

AMENDED IN SENATE SEPTEMBER 11, 2013

AMENDED IN SENATE AUGUST 26, 2013

AMENDED IN ASSEMBLY MAY 21, 2013

AMENDED IN ASSEMBLY APRIL 23, 2013

AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1331

Introduced by ~~Committee on Water, Parks and Wildlife~~ (Assembly Members ~~Rendon (Chair), Blumenfield, Bocanegra, Fong, Frazier, Gatto, Gomez, Gray, and Yamada)~~ *Assembly Member Rendon*

February 22, 2013

An act to repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a climate change response for clean and safe drinking water 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.

LEGISLATIVE COUNSEL'S DIGEST

AB 1331, as amended, ~~Committee on Water, Parks and Wildlife~~ *Rendon*. Climate Change Response for Clean and Safe Drinking Water Act of 2014.

(1) Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance

of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

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

This bill would enact the Climate Change Response for Clean and Safe Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$6,500,000,000 pursuant to the State General Obligation Bond Law to finance a climate change response for clean and safe drinking water program.

This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

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:

1 SECTION 1. Division 26.7 (commencing with Section 79700)
2 of the Water Code, as added by Section 1 of Chapter 3 of the
3 Seventh Extraordinary Session of the Statutes of 2009, is repealed.

4 SEC. 2. Division 26.7 (commencing with Section 79700) is
5 added to the Water Code, to read:

6
7 DIVISION 26.7. THE CLIMATE CHANGE RESPONSE FOR
8 CLEAN AND SAFE DRINKING WATER ACT OF 2014.

9
10 CHAPTER 1. SHORT TITLE

11
12 79700. This division shall be known, and may be cited, as the
13 ~~Clean and Safe Drinking Water and Climate Change Response~~
14 *Climate Change Response for Clean and Safe Drinking Water Act*
15 of 2014.

CHAPTER 2. DEFINITIONS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

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

(a) Safeguarding supplies of clean and 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, and reliable drinking water, consistent with the human right to water and Section 106.3. Providing adequate supplies of clean, safe, and reliable drinking water is vital to keeping California’s economy growing and strong.

(c) Climate change has impaired California’s capacity to ensure clean, safe, and reliable drinking water, as droughts have become more frequent and more severe, and ecosystems have become stressed. Higher temperatures mean less snow pack, which is the state’s largest water reservoir. Scientists project a loss of at least 25 percent of the snow pack in the Sierra Nevada Mountains by 2050. *The Colorado River basin, which provides drinking water to southern California, has experienced prolonged drought and the federal government projects a continuing decline in water availability.*

(d) California’s water infrastructure continues to age and deteriorate. More than 50 years ago, Californians approved the construction of the State Water Project. In the decades that followed, California’s water leaders developed the most sophisticated system of state, federal, regional, and local water infrastructure anywhere in the world. In recent decades, however, that water infrastructure and the water environment on which it depends have deteriorated.

(e) In the years since the voters approved the state water project, California’s population has continued to grow, from less than 16 million in 1960 to more than 37 million in 2010. A growing population and a growing economy have put greater stress on California’s natural resources, including water. Contamination of groundwater aquifers from a vibrant economy has threatened vital drinking water supplies. *The Department of Finance projects that California’s population will reach 50 million by 2049.*

1 (f) *A growing population and a growing economy have put*
2 *greater stress on California's natural resources, including water.*
3 *Contamination of groundwater aquifers from economic activity*
4 *in the agricultural and industrial sectors has threatened vital*
5 *drinking water supplies.*

6 (f)

7 (g) As California and its water infrastructure have grown,
8 increasing demands on California's limited water supplies and
9 deteriorating aquatic ecosystems have led to intense conflict,
10 further threatening the reliability of clean and safe drinking water.

11 79702. The people of California find and declare all of the
12 following:

13 (a) A sustainable water future can provide the means for
14 California to maintain vibrant communities, globally competitive
15 agriculture, and ~~healthy~~ *healthy* ecosystems, which are all a part
16 of the quality of life that attracts so many to live in California.

17 (b) Responding to climate change, ensuring clean and safe
18 drinking water, and preparing for California's continued growth
19 will require a diversified portfolio of strategies and investments
20 to address the many water challenges facing California.

21 (c) Improving water quality offers one of the most immediate
22 steps to ensuring a clean and safe drinking water supply. California
23 needs water quality improvements at all parts of the hydrologic
24 cycle, from source water in the watersheds where the state's
25 drinking water supplies originate to wastewater treatment to
26 improve surface water quality for those who live downstream.

27 (d) Addressing the challenges to the sustainability of the Delta,
28 the heart of the California water system, will help resolve some
29 of the conflicts that impede progress in improving the statewide
30 water system.

31 (e) Enhancing regional water self-reliance offers a key strategy
32 for addressing climate change and improving water supply
33 reliability. It helps the Delta and it helps local communities to
34 address their own water challenges. Water conservation and water
35 recycling form one part of the regional water self-reliance strategy
36 and are commonsense methods to make more efficient use of
37 existing water supplies.

CHAPTER 3. DEFINITIONS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

79703. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

- (a) “CALFED Bay-Delta Program” means the program described in the Record of Decision dated August 28, 2000.
- (b) “Commission” means the California Water Commission.
- (c) “Committee” means the Climate Change Response for Clean and Safe Drinking Water Finance Committee created by Section 79802.
- (d) “Delta” means the Sacramento-San Joaquin Delta, as defined in Section 85058.
- (e) “Delta conveyance facilities” means facilities that convey water directly from the Sacramento River to the State Water Project or the federal Central Valley Project pumping facilities in the south Delta.
- (f) “Delta counties” means the Counties of Solano, Yolo, Sacramento, Contra Costa, and San Joaquin.
- (g) “Department” means the Department of Water Resources.
- (h) “Director” means the Director of Water Resources.
- (i) “Disadvantaged community” has the meaning set forth in subdivision (a) of Section 79505.5.
- (j) “Economically distressed area” means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the department:
 - (1) Financial hardship.
 - (2) Unemployment rate at least 2 percent higher than the statewide average.
 - (3) Low population density.
- (k) “Fund” means the Climate Change Response for Clean and Safe Drinking Water Fund of 2014 created by Section 79717.
- (l) “Integrated regional water management plan” has the meaning set forth in Section 10534.

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

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

7 (o) “Rainwater” has the meaning set forth in subdivision (c) of
 8 Section 10573.

9 (p) *“Severely disadvantaged community” has the meaning set*
 10 *forth in subdivision (n) of Section 116760.20 of the Health and*
 11 *Safety Code.*

12 (q) *“Small community water system” means a community water*
 13 *system that serves no more than 3,300 service connections or a*
 14 *yearlong population of no more than 10,000 persons.*

15 ~~(p)~~

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

20 ~~(q)~~

21 (s) *“State small water system” has the meaning set forth in*
 22 *subdivision (n) of Section 116275 of the Health and Safety Code.*

23 (t) “Stormwater” has the meaning set forth in subdivision (e)
 24 of Section 10573.

