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Senate

2 of the 2009-2010 Seventh Extraordinary Session

This law proposed by ~~Assembly~~ Bill ~~2305~~ (Statutes of 2009, Ch. ~~51~~) is submitted to the people in accordance with the provisions of Article XVI of the California Constitution.

This proposed law adds sections to the ~~Military and Veterans~~ Water Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

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Senate Bill No. 2

CHAPTER 3

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

[Approved by Governor November 9, 2009. Filed with Secretary of State November 9, 2009.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2, Cogdill. Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

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

This bill would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would authorize the issuance of bonds in the amount of $11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program.

The bill would provide for the submission of the bond act to the voters at the November 2, 2010, statewide general election.

(2) This bill would take effect only if SB 1 of the 2009–10 7th Extraordinary Session is enacted and becomes effective.

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

The people of the State of California do enact as follows:

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

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

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CHAPTER 1. SHORT TITLE

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

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Chapter 2. Findings and Declarations

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

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

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

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

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

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

Chapter 3. Definitions

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

(a) "Bay Delta Conservation Plan" means the final plan prepared pursuant to the planning agreement regarding the Bay Delta Conservation Plan, dated October 6, 2006.

(b) "Bay-Delta Estuary" means the Delta, Suisun Bay, and Suisun Marsh.

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

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

(e) "Committee" means the Safe, Clean, and Reliable Drinking Water Supply Finance Committee created by Section 79812.

(f) "Delta" means the Sacramento-San Joaquin Delta, as defined in Section 12220.

(g) "Delta conveyance facilities" means facilities that convey water directly from the Sacramento River to the State Water Project or the federal Central Valley Project pumping facilities in the south Delta.

(h) "Delta counties" means the Counties of Solano, Yolo, Sacramento, Contra Costa, and San Joaquin.

(i) "Delta Plan" has the meaning set forth in Section 85059.

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

(k) "Director" means the Director of Water Resources.

(*l*) "Disadvantaged community" has the meaning set forth in subdivision (a) of Section 79505.5.

(m) "Economically distressed area" means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household

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income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the department:

(1) Financial hardship.

(2) Unemployment rate at least 2 percent higher than the statewide average.

(3) Low population density.

(n) "Fund" means the Safe, Clean, and Reliable Drinking Water Supply Fund of 2010 created by Section 79716.

(o) "Integrated regional water management plan" has the meaning set forth in Section 10534.

(p) "Nonprofit organization" means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.

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

(r) "Secretary" means the Secretary of the Natural Resources Agency.

(s) "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).

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Chapter 4. General Provisions

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

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

79707. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division other than Chapter 8 (commencing with Section 79740).

79708. (a) Prior to disbursing grants pursuant to this division, each state agency that is required to administer a competitive grant program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines may include a limitation on the dollar amount of grants to be awarded.

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(b) Prior to disbursing grants, the state agency shall conduct three public meetings to consider public comments prior to finalizing the guidelines. The 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, one meeting shall be conducted at a location in the central valley, and one meeting shall be conducted at a location in southern California. Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

79709. It is the intent of the people that the investment of public funds pursuant to this division will result in public benefits.

79710. The State Auditor shall annually conduct a programmatic review and an audit of expenditures from the fund. The State Auditor shall report its findings annually on or before March 1 to the Governor and the Legislature, and shall make the findings available to the public.

79711. Funds provided by this division shall not be expended to support or pay for the costs of environmental mitigation measures or compliance obligations of any party except as part of the environmental mitigation costs of projects financed by this division or for costs for groundwater cleanup pursuant to the requirements of Chapter 10 (commencing with Section 79770). Funds provided by this division may be used for environmental enhancements or other public benefits.

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

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

(b) For the purposes of this division, an area that utilizes water that has been diverted and conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or capable of being conveniently supplied with water therefrom by virtue or on account of the diversion and conveyance of that water through facilities that may be constructed for that purpose after January 1, 2010.

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

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

79714. Eligible applicants under this division are public agencies, nonprofit organizations, public utilities, and mutual water companies. To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system.

79715. The Legislature may enact legislation necessary to implement programs funded by this division, except as otherwise provided in Section 79749.5.

79716. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Safe, Clean, and Reliable Drinking Water Supply Fund of 2010, which is hereby created in the State Treasury.

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Chapter 5. Drought Relief

79720. The sum of four hundred fifty-five million dollars ($455,000,000) shall be available, upon appropriation by the Legislature from the fund, for the purposes of this chapter.

