

Introduced by Senator Wolk

February 26, 2009

An act to add Division 26.7 (commencing with Section 79700) to the Water Code, relating to financing a water supply reliability and water source protection program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 456, as introduced, Wolk. Safe, Clean, Reliable Drinking Water Supply Act of 2010.

Under existing law, various measures have been approved by the voters to provide funds for water protection, facilities, and programs.

This bill would enact the Safe, Clean, Reliable Drinking Water Supply Act of 2010 which, if approved by the voters, would authorize, for the purposes of financing specified water supply reliability and water source protection programs, the issuance of bonds in the amount of \$9,805,000,000 pursuant to the State General Obligation Bond Law.

The bill would provide for submission of the bond act to the voters at an unspecified statewide general election.

This bill would declare that it is to take effect immediately as an urgency statute.

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:

SECTION 1. Division 26.7 (commencing with Section 79700) is added to the Water Code, to read:

DIVISION 26.7. THE SAFE, CLEAN, RELIABLE DRINKING
WATER SUPPLY ACT OF 2010

CHAPTER 1. SHORT TITLE

79700. This division shall be known and may be cited as the Safe, Clean, Reliable Drinking Water Supply Act of 2010.

CHAPTER 2. FINDINGS AND DECLARATIONS

79701. The people of California find and declare all of the following:

(a) Safeguarding supplies of clean, safe drinking water to California's homes, businesses, and farms is an essential responsibility of government, and critical to protecting the quality of life for Californians.

(b) Every Californian should have access to clean, safe, reliable drinking water.

(c) Providing adequate supplies of clean, safe drinking water is vital to keeping California's economy growing and strong.

(d) Encouraging water conservation and recycling are commonsense methods to make more efficient use of existing water supplies.

(e) Protecting lakes, rivers, and streams from pollution, cleaning up polluted groundwater supplies, and protecting water sources that supply the entire state are crucial to providing a reliable supply of drinking water and protecting the natural resources of California.

CHAPTER 3. DEFINITIONS

79702. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

1 (a) “Bay Delta Conservation Plan” means the final plan prepared
2 pursuant to the Planning Agreement regarding the Bay Delta
3 Conservation Plan, dated October 6, 2006.

4 (b) “Bay-Delta Estuary” means the Delta, Suisun Bay, and
5 Suisun Marsh.

6 (c) “CALFED Bay-Delta Program” means the program
7 described in the Record of Decision dated August 28, 2000.

8 (d) “Committee” means the Safe, Clean, Reliable Drinking
9 Water Supply Finance Committee created by Section 79784.

10 (e) “Delta” means the Sacramento-San Joaquin Delta as defined
11 in Section 12220.

12 (f) “Delta conveyance facilities” means facilities that convey
13 water directly from the Sacramento River to the State Water Project
14 or the federal Central Valley Project pumping facilities in the south
15 Delta.

16 (g) “Department” means the Department of Water Resources.

17 (h) “Director” means the Director of Water Resources.

18 (i) “Disadvantaged community” has the meaning set forth in
19 subdivision (a) of Section 79505.5.

20 (j) “Economically distressed area” means a municipality with
21 a population of 20,000 persons or less, a rural county, or a
22 reasonably isolated and divisible segment of a larger municipality
23 where the segment of the population is 20,000 persons or less,
24 with a financial hardship, as determined by the department after
25 considering factors including, but not limited to, median income
26 of the residents, rate of unemployment, and low population density.

27 (k) “Fund” means the Safe, Clean, Reliable Drinking Water
28 Supply Fund of 2010 created by Section 79720.

29 (l) “Integrated regional water management plan” means a
30 comprehensive plan for a defined geographic area, the specific
31 development and content of which shall be defined by guidelines
32 adopted by the department. At a minimum, an integrated regional
33 water management plan describes the major water-related
34 objectives and conflicts within a region, considers a broad variety
35 of water management strategies, and identifies the appropriate
36 combination of water demand and supply management alternatives,
37 water quality protections, and environmental stewardship actions
38 to provide long-term, reliable, and high-quality water supplies and
39 to protect the environment.

(m) “Nonprofit organization” means an organization qualified to do business in California and qualified under Section 501(c) (3) of Title 26 of the United States Internal Revenue Code.

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

(o) “Secretary” means the Secretary of the Resources Agency.

(p) “State General Obligation Bond Law” means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

CHAPTER 4. GENERAL PROVISIONS

79710. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

79710.5. Up to 10 percent of funds allocated for each program funded by this division may be used to finance planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This section shall not otherwise restrict funds ordinarily used by an agency for “preliminary plans,” “working drawings,” and “construction” as defined in the annual Budget Act for a capital outlay project or grant project. Water quality monitoring shall be integrated into the surface water ambient monitoring program administered by the State Water Resources Control Board.

79711. 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 under Chapter 6 (commencing with Section 79721), Chapter 7 (commencing with Section 79730), Chapter 9 (commencing with Section 79750), Chapter 10 (commencing with Section 79775), Chapter 11 (commencing with Section 79780), and Chapter 12 (commencing with Section 79781) of this division.

79712. (a) Prior to disbursing grants pursuant to this division, each state agency that is required to administer a competitive grant program under this division shall develop project solicitation and evaluation guidelines. The guidelines may include a limitation on the dollar amount of grants to be awarded.