25

26 CHAPTER 4. GENERAL PROVISIONS

27

28 79705. An amount that equals not more than 5 percent of the
 29 funds allocated for a grant program pursuant to this division may
 30 be used to pay the administrative costs of that program.

31 79706. Up to 10 percent of funds allocated for each program
 32 funded by this division may be expended for planning and
 33 monitoring necessary for the successful design, selection, and
 34 implementation of the projects authorized under that program.
 35 This section shall not otherwise restrict funds ordinarily used by
 36 an agency for “preliminary plans,” “working drawings,” and
 37 “construction” as defined in the annual Budget Act for a capital
 38 outlay project or grant project. Water quality monitoring shall be
 39 integrated into the surface water ambient monitoring program
 40 administered by the State Water Resources Control Board.

1 Watershed monitoring shall be integrated into the statewide
2 watershed program administered by the Department of
3 Conservation.

4 79707. Chapter 3.5 (commencing with Section 11340) of Part
5 1 of Division 3 of Title 2 of the Government Code does not apply
6 to the development or implementation of programs or projects
7 authorized or funded under this division other than Chapter 9
8 (commencing with Section 79760).

9 79708. (a) Prior to disbursing grants or loans pursuant to this
10 division, each state agency that receives an appropriation from the
11 funding made available by this division to administer a competitive
12 grant or loan program under this division shall develop and adopt
13 project solicitation and evaluation guidelines. The guidelines shall
14 include monitoring and reporting requirements and may include
15 a limitation on the dollar amount of grants or loans to be awarded.

16 (b) Prior to disbursing grants or loans, the state agency shall
17 conduct three public meetings to consider public comments prior
18 to finalizing the guidelines. The state agency shall publish the draft
19 solicitation and evaluation guidelines on its Internet Web site at
20 least 30 days before the public meetings. One meeting shall be
21 conducted at a location in northern California, one meeting shall
22 be conducted at a location in the central valley of California, and
23 one meeting shall be conducted at a location in southern California.
24 Upon adoption, the state agency shall transmit copies of the
25 guidelines to the fiscal committees and the appropriate policy
26 committees of the Legislature.

27 79709. It is the intent of the people that:

28 (a) The investment of public funds pursuant to this division will
29 result in public benefits *that address the most urgent needs for*
30 *public funding*.

31 (b) Beneficiaries pay for the benefits they receive from projects
32 funded pursuant to this division.

33 (c) Any relevant statute enacted before voters approve this bond
34 shall be considered in the appropriation and expenditure of the
35 funding authorized by this division.

36 (d) In the appropriation and expenditure of funding authorized
37 by this division, priority shall be given to projects that leverage
38 private, federal, or local funding or produce the greatest public
39 benefit.

1 (e) A funded project advances the purposes of the chapter from
2 which the project received funding.

3 (f) In making decisions regarding water resources, state and
4 local water agencies use the best available science to inform those
5 decisions.

6 (g) Special consideration will be given to projects that employ
7 new or innovative technology or practices, including decision
8 support tools that demonstrate the multiple benefits of integrating
9 multiple jurisdictions, including, but not limited to, water supply,
10 flood control, land use, and sanitation.

11 *(h) Projects funded with proceeds from this division shall be*
12 *consistent with Section 65041.1 of the Government Code and any*
13 *adopted, approved sustainable communities strategy consistent*
14 *with subparagraph (B) of paragraph (2) of subdivision (b) of*
15 *Section 65080 of the Government Code.*

16 79710. (a) The California State Auditor shall annually conduct
17 a programmatic review and an audit of expenditures from the fund.

18 (b) Notwithstanding Section 10231.5 of the Government Code,
19 the California State Auditor shall report its findings annually on
20 or before March 1 to the Governor and the Legislature, and shall
21 make the findings available to the public.

22 *(c) If an audit of a public agency that receives funding*
23 *authorized by this division is conducted pursuant to state law and*
24 *reveals any impropriety, the California State Auditor or the*
25 *Controller may conduct a full audit of any or all of the activities*
26 *of the public agency.*

27 *(d) The state agency issuing any grant or loan with funding*
28 *authorized by this division shall require adequate reporting of the*
29 *expenditures of the funding from the grant or loan.*

30 79711. Funds provided by this division shall not be expended
31 to support or pay for the costs of environmental mitigation
32 measures or *environmental* compliance obligations of any party
33 except as part of the environmental mitigation costs of projects
34 financed by this division. Funds provided by this division may be
35 used for environmental enhancements or other public benefits.

36 79712. Funds provided by this division shall not be expended
37 to pay the costs of the design, construction, operation, or
38 maintenance of Delta conveyance facilities. Those costs shall be
39 the responsibility of the water agencies that benefit from the design,
40 construction, operation, or maintenance of those facilities.

1 79713. (a) This division does not diminish, impair, or
2 otherwise affect in any manner whatsoever any area of origin,
3 watershed of origin, county of origin, or any other water rights
4 protections, including, but not limited to, rights to water
5 appropriated prior to December 19, 1914, provided under the law.
6 This division does not limit or affect the application of Article 1.7
7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division
8 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and
9 11463, and Sections 12200 to 12220, inclusive.

10 (b) For the purposes of this division, an area that utilizes water
11 that has been diverted and conveyed from the Sacramento River
12 hydrologic region, for use outside the Sacramento River hydrologic
13 region or the Delta, shall not be deemed to be immediately adjacent
14 thereto or capable of being conveniently supplied with water
15 therefrom by virtue or on account of the diversion and conveyance
16 of that water through facilities that may be constructed for that
17 purpose after January 1, 2014.

18 (c) Nothing in this division supersedes, limits, or otherwise
19 modifies the applicability of Chapter 10 (commencing with Section
20 1700) of Part 2 of Division 2, including petitions related to any
21 new conveyance constructed or operated in accordance with
22 Chapter 2 (commencing with Section 85320) of Part 4 of Division
23 35.

24 (d) Unless otherwise expressly provided, nothing in this division
25 supersedes, reduces, or otherwise affects existing legal protections,
26 both procedural and substantive, relating to the state board's
27 regulation of diversion and use of water, including, but not limited
28 to, water right priorities, the protection provided to municipal
29 interests by Sections 106 and 106.5, and changes in water rights.
30 Nothing in this division expands or otherwise alters the state
31 board's existing authority to regulate the diversion and use of water
32 or the courts' existing concurrent jurisdiction over California water
33 rights.

