

**Senate Bill No. 1328**

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Passed the Senate August 30, 2016

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*Secretary of the Senate*

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Passed the Assembly August 23, 2016

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2016, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

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

An act to add Section 10566 to the Water Code, relating to water.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1328, Lara. Water delivery projects: reduction of greenhouse gas emissions: funding.

The Stormwater Resource Planning Act authorizes one or more public agencies to develop a stormwater resource plan that meets specified standards to address the capture, treatment, and storage of stormwater, as defined, and dry weather runoff, as defined. The act requires the State Water Resources Control Board, by July 1, 2016, to establish guidance for these purposes.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit and to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions, and authorizes the state board to implement a system of market-based compliance mechanisms to reduce greenhouse gas emissions in the state. Existing law requires that all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism be deposited in the Greenhouse Gas Reduction Fund and be available, upon appropriation by the Legislature, for purposes relating to the reduction of greenhouse gas emissions.

This bill would authorize the State Water Resources Control Board to expend moneys from the fund, upon appropriation by the Legislature, to provide grants to public agencies, nonprofit organizations, public utilities, and mutual water companies to implement stormwater and dry weather runoff collection and treatment, wastewater, water recycling, and drinking water projects that are intended to reduce greenhouse gas emissions by decreasing the demand for fossil fuels needed to pump, transport, and deliver water to serve water consumers, as prescribed.

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

SECTION 1. Section 10566 is added to the Water Code, to read:

10566. (a) Moneys in the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, may be used by the board, upon appropriation by the Legislature, to provide grants to public agencies, nonprofit organizations organized under paragraph (3) of subsection (c) of Section 501 of Title 26 of the United States Code, public utilities, and mutual water companies to implement stormwater and dry weather runoff collection and treatment, wastewater, water recycling, and drinking water projects that are intended to reduce greenhouse gas emissions by decreasing the demand for fossil fuels needed to pump, transport, and deliver water, including, but not limited to, through water conveyance projects, to serve water consumers.

(b) Eligible projects may include, but are not limited to, green infrastructure, rainwater, stormwater, and dry weather runoff capture projects, and stormwater treatment facilities identified as part of a stormwater resource plan. Grant funds may be used for all phases of planning, design, and project construction and implementation, including feasibility studies, design development and consultations, updating a stormwater resource plan, and related administrative costs. To be eligible, a project shall be expected to result in a new decrease of greenhouse gas emissions.

(c) Except as specified in subdivision (f), a grant recipient shall provide or obtain a 50-percent match for funds received pursuant to this section. The board may waive this requirement for a project proposed to be located in, and that will provide benefits to, a disadvantaged community.

(d) In accordance with subdivision (e), the board shall establish criteria for funding projects and determining which entities shall receive a grant, based on both of the following:

(1) Demonstration that the project will reduce greenhouse gas emissions and the extent to which the project will yield a reduction in greenhouse gas emissions by reducing the need for electric pumps and other equipment used to pump, transport, and deliver water to consumers.

(2) Geographic conditions that facilitate stormwater and dry weather runoff collection for those projects.

(e) In awarding grants, the board shall give preference to a project proposed to be located in, and that will provide benefits to, a disadvantaged community or a community within one-half mile of a channelized river.

(f) (1) The board shall provide technical assistance to grant applicants, including, but not limited to, calculations of the projected reductions of greenhouse gas emissions.

(2) The board may use up to 10 percent of the funds appropriated for the purposes of this section to provide technical assistance pursuant to this subdivision, including, but not limited to, awarding technical assistance grants to grant recipients. A technical assistance grant recipient is exempted from the match requirement described in subdivision (c) for the technical assistance grant.

(g) In implementing this section, the board may use or adapt the guidelines the board developed to implement the Storm Water Grant Program, which is funded in accordance with the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Division 26.7 (commencing with Section 79700)) or other previously developed and adopted project solicitation and evaluation guidelines that comply with the requirements of this section.

(h) The board may use up to 5 percent of the funds appropriated for the purposes of this section for administrative costs of the program.

(i) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded pursuant to this section.

(j) To be eligible for funding under this section, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and, in the case of a public utility, not the investors.

(k) For purposes of this section, the following terms have the following meanings:

(1) “Disadvantaged community” means a community identified pursuant to Section 39711 of the Health and Safety Code.

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







Approved \_\_\_\_\_, 2016

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*Governor*