79720.1. (a) From the funds described in Section 79720, one hundred ninety million dollars ($190,000,000) shall be available, upon appropriation by the Legislature from the fund, for the planning, design, and construction of local and regional drought relief projects that reduce the impacts of drought conditions, including, but not limited to, the impacts of reductions in Delta diversions. Eligible projects include all of the following:

(1) Water conservation and efficiency projects, including installation of the most water efficient fixtures commercially available.

(2) Water recycling and related infrastructure.

(3) Groundwater cleanup.

(4) Local and regional conveyance projects that improve water supplies and public benefits associated with conveyance facilities.

(5) Other local and regional water supply reliability projects.

(6) Local and regional surface water storage projects that provide emergency water supplies and water supply reliability in drought conditions.

(b) Projects funded pursuant to this section shall meet both of the following requirements:

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

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

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

(d) Not more than 10 percent of the funds provided pursuant to this section shall be available for planning, investigations, studies, and monitoring.

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

(f) From the funds described in this section, the sum of one hundred million dollars ($100,000,000) shall be made available for local and regional water projects, including surface storage projects, that provide emergency water supplies and water supply reliability in drought conditions in San Diego County.

79720.2. From the funds described in Section 79720, the sum of ninety million dollars ($90,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants to disadvantaged communities and economically distressed areas experiencing economic impacts from drought for drought relief projects and programs.

79720.3. From the funds described in Section 79720, the sum of seventy-five million dollars ($75,000,000) shall be available, upon appropriation by the Legislature from the fund, to the State Water Resources Control Board for grants for small community wastewater treatment projects, to protect water quality, that meet all of the following criteria:

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

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

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

79720.4. (a) From the funds described in Section 79720, eighty million dollars ($80,000,000) shall be available for deposit into the Safe Drinking Water State Revolving Fund created pursuant to Section 116760.30 of the Health and Safety Code.

(b) From the funds described in this section, up to eight million dollars ($8,000,000) shall be made available for grants for projects within the City of Maywood that design and implement water supply infrastructure upgrades that provide for safe drinking water.

79720.6. From the funds described in Section 79720, the sum of twenty million dollars ($20,000,000) shall be available for water quality and public health projects on the New River.

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CHAPTER 6. WATER SUPPLY RELIABILITY

79721. The sum of one billion fifty million dollars ($1,050,000,000) shall be available, upon appropriation by the Legislature, from the fund to the department for competitive grants and expenditures in accordance with Section 79722.

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

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

(c) For the purposes of awarding a grant under this chapter, the department shall require a local cost share of not less than 50 percent of the total costs of the project. The department may waive or reduce the cost-sharing requirement for projects that directly benefit a disadvantaged community or an economically distressed area.

(d) Eligible projects are those included in adopted integrated regional water management plans consistent with Part 2.2 (commencing with Section 10530) of Division 6, including, but not limited to, local and regional surface water storage projects.

(e) The funding provided in Section 79721 shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County (designated as the San Diego subregion), the Santa Ana River watershed and southern Orange County (designated as the Santa Ana subregion), and the Los Angeles and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. For purposes of this subdivision, the Sacramento River hydrologic region does not include the Delta. For purposes of this subdivision, the Mountain Counties Overlay is not eligible for funds from the Sacramento River hydrologic region or the San Joaquin River hydrologic region. The department may recognize multiple integrated regional water management plans in each of the areas allocated funding. Funds made available by this chapter shall be allocated as follows:

(1) North Coast: $45,000,000.
(2) San Francisco Bay: $132,000,000.
(3) Central Coast: $58,000,000.
(4) Los Angeles subregion: $198,000,000.
(5) Santa Ana subregion: $128,000,000.
(6) San Diego subregion: $87,000,000.

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(7) Sacramento River: $76,000,000.
(8) San Joaquin River: $64,000,000.
(9) Tulare/Kern: $70,000,000.
(10) North/South Lahontan: $51,000,000.
(11) Colorado River Basin: $47,000,000.
(12) Mountain Counties Overlay: $44,000,000.
(13) Interregional: $50,000,000.

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

(1) Investing in new water technology development and deployment.
(2) Meeting state water recycling and water conservation goals.
(3) Adapting to climate change impacts.
(4) Reducing contributions to climate change.
(5) Other projects to improve statewide water management systems.
(6) Other projects and activities designed to meet the needs of disadvantaged communities or economically distressed areas including technical and grant writing assistance.

(g) Ten million dollars of the interregional funds shall be available for a grant to the University of California, Sierra Nevada Research Institute of the University of California, for the development and deployment of measurement infrastructure and related information technology to identify and analyze water supply impacts of climate change on the Sierra Nevada snow pack and runoff.

