

MOCK-UP OF SB 848(WOLK)
AS PROPOSED TO BE AMENDED BY THE AUTHOR

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3 repealed.

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

6 DIVISION 26.7. THE SAFE DRINKING WATER, WATER
7 QUALITY, AND WATER SUPPLY ACT OF 2014

8
9 CHAPTER 1. SHORT TITLE

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11 79700. This division shall be known and may be cited as the Safe Drinking Water, Water
12 Quality, and Water Supply Act of 2014.

13
14 CHAPTER 2. FINDINGS AND DECLARATIONS

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16 79705. In placing this measure before the voters, the Legislature finds and declares that
17 all of the following are in the public's interest:

18 (a) Ensuring that safe drinking water is available to all Californians.

19 (b) Protecting water quality and cleaning up contaminated water sources.

20 (c) Increasing water supply and water supply reliability.

21 (d) Assisting each region of the state in improving local water supply reliability and water
22 quality.

23 (e) Resolving water-related conflicts, improving local and regional water self-sufficiency
24 and reducing reliance on imported water.

25 (f) Protect the rivers, lakes and streams of the state from pollution, loss of water quality,
26 and destruction of fish and wildlife habitat.

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28 79706. The Legislature further finds and declares that to achieve these objectives, it is
29 necessary to invest State resources in the following:

30 (a) Safe drinking water projects, especially projects addressing the needs of
31 disadvantaged communities, and financing urgent public health emergency actions to ensure safe
32 drinking water supplies.

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1 (b) Wastewater treatment projects to keep contaminants out of rivers, lakes, streams,
2 groundwater, and coastal waters.

3 (c) Projects to enhance water supplies and increase water supply reliability through the
4 following:

5 (1) Urban and agricultural water conservation and water use efficiency projects.

6 (2) Groundwater cleanup or pollution prevention in sources of drinking water.

7 (3) Water recycling projects.

8 (4) Projects to desalinate brackish and ocean water.

9 (5) Stormwater capture and reuse.

10 (d) Projects that improve Delta water quality, restore ecosystems, protect fish
11 populations, and increase community sustainability.

12 (e) Projects that reduce the risk of levee failure and flood in the Delta.

13 (f) Projects to protect and restore watersheds and urban rivers, and address water quality
14 deficiencies at state parks.

15 (g) Projects to develop additional water storage, both surface and groundwater storage,
16 through the following:

17 (1) New surface storage projects.

18 (2) Groundwater storage projects and groundwater contamination prevention or
19 remediation projects that create additional groundwater storage capacity.

20 (3) Projects that restore the capacity of reservoirs currently impaired by sediment
21 buildup, seismic vulnerability, or other impairment.

22

23 **CHAPTER 3. DEFINITIONS**

24

25 79710. Unless the context otherwise requires, the definitions set forth in this section
26 govern the construction of this division, as follows:

27 (a) “Commission” means the California Water Commission.

28 (b) “Committee” means the Safe Drinking Water, Water Quality, and Water Supply
29 Finance Committee created by Section 79824.

30 (c) “Delta” means the Sacramento-San Joaquin Delta as defined in Section 85058.

31 (d) “Delta Counties” means Contra Costa, Sacramento, San Joaquin, Solano, and Yolo
32 Counties.

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1 (e) “Department” means the Department of Water Resources.

2 (f) “Director” means the Director of Water Resources.

3 (g) “Disadvantaged community” has the same meaning as set forth in subdivision (a) of
4 Section 79505.5.

5 (h) “Fund” means the Safe Drinking Water, Water Quality, and Water Supply Fund of
6 2014 created by Section 79770.

7 (i) “Integrated regional water management plan” means a comprehensive plan for a
8 defined geographic area that meets the requirements of Part 2.2 (commencing with Section
9 10530) of Division 6, as that part may be amended.

10 (j) “Local match” and “matching funds” means funds made available by nonstate sources,
11 which may include, but are not limited to, donated services from nonstate sources.

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

14 (l) “Public agency” means a state agency or department, public water system, special
15 district, joint powers authority, city, county, city and county, or other political subdivision of the
16 state.

17 (m) “Secretary” means the Secretary of the Natural Resources Agency.

18 (n) “Severely disadvantaged community” has the same meaning as set forth in
19 subdivision (n) of Section 116760.20 of the Health and Safety Code.

20 (o) “State board” means the State Water Resources Control Board.

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

24

25 **CHAPTER 4. SAFE DRINKING WATER AND WATER QUALITY PROJECTS**

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27 79720. (a) It is the intent of the Legislature that this chapter provide funds to address the
28 most critical water needs of the state, including the provision of safe drinking water to all
29 Californians by improving safe drinking water supply reliability and financing urgent public
30 health emergency actions to ensure safe drinking water supplies, and implementing wastewater
31 treatment projects to keep contaminants out of rivers, lakes, streams, groundwater, and coastal
32 waters.

33 (b) The sum of one billion dollars (\$1,000,000,000) shall be available for the purposes of
34 this chapter.

