

AMENDED IN SENATE AUGUST 17, 2009

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 626**

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**Introduced by Assembly Member Eng**  
***(Coauthors: Assembly Members Jones, Mendoza, John A. Perez, and Salas)***

February 25, 2009

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An act to amend Section 83002 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 626, as amended, Eng. Bond revenues: integrated regional water management: grants.

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$5,388,000,000 for the purposes of financing a safe drinking water, water quality and supply, flood control, and resource protection program. Existing law appropriates \$181,971,000 of that bond money to the Department of Water Resources for integrated regional water management activities.

Of the \$181,971,000 appropriated to the department, existing law allocates \$100,000,000 for implementation grants and \$39,000,000 for planning grants, local groundwater assistance grants, and CALFED scientific research grants. Of that amount, existing law also requires the department to allocate not less than 10% to address the critical water

supply needs of disadvantaged communities and to facilitate the participation of those communities in integrated regional water management planning.

This bill would require the department to achieve that 10% statewide allocation by awarding grants for those purposes to disadvantaged communities within a hydrologic region in a total dollar amount that is not less than 10% of the total dollar amount of grants awarded within that region. The bill would require the department to implement the allocation with due diligence, but would require the department to implement that specified regional allocation only to the extent that the implementation does not affect the expeditious allocation of funds, as specified. The department would be required to submit a related report to the Legislature by July 1, 2010.

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

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

1 SECTION 1. Section 83002 of the Water Code is amended to  
2 read:  
3 83002. The sum of eight hundred twenty million nine hundred  
4 seventy-three thousand dollars (\$820,973,000) is hereby  
5 appropriated in accordance with the following schedule:  
6 (a) Of the funds made available pursuant to Chapter 1.699  
7 (commencing with Section 5096.800) of Division 5 of the Public  
8 Resources Code, the sum of two hundred eighty-five million dollars  
9 (\$285,000,000) is hereby appropriated as follows:  
10 (1) Pursuant to subdivision (c) of Section 5096.821 of the Public  
11 Resources Code, the sum of one hundred thirty-five million dollars  
12 (\$135,000,000) to the department for the acquisition, design, and  
13 construction of essential emergency preparedness supplies and  
14 projects. Prior to the design or construction of any project funded  
15 pursuant to this paragraph, the California Bay-Delta Authority, or  
16 its successor, shall approve the specific project or program.  
17 Preference shall be given to projects that protect and improve Delta  
18 water quality and drinking water supplies. Of the amount made  
19 available pursuant to this paragraph, not less than thirty-five million  
20 dollars (\$35,000,000) shall be expended by the department for  
21 projects to reinforce those sections of the levees that have the  
22 highest potential to suffer breaches or failure and cause harm to

1 municipal and industrial water supply aqueducts that cross the  
2 Delta and which are vulnerable to flood damage, including the  
3 installation of scour protection on the supports of the aqueducts  
4 in those areas located adjacent to the sections of the levees that  
5 have been identified as ~~the highest risk of~~ *having the highest risk*  
6 *for breaches or failure.*

7 (2) Pursuant to Section 5096.827 of the Public Resources Code,  
8 the sum of one hundred fifty million dollars (\$150,000,000) to the  
9 department for grants for stormwater flood management projects  
10 that reduce flood damage and provide other benefits, including  
11 groundwater recharge, water quality improvement, and ecosystem  
12 restoration. Not less than one hundred million dollars  
13 (\$100,000,000) of this amount shall be available for projects that  
14 address immediate public health and safety needs; *or* strengthen  
15 existing flood control facilities to address seismic safety issues.  
16 Twenty million dollars (\$20,000,000) shall be available for local  
17 agencies to meet immediate water quality needs related to  
18 combined municipal sewer and stormwater systems to prevent  
19 sewage discharges into state waters. Twenty million dollars  
20 (\$20,000,000) shall be available for urban stream stormwater flood  
21 management projects to reduce the frequency and impacts of  
22 flooding in watersheds that drain to the San Francisco Bay.

23 (b) Of the funds made available pursuant to Division 43  
24 (commencing with Section 75001) of the Public Resources Code,  
25 the sum of five hundred twenty-six million four hundred ninety-one  
26 thousand dollars (\$526,491,000) is hereby appropriated as follows:

27 (1) Pursuant to Section 75022 of the Public Resources Code,  
28 the sum of fifty million dollars (\$50,000,000) to the State  
29 Department of Public Health for grants for small community  
30 drinking water system infrastructure improvements and related  
31 action to meet safe drinking water standards. First priority for these  
32 funds shall be given to disadvantaged or severely disadvantaged  
33 communities lacking resources to provide safe drinking water to  
34 residents. Small community drinking water systems that are  
35 dependent on surface water and are under orders from the State  
36 Department of Public Health to boil water from existing treatment  
37 systems for parasites, viruses, or giardia shall be eligible for grants  
38 for drinking water system infrastructure improvements.

