

Recommended Water Bond

SECTION 1. Division 32 (commencing with Section 82000) is added to the Water Code, to read:

DIVISION 32. Flood Protection and Clean, Safe, Reliable Water Supply Bond and Financing Act of 2006

CHAPTER 1. GENERAL PROVISIONS

82000. This division shall be known and may be cited as the Flood Protection and Clean, Safe, Reliable Water Supply Bond and Financing Act of 2006.

82001. (a) The people of California find and declare all of the following:

(b) Regarding flood protection, the people of California find and declare all of the following:

(c) Regarding water management, the people of California find and declare all of the following:

82002. Unless the context otherwise requires, the definitions set forth in this chapter govern the construction of this division.

(a) "Fund" means the Flood Protection and Clean, Safe, Reliable Water Supply Bond Fund of 2006, created by Section 82020.

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

(c) "Committee" means the Flood Protection and Clean, Safe, Reliable Water Supply Finance Committee, created by Section 82010.

(d) Solely for the purposes of compliance with the State General Obligation Bond Law, "board," as defined in Section 16722 of the Government Code, means the Department of Water Resources.

(e) "State Board" means the State Water Resources Control Board.

(f) "Reclamation Board" means the Reclamation Board or its successor.

(g) "Department" means the Department of Water Resources.

(h) "Authority" means the California Bay Delta Authority or its successor.

(i) "Commission" means the California Water Commission.

(j) "Delta" means the Sacramento-San Joaquin Delta as defined in section 12220.

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(k) "CALFED" means the consortium of state and federal agencies with management and regulatory responsibilities in the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

(l) "CALFED Bay-Delta Program" means the undertaking by CALFED to develop and implement, by means of the final programmatic environmental impact statement/environmental impact report, the preferred programs, actions, projects, and related activities that will provide solutions to identified problem areas related to the San Francisco Bay/Sacramento-San Joaquin Delta Estuary ecosystem, including but not limited to the Bay-Delta and its tributary watersheds.

(m) "Nonprofit organization" means any nonprofit organization qualified under Section 501(c)(3) of the United States Internal Revenue Code.

(n) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(o) "Matching funds" means funds made available by nonstate sources, which may include, but are not limited to, donated services from nonstate sources. For purposes of Chapter 2, matching funds also include the value of contributed rights of way, floodway easements, development rights, and other contributions of real property.

(p) Notwithstanding subdivision (o), matching funds for a state agency may include state funds and services.

(q) "Acquisition" means the acquisition of a fee interest or any other interest, including easements, leases, and development rights.

(r) "Facilities of the State Plan of Flood Control" means the levees, weirs, channels, and other features of the federal and state authorized flood control facilities located in the Sacramento and San Joaquin Rivers drainage basin for which the board or the department has given the nonfederal assurances to the United States required for the project, and those facilities identified in Section 8361.

(s) "State Plan of Flood Control" means the state and federal flood control works, lands, programs, plans, conditions, and mode of maintenance and operations of the Sacramento River Flood Control Project described in Section 8350, and of flood control projects in the Sacramento River and San Joaquin River watersheds authorized pursuant to Article 2 (commencing with Section 12648) of Chapter 2 of Part 6 of Division 6 for which the board or the department has provided the nonfederal assurances to the United States, which shall be updated by the department and compiled into one document entitled "The State Plan of Flood Control."

(t) "Project levees" means the levees that are part of the facilities of the State Plan of Flood Control.

(u) "Public safety infrastructure" means street and highway evacuation routes, hospitals, and other infrastructure necessary to respond to a flood emergency.

(v) "Levee protection zone" means the area protected by a project levee, as determined by the reclamation board, that consists of either of the following:

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(1) Lands upon which the state or a local agency levies an assessment, fee, or charge on property explicitly for the maintenance or operation of a project levee.

(2) Lands determined by the reclamation board to be protected by a levee.

82003. (a) (1) By March 15, 2007, each state agency disbursing grants or loans, or expending funds for reimbursements or cost sharing pursuant to this division shall adopt project solicitation and evaluation guidelines. The guidelines may include a limitation on the size of grants or loans to be awarded.