1 (b) Prior to disbursing grants, the state agency shall conduct
2 three public meetings to consider public comments prior to
3 finalizing the guidelines. The state agency shall publish the draft
4 solicitation and evaluation guidelines on its Internet Web site at
5 least 30 days before the public meetings. One meeting shall be
6 conducted at a location in northern California, one meeting shall
7 be conducted in the central valley, and one meeting shall be
8 conducted at a location in southern California. Upon adoption, the
9 state agency shall transmit copies of the guidelines to the fiscal
10 committees and the appropriate policy committees of the
11 Legislature.

12 79713. It is the intent of the people that the investment of public
13 funds pursuant to this division will result in public benefits.

14 79714. The State Auditor shall annually conduct a
15 programmatic review and an audit of expenditures from the fund.
16 The State Auditor shall report his or her findings annually on or
17 before March 1 to the Governor and the Legislature, and shall
18 make the findings available to the public.

19 79715. Funds provided by this division shall not be used to
20 support or pay for the costs of environmental mitigation measures
21 or compliance obligations of any party except as part of the
22 environmental mitigation costs of projects financed by this division.
23 Funds provided by this division may be used for environmental
24 enhancements or other public benefits.

25 79716. Funds provided by this division shall not be expended
26 to pay the costs of the design, construction, operation, or
27 maintenance of Delta conveyance facilities. Those costs shall be
28 the responsibility of the agencies that benefit from the design,
29 construction, operation, or maintenance of those facilities.

30 79717. This division does not limit or otherwise affect the
31 application of Sections 10505, 10505.5, 11128, 11460, 11461,
32 11462, and 11463 and Sections 12200 to 12220, inclusive.

33 79718. The Legislature may enact legislation necessary to
34 implement programs funded by this division.

35 79719. Eligible applicants under this division are public
36 agencies, nonprofit organizations, public utilities, and mutual water
37 companies. To be eligible for funding under this division, a project,
38 proposed by a public utility that is regulated by the Public Utilities
39 Commission or a mutual water company, shall have a clear and

1 definite public purpose and shall benefit the customers of the water
2 system.

3
4 CHAPTER 5. SAFE, CLEAN, RELIABLE DRINKING WATER SUPPLY
5 FUND OF 2010
6

7 79720. The proceeds of bonds issued and sold pursuant to this
8 division shall be deposited in the Safe, Clean, Reliable Drinking
9 Water Supply Fund of 2010, which is hereby created.

10
11 CHAPTER 6. WATER SUPPLY RELIABILITY
12

13 79721. The sum of one billion five hundred million dollars
14 (\$1,500,000,000) shall be available, upon appropriation by the
15 Legislature, from the fund to the department for competitive grants
16 and expenditures in accordance with Section 79722.

17 79722. (a) Except as provided in subdivision (f), the
18 department shall award grants to eligible projects that implement
19 an adopted integrated regional water management plan.

20 (b) An urban water supplier that does not prepare, adopt, and
21 submit its urban water management plan in accordance with the
22 Urban Water Management Planning Act (Part 2.6 (commencing
23 with Section 10610) of Division 6) is ineligible to receive funds
24 made available pursuant to Section 79721 until the urban water
25 management plan is prepared and submitted in accordance with
26 the requirements of that act.

27 (c) The department shall require a local cost share of not less
28 than 25 percent of the total costs of the projects. The department
29 may waive or reduce the cost-sharing requirement for projects that
30 directly benefit a disadvantaged community or an economically
31 distressed area.

32 (d) Eligible projects include, but are not limited to, all of the
33 following:

34 (1) Agricultural and urban water use efficiency implementation
35 projects, including, but not limited to, feasibility studies, technical
36 assistance, education, and public outreach, and projects that result
37 in water savings, increased instream flow, improved water quality,
38 or increased energy efficiency.

(2) Recycling, reclamation, water treatment for the recovery of water supplies, desalination, and associated facilities, including distributions systems.

(3) Groundwater and surface storage projects, and conjunctive use and reservoir reoperation projects.

(4) Groundwater contamination prevention, cleanup, and treatment, and other water quality projects necessary to protect existing or potential water supplies. The implementation of a project financed pursuant to this paragraph does not relieve a responsible party or liable person from that person's obligation under existing state or federal law to clean up or remediate, or otherwise treat, contaminated water.

(5) Projects that reduce contributions to climate change from water management systems.

(6) Projects that enhance the adaptability to climate change of water management systems.

(7) Other projects that meet the requirements of Section 75026 of the Public Resources Code.

(e) The funding provided in Section 79721 shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County (designated as the San Diego subregion), the Santa Ana River watershed and southern Orange County (designated as the Santa Ana subregion), and the Los Angeles and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. The department may recognize multiple integrated regional water management plans in each of the areas allocated funding. Funds made available by this chapter shall be allocated as follows:

(1) North Coast	\$70,000,000
(2) San Francisco Bay	\$150,000,000
(3) Central Coast	\$82,000,000
(4) Los Angeles subregion	\$210,000,000
(5) Santa Ana subregion	\$146,000,000
(6) San Diego subregion	\$108,000,000

1	(7) Sacramento River	\$103,000,000
2	(8) San Joaquin River	\$91,000,000
3	(9) Tulare/Kern	\$93,000,000
4	(10) North/South Lahontan	\$75,000,000
5	(11) Colorado River Basin	\$72,000,000
6	(12) Interregional	\$300,000,000

7

8 (f) Interregional funds may be expended directly or granted by
9 the department to address multiregional needs or state priorities,
10 including, but not limited to, any of the following:

11 (1) Investing in new water technology development and
12 deployment.

13 (2) Meeting state water recycling and water conservation goals.

14 (3) Adapting to climate change impacts.

15 (4) Reducing contributions to climate change.