34 (e) Nothing in this division shall be construed to affect any
35 ~~contract related to water in any way connected to the Delta entered~~
36 *into before January 1, 2013, between the State of California and*
37 *one or more of the delta water agencies pursuant to the authority*
38 *granted under Chapter 283 of the Statutes of 1973, Chapter 1089*
39 *of the Statutes of 1973, or Chapter 1133 of the Statutes of 1973,*
40 *as those chapters may have been amended.*

1 (f) Nothing in this division shall be construed to affect the
 2 California Wild and Scenic Rivers Act (Chapter 1.4 (commencing
 3 with Section 5093.50) of Division 5 of the Public Resources Code)
 4 and funds authorized pursuant to this division shall not be available
 5 for any project that could have an adverse effect on the free flowing
 6 condition of a wild and scenic river.

7 79714. Eligible applicants under this division are public
 8 agencies; *agencies and* nonprofit organizations; ~~public utilities;~~
 9 ~~and mutual water companies.~~ To be eligible for funding under this
 10 division, a project proposed by a public utility that is regulated by
 11 the Public Utilities Commission or a mutual water company shall
 12 ~~have a clear and definite public purpose and shall benefit the~~
 13 ~~customers of the water system.~~ *organizations. A public agency*
 14 *may use funding authorized by this division to benefit recipients*
 15 *of water from public utilities or mutual water companies that*
 16 *operate a public water system if the funding provides public*
 17 *benefits.*

18 79715. The Legislature may enact legislation necessary to
 19 implement programs funded by this division.

20 79716. (a) Unless otherwise specified, any state agency may
 21 be eligible for appropriations from the funding made available by
 22 this division.

23 (b) *Funds authorized in this division may be expended to pay*
 24 *for the services of the California Conservation Corps in*
 25 *implementation of funded projects.*

26 79717. The proceeds of bonds issued and sold pursuant to this
 27 division shall be deposited in the Climate Change Response for
 28 Clean and Safe Drinking Water Fund of 2014, which is hereby
 29 created in the State Treasury.

30
 31 CHAPTER 5. WATER QUALITY AND CLEAN AND SAFE DRINKING
 32 WATER
 33

34 79720. The sum of one billion dollars (\$1,000,000,000) shall
 35 be available, upon appropriation by the Legislature from the fund,
 36 for expenditures, grants, and loans for projects that improve water
 37 quality or help provide clean and safe drinking water to all
 38 Californians.

1 79721. The projects eligible for funding pursuant to this chapter
2 shall help improve water quality for ~~all~~ *a* beneficial ~~uses~~ *use*. The
3 purposes of this chapter are to:

4 (a) Reduce contaminants in drinking water supplies regardless
5 of the source of the water or the contamination, including the
6 assessment and prioritization of the risk to the safety of drinking
7 water supplies.

8 (b) Address the critical and immediate needs of disadvantaged,
9 rural, or small communities that suffer from contaminated drinking
10 water supplies, including, but not limited to, projects that address
11 a public health emergency.

12 (c) Leverage other private, federal, state, and local drinking
13 water quality and wastewater treatment funds.

14 (d) Reduce contaminants in discharges to, and improve the
15 quality of, surface water streams.

16 (e) Improve water quality of surface water streams, including
17 *multibenefit* stormwater quality *projects*.

18 (f) Prevent further contamination of drinking water supplies.

19 (g) Provide disadvantaged communities with public drinking
20 water infrastructure that provides clean and safe drinking water
21 supplies that the community can sustain over the long term.

22 (h) Ensure access to clean ~~and~~, safe, *and affordable* drinking
23 water for California's communities.

24 79722. (a) A project that receives funding under this chapter
25 shall be selected by a competitive grant or loan process with added
26 consideration for those projects that leverage private, federal, or
27 local funding. ~~Special consideration shall also be given to a project~~
28 ~~focused on groundwater clean up. This subdivision shall not apply~~
29 ~~to projects for the purposes of Section 79727 that address a public~~
30 ~~health priority for which no other source of funding can be~~
31 ~~identified.~~

32 (b) An agency administering grants or loans for the purposes
33 of this chapter shall assess the capacity of a community to pay for
34 the operation and maintenance of the facility to be funded.

35 (c) *A project that receives funding authorized by this chapter*
36 *may be implemented by any public water system or other public*
37 *water agency.*

38 79723. An applicant for a project to clean up a groundwater
39 aquifer shall demonstrate that a public agency has authority to
40 manage the water resources in that aquifer in order to be eligible

1 for funding pursuant to this chapter. This section does not apply
2 to projects that install treatment facilities at the wellhead, customer
3 connection, or the tap.

4 79724. The contaminants that may be addressed with funding
5 pursuant to this chapter may include, but shall not be limited to,
6 nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,
7 ~~salinity~~ selenium, hexavalent chromium, mercury, PCE
8 (perchloroethylene), TCE (trichloroethylene), DCE
9 (dichloroethene), DCA (dichloroethane), 1, 2, 3 TCP
10 (*trichloropropane*), and carbon tetrachloride.

11 79725. (a) Of the funds authorized in Section 79720, ~~up to not~~
12 *less than* one hundred million dollars (\$100,000,000) shall be
13 available for deposit in the State Water Pollution Control Revolving
14 Fund Small Community Grant Fund created pursuant to Section
15 13477.6 for grants for wastewater treatment projects. Priority shall
16 be given to projects that serve disadvantaged communities and
17 severely disadvantaged communities, and to projects that address
18 public health hazards. ~~Special consideration shall be given to small~~
19 ~~communities with limited financial resources.~~ Projects shall
20 include, but not be limited to, projects that identify, plan, design,
21 and implement regional mechanisms to consolidate wastewater
22 systems or provide affordable treatment technologies.

23 (b) Of the funds authorized in Section 79720, up to two hundred
24 fifty million dollars (\$250,000,000) shall be available to support
25 projects that address the management of stormwater quality,
26 *including projects described in subdivision (f) of Section 79743.*

27 79726. (a) *Of the funds authorized in Section 79720, one*
28 *hundred million dollars (\$100,000,000) shall be available for*
29 *deposit in the Emergency Clean Water Grant Fund, established*
30 *pursuant to Section 116475 of the Health and Safety Code, for*
31 *grants and direct expenditures to finance public health emergencies*
32 *and urgent actions, as may be determined by the Legislature, to*
33 *ensure that safe drinking water supplies are available to all*
34 *Californians. Eligible projects include, but are not limited to, the*
35 *following:*

36 (1) *Providing interim water supplies, including, but not limited*
37 *to, bottled water, where necessary to protect public health.*

38 (2) *Identifying, planning, designing, and constructing projects*
39 *that improve existing water systems to provide safe, reliable,*
40 *accessible, and affordable drinking water, provide other sources*

1 of safe drinking water, including, but not limited to, replacement
2 wells, and prevent contamination.

3 (3) Establishing connections to an adjacent water system.

4 (4) The design, purchase, installation, and initial operating
5 costs for interim water treatment equipment and systems.

