

**Senate Bill No. 1292**

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Passed the Senate August 28, 2014

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*Secretary of the Senate*

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Passed the Assembly August 27, 2014

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 116761.23 of the Health and Safety Code, relating to drinking water, and making an appropriation therefor.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1292, Hueso. Safe Drinking Water State Revolving Fund.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The board's duties include, but are not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, and adopting and enforcing regulations.

Existing law, the Safe Drinking Water State Revolving Fund Law of 1997, establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the board for grants and revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law sets the maximum grant to each participating public water system for its share of the costs of the construction at \$3,000,000, except as provided.

This bill would increase the maximum amount of a construction grant award to \$5,000,000 for a water system serving severely disadvantaged communities, except as provided. By authorizing the increased expenditure of moneys in a continuously appropriated fund, this bill would make an appropriation.

Appropriation: yes.

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

SECTION 1. Section 116761.23 of the Health and Safety Code, as added by Section 104 of Chapter 35 of the Statutes of 2014, is amended to read:

116761.23. (a) The maximum amount of a planning grant permitted under this chapter for each participating public water

system's share of the costs of the planning, engineering studies, environmental documentation, and design of a single project shall be no more than five hundred thousand dollars (\$500,000).

(b) Unless the board approves an increase pursuant to this subdivision, the maximum amount of a construction grant award authorized under this chapter to each participating public water system for its share of the cost of the construction of a single project shall be no more than three million dollars (\$3,000,000), or no more than five million dollars (\$5,000,000) for a water system serving a severely disadvantaged community. The board may approve an increase in the maximum amount for a construction grant award authorized under this chapter so that the maximum amount of the construction grant award does not exceed ten million dollars (\$10,000,000) only if the board makes all of the following findings:

(1) (A) A public water system that serves a disadvantaged community has a defined project need that exceeds the maximum grant amount of three million dollars (\$3,000,000).

(B) A public water system that serves a severely disadvantaged community has a defined project need that exceeds the maximum grant amount of five million dollars (\$5,000,000).

(2) The defined project has been bypassed in at least one funding cycle due to a lack of funds.

(3) The defined project is eligible for funding pursuant to the program regulations.

(4) The defined project represents the highest public health risk among unfunded projects, as determined by the board according to its standard criteria.

(c) Total funding under this article for planning, engineering studies, environmental documentation, project design, and construction costs of a single project, whether in the form of a loan or a grant, or both, shall be determined by an assessment of affordability using criteria established by the board.

(d) Subject to all other limitations of this chapter, a small community water system or nontransient noncommunity water system, owned by a public agency or private not-for-profit water company, serving severely disadvantaged communities shall be eligible to receive up to 100 percent of eligible project costs in the form of a grant, to the extent the system cannot afford a loan as determined by the board pursuant to Section 116761.20.

(e) Subject to the availability of funds and the applicant's ability to repay, an applicant may receive up to the full cost of the project in the form of a loan bearing interest at the rate established pursuant to subdivision (a) of Section 116761.65.

(f) This section shall become operative on July 1, 2014, and is repealed as of January 1 of the next calendar year occurring after the board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site that the board has adopted a policy handbook pursuant to Section 116760.43.







Approved \_\_\_\_\_, 2014

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*Governor*