39 (2) Pursuant to Section 75025 of the Public Resources Code,  
40 the sum of fifty million four hundred thousand dollars

1 (\$50,400,000) to the State Department of Public Health for grants  
2 for projects to prevent or reduce the contamination of groundwater  
3 that serves as a source of drinking water. Funds appropriated by  
4 this paragraph shall be available for immediate projects needed to  
5 protect public health by preventing or reducing the contamination  
6 of groundwater that serves as a major source of drinking water for  
7 a community.

8 (A) The State Department of Public Health shall prioritize  
9 project funding based on the following criteria:

10 (i) The threat posed by groundwater contamination to the  
11 affected community's overall drinking water supplies, including  
12 the need for the treatment or construction of alternative supplies  
13 if groundwater is not available due to contamination.

14 (ii) The potential for groundwater contamination to spread and  
15 reduce drinking water supply and water storage capacity for major  
16 population areas.

17 (iii) The potential of the project, if fully implemented, to enhance  
18 local water supply reliability.

19 (iv) The potential of the project to increase opportunities for  
20 groundwater recharge and optimization of groundwater supplies.

21 (B) The State Department of Public Health shall give additional  
22 consideration to projects that meet any of the following criteria:

23 (i) The project is implemented pursuant to a comprehensive  
24 basinwide groundwater quality management and remediation plan  
25 or is necessary to develop a comprehensive groundwater plan.

26 (ii) Affected groundwater provides a local supply that, if  
27 contaminated, will require the importation of additional water from  
28 the Sacramento-San Joaquin Delta or the Colorado River.

29 (iii) The project will serve an economically disadvantaged  
30 community.

31 (iv) Multiple contaminants affect more than one-third of the  
32 well capacity of a local water system.

33 (C) Of the amount made available by this paragraph, up to ten  
34 million dollars (\$10,000,000) shall be allocated for projects that  
35 meet the criteria of this paragraph and both of the following  
36 criteria:

37 (i) The project has the potential to leverage funds.

38 (ii) The project addresses contamination at a site on the list  
39 maintained by the Department of Toxic Substances Control  
40 pursuant to Section 25356 of the Health and Safety Code or a site

1 listed on the National Priorities List pursuant to the federal  
2 Comprehensive Environmental Response, Compensation, and  
3 Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.).

4 (D) Of the funds made available by this paragraph, two million  
5 dollars (\$2,000,000) shall be allocated to the State Department of  
6 Public Health to contract with the State Water Resources Control  
7 Board for the purposes of Section 83002.5.

8 (3) (A) Pursuant to Section 75026 of the Public Resources  
9 Code, the sum of one hundred eighty-one million seven hundred  
10 ninety-one thousand dollars (\$181,791,000) to the department for  
11 integrated regional water management activities as follows:

12 (i) One hundred million dollars (\$100,000,000) for  
13 implementation grants.

14 (ii) Thirty-nine million dollars (\$39,000,000) for planning grants,  
15 local groundwater assistance grants, and CALFED scientific  
16 research grants.

17 (iii) Twenty-two million ninety-one thousand dollars  
18 (\$22,091,000) for projects with interregional or statewide benefits.

19 Of the amount made available pursuant to this paragraph, not  
20 less than ten million dollars (\$10,000,000) shall be made available  
21 for expenditure to interconnect municipal and industrial water  
22 supply aqueducts that cross the Delta and that are vulnerable to  
23 flood damage, including the design and construction of interties  
24 among aqueducts that provide at least 90 percent of a regional  
25 water supply that would be threatened in the event of levee failure  
26 or other disaster, and that support an integrated regional emergency  
27 water supply system.

28 (iv) Twenty million seven hundred thousand dollars  
29 (\$20,700,000) for program delivery costs.

30 (B) An implementation grant pursuant to clause (i) of  
31 subparagraph (A) shall be available only for projects included in  
32 an integrated regional water management plan that meets one of  
33 the following conditions:

34 (i) The plan complies with Part 2.2 (commencing with Section  
35 10530) of Division 6.

36 (ii) For a plan adopted before the date on which this section is  
37 enacted, both of the following apply:

38 (I) The regional water management group that prepared the plan  
39 enters into a binding agreement with the department to update the  
40 plan to comply with Part 2.2 (commencing with Section 10530)

1 of Division 6 within two years of the date on which the agreement  
2 was entered into.

3 (II) The regional water management group undertakes all  
4 reasonable and feasible efforts to take into account water-related  
5 needs of disadvantaged communities in the area within the  
6 boundaries of the plan.