(2) (A) Prior to disbursing grants, each state agency shall conduct two public meetings to consider public comments prior to finalizing the guidelines. Each state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California and one meeting shall be conducted at a location in southern California. Upon adoption, each state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature. To the extent feasible, each state agency shall provide outreach to disadvantaged communities to promote access and participation in those meetings.

(B) Notwithstanding subparagraph (A), the reclamation board shall conduct one meeting in a location in the Sacramento Valley and one meeting in the San Joaquin Valley or the Delta.

(3) (A) Subject to subparagraph (B), the guidelines may include a requirement for matching funds.

(B) A state agency may not require matching funds for the purposes of awarding a grant financed by this division to assist a disadvantaged community.

(b) Notwithstanding subdivision (a), a state agency, in lieu of adopting guidelines pursuant to subdivision (a), may use guidelines existing on January 1, 2007, to the extent those guidelines conform to the applicable requirements of this division.

82004. State agencies that are authorized to award loans or grants financed by this division shall provide technical assistance with regard to the preparation of the applications for those loans or grants in a manner that, among other things, addresses the needs of economically disadvantaged communities.

82005. (a) Every proposed activity to be financed pursuant to this division shall comply with the California Environmental Quality Act (Division 13 (commencing with Section 21000)) of the Public Resources Code.

(b) Before the adoption of any negative declaration or environmental impact report required under subdivision (a), the lead agency shall refer the proposed action to any California Native American tribe, which is on the contact list maintained by the Native American Heritage Commission, with traditional lands located within the area of the proposed project.

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82006. Any project that will wholly or partially assist in the fulfillment of one or more of the goals of the CALFED Bay-Delta Program shall be consistent with the CALFED Programmatic Record of Decision as it may be revised, and shall be implemented, to the maximum extent possible, through local and regional programs.

82007. (a) For the purposes of ensuring compliance with Section 82006, the Authority shall review regulations, guidelines, or criteria that are proposed by an implementing agency to carry out a grant program for projects and activities that meet the following criteria:

(1) The project is located within the CALFED solution area as defined in the CALFED final programmatic environmental impact statement/environmental impact report, dated July 2000.

(2) The project wholly or partially assists in the fulfillment of one or more of the goals of the CALFED Bay-Delta Program.

(b) The Authority may review, and comment to the appropriate implementing agency with regard to, a proposal to award a grant pursuant to this division on behalf of a project that meets the criteria set forth in subdivision (a) for the purposes of determining whether or not the project is consistent with the CALFED Programmatic Record of Decision.

(c) To avoid any delays in project awards, the opportunity for review by the California Bay-Delta Authority pursuant to subdivision (b) shall be incorporated into the grant program schedules established by the implementing agencies.

(d) For the purposes of this section, "implementing agency" has the same definition as that set forth in subdivision (h) of Section 79402.

82008. Not later than January 1, 2008, and on or before January 1 of each year thereafter, each state agency expending funds pursuant to this division for projects, grants, or loans shall report to the Legislature on the recipient and amount of each project, grant, or loan awarded under this division during the previous fiscal year. The information shall include the total amount awarded, categorized by project, grant, or loan, the geographic distribution of projects, grants, or loans awarded under this division, and the intended public and environmental benefit that the awards provide. The information shall also include data on the balances of funds available under this division for expenditures and grants in that fiscal year and future fiscal years.

8209. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the Flood Protection and Clean, Safe, Reliable Water Supply Finance Committee is hereby created. For purposes of this division, the Flood Protection and Clean, Safe, Reliable Water Supply Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law.

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

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

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

82010. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

82011. All money deposited in the fund shall be used only for the purposes and in the amounts set forth in this division and for no other purpose.

82012. Not more than five percent of the funds allocated to any program in this division may be used to pay the costs incurred in the administration of that program.

82013. Except as otherwise expressly provided in this division, upon a finding by the agency authorized to administer or expend funds appropriated from the fund that a particular project or program for which money has been allocated or granted cannot be completed, or that the amount that was appropriated, allocated, or granted is in excess of the total amount needed, the Legislature may reappropriate the funds for other high priority needs consistent with this division.

