

ASSEMBLY BILL

No. 1438

Introduced by Assembly Member Conway

February 27, 2009

An act to amend Sections 116760.20, 116760.40, and 116761.23 of the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1438, as introduced, Conway. Safe Drinking Water State Revolving Fund.

Existing law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health, including, but 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, adoption of enforcement regulations, and conducting studies and investigations to assess the quality of water in domestic water supplies.

Existing law establishes the Safe Drinking Water State Revolving Fund, continuously appropriated to the department 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. The department may establish specified separate accounts or subaccounts within the fund.

This bill would allow the department to establish a wellhead protection account within the fund, as specified.

Under existing law, the funding for grants for the planning and preliminary engineering studies, and design and construction of a single project is set at a maximum of \$1,000,000.

This bill would set the maximum grant amount for the planning, preliminary engineering studies, and design of a single project at \$500,000 and the maximum grant for the construction of a single project at \$2,000,000.

Existing law requires the department to establish a priority list of proposed projects, including consideration of whether the applicant has sought other funds when providing funding for a project to upgrade an existing system to accommodate a reasonable amount of growth. Existing law defines “reasonable amount of growth,” in part, to mean an increase in growth not to exceed 10% of the design capacity needed, based on peak flow, to serve the water demand in existence at the time the plans and specifications are approved by the department.

This bill would include fire flow as part of the water demand in the definition of reasonable amount of growth.

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 116760.20 of the Health and Safety Code
- 2 is amended to read:
- 3 116760.20. Unless the context otherwise requires, the following
- 4 definitions govern the construction of this chapter:
- 5 (a) “Cost-effective project” means a project that achieves an
- 6 acceptable result at the most reasonable cost.
- 7 (b) “Department” means the State Department of *Public Health*
- 8 *Services*.
- 9 (c) “Federal Safe Drinking Water Act” or “federal act” means
- 10 the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.)
- 11 and acts amendatory thereof or supplemental thereto.
- 12 (d) “Fund” means the Safe Drinking Water State Revolving
- 13 Fund created by Section 116760.30.
- 14 (e) “Funding” means a loan or grant, or both, awarded under
- 15 this chapter.
- 16 (f) “Matching funds” means state money that equals that
- 17 percentage of federal contributions required by the federal act to
- 18 be matched with state funds.
- 19 (g) “Project” means proposed facilities for the construction,
- 20 improvement, or rehabilitation of a public water system, and may
- 21 include all items set forth in Section 116761 as necessary to carry

1 out the purposes of this chapter. It also may include refinancing
2 loans, annexation or consolidation of water systems, source water
3 assessments, source water protection, and other activities specified
4 under the federal act.

5 (h) “Public agency” means any city, county, city and county,
6 whether general law or chartered, district, joint powers authority,
7 or other political subdivision of the state, that owns or operates a
8 public water system.

9 (i) “Public water system” or “public water supply system” means
10 a system for the provision to the public of water for human
11 consumption, as defined in Chapter 4 (commencing with Section
12 116270), as it may be amended from time to time.

13 (j) “Reasonable amount of growth” means an increase in growth
14 not to exceed 10 percent of the design capacity needed, based on
15 peak flow, to serve the water *and fire flow* demand in existence at
16 the time plans and specifications for the project are approved by
17 the department, over the 20-year useful life of a project. For
18 projects other than the construction of treatment plants including,
19 but not limited to, storage facilities, pipes, pumps, and similar
20 equipment, where the 10-percent allowable growth cannot be
21 adhered to due to the sizes of equipment or materials available,
22 the project shall be limited to the next available larger size.

23 (k) “Safe drinking water standards” means those standards
24 established pursuant to Chapter 4 (commencing with Section
25 116270), as they may now or hereafter be amended.

26 (l) “Supplier” means any—~~persons~~ *person*, partnership,
27 corporation, association, public agency, or other entity that owns
28 or operates a public water system.