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79722. From the funds described in Section 79720, five hundred million dollars (\$500,000,000) shall be available to the state board for projects to address immediate safe drinking water needs as follows:

(b) The sum of four hundred million dollars (\$400,000,000) shall be available for grants and loans for public water system infrastructure improvements and related actions to meet safe drinking water standards and ensure affordable drinking water. Priority shall be given to projects that provide treatment for contamination or access to alternative drinking water sources for small water systems or state small water systems serving disadvantaged communities whose drinking water source is impaired by chemical and nitrate contaminants and other health hazards identified by the state board. Eligible recipients either operate small or state small water systems in disadvantaged communities and are public agencies or incorporated mutual water companies, are public agencies or nonprofit organizations authorized to act on behalf of small or state small water systems in disadvantaged communities, or are Indian tribes having a federally recognized governing body carrying out substantial governmental duties in and powers over any area, that own or operate a public water system. The state board may make grants for the purpose of financing feasibility studies and to meet the eligibility requirements for a construction grant. Eligible expenses may include initial operation and maintenance costs for systems serving disadvantaged communities. Special consideration will be given to projects that provide shared solutions for multiple communities, at least one of which is a disadvantaged community served by a small or state small water system or private well and that lacks safe, affordable drinking water. Construction grants shall be limited to five million dollars (\$5,000,000) per project, except that the state board may set a limit of not more than twenty million dollars (\$20,000,000) for projects that provide regional or shared solutions among multiple entities, at least one of which is a small disadvantaged community. Not more than 25 percent of a grant may be awarded in advance of actual expenditures.

(c) The state board may expend up to twenty-five million dollars (\$25,000,000) of the funds allocated in subdivision (b) for technical assistance to eligible communities.

(d) At least 10 percent of the funds available pursuant to this section shall be allocated for projects serving severely disadvantaged communities.

(e) Of the funds available pursuant to subdivision (b), the state board may expend up to ten million dollars (\$10,000,000) to finance development and demonstration of new technologies and related facilities for water contaminant removal and treatment appropriate for use by small and state small water systems.

79724. (a) The sum of one hundred million dollars (\$100,000,000) shall be available for grants and direct expenditures to finance urgent public health emergency actions to ensure that

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1 safe drinking water supplies are available to all Californians. Eligible actions include, but are not
2 limited to, the following:

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

5 (2) Improvements in existing water systems, including, but not limited to, planning,
6 design, and construction of improvements necessary to resume delivery of safe drinking water.

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

8 (4) Design, purchase, installation, and operation and maintenance of interim water
9 treatment equipment and systems.

10

11 79726. (a) From the funds described in Section 79720, four hundred million dollars
12 (\$400,000,000) shall be available to the state board for deposit in the Small Communities Grant
13 Subaccount for grants for wastewater treatment projects to keep contaminants out of rivers,
14 lakes, streams, groundwater, and coastal waters, and for other projects to protect the public and
15 fish and wildlife from contaminated sources of water. Priority shall be given to projects that
16 serve disadvantaged communities and severely disadvantaged communities, and to projects that
17 address public health hazards. Special consideration shall be given to small communities with
18 limited financial resources. Projects shall include, but not be limited to, projects that identify,
19 plan, design, and implement regional mechanisms to consolidate wastewater systems or provide
20 affordable treatment technologies.

21 (b) From the funds available pursuant to subdivision (a), twenty million dollars
22 (\$20,000,000) shall be allocated to the state board for deposit into the Private Well and Septic
23 Systems Investment Fund, which is hereby created in the State Treasury. Moneys in the fund
24 shall be available for the purpose of providing grants and loans to private well and septic owners
25 to protect drinking water sources and ensure safe and affordable drinking water for all
26 Californians.

27

28 CHAPTER 5. WATER SUPPLY ENHANCEMENT PROJECTS

29

30 79728. (a) It is the intent of the Legislature that this chapter provide funds to enhance
31 water supplies and increase water supply reliability.

32 (b) The sum of two billion dollars (\$2,000,000,000) shall be available for the purposes of
33 this chapter.

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1 79730. (a) From the funds described in Section 79728, one billion five hundred million
2 dollars (\$1,500,000,000) shall be available to the department for competitive grants for projects
3 that develop, improve, or implement an adopted integrated regional water management plan
4 consistent with Part 2.2 (commencing with Section 10530) of Division 6, as that part may be
5 amended, and improve the quality or supply of safe drinking water, reduce the amount of water
6 imported to the region, or address any of the following other critical water supply reliability
7 issues:

8 (1) Groundwater cleanup or pollution prevention in sources of drinking water.

9 (2) Advanced water treatment technology projects to remove contaminants from drinking
10 water, water recycling, and related projects, such as distribution or groundwater recharge
11 infrastructure.

12 (3) Urban and agricultural water conservation and water use efficiency projects.

13 (4) Water recycling projects.

14 (5) The repair or replacement of aging water management infrastructure in disadvantaged
15 communities.

16 (6) Other integrated water infrastructure projects that address one or more water
17 management activities and improve the reliability or quality of regional water supplies.

18 (b) Projects funded pursuant to this section shall require a local match of not less than 25
19 percent of project costs, except the department may suspend or reduce cost share requirements
20 for projects serving disadvantaged communities or that result in a direct reduction in water
21 imported from the Delta.

22 (c) To be eligible for funding under this section, a region shall comply with the following
23 requirements:

24 (1) Have an adopted integrated regional water management plan.

25 (2) Each urban and agricultural water supplier that would benefit from a project shall
26 adopt and submit an urban or agricultural water management plan in accordance with the Urban
27 Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6) or
28 the Agricultural Water Management Planning Act (Part 2.8 (commencing with Section 10800) of
29 Division 6). Urban or agricultural water management plans shall be certified by the department
30 as meeting the requirements of the Urban Water Management Planning Act (Part 2.6
31 (commencing with Section 10610) of Division 6) or the Agricultural Water Management
32 Planning Act (Part 2.8 (commencing with Section 10800) of Division 6), and Sections 10608.56
33 and 10631.5, as those provisions may be amended.

