

AMENDED IN SENATE AUGUST 7, 2014

**SENATE BILL**

**No. 1013**

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**Introduced by ~~Senator Berryhill~~ Senators Vidak and Nielsen  
(Principal coauthors: Senators Berryhill, Cannella, Fuller, Huff,  
Knight, Walters, and Wyland)**

February 13, 2014

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An act to ~~amend Section 22202 of the Financial Code, relating to~~ ~~finance lenders~~ *repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a safe drinking water, water quality, and water supply 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 1013, as amended, ~~Berryhill~~ *Vidak. Finance lenders. Clean, Safe, and Reliable Drinking Water Supply Act of 2014.*

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

*This bill would repeal these provisions.*

(2) *Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.*

*This bill would enact the Clean, Safe, and Reliable Drinking Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$8,700,000,000 pursuant to the State General Obligation Bond Law to finance a clean, safe, and reliable drinking water supply program.*

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

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

~~Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders and brokers by the Commissioner of Business Oversight who is the chief officer of the Department of Business Oversight. Under existing law, on any loan made that is secured by real property, an appraisal fee not to exceed the actual cost of the appraisal is authorized to be charged by the licensee if a written appraisal is provided to the licensee by a qualified appraiser. Under existing law, only one fee for appraising the same real property is authorized to be collected unless the borrower has obtained a new or additional loan and more than one year has elapsed since the prior appraisal. Existing law specifies that this fee is not included in, among other things, charges, as defined for purposes of this law.~~

~~This bill would make nonsubstantive changes to that definition.~~

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: ~~no~~<sup>yes</sup>. State-mandated local program: no.

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

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

1            *DIVISION 26.7. THE CLEAN, SAFE, AND RELIABLE*  
2            *DRINKING WATER SUPPLY ACT OF 2014*

3  
4            *CHAPTER 1. SHORT TITLE*

5  
6            79700. *This division shall be known, and may be cited, as the*  
7 *Clean, Safe, and Reliable Drinking Water Supply Act of 2014.*

8  
9            *CHAPTER 2. FINDINGS AND DECLARATIONS*

10  
11          79701. *The people of California find and declare all of the*  
12 *following:*

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

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

22          (c) *Climate change has impaired California’s capacity to ensure*  
23 *clean, safe, and reliable drinking water, as droughts have become*  
24 *more frequent and more severe, and ecosystems have become*  
25 *stressed. Higher temperatures mean less snow pack, which is the*  
26 *state’s largest water reservoir. Scientists project a loss of at least*  
27 *25 percent of the snow pack in the Sierra Nevada Mountains by*  
28 *2050. The Colorado River basin, which provides drinking water*  
29 *to southern California, has experienced prolonged drought.*

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

38          (e) *In the years since the voters approved the State Water*  
39 *Project, California’s population has continued to grow, from less*  
40 *than 16 million in 1960 to more than 37 million in 2010. A growing*

1 *population and a growing economy have put greater stress on*  
2 *California's natural resources, including water. The Department*  
3 *of Finance projects that California's population will reach 50*  
4 *million by 2049.*

5 *(f) A growing population and a growing economy have put*  
6 *greater stress on California's natural resources, including water.*  
7 *Contamination of groundwater aquifers from economic activity*  
8 *in the agricultural and industrial sectors has threatened vital*  
9 *drinking water supplies.*

10 *(g) As California and its water infrastructure have grown,*  
11 *increasing demands on California's limited water supplies and*  
12 *deteriorating aquatic ecosystems have led to intense conflict,*  
13 *further threatening the reliability of clean and safe drinking water.*

14 *(h) This division is intended to promote the coequal goals, as*  
15 *defined in Section 85054, of providing a more reliable water supply*  
16 *for California and protecting, restoring, and enhancing the Delta*  
17 *ecosystem.*

18 *79702. The people of California find and declare all of the*  
19 *following:*

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

24 *(b) Responding to climate change, ensuring clean and safe*  
25 *drinking water, and preparing for California's continued growth*  
26 *will require a diversified portfolio of strategies and investments*  
27 *to address the many water challenges facing California.*

28 *(c) Improving water quality offers one of the most immediate*  
29 *steps to ensuring a clean and safe drinking water supply. California*  
30 *needs water quality improvements at all parts of the hydrologic*  
31 *cycle, from source water in the watersheds where the state's*  
32 *drinking water supplies originate to wastewater treatment and*  
33 *potential reuse to improve surface water quality for those who live*  
34 *downstream.*

35 *(d) Addressing the challenges to the sustainability of the Delta,*  
36 *the heart of the California water system, will help resolve some*  
37 *of the conflicts that impede progress in improving the statewide*  
38 *water system.*

39 *(e) Enhancing regional water self-reliance consistent with*  
40 *Section 85021 offers a key strategy for addressing climate change*

1 *and improving water supply reliability. It helps the Delta and it*  
2 *helps local communities to address their own water challenges.*

3  
4 *CHAPTER 3. DEFINITIONS*

5  
6 *79703. Unless the context otherwise requires, the definitions*  
7 *set forth in this section govern the construction of this division, as*  
8 *follows:*

9 *(a) "CALFED Bay-Delta Program" means the program*  
10 *described in the Record of Decision dated August 28, 2000.*

11 *(b) "Commission" means the California Water Commission.*

12 *(c) "Committee" means the Clean, Safe, and Reliable Drinking*  
13 *Water Supply Finance Committee created by Section 79802.*

14 *(d) "Delta" means the Sacramento-San Joaquin Delta, as*  
15 *defined in Section 85058.*

16 *(e) "Delta conveyance facilities" means facilities that convey*  
17 *water directly from the Sacramento River to the State Water Project*  
18 *or the federal Central Valley Project pumping facilities in the*  
19 *south Delta.*

20 *(f) "Delta counties" means the counties of Contra Costa,*  
21 *Sacramento, San Joaquin, Solano, and Yolo.*

22 *(g) "Department" means the Department of Water Resources.*

23 *(h) "Director" means the Director of Water Resources.*

24 *(i) "Disadvantaged community" has the meaning set forth in*  
25 *subdivision (a) of Section 79505.5.*

26 *(j) "Economically distressed area" means a municipality with*  
27 *a population of 20,000 persons or less, a rural county, or a*  
28 *reasonably isolated and divisible segment of a larger municipality*  
29 *where the segment of the population is 20,000 persons or less,*  
30 *with an annual median household income that is less than 85*  
31 *percent of the statewide median household income, and with one*  
32 *or more of the following conditions as determined by the*  
33 *department:*

34 *(1) Financial hardship.*

35 *(2) Unemployment rate at least 2 percent higher than the*  
36 *statewide average.*

37 *(3) Low population density.*

38 *(k) "Fund" means the Clean, Safe, and Reliable Drinking Water*  
39 *Supply Fund of 2014 created by Section 79717.*

- 1 (l) “Integrated regional water management plan” has the
- 2 meaning set forth in Section 10534.
- 3 (m) “Nonprofit organization” means an organization qualified
- 4 to do business in California and qualified under Section 501(c)(3)
- 5 of Title 26 of the United States Code.
- 6 (n) “Public agency” means a state agency or department,
- 7 district, joint powers authority, city, county, city and county, or
- 8 other political subdivision of the state.
- 9 (o) “Rainwater” has the meaning set forth in subdivision (c) of
- 10 Section 10573.
- 11 (p) “Secretary” means the Secretary of the Natural Resources
- 12 Agency.
- 13 (q) “Severely disadvantaged community” has the meaning set
- 14 forth in subdivision (a) of Section 116760.20 of the Health and
- 15 Safety Code.
- 16 (r) “Small community water system” means a community water
- 17 system that serves no more than 3,300 service connections or a
- 18 yearlong population of no more than 10,000 persons.
- 19 (s) “State board” means the State Water Resources Control
- 20 Board.
- 21 (t) “State General Obligation Bond Law” means the State
- 22 General Obligation Bond Law (Chapter 4 (commencing with
- 23 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
- 24 Code).
- 25 (u) “State small water system” has the meaning set forth in
- 26 subdivision (n) of Section 116275 of the Health and Safety Code.
- 27 (v) “Storm water” has the meaning set forth in subdivision (e)
- 28 of Section 10573.