79722.5. Of the funds provided in Section 79721, not less than 10 percent shall be allocated to disadvantaged communities.

79723. (a) The sum of three hundred fifty million dollars ($350,000,000) shall be available, upon appropriation by the Legislature, from the fund to the department for grants and expenditures for the planning, design, and construction of local and regional conveyance projects that support regional and interregional connectivity and water management. Projects shall be consistent with an adopted integrated regional water management plan and shall provide one or more of the following benefits:

(1) Improvements in regional or interregional water supply and water supply reliability.
(2) Mitigation of conditions of groundwater overdraft, saline water intrusion, water quality degradation, or subsidence.
(3) Adaptation to the impacts of hydrologic changes.
(4) Improved water security from drought, natural disasters, or other events that could interrupt imported water supplies.
(5) Providing safe drinking water for disadvantaged communities and economically distressed areas.

(b) Not more than 10 percent of the funds provided by this section shall be available for planning, investigations, studies, and monitoring.

(c) The department shall require a cost share of not less than 50 percent of total project costs from nonstate sources. The department may waive or

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reduce the cost share requirement for projects that directly benefit disadvantaged communities or economically distressed areas.

Chapter 7. Delta Sustainability

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

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

79731. The sum of two billion two hundred fifty million dollars ($2,250,000,000) shall be available, upon appropriation from the fund, for grants and direct expenditures, as follows:

(a) (1) Seven hundred fifty million dollars ($750,000,000) for projects, including grants to Delta counties and cities within the Delta, that provide public benefits and support Delta sustainability options, including projects and supporting scientific studies and assessments that do any of the following:

(A) Ensure that urban and agricultural water supplies derived from the Delta, including water supplies used within the Delta, are not disrupted because of catastrophic failures of Delta levees resulting from earthquakes, floods, land sinking, rising ocean levels, or other forces.

(B) Assist in preserving economically viable and sustainable agriculture and other economic activities in the Delta.

(C) Improve the quality of drinking water derived from the Delta.

(D) Improve levee and flood control facilities and other vital infrastructure necessary to protect Delta communities affected by the implementation of this chapter.

(E) Provide physical improvements or other actions to create waterflow and water quality conditions within the Delta to provide adequate habitat for native fish and wildlife.

(F) Facilitate other projects that provide public benefits and support Delta sustainability options approved by the Legislature, including costs associated

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with planning, monitoring, and design of alternatives, and project modifications and adaptations necessary to achieve the goals of this chapter.

(G) Mitigate other impacts of water conveyance and ecosystem restoration.

(H) Provide or improve water quality facilities and other infrastructure.

(2) Of the funds provided in this subdivision, not less than fifty million dollars ($50,000,000) shall be available for matching grants for improvements to wastewater treatment facilities upstream of the Delta to improve Delta water quality.

(3) Of the funds provided in this subdivision, up to two hundred fifty million dollars ($250,000,000) may be expended in the Delta to provide assistance to local governments and the local agricultural economy due to loss of productive agricultural lands for habitat and ecosystem restoration within the Delta.

(b) One billion five hundred million dollars ($1,500,000,000) for projects to protect and enhance the sustainability of the Delta ecosystem, including any of the following:

(1) Projects for the development and implementation of the Bay Delta Conservation Plan, consistent with Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code. The projects shall be implemented through a cooperative effort among regulatory agencies, regulated and potentially regulated entities, and affected parties, including state and federal water contractors. These funds may be expended for the preparation of environmental documentation and environmental compliance.

(2) Other projects to protect and restore native fish and wildlife dependent on the Delta ecosystem, including the acquisition of water rights and the removal or reduction of undesirable invasive species.

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

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

(5) Scientific studies and assessments that support the projects authorized under this section.

(c) Funds provided by this chapter shall be available for appropriation to, among other entities, the Sacramento-San Joaquin Delta Conservancy for implementation consistent with the Delta Plan.

79732. (a) A project that receives funding pursuant to subdivision (a) of Section 79731 shall only be eligible for funding pursuant to other provisions of this division to the extent that the combined state funding pursuant to this division does not exceed 50 percent of the total project costs.

(b) The department shall determine what consitututes a project for the purposes of subdivision (a).

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CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL IMPROVEMENT

79740. (a) Notwithstanding Section 162, the commission may make the determinations, findings, and recommendations required of it by this chapter independent of the views of the director. All final actions by the commission in implementing this chapter shall be taken by a majority of the members of the commission at a public meeting noticed and held pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

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

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

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

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

(a) Surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, except for projects prohibited by Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code.

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

(c) Conjunctive use and reservoir reoperation projects.