34 (3) Each local agency whose service area includes a groundwater basin that would benefit
35 from a groundwater management project shall adopt and submit a groundwater management plan
36 in accordance with Part 2.75 (commencing with Section 10750) of Division 6. Groundwater

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1 management plans shall be certified by the department as meeting the requirements of Part 2.75
2 (commencing with Section 10750) of Division 6, as that Part may be amended.

3 (4) (A) Have a water budget that describes local and imported water supplies and uses in
4 sufficient detail to inform long-term efforts towards sustainable water management, and, where
5 applicable, include a description of any measures anticipated to reduce the amount of water
6 imported to the region in the future.

7 (B) The department shall develop guidelines for compliance with this paragraph.

8 (5) Where applicable, an integrated water management plan shall be consistent with and
9 implement Section 85021.

10 (d) Where applicable, funding pursuant to this section shall be made available to water
11 agencies to assist in directly reducing the amount of water imported from the Delta.

12

13 79732. The California Water Commission shall review the implementation of Section
14 79730 and shall certify that requirements for grant eligibility pursuant to that section are met
15 prior to the department making final grant awards.

16

17 79734. Of the funds available pursuant to Section 79730, one billion four hundred
18 million dollars (\$1,400,000,000) shall be allocated to hydrologic regions as identified in the
19 California Water Plan and listed below. For the South Coast Region, the department shall
20 establish three sub-regions that reflect the San Diego county watersheds, the Santa Ana River
21 watershed, and the Los Angeles–Ventura County watersheds respectively, and allocate funds to
22 those sub-regions. The North and South Lahontan regions shall be treated as one region for the
23 purpose of allocating funds, but the department may require separate regional plans. Funds
24 provided by this Section shall be allocated according to the following schedule:

- | | | |
|----|--------------------------------|----------------|
| 25 | (a) North Coast: | \$65,000,000. |
| 26 | (b) San Francisco Bay: | \$195,000,000. |
| 27 | (c) Central Coast: | \$85,000,000. |
| 28 | (d) Los Angeles subregion: | \$284,000,000. |
| 29 | (e) Santa Ana subregion: | \$174,000,000. |
| 30 | (f) San Diego subregion: | \$138,000,000. |
| 31 | (g) Sacramento River: | \$118,000,000. |
| 32 | (h) San Joaquin River: | \$98,000,000. |
| 33 | (i) Tulare/Kern (Tulare Lake): | \$102,000,000. |

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1 (j) North/South Lahontan: \$74,000,000.

2 (k) Colorado River Basin: \$67,000,000.

3

4 79736. (a) From the funds described in Section 79730, one hundred million dollars
5 (\$100,000,000) shall be available for grants for projects that significantly advance the application
6 and effectiveness of innovative integrated regional water management strategies, including, but
7 not limited to, the following:

8 (1) Tools to model future regional climate change impacts.

9 (2) Groundwater management plans and projects that further sustainable groundwater
10 management.

11 (3) Other projects determined by the department to advance innovative strategies for the
12 integration of water management.

13 (b) The department shall give priority to projects that address groundwater overdraft and
14 related impacts, including, but not limited to, subsidence.

15

16 79738. (a) From the funds described in Section 79728, five hundred million dollars
17 (\$500,000,000) shall be available to the state board for competitive grants for projects that
18 develop, implement, or improve a stormwater capture and reuse plan consistent with Part 2.4
19 (commencing with Section 10570) of Division 6, as that part may be amended, and that capture
20 and put to beneficial use stormwater or dry weather runoff.

21 (b) Stormwater capture and reuse projects developed pursuant to an adopted integrated
22 regional water management plan in compliance with Part 2.2 (commencing with Section 10530)
23 of Division 6 are also eligible for funding under this section provided those projects were
24 identified and developed in substantive compliance with Part 2.4 (commencing with Section
25 10570) of Division 6, as those parts may be amended.

26 (a) Eligible projects shall assist in the capture and reuse of stormwater or dry weather
27 runoff. Eligible projects include any of the following:

28 (1) Projects that capture, convey, treat, or put to beneficial use stormwater or dry weather
29 runoff.

30 (2) The development of stormwater capture and reuse plans pursuant to Part 2.4
31 (commencing with Section 10570) of Division 6, as that part may be amended.

32 (3) Decision support tools, data acquisition, and data analysis to identify and evaluate the
33 benefits and costs of potential stormwater capture and reuse projects.

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1 (4) Projects that, in addition to capturing and reusing stormwater or dry weather runoff,
2 improve water quality, provide public benefits, such as augmentation of water supply, flood
3 control, open space and recreation, and projects designed to mimic or restore natural watershed
4 functions.

5 (b) The state board shall grant special consideration to plans or projects that provide
6 multiple benefits such as water quality, water supply, flood control, natural lands, or recreation.

7 (c) The state board shall require a 25 percent local cost share for grant funds, but may
8 suspend or reduce the matching requirements for projects that capture or reuse stormwater or dry
9 weather runoff in disadvantaged communities.

