

**ASSEMBLY BILL**

**No. 14**

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**Introduced by Assembly Member Caballero**

October 30, 2009

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An act to add Division 26.7 (commencing with Section 79700) to the Water Code, relating to financing 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, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 14, as introduced, Caballero. Safe, Clean, and Reliable Drinking Water Supply Act of 2010: flood protection.

(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 \$10,990,000,000 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) Existing law makes \$3,000,000,000 available to the Department of Water Resources, upon appropriation, for various purposes including reducing the risk of levee failure in the Sacramento-San Joaquin Delta.

The bill would appropriate \$200,000,000 of these funds for flood protection projects in the Sacramento-San Joaquin Delta.

(3) The bill would take effect only if SB \_\_\_\_ of the 2009–10 7th Extraordinary Session of the Legislature is enacted and becomes effective.

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

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

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

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

3  
4 DIVISION 26.7. THE SAFE, CLEAN, AND RELIABLE  
5 DRINKING WATER SUPPLY ACT OF 2010

6  
7 CHAPTER 1. SHORT TITLE

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9 79700. This division shall be known, and may be cited, as the  
10 Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

11  
12 CHAPTER 2. FINDINGS AND DECLARATIONS

13  
14 79701. The people of California find and declare all of the  
15 following:

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

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

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

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

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

5  
6 CHAPTER 3. DEFINITIONS  
7

8 79702. Unless the context otherwise requires, the definitions  
9 set forth in this section govern the construction of this division, as  
10 follows:

11 (a) “Bay Delta Conservation Plan” means the final plan prepared  
12 pursuant to the planning agreement regarding the Bay Delta  
13 Conservation Plan, dated October 6, 2006.

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

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

18 (d) “Commission” means the California Water Commission.

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

21 (f) “Delta” means the Sacramento-San Joaquin Delta, as defined  
22 in Section 12220.

23 (g) “Delta conveyance facilities” means facilities that convey  
24 water directly from the Sacramento River to the State Water Project  
25 or the federal Central Valley Project pumping facilities in the south  
26 Delta.

27 (h) “Delta counties” means the Counties of Solano, Yolo,  
28 Sacramento, Contra Costa, and San Joaquin.

29 (i) “Delta Plan” has the meaning set forth in Section 85059.

30 (j) “Department” means the Department of Water Resources.

31 (k) “Director” means the Director of Water Resources.

32 (l) “Disadvantaged community” has the meaning set forth in  
33 subdivision (a) of Section 79505.5.

34 (m) “Fund” means the Safe, Clean, and Reliable Drinking Water  
35 Supply Fund of 2010 created by Section 79716.

36 (n) “Integrated regional water management plan” has the  
37 meaning set forth in Section 10534.

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

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

4 (q) “Secretary” means the Secretary of the Natural Resources  
5 Agency.

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

10

11 CHAPTER 4. GENERAL PROVISIONS

12

13 79705. An amount that equals not more than 5 percent of the  
14 funds allocated for a grant program pursuant to this division may  
15 be used to pay the administrative costs of that program.

16 79706. Up to 10 percent of funds allocated for each program  
17 funded by this division may be expended for planning and  
18 monitoring necessary for the successful design, selection, and  
19 implementation of the projects authorized under that program.  
20 This section shall not otherwise restrict funds ordinarily used by  
21 an agency for “preliminary plans,” “working drawings,” and  
22 “construction” as defined in the annual Budget Act for a capital  
23 outlay project or grant project. Water quality monitoring shall be  
24 integrated into the surface water ambient monitoring program  
25 administered by the State Water Resources Control Board.

26 79707. Chapter 3.5 (commencing with Section 11340) of Part  
27 1 of Division 3 of Title 2 of the Government Code does not apply  
28 to the development or implementation of programs or projects  
29 authorized or funded under this division other than Chapter 8  
30 (commencing with Section 79750).

31 79708. (a) Prior to disbursing grants pursuant to this division,  
32 each state agency that is required to administer a competitive grant  
33 program under this division shall develop and adopt project  
34 solicitation and evaluation guidelines. The guidelines may include  
35 a limitation on the dollar amount of grants to be awarded.

36 (b) Prior to disbursing grants, the state agency shall conduct  
37 three public meetings to consider public comments prior to  
38 finalizing the guidelines. The state agency shall publish the draft  
39 solicitation and evaluation guidelines on its Internet Web site at  
40 least 30 days before the public meetings. One meeting shall be

1 conducted at a location in northern California, one meeting shall  
2 be conducted at a location in the central valley, and one meeting  
3 shall be conducted at a location in southern California. Upon  
4 adoption, the state agency shall transmit copies of the guidelines  
5 to the fiscal committees and the appropriate policy committees of  
6 the Legislature.

7 79709. It is the intent of the people that the investment of public  
8 funds pursuant to this division will result in public benefits.

9 79710. The State Auditor shall annually conduct a  
10 programmatic review and an audit of expenditures from the fund.  
11 The State Auditor shall report its findings annually on or before  
12 March 1 to the Governor and the Legislature, and shall make the  
13 findings available to the public.

