Rivers Act.

16 (f) Nothing in this division supersedes, limits, or otherwise  
17 modifies the Sacramento-San Joaquin Delta Reform Act of 2009  
18 (Division 35 (commencing with Section 85000)) or any other  
19 applicable law, including, but not limited to, Division 22.3  
20 (commencing with Section 32300) of the Public Resources Code.

21 (g) Funds provided by this division shall not be used to acquire  
22 land via eminent domain.

23 (h) Notwithstanding any other law, any agency acquiring land  
24 pursuant to this division may use the Natural Heritage Preservation  
25 Tax Credit Act of 2000 (Division 28 (commencing with Section  
26 37000) of the Public Resources Code).

27 79712. (a) Eligible applicants under this division are public  
28 agencies, nonprofit organizations, public utilities, federally  
29 recognized Indian tribes, state Indian tribes listed on the Native  
30 American Heritage Commission's California Tribal Consultation  
31 List, and mutual water companies.

32 (b) (1) To be eligible for funding under this division, a project  
33 proposed by a public utility that is regulated by the Public Utilities  
34 Commission or a mutual water company shall have a clear and  
35 definite public purpose and shall benefit the customers of the water  
36 system and not the investors.

37 (2) To be eligible for funding under this division, an urban water  
38 supplier shall adopt and submit an urban water management plan  
39 in accordance with the Urban Water Management Planning Act  
40 (Part 2.6 (commencing with Section 10610) of Division 6).

1 (3) *To be eligible for funding under this division, an agricultural*  
2 *water supplier shall adopt and submit an agricultural water*  
3 *management plan in accordance with the Agricultural Water*  
4 *Management Planning Act (Part 2.8 (commencing with Section*  
5 *10800) of Division 6).*

6 (4) *In accordance with Section 10608.56, an agricultural water*  
7 *supplier or an urban water supplier is ineligible for funding under*  
8 *this division unless it complies with the requirements of Part 2.55*  
9 *(commencing with Section 10608) of Division 6.*

10 79713. *The Legislature may enact legislation necessary to*  
11 *implement programs funded by this division, except as otherwise*  
12 *provided in Section 79760.*

13 79714. (a) *Unless otherwise specified, any state agency that*  
14 *has the statutory authority to implement one or more of the*  
15 *purposes specified in this bond may be eligible for appropriations*  
16 *from the funding made available by this division.*

17 (b) *Funding made available by this division shall not be*  
18 *appropriated by the Legislature to a specific project.*

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

23 79715. *The proceeds of bonds issued and sold pursuant to this*  
24 *division shall be deposited in the Water Quality, Supply, and*  
25 *Infrastructure Improvement Fund of 2014, which is hereby created*  
26 *in the State Treasury.*

27 79716. *Each state agency that receives an appropriation of*  
28 *funding made available by this division shall be responsible for*  
29 *establishing metrics of success and reporting the status of projects*  
30 *and all uses of the funding on the state's bond accountability*  
31 *Internet Web site, as provided by statute.*

32

33 *CHAPTER 5. CLEAN, SAFE AND RELIABLE DRINKING WATER*

34

35 79720. *The sum of five hundred million dollars (\$500,000,000)*  
36 *shall be available, upon appropriation by the Legislature from the*  
37 *fund, for expenditures, grants, and loans for projects that improve*  
38 *water quality or help provide clean, safe, and reliable drinking*  
39 *water to all Californians.*

1 79721. *The projects eligible for funding pursuant to this chapter*  
2 *shall help improve water quality for a beneficial use. The purposes*  
3 *of this chapter are to:*

4 (a) *Reduce contaminants in drinking water supplies regardless*  
5 *of the source of the water or the contamination.*

6 (b) *Assess and prioritize the risk of contamination to drinking*  
7 *water supplies.*

8 (c) *Address the critical and immediate needs of disadvantaged,*  
9 *rural, or small communities that suffer from contaminated drinking*  
10 *water supplies, including, but not limited to, projects that address*  
11 *a public health emergency.*

12 (d) *Leverage other private, federal, state, and local drinking*  
13 *water quality and wastewater treatment funds.*

14 (e) *Reduce contaminants in discharges to, and improve the*  
15 *quality of, waters of the state.*

16 (f) *Prevent further contamination of drinking water supplies.*

17 (g) *Provide disadvantaged communities with public drinking*  
18 *water infrastructure that provides clean, safe, and reliable drinking*  
19 *water supplies that the community can sustain over the long term.*

20 (h) *Ensure access to clean, safe, reliable, and affordable*  
21 *drinking water for California's communities.*

22 (i) *Meet primary and secondary safe drinking water standards*  
23 *or remove contaminants identified by the state or federal*  
24 *government for development of a primary or secondary drinking*  
25 *water standard.*

26 79722. *The contaminants that may be addressed with funding*  
27 *pursuant to this chapter may include, but shall not be limited to,*  
28 *nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,*  
29 *selenium, hexavalent chromium, mercury, PCE*  
30 *(perchloroethylene), TCE (trichloroethylene), DCE*  
31 *(dichloroethene), DCA (dichloroethane), 1,2,3-TCP*  
32 *(trichloropropane), carbon tetrachloride, 1,4-dioxane,*  
33 *1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron,*  
34 *manganese, and uranium.*

35 79723. *Of the funds authorized by Section 79720, two hundred*  
36 *fifty million dollars (\$250,000,000) shall be available for deposit*  
37 *in the State Water Pollution Control Revolving Fund Small*  
38 *Community Grant Fund created pursuant to Section 13477.6 for*  
39 *grants for wastewater treatment projects. Priority shall be given*  
40 *to projects that serve disadvantaged communities and severely*

1 *disadvantaged communities, and to projects that address public*  
2 *health hazards. Projects may include, but not be limited to, projects*  
3 *that identify, plan, design, and implement regional mechanisms*  
4 *to consolidate wastewater systems or provide affordable treatment*  
5 *technologies.*

6 79724. (a) (1) *Of the funds authorized by Section 79720, two*  
7 *hundred fifty million dollars (\$250,000,000) shall be available for*  
8 *grants and loans for public water system infrastructure*  
9 *improvements and related actions to meet safe drinking water*  
10 *standards, ensure affordable drinking water, or both. Priority*  
11 *shall be given to projects that provide treatment for contamination*  
12 *or access to an alternate drinking water source or sources for*  
13 *small community water systems or state small water systems in*  
14 *disadvantaged communities whose drinking water source is*  
15 *impaired by chemical and nitrate contaminants and other health*  
16 *hazards identified by the state board. Eligible recipients serve*  
17 *disadvantaged communities and are public water systems or public*  
18 *agencies. The state board may make grants for the purpose of*  
19 *financing feasibility studies and to meet the eligibility requirements*  
20 *for a construction grant. Eligible expenses may include initial*  
21 *operation and maintenance costs for systems serving disadvantaged*  
22 *communities. Priority shall be given to projects that provide shared*  
23 *solutions for multiple communities, at least one of which is a*  
24 *disadvantaged community that lacks safe, affordable drinking*  
25 *water and is served by a small community water system, state small*  
26 *water system, or a private well. Construction grants shall be limited*  
27 *to five million dollars (\$5,000,000) per project, except that the*  
28 *state board may set a limit of not more than twenty million dollars*  
29 *(\$20,000,000) for projects that provide regional benefits or are*  
30 *shared among multiple entities, at least one of which shall be a*  
31 *small disadvantaged community. Not more than 25 percent of a*  
32 *grant may be awarded in advance of actual expenditures.*

33 (2) *For the purposes of this subdivision, “initial operation and*  
34 *maintenance costs” means those initial, eligible, and reimbursable*  
35 *costs under a construction funding agreement that are incurred*  
36 *up to, and including, initial startup testing of the constructed*  
37 *project in order to deem the project complete. Initial operation*  
38 *and maintenance costs are eligible to receive funding pursuant to*  
39 *this section for a period not to exceed two years.*

1 (b) The administering entity may expend up to twenty-five  
2 million dollars (\$25,000,000) of the funds allocated in subdivision  
3 (a) for technical assistance to eligible communities.

4 (c) The state board shall deposit up to two million five hundred  
5 thousand dollars (\$2,500,000) of the funds available pursuant to  
6 this section into the Drinking Water Capital Reserve Fund, which  
7 is hereby created in the State Treasury. Moneys in the Drinking  
8 Water Capital Reserve Fund shall be available, upon appropriation  
9 by the Legislature, and shall be administered by the state board  
10 for the purpose of serving as matching funds for disadvantaged  
11 communities. The state board shall develop criteria to implement  
12 this subdivision.