10
11 CHAPTER 6. SACRAMENTO SAN JOAQUIN DELTA
12

13 79740. (a) It is the intent of the Legislature that funds provided in this chapter help
14 implement the following:

15 (1) Projects to protecting, restoring, and enhancing the Delta ecosystem in a manner that
16 protects and enhances the unique cultural, recreational, natural resource, and agricultural values
17 of the Delta as an evolving place.

18 (2) Projects to protect the integrity of Delta levees to safeguard the ability to move water
19 through the Delta while simultaneously protecting and enhancing the unique cultural,
20 recreational, natural resource, and agricultural values of the Delta as an evolving place.

21 (b) The sum of one billion two hundred million dollars (\$1,200,000,000) shall be
22 available for the purposes of this chapter.

23
24 79742. (a) From the funds described in Section 79740, sum of eight hundred million
25 dollars (\$800,000,000) shall be available to the Delta Conservancy for water quality, ecosystem
26 restoration, fish protection facilities, and community sustainability projects that benefit the Delta,
27 including, but not limited to, the following:

28 (1) Projects to improve water quality facilities or projects that contribute to improvements
29 in water quality in the Delta, including projects in Delta counties that provide multiple public
30 benefits and improve drinking or agricultural water quality or water supplies.

31 (2) Habitat restoration, conservation, and enhancement projects to improve the condition
32 of special status, at risk, endangered, or threatened species in the Delta and the Delta counties,
33 including projects to eradicate invasive species, projects to prevent entrainment of fish, and
34 projects that support the beneficial reuse of dredged material for habitat restoration and levee
35 improvements.

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1 (a) Two hundred fifty million dollars (\$250,000,000) to implement the Klamath
2 Hydroelectric Settlement Agreement. Of the two hundred fifty million dollars (\$250,000,000),
3 up to fifty million dollars (\$50,000,000) may be made available for restoration projects in
4 California pursuant to Klamath Basin Restoration Agreement provided that the full two hundred
5 fifty million dollars (\$250,000,000) is not needed for dam removal projects.

6 (b) One hundred million dollars (\$100,000,000) for projects that help fulfill state
7 obligations under the Quantification Settlement Agreement, as defined in subdivision (a) of
8 Section 1 of Chapter 617 of the Statutes of 2002.

9 (c) One hundred million dollars (\$100,000,000) for projects that help fulfill state
10 obligations under the San Joaquin River Restoration Settlement, as described in Part I of Subtitle
11 A of Title X of Public Law 111-11.

12 (d) Fifty million dollars (\$50,000,000) for projects that help fulfill state obligations under
13 the Tahoe Regional Planning Compact pursuant to Section 66800 of the Government Code.
14 Funds provided by this subdivision shall be appropriated pursuant to Title 7.42 (commencing
15 with Section 66905) of the Government Code.

16
17 79750. From the funds described in Section 79746, the sum of eight hundred seventy five
18 million dollars (\$875,000,000) shall be for projects that protect and improve California's
19 watersheds, wetlands, forests, and floodplains.

20 (a) Funds provided by this Section shall be allocated according to the following
21 schedule:

22	(1) Baldwin Hills Conservancy	\$10,000,000
23	(2) California Tahoe Conservancy	\$30,000,000
24	(3) Coachella Valley Mountains Conservancy	\$20,000,000
25	(4) San Diego River Conservancy	\$10,000,000
26	(5) San Gabriel & Lower Los Angeles Rivers & Mountains Conservancy	\$40,000,000
27	(6) San Joaquin River Conservancy	\$20,000,000
28	(7) Santa Monica Mountains Conservancy	\$65,000,000
29	(8) Sierra Nevada Conservancy	\$65,000,000
30	(9) State Coastal Conservancy	\$350,000,000
31	(10) Wildlife Conservation Board	\$215,000,000
32	(11) California Ocean Protection Council	50,000,000

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1 (b) Of the funds provided to the State Coastal Conservancy by paragraph (9) of
2 subdivision (a), one hundred twenty five million dollars (\$125,000,000) are available as follows:

3 (1) Fifty million dollars (\$50,000,000) shall be available for projects that help restore
4 coastal salmonid populations.

5 (2) Seventy-five million dollars (\$75, 000,000) shall be available for flood control
6 projects on public lands that provide critical flood, water quality, and wetland ecosystem benefits
7 to the San Francisco Bay region.

8
9 79752. (a) From the funds described in Section 79746, two hundred fifty million dollars
10 (\$250,000,000) shall be available to the Secretary for Natural Resources for a competitive
11 program to fund multi-benefit watershed and urban rivers enhancement projects in urban
12 watersheds, including watersheds that drain to the San Francisco Bay, that increase regional and
13 local water self-sufficiency and that meet at least two or more of the following objectives:

14 (1) Promote groundwater recharge and water reuse.

15 (2) Reduce energy consumption.

16 (3) Use soils, plants and natural processes to treat runoff.

17 (4) Create or restore native habitat.

18 (5) Increase regional and local resiliency and adaptability to climate change.

19 (b) The program shall be implemented by state conservancies, the wildlife conservation
20 board, or other entities designated by the Natural Resources Agency whose jurisdiction includes
21 urban watersheds. The projects are subject to a plan developed jointly by the conservancies, the
22 wildlife conservation board, or other designated entities in consultation with the Natural
23 Resources Agency. Twenty five percent (25%) of the funds allocated pursuant to this Section
24 shall be available for projects that benefit disadvantaged communities. Up to ten percent (10%)
25 of the funds allocated pursuant to this section shall be available for project planning.