82014. It is the intention of the people of California that the investment of public funds pursuant to this division should result in public benefits.

82015. It is the intention of the people of California that any public funds made available by this division to investor-owned utilities regulated by Public Utilities Commission will be for the benefit of the ratepayers and not the investors pursuant to oversight by the Public Utilities Commission.

CHAPTER 2. FLOOD PROTECTION AND CLEAN, SAFE, RELIABLE WATER
SUPPLY BOND FUND OF 2006

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82020. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Flood Protection and Clean, Safe, Reliable Water Supply Bond Fund of 2006, which is hereby created. Except as specifically provided in this division, the money shall be available for appropriation by the Legislature in the manner and for the purposes set forth in this division in accordance with the following schedule:

- (a) The sum of two billion one hundred million dollars (2,100,000,000) for flood protection projects in accordance with the provisions of Chapter 3.
- (b) The sum of five hundred million dollars (\$500,000,000) for integrated regional water management projects in accordance with the provisions of Chapter 4.
- (c) The sum of one billion dollars (\$1,000,000,000) for statewide water management projects in accordance with the provisions of Chapter 5.

CHAPTER 3. FLOOD PROTECTION PROGRAM

Article 1. Project Levee and Facilities Repairs

82030. (a) The sum of six hundred million dollars (\$600,000,000) shall be available for appropriation by the Legislature from the fund for the immediate evaluation, repair, rehabilitation, reconstruction, or replacement of critical levees and other facilities of the State Plan of Flood Control, including, but not necessarily limited to, any of the following actions:

- (1) Repairing erosion sites and removing sediment from channels or bypasses.
- (2) Evaluating and repairing, rehabilitating, reconstructing, or replacing levees and any other facilities of the State Plan of Flood Control.
- (3) Implementing mitigation measures for any project undertaken pursuant to this section.
- (4) Completing the flood control system status report pursuant to Section 82031.
- (5). Funding the state share of developing one or more Natural Communities Conservation Plans or joint Natural Communities Conservation Plan/Habitat Conservation Plans pursuant to Section 82032.

(b) The Legislature may enact such legislation as is necessary to implement this article.

82031. The Legislature, in appropriating funds authorized by this article, shall give highest priority to funding actions that protect one or more of the following:

- (a) The current population protected by the levee or facility.
- (b) The public safety infrastructure protected by the levee or facility.

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82032. (a) The reclamation board shall prepare a report to the Governor and Legislature on the status of the state flood control system not later than December 31, 2008. For the purposes of preparing the report, the reclamation board shall inspect the project levees and review available information on all of the following:

(1) A description and the location of all facilities of the State Plan of Flood Control, including, but not limited to, levees, canals, weirs, bypasses, and pumps.

(2) An evaluation of the performance and deficiencies of project levees and other facilities of the State Plan of Flood Control.

(3) A prioritized list of actions necessary to improve the performance and, to the maximum extent practicable, eliminate deficiencies of project levees and other facilities of the State Plan of Flood Control.

(A) The reclamation board shall use the following criteria for establishing its priority list:

(i) The likelihood of failure by the levee or facility.

(ii) The current population protected by the levee or facility.

(iii) The public safety infrastructure protected by the levee or facility.

(B) The reclamation board shall consider both structural and nonstructural methods for improving the performance and eliminating deficiencies of project levees and other facilities of the State Plan of Flood Control. Wherever feasible, the reclamation board shall include actions intended to meet multiple objectives, including:

(i) Reduce the risk to human life, health, and safety from flooding.

(ii) Promote natural dynamic hydrologic and geomorphic processes.

(iii) Reduce damages from flooding.

(iv) Increase and improve the quantity, diversity, and connectivity of riparian, wetland, floodplain, and shaded riverine aquatic habitats, including agriculture and the ecological values of these lands.

(v) Minimize the flood management system operation and maintenance requirements.

(vi) Promote the recovery and stability of native species populations and overall biotic community diversity.

(b) The department shall assist the reclamation board in developing the necessary information for the report.