16 (5) Other projects to improve statewide water management
17 systems.

18 (6) Other projects and activities designed to meet the needs of
19 disadvantaged communities or economically distressed areas,
20 including technical and grant writing assistance.

21 79723. (a) The sum of five hundred million dollars
22 (\$500,000,000) shall be available, upon appropriation by the
23 Legislature, from the fund to the department for grants and
24 expenditures for the planning, design, and construction of local
25 and regional drought relief projects that reduce the impacts of
26 drought conditions, including, but not limited to, the impacts of
27 reductions in Delta diversions. Projects shall be consistent with
28 an adopted integrated regional water management plan and shall
29 include all of the following types of projects:

30 (1) Water conservation and efficiency projects.

31 (2) Water recycling and related infrastructure.

32 (3) Stormwater capture.

33 (4) Groundwater cleanup.

34 (5) Local and regional conveyance projects that improve
35 connectivity and water management.

36 (6) Other local and regional water supply reliability projects.

37 (b) Projects shall meet both of the following conditions:

38 (1) The project shall provide a sustainable water supply that
39 does not contribute to groundwater overdraft or increase surface
40 water diversions.

(2) The project shall be capable of being operational within two years of receiving the grant.

(c) Preference shall be given to applicants that can demonstrate substantial past and current investments in conservation and local water projects.

(d) The department shall require a cost share of not less than 50 percent of total project costs from nonstate sources. The department may waive or reduce the cost share requirement for projects that directly benefit disadvantaged communities or economically distressed areas.

CHAPTER 7. DELTA SUSTAINABILITY

79730. (a) The Bay-Delta Estuary is a unique and irreplaceable combination of environmental and economic resources. Current management and use of the Delta is not sustainable, and results in a high level of conflict among various interests. Future Delta sustainability is threatened by changing hydrology due to climate change, water diversions, flood risk, seismic events, nonnative species, toxics, and other environmental problems. Future management of the Delta must improve Delta ecosystem health and improve the means of Delta water conveyance in order to protect drinking water quality, improve water supply and water supply reliability, restore ecosystem health, and preserve agricultural and recreational values in the Delta, while providing to counties and watersheds of origin assurances that their priority to water resources will be protected and that programs or facilities implemented or constructed in the Delta will not result in redirection of unmitigated, significant adverse impacts to the counties and watershed of origin. Many sources of funding will be needed to implement improved Delta management.

(b) This chapter provides state funding for public benefits associated with projects needed to assist in the Delta's sustainability as a vital resource for fish, wildlife, water quality, water supply, agriculture, and recreation.

79731. The sum of one billion nine hundred million dollars (\$1,900,000,000) is available upon appropriation by the Legislature from the fund for grants and direct expenditure, as follows:

(a) Of the funds made available by this section, one billion two hundred million dollars (\$1,200,000,000) shall be available for

1 projects in Delta counties that provide public benefits and support
2 Delta sustainability projects in the following priority:

3 (1) Projects that improve drinking and agricultural water quality
4 for Delta counties that use water from the Delta

5 (2) Projects that screen or otherwise protect non-State Water
6 Project and non-Central Valley Project water diversions in the
7 Delta from take of listed species relocated or enhanced by Delta
8 restoration projects.

9 (3) Levee and flood control improvements that protect Delta
10 lands, local and export water supplies and Delta infrastructure
11 consistent with the Central Valley Flood Protection Plan.

12 (4) Projects that protect Delta infrastructure, including, but not
13 limited to, roads, utility lines, railways, bridges, water supply, and
14 flood protection.

15 (5) Programs that mitigate increased local government costs
16 due to changes in the Delta related to the Bay-Delta Conservation
17 Plan, Delta Vision recommendations or other Delta programs that
18 benefit water supply and ecosystems.

19 (b) Of the funds made available by this section, seven hundred
20 million dollars (\$700,000,000) shall be made available for projects
21 to protect and enhance the sustainability of the Delta ecosystem,
22 including any of the following:

23 (1) Projects for the development and implementation of the
24 Bay-Delta Conservation Plan that promote the conservation, as
25 defined in Section 2805 of the Fish and Game Code, of protected
26 species, and for native fishery restoration projects that are
27 consistent with the recommendations of the Blue Ribbon Task
28 Force established by Executive Order S-17-06. The projects shall
29 be implemented through a cooperative effort among regulatory
30 agencies, regulated and potentially regulated entities, and affected
31 parties, including state and federal water contractors. These funds
32 may be expended for the preparation of environmental
33 documentation and environmental compliance that meets the
34 requirements of Chapter 10 (commencing with Section 2800) of
35 Division 3 of the Fish and Game Code.

36 (2) Other projects to protect and restore native fish and wildlife
37 dependent on the Delta ecosystem, including the acquisition of
38 water rights, the removal or reduction of undesirable invasive
39 species, and projects both in and out of the Delta that improve the
40 ability to restore and recover native anadromous fish species.

1 (3) Projects to reduce greenhouse gas emissions from exposed
2 Delta soils.

3 (4) Projects that reduce impacts of mercury contamination of
4 the Delta and its watersheds, and remediation and elimination of
5 continuing sources of mercury contamination.

6
7 CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL
8 IMPROVEMENT
9

10 79740. (a) For purposes of this chapter, “commission” means
11 the California Water Commission established in Article 2
12 (commencing with Section 150) of Chapter 2 of Division 1.