7 (C) (i) Of the funds described in clauses (i) and (ii) of  
8 subparagraph (A), the department shall allocate not less than 10  
9 percent to facilitate and support the participation of disadvantaged  
10 communities in integrated regional water management planning  
11 and for projects that address critical water supply or water quality  
12 needs for disadvantaged communities.

13 (ii) Except as otherwise specified in clause (iii), the department  
14 shall achieve the allocation described in clause (i) by awarding  
15 grants for those purposes to disadvantaged communities within a  
16 hydrologic region in a total dollar amount that is not less than 10  
17 percent of the total dollar amount of grants awarded within the  
18 region.

19 (iii) The department shall implement this subparagraph with  
20 due diligence, but shall implement clause (ii) only to the extent  
21 that the implementation does not affect the expeditious allocation  
22 of funds for integrated regional water management grants.

23 (iv) The department shall submit a report to the Legislature with  
24 regard to the implementation of this subparagraph on or before  
25 July 1, 2010.

26 (D) Of the funds described in clause (iii) of subparagraph (A),  
27 the department shall allocate two million dollars (\$2,000,000) to  
28 Tulare County for development of an integrated water quality and  
29 wastewater treatment program plan to address the drinking water  
30 and wastewater needs of disadvantaged communities in the Tulare  
31 Lake Basin. Funds allocated pursuant to this paragraph shall be  
32 available for assessment and feasibility studies necessary to develop  
33 the plan, and the plan shall include recommendations for planning,  
34 infrastructure, and other water management actions, and shall  
35 include specific recommendations for regional drinking water  
36 treatment facilities, regional wastewater treatment facilities,  
37 conjunctive use sites and groundwater recharge, groundwater for  
38 surface water exchanges, related infrastructure, and cost-sharing  
39 mechanisms. Tulare County shall consult with appropriate  
40 stakeholders, including representatives of disadvantaged

1 communities, when preparing the plan. The department, in  
2 consultation with the State Department of Public Health, shall  
3 submit the plan to the Legislature by January 1, 2011.

4 (E) Of the funds described in clause (i) of subparagraph (A),  
5 the department shall allocate not less than twenty million dollars  
6 (\$20,000,000) to support urban and agricultural water conservation  
7 projects necessary to meet a 20-percent reduction in per capita  
8 water use by the year 2020.

9 (4) Pursuant to Section 75029 of the Public Resources Code,  
10 the sum of ninety million dollars (90,000,000) to the department  
11 for the implementation of Delta water quality improvement projects  
12 that protect drinking water supplies as follows:

13 (A) Pursuant to subdivision (d) of Section 75029 of the Public  
14 Resources Code, the sum of fifty million dollars (\$50,000,000)  
15 for drinking water intake facility projects to improve the quality  
16 of drinking water supply from the Sacramento-San Joaquin Delta  
17 that are identified in the June 2005 Delta Region Drinking Water  
18 Quality Management Plan. Funding shall be made available for  
19 environmental review, design, and construction. Project proponents  
20 seeking funding for construction shall meet all of the following  
21 criteria:

22 (i) Have completed documentation required under the California  
23 Environmental Quality Act (Division 13 (commencing with Section  
24 21000) of the Public Resources Code) and a notice of determination  
25 has been filed prior to June 30, 2008.

26 (ii) Have demonstrated multiple benefits in conveyance and  
27 Delta operation to achieve protection or improvement to Delta  
28 pelagic fisheries, as well as drinking water quality improvement  
29 and public health protection.

30 (iii) Are able to complete design and commence construction  
31 before June 30, 2009.

32 (iv) Have local or federal cost-sharing funds immediately  
33 available.

34 (B) The sum of forty million dollars (\$40,000,000) for projects  
35 consistent with subdivision (c) of Section 75029 of the Public  
36 Resources Code.

37 (5) Pursuant to Section 75033 of the Public Resources Code,  
38 the sum of one hundred million dollars (\$100,000,000) to the  
39 department for the acquisition, preservation, protection, and  
40 restoration of Sacramento-San Joaquin Delta resources in

1 accordance with Section 75033 of the Public Resources Code. The  
2 department shall expend these funds pursuant to priorities that  
3 reflect the value of the resources and land uses protected by the  
4 levees to the state as a whole, consistent with the Delta Vision  
5 Strategic Plan. Projects shall be selected to improve the stability  
6 of the Delta levee system, reduce subsidence, and assist in restoring  
7 the ecosystem of the Delta. Priority shall be given to projects that  
8 improve conditions for Delta smelt and other native fish. Up to  
9 five million dollars (\$5,000,000) made available pursuant to this  
10 paragraph shall be available as grants and direct expenditures for  
11 emergency communications equipment to improve emergency  
12 response preparedness.