(c) The reclamation board shall conduct at least two public meetings to consider public comments prior to finalizing the report. The reclamation board shall publish the draft report on its Internet Web site at least 30 days before the public meetings. At least one meeting shall be conducted at a location in the Sacramento Valley and at least one meeting shall be conducted at a location in the San Joaquin Valley or the Delta. To the extent feasible, the reclamation board shall provide outreach to disadvantaged communities to promote access and participation in those meetings.

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(d) The reclamation board shall provide a report to the Governor and Legislature on its progress toward meeting the requirements of subdivision (a) no later than December 31, 2007.

82033. It is the intent of the People of California that the report developed pursuant to Section 82031 becomes the basis for developing and implementing one or more Natural Communities Conservation Plans or joint Natural Communities Conservation Plan/Habitat Conservation Plans for flood management projects.

82034. (a) Upon appropriation by the Legislature, the reclamation board or the department may expend funds for any project authorized by this article without the availability of federal cost sharing funds pursuant to a determination by the reclamation board that the project is urgently needed to protect public safety or public safety infrastructure.

(b) The reclamation board or the department, upon appropriation, may advance cost-shared funds to the federal government.

(c) The reclamation board or the department, upon appropriation, may expend funds for advance work by the reclamation board, the department, or local agencies under Section 104 of the federal Water Resources Development Act of 1986 (33 U.S.C. Sec. 2214), Section 215 of the federal Water Resources Development Act of 1968 (42 U.S.C. Sec. 1962d-5a), or similar federal authority, and for any feasibility studies or documents needed to secure federal authorization and reimbursement or crediting for eligible costs and to undertake flood control system improvements that the department or the board have determined require immediate attention.

82035. Upon appropriation by the Legislature, the Department of Fish and Game, the state board, and regional water quality control boards may expend funds for conducting and expediting any environmental reviews necessary for any activity funded by this article.

82036. (a) The reclamation board shall develop guidelines for matching funds pursuant to this division.

(b) The reclamation board may waive local matching requirements for projects funded under this article upon a finding that that the project is urgently needed to protect public safety or public safety infrastructure.

Article 2. Flood Control System Improvements

82040. (a) The sum of four hundred million dollars (\$400,000,000) shall be available for appropriation by the Legislature from the fund for improving or adding facilities to the State Plan of Flood Control to increase levels of flood protection for urban areas and

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for related habitat restoration, and prioritized needs established in the flood control system status report.

(b) The Legislature may enact such legislation as is necessary to implement this article.

82041. (a) Upon appropriation by the Legislature, the reclamation board or the department may expend funds authorized by this article for state financial participation in federal and state authorized flood control and ecosystem restoration projects, feasibility studies, and design of flood damage reduction and related ecosystem restoration projects.

(b) The following projects are eligible for funding under this article:

(1) Flood control improvements to Folsom Dam and for the authorized state cost share of a new bridge downstream from the dam.

(2) The American River Common Features Project.

(3) The South Sacramento County Streams Project.

(4) The Enhanced Flood Response and Emergency Preparedness Project that will enhance flood emergency response by using an improved hydraulic data network in the central valley.

(5) New high priority projects or improvements identified in the flood control system status report established pursuant to section 82031.

(c) The reclamation board or the department, upon appropriation, may advance cost-shared funds to the federal government.

(d) The reclamation board or the department, upon appropriation, may expend funds for any of the following purposes:

(1) For advance work under Section 104 of the federal Water Resources Development Act of 1986 (33 U.S.C. Sec. 2214), Section 215 of the federal Water Resources Development Act of 1968 (42 U.S.C. Sec. 1962d-5a), or any other similar federal authority, and for any feasibility studies or documents needed to secure federal authorization and reimbursement or credit for eligible costs.

(2) To undertake flood control system improvements identified in the flood control system status report established pursuant to section 82031.

82042. Upon appropriation by the Legislature, the Department of Fish and Game, the state board, and regional water quality control boards may expend funds for conducting and expediting any environmental reviews necessary for any activity funded by this article.

82043. The reclamation board shall develop guidelines for the requirements for matching funds pursuant to this division and Sections 12585.5 and 12585.7.