14 79711. Funds provided by this division shall not be expended  
15 to support or pay for the costs of environmental mitigation  
16 measures or compliance obligations of any party except as part of  
17 the environmental mitigation costs of projects financed by this  
18 division, or for costs for groundwater cleanup pursuant to the  
19 requirements of Section 79730. Funds provided by this division  
20 may be used for environmental enhancements or other public  
21 benefits.

22 79712. Funds provided by this division shall not be expended  
23 to pay the costs of the design, construction, operation, or  
24 maintenance of Delta conveyance facilities. Those costs shall be  
25 the responsibility of the water agencies that benefit from the design,  
26 construction, operation, or maintenance of those facilities.

27 79713. This division does not limit or otherwise affect the  
28 application of Sections 10505, 10505.5, 11128, 11460, 11461,  
29 11462, and 11463 and Sections 12200 to 12220, inclusive.  
30 However, those sections do not create any right, in areas outside  
31 of the Sacramento River hydrologic region, to water originating  
32 within the Sacramento River hydrologic region as a result of  
33 facilities constructed with the proceeds of bonds issued and sold  
34 pursuant to this division.

35 79714. Eligible applicants under this division are public  
36 agencies, nonprofit organizations, public utilities, and mutual water  
37 companies. To be eligible for funding under this division, a project  
38 proposed by a public utility that is regulated by the Public Utilities  
39 Commission or a mutual water company shall have a clear and

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

3 79715. The Legislature may enact legislation necessary to  
4 implement programs funded by this division.

5 79716. The proceeds of bonds issued and sold pursuant to this  
6 division shall be deposited in the Safe, Clean, and Reliable  
7 Drinking Water Supply Fund of 2010, which is hereby created in  
8 the State Treasury.

9

10 CHAPTER 5. DROUGHT RELIEF

11

12 79720. (a) The sum of two hundred million dollars  
13 (\$200,000,000) shall be available, upon appropriation by the  
14 Legislature from the fund, for the planning, design, and  
15 construction of local and regional drought relief projects that reduce  
16 the impacts of drought conditions, including, but not limited to,  
17 the impacts of reductions in Delta diversions. Eligible projects  
18 include all of the following:

19 (1) Water conservation and efficiency projects, including  
20 installation of water efficiency fixtures.

21 (2) Water recycling and related infrastructure.

22 (3) Groundwater cleanup.

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

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

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

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

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

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

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

39 (e) The department shall require a cost share of not less than 50  
40 percent of total project costs from nonstate sources. The department

1 may waive or reduce the cost-sharing requirement for projects that  
2 directly benefit disadvantaged communities.

3 79721. (a) The sum of one hundred million dollars  
4 (\$100,000,000) shall be available, upon appropriation by the  
5 Legislature from the fund, to the State Department of Public Health  
6 for grants and direct expenditures to finance emergency and urgent  
7 actions in accordance with this section on behalf of disadvantaged  
8 communities to ensure that safe drinking water supplies are  
9 available to all Californians.

10 (b) Of the funds provided in this section, up to eight million  
11 dollars (\$8,000,000) shall be made available to the City of  
12 Maywood for grants for projects that design and implement water  
13 supply infrastructure upgrades that provide for safe drinking water.

14 79722. The sum of two hundred million dollars (\$200,000,000)  
15 shall be available, upon appropriation by the Legislature from the  
16 fund, for deposit by the Legislature into the Safe Drinking Water  
17 State Revolving Fund created pursuant to Section 116760.30 of  
18 the Health and Safety Code.

19

20 CHAPTER 6. REGIONAL WATER SUPPLY RELIABILITY

21

22 79725. The sum of three billion three hundred forty million  
23 dollars (\$3,340,000,000) shall be available, upon appropriation by  
24 the Legislature from the fund, for the purposes of this chapter.

25 79726. From the funds described in Section 79725, the sum of  
26 two billion dollars (\$2,000,000,000) shall be available, upon  
27 appropriation by the Legislature from the fund, to the department  
28 for competitive grants and expenditures for all of the following  
29 purposes:

30 (a) Groundwater cleanup pursuant to Section 79729 and  
31 groundwater storage.

32 (b) Water recycling and advanced water treatment technology  
33 projects pursuant to Section 79730.

34 (c) Local and regional water conveyance and storage projects  
35 pursuant to Section 79731.

36 (d) Stormwater capture and management pursuant to Part 2.3  
37 (commencing with Section 10560) of Division 6.

38 79727. (a) For the purposes of awards made from the funds  
39 made available by Section 79726, except as provided in subdivision

1 (e), the department shall award grants only to eligible projects that  
2 implement an adopted integrated regional water management plan.

3 (b) An urban water supplier that does not prepare, adopt, and  
4 submit its urban water management plan in accordance with the  
5 Urban Water Management Planning Act (Part 2.6 (commencing  
6 with Section 10610) of Division 6) is ineligible to receive funds  
7 made available pursuant to Section 79726 until the urban water  
8 management plan is prepared and submitted in accordance with  
9 the requirements of that act.

10 (c) For the purposes of awarding a grant under Section 79726,  
11 the department shall require a cost share of not less than 50 percent  
12 of the total costs of the project from nonstate sources. The  
13 department may waive or reduce the cost-sharing requirement for  
14 projects that directly benefit a disadvantaged community.