13 (b) Notwithstanding Section 162, the commission may make
14 the determinations, findings, and recommendations required of it
15 by this chapter independent of the views of the director. All final
16 actions by the commission in implementing this chapter shall be
17 taken by a majority of the members of the commission at a public
18 meeting noticed and held pursuant to the Bagley-Keene Open
19 Meeting Act (Article 9 (commencing with Section 11120) of
20 Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
21 Code).

22 (c) Notwithstanding Section 13340 of the Government Code,
23 the sum of three billion dollars (\$3,000,000,000) is hereby
24 continuously appropriated from the fund to the commission,
25 without regard to fiscal year, for public benefits associated with
26 water storage projects that improve the operation of the state water
27 system, are cost effective, and provide a net improvement in
28 ecosystem and water quality conditions, in accordance with this
29 chapter. Funds authorized for, or made available to, the commission
30 pursuant to this chapter shall be available and used only for the
31 purposes provided in this chapter, and shall not be subject to
32 appropriation or transfer by the Legislature or the Governor for
33 any other purpose.

34 (d) Projects shall be selected by the commission through a
35 competitive public process that ranks potential projects based on
36 the expected return for public investment as measured by the
37 magnitude of the public benefits provided, pursuant to criteria
38 established under this chapter.

39 (e) Any project constructed with funds provided by this chapter
40 shall be subject to Section 11590.

(f) Up to 10 percent of the three billion dollars (\$3,000,000,000) made available by subdivision (c) shall be made available, upon appropriation by the Legislature from the fund, to the Department of Fish and Game and the State Water Resources Control Board to implement this chapter.

79741. Projects for which the public benefits are eligible for funding under this chapter consist of any of the following:

(a) Surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, excluding the expansion of the Shasta Reservoir.

(b) Groundwater storage projects and groundwater contamination prevention or remediation projects that provide water storage benefits.

(c) Conjunctive use and reservoir reoperation projects.

(d) Regional and local surface storage projects that improve the operation of water systems in the state and provide public benefits.

79741.5. A project shall not be funded pursuant to this chapter unless it provides measurable improvements to the Delta ecosystem, including, but not limited to, measurable contributions to Delta ecosystem improvements from the tributaries to the Delta.

79742. (a) Funds allocated pursuant to this chapter may be expended solely for the following public benefits associated with water storage projects:

(1) Ecosystem improvements, including changing the timing of water diversions, improvement in flow conditions, temperature, or other benefits that contribute to restoration of aquatic ecosystems and native fish and wildlife, including those ecosystems and fish and wildlife in the Delta.

(2) Water quality improvements in the Delta, or in other river systems, that provide significant public trust resources, or that clean up and restore groundwater resources.

(3) Flood control benefits, including, but not limited to, increases in flood reservation space in existing reservoirs by exchange for existing or increased water storage capacity in response to the effects of changing hydrology and decreasing snow pack on California's water and flood management system.

(b) For the purposes of this chapter, "public benefits" does not include the costs of environmental mitigation measures or compliance obligations.

1 79743. In consultation with the Department of Fish and Game,
2 the State Water Resources Control Board, and the department, the
3 commission shall develop and adopt, by regulation, methods for
4 quantification and management of public benefits described under
5 Section 79742 by December 15, 2010. The regulations shall include
6 the priorities and relative environmental value of ecosystem
7 benefits as provided by the Department of Fish and Game and the
8 priorities and relative environmental value of water quality benefits
9 as provided by the State Water Resources Control Board.

10 79744. (a) Except as provided under subdivision (c), no funds
11 allocated pursuant to this chapter may be allocated for a project
12 unless the commission approves the project based on the
13 commission's determination that all of the following have occurred:

14 (1) The commission has adopted the regulations specified in
15 Section 79743 and specifically quantified and made public the cost
16 of the public benefits associated with the project.

17 (2) The department has entered into a contract with each party
18 who will derive benefits, other than public benefits as defined in
19 Section 79742, from the project that ensures the party will pay its
20 share of the total costs of the project. The benefits available to a
21 party shall be consistent with that party's share of total project
22 costs.

23 (3) The department has entered into a contract with each public
24 agency identified in Section 79743 that administers the public
25 benefits, after that agency makes a finding that the public benefits
26 of the project for which that agency is responsible meet all the
27 requirements of this chapter, to assure that the public contribution
28 of funds pursuant to this chapter achieves the public benefits
29 identified for the project.

30 (4) The commission has held a public hearing for the purposes
31 of providing an opportunity for the public to review and comment
32 on the information required to be prepared pursuant to this
33 subdivision.

34 (5) All of the following additional conditions are met:

35 (A) Feasibility studies have been completed.

36 (B) The director has found and determined that the project is
37 feasible and is consistent with all applicable laws and regulations.

38 (C) All environmental documentation associated with the project
39 has been completed, and all other federal, state, and local approvals,

1 certifications, and agreements required to be completed have been
2 obtained.

3 (b) The commission shall submit to the Legislature its findings
4 for each of the criteria listed in subdivision (a) for a project funded
5 pursuant to this chapter.

6 (c) Notwithstanding subdivision (a), funds may be made
7 available under this chapter for the completion of environmental
8 documentation and permitting of a project if all of the conditions
9 of this section have been met, excluding those established under
10 subparagraph (C) of paragraph (5) of subdivision (a).

11 79745. (a) The public benefits cost share of a project funded
12 pursuant to this chapter, excluding a project described in
13 subdivision (c) of Section 79741, shall not exceed 50 percent of
14 the total costs of any project funded under this chapter.

15 (b) A project shall not be funded unless it provides ecosystem
16 improvements as described in paragraph (1) of subdivision (a) of
17 Section 79742 that are at least 50 percent of the total public benefits
18 of the project funded under this chapter.