13 79725. (a) For the purposes of awarding funding under this  
14 chapter, a local cost share of not less than 50 percent of the total  
15 costs of the project shall be required. The cost-sharing requirement  
16 may be waived or reduced for projects that directly benefit a  
17 disadvantaged community or an economically distressed area.

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

21 (c) Up to 20 percent of the funds available pursuant to this  
22 chapter may be allocated for technical assistance to disadvantaged  
23 communities. The agency administering this funding shall operate  
24 a multidisciplinary technical assistance program for small and  
25 disadvantaged communities.

26 (d) Funding for planning activities, including technical  
27 assistance, to benefit disadvantaged communities may exceed 20  
28 percent of the funds allocated, subject to the determination of the  
29 need for additional planning funding by the state agency  
30 administering the funding.

31  
32 *CHAPTER 6. PROTECTING RIVERS, LAKES, STREAMS, COASTAL*  
33 *WATERS, AND WATERSHEDS*  
34

35 79730. The sum of one billion four hundred seventy million  
36 dollars (\$1,470,000,000) shall be available, upon appropriation  
37 by the Legislature from the fund, in accordance with this chapter,  
38 for competitive grants for multibenefit ecosystem and watershed  
39 protection and restoration projects in accordance with statewide  
40 priorities.

1 79731. *Of the funds authorized by Section 79730, the sum of*  
2 *three hundred two million five hundred thousand dollars*  
3 *(\$302,500,000) shall be allocated for multibenefit water quality,*  
4 *water supply, and watershed protection and restoration projects*  
5 *for the watersheds of the state in accordance with the following*  
6 *schedule:*

7 (a) *Baldwin Hills Conservancy, ten million dollars*  
8 *(\$10,000,000).*

9 (b) *California Tahoe Conservancy, fifteen million dollars*  
10 *(\$15,000,000).*

11 (c) *Coachella Valley Mountains Conservancy, ten million dollars*  
12 *(\$10,000,000).*

13 (d) *Ocean Protection Council, thirty million dollars*  
14 *(\$30,000,000).*

15 (e) *San Diego River Conservancy, seventeen million dollars*  
16 *(\$17,000,000).*

17 (f) *San Gabriel and Lower Los Angeles Rivers and Mountains*  
18 *Conservancy, twenty-five million dollars (\$25,000,000).*

19 (g) *San Joaquin River Conservancy, ten million dollars*  
20 *(\$10,000,000).*

21 (h) *Santa Monica Mountains Conservancy, thirty million dollars*  
22 *(\$30,000,000).*

23 (i) *Sierra Nevada Conservancy, twenty-five million dollars*  
24 *(\$25,000,000).*

25 (j) *State Coastal Conservancy, eighty million five hundred*  
26 *thousand dollars (\$80,500,000).*

27 (k) *Sacramento-San Joaquin Delta Conservancy, fifty million*  
28 *dollars (\$50,000,000).*

29 79732. (a) *In protecting and restoring California rivers, lakes,*  
30 *streams, and watersheds, the purposes of this chapter are to:*

31 (1) *Protect and increase the economic benefits arising from*  
32 *healthy watersheds, fishery resources, and instream flow.*

33 (2) *Implement watershed adaptation projects in order to reduce*  
34 *the impacts of climate change on California's communities and*  
35 *ecosystems.*

36 (3) *Restore river parkways throughout the state, including, but*  
37 *not limited to, projects pursuant to the California River Parkways*  
38 *Act of 2004 (Chapter 3.8 (commencing with Section 5750) of*  
39 *Division 5 of the Public Resources Code), in the Urban Streams*

1 *Restoration Program established pursuant to Section 7048, and*  
2 *urban river greenways.*

3 *(4) Protect and restore aquatic, wetland, and migratory bird*  
4 *ecosystems, including fish and wildlife corridors and the*  
5 *acquisition of water rights for instream flow.*

6 *(5) Fulfill the obligations of the State of California in complying*  
7 *with the terms of multiparty settlement agreements related to water*  
8 *resources.*

9 *(6) Remove barriers to fish passage.*

10 *(7) Collaborate with federal agencies in the protection of fish*  
11 *native to California and wetlands in the central valley of*  
12 *California.*

13 *(8) Implement fuel treatment projects to reduce wildfire risks,*  
14 *protect watersheds tributary to water storage facilities, and*  
15 *promote watershed health.*

16 *(9) Protect and restore rural and urban watershed health to*  
17 *improve watershed storage capacity, forest health, protection of*  
18 *life and property, stormwater resource management, and*  
19 *greenhouse gas reduction.*

20 *(10) Protect and restore coastal watersheds, including, but not*  
21 *limited to, bays, marine estuaries, and nearshore ecosystems.*

22 *(11) Reduce pollution or contamination of rivers, lakes, streams,*  
23 *or coastal waters, prevent and remediate mercury contamination*  
24 *from legacy mines, and protect or restore natural system functions*  
25 *that contribute to water supply, water quality, or flood*  
26 *management.*

27 *(12) Assist in the recovery of endangered, threatened, or*  
28 *migratory species by improving watershed health, instream flows,*  
29 *fish passage, coastal or inland wetland restoration, or other means,*  
30 *such as natural community conservation plan and habitat*  
31 *conservation plan implementation.*

32 *(13) Assist in water-related agricultural sustainability projects.*

33 *(b) Funds provided by this chapter shall only be used for*  
34 *projects that will provide fisheries or ecosystem benefits or*  
35 *improvements that are greater than required applicable*  
36 *environmental mitigation measures or compliance obligations.*

37 *79733. Of the funds made available by Section 79730, the sum*  
38 *of two hundred million dollars (\$200,000,000) shall be*  
39 *administered by the Wildlife Conservation Board for projects that*  
40 *result in enhanced stream flows.*

1     79734. *For restoration and ecosystem protection projects under*  
2 *this chapter, the services of the California Conservation Corps or*  
3 *a local conservation corps certified by the California Conservation*  
4 *Corps shall be used whenever feasible.*

5     79735. (a) *Of the funds authorized by Section 79730, one*  
6 *hundred million dollars (\$100,000,000) shall be available for*  
7 *projects to protect and enhance an urban creek, as defined in*  
8 *subdivision (e) of Section 7048, and its tributaries, pursuant to*  
9 *Chapter 3.8 (commencing with Section 5750) of Division 5 of,*  
10 *Division 22.8 (commencing with Section 32600) of, and Division*  
11 *23 (commencing with Section 33000) of, the Public Resources*  
12 *Code and Section 79508.*

13     (b) (1) *Of the funds authorized by Section 79730, twenty million*  
14 *dollars (\$20,000,000) shall be made available to the secretary for*  
15 *a competitive program to fund multibenefit watershed and urban*  
16 *rivers enhancement projects in urban watersheds that increase*  
17 *regional and local water self-sufficiency and that meet at least two*  
18 *of the following objectives:*

19     (A) *Promote groundwater recharge and water reuse.*

20     (B) *Reduce energy consumption.*

21     (C) *Use soils, plants, and natural processes to treat runoff.*

22     (D) *Create or restore native habitat.*

23     (E) *Increase regional and local resiliency and adaptability to*  
24 *climate change.*

25     (2) *The program under this subdivision shall be implemented*  
26 *by state conservancies, the Wildlife Conservation Board, the state*  
27 *board, or other entities whose jurisdiction includes urban*  
28 *watersheds, as designated by the secretary. Projects funded under*  
29 *the program shall be a part of a plan developed jointly by the*  
30 *conservancies, the Wildlife Conservation Board, the state board,*  
31 *or other designated entities in consultation with the secretary.*

32     (c) *At least 25 percent of the funds available pursuant to this*  
33 *section shall be allocated for projects that benefit disadvantaged*  
34 *communities.*

35     (d) *Up to 10 percent of the funds available pursuant to this*  
36 *section may be allocated for project planning.*

37     79736. *Of the funds authorized by Section 79730, four hundred*  
38 *seventy-five million dollars (\$475,000,000) shall be available to*  
39 *the Natural Resources Agency to support projects that fulfill the*

1 *obligations of the State of California in complying with the terms*  
2 *of the following:*

3 *(a) The February 18, 2010, Klamath Hydroelectric Settlement*  
4 *Agreement or the Klamath Basin Restoration Agreement.*