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Article 3. Delta Levee Subventions and Special Projects

82050. (a) The sum of four hundred million dollars (\$400,000,000) shall be available for appropriation by the Legislature from the fund to reduce the risk of catastrophic levee failure in the delta.(b) The Legislature may enact such legislation as is necessary to implement this article.

82051. Upon appropriation, the reclamation board or the department may expend funds authorized by this article for any of the following purposes:

(a) The sum of one hundred twenty million (\$120,000,000) for implementation and administration of the Delta Levees Maintenance Subventions Program, as described in Part 9 (commencing with Section 12980) of Division 6 as it may be amended by the legislature.

(b) The sum of two hundred eight million dollars (\$280,000,000) for implementation and administration of the Delta Special Flood Control Projects Program, as described in Chapter 2 (commencing with Section 12310) of Part 4.8 of Division 6 as it may be amended by the legislature.

82052. (a) Notwithstanding section 12986, funds appropriated pursuant to subsection (a) of section 82060 shall be used to reimburse eligible local agencies for costs incurred in any year for the maintenance or improvement of project or nonproject levees as follows:

(1) No costs incurred shall be reimbursed if the entire cost incurred per mile of project or nonproject levee is one thousand dollars (\$1,000) or less.

(2) Any costs incurred in excess of one thousand dollars (\$1,000) per mile of project or nonproject levee shall be reimbursed pursuant to paragraph (3).

(3) (A) As part of the project plans approved by the board, the department shall require the local agency or an independent financial consultant to provide information regarding the agency's ability to pay for the cost of levee maintenance or improvement. Based on that information, the department may require the local agency or an independent financial consultant to prepare a comprehensive study on the agency's ability to pay.

(B) The information or comprehensive study of the agency's ability to pay shall be the basis for determining the maximum allowable reimbursement eligible under this part.

(4) Reimbursements made to the local agency in excess of the maximum allowable reimbursement shall be returned to the department.

(5) The department may recover, retroactively, excess reimbursements paid to the local agency from any time after January 1, 1997, based on an updated study of the agency's ability to pay.

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(6) All final costs allocated or reimbursed under a plan shall be approved by the reclamation board for project and nonproject levee work.

(7) Costs incurred pursuant to this part that are eligible for reimbursement include construction costs and associated engineering services, financial or economic analyses, environmental costs, mitigation costs, and habitat improvement costs.

(b) The Legislature may amend this section upon the department completing and the authority adopting the “Delta Risk Management Strategy.”

82054. Upon appropriation by the Legislature, the reclamation board or the department may expend funds for advance work by reclamation districts under Section 104 of the federal Water Resources Development Act of 1986 (33 U.S.C. Sec. 2214), Section 215 of the federal Water Resources Development Act of 1968 (42 U.S.C. Sec. 1962d-5a), or similar federal authority for levee improvements in the delta, and for flood control system improvements that the reclamation board or the department has determined require immediate attention.

82055. Upon appropriation by the Legislature, the Department of Fish and Game, the state board, and regional water quality control boards may expend funds for conducting and expediting any environmental reviews necessary for any activity funded by this article.

Article 4. Flood Control Subventions Program

82060. The sum of five hundred million dollars (\$500,000,000) shall be available for appropriation by the Legislature from the fund to reimburse local governments for the state’s share of local flood control project costs.

82061. (a) Upon appropriation by the Legislature, the department may expend funds to provide payment for the state's share of the nonfederal costs of flood control and flood prevention projects adopted and authorized, as of January 1, 2006, under any of the following:

(1) The State Water Resources Law of 1945 (Chapter 1 (commencing with Section 12570) and Chapter 2 (commencing with Section 12639) of Part 6 of Division 6).

(2) The Flood Control Law of 1946 (Chapter 3 (commencing with Section 12800) of Part 6 of Division 6).

(3) The California Watershed Protection and Flood Prevention Law (Chapter 4 (commencing with Section 12850) of Part 6 of Division 6), including the credits and loans to local agencies pursuant to Sections 12585.3 and 12585.4, subdivision (d) of Section 12585.5, and Sections 12866.3 and 12866.4.

(4) Chapter 3.5 (commencing with Section 12840) of Part 6 of Division 6.