29  
30 *CHAPTER 4. GENERAL PROVISIONS*

- 31
- 32 79705. An amount that equals not more than 5 percent of the
- 33 funds allocated for a grant program pursuant to this division may
- 34 be used to pay the administrative costs of that program.
- 35 79706. Unless otherwise specified, up to 10 percent of funds
- 36 allocated for each program funded by this division may be
- 37 expended for planning and monitoring necessary for the successful
- 38 design, selection, and implementation of the projects authorized
- 39 under that program. This section shall not otherwise restrict funds
- 40 ordinarily used by an agency for “preliminary plans,” “working

1 drawings,” and “construction” as defined in the annual Budget  
2 Act for a capital outlay project or grant project. Water quality  
3 monitoring shall be integrated into the surface water ambient  
4 monitoring program administered by the state board. Watershed  
5 monitoring shall be integrated into the statewide watershed  
6 program administered by the Department of Conservation.

7 79707. Chapter 3.5 (commencing with Section 11340) of Part  
8 1 of Division 3 of Title 2 of the Government Code does not apply  
9 to the development or implementation of programs or projects  
10 authorized or funded under this division other than Chapter 9  
11 (commencing with Section 79760).

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

23 (b) Prior to disbursing grants or loans, the state agency shall  
24 conduct three public meetings to consider public comments prior  
25 to finalizing the guidelines. The state agency shall publish the draft  
26 solicitation and evaluation guidelines on its Internet Web site at  
27 least 30 days before the public meetings. One meeting shall be  
28 conducted at a location in northern California, one meeting shall  
29 be conducted at a location in the central valley, and one meeting  
30 shall be conducted at a location in southern California. Upon  
31 adoption, the state agency shall transmit copies of the guidelines  
32 to the fiscal committees and the appropriate policy committees of  
33 the Legislature.

34 79709. It is the intent of the people that:

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

38 (b) In the appropriation and expenditure of funding authorized  
39 by this division, priority will be given to projects that leverage

1 private, federal, or local funding or produce the greatest public  
2 benefit.

3 (c) A funded project advances the purposes of the chapter from  
4 which the project received funding.

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

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

13 (f) Evaluation of projects considered for funding pursuant to  
14 this division will include review by professionals in the fields  
15 relevant to the proposed project.

16 (g) To the extent practicable, a project supported by funds made  
17 available by this division will include signage informing the public  
18 that the project received funds from the Clean, Safe, and Reliable  
19 Drinking Water Supply Act of 2014.

20 79710. (a) The California State Auditor shall annually conduct  
21 a programmatic review and an audit of expenditures from the fund.

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

26 (c) If an audit, required by statute, of any entity that receives  
27 funding authorized by this division is conducted pursuant to state  
28 law and reveals any impropriety, the California State Auditor or  
29 the Controller may conduct a full audit of any or all of the activities  
30 of that entity.

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

34 79711. (a) Funds provided by this division shall not be  
35 expended to support or pay for the costs of environmental  
36 mitigation measures except as part of the environmental mitigation  
37 costs of projects financed by this division. Funds provided by this  
38 division may be used for environmental enhancements or other  
39 public benefits.

1 (b) Funds provided by this division may be used to acquire  
2 water if both of the following conditions are met:

3 (1) The acquisition involves a long-term water transfer of not  
4 less than 20 years, a purchase of water, or other agreement, that  
5 results in enhanced stream flow such as reservoir reoperation or  
6 conjunctive use programs.

7 (2) The Department of Fish and Wildlife determines that the  
8 acquisition, purchase, or agreement and the use of the funds will  
9 provide benefits or improvements to fisheries or the ecosystem.

10 79712. Funds provided by this division shall not be expended  
11 to pay the costs of the design, construction, operation, or  
12 maintenance of Delta conveyance facilities. Those costs shall be  
13 the responsibility of the water agencies that benefit from the design,  
14 construction, operation, or maintenance of those facilities.

15 79713. (a) This division does not diminish, impair, or  
16 otherwise affect in any manner whatsoever any area of origin,  
17 watershed of origin, county of origin, or any other water rights  
18 protections, including, but not limited to, rights to water  
19 appropriated prior to December 19, 1914, provided under the law.  
20 This division does not limit or otherwise affect the application of  
21 Article 1.7 (commencing with Section 1215) of Chapter 1 of Part  
22 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461,  
23 11462, and 11463, and Sections 12200 to 12220, inclusive.

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

32 (c) Nothing in this division supersedes, limits, or otherwise  
33 modifies the applicability of Chapter 10 (commencing with Section  
34 1700) of Part 2 of Division 2, including petitions related to any  
35 new conveyance constructed or operated in accordance with  
36 Chapter 2 (commencing with Section 85320) of Part 4 of Division  
37 35.

38 (d) Unless otherwise expressly provided, nothing in this division  
39 supersedes, reduces, or otherwise affects existing legal protections,  
40 both procedural and substantive, relating to the state board's

1 *regulation of diversion and use of water, including, but not limited*  
2 *to, water right priorities, the protection provided to municipal*  
3 *interests by Sections 106 and 106.5, and changes in water rights.*  
4 *Nothing in this division expands or otherwise alters the state*  
5 *board's existing authority to regulate the diversion and use of*  
6 *water or the courts' existing concurrent jurisdiction over California*  
7 *water rights.*

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

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

18 *79714. Eligible applicants under this division are public*  
19 *agencies, nonprofit organizations, public utilities, federally*  
20 *recognized Indian tribes, State Indian tribes listed on the Native*  
21 *American Heritage Commission's California Tribal list, and mutual*  
22 *water companies. To be eligible for funding under this division, a*  
23 *project proposed by a public utility that is regulated by the Public*  
24 *Utilities Commission or a mutual water company shall have a*  
25 *clear and definite public purpose and shall benefit the customers*  
26 *of the water system.*

27 *79715. The Legislature may enact legislation necessary to*  
28 *implement programs funded by this division, except as otherwise*  
29 *provided in Section 79770.*

30 *79716. (a) Unless otherwise specified, any state agency that*  
31 *has the statutory authority to implement one or more of the*  
32 *purposes specified in this bond act may be eligible for*  
33 *appropriations from the funding made available by this division.*

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

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

1 79717. *The proceeds of bonds issued and sold pursuant to this*  
2 *division shall be deposited in the Clean, Safe, and Reliable*  
3 *Drinking Water Supply Fund of 2014, which is hereby created in*  
4 *the State Treasury.*

5 79718. *Each state agency that receives an appropriation of*  
6 *funding made available by this division shall be responsible for*  
7 *establishing metrics of success and reporting the status of projects*  
8 *and all uses of the funding on the state’s bond accountability*  
9 *Internet Web site, as provided by statute.*

10

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

12

13 79720. *The sum of six hundred fifty million dollars*  
14 *(\$650,000,000) shall be available, upon appropriation by the*  
15 *Legislature from the fund, for expenditures, grants, and loans for*  
16 *projects that improve water quality or help provide clean, safe,*  
17 *and reliable drinking water to all Californians.*

18 79721. *The projects eligible for funding pursuant to this chapter*  
19 *shall help improve water quality for a beneficial use. The purposes*  
20 *of this chapter are to:*

21 (a) *Reduce contaminants in drinking water supplies regardless*  
22 *of the source of the water or the contamination, including the*  
23 *assessment and prioritization of the risk to the safety of drinking*  
24 *water supplies.*

25 (b) *Address the critical and immediate needs of disadvantaged,*  
26 *rural, or small communities that suffer from contaminated drinking*  
27 *water supplies, including, but not limited to, projects that address*  
28 *a public health emergency.*

29 (c) *Leverage other private, federal, state, and local drinking*  
30 *water quality and wastewater treatment funds.*

31 (d) *Reduce contaminants in discharges to, and improve the*  
32 *quality of, surface water streams.*

33 (e) *Improve water quality of surface water streams, including*  
34 *multibenefit stormwater quality projects.*

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

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

39 (h) *Ensure access to clean, safe, reliable, and affordable*  
40 *drinking water for California’s communities.*

1 79722. (a) A project that receives funding under this chapter  
2 shall be selected by a competitive grant or loan process with added  
3 consideration for those projects that leverage private, federal, or  
4 local funding. This subdivision shall not apply to projects for the  
5 purposes of Section 79727 that address a public health priority  
6 for which no other source of funding can be identified.

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

10 (c) A project that receives funding authorized by this chapter  
11 may be implemented by any public water system or other public  
12 water agency.

13 79723. An applicant for a project to clean up a groundwater  
14 aquifer shall demonstrate that a public agency has authority to  
15 manage the water resources in that aquifer to be eligible for  
16 funding pursuant to this chapter. A groundwater management plan  
17 adopted and approved pursuant to Part 2.75 (commencing with  
18 Section 10750) of Division 6 shall be deemed sufficient to satisfy  
19 the requirement of this section. This section does not apply to  
20 projects that install treatment facilities at the wellhead, customer  
21 connection, or the tap.