5 *(b) Chapters 611, 612, and 613 of the Statutes of 2003, which*  
6 *were enacted to facilitate the execution and implementation of the*  
7 *Quantification Settlement Agreement, including restoration of the*  
8 *Salton Sea.*

9 *(c) The San Joaquin River Restoration Settlement Act (Part 1*  
10 *of Subtitle A of Title 10 of Public Law 111-11).*

11 *(d) Tahoe Regional Planning Compact (Title 7.4 (commencing*  
12 *with Section 66800) of the Government Code).*

13 *(e) Subsection (d) of Section 3406 of the Central Valley Project*  
14 *Improvement Act (Title 34 of Public Law 102-575), including the*  
15 *construction, retrofitting, and maintenance of water supply*  
16 *infrastructure and the acquisition and conveyance of water supply*  
17 *from willing sellers, with a preference for water transfers of 20*  
18 *years or longer, purchases of water rights, or other agreements*  
19 *that result in long-term enhancement of habitat conditions.*

20 *79737. (a) Of the funds authorized by Section 79730, two*  
21 *hundred eighty-five million dollars (\$285,000,000) shall be*  
22 *available to the Department of Fish and Wildlife for watershed*  
23 *restoration projects statewide in accordance with this chapter.*

24 *(b) For the purposes of this section, watershed restoration*  
25 *includes activities to fund coastal wetland habitat, improve forest*  
26 *health, restore mountain meadows, modernize stream crossings,*  
27 *culverts, and bridges, reconnect historical flood plains, install or*  
28 *improve fish screens, provide fish passages, restore river channels,*  
29 *restore or enhance riparian, aquatic, and terrestrial habitat,*  
30 *improve ecological functions, acquire from willing sellers*  
31 *conservation easements for riparian buffer strips, and remove*  
32 *sediment or trash.*

33 *(c) For any funds available pursuant to this section that are*  
34 *used to provide grants under the Fisheries Restoration Grant*  
35 *Program, a priority shall be given to coastal waters.*

36 *(d) In allocating funds for projects pursuant to this section, the*  
37 *Department of Fish and Wildlife shall only make funds available*  
38 *for water quality, river, and watershed protection and restoration*  
39 *projects of statewide importance outside of the Delta.*

1 (e) Funds provided by this section shall not be expended to pay  
2 the costs of the design, construction, operation, mitigation, or  
3 maintenance of Delta conveyance facilities.

4 (f) Funds provided by this section shall only be used for projects  
5 that will provide fisheries or ecosystem benefits or improvements  
6 that are greater than required applicable environmental mitigation  
7 measures or compliance obligations, except for any water transfers  
8 for the benefit of subsection (d) of Section 3406 of the Central  
9 Valley Project Improvement Act (Title 34 of Public Law 102-575).

10 79738. (a) Of the funds authorized by Section 79730,  
11 eighty-seven million five hundred thousand dollars (\$87,500,000)  
12 shall be available to the Department of Fish and Wildlife for water  
13 quality, ecosystem restoration, and fish protection facilities that  
14 benefit the Delta, including, but not limited to, the following:

15 (1) Projects to improve water quality or that contribute to the  
16 improvement of water quality in the Delta, including projects in  
17 Delta counties that provide multiple public benefits and improve  
18 drinking and agricultural water quality or water supplies.

19 (2) Habitat restoration, conservation, and enhancement projects  
20 to improve the condition of special status, at risk, endangered, or  
21 threatened species in the Delta and the Delta counties, including  
22 projects to eradicate invasive species, and projects that support  
23 the beneficial reuse of dredged material for habitat restoration  
24 and levee improvements.

25 (3) Scientific studies and assessments that support the Delta  
26 Science Program, as described in Section 85280, or projects under  
27 this section.

28 (b) (1) In implementing this section, the department shall  
29 coordinate and consult with the Delta city or Delta county in which  
30 a grant is proposed to be expended or an interest in real property  
31 is proposed to be acquired.

32 (2) To the extent feasible, the department shall use local  
33 partners.

34 (c) Acquisitions pursuant to this section shall be from willing  
35 sellers only.

36 (d) In implementing this section state agencies shall prioritize  
37 wildlife conservation objectives through projects on public lands  
38 or voluntary projects on private lands, to the extent feasible.

39 (e) Funds available pursuant to this section shall not be used  
40 to acquire land via eminent domain.

1 (f) Funds available pursuant to this section shall not be  
2 expended to pay the costs of the design, construction, operation,  
3 mitigation, or maintenance of Delta conveyance facilities.

4  
5 CHAPTER 7. REGIONAL WATER SECURITY, CLIMATE, AND  
6 DROUGHT PREPAREDNESS  
7

8 79740. The sum of seven hundred eighty million dollars  
9 (\$780,000,000) shall be available, upon appropriation by the  
10 Legislature from the fund, for expenditures on, and competitive  
11 grants and loans to, projects that are included in and implemented  
12 in an adopted integrated regional water management plan  
13 consistent with Part 2.2 (commencing with Section 10530) of  
14 Division 6 and respond to climate change and contribute to  
15 regional water security as provided in this chapter.

16 79741. In order to improve regional water self-reliance security  
17 and adapt to the effects on water supply arising out of climate  
18 change, the purposes of this chapter are to:

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

21 (b) Provide incentives for water agencies throughout each  
22 watershed to collaborate in managing the region's water resources  
23 and setting regional priorities for water infrastructure.

24 (c) Improve regional water self-reliance consistent with Section  
25 85021.

26 79742. (a) In selecting among proposed projects in a  
27 watershed, the scope of the adopted integrated regional water  
28 management plan may be considered by the administering state  
29 agency, with priority going to projects in plans that cover a greater  
30 portion of the watershed. If a plan covers substantially all of the  
31 watershed, the plan's project priorities shall be given deference  
32 if the project and plan otherwise meet the requirements of this  
33 division and the Integrated Regional Water Management Planning  
34 Act (Part 2.2 (commencing with Section 10530) of Division 6).

35 (b) A local agency that does not prepare, adopt, and submit its  
36 groundwater plan in accordance with groundwater planning  
37 requirements established under Division 6 (commencing with  
38 Section 10000) is ineligible to apply for funds made available  
39 pursuant to this chapter until the plan is prepared and submitted  
40 in accordance with the requirements of that part. The groundwater

1 management plan requirement shall not apply to a water  
2 replenishment district formed pursuant to Division 18 (commencing  
3 with Section 60000) or to a local agency that serves or has  
4 authority to manage an adjudicated groundwater basin.

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

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

14 (e) For the purposes of awarding funding under this chapter,  
15 the applicant shall demonstrate that the integrated regional water  
16 management plan the applicant's project implements contributes  
17 to addressing the risks in the region to water supply and water  
18 infrastructure arising from climate change.

19 (f) Projects that achieve multiple benefits shall receive special  
20 consideration.

21 79743. Subject to the determination of regional priorities in  
22 the regional water management group, eligible projects may  
23 include, but are not limited to, projects that promote any of the  
24 following:

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

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

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

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

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

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

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

39 (2) Projects that provide multiple benefits such as water quality,  
40 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.*

9 (i) *Decision support tools to model regional water management*  
10 *strategies to account for climate change and other changes in*  
11 *regional demand and supply projections.*

12 (j) *Improvement of water quality, including drinking water*  
13 *treatment and distribution, groundwater and aquifer remediation,*  
14 *matching water quality to water use, wastewater treatment, water*  
15 *pollution prevention, and management of urban and agricultural*  
16 *runoff.*

17 79744. (a) *Of the funds authorized by Section 79740, four*  
18 *hundred eighty million dollars (\$480,000,000) shall be allocated*  
19 *to the hydrologic regions as identified in the California Water*  
20 *Plan in accordance with this section. For the South Coast*  
21 *hydrologic region, the department shall establish three funding*  
22 *areas that reflect the watersheds of San Diego County (designated*  
23 *as the San Diego subregion), the Santa Ana River watershed and*  
24 *southern Orange County (designated as the Santa Ana subregion),*  
25 *and the Los Angeles and Ventura County watersheds (designated*  
26 *as the Los Angeles subregion), and shall allocate funds to those*  
27 *areas in accordance with this subdivision. The North and South*  
28 *Lahontan hydrologic regions shall be treated as one area for the*  
29 *purpose of allocating funds. For purposes of this subdivision, the*  
30 *Sacramento River hydrologic region does not include the Delta.*  
31 *For purposes of this subdivision, the Mountain Counties Overlay*  
32 *is not eligible for funds from the Sacramento River hydrologic*  
33 *region or the San Joaquin River hydrologic region. Multiple*  
34 *integrated regional water management plans may be recognized*  
35 *in each of the areas allocated funding.*

36 (b) *Funds made available by this chapter shall be allocated as*  
37 *follows:*

38 (1) *Twenty-one million five hundred thousand dollars*  
39 *(\$21,500,000) for the North Coast hydrologic region.*

1 (2) Sixty-five million dollars (\$65,000,000) for the San Francisco  
2 Bay hydrologic region.