6 (b) The administering entity may expend up to ten million dollars
7 (\$10,000,000) for grants and loans to address the water quality
8 needs of private well owners that have no other source of funding
9 and serve members of a disadvantaged community.

10 79727. (a) Of the funds authorized in Section 79720, four
11 hundred million dollars (\$400,000,000) shall be available for
12 grants and loans for public water system infrastructure
13 improvements and related actions to meet safe drinking water
14 standards, ensure affordable drinking water, or both. Priority
15 shall be given to projects that provide treatment for contamination
16 or access to an alternate drinking water source or sources for
17 small community water systems or state small water systems in
18 disadvantaged communities whose drinking water source is
19 impaired by chemical and nitrate contaminants and other health
20 hazards identified by the implementing agency. Eligible recipients
21 serve disadvantaged communities and are public agencies or
22 incorporated mutual water companies. The implementing agency
23 may make grants for the purpose of financing feasibility studies
24 and to meet the eligibility requirements for a construction grant.
25 Eligible expenses may include initial operation and maintenance
26 costs for systems serving disadvantaged communities. Special
27 consideration shall be given to projects that provide shared
28 solutions for multiple communities, at least one of which is a
29 disadvantaged community that lacks safe, affordable drinking
30 water and is served by a small community water system, state small
31 water system, or a private well. Construction grants shall be limited
32 to five million dollars (\$5,000,000) per project, except that the
33 implementing agency may set a limit of not more than twenty
34 million dollars (\$20,000,000) for projects that provide regional
35 or shared among multiple entities, at least one of which shall be
36 a small disadvantaged community. Not more than 25 percent of a
37 grant may be awarded in advance of actual expenditures.

38 (b) The administering entity may expend up to twenty-five
39 million dollars (\$25,000,000) of the funds allocated in subdivision

40 (a) for technical assistance to eligible communities.

1 79728. *Of the funds authorized in Section 79720, two hundred*
2 *fifty million dollars (\$250,000,000) shall be available for improving*
3 *groundwater quality.*

4 ~~79726. For~~

5 79729. (a) *For the purposes of awarding funding under this*
6 *chapter, a local cost share of not less than 50 percent of the total*
7 *costs of the project shall be required. The cost-sharing requirement*
8 *may be waived or reduced for projects that directly benefit a*
9 *disadvantaged community or an economically distressed area.*

10 (b) *At least 10 percent of the funds available pursuant to this*
11 *chapter shall be allocated for projects serving severely*
12 *disadvantaged communities.*

13 (c) *Funding authorized pursuant to this chapter shall include*
14 *funding for technical assistance to disadvantaged communities.*
15 *The agency administering this funding shall operate a*
16 *multidisciplinary technical assistance program for small and*
17 *disadvantaged communities.*

18

19 CHAPTER 6. PROTECTING RIVERS, LAKES, STREAMS, AND
20 WATERSHEDS

21

22 79730. The sum of one billion five hundred million dollars
23 (\$1,500,000,000) shall be available, upon appropriation by the
24 Legislature from the fund, in accordance with this chapter, for
25 expenditures and grants for ecosystem and watershed protection
26 and restoration projects, including, but not limited to, for all of the
27 following watersheds:

- 28 (a) The San Joaquin River watershed.
- 29 (b) The Kern River and Tulare Basin watersheds.
- 30 (c) The Salton Sea and Colorado River watersheds.
- 31 (d) The Los Angeles River watershed.
- 32 (e) The San Gabriel River watershed.
- 33 (f) The Santa Ana River watershed.
- 34 (g) The Klamath River watershed, including the Trinity, Scott,
35 and Shasta Rivers and watersheds.
- 36 (h) The North Coast watersheds.
- 37 (i) The San Francisco Bay watersheds.
- 38 (j) The Central Coast watersheds.
- 39 (k) The South Coast watersheds.
- 40 (l) The Lake Tahoe Basin watershed.

- 1 (m) The Sacramento River watershed, including the Yolo
2 Bypass.
- 3 (n) The San Diego County coastal watersheds.
- 4 (o) The Ventura River watershed.
- 5 (p) The Sierra Nevada Mountain watersheds.
- 6 (q) The Mojave River watershed.
- 7 (r) The Owens River watershed.
- 8 (s) The Santa Monica Bay watershed.
- 9 (t) The watersheds of Marin County.
- 10 (u) The watersheds of Orange County.
- 11 79731. In protecting and restoring California rivers, lakes,
12 streams, and watersheds, the purposes of this chapter are to:
- 13 (a) Protect and increase the economic benefits arising from
14 healthy watersheds, fishery resources, and instream flow.
- 15 (b) Help watershed ecosystems adapt to climate change.
- 16 (c) Restore river parkways throughout the state, including, but
17 not limited to, projects *pursuant to the California River Parkway*
18 *Act of 2004 (Chapter 3.8 (commencing with Section 5750) of*
19 *Division 5 of the Public Resources Code)*, in the Urban Streams
20 Restoration Program established pursuant to Section 7048, *and*
21 *urban river greenways*.
- 22 (d) Protect and restore aquatic, wetland, and migratory bird
23 ecosystems, including fish and wildlife corridors *and the*
24 *acquisition of water rights for instream flow pursuant to Section*
25 *1707*.
- 26 (e) Fulfill the obligations of the State of California in complying
27 with the terms of ~~multi-party~~ *multiparty* settlement agreements
28 related to water resources.
- 29 (f) Remove barriers to fish passage.
- 30 (g) Collaborate with federal agencies in the protection of fish
31 native to California *and wetlands in the central valley of California*.
- 32 (h) Implement fuel treatment projects to reduce wildfire risks,
33 protect watersheds tributary to water storage facilities, and promote
34 watershed health.
- 35 (i) Protect and restore *rural and urban* watershed health to
36 improve watershed storage capacity, forest health, protection of
37 life and property, *stormwater resource management*, and
38 greenhouse gas reduction.

1 (j) Promote access and recreational opportunities to watersheds
2 and waterways that are compatible with habitat values and water
3 quality objectives.

4 (k) Promote educational opportunities to instruct and inform
5 Californians, including young people, about the value of
6 watersheds.

7 79732. For restoration and ecosystem protection projects under
8 this chapter, the services of the California Conservation Corps or
9 ~~community~~ a local conservation corps certified by the California
10 Conservation Corps shall be used whenever feasible.

11 79733. (a) ~~Of~~ Notwithstanding Section 79711, of the funds
12 authorized in Section 79730, five hundred million dollars
13 (\$500,000,000) shall be available to fulfill the obligations of the
14 State of California in complying with the terms of any of the
15 following:

16 (1) The February 18, 2010, Klamath Basin Restoration
17 Agreement.

18 (2) The ~~Qualification~~ Quantification Settlement Agreement, as
19 defined in subdivision (a) of Section 1 of Chapter 617 of the ~~Statutes~~
20 Statutes of 2002.