22 79724. The contaminants that may be addressed with funding  
23 pursuant to this chapter may include, but shall not be limited to,  
24 nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,  
25 selenium, hexavalent chromium, mercury, PCE  
26 (perchloroethylene), TCE (trichloroethylene), DCE  
27 (dichloroethene), DCA (dichloroethane), 1,2,3-TCP  
28 (trichloropropane), carbon tetrachloride, 1,4-dioxane,  
29 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron,  
30 manganese, and uranium.

31 79725. (a) Of the funds authorized in Section 79720, not less  
32 than two hundred fifty million dollars (\$250,000,000) shall be  
33 available for deposit in the State Water Pollution Control  
34 Revolving Fund Small Community Grant Fund created pursuant  
35 to Section 13477.6 for grants for wastewater treatment projects.  
36 Priority shall be given to projects that serve disadvantaged  
37 communities and severely disadvantaged communities, and to  
38 projects that address public health hazards. Projects may include,  
39 but not be limited to, projects that identify, plan, design, and

1 *implement regional mechanisms to consolidate wastewater systems*  
2 *or provide affordable treatment technologies.*

3 *(b) The state board may expend up to nine million dollars*  
4 *(\$9,000,000) of the funds allocated pursuant to subdivision (a) for*  
5 *technical assistance to eligible communities.*

6 79726. *(a) Of the funds authorized in Section 79720, one*  
7 *hundred million dollars (\$100,000,000) shall be available for*  
8 *deposit in the Emergency Clean Water Grant Fund, established*  
9 *pursuant to Section 116475 of the Health and Safety Code, for*  
10 *grants and direct expenditures to finance public health emergencies*  
11 *and urgent actions, as may be determined by the Legislature, to*  
12 *ensure that safe drinking water supplies are available to all*  
13 *Californians. Eligible projects include, but are not limited to, the*  
14 *following:*

15 *(1) Providing interim water supplies, including, but not limited*  
16 *to, bottled water, where necessary to protect public health. For*  
17 *purposes of this subdivision, “interim” means the limited period*  
18 *of time needed to address the identified urgent need for safe*  
19 *drinking water, not to exceed three years.*

20 *(2) Planning, designing, and constructing projects that improve*  
21 *or replace existing water systems to provide safe, reliable,*  
22 *accessible, and affordable drinking water, provide other sources*  
23 *of safe drinking water, including, but not limited to, replacement*  
24 *wells, and prevent contamination.*

25 *(3) Establishing connections to an adjacent water system.*

26 *(4) The design, purchase, installation, and initial operating*  
27 *costs for interim water treatment equipment and systems.*

28 *(b) The administering entity may expend up to ten million dollars*  
29 *(\$10,000,000) for grants and loans to address the water quality*  
30 *needs of private well owners who have no other source of funding*  
31 *and serve members of a disadvantaged community.*

32 *(c) Funds made available pursuant to this section may be used*  
33 *to fund the costs of stewardship, operation, and maintenance of*  
34 *funded projects.*

35 79727. *(a) (1) Of the funds authorized in Section 79720, three*  
36 *hundred million dollars (\$300,000,000) shall be available for*  
37 *grants and loans for public water system infrastructure*  
38 *improvements and related actions to meet safe drinking water*  
39 *standards, ensure affordable drinking water, or both. Priority*  
40 *shall be given to projects that provide treatment for contamination*

1 or access to an alternate drinking water source or sources for  
2 small community water systems or state small water systems in  
3 disadvantaged communities whose drinking water source is  
4 impaired by chemical and nitrate contaminants and other health  
5 hazards identified by the implementing agency. Eligible recipients  
6 serve disadvantaged communities and are public agencies or  
7 incorporated mutual water companies. The state board may make  
8 grants for the purpose of financing feasibility studies and to meet  
9 the eligibility requirements for a construction grant. Eligible  
10 expenses may include initial and ongoing operation and  
11 maintenance costs for systems serving disadvantaged communities.  
12 Special consideration shall be given to projects that provide shared  
13 solutions for multiple communities, at least one of which is a  
14 disadvantaged community that lacks safe, affordable drinking  
15 water and is served by a small community water system, state small  
16 water system, or private well. Construction grants shall be limited  
17 to five million dollars (\$5,000,000) per project, except that the  
18 state board may set a limit of not more than twenty million dollars  
19 (\$20,000,000) for projects that provide regional benefits or are  
20 shared among multiple entities, at least one of which shall be a  
21 disadvantaged community. Not more than 25 percent of a grant  
22 may be awarded in advance of actual expenditures.

23 (2) For purposes of this subdivision, “initial operation and  
24 maintenance costs” means those initial, eligible, and reimbursable  
25 costs under a funding agreement that are incurred up to, and  
26 including, initial startup testing of the project to deem the project  
27 complete. Initial operation and maintenance costs are eligible to  
28 receive funding pursuant to this subdivision for a period not to  
29 exceed two years.

30 (b) The state board may expend up to twenty-five million dollars  
31 (\$25,000,000) of the funds allocated in subdivision (a) for technical  
32 assistance to eligible communities.

33 (c) Funds made available pursuant to this section may be used  
34 to fund the costs of stewardship, operation, and maintenance of  
35 funded projects.

36 (d) The state board shall deposit two million five hundred  
37 thousand dollars (\$2,500,000) of the funds available pursuant to  
38 this section into the Drinking Water Capital Reserve Fund, which  
39 is hereby created in the State Treasury. Moneys in the Drinking  
40 Water Capital Reserve Fund shall be available upon appropriation

1 *by the Legislature, and shall be administered by the state board*  
2 *for the purpose of serving as matching funds for disadvantaged*  
3 *communities. The legislature, before appropriating moneys*  
4 *pursuant to this subdivision, shall enact criteria to implement this*  
5 *subdivision.*

6 79728. (a) *For the purposes of awarding funding under this*  
7 *chapter, a local cost share of not less than 50 percent of the total*  
8 *costs of the project shall be required. The cost-sharing requirement*  
9 *may be waived or reduced for projects that directly benefit a*  
10 *disadvantaged community or an economically distressed area.*

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

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

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

24

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

27

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

34 (b) *Of the funds made available by this section, the sum of three*  
35 *hundred twenty-five million dollars (\$325,000,000) shall be*  
36 *allocated as follows for projects that protect and improve*  
37 *California's watersheds:*

38 (1) *For the watersheds of the Los Angeles and San Gabriel*  
39 *Rivers, fifty-one million dollars (\$51,000,000) for multibenefit*

1 *water quality, water supply, public access, and watershed*  
2 *protection projects, according to the following schedule:*

3 (A) *Santa Monica Mountains Conservancy, twenty-three million*  
4 *dollars (\$23,000,000).*

5 (B) *San Gabriel and Lower Los Angeles Rivers and Mountains*  
6 *Conservancy, twenty-three million dollars (\$23,000,000).*

7 (C) *Baldwin Hills Conservancy, five million dollars*  
8 *(\$5,000,000).*

9 (2) *California Tahoe Conservancy, nine million dollars*  
10 *(\$9,000,000).*

11 (3) *Coachella Valley Mountains Conservancy, nine million*  
12 *dollars (\$9,000,000).*

13 (4) *San Diego River Conservancy, five million dollars*  
14 *(\$5,000,000).*

15 (5) *San Joaquin River Conservancy, nine million dollars*  
16 *(\$9,000,000).*

17 (6) *Sierra Nevada Conservancy, twenty-two million dollars*  
18 *(\$22,000,000).*

19 (7) *State Coastal Conservancy, one hundred fifteen million*  
20 *dollars (\$115,000,000).*

21 (8) *Wildlife Conservation Board, eighty million dollars*  
22 *(\$80,000,000).*

23 (9) *Ocean Protection Council, twenty-five million dollars*  
24 *(\$25,000,000).*

25 79731. *In protecting and restoring California rivers, lakes,*  
26 *streams, and watersheds, the purposes of this chapter are to:*

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

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

32 (c) *Restore river parkways throughout the state, including, but*  
33 *not limited to, projects pursuant to the California River Parkways*  
34 *Act of 2004 (Chapter 3.8 (commencing with Section 5750) of*  
35 *Division 5 of the Public Resources Code), in the Urban Streams*  
36 *Restoration Program established pursuant to Section 7048, and*  
37 *urban river greenways.*

38 (d) *Protect and restore aquatic, wetland, and migratory bird*  
39 *ecosystems, including fish and wildlife corridors and the*

1 *acquisition of water rights for instream flow pursuant to Section*  
2 *1707.*

3 *(e) Fulfill the obligations of the State of California in complying*  
4 *with the terms of multiparty settlement agreements related to water*  
5 *resources.*