19 79746. (a) A project identified in subdivision (a) of Section
20 79741 is not eligible for funding under this chapter unless, by
21 January 1, 2014, all of the following conditions are met:

22 (1) All feasibility studies are complete and draft environmental
23 documentation is available for public review.

24 (2) The director makes a finding that the project is feasible.

25 (3) The director receives commitments for not less than 75
26 percent of the nonpublic benefit cost share of the project.

27 (b) If compliance with subdivision (a) is delayed by litigation
28 or failure to promulgate regulations, the date in subdivision (a)
29 shall be extended by the director for a time period that is equal to
30 the time period of the delay.

31 79747. Surface storage projects funded pursuant to this chapter
32 and described in subdivision (a) of Section 79741 may be made a
33 unit of the Central Valley Project as provided in Section 11290
34 and may be financed, acquired, constructed, operated, and
35 maintained pursuant to Part 3 (commencing with Section 11100)
36 of Division 6.

CHAPTER 9. CONSERVATION AND WATERSHED PROTECTION

79750. The sum of one billion dollars (\$1,000,000,000) is available, upon appropriation by the Legislature from the fund, in accordance with this chapter, for expenditures and grants for ecosystem and watershed protection and restoration projects, including, but not limited to, all of the following watersheds:

- (a) The San Joaquin River watershed.
- (b) The Kern River and Tulare Basin watersheds.
- (c) The Salton Sea and Colorado River watersheds.
- (d) The Los Angeles River watershed.
- (e) The San Gabriel River watershed.
- (f) The Santa Ana River watershed.
- (g) The Klamath River watershed, including the Trinity, Scott, and Shasta Rivers and watersheds.
- (h) North coast watersheds.
- (i) San Francisco Bay watersheds.
- (j) Central coast watersheds.
- (k) South coast watersheds.
- (l) Lake Tahoe Basin watershed.
- (m) The Sacramento River watershed, including the Yolo Bypass.
- (n) San Diego County coastal watersheds.
- (o) The Ventura River watershed.
- (p) The Sierra Nevada Mountain watersheds.
- (q) The Mojave River watershed.
- (r) The Owens River watershed.
- (s) The Santa Monica Bay watershed.

79751. (a) Funds provided for the Sacramento River and San Joaquin River watersheds under Section 79750 shall be available for projects consistent with the ecosystem restoration program element of the California Bay-Delta Program, or its successor, or the San Joaquin River Parkway Master Plan.

(b) Funds provided for Salton Sea watershed projects under Section 79750 shall be available for Salton Sea restoration activities identified for “Period I” in the Resources Agency report entitled “Salton Sea Ecosystem Restoration Program Preferred Alternative Report and Funding Plan,” dated May 2007.

(c) Funds provided for the Lake Tahoe Basin watershed under Section 79750 shall be available for projects consistent with the Lake Tahoe Environmental Improvement Program.

(d) Funds provided for the Los Angeles River and San Gabriel River watersheds under Section 79750 shall be available pursuant to Section 79508, and for projects identified in the Los Angeles River Revitalization Master Plan.

79752. (a) The sum of eighty-five million dollars (\$85,000,000) is available, upon appropriation by the Legislature from the fund, to the Department of Fish and Game for expenditures and grants to protect the Delta ecosystem and the state's water supply from invasive species, including, but not limited to, Asiatic clams, zebra mussels, quagga mussels, and New Zealand mud snails.

(b) At least fifty million dollars (\$50,000,000) of the funds provided pursuant to subdivision (a) shall be available for grants to public agencies, including water agencies, to pay for capital expenditures associated with the control of invasive species, including, but not limited to, chlorination facilities, habitat modifications, and monitoring equipment. The Department of Fish and Game shall administer the grant program.

(c) The Legislature, by statute, shall establish requirements for both of the following:

(1) Repayment of grant funds made available pursuant to this section in the event of cost recovery from parties responsible for the introduction of invasive species that affect the Delta ecosystem and the state's water supply.

(2) Recipients of grants to make reasonable efforts to recover costs from parties described in paragraph (1).

79753. For restoration and ecosystem protection projects under this chapter, the services of the California Conservation Corps or community conservation corps shall be used whenever feasible.

79754. Funds provided under this chapter may be appropriated to the Resources Agency, the Department of Fish and Game, the Wildlife Conservation Board, the California Conservation Corps, the Department of Parks and Recreation, or to state conservancies for expenditures and grants consistent with this chapter and other applicable laws.

79755. Of the funds made available pursuant to Section 79750, not less than two hundred million dollars (\$200,000,000) shall be

1 available to the State Coastal Conservancy for projects within
2 coastal counties and coastal watersheds, including grants to the
3 San Diego River Conservancy and for the Santa Ana River
4 Parkway.

5 79756. Of the funds provided in Section 79750, not less than
6 one hundred million dollars (\$100,000,000) shall be available to
7 the Wildlife Conservation Board for direct expenditure or grants
8 for the acquisition of water rights from willing sellers and the
9 conveyance of water for the benefit of migratory birds on wildlife
10 refuges and wildlife habitat areas subject to Section 3406(d) of the
11 federal Central Valley Project Improvement Act (Public Law
12 102-575).

13 79757. Of the funds provided in Section 79750, not less than
14 two hundred million dollars (\$200,000,000) shall be available to
15 the Wildlife Conservation Board for direct expenditure or grants
16 for the protection or restoration of watershed lands that provide
17 sources of drinking water or rivers and streams that support species
18 listed as threatened or endangered under state or federal law.

