This amendment proposed by Senate Constitutional Amendment 11 of the 1999–2000 Regular Session (Resolution Chapter 142, Statutes of 1999) expressly amends the California Constitution by amending a section thereof; therefore, existing provisions proposed to be deleted are printed in a different typeface, and new provisions proposed to be added are printed in italic type to indicate that they are new.

PROPOSED AMENDMENT TO SECTION 19 OF ARTICLE IV

SEC. 19. (a) The Legislature has no power to authorize lotteries, and shall prohibit the sale of lottery tickets in the State.
(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.
(c) Notwithstanding subdivision (a) the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

This law proposed by Assembly Bill 18 of the 1999–2000 Regular Session (Chapter 461, Statutes of 1999) and Senate Bill 1147 of the 1999–2000 Regular Session (Chapter 638, Statutes of 1999) is subject to the requirements of Article XVII of the California Constitution.

This proposed law adds sections to the Public Resources Code; therefore, new provisions proposed to be added are printed in italic type to indicate that they are new.

PROPOSED LAW

SECTION 1. Chapter 1.692 (commencing with Section 5096.300) is added to Division 5 of the Public Resources Code, to read:

Chapter 1.692. Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (The Villaraigosa-Keeley Act)


5096.300. This chapter shall be known, and may be cited, as the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (the Villaraigosa-Keeley Act).

5096.301. Responding to the recreational and open-space needs of a growing population and expanding urban communities, this act will revive state stewardship of natural resources by investing in neighborhood parks and state parks, clean water protection, and coastal beaches and scenic areas.

5096.302. The Legislature finds and declares all of the following:

(a) Historically, California's local and neighborhood parks often serve as the recreational, social, and cultural centers for cities and communities, providing venues for youth enrichment, senior activities, and family recreation.
(b) Neighborhood and state parks provide safe places to play in the urban neighborhoods, splendid scenic landscapes, exceptional experiences, and world-recognized recreational opportunities, and in so doing, are vital to California's quality of life and economy.
(c) The backlog of needs for repair and maintenance of local and urban parks exceeds two billion five hundred million dollars and the need for maintenance of state parks exceeds one billion dollars. The state's conservancies and wildlife agencies report a need for habitat acquisition and restoration exceeding $1.8 billion.
(d) The magnificent Pacific Coast, outstanding mountain ranges, and unique scenic regions are the source of tremendous economic opportunity and contribute enormously to the quality of life of Californians.
(e) Continued economic success and enjoyment derived from California's natural resources depends on maintaining clean water, healthy ecosystems, and expanding public access for a growing state.
(f) The Legislature further finds and declares all of the following:

(a) Air pollution continues to be a major problem in California which harms the health of our residents, costs our economy billions of dollars related to health care costs, reduces agricultural productivity, and damage to our infrastructure, and otherwise decreases the quality of life in our state.
(b) Forests and trees improve air quality by removing carbon dioxide, particulates, and other pollutants from the air, and by producing oxygen.
(c) Park, open-space, and tree planting projects also improve air quality and decrease congestion by reducing sprawl, improving the quality of life in areas that are already developed by helping local agencies implement sound land use plans that promote energy efficiency, and by providing incentives to reduce development in inappropriate areas.
(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.
(e) The Legislature has no power to authorize, and shall prohibit casinos of the type currently operating in Nevada and New J ersey.
(f) The Legislature finds and declares all of the following:

(a) Air pollution continues to be a major problem in California which harms the health of our residents, costs our economy billions of dollars related to health care costs, reduces agricultural productivity, and damage to our infrastructure, and otherwise decreases the quality of life in our state.
(b) Forests and trees improve air quality by removing carbon dioxide, particulates, and other pollutants from the air, and by producing oxygen.
(c) Park, open-space, and tree planting projects also improve air quality and decrease congestion by reducing sprawl, improving the quality of life in areas that are already developed by helping local agencies implement sound land use plans that promote energy efficiency, and by providing incentives to reduce development in inappropriate areas.
(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.
(e) The Legislature has no power to authorize, and shall prohibit casinos of the type currently operating in Nevada and New J ersey.
(f) The Legislature finds and declares all of the following:

(a) Air pollution continues to be a major problem in California which harms the health of our residents, costs our economy billions of dollars related to health care costs, reduces agricultural productivity, and damage to our infrastructure, and otherwise decreases the quality of life in our state.
(b) Forests and trees improve air quality by removing carbon dioxide, particulates, and other pollutants from the air, and by producing oxygen.
(c) Park, open-space, and tree planting projects also improve air quality and decrease congestion by reducing sprawl, improving the quality of life in areas that are already developed by helping local agencies implement sound land use plans that promote energy efficiency, and by providing incentives to reduce development in inappropriate areas.
(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.
(e) The Legislature has no power to authorize, and shall prohibit casinos of the type currently operating in Nevada and New J ersey.
(f) The Legislature finds and declares all of the following:

(a) Air pollution continues to be a major problem in California which harms the health of our residents, costs our economy billions of dollars related to health care costs, reduces agricultural productivity, and damage to our infrastructure, and otherwise decreases the quality of life in our state.
(b) Forests and trees improve air quality by removing carbon dioxide, particulates, and other pollutants from the air, and by producing oxygen.
(c) Park, open-space, and tree planting projects also improve air quality and decrease congestion by reducing sprawl, improving the quality of life in areas that are already developed by helping local agencies implement sound land use plans that promote energy efficiency, and by providing incentives to reduce development in inappropriate areas.
(d) Notwithstanding subdivision (a), there is authorized the establishment of a California State Lottery.
(e) The Legislature has no power to authorize, and shall prohibit casinos of the type currently operating in Nevada and New J ersey.
(2) (A) “Cultural resources stewardship” may include, but is not limited to, the acquisition of historic properties, including archaeological, historical, or cultural landscape resources, rock art, and landscapes that are part of the cultural or natural history of California.

(B) “Cultural resources stewardship” does not include the rehabilitation, restoration, reconstruction, interpretation, or mitigation of historical resources typically required as part of a development program.

(3) “Natural resources stewardship” may include, but is not limited to, the acquisition, protection, and enhancement of wildlife habitat, including riparian habitats, wetlands, and other natural areas, and the planning necessary to implement those objectives.

(k) “Wildlife conservation partnership” means a cooperative agreement between the California Department of Fish and Wildlife and the Wildlife Conservation Board for the provision of funds to support wildlife conservation projects and programs.

(l) The sum of one hundred million dollars ($100,000,000) shall be deposited in the Safe Neighborhood Parks, Clean Water, and Coastal Protection (Villaraigosa-Keeley Act) Bond Fund, which is hereby created.

(m) The sum of three hundred eighty-eight million dollars ($388,000,000) to the department for grants to local agencies administering units of the state park system, including the purchase, development, improvement, rehabilitation, restoration, enhancement, and interpretation of local park and recreational areas and facilities pursuant to the Roberti-Z Berg-Harris Trails, Open Space, and Natural Resources Protection Program (Chapter 3.2 commencing with Section 5062).

(n) The sum of ten million dollars ($10,000,000) to the department for grants to local agencies administering units of the state park system, including the purchase, development, improvement, rehabilitation, restoration, enhancement, and interpretation of local park and recreational areas and facilities pursuant to the Roberti-Z Berg-Harris Trails, Open Space, and Natural Resources Protection Program (Chapter 3.2 commencing with Section 5062).

(o) The sum of seventy-one million five hundred thousand dollars ($71,500,000) to the state park system, including the purchase, development, improvement, rehabilitation, restoration, enhancement, and interpretation of local park and recreational areas and facilities pursuant to the Roberti-Z Berg-Harris Trails, Open Space, and Natural Resources Protection Program (Chapter 3.2 commencing with Section 5062).

(p) The sum of one hundred million dollars ($100,000,000) to the department for grants to public agencies and nonprofit organizations for park, youth center, and environmental enhancement projects that benefit youth in areas that lack safe neighborhood parks, open space, and natural areas, and that have significant poverty.