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

7 *(g) Collaborate with federal agencies in the protection of fish*  
8 *native to California and wetlands in the central valley of*  
9 *California.*

10 *(h) Implement fuel treatment projects to reduce wildfire risks,*  
11 *protect watersheds tributary to water storage facilities, and*  
12 *promote watershed health.*

13 *(i) Protect and restore rural and urban watershed health to*  
14 *improve watershed storage capacity, forest health, protection of*  
15 *life and property, stormwater resource management, and*  
16 *greenhouse gas reduction.*

17 *(j) Promote access, interpretation, and recreational*  
18 *opportunities with respect to watersheds and waterways that are*  
19 *compatible with habitat values and water quality objectives.*

20 *(k) Promote educational opportunities to instruct and inform*  
21 *Californians, including young people, about the value of*  
22 *watersheds.*

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

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

30 *(n) Assist in the recovery of endangered, threatened, or*  
31 *migratory species by improving watershed health, instream flows*  
32 *pursuant to Section 1707, fish passage, coastal or inland wetland*  
33 *restoration, or other means, such as natural community*  
34 *conservation plan and habitat conservation plan implementation.*

35 *(o) Promote urban forestry pursuant to the Urban Forest Act*  
36 *of 1978 (Chapter 2 (commencing with Section 4799.06) of Part*  
37 *2.5 of Division 4 of the Public Resources Code).*

38 *79732. For restoration and ecosystem protection projects under*  
39 *this chapter, the services of the California Conservation Corps or*

1 *a local conservation corps certified by the California Conservation*  
2 *Corps shall be used whenever feasible.*

3 *79733. (a) Of the funds authorized in Section 79730, one*  
4 *hundred million dollars (\$100,000,000) shall be made available*  
5 *for projects to protect and enhance an urban creek, as defined in*  
6 *subdivision (e) of Section 7048, and its tributaries, pursuant to*  
7 *Division 22.8 (commencing with Section 32600) of, and Division*  
8 *23 (commencing with Section 33000) of, the Public Resources*  
9 *Code and Section 79508.*

10 *(b) (1) Of the funds authorized in Section 79730, fifty million*  
11 *dollars (\$50,000,000) shall be made available to the secretary for*  
12 *a competitive program to fund multibenefit watershed and urban*  
13 *rivers enhancement projects in urban watersheds that increase*  
14 *regional and local water self-sufficiency and that meet at least two*  
15 *of the following objectives:*

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

17 *(B) Reduce energy consumption.*

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

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

20 *(E) Increase regional and local resiliency and adaptability to*  
21 *climate change.*

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

29 *(c) At least 25 percent of the funds available pursuant to*  
30 *subdivisions (a) and (b) shall be allocated for projects that benefit*  
31 *disadvantaged communities.*

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

34 *(e) Notwithstanding Section 79711, of the funds authorized in*  
35 *Section 79730, four hundred seventy-five million dollars*  
36 *(\$475,000,000) shall be available to the Natural Resources Agency*  
37 *to support projects that fulfill the obligations of the State of*  
38 *California in complying with the terms of one of the following:*

39 *(1) Section 3406(d) of Title 34 of Public Law 102-575.*

1 (2) *Interstate compacts set forth in Section 66801 of the*  
2 *Government Code pursuant to Title 7.42 (commencing with Section*  
3 *66905) of the Government Code.*

4 (3) *Any interstate or multiparty settlement agreement related*  
5 *to water acted upon on or before December 31, 2013. Priority*  
6 *shall be given to projects that meet one or more of the following*  
7 *criteria:*

8 (A) *The project is of statewide significance.*

9 (B) *The project restores natural aquatic or riparian functions,*  
10 *or wetlands habitat for birds and aquatic species.*

11 (C) *The project protects or promotes the restoration of*  
12 *endangered or threatened species.*

13 (D) *The project enhances the reliability of water supplies on a*  
14 *regional or interregional basis.*

15 (E) *The project provides significant regional or statewide*  
16 *economic benefits.*

17 79734. (a) *Of the funds provided in Section 79730, at least*  
18 *two hundred million (\$200,000,000) shall be made available for*  
19 *the enhancement of water flows in stream systems statewide,*  
20 *consistent with Section 79711.*

21 (b) *Of the funds provided in Section 79730, at least two hundred*  
22 *million (\$200,000,000) shall be made available for statewide*  
23 *ecosystem restoration projects. These funds may be used to fund*  
24 *coastal wetland habitat, watershed restoration, including activities*  
25 *to improve forest health, restore mountain meadows, modernize*  
26 *stream crossings, reconnect historical flood plains, install or*  
27 *improve fish screens, provide fish passages, restore river channels,*  
28 *restore or enhance riparian habitats, and remove sediment and*  
29 *trash. In allocating funds for a project pursuant to this subdivision,*  
30 *the state board and the Department of Fish and Wildlife shall*  
31 *consider the location of the project so that funded projects are*  
32 *geographically distributed throughout the state.*

33 79735. *For the purposes of this chapter, the terms*  
34 *“interpretation,” “protection,” and “restoration” have the*  
35 *meanings set forth in Section 75005 of the Public Resources Code.*

1     *CHAPTER 7. CLIMATE CHANGE PREPAREDNESS FOR REGIONAL*  
2     *WATER SECURITY AND DROUGHT PREPAREDNESS*

3  
4     79740. *The sum of one billion two hundred fifty million dollars*  
5 *(\$1,250,000,000) shall be available, upon appropriation by the*  
6 *Legislature from the fund, for expenditures on, and competitive*  
7 *grants and loans to, projects that are included in and implement*  
8 *an adopted integrated regional water management plan consistent*  
9 *with Part 2.2 (commencing with Section 10530) of Division 6 and*  
10 *respond to climate change and contribute to regional water*  
11 *security as provided in this chapter.*

12     79741. *In order to improve regional water self-reliance security*  
13 *and adapt to the effects on water supply arising out of climate*  
14 *change, the purposes of this chapter are to:*

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

17     (b) *Provide incentive to water agencies throughout each*  
18 *watershed to collaborate in managing the region's water resources*  
19 *and setting regional priorities for water infrastructure.*

20     (c) *Improve regional water self-reliance consistent with Section*  
21 *85021.*

22     79742. (a) *In selecting among proposed projects in a*  
23 *watershed, the administering state agency may consider the scope*  
24 *of the adopted integrated regional water management plan, with*  
25 *priority going to projects in plans that cover a greater portion of*  
26 *the watershed. If a plan covers substantially all of the watershed,*  
27 *the plan's project priorities shall be given deference if the project*  
28 *and plan otherwise meet the requirements of this division and the*  
29 *Integrated Regional Water Management Planning Act of 2002*  
30 *(Part 2.2 (commencing with Section 10530) of Division 6).*

31     (b) *An urban water supplier that does not prepare, adopt, and*  
32 *submit its urban water management plan in accordance with the*  
33 *Urban Water Management Planning Act (Part 2.6 (commencing*  
34 *with Section 10610) of Division 6) is ineligible to apply for funds*  
35 *made available pursuant to this chapter until the urban water*  
36 *management plan is prepared and submitted in accordance with*  
37 *the requirements of that act.*

38     (c) *A local agency that does not prepare, adopt, and submit its*  
39 *groundwater management plan in accordance with Part 2.75*  
40 *(commencing with Section 10750) of Division 6 is ineligible to*

1 apply for funds made available pursuant to this chapter until the  
2 plan is prepared and submitted in accordance with the  
3 requirements of that part. The groundwater management plan  
4 requirement shall not apply to a water replenishment district  
5 formed pursuant to Division 18 (commencing with Section 60000)  
6 or to a local agency that serves or has authority to manage an  
7 adjudicated groundwater basin.

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

14 (e) Not less than 10 percent of the funds authorized by this  
15 chapter shall be allocated to projects that directly benefit  
16 disadvantaged communities.

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

22 (g) Projects that achieve multiple benefits shall receive special  
23 consideration.

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

28 (a) Water reuse and recycling for nonpotable reuse and direct  
29 and indirect potable reuse.

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

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

33 (d) Regional water conveyance facilities that improve  
34 integration of separate water systems.

35 (e) Watershed protection, restoration, and management projects,  
36 including projects that reduce the risk of wildfire or improve water  
37 supply reliability.

38 (f) Stormwater resource management, including, but not limited  
39 to, the following:

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

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

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

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

10 (g) Conjunctive use of surface and groundwater storage  
11 facilities.

12 (h) Water desalination projects.

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

16 (j) Improvement to water quality, including drinking water  
17 treatment and distribution, groundwater and aquifer remediation,  
18 matching water quality to water use, wastewater treatment, water  
19 pollution prevention, and management of urban and agricultural  
20 runoff.