19 79758. The sum of one hundred million dollars (\$100,000,000)
20 is available, upon appropriation by the Legislature from the fund,
21 to the Wildlife Conservation Board, in consultation with the
22 Department of Forestry and Fire Protection, for grants and direct
23 expenditures for watershed restoration in fire damaged areas, and
24 for fuel load reduction and other projects to reduce the potential
25 for watershed damage from wildfires to protect water quality, fish,
26 and wildlife.

27 79759. The sum of one hundred fifty million dollars
28 (\$150,000,000) is available, upon appropriation by the Legislature
29 from the fund, to the Department of Fish and Game and the State
30 Coastal Conservancy for grants and expenditures for projects that
31 improve fish passage on rivers and streams, including barrier
32 removal, sediment management, and related watershed restoration.

33 79761. For the purposes of this chapter, the terms “restoration”
34 and “protection” have the meanings set forth in Section 75005 of
35 the Public Resources Code.

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- (b) Projects shall be prioritized based upon the following criteria:
 - (1) The threat posed by groundwater contamination to the affected community's overall drinking water supplies, including the need for treatment of alternative supplies if groundwater is not available due to contamination.
 - (2) The potential for groundwater contamination to spread and reduce drinking water supply and water storage for nearby population areas.
 - (3) The potential of the project, if fully implemented, to enhance local water supply reliability.
 - (4) The potential of the project to increase opportunities for groundwater recharge and optimization of groundwater supplies.
- (c) The State Department of Public Health shall give additional consideration to projects that meet any of the following criteria:
 - (1) The project is implemented pursuant to a comprehensive basinwide groundwater quality management and remediation plan or is necessary to develop a comprehensive groundwater plan.
 - (2) Affected groundwater provides a local supply that, if contaminated and not remediated, will require import of additional water from outside the region.
 - (3) The project addresses contamination at a site where the responsible parties have not been identified, or where the responsible parties are unwilling or unable to pay for cleanup.
 - (d) Of the amount made available by subdivision (a), not less than one hundred million dollars (\$100,000,000) shall be allocated to projects that benefit disadvantaged communities and

1 economically distressed areas, including technical and grant writing
2 assistance.

3 (e) Of the amount made available by subdivision (a), up to one
4 hundred million dollars (\$100,000,000) shall be available for
5 projects that meet the requirements of this section and both of the
6 following criteria:

7 (1) The project is part of a basinwide management and
8 remediation plan for which federal funds have been allocated.

9 (2) The project addresses contamination at a site on the list
10 maintained by the Department of Toxic Substances Control
11 pursuant to Section 25356 of the Health and Safety Code or a site
12 listed on the National Priorities List pursuant to the federal
13 Comprehensive Environmental Response, Compensation, and
14 Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.).

15 (f) The Legislature, by statute, shall establish both of the
16 following:

17 (1) Requirements for repayment of grant funds in the event of
18 cost recovery from parties responsible for the groundwater
19 contamination.

20 (2) Requirements for recipients of grants to make reasonable
21 efforts to recover costs from parties responsible for groundwater
22 contamination.

23 79776. The sum of ninety million dollars (\$90,000,000) is
24 available, upon appropriation by the Legislature from the fund, to
25 the State Department of Public Health for grants and direct
26 expenditures to finance emergency and urgent actions on behalf
27 of disadvantaged communities to ensure that safe drinking water
28 supplies are available to all Californians.

29 79777. The sum of two hundred million dollars (\$200,000,000)
30 is available, upon appropriation by the Legislature from the fund,
31 to the State Water Resources Control Board for grants for small
32 community wastewater treatment projects to protect water quality
33 that meet all of the following criteria:

34 (a) The project is for the planning, design, permitting,
35 construction, or improvement of a wastewater treatment facility,
36 sewer system, or related infrastructure necessary to meet water
37 quality standards or prevent contamination of surface water or
38 groundwater resources.

39 (b) The project will serve a community with a population of
40 20,000 or less.

(c) The project meets other standards that may be established by the State Water Resources Control Board with respect to the design, construction, financing, and operation of the project.

79778. (a) The sum of three hundred million dollars (\$300,000,000) is available, upon appropriation by the Legislature from the fund, to the State Water Resources Control Board for competitive grants and loans for stormwater management and water quality projects pursuant to this section.

(b) Eligible projects shall assist in compliance with total maximum daily load (TMDL) implementation plans and be consistent with all applicable waste discharge permits.

(c) Eligible projects include facilities and infrastructure to reduce, manage, and treat stormwater runoff, including, but not limited to, all of the following:

- (1) Detention and retention basins.
- (2) Dry weather diversion facilities, trash filters, and screens.
- (3) Treatment wetlands creation and enhancement.
- (4) Stormwater runoff reduction projects, including permeable surface installation, cisterns, and collection and treatment facilities for groundwater recharge.

(5) Other stormwater management infrastructure for low-impact development.

(d) The board shall require not less than a 50 percent local cost share for grant funds, but may suspend or reduce the matching requirements for disadvantaged communities or economically distressed areas.

(e) The board shall award grants on a competitive basis, considering the following criteria:

- (1) Water quality benefits of the project, including the project's ability to reduce impairment of the receiving water body.
- (2) Cost effectiveness.
- (3) Public health benefits of the project.

(f) Eligible recipients shall include local public agencies and joint powers authorities.

79779. The sum of one hundred million dollars (\$100,000,000) is available, upon appropriation by the Legislature from the fund, to the California Ocean Protection Trust Fund established in Section 35650 of the Public Resources Code and available for the purposes of projects consistent with that section.