15 (d) The funding provided in Section 79726 shall be allocated  
16 to each hydrologic region as identified in the California Water  
17 Plan in accordance with this subdivision. For the South Coast  
18 hydrologic region, the department shall establish three funding  
19 areas that reflect the watersheds of San Diego County (designated  
20 as the San Diego subregion), the Santa Ana River watershed and  
21 southern Orange County (designated as the Santa Ana subregion),  
22 and the Los Angeles County and Ventura County watersheds  
23 (designated as the Los Angeles subregion), and shall allocate funds  
24 to those areas in accordance with this subdivision. The North and  
25 South Lahontan hydrologic regions shall be treated as one area for  
26 the purpose of allocating funds. The department may recognize  
27 multiple integrated regional water management plans in each of  
28 the areas allocated funding. Funds made available by Section 79726  
29 shall be allocated as follows:

- 30 (1) North Coast: \$55,000,000.
- 31 (2) San Francisco Bay: \$301,000,000.
- 32 (3) Central Coast: \$91,000,000.
- 33 (4) Los Angeles subregion: \$488,000,000.
- 34 (5) Santa Ana subregion: \$242,000,000.
- 35 (6) San Diego subregion: \$186,000,000.
- 36 (7) Sacramento River: \$142,000,000.
- 37 (8) San Joaquin River: \$102,000,000.
- 38 (9) Tulare/Kern: \$110,000,000.
- 39 (10) North/South Lahontan: \$30,000,000.
- 40 (11) Colorado River Basin: \$53,000,000.

1 (12) Interregional: \$200,000,000.

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

5 (1) Investing in new water technology development and  
6 deployment.

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

8 (3) Adapting to climate change impacts.

9 (4) Reducing contributions to climate change.

10 (5) Other projects to improve statewide water management  
11 systems.

12 (6) Other projects and activities designed to meet the needs of  
13 disadvantaged communities, including technical and grant writing  
14 assistance.

15 79728. Of the funds provided in Section 79726, not less than  
16 10 percent shall be allocated to disadvantaged communities.

17 79729. (a) Of the funds provided in Section 79726, funds shall  
18 be available for projects to prevent or reduce the contamination  
19 of groundwater that serves as a source of drinking water to protect  
20 public health.

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

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

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

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

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

33 (c) The department shall give additional consideration to projects  
34 that meet any of the following criteria:

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

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

1 (3) The project will serve a disadvantaged community.

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

5 (d) Additional funds shall be available for projects that meet  
6 the requirements of this section and both of the following criteria:

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

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

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

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

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

23 79730. (a) Of the funds provided in Section 79726, funds shall  
24 be available for water recycling and advanced treatment technology  
25 projects that include the following:

26 (1) Water recycling projects.

27 (2) Contaminant and salt removal projects, including  
28 groundwater and seawater desalination.

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

32 (4) Pilot projects for new salt and contaminant removal  
33 technology.

34 (5) Groundwater recharge infrastructure related to recycled  
35 water.

36 (6) Technical assistance and grant writing assistance for  
37 disadvantaged communities.

38 (b) Projects shall be selected on a competitive basis, considering  
39 all of the following criteria:

40 (1) Water supply reliability improvement.

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

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

4 (4) Cost-effectiveness.

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

6 79731. (a) Of the funds provided in Section 79726, funds shall  
7 be available for the planning, design, and construction of local and  
8 regional conveyance projects that support regional and interregional  
9 connectivity and water management. Projects shall provide one or  
10 more of the following benefits:

11 (1) Improvements in regional or interregional water supply and  
12 water supply reliability.

13 (2) Mitigation of conditions of groundwater overdraft, saline  
14 water intrusion, water quality degradation, or subsidence.

15 (3) Adaptation to the impacts of hydrologic changes.

16 (4) Improved water security from drought, natural disasters, or  
17 other events that could interrupt imported water supplies.

18 (5) Providing safe drinking water for disadvantaged  
19 communities.

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

23 79732. From the funds described in Section 79725, the sum of  
24 one hundred million dollars (\$100,000,000) shall be available to  
25 the State Water Resources Control Board for grants for small  
26 community wastewater treatment projects to protect water quality  
27 that meet all of the following criteria:

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

33 (b) The project will serve a community with a population of  
34 20,000 or less.

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

38 79733. From the funds described in Section 79725, the sum of  
39 forty million dollars (\$40,000,000) shall be available for water  
40 quality and public health projects on the New River.

1 79734. From the funds described in Section 79725, the sum of  
 2 five hundred million dollars (\$500,000,000) shall be available,  
 3 upon appropriation by the Legislature from the fund, for grants  
 4 for projects to prevent or reduce the contamination of groundwater  
 5 that serves as a source of drinking water that meet the requirements  
 6 of Section 79729. Grants shall be available through a statewide  
 7 competitive process.

8 79735. From the funds described in Section 79725, the sum of  
 9 five hundred million dollars (\$500,000,000) shall be available,  
 10 upon appropriation by the Legislature from the fund, for grants  
 11 for water recycling and advanced treatment technology projects  
 12 that meet the requirements of Section 79730. Grants shall be  
 13 available through a statewide competitive process.