3 (3) Twenty-eight million dollars (\$28,000,000) for the Central  
4 Coast hydrologic region.

5 (4) Ninety-eight million dollars (\$98,000,000) for the Los  
6 Angeles subregion.

7 (5) Sixty-three million dollars (\$63,000,000) for the Santa Ana  
8 subregion.

9 (6) Forty-two million five hundred thousand dollars  
10 (\$42,500,000) for the San Diego subregion.

11 (7) Thirty-seven million dollars (\$37,000,000) for the  
12 Sacramento River hydrologic region.

13 (8) Thirty-one million dollars (\$31,000,000) for the San Joaquin  
14 River hydrologic region.

15 (9) Thirty-four million dollars (\$34,000,000) for the Tulare/Kern  
16 hydrologic region.

17 (10) Twenty-four million five hundred thousand dollars  
18 (\$24,500,000) for the North/South Lahontan hydrologic region.

19 (11) Twenty-two million five hundred thousand dollars  
20 (\$22,500,000) for the Colorado River Basin hydrologic region.

21 (12) Thirteen million dollars (\$13,000,000) for the Mountain  
22 Counties Overlay.

23 79745. The Department of Water Resources shall expend,  
24 either directly or for noncompetitive grants, no less than 10 percent  
25 of the funds from the regional allocations specified in Section  
26 79744 for the purposes of ensuring involvement of disadvantaged  
27 communities, economically distressed areas, or underrepresented  
28 communities within regions.

29 79746. (a) Of the funds authorized by Section 79740, the sum  
30 of one hundred million dollars (\$100,000,000) may be used for  
31 direct expenditures, and for grants and loans, for the following  
32 water conservation and water-use efficiency plans, projects, and  
33 programs:

34 (1) Urban water conservation plans, projects, and programs,  
35 including regional projects and programs, implemented to achieve  
36 urban water use targets developed pursuant to Section 10608.20.  
37 Priority for funding shall be given to programs that do any of the  
38 following:

39 (A) Assist water suppliers and regions to implement conservation  
40 programs and measures that are not locally cost effective.

1 (B) Support water supplier and regional efforts to implement  
2 programs targeted to enhance water-use efficiency for commercial,  
3 industrial, and institutional water users.

4 (C) Assist water suppliers and regions with programs and  
5 measures targeted toward realizing the conservation benefits of  
6 implementation of the provisions of the state landscape model  
7 ordinance.

8 (2) Agricultural water management plans or agricultural water  
9 use efficiency projects and programs developed pursuant to Part  
10 2.8 (commencing with Section 10800) of Division 6.

11 (b) Section 1011 applies to all conservation measures that an  
12 agricultural water supplier or an urban water supplier implements  
13 with funding under this chapter. This subdivision does not limit  
14 the application of Section 1011 to any other measures or projects  
15 implemented by a water supplier. Notwithstanding Section 79748,  
16 the projects funded pursuant to this section are not required to be  
17 in an adopted integrated regional water management plan or to  
18 comply with that program.

19 79747. (a) Of the funds authorized by Section 79740, two  
20 hundred million dollars (\$200,000,000) shall be available for  
21 grants for multibenefit stormwater management projects.

22 (b) Eligible projects may include, but shall not be limited to,  
23 green infrastructure, rainwater and stormwater capture projects,  
24 and stormwater treatment facilities.

25 (c) Development of plans for stormwater projects shall address  
26 the entire watershed and incorporate the perspectives of  
27 communities adjacent to the affected waterways, especially  
28 disadvantaged communities.

29 79748. In order to receive funding authorized by this chapter  
30 to address groundwater quality or supply in an aquifer, the  
31 applicant shall demonstrate that a public agency has authority to  
32 manage the water resources in that aquifer. A groundwater  
33 management plan adopted and submitted in accordance with  
34 groundwater management planning requirements established  
35 under Division 6 (commencing with Section 10000) shall be  
36 deemed sufficient to satisfy the requirements of this section.

1           *CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL*  
2           *IMPROVEMENT AND DROUGHT PREPAREDNESS*

3  
4       79750. (a) *Notwithstanding Section 162, the commission may*  
5 *make the determinations, findings, and recommendations required*  
6 *of it by this chapter independent of the views of the director. All*  
7 *final actions by the commission in implementing this chapter shall*  
8 *be taken by a majority of the members of the commission at a*  
9 *public meeting noticed and held pursuant to the Bailey-Keene*  
10 *Open Meeting Act (Article 9 (commencing with Section 11120) of*  
11 *Chapter 1 of Part 1 of Division 3 of Title 2 of the Government*  
12 *Code).*

13       (b) *Notwithstanding Section 13340 of the Government Code,*  
14 *the sum of two billion five hundred million dollars (\$2,500,000,000)*  
15 *is hereby continuously appropriated from the fund, without regard*  
16 *to fiscal years, to the commission for public benefits associated*  
17 *with water storage projects that improve the operation of the state*  
18 *water system, are cost effective, and provide a net improvement*  
19 *in ecosystem and water quality conditions, in accordance with this*  
20 *chapter. Funds authorized for, or made available to, the*  
21 *commission pursuant to this chapter shall be available and*  
22 *expended only for the purposes provided in this chapter, and shall*  
23 *not be subject to appropriation or transfer by the Legislature or*  
24 *the Governor for any other purpose.*

25       (c) *Projects shall be selected by the commission through a*  
26 *competitive public process that ranks potential projects based on*  
27 *the expected return for public investment as measured by the*  
28 *magnitude of the public benefits provided, pursuant to criteria*  
29 *established under this chapter.*

30       (d) *Any project constructed with funds provided by this chapter*  
31 *shall be subject to Section 11590.*

32       79751. *Projects for which the public benefits are eligible for*  
33 *funding under this chapter consist of only the following:*

34       (a) *Surface storage projects identified in the CALFED Bay-Delta*  
35 *Program Record of Decision, dated August 28, 2000, except for*  
36 *projects prohibited by Chapter 1.4 (commencing with Section*  
37 *5093.50) of Division 5 of the Public Resources Code.*

38       (b) *Groundwater storage projects and groundwater*  
39 *contamination prevention or remediation projects that provide*  
40 *water storage benefits.*

1 (c) *Conjunctive use and reservoir reoperation projects.*

2 (d) *Local and regional surface storage projects that improve*  
3 *the operation of water systems in the state and provide public*  
4 *benefits.*

5 79752. *A project shall not be funded pursuant to this chapter*  
6 *unless it provides measurable improvements to the Delta ecosystem*  
7 *or to the tributaries to the Delta.*

8 79753. (a) *Funds allocated pursuant to this chapter may be*  
9 *expended solely for the following public benefits associated with*  
10 *water storage projects:*

11 (1) *Ecosystem improvements, including changing the timing of*  
12 *water diversions, improvement in flow conditions, temperature,*  
13 *or other benefits that contribute to restoration of aquatic*  
14 *ecosystems and native fish and wildlife, including those ecosystems*  
15 *and fish and wildlife in the Delta.*

16 (2) *Water quality improvements in the Delta, or in other river*  
17 *systems, that provide significant public trust resources, or that*  
18 *clean up and restore groundwater resources.*

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

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

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

29 (b) *Funds shall not be expended pursuant to this chapter for*  
30 *the costs of environmental mitigation measures or compliance*  
31 *obligations except for those associated with providing the public*  
32 *benefits as described in this section.*

33 79754. *In consultation with the Department of Fish and*  
34 *Wildlife, the state board, and the Department of Water Resources,*  
35 *the commission shall develop and adopt, by regulation, methods*  
36 *for quantification and management of public benefits described*  
37 *in Section 79753 by December 15, 2016. The regulations shall*  
38 *include the priorities and relative environmental value of ecosystem*  
39 *benefits as provided by the Department of Fish and Wildlife and*

1 *the priorities and relative environmental value of water quality*  
2 *benefits as provided by the state board.*

3 79755. (a) *Except as provided in subdivision (c), no funds*  
4 *allocated pursuant to this chapter may be allocated for a project*  
5 *before December 15, 2016, and until the commission approves the*  
6 *project based on the commission's determination that all of the*  
7 *following have occurred:*