(q) The sum of two hundred million dollars ($200,000,000) to the department for grants to cities, counties, and districts for the acquisition, development, improvement, rehabilitation, and restoration of public parks and recreational lands and facilities, including public parks and facilities in close proximity to rivers and streams for river and stream trail projects undertaken in accordance with Section 78682.2 of the Water Code and for purposes of Section 7048 of the Water Code.

(r) The sum of two hundred fifty thousand dollars ($25,000,000) to the department for grants for acquisition or development of riparian habitat, riverine aquatic habitat, and other lands in close proximity to rivers and streams for river and stream trail projects undertaken in accordance with Section 78682.2 of the Water Code and for purposes of Section 7048 of the Water Code.

(s) The sum of one hundred million dollars ($100,000,000) to the department for grants to public agencies and nonprofit organizations for park, youth center, and environmental enhancement projects that benefit youth in areas that lack safe neighborhood parks, open space, and natural areas, and that have significant poverty.

(t) The sum of twenty-five million dollars ($25,000,000) to the Department of Conservation in accordance with Section 5096.356.

(u) The sum of two hundred million dollars ($200,000,000) to the department for grants to public agencies and nonprofit organizations for park, youth center, and environmental enhancement projects that benefit youth in areas that lack safe neighborhood parks, open space, and natural areas, and that have significant poverty.

(v) The sum of ten million dollars ($10,000,000) to the department for grants for acquisition or development of riparian habitat, riverine aquatic habitat, and other lands in close proximity to rivers and streams for river and stream trail projects undertaken in accordance with Section 78682.2 of the Water Code and for purposes of Section 7048 of the Water Code.

(w) The sum of twenty-five million dollars ($25,000,000) to the Department of Conservation in accordance with Section 5096.356.
(u) The sum of ten million dollars ($10,000,000) to the Department of Forestry and Fire Protection for urban forestry programs in accordance with Section 4799.12. The grants made pursuant to this subdivision shall be for costs associated with the purchase and planting of trees, and up to three years of care which ensures the long-term viability of those trees.

(v) Notwithstanding Section 711 of the Fish and Game Code, the sum of twelve million dollars ($12,000,000) to the Department of Fish and Game for purposes of Chapter 4.5 (commencing with Section 31160) of Division 12. Twenty one hundred fifty thousand dollars ($250,000) shall be allocated to Mount Diablo State Park.

(w) The sum of seven million dollars ($7,000,000) to the California Integrated Waste Management Board for grants to local agencies to assist them in meeting the state and federal accessibility standards relating to public playgrounds if the local agency guarantees that 50 percent of the grant funds will be used for the improvement or replacement of playground facilities. The balance of the grant funds shall be used for non-infringement of private lands, or to remove nonnative vegetation harmful to ecological reserves in San Diego County.

(x) The sum of thirty million dollars ($30,000,000) shall be available for purposes of Chapter 4.5 (commencing with Section 31160) of Division 12. Twenty one hundred fifty thousand dollars ($250,000) shall be allocated to Mount Diablo State Park.

(y) The sum of fifteen million dollars ($15,000,000) to a city for rehabilitation, restoration, or enhancement to a city park that is over 1,000 acres that serves an urban area of over 750,000 population in northern California and that provides recreational, cultural, and scientific resources.

(z) (1) The sum of six million two hundred fifty thousand dollars ($6,250,000) to the secretary to administer grants to the Sierra Nevada Conservancy for natural community conservation projects that protect the Sierra Nevada ecosystem. The department shall give preference to projects that will enhance the protection or preservation of the redwood forest.

(2) The sum of thirty-three million five hundred thousand dollars ($33,500,000) to the secretary to administer a restoration program to assist local agencies and other districts to plan, create, and conserve river parkways. The secretary shall make funds available in accordance with Sections 7048 and 78682.2 of the Water Code, and any other applicable authority, for the following purposes:

(A) Twenty-five million dollars ($25,000,000) for the acquisition or restoration of public lands within the Los Angeles River Watershed, the San Gabriel River Watershed, and the San Gabriel Mountains and to provide open space, nonmotorized trails, bike paths, and other low-impact recreational uses and wildlife and habitat restoration and protection projects ($350,000 of which shall be allocated for the Los Angeles River Watershed, and fifteen million dollars ($15,000,000) shall be allocated for the San Gabriel River Watershed and the San Gabriel Mountains and lower Los Angeles River.