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

79742. A project shall not be funded pursuant to this chapter unless it provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta.

79743. (a) Funds allocated pursuant to this chapter may be expended solely for the following public benefits associated with water storage projects:

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

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

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

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

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

(b) Funds shall not be expended pursuant to this chapter for the costs of environmental mitigation measures or compliance obligations except for those associated with providing the public benefits as described in Section 79743.

79744. In consultation with the Department of Fish and Game, the State Water Resources Control Board, and the department, the commission shall develop and adopt, by regulation, methods for quantification and management of public benefits described in Section 79743 by December 15, 2012. The regulations shall include the priorities and relative environmental value of ecosystem benefits as provided by the Department of Fish and Game and the priorities and relative environmental value of water quality benefits as provided by the State Water Resources Control Board.

79745. (a) Except as provided in subdivision (c), no funds allocated pursuant to this chapter may be allocated for a project before December 15, 2012, and until the commission approves the project based on the commission's determination that all of the following have occurred:

(1) The commission has adopted the regulations specified in Section 79744 and specifically quantified and made public the cost of the public benefits associated with the project.

(2) The department has entered into a contract with each party that will derive benefits, other than public benefits, as defined in Section 79743, from the project that ensures the party will pay its share of the total costs of the project. The benefits available to a party shall be consistent with that party's share of total project costs.

(3) The department has entered into a contract with each public agency identified in Section 79744 that administers the public benefits, after that agency makes a finding that the public benefits of the project for which that agency is responsible meet all the requirements of this chapter, to ensure that the public contribution of funds pursuant to this chapter achieves the public benefits identified for the project.

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

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

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(A) Feasibility studies have been completed.

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

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

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

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

79746. (a) The public benefit cost share of a project funded pursuant to this chapter, other than a project described in subdivision (c) of Section 79741, may not exceed 50 percent of the total costs of any project funded under this chapter.

(b) No project may be funded unless it provides ecosystem improvements as described in paragraph (1) of subdivision (a) of Section 79743 that are at least 50 percent of total public benefits of the project funded under this chapter.

79747. (a) A project is not eligible for funding under this chapter unless, by January 1, 2018, all of the following conditions are met:

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

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

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

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

79748. Surface storage projects funded pursuant to this chapter and described in subdivision (a) of Section 79741 may be made a unit of the Central Valley Project as provided in Section 11290 and may be financed, acquired, constructed, operated, and maintained pursuant to Part 3 (commencing with Section 11100) of Division 6.

79749. (a) The funds allocated for the design, acquisition, and construction of surface storage projects identified in the CALFED Bay-Delta Record of Decision, dated August 28, 2000, pursuant to this chapter may be provided for those purposes to local joint powers authorities formed by irrigation districts and other local water districts and local governments

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within the applicable hydrologic region to design, acquire, and construct those projects.

(b) The joint powers authorities described in subdivision (a) may include in their membership governmental and nongovernmental partners that are not located within their respective hydrologic regions in financing the surface storage projects, including, as appropriate, cost share participation or equity participation. The department shall be an ex-officio member of each joint powers authority subject to this section, but the department shall not control the governance, management, or operation of the surface water storage projects.

(c) A joint powers authority subject to this section shall own, govern, manage, and operate a surface water storage project, subject to the requirement that the ownership, governance, management, and operation of the surface water storage project shall advance the purposes set forth in this chapter.

79749.5. (a) In approving the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, the people were informed and hereby declare that the provisions of this chapter are necessary, integral, and essential to meeting the single object or work of the Safe, Clean, and Reliable Drinking Water Supply Act of 2010. As such, any amendment of the provisions of this chapter by the Legislature without voter approval would frustrate the scheme and design that induced voter approval of this act. The people therefore find and declare that any amendment of the provisions of this chapter by the Legislature shall require a vote of two-thirds of the membership in each house of the Legislature and voter approval.

(b) This section shall not govern or be used as authority for determining whether the amendment of any other provision of this act not contained in this chapter would constitute a substantial change in the scheme and design of this act requiring voter approval.

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Chapter 9. Conservation and Watershed Protection

79750. The sum of one billion seven hundred eighty-five million dollars ($1,785,000,000) shall be available, upon appropriation by the Legislature from the fund, in accordance with this chapter, for expenditures and grants for ecosystem and watershed protection and restoration projects, including, but not limited to, all of the following watersheds:

(a) The San Joaquin River watershed.
(b) The Kern River and Tulare Basin watersheds.
(c) The Salton Sea and Colorado River watersheds.
(d) The Los Angeles River watershed.
(e) The San Gabriel River watershed.
(f) The Santa Ana River watershed.
(g) The Klamath River watershed, including the Trinity, Scott, and Shasta Rivers and watersheds.
(h) The North Coast watersheds.