CHAPTER 11. WATER RECYCLING AND ADVANCED TREATMENT
TECHNOLOGIES

79780. The sum of five hundred million dollars (\$500,000,000) is available, upon appropriation by the Legislature from the fund, for grants and loans for water recycling and advanced treatment technology projects that include all of the following:

- (a) Water recycling projects.
 - (b) Contaminant and salt removal projects, including groundwater and seawater desalination.
 - (c) Dedicated distribution infrastructure for recycled water, including commercial and industrial end user retrofit projects to allow use of recycled water.
 - (d) Pilot projects for new salt and contaminant removal technology.
 - (e) Groundwater recharge infrastructure related to recycled water.
 - (f) Technical assistance and grant writing assistance for disadvantaged communities or economically distressed areas.
- 79780.5. An applicant for a project funded pursuant to Section 79779 shall provide at least 50 percent of the cost of the project. This matching requirement may be suspended or reduced for disadvantaged communities. Projects shall be selected on a competitive basis, considering all of the following criteria:
- (a) Water supply reliability improvement.
 - (b) Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or instream flows.
 - (c) Public health benefits from improved drinking water quality.
 - (d) Cost-effectiveness.
 - (e) Energy efficiency and greenhouse gas emission impacts.

CHAPTER 12. STATE OF CALIFORNIA WATER USE EFFICIENCY
PROGRAM

79781. The sum of twenty million dollars (\$20,000,000) shall be available, upon appropriation by the Legislature from the fund, to state agencies and departments for direct expenditures to fund water savings projects that conserve and use water more efficiently, thus resulting in savings to the taxpayer, reducing energy costs,

1 and using water more efficiently at state buildings, facilities, and
2 grounds.

3
4 CHAPTER 13. FISCAL PROVISIONS
5

6 79782. (a) Bonds in the total amount of nine billion eight
7 hundred five million dollars (\$9,805,000,000), not including the
8 amount of any refunding bonds issued in accordance with Section
9 79794, or so much thereof as is necessary, may be issued and sold
10 to provide a fund to be used for carrying out the purposes expressed
11 in this division and to reimburse the General Obligation Bond
12 Expense Revolving Fund pursuant to Section 16724.5 of the
13 Government Code. The bonds, when sold, shall be and constitute
14 valid and binding obligations of the State of California, and the
15 full faith and credit of the State of California is hereby pledged
16 for the punctual payment of both the principal of, and interest on,
17 the bonds as the principal and interest become due and payable.

18 (b) The Treasurer shall sell the bonds authorized by the
19 committee pursuant to this section. The bonds shall be sold upon
20 the terms and conditions specified in a resolution to be adopted
21 by the committee pursuant to Section 16731 of the Government
22 Code.

23 79783. The bonds authorized by this division shall be prepared,
24 executed, issued, sold, paid, and redeemed as provided in the State
25 General Obligation Bond Law, and all of the provisions of that
26 law apply to the bonds and to this division and are hereby
27 incorporated in this division as though set forth in full in this
28 division, except Section 16727 of the Government Code shall not
29 apply to the extent that it is inconsistent with any other provision
30 of this division.

31 79784. (a) Solely for the purpose of authorizing the issuance
32 and sale, pursuant to the State General Obligation Bond Law, of
33 the bonds authorized by this division, the Safe, Clean, Reliable
34 Drinking Water Supply Finance Committee is hereby created. For
35 purposes of this division, the Safe, Clean, Reliable Drinking Water
36 Supply Finance Committee is “the committee” as that term is used
37 in the State General Obligation Bond Law.

38 (b) The committee consists of the Director of Finance, the
39 Treasurer and the Controller. Notwithstanding any other provision
40 of law, any member may designate a deputy to act as that member

1 in his or her place for all purposes, as though the member were
2 personally present.

3 (c) The Treasurer shall serve as chairperson of the committee.

4 (d) A majority of the members of the committee shall constitute
5 a quorum of the committee, and may act for the committee.

6 79785. The committee shall determine whether or not it is
7 necessary or desirable to issue bonds authorized pursuant to this
8 division to carry out the actions specified in this division and, if
9 so, the amount of bonds to be issued and sold. Successive issues
10 of bonds may be authorized and sold to carry out those actions
11 progressively, and it is not necessary that all of the bonds
12 authorized to be issued be sold at any one time.

13 79786. "Board," as defined in Section 16722 of the Government
14 Code for the purposes of compliance with the State General
15 Obligation Bond Law, means the department.

16 79787. There shall be collected each year and in the same
17 manner and at the same time as other state revenue is collected,
18 in addition to the ordinary revenues of the state, a sum in an amount
19 required to pay the principal of, and interest on, the bonds each
20 year, and it is the duty of all officers charged by law with any duty
21 in regard to the collection of the revenue to do and perform each
22 and every act which is necessary to collect that additional sum.

23 79788. Notwithstanding Section 13340 of the Government
24 Code, there is hereby appropriated from the General Fund in the
25 State Treasury, for the purposes of this division, an amount that
26 will equal the total of the following:

27 (a) The sum annually necessary to pay the principal of, and
28 interest on, bonds issued and sold pursuant to this division, as the
29 principal and interest become due and payable.

30 (b) The sum that is necessary to carry out the provisions of
31 Section 79789, appropriated without regard to fiscal years.