14 79736. (a) (1) From the funds described in Section 79725,  
 15 the sum of two hundred million dollars (\$200,000,000) shall be  
 16 available, upon appropriation by the Legislature from the fund,  
 17 for grants for direct expenditures, grants, and loans for water  
 18 conservation and water use efficiency projects and programs,  
 19 including any of the following:

20 (A) Urban water conservation projects and programs, including  
 21 regional projects and programs, implemented pursuant to Part 2.55  
 22 (commencing with Section 10608) of Division 6. Priority for  
 23 funding shall be given to programs and projects that do the  
 24 following:

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

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

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

34 (B) Agricultural water use efficiency projects and programs  
 35 pursuant to Part 2.8 (commencing with Section 10800) of Division  
 36 6.

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

39 (2) Programs and measures undertaken by water suppliers that  
 40 are required to implement only limited conservation requirements

1 under paragraph (3) of subdivision (b) of Section 10608.20 or are  
2 required to perform no more than 5 percent additional conservation  
3 under the requirements of Section 10608.22 are not eligible for  
4 funding under this section.

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

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

14  
15 CHAPTER 7. DELTA SUSTAINABILITY

16  
17 79740. (a) The Bay-Delta Estuary is a unique and irreplaceable  
18 combination of environmental and economic resources. Current  
19 management and use of the Delta is not sustainable, and results in  
20 a high level of conflict among various interests. Future Delta  
21 sustainability is threatened by changing hydrology due to climate  
22 change, water diversions, flood risk, seismic events, nonnative  
23 species, toxics, and other environmental problems. Future  
24 management of the Delta must improve Delta ecosystem health  
25 and improve the means of Delta water conveyance in order to  
26 protect drinking water quality, improve water supply reliability,  
27 restore ecosystem health, and preserve agricultural and recreational  
28 values in the Delta, while providing to counties and watersheds of  
29 origin assurances that their priority to water resources will be  
30 protected and that programs or facilities implemented or  
31 constructed in the Delta will not result in redirection of  
32 unmitigated, significant adverse impacts to the counties and  
33 watershed of origin. Many sources of funding will be needed to  
34 implement improved Delta management.

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

1 79741. The sum of two billion five hundred million dollars  
2 (\$2,500,000,000) shall be available, upon appropriation from the  
3 fund, for grants and direct expenditures, as follows:

4 (a) (1) Five hundred million dollars (\$500,000,000) for projects,  
5 including grants to Delta counties and cities within the Delta, that  
6 provide public benefits and support Delta sustainability options,  
7 including projects and supporting scientific studies and assessments  
8 that do any of the following:

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

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

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

18 (D) Improve levee and flood control facilities and other vital  
19 infrastructure necessary to protect Delta communities.

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

23 (F) Facilitate other projects that provide public benefits and  
24 support Delta sustainability options approved by the Legislature,  
25 including costs associated with planning, monitoring, and design  
26 of alternatives, and project modifications and adaptations necessary  
27 to achieve the goals of this chapter.

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

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

32 (2) Of the funds provided in this subdivision, not less than one  
33 hundred million dollars (\$100,000,000) shall be available for  
34 matching grants for improvements to wastewater treatment  
35 facilities upstream of the Delta to improve Delta water quality and  
36 not less than six million dollars (\$6,000,000) shall be available for  
37 the design, permitting, and construction of wastewater facilities  
38 to promote tourism and sustainable agriculture in the north Delta.

1 (b) Two billion dollars (\$2,000,000,000) for projects to protect  
2 and enhance the sustainability of the Delta ecosystem, including  
3 any of the following:

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

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

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

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

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

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

27

28 CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL  
29 IMPROVEMENTS  
30

31 79750. (a) Notwithstanding Section 162, the commission may  
32 make the determinations, findings, and recommendations required  
33 of it by this chapter independent of the views of the director. All  
34 final actions by the commission in implementing this chapter shall  
35 be taken by a majority of the members of the commission at a  
36 public meeting noticed and held pursuant to the Bagley-Keene  
37 Open Meeting Act (Article 9 (commencing with Section 11120)  
38 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government  
39 Code).

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

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

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

20 79751. Projects for which the public benefits are eligible for  
 21 funding under this chapter consist of only the following:

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

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

28 (c) Conjunctive use and reservoir reoperation projects.

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

31 79752. A project shall not be funded pursuant to this chapter  
 32 unless it provides measurable improvements to the Delta ecosystem  
 33 or to the tributaries to the Delta, or improves the self-sufficiency  
 34 of a region of the state that is dependent upon the Delta for all or  
 35 a portion of its water supplies.

36 79753. (a) Funds allocated pursuant to this chapter may be  
 37 expended solely for the following public benefits associated with  
 38 the projects described in Section 79751:

39 (1) Ecosystem improvements, including changing the timing of  
 40 water diversions, improvement in flow conditions, temperature,

1 or other benefits that contribute to restoration of aquatic ecosystems  
2 and native fish and wildlife, including those ecosystems and fish  
3 and wildlife in the Delta.