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(i) The San Francisco Bay watersheds.
(j) The Central Coast watersheds.
(k) The South Coast watersheds.
(*l*) The Lake Tahoe Basin watershed.
(m) The Sacramento River watershed, including the Yolo Bypass.
(n) The San Diego County coastal watersheds.
(o) The Ventura River watershed.
(p) The Sierra Nevada Mountain watersheds.
(q) The Mojave River watershed.
(r) The Owens River watershed.
(s) The Santa Monica Bay watershed.
(t) The watersheds of Marin County.
(u) The watersheds of Orange County.

79751. Funds provided under this chapter may be appropriated to the Natural Resources Agency, the Department of Fish and Game, the Wildlife Conservation Board, the California Conservation Corps, the Department of Conservation, the Department of Parks and Recreation, the Department of Forestry and Fire Protection, or to state conservancies for expenditures and grants consistent with this chapter and other applicable laws.

79752. (a) Funds provided for the Sacramento River and San Joaquin River watersheds under Section 79750 shall be available for projects consistent with the ecosystem restoration program element of the California Bay-Delta Program, or its successor, or the San Joaquin River Parkway Master Plan.

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

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

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

79754. For restoration and ecosystem protection projects under this chapter, the services of the California Conservation Corps or community conservation corps shall be used whenever feasible.

79755. (a) Of the funds provided in Section 79750, not less than two hundred fifty million dollars ($250,000,000) shall be available to the State Coastal Conservancy for projects within coastal counties and coastal watersheds. Of this amount, not less than forty million dollars ($40,000,000) shall be available for grants in San Diego County, including not less than twenty million dollars ($20,000,000) in grants to the San Diego River Conservancy, not less than forty million dollars ($40,000,000) shall be available for the Santa Ana River Parkway, and not less than twenty million

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dollars ($20,000,000) shall be available for grants for protection and restoration of the Bolsa Chica wetlands and adjacent uplands and for associated visitor and interpretive natural history or archeological facilities.

(b) Of the funds provided in Section 79750, not less than one hundred million dollars ($100,000,000) shall be available to the Wildlife Conservation Board for direct expenditures or grants for the acquisition of water rights from willing sellers and the conveyance of water for the benefit of migratory birds on wildlife refuges and wildlife habitat areas subject to Section 3406(d) of the federal Central Valley Project Improvement Act (Public Law 102-575), if the acquisition of water rights by the Wildlife Conservation Board is consistent with that federal act. All costs associated with the acquisition of water rights by the Wildlife Conservation Board for the purposes set forth under this section shall be paid out of the funds designated for the Wildlife Conservation Board.

(c) Of the funds provided in Section 79750, not less than two hundred fifteen million dollars ($215,000,000) shall be available to the Wildlife Conservation Board for direct expenditures or grants for the protection or restoration of watershed lands or rivers and streams that support species listed as threatened or endangered under state or federal law, consistent with the requirements of programs identified in Division 2 (commencing with Section 700) of the Fish and Game Code, and requirements to implement or develop a natural community conservation plan pursuant to Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code. Of the funds provided in this section, the sum of twenty-five million dollars ($25,000,000) shall be available to the San Joaquin River Conservancy for river parkway projects. Of the funds provided in this subdivision, not less than twenty million dollars ($20,000,000) shall be available for watershed protection projects that reduce the fragmentation of habitats by promoting the linkage of existing public lands in Ventura County. In order to ensure programmatic consistency with ongoing state conservancy programs, any project financed pursuant to this paragraph within the jurisdiction of any conservancy, shall be upon application of, and by grant to, that respective conservancy. The conservancy may apply on behalf of a local agency, and in that case, the board may make the grant award directly to that local agency.

(d) Of the funds provided in Section 79750, seventy-five million dollars ($75,000,000) shall be available to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for the purposes described in subdivision (d) of Section 79752.

(e) Of the funds provided in Section 79750, seventy-five million dollars ($75,000,000) shall be available to the Santa Monica Mountains Conservancy for implementation of watershed protection activities throughout the watershed of the upper Los Angeles River.

(f) Of the funds provided in Section 79750, twenty million dollars ($20,000,000) shall be available to the Baldwin Hills Conservancy.

(g) Of the funds provided in Section 79750, twenty-five million dollars ($25,000,000) shall be available for Santa Monica Bay watershed projects

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pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code.