26
27 79754. From the funds described in Section 79746, twenty million dollars (\$20,000,000)
28 shall be available to the Department of Parks and Recreation to address public health deficiencies
29 in drinking water and wastewater quality at state parks.

30
31 79756. (a) From the funds described in Section 79746, thirty million dollars
32 (\$30,000,000) shall be available to the State Water Resources Control Board to fund watershed
33 activities by resources conservation districts.

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1 (b) To be eligible for funding from this section, a the board of a resource conservation
2 district must be appointed by the local county board of supervisors.

3
4 79758. From the funds described in Section 79746, twenty-five million dollars
5 (\$25,000,000) shall be available to the State Water Resources Control Board for competitive
6 grants for qualified special districts and nonprofit organizations for projects that reduce or
7 manage runoff from agricultural lands for the benefit of surface and groundwater quality.

8
9 CHAPTER 8. WATER STORAGE PROJECTS

10
11 79760. (a) It is the intent of the Legislature that this chapter provide funds to expand the
12 existing capacity to store water in the state.

13 (b) The sum of one billion twenty-five million dollars (\$1,025,000,000) shall be available
14 for the purposes of this chapter.

15
16 79762. From the funds described in Section 79760, the sum of one billion dollars
17 (\$1,000,000,000) shall be available to the commission for water storage projects that meet the
18 requirements of this section, including all of the following:

19 (a) Projects shall be selected by the commission through a competitive public process that
20 ranks projects based on the expected public benefits received for public investment.

21 (b) Eligible projects consist only of the following:

22 (1) Surface storage projects identified in the CALFED Bay-Delta Programmatic Record
23 of Decision, dated August 28, 2000, except that projects at Lake Shasta shall not be eligible.

24 (2) Groundwater storage projects and groundwater contamination prevention or
25 remediation projects that create additional groundwater storage capacity.

26 (3) Conjunctive use and reservoir reoperation projects including associated infrastructure.

27 (4) Projects that restore the capacity of reservoirs currently impaired by sediment
28 buildup, seismic vulnerability, or other impairment.

29 (5) Projects that result in a permanent reduction of water exported from the Delta and a
30 transfer of the equivalent water right to instream flow pursuant to Section 1707. Priority shall be
31 given to projects that also result in the permanent elimination of irrigation runoff contributing to
32 salinity in the San Joaquin Valley.

33 (6) Recycled water storage facilities.

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1 (c) A project within the Delta watershed shall not be funded unless it provides
2 measurable improvements to the Delta ecosystem.

3 (d) Funds allocated pursuant to this section may be expended solely for the following
4 public benefits:

5 (1) Ecosystem improvements, including, but not limited to, changing timing of
6 diversions, improvement in flow conditions, temperature, or other benefits that contribute to
7 restoration of aquatic ecosystems and native fish and wildlife.

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

10 (3) Flood control benefits, including, but not limited to, increases in flood reservation
11 space in existing reservoirs by exchange for existing or increased water storage benefits.

12 (e) The commission, in consultation with the Department of Fish and Wildlife, the state
13 board, and the department, shall develop and adopt, by regulation, methods for quantification
14 and management of public benefits. The regulations shall include priorities and relative
15 environmental value of ecosystem benefits provided by the Department of Fish and Wildlife and
16 the priorities and relative environmental value of water quality benefits as provided by the state
17 board.

18 (f) Funds shall not be expended pursuant to this chapter for the costs of environmental
19 mitigation measures or compliance obligations except for those associated with providing the
20 public benefits as described in subdivision (d).

21 (g) Any project constructed with funds provided by this Chapter shall be subject to
22 Section 11590.

23
24 79764. No funds available pursuant to Section 79762 may be allocated to a project until
25 the commission approves the project based on the following determinations:

26 (a) The commission has adopted the regulations specified in Section 79762 and
27 specifically quantified and made public the cost of the public benefits associated with the project.

28 (b) The department has entered into a contract with each party that will derive benefits,
29 other than public benefits, from the project that ensures the party will pay its share of the total
30 costs of the project. The benefits available to a party shall be consistent with that party's share of
31 total project costs.

32 (c) The department has entered into a contract with the Department of Fish and Wildlife
33 and the state board, after those agencies have made a finding that the public benefits of the
34 project for which that agency is responsible meet all the requirements of this chapter, to ensure
35 that public contributions of funds pursuant to this chapter achieve the public benefits identified
36 for the project.

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1 (d) The commission has held a public hearing for the purposes of providing an
2 opportunity for the public to review and comment on the information required to be prepared
3 pursuant to this section.

4 (e) All of the following conditions are met:

5 (1) Feasibility studies have been completed.

6 (2) The commission has found and determined that the project is feasible, is consistent
7 with all applicable laws and regulations, and will advance the long-term objectives of restoring
8 ecological health and improving water management, including the beneficial uses of the Delta.

9 (3) All environmental documentation has been completed and all other federal, state, and
10 local approvals, certifications, and agreements required to be completed have been obtained.

11 (f) The commission shall submit to the fiscal committees and the appropriate policy
12 committees of the Legislature its findings for each criterion identified in this section for any
13 project funded pursuant to this chapter.

14
15 79766. The public benefit cost share of a project funded pursuant to this chapter may not
16 exceed 50 percent of the total cost of the project.