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

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

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

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

17 (b) For the purposes of this chapter, “public benefits” does not  
18 include the costs of environmental mitigation measures or  
19 compliance obligations.

20 79754. In consultation with the Department of Fish and Game,  
21 the State Water Resources Control Board, and the department, the  
22 commission shall develop and adopt, by regulation, methods for  
23 quantification and management of public benefits described in  
24 Section 79753 by December 15, 2012. The regulations shall include  
25 the priorities and relative environmental value of ecosystem  
26 benefits as provided by the Department of Fish and Game and the  
27 priorities and relative environmental value of water quality benefits  
28 as provided by the State Water Resources Control Board.

29 79755. (a) Except as provided in subdivision (c), no funds  
30 allocated pursuant to this chapter may be allocated for a project  
31 before December 15, 2012, and until the commission approves the  
32 project based on the commission’s determination that all of the  
33 following have occurred:

34 (1) The commission has adopted the regulations specified in  
35 Section 79754 and specifically quantified and made public the cost  
36 of the public benefits associated with the project.

37 (2) The department has entered into a contract with each party  
38 that will derive benefits, other than public benefits, as defined in  
39 Section 79753, from the project that ensures the party will pay its  
40 share of the total costs of the project. The benefits available to a

1 party shall be consistent with that party’s share of total project  
2 costs.

3 (3) The department has entered into a contract with each public  
4 agency identified in Section 79754 that administers the public  
5 benefits, after that agency makes a finding that the public benefits  
6 of the project for which that agency is responsible meet all the  
7 requirements of this chapter, to ensure that the public contribution  
8 of funds pursuant to this chapter achieves the public benefits  
9 identified for the project.

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

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

15 (A) Feasibility studies have been completed.

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

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

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

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

30 79756. (a) The public benefit cost share of a project funded  
31 pursuant to this chapter, other than a project described in  
32 subdivision (c) of Section 79751, may not exceed 50 percent of  
33 the total costs of any project funded under this chapter.

34 (b) No project may be funded unless it provides ecosystem  
35 improvements as described in paragraph (1) of subdivision (a) of  
36 Section 79753 that are at least 50 percent of total public benefits  
37 of the project funded under this chapter.

38 79757. (a) A project identified in subdivision (a) of Section  
39 79751 is not eligible for funding under this chapter unless, by  
40 January 1, 2018, all of the following conditions are met:

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

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

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

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

15 79758. Surface storage projects funded pursuant to this chapter  
16 and described in subdivision (a) of Section 79751 may be made a  
17 unit of the Central Valley Project as provided in Section 11290  
18 and may be financed, acquired, constructed, operated, and  
19 maintained pursuant to Part 3 (commencing with Section 11100)  
20 of Division 6.

21

22 CHAPTER 9. STATEWIDE WATERSHED AND WATER QUALITY  
23 PROTECTIONS  
24

25 79760. The sum of one billion six hundred fifty million dollars  
26 (\$1,650,000,000) shall be available, upon appropriation by the  
27 Legislature from the fund, in accordance with this chapter, for  
28 expenditures and grants for ecosystem and watershed protection  
29 and restoration projects, including, but not limited to, all of the  
30 following watersheds:

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

- 1 (j) The Central Coast watersheds.
- 2 (k) The South Coast watersheds.
- 3 (l) The Lake Tahoe Basin watershed.
- 4 (m) The Sacramento River watershed, including the Yolo
- 5 Bypass.
- 6 (n) The San Diego County coastal watersheds.
- 7 (o) The Ventura River watershed.
- 8 (p) The Sierra Nevada Mountain watersheds.
- 9 (q) The Mojave River watershed.
- 10 (r) The Owens River watershed.
- 11 (s) The Santa Monica Bay watershed.
- 12 (t) The watersheds of Marin County.
- 13 (u) The watersheds of Orange County.

14 79761. Funds provided under this chapter may be appropriated  
 15 to the Natural Resources Agency, the Department of Fish and  
 16 Game, the Wildlife Conservation Board, the California  
 17 Conservation Corps, the Department of Conservation, the  
 18 Department of Parks and Recreation, the Department of Forestry  
 19 and Fire Protection, or to state conservancies for expenditures and  
 20 grants consistent with this chapter and other applicable laws.

21 79762. (a) Funds provided for the Sacramento River and San  
 22 Joaquin River watersheds pursuant to Section 79760 shall be  
 23 available for projects consistent with the ecosystem restoration  
 24 program element of the California Bay-Delta Program, or its  
 25 successor, or the San Joaquin River Parkway Master Plan.

26 (b) Funds provided for Salton Sea watershed projects pursuant  
 27 to Section 79760 shall be available for Salton Sea restoration  
 28 activities identified for “Period I” in the Natural Resources Agency  
 29 report entitled “Salton Sea Ecosystem Restoration Program  
 30 Preferred Alternative Report and Funding Plan,” dated May 2007.

31 (c) Funds provided for the Lake Tahoe Basin watershed pursuant  
 32 to Section 79760 shall be available for projects consistent with the  
 33 Lake Tahoe Environmental Improvement Program.