21 79744. (a) Of the funds authorized in Section 79740, five  
22 hundred million dollars (\$500,000,000) shall be allocated to the  
23 hydrologic regions as identified in the California Water Plan in  
24 accordance with this section. For the South Coast hydrologic  
25 region, the department shall establish three funding areas that  
26 reflect the watersheds of San Diego County (designated as the San  
27 Diego subregion), the Santa Ana River watershed and southern  
28 Orange County (designated as the Santa Ana subregion), and the  
29 Los Angeles and Ventura County watersheds (designated as the  
30 Los Angeles subregion), and shall allocate funds to those areas  
31 in accordance with this subdivision. The North and South Lahontan  
32 hydrologic regions shall be treated as one area for the purpose of  
33 allocating funds. For purposes of this subdivision, the Sacramento  
34 River hydrologic region does not include the Delta. For purposes  
35 of this subdivision, the Mountain Counties Overlay is not eligible  
36 for funds from the Sacramento River hydrologic region or the San  
37 Joaquin River hydrologic region. Multiple integrated regional  
38 water management plans may be recognized in each of the areas  
39 allocated funding.

1 (b) Funds made available by this section shall be allocated as  
2 follows:

3 (1) Twenty-two million five hundred thousand dollars  
4 (\$22,500,000) for the North Coast hydrologic region.

5 (2) Sixty-six million dollars (\$66,000,000) for the San Francisco  
6 Bay hydrologic region.

7 (3) Twenty-nine million dollars (\$29,000,000) for the Central  
8 Coast hydrologic region.

9 (4) Ninety-nine million dollars (\$99,000,000) for the Los Angeles  
10 subregion.

11 (5) Sixty-four million dollars (\$64,000,000) for the Santa Ana  
12 subregion.

13 (6) Forty-three million five hundred thousand dollars  
14 (\$43,500,000) for the San Diego subregion.

15 (7) Thirty-eight million dollars (\$38,000,000) for the  
16 Sacramento River hydrologic region.

17 (8) Thirty-two million dollars (\$32,000,000) for the San Joaquin  
18 River hydrologic region.

19 (9) Thirty-five million dollars (\$35,000,000) for the Tulare/Kern  
20 hydrologic region.

21 (10) Twenty-five million five hundred thousand dollars  
22 (\$25,500,000) for the North/South Lahontan hydrologic region.

23 (11) Twenty-three million five hundred thousand dollars  
24 (\$23,500,000) for the Colorado River Basin hydrologic region.

25 (12) Twenty-two million dollars (\$22,000,000) for the Mountain  
26 Counties Overlay.

27 79745. (a) Of the funds authorized by Section 79740, one  
28 hundred million dollars (\$100,000,000) may be used for direct  
29 expenditures, and for grants and loans, for water conservation  
30 and water-use efficiency plans, projects, and programs, including  
31 urban and regional water conservation plans, projects, and  
32 programs, implemented to achieve urban water use targets  
33 developed pursuant to Section 10608.20. Priority for funding shall  
34 be given to plans, projects, and programs that do any of the  
35 following:

36 (1) Assist water suppliers and regions to implement conservation  
37 programs and measures that are not locally cost effective.

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

1 (3) Assist water suppliers and regions with programs and  
2 measures targeted toward realizing the conservation benefits of  
3 implementation of the provisions of the state landscape model  
4 ordinance.

5 (b) Of the funds authorized by Section 79740, one hundred  
6 million dollars (\$100,000,000) shall be available to the department  
7 for direct expenditures, and grants and loans, for agricultural  
8 water conservation and water-use efficiency plans, projects, and  
9 programs, including agricultural water management plans or  
10 agricultural water-use efficiency projects and programs developed  
11 pursuant to Part 2.8 (commencing with Section 10800) of Division  
12 6.

13 (c) Section 1011 applies to all conservation measures that an  
14 agricultural water supplier or an urban water supplier implements  
15 with funding under this chapter. This subdivision does not limit  
16 the application of Section 1011 to any other measures or projects  
17 implemented by a water supplier. Notwithstanding Section 79740  
18 and subdivision (f) of Section 79742, the projects funded pursuant  
19 to this section are not required to be in an adopted integrated  
20 regional water management plan or to comply with that program.

21 79746. (a) Of the funds authorized by Section 79740, the sum  
22 of three hundred fifty million dollars (\$350,000,000) shall be  
23 available to the department for grants and expenditures for the  
24 planning, design, and construction of local and regional  
25 conveyance projects that support regional and interregional  
26 connectivity and water management. Projects shall be consistent  
27 with an adopted integrated regional water management plan and  
28 shall provide one or more of the following benefits:

29 (1) Improved regional or interregional water supply and water  
30 supply reliability.

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

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

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

36 (5) Provision of safe drinking water for disadvantaged  
37 communities and economically distressed areas.

38 (b) The department shall require a cost share of not less than  
39 50 percent of total project costs from nonstate sources. The  
40 department may waive or reduce the cost share requirement for

1 *projects that directly benefit a disadvantaged community or an*  
2 *economically distressed area.*

3 79747. (a) *Of the funds authorized by Section 79740, two*  
4 *hundred million dollars (\$200,000,000) shall be available for*  
5 *grants for multibenefit stormwater management projects.*

6 (b) *Eligible projects may include, but shall not be limited to,*  
7 *green infrastructure, rainwater and stormwater capture projects,*  
8 *and stormwater treatment facilities.*

9 (c) *Development of plans for stormwater projects shall address*  
10 *the entire watershed and incorporate the perspectives of*  
11 *communities adjacent to the affected waterways, especially*  
12 *disadvantaged communities.*

13 79748. *In order to receive funding authorized by this chapter*  
14 *to address groundwater quality or supply in an aquifer, the*  
15 *applicant shall demonstrate that a public agency has authority to*  
16 *manage the water resources in that aquifer. A groundwater*  
17 *management plan adopted and approved pursuant to Part 2.75*  
18 *(commencing with Section 10750) of Division 6 shall be deemed*  
19 *sufficient to satisfy the requirements of this section.*

20

21 *CHAPTER 8. SACRAMENTO-SAN JOAQUIN DELTA*  
22 *SUSTAINABILITY*

23

24 79750. (a) *It is the intent of the people that this chapter provide*  
25 *funds to protect, restore, and enhance the Delta ecosystem, improve*  
26 *water quality, protect the unique cultural, recreational, natural*  
27 *resource, and agricultural values of the Delta, and protect the*  
28 *integrity of the Delta levees for water conveyance and flood control*  
29 *purposes.*

30 (b) *The sum of six hundred million (\$600,000,000) shall be*  
31 *available for the purposes of this chapter.*

32 79751. (a) *From the funds described in Section 79750, three*  
33 *hundred fifty million dollars (\$350,000,000) shall be available to*  
34 *the Department of Fish and Wildlife for water quality, ecosystem*  
35 *restoration, and fish protection facilities that benefit the Delta,*  
36 *including, but not limited to, the following:*

37 (1) *Projects to improve, or contribute to improvements in, water*  
38 *quality in the Delta, including projects in Delta counties that*  
39 *provide multiple public benefits and improve drinking or*  
40 *agricultural water quality or water supplies.*

1 (2) *Habitat restoration, conservation, and enhancement projects*  
 2 *to improve the condition of special status, at risk, endangered, or*  
 3 *threatened species in the Delta and the Delta counties, including*  
 4 *projects to eradicate invasive species and projects that support*  
 5 *the beneficial reuse of dredged material for habitat restoration*  
 6 *and levee improvements.*

7 (3) *Scientific studies and assessments that support the Delta*  
 8 *Science Program, as described in Section 85280, or projects*  
 9 *authorized under this section.*

10 (b) *In implementing this section, the Department of Fish and*  
 11 *Wildlife shall coordinate and consult with the Delta city or Delta*  
 12 *county in which a grant is proposed to be expended or an interest*  
 13 *in real property is proposed to be acquired. An acquisition of real*  
 14 *property pursuant to this section shall only be from willing sellers.*

15 (c) *Funds provided by this chapter shall not be used to acquire*  
 16 *land by eminent domain.*

17 (d) *To the extent feasible, in implementing this section, the*  
 18 *Department of Fish and Wildlife shall seek to achieve wildlife*  
 19 *conservation objectives through projects on public lands or*  
 20 *voluntary projects on private lands.*

21 79752. *From the funds described in Section 79750, two hundred*  
 22 *fifty million dollars (\$250,000,000) shall be available to reduce*  
 23 *the risk of levee failure and flood in the Delta for any of the*  
 24 *following:*

25 (a) *Local assistance under the Delta levee maintenance*  
 26 *subventions program under Part 9 (commencing with Section*  
 27 *12980) of Division 6, as that part may be amended.*

28 (b) *Special flood protection projects under Chapter 2*  
 29 *(commencing with Section 12310) of Part 4.8 of Division 6, as*  
 30 *that chapter may be amended.*

31 (c) *Levee improvement projects that increase the resiliency of*  
 32 *levees within the Delta to withstand earthquakes, flooding, or sea*  
 33 *level rise.*

34 (d) *Emergency response and repairs.*

35

36 *CHAPTER 9. STATEWIDE WATER SYSTEM OPERATIONAL*  
 37 *IMPROVEMENT AND DROUGHT PREPAREDNESS*

38

39 79760. (a) *Notwithstanding Section 162, the commission may*  
 40 *make the determinations, findings, and recommendations required*

1 of it by this chapter independent of the views of the director. All  
2 final actions by the commission in implementing this chapter shall  
3 be taken by a majority of the members of the commission at a  
4 public meeting noticed and held pursuant to the Bagley-Keene  
5 Open Meeting Act (Article 9 (commencing with Section 11120) of  
6 Chapter 1 of Part 1 of Division 3 of Title 2 of the Government  
7 Code).