21 (3) The San Joaquin River Restoration Settlement, as described
22 in Part I of Subtitle A of Title X of Public Law 111-11.

23 (4) Section 3406(d) of Title 34 of Public Law 102-575.

24 (b) Of the funds authorized in Section 79730, two hundred fifty
25 million dollars (\$250,000,000) shall be available to the Natural
26 Resources Agency to support projects of a state conservancy as
27 provided in the conservancy’s strategic plan.

28 79734. For the purposes of this chapter, the terms “protection”
29 and “restoration” have the meanings set forth in Section 75005 of
30 the Public Resources Code.

31

32 CHAPTER 7. CLIMATE CHANGE PREPAREDNESS FOR REGIONAL
33 WATER SECURITY

34

35 79740. The sum of one billion five hundred million dollars
36 (\$1,500,000,000) shall be available, upon appropriation by the
37 Legislature from the fund, for expenditures and competitive grants
38 and loans to eligible projects that are included in, and implement
39 an adopted integrated regional water management plan consistent
40 with Part 2.2 (commencing with Section 10530) of Division 6.

1 79741. In order to improve regional water self-reliance security
2 and adapt to the effects on water supply arising out of climate
3 change, the purposes of this chapter are to:

4 (a) Help water infrastructure systems adapt to climate change,
5 *including, but not limited to, sea-level rise.*

6 (b) Incentivize water agencies throughout each watershed to
7 collaborate in managing the region's water resources and setting
8 regional priorities for water infrastructure.

9 (c) Improve regional water self-reliance, including projects that
10 reduce reliance on the Delta in meeting California's future water
11 supply needs, consistent with Section 85021.

12 (d) Fund the increment of project costs related to the project's
13 public benefits.

14 79742. (a) In selecting among proposed projects in a
15 watershed, the scope of the adopted integrated regional water
16 management plan may be considered by the administering state
17 agency, with priority going to projects in plans that cover a greater
18 portion of the watershed. If a plan covers substantially all of the
19 watershed, then the plan's project priorities shall be given
20 deference.

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

28 (c) An agricultural water supplier that does not prepare, adopt,
29 and submit its agricultural water management plan in accordance
30 with the Agricultural Water Management Planning Act (Part 2.8
31 (commencing with Section 10800) of Division 6) is ineligible to
32 ~~receive~~ *apply for* funds made available pursuant to this chapter
33 until the agricultural water management plan is prepared and
34 submitted in accordance with the requirements of that act.

35 (d) *A local agency that does not prepare, adopt, and submit its*
36 *groundwater management plan in accordance with Part 2.75*
37 *(commencing with Section 10750) of Division 6 is ineligible to*
38 *apply for funds made available pursuant to this chapter until the*
39 *plan is prepared and submitted in accordance with the*
40 *requirements of that part.*

1 ~~(d)~~

2 (e) For the purposes of awarding funding under this chapter, a
3 ~~local~~ cost share *from nonstate sources* of not less than 50 percent
4 of the total costs of the project shall be required. The cost sharing
5 requirement may be waived or reduced for projects that directly
6 benefit a disadvantaged community or an economically distressed
7 area.

8 ~~(e)~~

9 (f) Not less than 10 percent of the funds authorized by this
10 chapter shall be allocated to projects that directly benefit
11 disadvantaged communities.

12 ~~(f)~~

13 (g) For the purposes of awarding a grant under this chapter, the
14 applicant shall demonstrate that the integrated regional water
15 management plan the applicant's project implements addresses
16 the risks in the region to water supply and water infrastructure
17 arising from climate change.

18 (h) *Projects that achieve multiple benefits shall receive special*
19 *consideration.*

20 79743. Subject to the determination of regional priorities by
21 the regional water management group, eligible projects may
22 include, but are not limited to, projects that promote any of the
23 following:

24 (a) ~~Water-re-use~~ *reuse* and recycling.

25 (b) Water-use efficiency and water conservation.

26 (c) Local and regional surface and underground water storage,
27 *including groundwater aquifer cleanup or recharge projects.*

28 (d) Regional water conveyance facilities that improve integration
29 of separate water systems.

30 (e) Watershed protection, restoration, and management projects.

31 (f) Stormwater resource management, including, but not limited
32 to, the following:

33 (1) Projects to reduce, manage, treat, or capture rainwater or
34 stormwater.

35 (2) Projects that provide multiple benefits such as water quality,
36 water supply, flood control, or open space.

37 (3) Decision support tools that evaluate the benefits and costs
38 of ~~multi-benefit~~ *multibenefit* stormwater projects.

1 (4) Projects to implement a stormwater resource plan developed
2 in accordance with Part 2.3 (commencing with Section 10560) of
3 Division 6.

4 (g) Conjunctive use of surface and groundwater storage
5 facilities.

6 (h) Water desalination *projects, including* projects that
7 incorporate renewable energy generation and reduce Delta exports.

8 (i) *Decision support tools to model regional water management*
9 *strategies to account for climate change and other changes in*
10 *regional demand and supply projections.*

11 79744. (a) Of the funds authorized in Section 79740, one
12 billion dollars (\$1,000,000,000) shall be allocated to the hydrologic
13 regions as identified in the California Water Plan in accordance
14 with this section. For the South Coast hydrologic region, the
15 department shall establish three funding areas that reflect the
16 watersheds of San Diego County (designated as the San Diego
17 subregion), the Santa Ana River watershed and southern Orange
18 County (designated as the Santa Ana subregion), and the Los
19 Angeles and Ventura County watersheds (designated as the Los
20 Angeles subregion), and shall allocate funds to those areas in
21 accordance with this subdivision. The North and South Lahontan
22 hydrologic regions shall be treated as one area for the purpose of
23 allocating funds. For purposes of this subdivision, the Sacramento
24 River hydrologic region does not include the Delta. For purposes
25 of this subdivision, the Mountain Counties Overlay is not eligible
26 for funds from the Sacramento River hydrologic region or the San
27 Joaquin River hydrologic region. Multiple integrated regional
28 water management plans may be recognized in each of the areas
29 allocated funding.

30 (b) Funds made available by this chapter shall be allocated as
31 follows:

- 32 (1) North Coast: \$45,000,000.
- 33 (2) San Francisco Bay: \$132,000,000.
- 34 (3) Central Coast: \$58,000,000.
- 35 (4) Los Angeles subregion: \$198,000,000.
- 36 (5) Santa Ana subregion: \$128,000,000.
- 37 (6) San Diego subregion: \$87,000,000.
- 38 (7) Sacramento River: \$76,000,000.
- 39 (8) San Joaquin River: \$64,000,000.
- 40 (9) Tulare/Kern: \$70,000,000.

1 (10) North/South Lahontan: \$51,000,000.

2 (11) Colorado River Basin: \$47,000,000.