(B) The secretary shall award the sum of two million dollars ($2,000,000) for river parkway projects along the Kern River between the mouth of the Kern Canyon and I-5.

(C) One million dollars ($1,000,000) for land acquisition in the Santa Clarita Watershed.

(D) Three million dollars ($3,000,000) for watershed, riparian, and wetlands restoration along the Sacramento River in Yolo, Glenn, and Colusa Counties.

(E) Two million dollars ($2,000,000) for the construction of a visitor center at a state recreation area encompassing a body of water along the American River.

(3) The sum of two million dollars ($2,000,000) to the secretary for resource conservation and urban water recycling that addresses multicity regional recreational needs, provides habitat restoration, and enjoys joint sponsorship by multiple local agencies and nonprofit organizations.

(4) The sum of one million one hundred thousand dollars ($1,100,000) to the secretary, one hundred thousand dollars ($100,000) of which shall be made available to fund a community center and San Benito County and one hundred thousand dollars ($100,000) of which shall be made available to fund a community center for the City of Gilroy, and four hundred thousand dollars ($400,000) of which shall be made available to fund a community center in the City of Gilroy.

(5) The sum of two million dollars ($2,000,000) to the secretary for purposes of Chapter 4.5 (commencing with Section 31160) of Division 12. One million dollars ($1,000,000) to the secretary to construct a rehabilitation center for injured endangered and indigenous wild animals at the Wildhaven Center in the San Bernardino Mountains.

Article 3. State Park System Program

5096.320. The Legislature hereby recognizes that public financial resources are inadequate to meet all capital outlay needs of the state park system and that a process for acquisition, development, restoration, rehabilitation, improvement, and maintenance of state park system lands and facilities has increased to the point that their continued well-being and the realization of their full public benefit is in jeopardy.

The department shall annually submit to the legislature and to the secretary a report, consisting of a prioritized listing and comparative evaluation of needs.

(b) Projects approved by the secretary shall be forwarded by the secretary to the Director of Finance for inclusion in the Budget Bill.
Article 4. Grant Program

5096.331. The Legislature hereby recognizes that public financial resources are inadequate to meet all of the funding needs of local public park and recreation providers and that there is an urgent need for safe, open, and accessible recreation and parkland and other facilities for the increased recreational opportunities that provide positive alternatives to social problems. Accordingly, it is declared to be the policy of this state that the funds allocated pursuant to subdivisions (f) and (g) of Section 5096.310 to local agencies shall be apportioned primarily for projects that accomplish all of the following:

(a) Rehabilitate facilities at existing local parks that will provide for more efficient management and reduced operational costs. This may include the acquisition of facilities for the innovation of recreational facilities conveyed to local agencies resulting from the downsizing and decommisioning of federal military installations.

(b) Develop facilities that promote positive alternatives for youth and that provide community oriented recreation, including art activities.

(c) Promote family oriented recreation, including art activities.

(d) Provide for open, safe, and accessible local park lands, facilities, and botanical gardens.

5096.332. (a) Sixty percent of the total funds available for grants pursuant to subdivision (f) of Section 5096.310 shall be allocated to cities and to districts other than a regional park district, regional park and open-space districts, or regions, the amount the county or district's population is to the combined total of the state's population that is included in incorporated areas and unincorporated areas within the county or district, and the proportion of the population of the county that is outside the territory of the district. The amounts resulting from this calculation shall be known as the district's share of the grant program funds available in any county that is not part of a regional park district, or an open-space district, whose board of directors is not the county board of supervisors, the amount allocated to the county shall be apportioned to the county in proportion to the extent to which each operates and manages parks and recreational areas and facilities for that population. In any instance in which the boundary of a city overlaps the boundary of such a district, and in the area of overlap the city does not operate and manage parks and recreational areas and facilities, all grant funds shall be allocated to the city.