32 79789. The board may request the Pooled Money Investment
33 Board to make a loan from the Pooled Money Investment Account
34 in accordance with Section 16312 of the Government Code for the
35 purpose of carrying out this division. The amount of the request
36 shall not exceed the amount of the unsold bonds that the committee
37 has, by resolution, authorized to be sold for the purpose of carrying
38 out this division. The board shall execute those documents required
39 by the Pooled Money Investment Board to obtain and repay the

1 loan. Any amounts loaned shall be deposited in the fund to be
2 allocated in accordance with this division.

3 79790. Notwithstanding any other provision of this division,
4 or of the State General Obligation Bond Law, if the Treasurer sells
5 bonds that include a bond counsel opinion to the effect that the
6 interest on the bonds is excluded from gross income for federal
7 tax purposes under designated conditions, the Treasurer may
8 maintain separate accounts for the bond proceeds invested and for
9 the investment earnings on those proceeds, and may use or direct
10 the use of those proceeds or earnings to pay any rebate, penalty,
11 or other payment required under federal law or take any other
12 action with respect to the investment and use of those bond
13 proceeds, as may be required or desirable under federal law in
14 order to maintain the tax-exempt status of those bonds and to obtain
15 any other advantage under federal law on behalf of the funds of
16 this state.

17 79791. For the purposes of carrying out this division, the
18 Director of Finance may authorize the withdrawal from the General
19 Fund of an amount or amounts not to exceed the amount of the
20 unsold bonds that have been authorized by the committee to be
21 sold for the purpose of carrying out this division. Any amounts
22 withdrawn shall be deposited in the fund. Any money made
23 available under this section shall be returned to the General Fund,
24 with interest at the rate earned by the money in the Pooled Money
25 Investment Account, from proceeds received from the sale of bonds
26 for the purpose of carrying out this division.

27 79792. All money deposited in the fund that is derived from
28 premiums and accrued interest on bonds sold pursuant to this
29 division shall be reserved in the fund and shall be available for
30 transfer to the General Fund as a credit to expenditures for bond
31 interest.

32 79793. Pursuant to Chapter 4 (commencing with Section
33 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
34 the cost of bond issuance shall be paid out of the bond proceeds.
35 These costs shall be shared proportionately by each program funded
36 through this division.

37 79794. The bonds issued and sold pursuant to this division
38 may be refunded in accordance with Article 6 (commencing with
39 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
40 the Government Code, which is a part of the State General

Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this division shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds.

79795. The proceeds from the sale of bonds authorized by this division are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. (a) Notwithstanding the requirements of Sections 9040, 9043, 9044, 9061, and 9082 of the Elections Code or any other provision of law, the Secretary of State shall submit Section 1 of this act to the voters at the _____, statewide general election.

(b) Notwithstanding Section 13115 of the Elections Code, Section 1 of this act and any other measure placed on the ballot by the Legislature for the _____, statewide general election after the 131-day deadline set forth in Section 9040 of the Elections Code shall be placed on the ballot, following all other ballot measures, in the order in which they qualified as determined by chapter number.

(c) The Secretary of State shall include, in the ballot pamphlets mailed pursuant to Section 9094 of the Elections Code, the information specified in Section 9084 of the Elections Code regarding the bond act contained in Section 1 of this act. If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding this act to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall be mailed separately.

SEC. 3. (a) (1) Notwithstanding Section 9051 of the Elections Code or any other provision of law, the Attorney General shall provide and return to the Secretary of State a ballot title and summary in 10-point type for all state ballot pamphlets of the _____, statewide general election that contains the following title and summary for Section 1 of this act adopted by the Legislature at the _____ Session:

“SAFE, CLEAN, RELIABLE DRINKING WATER SUPPLY ACT OF 2010” and in the same square under those words:

“Safeguards supplies of safe, clean drinking water to California homes, farms, and businesses. Expands conservation, cleans up

1 polluted wells, expands flood prevention and environmental
2 protection of water sources supplying the State Water Project.
3 Authorizes nine billion eight hundred five million dollars
4 (\$9,805,000,000) in general obligation bonds.”
5

6 (2) The language in paragraph (1) shall be the only language
7 included in the title and summary for Section 1 of this act adopted
8 by the Legislature at the ____ Session, and the Attorney General
9 shall not supplement, subtract from, or revise that language.

10 (3) Notwithstanding any other provision of law, including
11 Sections 9050, 9051, 13247, 13262, and 13281 of the Elections
12 Code, the language in paragraph (1) for the title and summary shall
13 also be the language included in the ballot label for the condensed
14 statement of the ballot title, and the Attorney General shall not
15 supplement, subtract from, or revise that language, except that the
16 Attorney General may include the fiscal impact summary prepared
17 pursuant to Section 9087 of the Elections Code and Section 88003
18 of the Government Code. The ballot label is the condensed
19 statement of the ballot title and the financial impact summary.

20 (b) Opposite the square, there shall be left spaces in which the
21 voters may place a cross in the manner required by law to indicate
22 whether they vote for or against the act.

23 (c) Where the voting in the election is done by means of voting
24 machines used pursuant to law in the manner that carries out the
25 intent of this section, the use of the voting machines and the
26 expression of the voters’ choices by means thereof are in
27 compliance with this section.

28 SEC. 4. Section 1 of this act shall take effect only upon the
29 approval by the voters of the Safe, Clean, Reliable Drinking Water
30 Supply Act of 2010, as set forth in that section.

31 SEC. 5. This act is an urgency statute necessary for the
32 immediate preservation of the public peace, health, or safety within
33 the meaning of Article IV of the Constitution and shall go into
34 immediate effect. The facts constituting the necessity are:

35 In order to finance a critical water supply reliability and water
36 source protection program as soon as possible, it is necessary that
37 this act take effect immediately.