17
18 79768. From the funds described in Section 79760, the sum of twenty-five million dollars
19 (\$25,000,000) shall be available to the department for studying the feasibility of additional
20 surface storage projects. Funds provided by this section are not available to study the feasibility
21 of any storage project identified in the CALFED Bay-Delta Programmatic Record of Decision,
22 dated August 28, 2000.

23
24 CHAPTER 9. GENERAL PROVISIONS

25
26 79770. The proceeds of bonds issued and sold pursuant to this division shall be deposited
27 in the Safe Drinking Water, Water Quality, and Water Supply Fund of 2014, which is hereby
28 created in the State Treasury. Moneys in the fund shall be available, upon appropriation by the
29 Legislature, in the manner and for the purposes set forth in this division.

30
31 79772. An amount that equals not more than 5 percent of the funds allocated for a
32 program pursuant to this division may be used to pay the administrative costs of that program.

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1 79774. Up to 10 percent of funds allocated for each program funded by this division may
2 be used to finance planning and monitoring necessary for the successful design, selection, and
3 implementation of the projects authorized under that program. This section shall not otherwise
4 restrict funds ordinarily used by an agency for “preliminary plans,” “working drawings,” and
5 “construction” as defined in the annual Budget Act for a capital outlay project or grant project.
6 Water quality monitoring shall be integrated into the surface water ambient monitoring program
7 administered by the state board.

8
9 79776. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2
10 of the Government Code does not apply to the development or implementation of programs or
11 projects authorized or funded under this division other than Chapter 6 (commencing with Section
12 79760).

13
14 79778. (a) Prior to disbursing grants pursuant to this division, each state agency that is
15 required to administer a competitive grant program under this division shall develop project
16 solicitation and evaluation guidelines. The guidelines may include a limitation on the dollar
17 amount of grants to be awarded.

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

26 (c) Projects funded with proceeds from this division shall promote state planning
27 priorities consistent with the provisions of Section 65041.1 of the Government Code and
28 sustainable communities’ strategies consistent with the provisions of subparagraph (B) of
29 paragraph (2) of subdivision (b) of Section 65080 of the Government Code.

30 (d) To the extent feasible, in implementing Section 79742, the Delta Conservancy shall
31 seek to achieve wildlife conservation objectives through projects on public lands or voluntary
32 projects on private lands. Funds available pursuant Section 79742 may be used, in consultation
33 with the Department of Fish and Wildlife, for payments to landowners for the creation of
34 measurable habitat improvements or other improvements to the condition of endangered or
35 threatened species. The Delta Conservancy may develop and implement a competitive habitat
36 credit exchange mechanism in order to maximize voluntary landowner participation in projects

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1 that provide measurable habitat or species improvements in the Delta. These funds shall not be
2 used to subsidize or decrease the mitigation obligations of any party.

3 (e) In implementing Section 79742, the Delta Conservancy shall coordinate, cooperate,
4 and consult with the city or county in which a grant is proposed to be expended or an interest in
5 real property is proposed to be acquired and with the Delta Protection Commission. Acquisitions
6 pursuant to Section 79742 shall be from willing sellers only.

7 (f) In implementing Section 79742, the Delta Conservancy shall require grantees to
8 demonstrate how local economic impacts, including impacts related to the loss of agricultural
9 lands, will be mitigated.

10 (g) Funds provided by this division shall not be used to acquire land via eminent domain.
11 Funds from this division may be used to acquire property from willing sellers.

12 (h) Restoration and ecosystem protection projects funded by this division shall use the
13 services of the California Conservation Corps or certified community conservation corps, as
14 defined in Section 14507.5 of the Public Resources Code, whenever feasible.

15 (k) It is the intent of the Legislature that California's working agricultural landscapes be
16 preserved wherever possible. To the extent feasible, watershed objectives included in this
17 division should be achieved through use of conservation easements and voluntary landowner
18 participation, including, but not limited to, the use of easements pursuant to Division 10.4
19 (commencing with Section 10330) and Division 10.2 (commencing with Section 10200) of the
20 Public Resources Code and voluntary habitat credit exchange mechanisms.

21

22 79780. It is the intent of the people that:

23 (a) The investment of public funds pursuant to this division result in public benefits.

24 (b) Special consideration be given to projects that employ new or innovative technology
25 or practices, including decision support tools that demonstrate the multiple benefits of integration
26 of multiple jurisdictions, including, but not limited to, water supply, flood control, land use, and
27 sanitation.

28

29 79782. The State Auditor shall annually conduct a programmatic review and an audit of
30 expenditures from the fund. The State Auditor shall report its findings annually on or before
31 March 1 to the Governor and the Legislature, and shall make the findings available to the public.

32

33 79784. (a) Funds provided by this division shall not be used to support or pay for the
34 costs of environmental mitigation measures or compliance obligations of any party except as part

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1 of the environmental mitigation costs of projects financed by this division. Funds provided by
2 this division may be used for environmental enhancements or other public benefits.

3 (b) Funds provided by this division shall not be expended for the acquisition or transfer
4 of water rights except for a permanent dedication of water approved in accordance with Section
5 1707 where the state board specifies that the water is in addition to water that is required for
6 regulatory requirements as provided in subdivision (c) of Section 1707. The requirement that a
7 dedication of water be permanent shall not preclude the expenditure of funds provided by this
8 division for the initiation of the dedication as a short-term or temporary urgency change, that is
9 approved in accordance with Section 1707 and either Chapter 6.6 (commencing with Section
10 1435) of, or Chapter 10.5 (commencing with Section 1725) of, Part 2 of Division 2, during the
11 period required to prepare any environmental documentation and for approval of permanent
12 dedication.