3 (12) Mountain Counties Overlay: \$44,000,000.

4 79745. (a) Of the funds authorized by 79740 up to two hundred
5 fifty million dollars (\$250,000,000) may be used for direct
6 expenditures, grants, and loans for water conservation and water
7 use efficiency plans, projects, and programs, including either of
8 the following:

9 (1) Urban water conservation plans, projects, and programs,
10 including regional projects and programs, implemented to achieve
11 urban water use targets developed pursuant to Section 10608.20.
12 Priority for funding shall be given to programs that do any of the
13 following:

14 (A) Assist water suppliers and regions to implement
15 conservation programs and measures that are not locally
16 cost-effective.

17 (B) Support water supplier and regional efforts to implement
18 programs targeted to enhance water use efficiency for commercial,
19 industrial, and institutional water users.

20 (C) Assist water suppliers and regions with programs and
21 measures targeted toward realizing the conservation benefits of
22 implementation of the provisions of the state landscape model
23 ordinance.

24 (2) Agricultural water management plans or agricultural water
25 use efficiency projects and programs developed pursuant to Part
26 2.8 (commencing with Section 10800) of Division 6.

27 (b) Section 1011 applies to all conservation measures that an
28 agricultural water supplier or an urban water supplier implements
29 with funding under this chapter. This subdivision does not limit
30 the application of Section 1011 to any other measures or projects
31 implemented by a water supplier.

32 79746. Of the funds authorized by 79740, the sum of five
33 hundred million dollars (\$500,000,000) shall be available, upon
34 appropriation by the Legislature from the fund, for grants and loans
35 for water recycling and advanced treatment technology projects,
36 including all of the following:

37 (a) Water recycling projects.

38 (b) Contaminant and salt removal projects, including, but not
39 limited to, groundwater and seawater desalination.

1 (c) Dedicated distribution infrastructure for recycled water and
2 commercial and industrial end-user retrofit projects to allow use
3 of recycled water.

4 (d) Pilot projects for new salt and contaminant removal
5 technology.

6 (e) Groundwater recharge infrastructure related to recycled
7 water.

8 (f) Technical assistance and grant writing assistance for
9 disadvantaged communities.

10 (g) For projects funded pursuant to this section, at least a 50
11 percent local cost share shall be required. That cost share may be
12 suspended or reduced for disadvantaged communities and
13 economically distressed areas.

14 (h) Projects funded pursuant to this section shall be selected on
15 a competitive basis, considering all of the following criteria:

16 (1) Water supply reliability improvement.

17 (2) Water quality and ecosystem benefits related to decreased
18 reliance on diversions from the Delta or instream flows.

19 (3) Public health benefits from improved drinking water quality.

20 (4) Cost effectiveness.

21 (5) Energy efficiency and greenhouse gas emission impacts.

22 (i) *For the purposes of this section, a plan or strategy by one*
23 *or more regional water agencies to incorporate water recycling*
24 *into the region's water supplies shall satisfy the requirements for*
25 *an integrated regional water management plan, consistent with*
26 *Part 2.2 (commencing with Section 10530) of Division 6.*

27 79747. In order to receive funding authorized by this chapter
28 to address groundwater quality or supply in an aquifer, the
29 applicant shall demonstrate that a public agency has authority to
30 manage the water resources in that aquifer. *A groundwater*
31 *management plan adopted and approved pursuant to Part 2.75*
32 *(commencing with Section 10750) of Division 6 shall be deemed*
33 *sufficient to satisfy the requirements of this section.*

34

35 CHAPTER 8. SACRAMENTO-SAN JOAQUIN DELTA
36 SUSTAINABILITY
37

38 79750. (a) The sum of one billion (\$1,000,000,000) shall be
39 available, upon appropriation by the Legislature from the fund,

1 for grants and direct expenditures to improve the sustainability of
 2 the Delta.

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

7 79751. In order to promote the sustainability and resiliency of
 8 the Delta, the purposes of this chapter are to:

9 (a) Protect, restore, and enhance the Delta ecosystem.

10 (b) Maintain and improve existing Delta levees.

11 (c) Promote the sustainability of the Delta.

12 79752. The funds authorized in Section 79750 shall not be
 13 used to pay the costs of exercising eminent domain.

14 79753. Any project funded by this chapter shall include a
 15 partner *that is a resident, landowner, public agency, or*
 16 *organization* from one or more of the five Delta counties. *For the*
 17 *purposes of this chapter, a partner from a Delta county shall have*
 18 *a significant role in the development and implementation of the*
 19 *funded project.*

20 79754. Funding authorized by this chapter for the purpose of
 21 subdivision (a) of Section 79751 may include, but is not limited
 22 to, the following:

23 (a) Projects to protect and restore native fish and wildlife
 24 dependent on the Delta ecosystem, including improvement of
 25 aquatic or terrestrial habitat or the removal or reduction of
 26 undesirable invasive species.

27 (b) Projects to reduce greenhouse gas emissions from exposed
 28 Delta soils.

29 (c) Scientific studies and assessments that support the projects
 30 authorized under this section.

31 79755. (a) Funding authorized by this chapter for the purpose
 32 of subdivision (b) of Section 79751 shall reduce the risk of levee
 33 failure and flood in the Delta and may be expended, *consistent*
 34 *with the Delta levee investment priorities recommended pursuant*
 35 *to Section 85306*, for any of the following:

36 ~~(a)~~

37 (1) Local assistance under the Delta levee maintenance
 38 subventions program under Part 9 (commencing with Section
 39 12980) of Division 6, as that part may be amended.

40 ~~(b)~~

1 (2) Special flood protection projects under Chapter 2
2 (commencing with Section 12310) of Part 4.8 of Division 6, as
3 that chapter may be amended.

4 ~~(e)~~

5 (3) Levee improvement projects that increase the resiliency of
6 levees within the Delta to withstand earthquake, flooding, or sea
7 level rise.

8 ~~(d)~~

9 (4) Emergency response and repair projects.

10 (b) *All projects funded pursuant to this section shall be subject*
11 *to Section 79050.*

12
13 CHAPTER 9. WATER STORAGE FOR CLIMATE CHANGE

14
15 79760. (a) Notwithstanding Section 162, the commission may
16 make the determinations, findings, and recommendations required
17 of it by this chapter independent of the views of the director. All
18 final actions by the commission in implementing this chapter shall
19 be taken by a majority of the members of the commission at a
20 public meeting noticed and held pursuant to the Bagley-Keene
21 Open Meeting Act (Article 9 (commencing with Section 11120)
22 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
23 Code).