29 SEC. 2. Section 116760.40 of the Health and Safety Code is
30 amended to read:

31 116760.40. The department may undertake any of the following
32 actions to implement the Safe Drinking Water State Revolving
33 Fund:

34 (a) Enter into agreements with the federal government for federal
35 contributions to the fund.

36 (b) Accept federal contributions to the fund.

37 (c) Use moneys in the fund for the purposes permitted by the
38 federal act.

39 (d) Provide for the deposit of matching funds and any other
40 available and necessary moneys into the fund.

1 (e) Make requests, on behalf of the state, for deposit into the
2 fund of available federal moneys under the federal act.

3 (f) Determine, on behalf of the state, that public water systems
4 that receive financial assistance from the fund will meet the
5 requirements of, and otherwise be treated as required by, the federal
6 act.

7 (g) Provide for appropriate audit, accounting, and fiscal
8 management services, plans, and reports relative to the fund.

9 (h) Take ~~such~~ additional incidental action as may be appropriate
10 for adequate administration and operation of the fund.

11 (i) Enter into an agreement with, and accept matching funds
12 from, a public water system. A public water system that seeks to
13 enter into an agreement with the department and provide matching
14 funds pursuant to this subdivision shall provide to the department
15 evidence of the availability of those funds in the form of a written
16 resolution, or equivalent document, from the public water system
17 before it requests a preliminary loan commitment.

18 (j) Charge public water systems that elect to provide matching
19 funds a fee to cover the actual cost of obtaining the federal funds
20 pursuant to Section 1452(e) of the federal act (~~42 U.S.C.A.~~ *U.S.C.*
21 *Sec. 300j-12*) and to process the loan application. The fee shall be
22 waived by the department if sufficient funds to cover those costs
23 are available from other sources.

24 (k) Use money returned to the fund under Section 116761.85
25 and any other source of matching funds, if not prohibited by statute,
26 as matching funds for the federal administrative allowance under
27 Section 1452(g) of the federal act (~~42 U.S.C.A.~~ *U.S.C. Sec.*
28 *300j-12*).

29 (l) Establish separate accounts or subaccounts as required or
30 allowed in the federal act and related guidance, for funds to be
31 used for administration of the fund and other purposes. Within the
32 fund the department shall establish the following accounts,
33 including, but not limited to:

34 (1) A fund administration account for state expenses related to
35 administration of the fund pursuant to Section 1452(g)(2) of the
36 federal act.

37 (2) A water system reliability account for department expenses
38 pursuant to Section 1452(g)(2)(A), (B), (C), or (D) of the federal
39 act.

1 (3) A source protection account for state expenses pursuant to
2 Section 1452(k) of the federal act.

3 (4) A small system technical assistance account for department
4 expenses pursuant to Section 1452(g)(2) of the federal act.

5 (5) A state revolving loan account pursuant to Section 1452(a)(2)
6 of the federal act.

7 (6) *A wellhead protection account established pursuant to*
8 *Section 1452(a)(2) of the federal act.*

9 (m) Deposit federal funds for administration and other purposes
10 into separate accounts or subaccounts as allowed by the federal
11 act.

12 (n) Determine, on behalf of the state, whether sufficient progress
13 is being made toward compliance with the enforceable deadlines,
14 goals, and requirements of the federal act and the California Safe
15 Drinking Water Act, Chapter 4 (commencing with Section 116275).

16 SEC. 3. Section 116761.23 of the Health and Safety Code is
17 amended to read:

18 116761.23. (a) The maximum amount of a grant permitted
19 under this chapter for the planning and preliminary engineering
20 studies; *and design, and construction* of a single project is ~~one~~
21 ~~million dollars (\$1,000,000)~~ *five hundred thousand dollars*
22 *(\$500,000).*

23 (b) *The maximum amount of a grant permitted under this chapter*
24 *for the construction of a single project is two million dollars*
25 *(\$2,000,000).*

26 (b)

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