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(b) The funds shall be allocated only to projects that are not part of the State Plan of Flood Control.

Article 5. Floodplain Mapping Program

82070. (a) The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature from the fund to create and update maps that identify areas at risk of flooding.

(b) The Legislature may enact such legislation as is necessary to implement this article.

82071. Upon appropriation by the Legislature, the reclamation board or the department may expend funds authorized by this article for the following purposes:

(a) Expenditures by the department or advances to the federal government for the purpose of preparing and updating flood hazard maps, that comply with the standards of the National Flood Insurance Program, as amended, of lands adjacent to the Sacramento and San Joaquin Rivers and their tributaries that are historically subject to overflow.

(b) Expenditures by the department to provide community assistance for floodplain management activities and alluvial fan floodplain mapping in accordance with priorities established by the department in consultation with the Alluvial Fan Task Force.

(c) Expenditures by the reclamation board to prepare, update, and maintain maps for levee protection zones. The maps shall include, if available, flood depth contours determined by the board.

82072. The reclamation board and the department may expend funds authorized by this article to conduct all necessary activities supporting development of the flood hazard maps and levee protection zone maps, including but not limited to, hydrologic studies, hydraulic studies, surveys, geotechnical investigations, and engineering evaluations as needed.

Article 6. Floodway Corridor Program

82080. (a) The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature from the fund for the protection, creation, and enhancement of flood protection corridors.

(b) The Legislature may enact such legislation as is necessary to implement this article.

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82081. Upon appropriation by the Legislature, the reclamation board or the department may expend funds or award grants authorized by this article for all of the following actions:

(a) Acquiring easements and other interests in real property to protect or enhance flood protection corridors and floodplains while preserving or enhancing the agricultural use of the real property.

(b) Setting back existing flood control levees and, in conjunction with undertaking those setbacks, strengthening or modifying existing levees.

(c) Acquiring interests in real property located in a floodplain that cannot reasonably be made safe from future flooding.

(d) Acquiring easements and other interests in real property to protect or enhance flood protection corridors while preserving or enhancing the wildlife value of the real property.

82082. (a) The acquisition of easements shall be the preferred method of acquiring property interests unless the acquisition of a fee interest is required for management purposes or the landowner will only consider the sale of a fee interest in the land.

(b) In acquiring easements and other interests in real property, priority shall be given to willing sellers.

82083. All proceeds received from the disposal of a fee interest acquired under this article shall be deposited into the fund and shall be made available for purposes of this article.

82084. Upon appropriation by the Legislature, the Department of Fish and Game, the state board, and regional water quality control boards may expend funds for conducting and expediting any environmental reviews necessary for any activity funded by this article.

CHAPTER 4. INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM

82090. (a) The sum of five hundred million dollars (\$500,000,000) shall be available for appropriation by the Legislature from the fund for competitive grants to develop and implement integrated regional water management plans.

(b) The Legislature may enact such legislation as is necessary to implement this article.

82091. (a) Of the funds made available by Section 82090, not less than 40 percent shall be available for eligible projects in northern California and not less than 40 percent be available for eligible projects in southern California.

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(b) For the purposes of this section, "southern California" means the Counties of San Diego, Imperial, Riverside, Orange, Los Angeles, Santa Barbara, San Bernardino, and Ventura.

(c) For the purposes of this section, "northern California" means all California counties except those identified in subdivision (b).

82092. Upon appropriation by the Legislature, the department may expend funds authorized by this chapter for grants for water management projects that include one or more of the following elements:

- (a) Programs for water supply reliability, water conservation, and water use efficiency.
- (b) Storm water capture, storage, treatment, and management.
- (c) Removal of invasive non-native plants, the creation and enhancement of wetlands, and the acquisition, protection, or restoration of open space and watershed lands.
- (d) Non-point source pollution reduction, management, and monitoring.
- (e) Reservoir re-operation in conjunction with flood management.
- (f) Groundwater storage, recharge, or management projects.
- (g) Contaminant and salt removal through reclamation, desalting, or other treatment technologies.
- (h) Water banking, exchange, reclamation, or improvement of water quality.
- (i) Planning and implementation of multipurpose flood control programs that protect property; improve water quality, storm and floodwater capture and percolation; and protect or improve wildlife habitat.
- (j) Watershed management planning and implementation.
- (k) Demonstration projects to develop new drinking water treatment and distribution methods.
- (l) Ecosystem and fisheries restoration and protection.