(h) Of the funds provided in Section 79750, fifty million dollars ($50,000,000) shall be available to the State Coastal Conservancy for coastal salmonid restoration projects.

(i) Of the funds provided in Section 79750, one hundred million dollars ($100,000,000) shall be available to the Lake Tahoe Conservancy for the Lake Tahoe Environmental Improvement Program as described in subdivision (c) of Section 79752.

(j) Of the funds provided in Section 79750, twenty million dollars ($20,000,000) shall be available to the Department of Conservation for the California Farmland Conservancy Program Act (Division 10.2 (commencing with Section 10200) of the Public Resources Code). Up to five million dollars ($5,000,000) may be used for the Department of Conservation Watershed Coordinator Grant Program.

(k) Of the funds provided in Section 79750, fifty million dollars ($50,000,000) shall be available to the secretary for projects in accordance with the California River Parkways Act of 2004 (Chapter 3.8 (commencing with Section 5750) of Division 5 of the Public Resources Code). Up to twenty million dollars ($20,000,000) may be transferred to the department for the Urban Streams Restoration Program pursuant to Section 7048 of the Water Code.

(*l*) Of the funds provided in Section 79750, not less than seventy-five million dollars ($75,000,000) shall be available to the Sierra Nevada Conservancy for grants, loans, direct expenditures, and other purposes and projects consistent with the mission and laws governing the conservancy, including, but not limited to, physical projects, projects for the provision of public access, educational and interpretive activities, projects to improve community sustainability and institutional infrastructure, planning, including collaborative public processes, monitoring, and research activities.

(m) Of the funds provided in Section 79750, one hundred million dollars ($100,000,000) shall be available for Salton Sea restoration pursuant to subdivision (b) of Section 79752.

(n) Of the funds provided in Section 79750, ten million dollars ($10,000,000) shall be available to the Natural Resources Agency for planning for natural resources and watershed protections to address climate change impacts and adaptation.

(o) Of the funds provided in Section 79750, thirty million dollars ($30,000,000) shall be available to the Department of Parks and Recreation for grants for watershed education facilities. Of this amount, twenty million dollars ($20,000,000) shall be available for capital improvements to watershed education centers that serve an urban area with a population of over one million.

(p) Of the funds provided in Section 79750, ten million dollars ($10,000,000) shall be deposited in the California Waterfowl Habitat Preservation Account for the purposes of implementing the California Waterfowl Habitat Program described in Article 7 (commencing with Section

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3460) of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code, the California Landowner Incentive Program, and the Permanent Wetland Easement Program.

79756. (a) One hundred million dollars ($100,000,000) of the funds provided pursuant to Section 79750 shall be allocated to the Department of Forestry and Fire Protection for direct expenditures or grants for fuel treatment and forest restoration projects to protect watersheds tributary to dams or reservoirs from the adverse impacts of fire and erosion, to promote forest health in those watersheds, to protect life and property, to provide for climate change adaptation, and reduce total wildfire costs and losses. Funds shall be available in accordance with the following requirements:

(1) Sixty-seven million dollars ($67,000,000) shall be available to the Department of Forestry and Fire Protection to provide technical assistance for project development and implementation and to fund grants to public agencies and nonprofit organizations for the purpose of fuel treatment projects that will reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health.

(2) Twenty-five million dollars ($25,000,000) shall be available to the Department of Forestry and Fire Protection to provide technical assistance for project development and implementation, and for grants and loans for fuel treatment and reforestation projects to eligible landowners as defined in subdivision (b) of Section 4793 of the Public Resources Code and consistent with the provisions of the California Forest Improvement Act of 1978.

(3) The sum of eight million dollars ($8,000,000) shall be available to do all of the following:

(A) Reimburse incremental costs to the Department of Forestry and Fire Protection resulting from implementation of fuel reduction projects consistent with the provisions of the Vegetation Management Program established under Article 2 (commencing with Section 4475) of Chapter 7 of Part 2 of Division 4 of the Public Resources Code. These projects shall include three or more pilot projects to utilize the fuels removed for energy production or other wood product uses.

(B) Reimburse costs of conservation camp crews used to conduct fuel reduction activities, and costs to the Department of Forestry and Fire Protection for conducting prefire management projects consistent with the 1996 California Fire Plan or its successor plan.

(b) Funding criteria and projects shall demonstrate the linkage between the project and the protection of watershed health, protection of watershed storage capacity, maintenance or enhancement of forest health, protection of life and property, and greenhouse gas reduction.