13 (6) Pursuant to Chapter 4 (commencing with Section 75041) of  
14 Division 43 of the Public Resources Code, the sum of thirty-seven  
15 million dollars (\$37,000,000) to the department as follows:

16 (A) (i) Twelve million dollars (\$12,000,000) to complete the  
17 planning and feasibility studies associated with new surface storage  
18 under the California Bay-Delta Program.

19 (ii) The planning and feasibility studies shall include the  
20 following information:

21 (I) The identification of specific construction and operation  
22 conditions proposed for each surface storage facility, including  
23 consideration of climate change, an estimated schedule for the  
24 construction and completion of each project funded under Section  
25 75041, and the total costs of constructing each project.

26 (II) A description of the estimated total costs to construct each  
27 project and an allocation of the costs to public and private  
28 beneficiaries.

29 (iii) Any feasibility study conducted by or funded by the state  
30 for new surface storage under the California Bay-Delta Program  
31 shall evaluate funded projects consistent with all statutory and  
32 other legally established requirements for protection of  
33 environmental and natural resources, including protections for the  
34 McCloud River pursuant to Section 5093.542 of the Public  
35 Resources Code.

36 (iv) The feasibility studies shall be prepared and submitted to  
37 the Governor and the Legislature no later than December 31, 2009.

38 (B) (i) Fifteen million dollars (\$15,000,000) for planning and  
39 feasibility studies to identify potential options for the reoperation  
40 of the state's flood protection and water supply systems that will

1 optimize the use of existing facilities and groundwater storage  
2 capacity.

3 (ii) The studies shall incorporate appropriate climate change  
4 scenarios and be designed to determine the potential to achieve  
5 the following objectives:

6 (I) Integration of flood protection and water supply systems to  
7 increase water supply reliability and flood protection, improve  
8 water quality, and provide for ecosystem protection and restoration.

9 (II) Reoperation of existing reservoirs, flood facilities, and other  
10 water facilities in conjunction with groundwater storage to improve  
11 water supply reliability, flood control, and ecosystem protection  
12 and to reduce groundwater overdraft.

13 (III) Promotion of more effective groundwater management and  
14 protection and greater integration of groundwater and surface water  
15 resource uses.

16 (IV) Improvement of existing water conveyance systems to  
17 increase water supply reliability, improve water quality, expand  
18 flood protection, and protect and restore ecosystems.

19 (C) Ten million dollars (\$10,000,000) to update the California  
20 Water Plan, including evaluation of climate change impacts, the  
21 development of strategies to adapt to climate change impacts,  
22 technical assistance to local agencies that incorporate climate  
23 change into their studies, reports, and plans, and the identification  
24 of strategies to reduce greenhouse gas emissions related to the  
25 storage, conveyance, and distribution of water.

26 (D) Of the money made available pursuant to subparagraphs  
27 (A), (B), and (C), up to two million dollars (\$2,000,000) may be  
28 expended for planning and feasibility studies necessary to  
29 implement the Delta Vision Strategic Plan, developed pursuant to  
30 Executive Order No. S-17-06, dated September 28, 2006,  
31 establishing the Delta Vision process.

32 (7) Pursuant to Section 75050 of the Public Resources Code,  
33 the sum of seventeen million three hundred thousand dollars  
34 (\$17,300,000) for the protection and restoration of rivers and  
35 streams as follows:

36 (A) Ten million dollars (\$10,000,000) to the State Coastal  
37 Conservancy for the purposes of subdivision (i) of Section 75050  
38 of the Public Resources Code.

1 (B) Seven million three hundred thousand dollars (\$7,300,000)  
2 to the department for the purposes of subdivision (e) of Section  
3 75050 of the Public Resources Code.

4 (c) Of the funds made available pursuant to subdivision (a) of  
5 Section 79550, the sum of three million seven hundred sixty  
6 thousand dollars (\$3,760,000) is hereby appropriated to the  
7 department for planning and feasibility studies associated with  
8 surface storage under the California Bay-Delta Program.

9 (d) (1) Of the funds available pursuant to Section 79101, the  
10 sum of two million two hundred seventy-two thousand dollars  
11 (\$2,272,000) is appropriated to the department for the Sacramento  
12 River Hamilton City Area Flood Damage Reduction Project.

13 (2) Of the funds available pursuant to subdivision (c) of Section  
14 79196.5, the sum of three million four hundred fifty thousand  
15 dollars (\$3,450,000) is appropriated to the department for the  
16 Franks Tract Pilot Project under the CALFED Drinking Water  
17 Quality Program.