82093. (a) To be eligible for financing under to this chapter, eligible projects must be consistent with an adopted integrated regional water management plan.

(b) For purposes of subdivision (a), the department shall establish guidelines for integrated regional water management plans in consultation with the state board, the authority, the Department of Fish and Game, and the Department of Health Services. At a minimum, these plans shall address the major water related objectives and conflicts of the watersheds in the region covered by the plan, including water supply, groundwater management, ecosystem restoration, and water quality elements, and may include other elements consistent with this chapter.

(c) It is the intent of the people of California that the department, in consultation with the state board, the authority, the Department of Fish and Game, and the Department of Health Services, revise and update the guidelines developed pursuant to subdivision (b) to reflect any amendments to the Integrated Regional Water Management Planning Act (Part 2.2 (commencing with Section 10530) of Division 6).

82094. (a) For the purposes of carrying out this chapter, department, the state board, the authority, the Department of Fish and Game, and the Department of Health Services shall jointly develop project solicitation and evaluation guidelines.

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(b) The guidelines shall include a description of the process by which department, in consultation with the state board, the authority, the Department of Fish and Game, and the Department of Health Services, shall evaluate grant proposals and make recommendations for approval or disapproval to the director.

82095. The following entities are eligible to receive a grant authorized by this chapter:

- (1) A public entity involved in water management, including cities, counties, cities and counties, districts, joint powers authorities, or other political subdivisions of the state.
- (2) An accredited public or private university or college.
- (3) A nonprofit organization.
- (4) An Indian tribe.
- (5) An incorporated mutual water company.
- (6) An investor-owned utility regulated by the Public Utilities Commission.
- (7) A state agency.

82096. In addition to the funds made available under Section 82080, the Legislature may appropriate funds from any of the following sources for purposes of implementing this chapter:

(a) Notwithstanding the Clean Water Bond Law of 1984, the 1984 State Clean Water Bond Fund.

(b) Notwithstanding the Safe Drinking Water Bond Law of 1984, the California Safe Drinking Water Fund.

(c) Notwithstanding the Safe Drinking Water Bond Law of 1986, the California Safe Drinking Water Fund.

(d) Notwithstanding the Water Conservation and Water Quality Bond Law of 1986, the 1996 Water Conservation and Water Quality Bond Fund

(e) Notwithstanding the California Safe Drinking Water Bond Law of 1988, the California Safe Drinking Water Fund.

(f) Notwithstanding the Clean Water and Water Reclamation Bond Law of 1988, the 1988 Clean Water and Water Reclamation Fund

(g) Notwithstanding the Water Conservation Bond Law of 1988, the 1988 Water Conservation Fund.

(g) Notwithstanding the Safe, Clean, Reliable Water Supply Act, the Safe, Clean, Reliable Water Supply Fund and any accounts therein.

(h) Notwithstanding the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund and any accounts therein.

CHAPTER 5. STATEWIDE WATER MANAGEMENT PROGRAM

82100. (a) The sum of one billion dollars (\$1,000,000,000) shall be available for appropriation by the Legislature for projects that improve water management statewide.

(b) The Legislature may enact such legislation as is necessary to implement this article.

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Article 1. Safe Drinking Water and Water Quality Protection

82101. (a) Upon appropriation of the Legislature, the sum of ten million dollars (\$10,000,000) shall be available to the Department of Health Services for grants and direct expenditures to fund emergency and urgent actions to ensure that safe drinking water supplies are available to all Californians. Eligible projects include, but are not limited to, the following:

- (1) Providing alternate water supplies including bottled water where necessary to protect public health.
- (2) Improvements in existing water systems necessary to prevent contamination or provide other sources of safe drinking water including replacement wells.
- (3) Establishing connections to an adjacent water system.
- (4) Design, purchase, installation and initial operation costs for water treatment equipment and systems.