8 (1) *The commission has adopted the regulations specified in*  
9 *Section 79754 and specifically quantified and made public the cost*  
10 *of the public benefits associated with the project.*

11 (2) *The project applicant has entered into a contract with each*  
12 *party that will derive benefits, other than public benefits, as defined*  
13 *in Section 79753, from the project that ensures the party will pay*  
14 *its share of the total costs of the project. The benefits available to*  
15 *a party shall be consistent with that party's share of total project*  
16 *costs.*

17 (3) *The project applicant has entered into a contract with each*  
18 *public agency identified in Section 79754 that administers the*  
19 *public benefits, after that agency makes a finding that the public*  
20 *benefits of the project for which that agency is responsible meet*  
21 *all the requirements of this chapter, to ensure that the public*  
22 *contribution of funds pursuant to this chapter achieves the public*  
23 *benefits identified for the project.*

24 (4) *The commission has held a public hearing for the purposes*  
25 *of providing an opportunity for the public to review and comment*  
26 *on the information required to be prepared pursuant to this*  
27 *subdivision.*

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

29 (A) *Feasibility studies have been completed.*

30 (B) *The commission has found and determined that the project*  
31 *is feasible, is consistent with all applicable laws and regulations,*  
32 *and will advance the long-term objectives of restoring ecological*  
33 *health and improving water management for beneficial uses of the*  
34 *Delta.*

35 (C) *All environmental documentation associated with the project*  
36 *has been completed, and all other federal, state, and local*  
37 *approvals, certifications, and agreements required to be completed*  
38 *have been obtained.*

1 (b) *The commission shall submit to the Legislature its findings*  
2 *for each of the criteria identified in subdivision (a) for a project*  
3 *funded pursuant to this chapter.*

4 (c) *Notwithstanding subdivision (a), funds may be made*  
5 *available under this chapter for the completion of environmental*  
6 *documentation and permitting of a project.*

7 79756. (a) *The public benefit cost share of a project funded*  
8 *pursuant to this chapter, other than a project described in*  
9 *subdivision (c) of Section 79751, shall not exceed 50 percent of*  
10 *the total costs of any project funded under this chapter.*

11 (b) *No project may be funded unless it provides ecosystem*  
12 *improvements as described in paragraph (1) of subdivision (a) of*  
13 *Section 79753 that are at least 50 percent of total public benefits*  
14 *of the project funded under this chapter.*

15 79757. (a) *A project is not eligible for funding under this*  
16 *chapter unless, by January 1, 2022, all of the following conditions*  
17 *are met:*

18 (1) *All feasibility studies are complete and draft environmental*  
19 *documentation is available for public review.*

20 (2) *The commission makes a finding that the project is feasible,*  
21 *and will advance the long-term objectives of restoring ecological*  
22 *health and improving water management for beneficial uses of the*  
23 *Delta.*

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

26 (b) *If compliance with subdivision (a) is delayed by litigation*  
27 *or failure to promulgate regulations, the date in subdivision (a)*  
28 *shall be extended by the commission for a time period that is equal*  
29 *to the time period of the delay, and funding under this chapter that*  
30 *has been dedicated to the project shall be encumbered until the*  
31 *time at which the litigation is completed or the regulations have*  
32 *been promulgated.*

33 79758. *Surface storage projects funded pursuant to this chapter*  
34 *and described in subdivision (a) of Section 79751 may be made a*  
35 *unit of the Central Valley Project as provided in Section 11290*  
36 *and may be financed, acquired, constructed, operated, and*  
37 *maintained pursuant to Part 3 (commencing with Section 11100)*  
38 *of Division 6.*

39 79759. (a) *The funds allocated for the design, acquisition, and*  
40 *construction of surface storage projects identified in the CALFED*

1 *Bay-Delta Record of Decision, dated August 28, 2000, pursuant*  
2 *to this chapter may be provided for those purposes to local joint*  
3 *powers authorities formed by irrigation districts and other local*  
4 *water districts and local governments within the applicable*  
5 *hydrologic region to design, acquire, and construct those projects.*

6 *(b) The joint powers authorities described in subdivision (a)*  
7 *may include in their membership governmental partners that are*  
8 *not located within their respective hydrologic regions in financing*  
9 *the surface storage projects, including, as appropriate, cost share*  
10 *participation or equity participation. Notwithstanding Section*  
11 *6525 of the Government Code, the joint powers agencies described*  
12 *in subdivision (a) shall not include in their membership any*  
13 *for-profit corporation or any mutual water company whose*  
14 *shareholders and members include a for-profit corporation or any*  
15 *other private entity. The department shall be an ex officio member*  
16 *of each joint powers authority subject to this section, but the*  
17 *department shall not control the governance, management, or*  
18 *operation of the surface water storage projects.*

19 *(c) A joint powers authority subject to this section shall own,*  
20 *govern, manage, and operate a surface water storage project,*  
21 *subject to the requirement that the ownership, governance,*  
22 *management, and operation of the surface water storage project*  
23 *shall advance the purposes set forth in this chapter.*

24 *79760. (a) In approving the Water Quality, Supply, and*  
25 *Infrastructure Improvement Act of 2014, the people were informed*  
26 *and hereby declare that the provisions of this chapter are*  
27 *necessary, integral, and essential to meeting the single object or*  
28 *work of the Water Quality, Supply, and Infrastructure Improvement*  
29 *Act of 2014. As such, any amendment of the provisions of this*  
30 *chapter by the Legislature without voter approval would frustrate*  
31 *the scheme and design that induced voter approval of this act. The*  
32 *people therefore find and declare that any amendment of the*  
33 *provisions of this chapter by the Legislature shall require an*  
34 *affirmative vote of two-thirds of the membership in each house of*  
35 *the Legislature and voter approval.*

36 *(b) This section shall not govern or be used as authority for*  
37 *determining whether the amendment of any other provision of this*  
38 *act not contained in this chapter would constitute a substantial*  
39 *change in the scheme and design of this act requiring voter*  
40 *approval.*

CHAPTER 9. WATER RECYCLING

1  
2  
3 79765. The sum of seven hundred million dollars  
4 (\$700,000,000) shall be available, upon appropriation by the  
5 Legislature from the fund, for grants or loans for water recycling  
6 and advanced treatment technology projects, including all of the  
7 following:

8 (a) Water recycling projects, including, but not limited to,  
9 treatment, storage, conveyance, and distribution facilities for  
10 potable and nonpotable recycling projects.

11 (b) Contaminant and salt removal projects, including, but not  
12 limited to, groundwater and seawater desalination and associated  
13 treatment, storage, conveyance, and distribution facilities.

14 (c) Dedicated distribution infrastructure to serve residential,  
15 commercial, agricultural, and industrial end-user retrofit projects  
16 to allow use of recycled water.

17 (d) Pilot projects for new potable reuse and other salt and  
18 contaminant removal technology.

19 (e) Groundwater recharge infrastructure pursuant to this  
20 chapter and Chapter 10 (commencing with Section 79770).

21 (f) Technical assistance and grant writing assistance for  
22 disadvantaged communities.

23 (g) Water supply reliability improvement for critical urban  
24 water supplies in designated superfund areas with groundwater  
25 contamination listed on the National Priorities List established  
26 pursuant to Section 105 of the Comprehensive Environmental  
27 Response, Compensation, and Liability Act of 1980 (42 U.S.C.  
28 Sec. 9605(a)(8)(B)).

29 79766. At least a 50-percent local cost share shall be required  
30 for projects funded pursuant to this chapter. That cost share may  
31 be suspended or reduced for disadvantaged communities and  
32 economically distressed areas.

33 79767. Projects funded pursuant to this chapter shall be  
34 selected on a competitive basis, considering all of the following  
35 criteria:

36 (a) Water supply reliability improvement.

37 (b) Water quality and ecosystem benefits related to decreased  
38 reliance on diversions from the Delta or instream flows.

39 (c) Public health benefits from improved drinking water quality  
40 or supply.