24 (b) Notwithstanding Section 13340 of the Government Code,
25 the sum of one billion five hundred million dollars
26 (\$1,500,000,000) is hereby continuously appropriated from the
27 fund, without regard to fiscal years, to the commission for public
28 benefits associated with water storage projects that improve the
29 operation of the state water system, are cost effective, and provide
30 a net improvement in ecosystem and water quality conditions, in
31 accordance with this chapter. Funds authorized for, or made
32 available to, the commission pursuant to this chapter shall be
33 available and expended only for the purposes provided in this
34 chapter, and shall not be subject to appropriation or transfer by the
35 Legislature or the Governor for any other purpose.

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

1 (d) Any project constructed with funds provided by this chapter
2 shall be subject to Section 11590.

3 79761. In order to expand the state's water storage capacity to
4 address the impacts of climate change on the snow pack in the
5 Sierra Nevada Mountains and water storage resources, the purposes
6 of this chapter are to:

7 (a) Construct new surface water storage projects.

8 (b) Restore and expand groundwater aquifer storage capacity.

9 (c) Restore water storage capacity of existing surface water
10 storage reservoirs.

11 79762. Projects for which the public benefits are eligible for
12 funding under this chapter consist of only the following:

13 (a) Surface storage projects identified in the CALFED Bay-Delta
14 Program, except for projects prohibited by Chapter 1.4
15 (commencing with Section 5093.50) of Division 5 of the Public
16 Resources Code.

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

20 (c) Conjunctive use and reservoir reoperation projects.

21 (d) Local and regional surface storage projects that improve the
22 operation of water systems in the state and provide public benefits.

23 (e) Projects that remove sediment, improve dam stability in
24 seismic events or otherwise restore water storage capacity in
25 existing water storage reservoirs.

26 79763. A project shall not be funded pursuant to this chapter
27 unless it provides measurable improvements to the Delta ecosystem
28 or to the tributaries to the Delta.

29 79764. (a) Funds allocated pursuant to this chapter may be
30 expended solely for the following public benefits associated with
31 water storage projects:

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

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

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

6 (4) Emergency response, including, but not limited to, securing
7 emergency water supplies and flows for dilution and salinity
8 repulsion following a natural disaster or act of terrorism.

9 (5) Recreational purposes, including, but not limited to, those
10 recreational pursuits generally associated with the outdoors.

11 (b) Funds shall not be expended pursuant to this chapter for the
12 costs of environmental mitigation measures or compliance
13 obligations except for those associated with providing public
14 benefits as described in subdivision (a).

15 79765. In consultation with the Department of Fish and Game,
16 the State Water Resources Control Board, and the department, the
17 commission shall develop and adopt, by regulation, methods for
18 quantification and management of public benefits described in
19 Section 79764 by December 15, 2014. The regulations shall include
20 the priorities and relative environmental value of ecosystem
21 benefits as provided by the Department of Fish and Game and the
22 priorities and relative environmental value of water quality benefits
23 as provided by the State Water Resources Control Board.

24 79766. (a) Except as provided in subdivision (c), no funds
25 allocated pursuant to this chapter may be allocated for a project
26 before December 15, 2014, and until the commission approves the
27 project based on the commission's determination that all of the
28 following have occurred:

29 (1) The commission has adopted the regulations specified in
30 Section 79765 and specifically quantified and made public the cost
31 of the public benefits associated with the project.

32 (2) The department has entered into a contract with each party
33 that will derive benefits, other than public benefits, as defined in
34 Section 79764, from the project that ensures the party will pay its
35 share of the total costs of the project. The benefits available to a
36 party shall be consistent with that party's share of total project
37 costs.

38 (3) The department has entered into a contract with each public
39 agency identified in Section 79765 that administers the public
40 benefits, after that agency makes a finding that the public benefits

1 of the project for which that agency is responsible meet all the
2 requirements of this chapter, to ensure that the public contribution
3 of funds pursuant to this chapter achieves the public benefits
4 identified for the project.

5 (4) The commission has held a public hearing for the purposes
6 of providing an opportunity for the public to review and comment
7 on the information required to be prepared pursuant to this
8 subdivision.

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

10 (A) Feasibility studies have been completed.

11 (B) The commission has found and determined that the project
12 is feasible, is consistent with all applicable laws and regulations,
13 and will advance the long-term objectives of restoring ecological
14 health and improving water management for beneficial uses of the
15 Delta.

16 (C) All environmental documentation associated with the project
17 has been completed, and all other federal, state, and local approvals,
18 certifications, and agreements required to be completed have been
19 obtained.

20 (b) The commission shall submit to the Legislature its findings
21 for each of the criteria identified in subdivision (a) for a project
22 funded pursuant to this chapter.

23 (c) Notwithstanding subdivision (a), funds may be made
24 available under this chapter for the completion of environmental
25 documentation and permitting of a project.

26 79767. (a) The public benefit cost share of a project funded
27 pursuant to this chapter, other than a project described in
28 subdivision (c) of Section 79762, may not exceed 50 percent of
29 the total costs of any project funded under this chapter.

30 (b) No project may be funded unless it provides ecosystem
31 improvements as described in paragraph (1) of subdivision (a) of
32 Section 79764 that are at least 50 percent of total public benefits
33 of the project funded under this chapter.

34 (c) In order to receive funding authorized by this chapter to
35 improve groundwater storage in an aquifer, the applicant shall
36 demonstrate that a public agency has authority to manage the water
37 resources in that aquifer.

38 79768. (a) A project is not eligible for funding under this
39 chapter unless, by January 1, 2018, all of the following conditions
40 are met:

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

3 (2) The commission makes a finding that the project is feasible,
4 and will advance the long-term objectives of restoring ecological
5 health and improving water management for beneficial uses of the
6 Delta.

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

9 (b) If compliance with subdivision (a) is delayed by litigation
10 or failure to promulgate regulations, the date in subdivision (a)
11 shall be extended by the commission for a time period that is equal
12 to the time period of the delay, and funding under this chapter that
13 has been dedicated to the project shall be encumbered until the
14 time at which the litigation is completed or the regulations have
15 been promulgated.

16
17 CHAPTER 10. FISCAL PROVISIONS
18

19 79800. (a) Bonds in the total amount of six billion five hundred
20 million dollars (\$6,500,000,000), or so much thereof as is
21 necessary, not including the amount of any refunding bonds issued
22 in accordance with Section ~~79812~~, or so much thereof as is
23 ~~necessary~~; 79812 may be issued and sold to provide a fund to be
24 used for carrying out the purposes expressed in this division and
25 to reimburse the General Obligation Bond Expense Revolving
26 Fund pursuant to Section 16724.5 of the Government Code. The
27 bonds, when sold, shall be and constitute a valid and binding
28 obligation of the State of California, and the full faith and credit
29 of the State of California is hereby pledged for the punctual
30 payment of both principal of, and interest on, the bonds as the
31 principal and interest become due and payable.

32 (b) The Treasurer shall sell the bonds authorized by the
33 committee pursuant to this section. The bonds shall be sold upon
34 the terms and conditions specified in a resolution to be adopted
35 by the committee pursuant to Section 16731 of the Government
36 Code.