34 (d) Funds provided for the Los Angeles River and San Gabriel  
 35 River watersheds pursuant to Section 79760 shall be available  
 36 pursuant to Section 79508, and for projects identified in the Los  
 37 Angeles River Revitalization Master Plan.

38 79763. For restoration and ecosystem protection projects under  
 39 this chapter, the services of the California Conservation Corps or  
 40 community conservation corps shall be used whenever feasible.

1 79764. Of the funds provided in Section 79760, not less than  
2 two hundred fifty million dollars (\$250,000,000) shall be available  
3 to the State Coastal Conservancy for projects within coastal  
4 counties and coastal watersheds. Of this amount, not less than forty  
5 million dollars (\$40,000,000) shall be available for grants in San  
6 Diego County, including grants to the San Diego River  
7 Conservancy, not less than forty million dollars (\$40,000,000)  
8 shall be available for the Santa Ana River Parkway, and not less  
9 than twenty million dollars (\$20,000,000) shall be available for  
10 grants for protection and restoration of the Bolsa Chica wetlands  
11 and adjacent uplands and for associated visitor and interpretive  
12 natural history or archeological facilities.

13 79765. Of the funds provided in Section 79760, not less than  
14 one hundred million dollars (\$100,000,000) shall be available to  
15 the Wildlife Conservation Board for direct expenditures or grants  
16 for the acquisition of water rights from willing sellers and the  
17 conveyance of water for the benefit of migratory birds on wildlife  
18 refuges and wildlife habitat areas subject to Section 3406(d) of the  
19 federal Central Valley Project Improvement Act (Public Law  
20 102-575), if the acquisition of water rights by the Wildlife  
21 Conservation Board is consistent with that federal act. All costs  
22 associated with the acquisition of water rights by the Wildlife  
23 Conservation Board for the purposes set forth in this section shall  
24 be paid for out of the funds designated for the Wildlife  
25 Conservation Board.

26 79766. (a) Of the funds provided in Section 79760, not less  
27 than two hundred fifty million dollars (\$250,000,000) shall be  
28 available to the Wildlife Conservation Board for direct expenditures  
29 or grants for the protection or restoration of watershed lands or  
30 rivers and streams that support species listed as threatened or  
31 endangered under state or federal law, consistent with the  
32 requirements of programs identified in Division 2 (commencing  
33 with Section 700) of the Fish and Game Code, and requirements  
34 to implement or develop a natural community conservation plan  
35 pursuant to Chapter 10 (commencing with Section 2800) of  
36 Division 3 of the Fish and Game Code.

37 (b) Of the funds provided in this section, not less than fifty  
38 million dollars (\$50,000,000) shall be available for watershed  
39 protection projects within Los Angeles and Ventura Counties  
40 identified by the South Coast Wildlands Project. Priority shall be

1 given to projects from willing sellers offering their property at fair  
2 market value to public entities consistent with paragraph (1) of  
3 subdivision (d) of Section 7267.2 of the Government Code. In  
4 order to ensure programmatic consistency with ongoing state  
5 conservancy programs, any project financed pursuant to this  
6 subdivision within the jurisdiction of the San Gabriel and Lower  
7 Los Angeles Rivers and Mountains Conservancy, any project  
8 within the jurisdiction of the Baldwin Hills Conservancy, and any  
9 project within the jurisdiction of the Santa Monica Mountains  
10 Conservancy, shall be upon application of, and by grant to, the  
11 respective conservancy. The conservancy may apply on behalf of  
12 a local agency, and in that case the Wildlife Conservation Board  
13 may make the grant award directly to that local agency.

14 (c) Of the funds provided in this section, the sum of twenty-five  
15 million dollars (\$25,000,000) shall be available to the San Joaquin  
16 River Conservancy for river parkway projects.

17 79767. Of the funds provided in Section 79760, the sum of  
18 seven hundred forty million dollars (\$740,000,000) shall be  
19 available, upon appropriation by the Legislature, as follows:

20 (a) One hundred million dollars (\$100,000,000) to the San  
21 Gabriel and Lower Los Angeles Rivers and Mountains  
22 Conservancy for the purposes described in subdivision (d) of  
23 Section 79762.

24 (b) One hundred million dollars (\$100,000,000) to the Santa  
25 Monica Mountains Conservancy for implementation of watershed  
26 protection activities throughout the watershed of the upper Los  
27 Angeles River.

28 (c) Twenty-five million dollars (\$25,000,000) to the Baldwin  
29 Hills Conservancy.

30 (d) Twenty-five million dollars (\$25,000,000) for Santa Monica  
31 Bay watershed projects pursuant to Division 23 (commencing with  
32 Section 33000) of the Public Resources Code.

33 (e) Fifty million dollars (\$50,000,000) to the State Coastal  
34 Conservancy for coastal salmonid restoration projects.

35 (f) One hundred million dollars (\$100,000,000) to the Lake  
36 Tahoe Conservancy for the Lake Tahoe Environmental  
37 Improvement Program as described in subdivision (c) of Section  
38 79762.