8 (b) Notwithstanding Section 13340 of the Government Code,  
9 the sum of three billion dollars (\$3,000,000,000) is hereby  
10 continuously appropriated from the fund, without regard to fiscal  
11 years, to the commission for public benefits associated with water  
12 storage projects that improve the operation of the state water  
13 system, are cost effective, and provide a net improvement in  
14 ecosystem and water quality conditions, in accordance with this  
15 chapter. Funds authorized for, or made available to, the  
16 commission pursuant to this chapter shall be available and  
17 expended only for the purposes provided in this chapter, and shall  
18 not be subject to appropriation or transfer by the Legislature or  
19 the Governor for any other purpose.

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

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

27 79761. Projects for which the public benefits are eligible for  
28 funding under this chapter consist of only the following:

29 (a) Surface storage projects identified in the CALFED Bay-Delta  
30 Program Record of Decision, dated August 28, 2000, except for  
31 projects prohibited by Chapter 1.4 (commencing with Section  
32 5093.50) of Division 5 of the Public Resources Code.

33 (b) Groundwater storage projects and groundwater  
34 contamination prevention or remediation projects that provide  
35 water storage benefits.

36 (c) Conjunctive use and reservoir reoperation projects.

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

1 79762. *A project shall not be funded pursuant to this chapter*  
2 *unless it provides measurable improvements to the Delta ecosystem*  
3 *or to the tributaries to the Delta.*

4 79763. (a) *Funds allocated pursuant to this chapter may be*  
5 *expended solely for the following public benefits associated with*  
6 *water storage projects:*

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

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

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

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

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

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

29 79764. *In consultation with the Department of Fish and*  
30 *Wildlife, the state board, and the department, the commission shall*  
31 *develop and adopt, by regulation, methods for quantification and*  
32 *management of public benefits described in Section 79763 by*  
33 *December 15, 2016. The regulations shall include the priorities*  
34 *and relative environmental value of ecosystem benefits as provided*  
35 *by the Department of Fish and Wildlife and the priorities and*  
36 *relative environmental value of water quality benefits as provided*  
37 *by the state board.*

38 79765. (a) *Except as provided in subdivision (c), no funds*  
39 *allocated pursuant to this chapter may be allocated for a project*  
40 *before December 15, 2016, and until the commission approves the*

1 *project based on the commission's determination that all of the*  
2 *following have occurred:*

3 *(1) The commission has adopted the regulations specified in*  
4 *Section 79764 and specifically quantified and made public the cost*  
5 *of the public benefits associated with the project.*

6 *(2) The project applicant has entered into a contract with each*  
7 *party that will derive benefits, other than public benefits, as defined*  
8 *in Section 79763, from the project that ensures the party will pay*  
9 *its share of the total costs of the project. The benefits available to*  
10 *a party shall be consistent with that party's share of total project*  
11 *costs.*

12 *(3) The project applicant has entered into a contract with each*  
13 *public agency identified in Section 79764 that administers the*  
14 *public benefits, after that agency makes a finding that the public*  
15 *benefits of the project for which that agency is responsible meet*  
16 *all the requirements of this chapter, to ensure that the public*  
17 *contribution of funds pursuant to this chapter achieves the public*  
18 *benefits identified for the project.*

19 *(4) The commission has held a public hearing for the purposes*  
20 *of providing an opportunity for the public to review and comment*  
21 *on the information required to be prepared pursuant to this*  
22 *subdivision.*

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

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

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

30 *(C) All environmental documentation associated with the project*  
31 *has been completed, and all other federal, state, and local*  
32 *approvals, certifications, and agreements required to be completed*  
33 *have been obtained.*

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

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

1 79766. (a) *The public benefit cost share of a project funded*  
2 *pursuant to this chapter, other than a project described in*  
3 *subdivision (c) of Section 79761, shall not exceed 50 percent of*  
4 *the total costs of any project funded under this chapter.*

5 (b) *A project shall not be funded unless it provides ecosystem*  
6 *improvements as described in paragraph (1) of subdivision (a) of*  
7 *Section 79763 that are at least 50 percent of total public benefits*  
8 *of the project funded under this chapter.*

9 79767. (a) *A project is not eligible for funding under this*  
10 *chapter unless, by January 1, 2022, all of the following conditions*  
11 *are met:*

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

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

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

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

27 79768. *Surface storage projects funded pursuant to this chapter*  
28 *and described in subdivision (a) of Section 79761 may be made a*  
29 *unit of the Central Valley Project, as provided in Section 11290,*  
30 *and may be financed, acquired, constructed, operated, and*  
31 *maintained pursuant to Part 3 (commencing with Section 11100)*  
32 *of Division 6.*

33 79769. (a) *The funds allocated for the design, acquisition, and*  
34 *construction of surface storage projects identified in the CALFED*  
35 *Bay-Delta Record of Decision, dated August 28, 2000, pursuant*  
36 *to this chapter may be provided for those purposes to local joint*  
37 *powers authorities formed by irrigation districts and other local*  
38 *water districts and local governments within the applicable*  
39 *hydrologic region to design, acquire, and construct those projects.*

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

14 (c) *A joint powers authority subject to this section shall own,*  
 15 *govern, manage, and operate a surface water storage project,*  
 16 *subject to the requirement that the ownership, governance,*  
 17 *management, and operation of the surface water storage project*  
 18 *shall advance the purposes set forth in this chapter.*

19 79770. (a) *In approving the Clean, Safe, and Reliable Drinking*  
 20 *Water Supply Act of 2014, the people were informed and hereby*  
 21 *declare that the provisions of this chapter are necessary, integral,*  
 22 *and essential to meeting the single object or work of the Clean,*  
 23 *Safe, and Reliable Drinking Water Supply Act of 2014. As such,*  
 24 *any amendment of the provisions of this chapter by the Legislature*  
 25 *without voter approval would frustrate the scheme and design that*  
 26 *induced voter approval of this act. The people therefore find and*  
 27 *declare that any amendment of the provisions of this chapter by*  
 28 *the Legislature shall require approval by two-thirds of the*  
 29 *membership in each house of the Legislature and voter approval.*

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

35

CHAPTER 10. WATER RECYCLING

36

37  
 38 79780. *The sum of seven hundred million dollars*  
 39 *(\$700,000,000) shall be available, upon appropriation by the*  
 40 *Legislature from the fund, for grants or loans for water recycling*

1 *and advanced treatment technology projects, including all of the*  
2 *following:*

3 *(a) Water recycling projects, including, but not limited to,*  
4 *treatment, storage, conveyance, and distribution facilities for*  
5 *potable and nonpotable water recycling projects.*

6 *(b) Contaminant and salt removal projects, including, but not*  
7 *limited to, groundwater and seawater desalination.*

8 *(c) Dedicated distribution infrastructure for recycled water,*  
9 *including residential, commercial, agricultural, and industrial*  
10 *end-user retrofit projects to allow use of recycled water.*

11 *(d) Pilot projects for new potable reuse and other salt and*  
12 *contaminant removal technology.*

13 *(e) Groundwater recharge infrastructure related to recycled*  
14 *water.*

15 *(f) Technical assistance and grant writing assistance for*  
16 *disadvantaged communities.*

17 *(g) Water supply reliability improvement for critical urban*  
18 *water supplies in designated superfund areas with groundwater*  
19 *contamination listed on the National Priorities List established*  
20 *pursuant to Section 105 of the federal Comprehensive*  
21 *Environmental Response, Compensation, and Liability Act of 1980*  
22 *(42 U.S.C Sec. 9605(a)(8)(B)).*