(b) Grants and expenditures shall not exceed \$250,000 per project.

(c) Direct expenditures for the purposes of this section shall be exempt from contracting and procurement requirements to the extent necessary to take immediate action to protect public health and safety.

82102. (a) Upon appropriation of the Legislature, the sum of one hundred sixty five million dollars (\$150,000,000) shall be available to the Department of Health Services for grants for small community drinking water system infrastructure improvements and related actions to meet safe drinking water standards. The Department of Health Services shall give special consideration to small communities with limited financial resources.

(b) Eligible recipients include public agencies and incorporated mutual water companies that serve disadvantaged communities.

(c) The Department of Health Services may make grants for the purpose of financing feasibility studies and to meet the eligibility requirements for a construction grant.

(d) Construction grants shall be limited to \$5,000,000 per project and not more than twenty five percent of a grant may be awarded in advance of actual expenditures.

(e) The Department of Health Services may expend up to \$5,000,000 of the funds allocated in this section for technical assistance to eligible communities.

82103. Upon appropriation of the Legislature, the sum of fifty million dollars (\$50,000,000) shall be available for deposit into the Safe Drinking Water State Revolving Fund (Section 116760.30 of the Health and Safety Code) for the purpose of providing the state share needed to obtain federal funds to assist communities in providing safe drinking water.

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82104. Upon appropriation of the Legislature, the sum of eighty million dollars (\$80,000,000) shall be available for deposit into the State Water Pollution Control Revolving Fund (Section 13477 of the Water Code) for the purpose of providing the state share needed to obtain federal funds to assist communities in making those infrastructure investments necessary to prevent pollution of drinking water sources.

82105. Upon appropriation of the Legislature, the sum of sixty million dollars (\$60,000,000) shall be available to the Department of Health Services for the purpose of loans and grants for projects to prevent or reduce contamination of groundwater that serves as a source of drinking water. The Department of Health Services shall require repayment for costs that are subsequently recovered from parties responsible for the contamination.

Article 2. CalFed Bay-Delta Program

82106. (a) Upon appropriation of the Legislature, the sum of two hundred fifty million dollars (\$250,000,000) shall be available to support the CalFed Bay-Delta Program.

(b) Of the funds made available in subdivision (a) not more than twenty two million dollars (\$22,000,000) shall be available to support development of surface water storage. Funds made available under this subdivision may only be used for the following purposes:

(1) Completion of surface water storage planning, feasibility studies, and environmental documentation pursuant to the CALFED Bay-Delta Program.

(2) Preliminary engineering design of surface storage projects.

(3) Identification of storage project design options that can help protect and restore the environment.

(4) Evaluation of cost sharing for surface storage to support broad public benefits, federal interests in the project, and local public agency or private benefits through water supply or power generation.

Article 3. Ecosystem Restoration and Improvement

82102. Upon appropriation of the Legislature, the sum of four hundred million dollars (\$400,000,000) shall be available for resource stewardship and ecosystem restoration, including but not limited to any of the following:

(a) Restoration of the San Joaquin River system.

(b) Restoration of the Sacramento-San Joaquin Delta.

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- (c) Habitat conservation planning and implementation.
- (d) Conservation easements on agricultural land.
- (e) Restoration of the Salton Sea.
- (f) Other ecosystem restoration projects and programs.

CHAPTER 6. FISCAL PROVISIONS

82300. (a) Bonds in the total amount of three billion six hundred million dollars (\$3,600,000,000), not including the amount of any refunding bonds issued in accordance with Section 82309, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

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

82301. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division.

82302. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

82303. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

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

(b) The sum that is necessary to carry out the provisions of Section 82306, appropriated without regard to fiscal years.

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82304. The department may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, including other authorized forms of interim financing that include, but are not limited to, commercial paper, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this division. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division. The department shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the department in accordance with this division.

82305. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

82306. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this division. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

82307. All money deposited in the fund that is derived from premium and accrued interest on bonds sold pursuant to this division shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

82308. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionately by each program funded through this bond act.

82309. The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of

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Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this division shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds.

82310. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.