- 1 (d) *Cost-effectiveness.*  
 2 (e) *Energy efficiency and greenhouse gas emission impacts.*  
 3 (f) *Reasonable geographic allocation to eligible projects*  
 4 *throughout the state, including both northern and southern*  
 5 *California and coastal and inland regions.*  
 6 79768. *For purposes of this chapter, competitive programs*  
 7 *shall be implemented consistent with water recycling programs*  
 8 *administered pursuant to Sections 79140 and 79141 or consistent*  
 9 *with desalination programs administered pursuant to Sections*  
 10 *79545 and 79547.2.*

11  
 12 *CHAPTER 10. GROUNDWATER SUSTAINABILITY*  
 13

- 14 79770. *Prevention and cleanup of groundwater contamination*  
 15 *are critical components of successful groundwater management.*  
 16 *Groundwater quality becomes especially important as water*  
 17 *providers do the following:*  
 18 (a) *Evaluate investments in groundwater recharge with surface*  
 19 *water, stormwater, recycled water, and other conjunctive use*  
 20 *projects that augment local groundwater supplies to improve*  
 21 *regional water self-reliance.*  
 22 (b) *Adapt to changing hydrologic conditions brought on by*  
 23 *climate change.*  
 24 (c) *Consider developing groundwater basins to provide much*  
 25 *needed local storage options to accommodate hydrologic and*  
 26 *regulatory variability in the state's water delivery system.*  
 27 (d) *Evaluate investments in groundwater recovery projects.*  
 28 79771. (a) *The sum of eight hundred fifty million dollars*  
 29 *(\$850,000,000) shall be available, upon appropriation by the*  
 30 *Legislature from the fund, for expenditures on, and competitive*  
 31 *grants, and loans for, projects to prevent or clean up the*  
 32 *contamination of groundwater that serves or has served as a source*  
 33 *of drinking water. Funds appropriated pursuant to this section*  
 34 *shall be available to the state board for projects necessary to*  
 35 *protect public health by preventing or reducing the contamination*  
 36 *of groundwater that serves or has served as a major source of*  
 37 *drinking water for a community.*  
 38 (b) *Projects shall be prioritized based upon the following*  
 39 *criteria:*

1 (1) *The threat posed by groundwater contamination to the*  
2 *affected community's overall drinking water supplies, including*  
3 *an urgent need for treatment of alternative supplies or increased*  
4 *water imports if groundwater is not available due to contamination.*

5 (2) *The potential for groundwater contamination to spread and*  
6 *impair drinking water supply and water storage for nearby*  
7 *population areas.*

8 (3) *The potential of the project, if fully implemented, to enhance*  
9 *local water supply reliability.*

10 (4) *The potential of the project to maximize opportunities to*  
11 *recharge vulnerable, high-use groundwater basins and optimize*  
12 *groundwater supplies.*

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

17 (c) *The Legislature, by statute, shall establish both of the*  
18 *following:*

19 (1) *A requirement that the grantee repay grant funds in the event*  
20 *of cost recovery from the parties responsible for the groundwater*  
21 *contamination.*

22 (2) *A requirement that the grantee make reasonable efforts to*  
23 *attempt to recover the costs of cleanup from the parties responsible*  
24 *for the contamination, except that a grantee shall not be required*  
25 *to seek cost recovery related to the costs of response actions*  
26 *apportioned to responsible parties who are insolvent or cannot*  
27 *be identified or located or when a requirement to seek cost*  
28 *recovery would impose a financial hardship on the grantee.*

29 79772. *Of the funds authorized by Section 79771, seventy-five*  
30 *million dollars (\$75,000,000) shall be available for grants for*  
31 *treatment and remediation activities that prevent or reduce the*  
32 *contamination of groundwater that serves as a source of drinking*  
33 *water. Nothing in this section precludes the funding of projects*  
34 *pursuant to Section 79771.*

35 79773. *The contaminants that may be addressed with funding*  
36 *pursuant to this chapter may include, but shall not be limited to,*  
37 *nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,*  
38 *selenium, hexavalent chromium, mercury, PCE*  
39 *(perchloroethylene), TCE (trichloroethylene), DCE*  
40 *(dichloroethene), DCA (dichloroethane), 1,2,3-TCP*

1 (trichloropropane), carbon tetrachloride, 1,4-dioxane,  
2 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron,  
3 manganese, and uranium.

4 79774. (a) A project that receives funding pursuant to this  
5 chapter shall be selected by a competitive grant or loan process  
6 with added consideration for those projects that leverage private,  
7 federal, or local funding.

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

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

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

19 (e) Funding authorized by this chapter shall include funding  
20 for technical assistance to disadvantaged communities. The agency  
21 administering this funding shall operate a multidisciplinary  
22 technical assistance program for small and disadvantaged  
23 communities.

24 79775. Of the funds authorized by Section 79771, one hundred  
25 million dollars (\$100,000,000) shall be made available for  
26 competitive grants for projects that develop and implement  
27 groundwater plans and projects in accordance with groundwater  
28 planning requirements established under Division 6 (commencing  
29 with Section 10000).

30

31 *CHAPTER 11. FLOOD MANAGEMENT*

32

33 79780. The sum of three hundred ninety-five million dollars  
34 (\$395,000,000) shall be available, upon appropriation by the  
35 Legislature from the fund, to the Department of Water Resources  
36 and the Central Valley Flood Protection Board for the purpose of  
37 statewide flood management projects and activities. Priority shall  
38 be given to multibenefit projects that achieve public safety and  
39 include fish and wildlife enhancement and recreation. The

1 *Department of Water Resources shall make its best effort to first*  
2 *utilize prior bond proceeds from Propositions 84 and 1E.*

3 *79781. Of the funds authorized by Section 79780, two hundred*  
4 *ninety-five million dollars (\$295,000,000) shall be available to*  
5 *reduce the risk of levee failure and flood in the Delta for any of*  
6 *the following:*

7 *(a) Local assistance under the Delta levee maintenance*  
8 *subventions program pursuant to Part 9 (commencing with Section*  
9 *12980) of Division 6, as that part may be amended.*

10 *(b) Special flood protection projects pursuant to Chapter 2*  
11 *(commencing with Section 12310) of Part 4.8 of Division 6, as*  
12 *that chapter may be amended.*

13 *(c) Levee improvement projects that increase the resiliency of*  
14 *levees within the Delta to withstand earthquake, flooding, or sea*  
15 *level rise.*

16 *(d) Emergency response and repair projects.*

17

18

*CHAPTER 12. FISCAL PROVISIONS*

19

20 *79785. (a) Bonds in the total amount of six billion nine*  
21 *hundred ninety-five million dollars (\$6,995,000,000), or so much*  
22 *thereof as is necessary, not including the amount of any refunding*  
23 *bonds issued in accordance with Section 79797 may be issued and*  
24 *sold to provide a fund to be used for carrying out the purposes*  
25 *expressed in this division and to reimburse the General Obligation*  
26 *Bond Expense Revolving Fund pursuant to Section 16724.5 of the*  
27 *Government Code. The bonds, when sold, shall be and constitute*  
28 *a valid and binding obligation of the State of California, and the*  
29 *full faith and credit of the State of California is hereby pledged*  
30 *for the punctual payment of both principal of, and interest on, the*  
31 *bonds as the principal and interest become due and payable.*

32 *(b) The Treasurer shall sell the bonds authorized by the*  
33 *committee pursuant to this section. The bonds shall be sold upon*  
34 *the terms and conditions specified in a resolution to be adopted*  
35 *by the committee pursuant to Section 16731 of the Government*  
36 *Code.*

37 *79786. The bonds authorized by this division shall be prepared,*  
38 *executed, issued, sold, paid, and redeemed as provided in the State*  
39 *General Obligation Bond Law (Chapter 4 (commencing with*  
40 *Section 16720) of Part 3 of Division 4 of Title 2 of the Government*

1 Code), and all of the provisions of that law apply to the bonds and  
2 to this division and are hereby incorporated in this division as  
3 though set forth in full in this division, except Section 16727 of the  
4 Government Code shall not apply to the extent that it is inconsistent  
5 with any other provision of this division.

6 79787. (a) Solely for the purpose of authorizing the issuance  
7 and sale pursuant to the State General Obligation Bond Law  
8 (Chapter 4 (commencing with Section 16720) of Part 3 of Division  
9 4 of Title 2 of the Government Code) of the bonds authorized by  
10 this division, the Water Quality, Supply, and Infrastructure  
11 Improvement Finance Committee is hereby created. For purposes  
12 of this division, the Water Quality, Supply, and Infrastructure  
13 Improvement Finance Committee is the “committee” as that term  
14 is used in the State General Obligation Bond Law.

15 (b) The committee consists of the Director of Finance, the  
16 Treasurer, and the Controller. Notwithstanding any other provision  
17 of law, any member may designate a representative to act as that  
18 member in his or her place for all purposes, as though the member  
19 were personally present.