(b) Each city and each district subject to subdivision (a) whose boundaries overlap shall develop a specific plan for allocating the grant funds in the manner specified in subdivision (a). If, by April 1, 2001, the plan has not been agreed to by the city and district and submitted to the department, the director shall determine the allocation.

5096.333. (a) Forty percent of the total funds available for grants pursuant to subdivision (f) of Section 5096.310 shall be allocated to counties and regional park districts, regional park and open-space districts, or regional open-space districts formed pursuant to Article 3 (commencing with Section 35500) of Chapter 3.

(b) Each county's allocation under subdivision (a) shall be in the same ratio as the county's population, except that each county shall be entitled to a minimum allocation of one hundred fifty thousand dollars ($150,000). In any instance in which the boundary of a county overlaps the boundary of such a district, the population in the area of overlapping jurisdictions shall be attributed to each jurisdiction to the extent to which each operates parks and recreational areas and facilities for that population. In any instance in which the boundary of a city overlaps the boundary of a such district, and in the area of overlap the city does not operate and manage parks and recreational areas and facilities, all grant funds shall be allocated to the city.

(c) In any county that currently embraces all or a part of the territory of a regional open-space district and an authority formed pursuant to Division 26 (commencing with Section 35100), the allocation shall be distributed by the county to the cities that are included in the territory of the district and the population of the county that is outside the territory of the district.

(d) In any county that currently embraces all or a part of the territory of a regional park district, regional park and open-space district, or regional open-space district, whose board of directors is not the county board of supervisors, the amount that the county is to receive under subdivision (a) shall be determined by dividing the county's population by the population of the county that is outside the county.

5096.334. Notwithstanding Section 5096.331, of the funds allocated on the basis of population pursuant to subdivision (f) of Section 5096.310 within counties with a population of five million persons or more, not less than 75 percent of the total amount shall be available as follows:

(a) Not less than 20 percent for land acquisition, construction, development, and rehabilitation of at-risk youth recreation facilities. As used in this paragraph, "at-risk youth" means persons who have not attained the age of 21 years and are at high risk of being involved in, or are involved in, one or more of the following: gangs, juvenile delinquency, criminal activity, substance abuse, adolescent pregnancy, or school failure or dropout.

(b) Not less than 40 percent for projects within the most economically disadvantaged areas, which may include projects along river parkways, conservation corridors, and parkways along corridors of economic significance.

(c) Not less than 10 percent for urban reforestation projects.

5096.335. Funds authorized pursuant to subdivision (e) of Section 5096.310 shall be administered by the State Office of Historic Preservation and shall be available as grants, on a competitive basis, to cities, counties, districts, and nonprofit organizations for the acquisition, development, rehabilitation, restoration, and interpretation of historical resources.

5096.336. (a) Of the funds authorized pursuant to subdivision (f) of Section 5096.310, three hundred thirty-eight million dollars ($338,000,000) shall be allocated to cities and districts on the basis of their populations, as determined by the department in cooperation with the Department of Finance, on the basis of the most recent verifiable census data and other population data that may be available. Any allocation may require to be furnished by the applicant city, county, or district.

(b) Of the funds authorized pursuant to subdivision (f) of Section 5096.310, fifty million dollars ($50,000,000) available for grants pursuant to subdivision (g) of Section 5096.310 shall be allocated to cities and districts in urbanized counties providing park and recreation services within jurisdictions of 200,000 or less in population. For purposes of this subdivision, “urbanized counties” means a county with a population of 50,000 or more and a population density of 1,000 or more.

5096.337. (a) Funds authorized pursuant to subdivisions (h), (i), and (z) of Section 5096.310 shall be available as grants, on a competitive basis, to cities, counties, districts, local agencies formed for park purposes pursuant to a joint powers agreement as defined in subdivision (b), and other districts, as defined in subdivision (c).

(b) For purposes of this section, “local agency” means any local agency formed for park purposes pursuant to a joint powers agreement between two or more local entities, excluding school districts.

(c) For purposes of this section, “other districts” include any district authorized to provide park, recreational, or open-space services, or a combination of those services, except a school district.