37 79801. The bonds authorized by this division shall be prepared,
38 executed, issued, sold, paid, and redeemed as provided in the State
39 General Obligation Bond Law (Chapter 4 (commencing with
40 Section 16720) of Part 3 of Division 4 of Title 2 of the Government

1 Code), and all of the provisions of that law apply to the bonds and
2 to this division and are hereby incorporated in this division as
3 though set forth in full in this division, except *subdivisions (a) and*
4 *(b) of Section 16727 of the Government Code shall not apply to*
5 ~~the extent that it is inconsistent with any other provision of this~~
6 ~~division.~~

7 79802. (a) Solely for the purpose of authorizing the issuance
8 and sale pursuant to the State General Obligation Bond Law
9 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
10 4 of Title 2 of the Government Code) of the bonds authorized by
11 this division, the Climate Change Response for Clean and Safe
12 Drinking Water Finance Committee is hereby created. For purposes
13 of this division, the Climate Change Response for Clean and Safe
14 Drinking Water Finance Committee is “the committee” as that
15 term is used in the State General Obligation Bond Law.

16 (b) The committee consists of the Director of Finance, the
17 Treasurer, the Controller, the Director of Water Resources, and
18 the Secretary of the Natural Resources Agency. Notwithstanding
19 any other provision of law, any member may designate a ~~deputy~~
20 *representative* to act as that member in his or her place for all
21 purposes, as though the member were personally present.

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

23 (d) A majority of the committee may act for the committee.

24 79803. The committee shall determine whether or not it is
25 necessary or desirable to issue bonds authorized pursuant to this
26 division in order to carry out the actions specified in this division
27 and, if so, the amount of bonds to be issued and sold. Successive
28 issues of bonds may be authorized and sold to carry out those
29 actions progressively, and it is not necessary that all of the bonds
30 authorized to be issued be sold at any one time.

31 79804. For purposes of the State General Obligation Bond
32 Law, “board,” as defined in Section 16722 of the Government
33 Code, means the Department of Water Resources.

34 79805. There shall be collected each year and in the same
35 manner and at the same time as other state revenue is collected,
36 in addition to the ordinary revenues of the state, a sum in an amount
37 required to pay the principal of, and interest on, the bonds each
38 year. It is the duty of all officers charged by law with any duty in
39 regard to the collection of the revenue to do and perform each and
40 every act that is necessary to collect that additional sum.

1 79806. Notwithstanding Section 13340 of the Government
2 Code, there is hereby appropriated from the General Fund in the
3 State Treasury, for the purposes of this division, an amount that
4 will equal the total of the following:

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

8 (b) The sum that is necessary to carry out the provisions of
9 Section 79809, appropriated without regard to fiscal years.

10 79807. The board may request the Pooled Money Investment
11 Board to make a loan from the Pooled Money Investment Account
12 in accordance with Section 16312 of the Government Code for the
13 purpose of carrying out this division *less any amount withdrawn*
14 *pursuant to Section 79809*. The amount of the request shall not
15 exceed the amount of the unsold bonds that the committee has, by
16 resolution, authorized to be sold for the purpose of carrying out
17 this division. The board shall execute those documents required
18 by the Pooled Money Investment Board to obtain and repay the
19 loan. Any amounts loaned shall be deposited in the fund to be
20 allocated in accordance with this division.

21 79808. Notwithstanding any other provision of this division,
22 or of the State General Obligation Bond Law, if the Treasurer sells
23 bonds that include a bond counsel opinion to the effect that the
24 interest on the bonds is excluded from gross income for federal
25 tax purposes under designated conditions *or is otherwise entitled*
26 *to any federal tax advantage*, the Treasurer may maintain separate
27 accounts for the bond proceeds invested and for the investment
28 earnings on those proceeds, and may use or direct the use of those
29 proceeds or earnings to pay any rebate, penalty, or other payment
30 required under federal law or take any other action with respect
31 to the investment and use of those bond proceeds, as may be
32 required or desirable under federal law in order to maintain the
33 tax-exempt status of those bonds and to obtain any other advantage
34 under federal law on behalf of the funds of this state.

35 79809. For the purposes of carrying out this division, the
36 Director of Finance may authorize the withdrawal from the General
37 Fund of an amount or amounts not to exceed the amount of the
38 unsold bonds that have been authorized by the committee to be
39 sold for the purpose of carrying out this division *less any amount*
40 *borrowed pursuant to Section 79807*. Any amounts withdrawn

1 shall be deposited in the fund. Any money made available under
2 this section shall be returned to the General Fund, with interest at
3 the rate earned by the money in the Pooled Money Investment
4 Account, from proceeds received from the sale of bonds for the
5 purpose of carrying out this division.

6 79810. All money deposited in the fund that is derived from
7 ~~premiums~~ *premium* and accrued interest on bonds sold pursuant
8 to this division shall be reserved in the fund and shall be available
9 for transfer to the General Fund as a credit to expenditures for
10 bond interest, *except that amounts derived from premium may be*
11 *reserved and used to pay the cost of bond issuance prior to any*
12 *transfer to the General Fund.*

13 79811. Pursuant to Chapter 4 (commencing with Section
14 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
15 the cost of bond issuance shall be paid out of the bond proceeds,
16 *including premium, if any.* ~~These~~ *To the extent the cost of bond*
17 *issuance is not paid from premiums received from the sale of bonds,*
18 *these* costs shall be shared proportionately by each program funded
19 through this division *by the applicable bond sale.*

20 79812. The bonds issued and sold pursuant to this division
21 may be refunded in accordance with Article 6 (commencing with
22 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
23 the Government Code, which is a part of the State General
24 Obligation Bond Law. Approval by the ~~electors~~ *voters* of the state
25 for the issuance of the bonds under this division shall include
26 approval of the issuance of any bonds issued to refund any bonds
27 originally issued under this division or any previously issued
28 refunding bonds.

29 79813. The proceeds from the sale of bonds authorized by this
30 division are not “proceeds of taxes” as that term is used in Article
31 XIII B of the California Constitution, and the disbursement of
32 these proceeds is not subject to the limitations imposed by that
33 article.

34 SEC. 3. Section 2 of Chapter 3 of the Seventh Extraordinary
35 Session of the Statutes of 2009, as amended by Section 1 of
36 Chapter 74 of the Statutes of 2012, is repealed.

37 SEC. 4. Section 2 of this act shall be submitted to the voters
38 at the November 4, 2014, statewide general election in accordance
39 with provisions of the Government Code and the Elections Code
40 governing the submission of a statewide measure to the voters.

1 SEC. 5. Section 2 of this act shall take effect upon the approval
2 by the voters of the Climate Change Response for Clean and Safe
3 Drinking Water Act of 2014, as set forth in that section at the
4 November 4, 2014, statewide general election.

O