79757. Of the funds provided in Section 79750, not more than two hundred fifty million dollars ($250,000,000) shall be available for dam removal and related measures in the Klamath River watershed if the secretary finds that all of the following conditions have been met:

(a) The State of California, the State of Oregon, the United States, and PacifiCorp have executed a dam removal agreement.

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(b) The State of California, the State of Oregon, and the United States have made the determinations required under the agreement to effect dam removal.

(c) Ratepayer funds required by the agreement have been authorized and will be timely provided.

(d) All other conditions required in the agreement have been met.

79758. Of the funds provided in Section 79750, not less than twenty million dollars ($20,000,000) shall be allocated to Siskiyou County for the purpose of economic development as defined in Section 13997.2 of the Government Code.

79759. Of the funds provided in Section 79750, the sum of fifty million dollars ($50,000,000) shall be available, upon appropriation by the Legislature from the fund, to the California State University for the purposes of funding agricultural water supply, water use, efficiency, water quality, and related research and education efforts in accordance with the California State University Water Resources and Policy Initiatives.

79759.5. Of the funds provided in Section 79750, the sum of fifty million dollars ($50,000,000) shall be available to the State Coastal Conservancy for projects that meet the requirements of the California Ocean Protection Act (Division 26.5 (commencing with Section 35500) of the Public Resources Code).

79760. Of the funds provided in Section 79750, sixty million dollars ($60,000,000) shall be available to the Natural Resources Agency for projects authorized under Section 3406 (b) (10) of the Central Valley Project Improvement Act that improve salmonid fish passage in the Sacramento River watershed.

79760.5. Of the funds provided in Section 79750, fifty million dollars ($50,000,000) shall be available, upon appropriation by the Legislature from the fund, to the Wildlife Conservation Board to capitalize an advanced public infrastructure revolving fund mitigation program, to be established by statute, designed to improve the environmental effectiveness and efficiency of infrastructure mitigation. These funds shall not be used to subsidize or decrease the mitigation obligations of any party.

79761. For the purposes of this chapter, the terms "restoration" and "protection" have the meanings set forth in Section 75005 of the Public Resources Code.

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Chapter 10. Groundwater Protection and Water Quality

79770. (a) The sum of one billion dollars ($1,000,000,000) shall be available, upon appropriation by the Legislature from the fund, for expenditures, grants, and loans for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water. Projects shall be consistent with an adopted integrated regional water management plan. Funds appropriated pursuant to this section shall be available to the State Department of Public Health for projects necessary

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to protect public health by preventing or reducing the contamination of groundwater that serves as a major source of drinking water for a community.

(b) Projects shall be prioritized based upon the following criteria:

(1) The threat posed by groundwater contamination to the affected community's overall drinking water supplies, including the need for treatment of alternative supplies if groundwater is not available due to contamination.

(2) The potential for groundwater contamination to spread and reduce drinking water supply and water storage for nearby population areas.

(3) The potential of the project, if fully implemented, to enhance local water supply reliability.

(4) The potential of the project to increase opportunities for groundwater recharge and optimization of groundwater supplies.

(c) The State Department of Public Health shall give additional consideration to projects that meet any of the following criteria:

(1) The project is implemented pursuant to a comprehensive basinwide groundwater quality management and remediation plan or is necessary to develop a comprehensive groundwater plan.

(2) Affected groundwater provides a local supply that, if contaminated and not remediated, will require import of additional water from outside the region.

(3) The project will serve an economically disadvantaged community or an economically distressed area.

(4) The project addresses contamination at a site where the responsible parties have not been identified, or where the responsible parties are unwilling or unable to pay for cleanup.

(d) Of the amount made available by this section, not less than one hundred million dollars ($100,000,000) shall be available for projects that meet the requirements of this section and both of the following criteria:

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

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

(e) Of the amount made available by this section, one hundred million dollars ($100,000,000) shall be available to the State Department of Public Health for grants and direct expenditures to finance emergency and urgent actions in accordance with this section on behalf of disadvantaged communities and economically distressed areas to ensure that safe drinking water supplies are available to all Californians.

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

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

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

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CHAPTER 11. WATER RECYCLING PROGRAM

79780. The sum of one billion dollars ($1,000,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants and loans for water recycling and advanced treatment technology projects, including all of the following:

(a) Water recycling projects.

(b) Contaminant and salt removal projects, including groundwater and seawater desalination.

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

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

(e) Groundwater recharge infrastructure related to recycled water.

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

79781. Of the funds made available in Section 79780, not less than fifty million dollars ($50,000,000) shall be available for projects that are designed to help restore lost water supply reliability in areas with widespread groundwater contamination in locations that contain sites that are listed by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code or a site listed on the National Priorities List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) and for which federal funds have been allocated pursuant to Public Law 106-554.