39 (g) Twenty million dollars (\$20,000,000) shall be available to  
40 the Department of Conservation for the California Farmland

1 Conservancy Program Act (Division 10.2 (commencing with  
2 Section 10200) of the Public Resources Code).

3 (h) Twenty million dollars (\$20,000,000) shall be available to  
4 the Department of Conservation for the Watershed Coordinator  
5 Grant Program.

6 (i) Fifty million dollars (\$50,000,000) shall be available to the  
7 secretary for projects in accordance with the California River  
8 Parkways Act of 2004 (Chapter 3.8 (commencing with Section  
9 5750) of Division 5 of the Public Resources Code). Up to twenty  
10 million dollars (\$20,000,000) may be transferred to the department  
11 for the Urban Streams Restoration Program pursuant to Section  
12 7048 of the Water Code.

13 (j) One hundred million dollars (\$100,000,000) shall be available  
14 for the Sierra Nevada Conservancy.

15 (k) One hundred million dollars (\$100,000,000) shall be  
16 available for Salton Sea restoration pursuant to subdivision (b) of  
17 Section 79762.

18 (l) Ten million dollars (\$10,000,000) shall be available to the  
19 Natural Resources Agency for planning for natural resources and  
20 watershed protections to address climate change impacts and  
21 adaptation.

22 (m) Thirty million dollars (\$30,000,000) shall be available to  
23 the Department of Parks and Recreation for grants for watershed  
24 education facilities. Of this amount, twenty million dollars  
25 (\$20,000,000) shall be available for capital improvements to  
26 watershed education centers that serve an urban area with a  
27 population of over one million and not less than ten million dollars  
28 (\$10,000,000) shall be available for capital improvements to  
29 nonprofit facilities that provide watershed, environmental justice,  
30 and urban greening education programs to students in the  
31 Sacramento Unified School District and the surrounding area.

32 (n) Ten million dollars (\$10,000,000) shall be deposited in the  
33 California Waterfowl Habitat Preservation Account for the  
34 purposes of implementing the California Waterfowl Habitat  
35 Program described in Article 7 (commencing with Section 3460)  
36 of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code,  
37 the California Landowner Incentive Program, and the Permanent  
38 Wetland Easement Program.

39 79768. Of the funds provided in Section 79760, not more than  
40 two hundred fifty million dollars (\$250,000,000) shall be available

1 for dam removal and related measures in the Klamath River  
 2 watershed if the secretary finds that all of the following conditions  
 3 have been met:

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

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

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

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

13 79769. Of the funds provided in Section 79760, the sum of  
 14 seventy-five million dollars (\$75,000,000) shall be available, upon  
 15 appropriation by the Legislature from the fund, to the State Coastal  
 16 Conservancy for projects that meet the requirements of the  
 17 California Ocean Protection Act (Division 26.5 (commencing with  
 18 Section 35500) of the Public Resources Code).

19 79770. For the purposes of this chapter, the terms “restoration”  
 20 and “protection” have the meanings set forth in Section 75005 of  
 21 the Public Resources Code.

22

23 CHAPTER 10. FISCAL PROVISIONS

24

25 79810. (a) Bonds in the total amount of ten billion nine  
 26 hundred ninety million dollars (\$10,990,000,000), not including  
 27 the amount of any refunding bonds issued in accordance with  
 28 Section 79822, or so much thereof as is necessary, may be issued  
 29 and sold to provide a fund to be used for carrying out the purposes  
 30 expressed in this division and to reimburse the General Obligation  
 31 Bond Expense Revolving Fund pursuant to Section 16724.5 of the  
 32 Government Code. The bonds, when sold, shall be and constitute  
 33 valid and binding obligations of the State of California, and the  
 34 full faith and credit of the State of California is hereby pledged  
 35 for the punctual payment of both the principal of, and interest on,  
 36 the bonds as the principal and interest become due and payable.

37 (b) The Treasurer shall sell the bonds authorized by the  
 38 committee pursuant to this section. The bonds shall be sold upon  
 39 the terms and conditions specified in a resolution to be adopted

1 by the committee pursuant to Section 16731 of the Government  
2 Code.

3 79811. The bonds authorized by this division shall be prepared,  
4 executed, issued, sold, paid, and redeemed as provided in the State  
5 General Obligation Bond Law, and all of the provisions of that  
6 law apply to the bonds and to this division and are hereby  
7 incorporated in this division as though set forth in full in this  
8 division, except Section 16727 of the Government Code shall not  
9 apply to the extent that it is inconsistent with any other provision  
10 of this division.

11 79812. (a) Solely for the purpose of authorizing the issuance  
12 and sale, pursuant to the State General Obligation Bond Law, of  
13 the bonds authorized by this division, the Safe, Clean, and Reliable  
14 Drinking Water Finance Committee is hereby created. For purposes  
15 of this division, the Safe, Clean, and Reliable Drinking Water  
16 Finance Committee is “the committee” as that term is used in the  
17 State General Obligation Bond Law.

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

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

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

27 79813. The committee shall determine whether or not it is  
28 necessary or desirable to issue bonds authorized pursuant to this  
29 division to carry out the actions specified in this division and, if  
30 so, the amount of bonds to be issued and sold. Successive issues  
31 of bonds may be authorized and sold to carry out those actions  
32 progressively, and it is not necessary that all of the bonds  
33 authorized to be issued be sold at any one time.