5096.338. The allocation of subdivision (f) of Section 5096.310 shall, upon appropriation in the annual Budget Act, be available for existing or new entities or programs designated by statute for grants to public agencies and nonprofit organizations, and for the development, rehabilitation, or restoration of facilities accredited by the American Zoo and Aquarium Association (AZA) and operated by cities, counties, and nonprofit organizations, and for grants to zoos and aquariums that are AZA accredited. All zoos and aquariums that do not yet accredited at the time of the enactment of this section shall be made available as grants to zoos and aquariums that are AZA accredited. Grants awarded under this subdivision shall be dedicated to projects which will enhance the institution’s ability to meet standards of AZA accreditation.
Not more than 5 percent of the total funds available pursuant to this subdivision shall be granted for publicly owned or nonprofit zoos and wildlife centers that may not be accredited, but that care for animals that have been injured or abandoned and that cannot be returned to the wild. The net amount of any grant to any one applicant shall not exceed $3,000,000.

(b) At least ten million dollars ($10,000,000) of the funds allocated pursuant to paragraph (1) of subdivision (l) of Section 5096.310 shall be provided to the California Science Center for implementation of the Expansions of the Science Center Plan. Three million dollars ($3,000,000) of this amount shall be made available to the California African-American Museum for completion of its education and visitor facility in Exposition Park and seven million dollars ($7,000,000) of this amount shall be made available for the California Science Center School.

(c) Not less than five hundred thousand dollars ($500,000) of the funds allocated pursuant to paragraph (1) of subdivision (l) of Section 5096.310 shall be available as grants for facilities for education programs focused on the National Marine Sanctuaries along California's coast.

(d) Not less than forty-four million seven hundred fifty thousand dollars ($44,750,000) of the funds allocated pursuant to paragraph (1) of subdivision (l) of Section 5096.310 shall be available for the following purposes:

(1) At least ten million dollars ($10,000,000) shall be provided to the Discovery Science Center in Santa Ana for capital improvement.

(2) At least ten million dollars ($10,000,000) shall be provided to the California Academy of the Sciences for capital improvement projects.

(3) At least two million dollars ($2,000,000) shall be provided toward the creation of the Delta Science Center to carry out significant marine and aquatic education and interpretive programs.

(4) At least fifteen million dollars ($15,000,000) shall be provided to the Alliance of Redding Museums for capital improvements for the Turtle Bay-Museums and the Arboretum on the River.

(e) Not less than five million dollars ($5,000,000) of the funds allocated pursuant to paragraph (1) of subdivision (l) of Section 5096.310 may be disbursed unless the applicant has agreed, in writing, with the department as specified in subdivision (f), (g), (h), (i), and (l) of Section 5096.310 that have not been expended by the grantee shall be encumbered by the Legislature for one or more of the categories specified in Section 5096.310 that the Legislature determines to be of the highest priority statewide.

(f) The department shall annually forward a list of the highest priority projects to the Department of Finance for inclusion in the Budget Bill. A list of eligible jurisdictions and the amount of grant funds to be allocated to each shall also be made available by the department.

(g) Funds appropriated pursuant to subdivisions (f), (g), (h), (i), and (l) of Section 5096.310 that have not been expended by the grantee shall remain available for appropriation by the Legislature for one or more of the categories specified in Section 5096.310 that the Legislature determines to be of the highest priority statewide.

(h) Except as provided in subdivision (c), no grant funds authorized pursuant to subdivisions (f), (g), (h), (i), and (l) of Section 5096.310 may be disbursed unless the applicant has agreed, in writing, with both of the following:

(1) To maintain and operate the property funded pursuant to this chapter for a period that is commensurate with the type of project and the proportion of state funds and local matching funds or property allocated to the capital costs of the project.

(2) To use the property only for the purposes for which the grant was made and to make no sale, lease, or other disposition of the property, except as authorized by specific act of the Legislature.

(i) The agreements specified in subdivision (a) shall not prevent the transfer of the property from the applicant to a public agency, if the successor public agency assumes the obligations imposed by those agreements.