79782. For projects funded pursuant to the funds made available pursuant to Section 79780, at least a 50-percent local cost share shall be required. That cost share may be suspended or reduced for disadvantaged communities and economically distressed areas.

79783. Projects funded pursuant to the funds made available pursuant to Section 79780 shall be selected on a competitive basis, considering all of the following criteria:

(a) Water supply reliability improvement.

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

(c) Public health benefits from improved drinking water quality.

(d) Cost effectiveness.

(e) Energy efficiency and greenhouse gas emission impacts.

79784. (a) (1) The sum of two hundred fifty million dollars ($250,000,000) shall be available, upon appropriation by the Legislature from the fund, for direct expenditures, grants, and loans for water conservation and water use efficiency plans, projects, and programs, including any of the following:

(A) Urban water conservation plans, projects, and programs, including regional projects and programs, implemented to achieve urban water use targets pursuant to Chapter 3 (commencing with Section 10608.16) of Part

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2.55 of Division 6. Priority for funding shall be given to programs that do the following:

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

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

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

(B) Agricultural water use efficiency projects and programs pursuant to Part 2.8 (commencing with Section 10800) of Division 6.

(C) Agricultural water management plans developed pursuant to Part 2.8 (commencing with Section 10800) of Division 6.

(2) The department shall award grants or loans under this chapter in a competitive process that considers, as primary factors, the local and statewide conservation and water use efficiency benefits of the measures proposed for grants.

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

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Chapter 12. Fiscal Provisions

79810. (a) Bonds in the total amount of eleven billion one hundred forty million dollars ($11,140,000,000), not including the amount of any refunding bonds issued in accordance with Section 79822, 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 the 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.

79811. 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, except Section 16727 of the Government Code shall

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not apply to the extent that it is inconsistent with any other provision of this division.

79812. (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 Safe, Clean, and Reliable Drinking Water Finance Committee is hereby created. For purposes of this division, the Safe, Clean, and Reliable Drinking Water Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, the Controller, the Director of Water Resources, and the Secretary of the Natural 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.

79813. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division 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.

79814. "Board," as defined in Section 16722 of the Government Code for the purposes of compliance with the State General Obligation Bond Law, means the department.

79815. 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.

79816. 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 79819, appropriated without regard to fiscal years.

79817. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account 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 board shall execute those documents required by the Pooled Money Investment Board to obtain

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

79818. 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.

79819. 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.

79820. All money deposited in the fund that is derived from premiums 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.

79821. 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 division.

79822. 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 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.

79823. The proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

79824. Of the eleven billion one hundred forty million dollars ($11,140,000,000) in bonds authorized in this division, no more than five billion five hundred seventy million dollars ($5,570,000,000) shall be sold by the Treasurer before July 1, 2015.

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SEC. 2. Section 1 of this act shall be submitted to the voters at the November 2, 2010, statewide general election in accordance with provisions of the Government Code and the Elections Code governing the submission of a statewide measure to the voters.

SEC. 3. (a) Section 1 of this act shall take effect only upon the approval by the voters of the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, as set forth in that section at the November 2, 2010, statewide general election.

(b) (1) Notwithstanding Section 9051 of the Elections Code or any other provision of law, the Attorney General shall provide and return to the Secretary of State a ballot title and summary in 10-point type for all state ballot pamphlets of the November 2, 2010, statewide general election that contains the following title and summary for Senate Bill 2, adopted by the Legislature at the 2009–10 Seventh Extraordinary Session:

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

"To protect water quality and ensure safe, clean drinking water; meet the water supply needs of California residents, farms, businesses, expand water conservation and recycling; restore fish and wildlife habitat; reduce polluted runoff that contaminates rivers, streams, beaches, and bays; and protect the safety of water supplies threatened by earthquakes and other natural disasters; the State of California shall issue bonds totaling eleven billion one hundred forty million dollars ($11,140,000,000) paid from existing state funds subject to independent, annual audits, and citizen oversight."

(2) The language in paragraph (1) shall be the only language included in the title and summary for Senate Bill 2, adopted by the Legislature at the 2009–10 Seventh Extraordinary Session, and the Attorney General shall not supplement, subtract from, or revise that language.

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

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

(d) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choices by means thereof are in compliance with this section.

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SEC. 4. This act shall take effect only if Senate Bill 1 of the 2009–10 Seventh Extraordinary Session is enacted and becomes effective.

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

In order to fund a safe, clean, and reliable water supply at the earliest possible date, it is necessary that this act take effect immediately.

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