34 79814. “Board,” as defined in Section 16722 of the Government  
35 Code for the purposes of compliance with the State General  
36 Obligation Bond Law, means the department.

37 79815. There shall be collected each year and in the same  
38 manner and at the same time as other state revenue is collected,  
39 in addition to the ordinary revenues of the state, a sum in an amount  
40 required to pay the principal of, and interest on, the bonds each

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

4 79816. Notwithstanding Section 13340 of the Government  
5 Code, there is hereby appropriated from the General Fund in the  
6 State Treasury, for the purposes of this division, an amount that  
7 will equal the total of the following:

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

11 (b) The sum that is necessary to carry out the provisions of  
12 Section 79819, appropriated without regard to fiscal years.

13 79817. The board may request the Pooled Money Investment  
14 Board to make a loan from the Pooled Money Investment Account  
15 in accordance with Section 16312 of the Government Code for the  
16 purpose of carrying out this division. The amount of the request  
17 shall not exceed the amount of the unsold bonds that the committee  
18 has, by resolution, authorized to be sold for the purpose of carrying  
19 out this division. The board shall execute those documents required  
20 by the Pooled Money Investment Board to obtain and repay the  
21 loan. Any amounts loaned shall be deposited in the fund to be  
22 allocated in accordance with this division.

23 79818. Notwithstanding any other provision of this division,  
24 or of the State General Obligation Bond Law, if the Treasurer sells  
25 bonds that include a bond counsel opinion to the effect that the  
26 interest on the bonds is excluded from gross income for federal  
27 tax purposes under designated conditions, the Treasurer may  
28 maintain separate accounts for the bond proceeds invested and for  
29 the investment earnings on those proceeds, and may use or direct  
30 the use of those proceeds or earnings to pay any rebate, penalty,  
31 or other payment required under federal law or take any other  
32 action with respect to the investment and use of those bond  
33 proceeds, as may be required or desirable under federal law in  
34 order to maintain the tax-exempt status of those bonds and to obtain  
35 any other advantage under federal law on behalf of the funds of  
36 this state.

37 79819. For the purposes of carrying out this division, the  
38 Director of Finance may authorize the withdrawal from the General  
39 Fund of an amount or amounts not to exceed the amount of the  
40 unsold bonds that have been authorized by the committee to be

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

7 79820. All money deposited in the fund that is derived from  
8 premiums and accrued interest on bonds sold pursuant to this  
9 division shall be reserved in the fund and shall be available for  
10 transfer to the General Fund as a credit to expenditures for bond  
11 interest.

12 79821. Pursuant to Chapter 4 (commencing with Section  
13 16720) of Part 3 of Division 4 of Title 2 of the Government Code,  
14 the cost of bond issuance shall be paid out of the bond proceeds.  
15 These costs shall be shared proportionately by each program funded  
16 through this division.

17 79822. The bonds issued and sold pursuant to this division  
18 may be refunded in accordance with Article 6 (commencing with  
19 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of  
20 the Government Code, which is a part of the State General  
21 Obligation Bond Law. Approval by the electors of the state for the  
22 issuance of the bonds under this division shall include approval  
23 of the issuance of any bonds issued to refund any bonds originally  
24 issued under this division or any previously issued refunding bonds.

25 79823. The proceeds from the sale of bonds authorized by this  
26 division are not “proceeds of taxes” as that term is used in Article  
27 XIII B of the California Constitution, and the disbursement of  
28 these proceeds is not subject to the limitations imposed by that  
29 article.

30 79824. Until January 1, 2015, the Treasurer shall only sell  
31 bonds in an amount that does not exceed 50 percent of the total  
32 funds authorized to be issued and sold pursuant to this division.

33 SEC. 2. Section 1 of this act shall be submitted to the voters  
34 at the November 2, 2010, statewide general election in accordance  
35 with provisions of the Government Code and the Elections Code  
36 governing the submission of a statewide measure to the voters.  
37 Section 1 of this act shall take effect only upon the approval by  
38 the voters of the Safe, Clean, and Reliable Drinking Water Supply  
39 Act of 2010, as set forth in that section.

1 SEC. 3. The sum of two hundred million dollars (\$200,000,000)  
2 is hereby appropriated from the funds made available by Section  
3 5096.821 of the Public Resources Code to the Department of Water  
4 Resources for flood protection projects in the Delta. The  
5 department shall expedite the evaluation of nonurban levees on  
6 the west bank of the Sacramento River, including those for  
7 Clarksburg and Knights Landing, and consider a joint project with  
8 local government agencies for improving the Yolo Bypass as a  
9 multibenefit flood control facility, including support of multibenefit  
10 flood control alternatives for tributaries to the Yolo Bypass.

11 SEC. 4. This act shall take effect only if Senate Bill \_\_\_\_\_ of  
12 the 2009–10 Seventh Extraordinary Session of the Legislature is  
13 enacted and becomes effective.

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

18 In order to finance a safe, clean, and reliable water supply at the  
19 earliest possible date, it is necessary for this act to take effect  
20 immediately.

O