

AMENDED IN ASSEMBLY APRIL 5, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1649

**Introduced by Assembly Member Members Salas and Gallagher
(Coauthors: Assembly Members Bigelow, Gallagher, Gray, Olsen,
and Patterson)**

(Coauthors: Senators Berryhill, Cannella, Fuller, Galgiani, and Vidak)

January 12, 2016

An act to ~~amend~~ *add* Section ~~79759~~ of *114* to the Water Code, relating to water storage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1649, as amended, Salas. ~~Water Quality, Supply, and Infrastructure Improvement Act of 2014: State water policy: priority: surface water storage projects: projects and joint powers authorities: funding: authorities.~~

Existing law establishes various state water policies, including that the protection of the public interest in the development of the water resources of the state is of vital concern to the people of the state and that the state shall determine in what way the water of the state, both surface and underground, should be developed for the greatest public benefit.

This bill would require the Department of Water Resources to develop a state water policy that gives priority to the formation of joint powers authorities that are formed to address critical surface water storage needs and to funding of the joint powers authorities' surface water projects. The bill would make findings and declarations of the

Legislature, including, but not limited to, that, of the water storage projects available, the Temperance Flat Dam and Sites Reservoir will meet statewide goals and provide specified public benefits to the greatest extent.

~~Existing law, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$7,545,000,000 to finance a water quality, supply, and infrastructure improvement program. The act continuously appropriates \$2,700,000,000 to the California Water Commission for public benefits associated with water storage projects, including, among others, surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000. Funds allocated for this purpose are authorized by the act to be provided to local joint powers authorities formed by irrigation districts and other local water districts and local governments within the applicable hydrologic region to design, acquire, and construct those projects.~~

~~This bill would require the California Water Commission to prioritize the funding of those local joint powers authorities surface storage projects and to move expeditiously to dispense project funds. This provision would become effective only upon approval by the voters at the next statewide election. The bill would make findings and declarations of the Legislature, including, but not limited to, that, of the water storage projects available, the Temperance Flat Dam and Sites Reservoir will meet statewide goals and provide those specified public benefits to the greatest extent.~~

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) According to the United States Drought Monitor, over 90
- 4 percent of California is in “Severe Drought,” raising concerns over
- 5 water supply dependability and underscoring the need for
- 6 immediate statewide action.
- 7 (b) On November 4, 2014, voters approved Proposition 1, the
- 8 Water Quality, Supply, and Infrastructure Improvement Act of

1 2014, which authorizes \$7,545,000,000 in general obligation bonds
2 to finance a water quality, supply, and infrastructure improvement
3 program, and continuously appropriates from the revenue of those
4 bonds \$2,700,000,000 for water storage projects, including, but
5 not limited to, dams and reservoirs.

6 (c) With the promise of increased water storage, voters approved
7 Proposition 1 by 67 percent. The argument in favor of Proposition
8 1 in the state’s official voter information guide states “Proposition
9 1 invests in new storage increasing the amount of water that can
10 be stored during wet years for the dry years that will continue to
11 challenge California.”

12 (d) Expanding and improving California’s water storage capacity
13 is long overdue. The last time California saw significant state and
14 federal investments in the state’s water storage and delivery system
15 was in the 1960s, when the state’s population stood at 16 million.
16 Today, that same system supports 38 million individuals and will
17 need to support 50 million by 2050.

18 (e) Statewide water storage goals, as outlined in Chapter 8 of
19 Proposition 1 (Chapter 8 (commencing with Section 79750) of
20 Division 26.7 of the Water Code), are necessary to update
21 California’s aging water infrastructure, provide reliable water
22 supply for the public and our agricultural economy, and protect
23 the environmental health of the Delta.

24 (f) A water storage project may only be funded by Chapter 8 of
25 Proposition 1 (Chapter 8 (commencing with Section 79750) of
26 Division 26.7 of the Water Code) if it provides specified public
27 benefits, including: ecosystem improvements; water quality
28 improvements to the Delta and river systems that provide public
29 trust resources or restore groundwater resources; flood control
30 benefits, including increases in reservoir storage capacity in
31 response to decreasing snow pack; emergency response, including
32 securing emergency water supplies for salinity repulsion; and
33 recreational purposes.

34 (g) Of the water storage projects available, the Temperance Flat
35 Dam and Sites Reservoir will meet statewide goals and provide
36 all of these public benefits to the greatest extent. These projects
37 will allow California to store more water in years of high rainfall,
38 which will ease pressures placed on the Delta and groundwater
39 supply during years of prolonged drought, and facilitate the storage

1 of snow melt and timed releases of water to improve flow
2 conditions and water temperatures.

3 SEC. 2. Section 79759 of the Water Code is amended to read:

4 79759. (a) The funds allocated for the design, acquisition, and
5 construction of surface storage projects identified in the CALFED
6 Bay-Delta Program Record of Decision, dated August 28, 2000,
7 pursuant to this chapter may be provided for those purposes to
8 local joint powers authorities formed by irrigation districts and
9 other local water districts and local governments within the
10 applicable hydrologic region to design, acquire, and construct those
11 projects.

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

25 (c) A joint powers authority subject to this section shall own,
26 govern, manage, and operate a surface water storage project,
27 subject to the requirement that the ownership, governance,
28 management, and operation of the surface water storage project
29 shall advance the purposes set forth in this chapter.

30 (d) As local joint powers authorities described in this section
31 form to address critical water storage needs and apply for funding
32 under this chapter, the commission shall prioritize the funding of
33 the local joint powers authorities surface storage projects and shall
34 move expediently to dispense project funds.

35 SEC. 3. Section 2 of this act would modify the single object
36 or work of a general obligation bond act previously submitted to
37 the voters by the Legislature pursuant to Section 1 of Article XVI
38 of the California Constitution, and subsequently approved by the
39 voters as Proposition 1 at the November 4, 2014, statewide general
40 election. Accordingly, Section 2 of this act shall become effective

1 ~~only upon approval by the voters. The Secretary of State shall~~
2 ~~submit Section 2 of this act to the voters on the ballot of the next~~
3 ~~statewide election.~~

4 *SEC. 2. Section 114 is added to the Water Code, to read:*

5 *114. No later than 60 days after the effective date of the act*
6 *which added this section, the department shall develop a state*
7 *water policy that gives priority to the formation of joint powers*
8 *authorities that are formed to address critical surface water*
9 *storage needs and to the funding of the joint powers authorities'*
10 *surface water storage projects.*