23 *79781. At least a 50 percent local cost-share shall be required*  
24 *for projects funded pursuant to this chapter. That cost share may*  
25 *be suspended or reduced for disadvantaged communities and*  
26 *economically distressed areas.*

27 *79782. Projects funded pursuant to this chapter shall be*  
28 *selected on a competitive basis, considering all of the following*  
29 *criteria:*

30 *(a) Water supply reliability improvement.*

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

33 *(c) Public health benefits from improved drinking water quality.*

34 *(d) Cost-effectiveness.*

35 *(e) Energy efficiency and greenhouse gas emission impacts.*

36 *(f) Reasonable geographic allocation to eligible projects*  
37 *throughout the state, including both northern and southern*  
38 *California and coastal and inland regions.*

39 *79783. For purposes of this chapter, competitive programs*  
40 *shall be implemented consistent with water recycling programs*

1 *administered pursuant to Sections 79140 and 79141 or consistent*  
2 *with desalination programs administered pursuant to Sections*  
3 *79545 and 79547.2.*

4  
5 *CHAPTER 11. GROUNDWATER SUSTAINABILITY*  
6

7 *79790. Prevention and cleanup of groundwater contamination*  
8 *are critical components of successful groundwater management.*  
9 *Groundwater quality becomes especially important as water*  
10 *providers do the following:*

11 *(a) Evaluate investments in groundwater recharge with surface*  
12 *water, stormwater, recycled water, and other conjunctive use*  
13 *projects that augment local groundwater supplies to improve*  
14 *regional water self-reliance.*

15 *(b) Adapt to changing hydrologic conditions brought on by*  
16 *climate change.*

17 *(c) Consider developing groundwater basins to provide much*  
18 *needed local storage options to accommodate hydrologic and*  
19 *regulatory variability in the state's water delivery system.*

20 *(d) Evaluate investments in groundwater recovery projects.*

21 *79791. (a) The sum of nine hundred million dollars*  
22 *(\$900,000,000) shall be available, upon appropriation by the*  
23 *Legislature from the fund, for expenditures, grants, and loans for*  
24 *projects to prevent or clean up the contamination of groundwater*  
25 *that serves or has served as a source of drinking water. Funds*  
26 *appropriated pursuant to this section shall be available to the*  
27 *implementing agency for projects necessary to protect public health*  
28 *by preventing or reducing the contamination of groundwater that*  
29 *serves or has served as a major source of drinking water for a*  
30 *community.*

31 *(b) Projects shall be prioritized based upon the following*  
32 *criteria:*

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

37 *(2) The potential for groundwater contamination to spread and*  
38 *impair drinking water supply and water storage for nearby*  
39 *population areas.*

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

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

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

10 (c) *Funding authorized by this chapter shall not be used to pay*  
11 *any share of the costs of remediation recovered from a party*  
12 *responsible for the contamination of a groundwater storage*  
13 *aquifer, but may be used to pay costs that cannot be recovered*  
14 *from a responsible party. A party that receives funding for*  
15 *remediating a groundwater storage aquifer shall exercise*  
16 *reasonable efforts to recover the costs of groundwater cleanup*  
17 *from the party or parties responsible for the contamination.*

18 (d) *To the maximum extent possible, a project or activity that*  
19 *leverages funding from local agencies and responsible parties*  
20 *shall receive priority consideration.*

21 79792. *Of the funds authorized by Section 79791, 10 percent*  
22 *shall be available for grants for treatment and remediation*  
23 *activities that prevent or reduce the contamination of groundwater*  
24 *that serves as a source of drinking water. Nothing in this section*  
25 *precludes the funding of projects pursuant to Section 79791.*

26 79793. *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 79794. (a) *A project that receives funding pursuant to this*  
36 *chapter shall be selected by a competitive grant or loan process*  
37 *with added consideration for those projects that leverage private,*  
38 *federal, or local funding.*

39 (b) *For the purposes of awarding funding under this chapter,*  
40 *a local cost share of not less than 50 percent of the total costs of*

1 *the project shall be required. The cost-sharing requirement may*  
2 *be waived or reduced for projects that directly benefit a*  
3 *disadvantaged community or an economically distressed area.*

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

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

10 *(e) Funding authorized pursuant to this chapter shall include*  
11 *funding for technical assistance to disadvantaged communities.*  
12 *The agency administering this funding shall operate a*  
13 *multidisciplinary technical assistance program for small and*  
14 *disadvantaged communities.*

15  
16 *CHAPTER 12. STATEWIDE FLOOD MANAGEMENT*

17  
18 *79795. The sum of one hundred million dollars (\$100,000,000)*  
19 *shall be available for the following purposes:*

20 *(a) Construction, repair, or rehabilitation of facilities of the*  
21 *State Plan of Flood Control, pursuant to the Central Valley Flood*  
22 *Protection Plan.*

23 *(b) Statewide flood control subventions pursuant to any of the*  
24 *following:*

25 *(1) The State Water Resources Law of 1945 (Chapter 1*  
26 *commencing with Section 12570) and Chapter 2 (commencing*  
27 *with Section 12639) of Part 6 of Division 6).*

28 *(2) The Flood Control Law of 1946 (Chapter 3 (commencing*  
29 *with Section 12800) of Part 6 of Division 6).*

30 *(3) The California Watershed Protection and Flood Protection*  
31 *Law (Chapter 4 (commencing with Section 12850) of Part 6 of*  
32 *Division 6).*

33 *(c) The purposes described in subdivision (a) include costs*  
34 *incurred in connection with either of the following:*

35 *(1) The granting of credits or loans to local agencies, as*  
36 *applicable, pursuant to Sections 12585.3 and 12585.4, subdivision*

37 *(d) of Section 12585.5, and Sections 12866.3 and 12866.4.*

38 *(2) The implementation of Chapter 3.5 (commencing with*  
39 *Section 12840) of Part 6 of Division 6.*

## CHAPTER 13. FISCAL PROVISIONS

1  
2  
3 79800. (a) Bonds in the total amount of eight billion seven  
4 hundred million dollars (\$8,700,000,000), or so much thereof as  
5 is necessary, not including the amount of any refunding bonds  
6 issued in accordance with Section 79812, may be issued and sold  
7 to provide a fund to be used for carrying out the purposes  
8 expressed in this division and to reimburse the General Obligation  
9 Bond Expense Revolving Fund pursuant to Section 16724.5 of the  
10 Government Code. The bonds, when sold, shall be and constitute  
11 valid and binding obligations of the State of California, and the  
12 full faith and credit of the State of California is hereby pledged  
13 for the punctual payment of both the principal of, and interest on,  
14 the bonds as the principal and interest become due and payable.  
15 (b) The Treasurer shall sell the bonds authorized by the  
16 committee pursuant to this section. The bonds shall be sold upon  
17 the terms and conditions specified in a resolution to be adopted  
18 by the committee pursuant to Section 16731 of the Government  
19 Code.  
20 79801. The bonds authorized by this division shall be prepared,  
21 executed, issued, sold, paid, and redeemed as provided in the State  
22 General Obligation Bond Law, and all of the provisions of that  
23 law apply to the bonds and to this division and are hereby  
24 incorporated in this division as though set forth in full in this  
25 division, except subdivisions (a) and (b) of Section 16727 of the  
26 Government Code.  
27 79802. (a) Solely for the purpose of authorizing the issuance  
28 and sale, pursuant to the State General Obligation Bond Law, of  
29 the bonds authorized by this division, the Clean, Safe, and Reliable  
30 Drinking Water Supply Finance Committee is hereby created. For  
31 purposes of this division, the Clean, Safe, and Reliable Drinking  
32 Water Supply Finance Committee is “the committee” as that term  
33 is used in the State General Obligation Bond Law.  
34 (b) The committee consists of the Director of Finance, the  
35 Treasurer, the Controller, the Director of Water Resources, and  
36 the Secretary of the Natural Resources Agency. Notwithstanding  
37 any other provision of law, any member may designate a deputy  
38 to act as that member in his or her place for all purposes, as though  
39 the member were personally present.  
40 (c) The Treasurer shall serve as chairperson of the committee.

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

3     79803. The committee shall determine whether or not it is  
4 necessary or desirable to issue bonds authorized pursuant to this  
5 division to carry out the actions specified in this division and, if  
6 so, the amount of bonds to be issued and sold. Successive issues  
7 of bonds may be authorized and sold to carry out those actions  
8 progressively, and it is not necessary that all of the bonds  
9 authorized to be issued be sold at any one time.