13

14 79786. Funds provided by this division shall not be expended to pay costs associated with
15 design, construction, operation, maintenance, or mitigation of new Delta conveyance facilities.

16

17 79788. The Legislature may enact legislation necessary to implement programs funded
18 by this division.

19

20 79790. Eligible applicants under this division are public agencies, nonprofit
21 organizations, public utilities, mutual water companies, and Indian tribes having a federally
22 recognized governing body carrying out substantial governmental duties in and powers over any
23 area. To be eligible for funding under this division, a project proposed by a public utility that is
24 regulated by the Public Utilities Commission or a mutual water company shall have a clear and
25 definite public purpose and shall benefit the customers of the water system.

26

27 79792. (a) This division does not diminish, impair, or otherwise affect in any manner
28 whatsoever any area of origin, watershed of origin, county of origin, or any other water rights
29 protections, including, but not limited to, rights to water appropriated prior to December 19,
30 1914, provided under the law. This division does not limit or otherwise affect the application of
31 Article 1.7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division 2, Sections
32 10505, 10505.5, 11128, 11460, 11461, 11462, and 11463, and Sections 12200 to 12220,
33 inclusive.

34 (b) For the purposes of this division, an area that utilizes water that has been diverted and
35 conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River
36 hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or

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1 capable of being conveniently supplied with water therefrom by virtue or on account of the
2 diversion and conveyance of that water through facilities that may be constructed for that
3 purpose after January 1, 2014.

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

8 (d) Unless otherwise expressly provided, nothing in this division supersedes, reduces, or
9 otherwise affects existing legal protections, both procedural and substantive, relating to the state
10 board's regulation of diversion and use of water, including, but not limited to, water right
11 priorities, the protection provided to municipal interests by Sections 106 and 106.5, and changes
12 in water rights. Nothing in this division expands or otherwise alters the state board's existing
13 authority to regulate the diversion and use of water or the courts' existing concurrent jurisdiction
14 over California water rights.

15 (e) Nothing in this division limits or otherwise affects the application of Chapter 2
16 (commencing with Section 85320) of Part 4 of Division 35.

17 (f) Nothing in this division shall be construed to affect the California Wild and Scenic
18 Rivers Act (Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public
19 Resources Code) and funds available pursuant to this division shall not be available for any
20 project that could have an adverse effect on the free flowing condition of a wild and scenic river
21 or any other river afforded protections pursuant to the California Wild and Scenic Rivers Act.

22
23 79794. (a) Unless explicitly exempted by this Act, all funds provided by this Act shall be
24 administered and expended pursuant to existing law, as that law may be amended. This includes,
25 but is not limited to, all provisions of the Sacramento-San Joaquin Delta Reform Act of 2009
26 (Division 35 (commencing with Section 85000) of the Water Code).

27

28

CHAPTER 10. FISCAL PROVISIONS

29

30 79820. (a) Bonds in the total amount of six billion nine hundred twenty-five million
31 dollars (\$6,925,000,000), or so much thereof as is necessary, not including the amount of any
32 refunding bonds issued in accordance with Section 79840 may be issued and sold to provide a
33 fund to be used for carrying out the purposes expressed in this division and to reimburse the
34 General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the
35 Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation
36 of the State of California, and the full faith and credit of the State of California is hereby pledged

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1 for the punctual payment of both principal of, and interest on, the bonds as the principal and
2 interest become due and payable.

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

6
7 79822. The bonds authorized by this division shall be prepared, executed, issued, sold,
8 paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4
9 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code),
10 and all of the provisions of that law apply to the bonds and to this division and are hereby
11 incorporated in this division as though set forth in full in this division, except subdivisions (a)
12 and (b) of Section 16727 of the Government Code.

13
14 79824. (a) Solely for the purpose of authorizing the issuance and sale pursuant to the
15 State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of
16 Division 4 of Title 2 of the Government Code) of the bonds authorized by this division, the Safe
17 Drinking Water, Water Quality, and Water Supply Finance Committee is hereby created. For
18 purposes of this division, the Safe Drinking Water, Water Quality, and Water Supply Finance
19 Committee is “the committee” as that term is used in the State General Obligation Bond Law.
20 The committee consists of the Director of Finance, the Treasurer, the Controller, the Director of
21 Water Resources, and the Secretary of the Natural Resources Agency, or their designated
22 representatives. The Treasurer shall serve as chairperson of the committee. A majority of the
23 committee may act for the committee.

24 (b) For purposes of the State General Obligation Bond Law, the Department of Water
25 Resources is designated the “board.”

26
27 79826. The committee shall determine whether or not it is necessary or desirable to issue
28 bonds authorized pursuant to this division in order to carry out the actions specified in this
29 division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be
30 authorized and sold to carry out those actions progressively, and it is not necessary that all of the
31 bonds authorized to be issued be sold at any one time.

32
33 79828. There shall be collected each year and in the same manner and at the same time as
34 other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an
35 amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all

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1 officers charged by law with any duty in regard to the collection of the revenue to do and
2 perform each and every act that is necessary to collect that additional sum.