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

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

22 79788. The committee shall determine whether or not it is  
23 necessary or desirable to issue bonds authorized by this division  
24 in order to carry out the actions specified in this division and, if  
25 so, the amount of bonds to be issued and sold. Successive issues  
26 of bonds may be authorized and sold to carry out those actions  
27 progressively, and it is not necessary that all of the bonds  
28 authorized to be issued be sold at any one time.

29 79789. For purposes of the State General Obligation Bond  
30 Law, “board,” as defined in Section 16722 of the Government  
31 Code, means the secretary.

32 79790. There shall be collected each year and in the same  
33 manner and at the same time as other state revenue is collected,  
34 in addition to the ordinary revenues of the state, a sum in an  
35 amount required to pay the principal of, and interest on, the bonds  
36 each year. It is the duty of all officers charged by law with any  
37 duty in regard to the collection of the revenue to do and perform  
38 each and every act that is necessary to collect that additional sum.

39 79791. Notwithstanding Section 13340 of the Government  
40 Code, there is hereby appropriated from the General Fund in the

1 *State Treasury, for the purposes of this division, an amount that*  
2 *will equal the total of the following:*

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

6 *(b) The sum that is necessary to carry out the provisions of*  
7 *Section 79794, appropriated without regard to fiscal years.*

8 *79792. The board may request the Pooled Money Investment*  
9 *Board to make a loan from the Pooled Money Investment Account*  
10 *in accordance with Section 16312 of the Government Code for the*  
11 *purpose of carrying out this division less any amount withdrawn*  
12 *pursuant to Section 79794. The amount of the request shall not*  
13 *exceed the amount of the unsold bonds that the committee has, by*  
14 *resolution, authorized to be sold for the purpose of carrying out*  
15 *this division. The board shall execute those documents required*  
16 *by the Pooled Money Investment Board to obtain and repay the*  
17 *loan. Any amounts loaned shall be deposited in the fund to be*  
18 *allocated in accordance with this division.*

19 *79793. Notwithstanding any other provision of this division,*  
20 *or of the State General Obligation Bond Law, if the Treasurer*  
21 *sells bonds that include a bond counsel opinion to the effect that*  
22 *the interest on the bonds is excluded from gross income for federal*  
23 *tax purposes under designated conditions or is otherwise entitled*  
24 *to any federal tax advantage, the Treasurer may maintain separate*  
25 *accounts for the bond proceeds invested and for the investment*  
26 *earnings on those proceeds, and may use or direct the use of those*  
27 *proceeds or earnings to pay any rebate, penalty, or other payment*  
28 *required under federal law or take any other action with respect*  
29 *to the investment and use of those bond proceeds, as may be*  
30 *required or desirable under federal law in order to maintain the*  
31 *tax-exempt status of those bonds and to obtain any other advantage*  
32 *under federal law on behalf of the funds of this state.*

33 *79794. For the purposes of carrying out this division, the*  
34 *Director of Finance may authorize the withdrawal from the*  
35 *General Fund of an amount or amounts not to exceed the amount*  
36 *of the unsold bonds that have been authorized by the committee*  
37 *to be sold for the purpose of carrying out this division less any*  
38 *amount borrowed pursuant to Section 79792. Any amounts*  
39 *withdrawn shall be deposited in the fund. Any moneys made*  
40 *available under this section shall be returned to the General Fund,*

1 *with interest at the rate earned by the moneys in the Pooled Money*  
2 *Investment Account, from proceeds received from the sale of bonds*  
3 *for the purpose of carrying out this division.*

4 79795. *All moneys deposited in the fund that are derived from*  
5 *premium and accrued interest on bonds sold pursuant to this*  
6 *division shall be reserved in the fund and shall be available for*  
7 *transfer to the General Fund as a credit to expenditures for bond*  
8 *interest, except that amounts derived from premium may be*  
9 *reserved and used to pay the cost of bond issuance prior to any*  
10 *transfer to the General Fund.*

11 79796. *Pursuant to Chapter 4 (commencing with Section*  
12 *16720) of Part 3 of Division 4 of Title 2 of the Government Code,*  
13 *the cost of bond issuance shall be paid out of the bond proceeds,*  
14 *including premium, if any. To the extent the cost of bond issuance*  
15 *is not paid from premiums received from the sale of bonds, these*  
16 *costs shall be shared proportionately by each program funded*  
17 *through this division by the applicable bond sale.*

18 79797. *The bonds issued and sold pursuant to this division*  
19 *may be refunded in accordance with Article 6 (commencing with*  
20 *Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of*  
21 *the Government Code, which is a part of the State General*  
22 *Obligation Bond Law. Approval by the voters of the state for the*  
23 *issuance of the bonds under this division shall include approval*  
24 *of the issuance of any bonds issued to refund any bonds originally*  
25 *issued under this division or any previously issued refunding bonds.*

26 79798. *The proceeds from the sale of bonds authorized by this*  
27 *division are not “proceeds of taxes” as that term is used in Article*  
28 *XIII B of the California Constitution, and the disbursement of these*  
29 *proceeds is not subject to the limitations imposed by that article.*

30 SEC. 5. *Section 2 of Chapter 3 of the Seventh Extraordinary*  
31 *Session of the Statutes of 2009, as amended by Section 1 of Chapter*  
32 *74 of the Statutes of 2012, is repealed.*

33 SEC. 6. (a) *Notwithstanding the requirements of Sections 9040,*  
34 *9043, 9044, 9061, and 9082 of the Elections Code, or any other*  
35 *law, the Secretary of State shall submit Sections 1, 2, and 4 of this*  
36 *act to the voters at the November 4, 2014, statewide general*  
37 *election.*

38 (b) *The Secretary of State shall include in the ballot pamphlets*  
39 *mailed pursuant to Section 9094 of the Elections Code the*  
40 *information specified in Section 9084 of the Elections Code*

1 regarding the bond act contained in Sections 1, 2, and 4 of this  
2 act. If that inclusion is not possible, the Secretary of State shall  
3 publish a supplemental ballot pamphlet regarding this act to be  
4 mailed with the ballot pamphlet. If the supplemental ballot  
5 pamphlet cannot be mailed with the ballot pamphlet, the  
6 supplemental ballot pamphlet shall be mailed separately.

7 SEC. 7. Notwithstanding Sections 13115 and 13117 of the  
8 Elections Code, Sections 1, 2, and 4 of this act shall be placed as  
9 the first ballot measure on the November 4, 2014, general election  
10 ballot and shall be designated as Proposition 1.

11 SEC. 8. Sections 1, 2, and 4 of this act shall take effect upon  
12 approval by the voters of the Water Quality, Supply, and  
13 Infrastructure Improvement Act of 2014, as set forth in Section 4  
14 of this act, including changes to the Safe Drinking Water, Water  
15 Quality and Supply, Flood Control, River and Coastal Protection  
16 Bond Act of 2006, as set forth in Section 1 of this act, and the  
17 Water Security, Clean Drinking Water, Coastal and Beach  
18 Protection Act of 2002, as set forth in Section 2 of this act.

19 SEC. 9. This act is an urgency statute necessary for the  
20 immediate preservation of the public peace, health, or safety within  
21 the meaning of Article IV of the Constitution and shall go into  
22 immediate effect. The facts constituting the necessity are:

23 In order to fund a water quality, supply, and infrastructure  
24 improvement program at the earliest possible date, it is necessary  
25 that this act take effect immediately.

