

Introduced by Senator GalgianiFebruary 19, 2016

An act to amend Section 116761.20 of the Health and Safety Code, relating to drinking water, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1456, as introduced, Galgiani. Safe Drinking Water State Revolving Fund Law of 1997: public water systems: financing.

Existing law establishes the Safe Drinking Water State Revolving Fund, and moneys in the fund are continuously appropriated to the State Water Resources Control Board for the provision of grants and revolving fund loans to provide for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law, for community public water systems and not-for-profit noncommunity public water systems, allows planning and preliminary engineering studies, project design, and construction costs incurred by those public water systems to be funded by loans and other repayable financing. Existing law additionally allows, if those public water systems are owned by public agencies or not-for-profit water companies, those specified costs to be funded by grants, principal forgiveness, or a combination of grants and loans or other financial assistance.

This bill would authorize the above-described costs to be funded by loans or other repayable financing, grants, principal forgiveness, or a combination of grants and loans or other financial assistance, regardless of whether the public water system is a community public water system or a not-for-profit noncommunity public water system, or whether the public water system is owned by a public agency or private not-for-profit

water company. By expanding the use of moneys in a continuously appropriated fund, this bill would make an appropriation.

Existing law deems a public agency or private not-for-profit water company serving a severely disadvantaged community with fewer than 200 service connections and that owns a small community water system or nontransient community water system to have no ability to repay any financing for a project serving the severely disadvantaged community.

This bill would apply this finding to any public water system serving a severely disadvantaged community with fewer than 200 service connections.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Section 116761.20 of the Health and Safety Code
 2 is amended to read:
 3 116761.20. (a) Planning and preliminary engineering studies,
 4 project design, and construction costs incurred by ~~community and~~
 5 ~~not-for-profit noncommunity~~ a public water ~~systems~~ system may
 6 be funded under this chapter by loans or other repayable financing,
 7 and, if these systems are owned by public agencies or private
 8 ~~not-for-profit water companies~~, by grants, principal forgiveness,
 9 or a combination of grants and loans or other financial assistance.
 10 (b) (1) The board shall determine what portion of the full costs
 11 the public agency or private not-for-profit water company ~~water~~
 12 ~~system~~ is capable of repaying and authorize funding in the form
 13 of a loan or other repayable financing for that amount. The board
 14 shall authorize a grant or principal forgiveness only to the extent
 15 the board finds the public agency or not-for-profit water company
 16 ~~water system~~ is unable to repay the full costs of the financing.
 17 (2) Notwithstanding any other provision of this chapter, where
 18 a public agency or private not-for-profit water company serving
 19 ~~water system~~ serves a severely disadvantaged community with
 20 fewer than 200 service connections ~~owns a small community water~~
 21 ~~system or nontransient noncommunity water system~~, ~~connections~~,
 22 the public agency or private not-for-profit serving the severely
 23 ~~disadvantaged community~~ ~~water system~~ is deemed to have no

1 ability to repay any financing for a project serving the severely
2 disadvantaged community.
3 (c) At the request of the board, the Public Utilities Commission
4 shall submit comments concerning the ability of ~~suppliers~~, *public*
5 *water systems*, subject to its jurisdiction, to finance the project
6 from other sources and to repay the financing.

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