10     79804. “Board,” as defined in Section 16722 of the  
11 Government Code for the purposes of compliance with the State  
12 General Obligation Bond Law, means the department.

13     79805. There shall be collected each year and in the same  
14 manner and at the same time as other state revenue is collected,  
15 in addition to the ordinary revenues of the state, a sum in an  
16 amount required to pay the principal of, and interest on, the bonds  
17 each year, and it is the duty of all officers charged by law with  
18 any duty in regard to the collection of the revenue to do and  
19 perform each and every act which is necessary to collect that  
20 additional sum.

21     79806. Notwithstanding Section 13340 of the Government  
22 Code, there is hereby appropriated from the General Fund in the  
23 State Treasury, for the purposes of this division, an amount that  
24 will equal the total of the following:

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

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

30     79807. The board may request the Pooled Money Investment  
31 Board to make a loan from the Pooled Money Investment Account  
32 in accordance with Section 16312 of the Government Code for the  
33 purpose of carrying out this division less any amount withdrawn  
34 pursuant to Section 79809. The amount of the request shall not  
35 exceed the amount of the unsold bonds that the committee has, by  
36 resolution, authorized to be sold for the purpose of carrying out  
37 this division. The board shall execute those documents required  
38 by the Pooled Money Investment Board to obtain and repay the  
39 loan. Any amounts loaned shall be deposited in the fund to be  
40 allocated in accordance with this division.

1     79808. *Notwithstanding any other provision of this division,*  
2 *or of the State General Obligation Bond Law, if the Treasurer*  
3 *sells bonds that include a bond counsel opinion to the effect that*  
4 *the interest on the bonds is excluded from gross income for federal*  
5 *tax purposes under designated conditions, or is otherwise entitled*  
6 *to any federal tax advantage, the Treasurer may maintain separate*  
7 *accounts for the bond proceeds invested and for the investment*  
8 *earnings on those proceeds, and may use or direct the use of those*  
9 *proceeds or earnings to pay any rebate, penalty, or other payment*  
10 *required under federal law or take any other action with respect*  
11 *to the investment and use of those bond proceeds, as may be*  
12 *required or desirable under federal law in order to maintain the*  
13 *tax-exempt status of those bonds and to obtain any other advantage*  
14 *under federal law on behalf of the funds of this state.*

15     79809. *For the purposes of carrying out this division, the*  
16 *Director of Finance may authorize the withdrawal from the*  
17 *General Fund of an amount or amounts not to exceed the amount*  
18 *of the unsold bonds that have been authorized by the committee*  
19 *to be sold for the purpose of carrying out this division less any*  
20 *amount borrowed pursuant to Section 79807. Any amounts*  
21 *withdrawn shall be deposited in the fund. Any money made*  
22 *available under this section shall be returned to the General Fund,*  
23 *with interest at the rate earned by the money in the Pooled Money*  
24 *Investment Account, from proceeds received from the sale of bonds*  
25 *for the purpose of carrying out this division.*

26     79810. *All money deposited in the fund that is derived from*  
27 *premiums and accrued interest on bonds sold pursuant to this*  
28 *division shall be reserved in the fund and shall be available for*  
29 *transfer to the General Fund as a credit to expenditures for bond*  
30 *interest, except that amounts derived from premium may be*  
31 *reserved and used to pay the cost of bond issuance prior to any*  
32 *transfer to the General Fund.*

33     79811. *Pursuant to Chapter 4 (commencing with Section*  
34 *16720) of Part 3 of Division 4 of Title 2 of the Government Code,*  
35 *the cost of bond issuance shall be paid out of the bond proceeds,*  
36 *including premium, if any. To the extent the cost of bond issuance*  
37 *is not paid from premiums received from the sale of bonds, the*  
38 *cost shall be shared proportionately by each program funded*  
39 *through this division by the applicable bond sale.*

1 79812. *The bonds issued and sold pursuant to this division*  
2 *may be refunded in accordance with Article 6 (commencing with*  
3 *Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of*  
4 *the Government Code, which is a part of the State General*  
5 *Obligation Bond Law. Approval by the electors of the state for the*  
6 *issuance of the bonds under this division shall include approval*  
7 *of the issuance of any bonds issued to refund any bonds originally*  
8 *issued under this division or any previously issued refunding bonds.*

9 79813. *The proceeds from the sale of bonds authorized by this*  
10 *division are not “proceeds of taxes” as that term is used in Article*  
11 *XIII B of the California Constitution, and the disbursement of these*  
12 *proceeds is not subject to the limitations imposed by that article.*

13 SEC. 3. *Section 2 of Chapter 3 of the Seventh Extraordinary*  
14 *Session of the Statutes of 2009, as amended by Section 1 of Chapter*  
15 *74 of the Statutes of 2012, is repealed.*

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

20 SEC. 5. *Notwithstanding Sections 13115 and 13117 of the*  
21 *Elections Code, Section 2 of this act shall be placed as the first*  
22 *ballot measure on the November 4, 2014, general election ballot*  
23 *and shall be designated as Proposition 1.*

24 SEC. 6. *Section 2 of this act shall take effect upon the approval*  
25 *by the voters of the Clean, Safe, and Reliable Drinking Water*  
26 *Supply Act of 2014, as set forth in that section at the November 4,*  
27 *2014, statewide general election.*

28 SEC. 7. *This act is an urgency statute necessary for the*  
29 *immediate preservation of the public peace, health, or safety within*  
30 *the meaning of Article IV of the Constitution and shall go into*  
31 *immediate effect. The facts constituting the necessity are:*

32 *In order to fund a safe, clean, and reliable water supply at the*  
33 *earliest possible date, it is necessary that this act take effect*  
34 *immediately.*

35 ~~SECTION 1. Section 22202 of the Financial Code is amended~~  
36 ~~to read:~~

37 ~~22202. “Charges” do not include any of the following:~~

38 ~~(a) Commissions received as a licensed insurance agent or~~  
39 ~~broker in connection with insurance written as provided in Section~~  
40 ~~22313.~~

1     ~~(b) Amounts not in excess of the amounts set forth in subdivision~~  
2     ~~(c) of Section 3068 of the Civil Code paid to holders of possessory~~  
3     ~~liens, imposed pursuant to Chapter 6.5 (commencing with Section~~  
4     ~~3067) of Title 14 of Part 4 of Division 3 of the Civil Code, to~~  
5     ~~release motor vehicles that secure loans subject to this division.~~  
6     ~~(e) Court costs, excluding attorney’s fees, incurred in a suit and~~  
7     ~~recovered against a debtor who defaults on his or her loan.~~  
8     ~~(d) Fees paid to a licensee for the privilege of participating in~~  
9     ~~an open-end credit program, which fees are to cover administrative~~  
10    ~~costs and are imposed upon executing the open-end loan agreement,~~  
11    ~~and on annual renewal dates or anniversary dates thereafter.~~  
12    ~~(e) Amounts received by a licensee from a seller, from whom~~  
13    ~~the borrower obtains money, goods, labor, or services on credit,~~  
14    ~~in connection with a transaction under an open-end credit program~~  
15    ~~that are paid or deducted from the loan proceeds paid to the seller~~  
16    ~~at the direction of the borrower and that are an obligation of the~~  
17    ~~seller to the licensee for the privilege of allowing the seller to~~  
18    ~~participate in the licensee’s open-end credit program. Amounts~~  
19    ~~received by a licensee from a seller pursuant to this subdivision~~  
20    ~~may not exceed 6 percent of the loan proceeds paid to the seller~~  
21    ~~at the direction of the borrower.~~  
22    ~~(f) Actual and necessary fees not exceeding five hundred dollars~~  
23    ~~(\$500) paid in connection with the repossession of a motor vehicle~~  
24    ~~to repossession agencies licensed pursuant to Chapter 11~~  
25    ~~(commencing with Section 7500) of Division 3 of the Business~~  
26    ~~and Professions Code, provided that the licensee complies with~~  
27    ~~Sections 22328 and 22329, and actual fees paid to a licensee in~~  
28    ~~conformity with Sections 26751 and 41612 of the Government~~  
29    ~~Code in an amount not exceeding the amount specified in those~~  
30    ~~provisions of the Government Code.~~  
31    ~~(g) Moneys paid to, and commissions and benefits received by,~~  
32    ~~a licensee for the sale of goods, services, or insurance, whether or~~  
33    ~~not the sale is in connection with a loan, that the buyer by a~~  
34    ~~separately signed authorization acknowledges is optional, if sale~~  
35    ~~of the goods, services, or insurance has been authorized pursuant~~  
36    ~~to Section 22154.~~

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