3

4 79830. Notwithstanding Section 13340 of the Government Code, there is hereby
5 appropriated from the General Fund in the State Treasury, for the purposes of this division, an
6 amount that will equal the total of the following:

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

9 (b) The sum necessary to carry out Section 79832, appropriated without regard to fiscal
10 years. 79832. For the purposes of carrying out this division, the Director of Finance may
11 authorize the withdrawal from the General Fund of an amount not to exceed the amount of the
12 unsold bonds that have been authorized by the committee to be sold for the purpose of carrying
13 out this division less any amount borrowed pursuant to Section 79807. Any amounts withdrawn
14 shall be deposited in the fund. Any money made available under this section shall be returned to
15 the General Fund from proceeds received from the sale of bonds for the purpose of carrying out
16 this division.

17

18 79834. All money deposited in the fund that is derived from premium and accrued
19 interest on bonds sold shall be reserved in the fund and shall be available for transfer to the
20 General Fund as a credit to expenditures for bond interest, except that amounts derived from
21 premium may be reserved and used to pay the cost of bond issuance prior to any transfer to the
22 General Fund.

23

24 79836. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4
25 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond
26 proceeds, including premium, if any. To the extent the cost of bond issuance is not paid from
27 premiums received from the sale of bonds, the cost shall be shared proportionally by each
28 program funded through this division by the applicable bond sale.

29

30 79838. The board may request the Pooled Money Investment Board to make a loan from
31 the Pooled Money Investment Account, in accordance with Section 16312 of the Government
32 Code for the purpose of carrying out this division less any amount withdrawn pursuant to Section
33 79832. The amount of the request shall not exceed the amount of the unsold bonds that the
34 committee, by resolution, has authorized to be sold for the purpose of carrying out this division.
35 The board shall execute any documents required by the Pooled Money Investment Board to

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

3
4 79840. The bonds issued and sold pursuant to this division may be refunded in
5 accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4
6 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law.
7 Approval by the voters of the state for the issuance of the bonds under this division shall include
8 the approval of the issuance of any bonds issued to refund any bonds originally issued under this
9 division or any previously issued refunding bonds.

10
11 79842. Notwithstanding any other provision of this division, or of the State General
12 Obligation Bond Law, if the Treasurer sells bonds pursuant to this division that include a bond
13 counsel opinion to the effect that the interest on the bonds is excluded from gross income for
14 federal tax purposes, under designated conditions or is otherwise entitled to any federal tax
15 advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds
16 and for the investment of earnings on those proceeds. The Treasurer may use or direct the use of
17 those proceeds or earnings to pay any rebate, penalty, or other payment required under federal
18 law or take any other action with respect to the investment and use of those bond proceeds
19 required or desirable under federal law to maintain the tax exempt status of those bonds and to
20 obtain any other advantage under federal law on behalf of the funds of this state.

21
22 79844. The proceeds from the sale of bonds authorized by this division are not “proceeds
23 of taxes” as that term is used in Article XIII B of the California Constitution, and the
24 disbursement of these proceeds is not subject to the limitations imposed by that article.

25
26 SEC. 3. The Legislature may appropriate funds from any of the following sources for
27 grants and direct expenditures to accomplish the purposes of Chapter 5 (commencing with
28 Section 79728) of Division 26.7 of the Water Code:

29 (a) Notwithstanding the Water Conservation and Water Quality Bond Law of 1986, the
30 1996 Water Conservation and Water Quality Bond Fund

31 (b) Notwithstanding the Water Conservation Bond Law of 1988, the 1988 Water
32 Conservation Fund.

33 (c) Notwithstanding the Safe, Clean, Reliable Water Supply Act of 1996, the Safe, Clean,
34 Reliable Water Supply Fund and any accounts therein.

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1 (d) Notwithstanding the Safe Drinking Water, Clean Water, Watershed Protection, and
2 Flood Protection Act of 2000, the Safe Drinking Water, Clean Water, Watershed Protection, and
3 Flood Protection Bond Fund and any accounts therein.

4
5 SEC. 4. Section 1 of Chapter 74 of the Statutes of 2012 is repealed.

6 ~~SECTION 1. Section 2 of Chapter 3 of the Statutes of 2009, Seventh Extraordinary~~
7 ~~Session, as amended by Section 7 of Chapter 126 of the Statutes of 2010, is amended to read:~~

8 ~~Sec. 2. Section 1 of this act shall be submitted to the voters at the November 4, 2014,~~
9 ~~statewide general election, instead of the November 6, 2012, statewide general election, in~~
10 ~~accordance with provisions of the Government Code and the Elections Code governing the~~
11 ~~submission of a statewide measure to the voters.~~

12 SEC. 5. Sections 2 and 3 of this act shall be submitted to the voters at the November 4,
13 2014, statewide general election in accordance with provisions of the Government Code and the
14 Elections Code governing the submission of a statewide measure to the voters.

15 SEC. 6. Sections 2 and 3 of this act shall take effect upon the approval by the voters of
16 the Safe Drinking Water, Water Quality, and Water Supply Act of 2014, as set forth in that
17 section at the November 4, 2014, statewide general election.

18 SEC. 7. This act is an urgency statute necessary for the immediate preservation of the
19 public peace, health, or safety within the meaning of Article IV of the Constitution and shall go
20 into immediate effect. The facts constituting the necessity are:

21 In order to fund safe drinking water, water quality, and water supply at the earliest
22 possible date, it is necessary that this act take effect immediately.