26 SECTION 1. ~~Section 12559 is added to the Health and Safety~~  
27 ~~Code, to read:~~

28 ~~12559. (a) Commencing January 1, 2015, a distributor shall~~  
29 ~~pay a tax upon his or her distribution of safe and sane fireworks~~  
30 ~~at the rate of ten cents (\$0.10) per pound of the total weight of the~~  
31 ~~fireworks, including any packaging, unless adjusted by the State~~  
32 ~~Fire Marshal pursuant to subdivision (c):~~

33 ~~(b) (1) Funds received by the State Fire Marshal or its designee~~  
34 ~~pursuant to this section shall be deposited into the State Fire~~  
35 ~~Marshal Fireworks Enforcement and Disposal Fund established~~  
36 ~~pursuant to Section 12728.~~

37 ~~(2) Funds received pursuant to this section shall only be used,~~  
38 ~~upon appropriation by the Legislature, for the purposes listed in~~  
39 ~~Section 12728.~~

1 ~~(e) The State Fire Marshal may adjust the rate specified in~~  
2 ~~subdivision (a), not to exceed twenty cents (\$0.20) per pound, at~~  
3 ~~a public meeting to be held in January of each year in order to~~  
4 ~~provide sufficient revenues to pay for the estimated expenses~~  
5 ~~described in Section 12728.~~

6 ~~(d) The State Fire Marshal may contract with another public~~  
7 ~~agency to administer this section.~~

8 ~~(e) The State Fire Marshal is authorized to adopt emergency~~  
9 ~~regulations necessary to implement this section during the 2014-15~~  
10 ~~fiscal year in accordance with the rulemaking provisions of the~~  
11 ~~Administrative Procedure Act (Chapter 3.5 (commencing with~~  
12 ~~Section 11340) of Part 1 of Division 3 of Title 2 of the Government~~  
13 ~~Code). The adoption of emergency regulations shall be deemed~~  
14 ~~an emergency and necessary for the immediate preservation of the~~  
15 ~~public peace, health, and safety, or general welfare.~~

16 ~~(f) The State Fire Marshal may, by regulation, establish the~~  
17 ~~period for reporting of information, returns, billings, and payment~~  
18 ~~of taxes due pursuant to this section.~~

19 ~~(g) A violation of this section, or any regulation adopted~~  
20 ~~pursuant to this section, does not constitute a crime for purposes~~  
21 ~~of Section 12700.~~

22 ~~(h) For purposes of this section, the following terms have the~~  
23 ~~following meanings:~~

24 ~~(1) (A) “Distribution” means either or both of the following:~~

25 ~~(i) The sale of previously untaxed safe and sane fireworks in~~  
26 ~~this state.~~

27 ~~(ii) The use or consumption of previously untaxed safe and sane~~  
28 ~~fireworks in this state. For purposes of this clause, “use or~~  
29 ~~consumption” includes the exercise of a right or power over safe~~  
30 ~~and sane fireworks incident to the ownership of those fireworks,~~  
31 ~~other than the sale of the safe and sane fireworks or the keeping~~  
32 ~~or retention of those fireworks by a licensee pursuant to Section~~  
33 ~~12571, 12572, or 12573.~~

34 ~~(B) For purposes of this paragraph, “previously untaxed safe~~  
35 ~~and sane fireworks” means fireworks that have not yet been~~  
36 ~~distributed in a manner as to result in a tax liability under this~~  
37 ~~section.~~

38 ~~(2) “Distributor” means either of the following:~~

39 ~~(A) A person who holds a license issued by the State Fire~~  
40 ~~Marshal pursuant to Section 12571, 12572, or 12573.~~

1 ~~(B) A person who does not hold a license described in~~  
2 ~~subparagraph (A) and who, after the effective date of this section,~~  
3 ~~distributes, as that term is described in paragraph (1), safe and sane~~  
4 ~~fireworks in this state.~~

5 ~~SEC. 2. Section 12722 of the Health and Safety Code is~~  
6 ~~amended to read:~~

7 ~~12722. The following fireworks may be seized pursuant to~~  
8 ~~Section 12721:~~

9 ~~(a) Those fireworks that are sold, offered for sale, possessed,~~  
10 ~~stored, used, or transported within this state prior to having been~~  
11 ~~examined, classified, and registered by the State Fire Marshal,~~  
12 ~~except those specific items designated as samples pending~~  
13 ~~examination, classification, and registration by the State Fire~~  
14 ~~Marshal where the licensee provides documentary evidence that~~  
15 ~~such action by the State Fire Marshal is pending.~~

16 ~~(b) All imported fireworks possessed without benefit of the~~  
17 ~~filing of notices as required by this part.~~

18 ~~(c) Safe and sane fireworks stored in violation of the conditions~~  
19 ~~required by the permit as provided in this part.~~

20 ~~(d) Safe and sane fireworks sold or offered for sale at retail that~~  
21 ~~do not bear the State Fire Marshal label of registration and firing~~  
22 ~~instructions.~~

23 ~~(e) Safe and sane fireworks sold or offered for sale at retail that~~  
24 ~~are in unsealed packages or containers that do not bear the State~~  
25 ~~Fire Marshal label of registration and firing instructions.~~

26 ~~(f) Safe and sane fireworks sold or offered for sale at retail~~  
27 ~~before 12 noon on the 28th day of June or after 12 noon on the~~  
28 ~~sixth day of July of each year.~~

29 ~~(g) Each safe and sane fireworks item sold or offered for sale~~  
30 ~~at retail that does not have its fuse or other igniting device protected~~  
31 ~~by a cap approved by the State Fire Marshal, or groups of fireworks~~  
32 ~~with exposed fuses that are not enclosed in sealed packages that~~  
33 ~~bear the State Fire Marshal label of registration. The State Fire~~  
34 ~~Marshal shall approve the caps as he or she determines provide~~  
35 ~~reasonable protection from unintentional ignition of the fireworks.~~

36 ~~(h) Dangerous fireworks, including fireworks kits, used,~~  
37 ~~possessed, stored, manufactured, or transported by a person who~~  
38 ~~does not possess a valid permit authorizing an activity listed in~~  
39 ~~this part.~~

1 ~~(i) Fireworks stored or sold in a public garage or public oil~~  
2 ~~station, or on a premises where gasoline or other class 1 flammable~~  
3 ~~liquids are stored or dispensed.~~

4 ~~(j) Fireworks still possessed by a person who has just thrown~~  
5 ~~ignited fireworks at a person or group of persons.~~

6 ~~(k) Model rocket engines or model rockets with engines~~  
7 ~~possessed by a person who does not hold a valid permit.~~

8 ~~(l) An emergency signaling device sold, offered for sale, or used~~  
9 ~~that does not bear the State Fire Marshal label of registration as~~  
10 ~~required by this part.~~

11 ~~(m) Fireworks or pyrotechnic device offered for sale by a person~~  
12 ~~violating this part.~~

13 ~~(n) Safe and sane fireworks distributed in this state by an~~  
14 ~~unlicensed distributor and for which the tax required pursuant to~~  
15 ~~Section 12559 has not been paid.~~

16 ~~SEC. 3. Section 12728 of the Health and Safety Code is~~  
17 ~~amended to read:~~

18 ~~12728. (a) The State Fire Marshal Fireworks Enforcement and~~  
19 ~~Disposal Fund is hereby established in the State Treasury.~~

20 ~~(b) All of the moneys collected pursuant to Section 12706 shall~~  
21 ~~be deposited in the fund and shall be available, upon appropriation~~  
22 ~~by the Legislature, to the State Fire Marshal for the exclusive use~~  
23 ~~in statewide programs for the enforcement, prosecution related to,~~  
24 ~~disposal, and management of seized dangerous fireworks, and for~~  
25 ~~the training of public safety agencies in the proper handling and~~  
26 ~~management of dangerous fireworks.~~

27 ~~(c) All of the moneys collected pursuant to Section 12727 shall~~  
28 ~~be deposited in the fund and shall be available, upon appropriation~~  
29 ~~by the Legislature, to the State Fire Marshal for the exclusive use~~  
30 ~~in statewide programs for all of the following:~~

31 ~~(1) To further assist in statewide programs for the enforcement,~~  
32 ~~prosecution related to, disposal, and management of seized~~  
33 ~~dangerous fireworks.~~

34 ~~(2) The training of public safety agencies in the proper handling~~  
35 ~~and management of dangerous fireworks as well as safety issues~~  
36 ~~involving all fireworks and explosives.~~

37 ~~(3) Assist the State Fire Marshal in identifying and evaluating~~  
38 ~~methods to capture more detailed data relating to fires, damages,~~  
39 ~~and injuries caused by both dangerous and safe and sane fireworks,~~

1 and to assist with funding the eventual development and  
2 implementation of those methods.

3 (4) To further assist in public safety efforts within the general  
4 public as well as public safety agencies on the proper and  
5 responsible use, seizure, and storage of safe and sane fireworks.

6 (5) Disposal of any seized fireworks and any infrastructure  
7 requirements necessary for the disposal of fireworks.

8 (6) Administration of the fund by the Office of the State Fire  
9 Marshal or its contracted designee.

10 SEC. 4. This act is an urgency statute necessary for the  
11 immediate preservation of the public peace, health, or safety within  
12 the meaning of Article IV of the Constitution and shall go into  
13 immediate effect. The facts constituting the necessity are:

14 In order for regulatory changes to be adopted to address the  
15 public safety and environmental damage caused by illegal fireworks  
16 in the state at the earliest possible time, it is necessary that this act  
17 take effect immediately.