(j) If the use of the property is changed to a use that is not permitted by the category from which the grant funds were appropriated, or if the property is sold or otherwise disposed of, an amount equal to (1) the amount of the grant, (2) the fair market value of the real property, or (3) the proceeds from the sale or other disposition, whichever is greater, shall be reimbursed by the department to the successor public agency.

(k) Not less than five hundred thousand dollars ($500,000) of the funds allocated pursuant to paragraph (1) of subdivision (l) of Section 5096.310 may be expended by the grantee for projects on lands owned by, or subject to a lease or other interest held by, the grantee.

(l) If a grant applicant does not have fee title to the lands, the agreement that guarantees the satisfaction of the department that the proposed project will provide public benefits that are commensurate with the type and duration of the interest in land that is held by the applicant, may transfer the responsibility to maintain and operate the property in accordance with this section.

(m) To use the property only for the purposes for which the grant was made and to make no sale, lease, or other disposition of the property, except as authorized by specific act of the Legislature.

(n) The agreements specified in subdivision (a) shall not prevent the transfer of the property from the applicant to a public agency, if the successor public agency assumes the obligations imposed by those agreements.

(o) If the use of the property is changed to a use that is not permitted by the category from which the grant funds were appropriated, or if the property is sold or otherwise disposed of, an amount equal to (1) the amount of the grant, (2) the fair market value of the real property, or (3) the proceeds from the sale or other disposition, whichever is greater, shall be reimbursed by the department to the successor public agency.

(p) Not less than five hundred thousand dollars ($500,000) of the funds allocated pursuant to paragraph (1) of subdivision (l) of Section 5096.310 may be expended by the grantee for projects on lands owned by, or subject to a lease or other interest held by, the grantee.

(q) If a grant applicant does not have fee title to the lands, the agreement that guarantees the satisfaction of the department that the proposed project will provide public benefits that are commensurate with the type and duration of the interest in land that is held by the applicant, may transfer the responsibility to maintain and operate the property in accordance with this section.

(r) To use the property only for the purposes for which the grant was made and to make no sale, lease, or other disposition of the property, except as authorized by specific act of the Legislature.

(s) The agreements specified in subdivision (a) shall not prevent the transfer of the property from the applicant to a public agency, if the successor public agency assumes the obligations imposed by those agreements.

(t) If the use of the property is changed to a use that is not permitted by the category from which the grant funds were appropriated, or if the property is sold or otherwise disposed of, an amount equal to (1) the amount of the grant, (2) the fair market value of the real property, or (3) the proceeds from the sale or other disposition, whichever is greater, shall be reimbursed by the department to the successor public agency.

(u) Not less than five hundred thousand dollars ($500,000) of the funds allocated pursuant to paragraph (1) of subdivision (l) of Section 5096.310 may be expended by the grantee for projects on lands owned by, or subject to a lease or other interest held by, the grantee.

(v) If a grant applicant does not have fee title to the lands, the agreement that guarantees the satisfaction of the department that the proposed project will provide public benefits that are commensurate with the type and duration of the interest in land that is held by the applicant, may transfer the responsibility to maintain and operate the property in accordance with this section.
approval of the Director of Finance, and those grants, gifts, devises, or bequests may be available, upon appropriation by the Legislature, for expenditure for the purposes specified in Section 5096.310. 5096.345. Except for funds continuously appropriated by this chapter, all appropriations of funds pursuant to Section 5096.310 for purposes of the program shall be included in the Budget Bill for the chapter, all appropriations of funds pursuant to Section 5096.310 for expenditure for the purposes specified in Section 5096.310.

Article 4.5. Clean Air Improvement Program

Promote air quality benefits.

The Department of Forestry and Fire Protection shall consult with the State Air Resources Board in developing guidelines for the allocation of grants funds pursuant to subdivision (u) of Section 5096.310 that promote air quality benefits.

State and local agencies shall consider potential air quality benefits when allocating funds received pursuant to this chapter.

Article 4.6. Sierra Nevada-Cascade Mountain Region

The Legislature hereby finds and declares that the Sierra Nevada and Cascade Mountain Region constitutes a unique and important geographical, ecological, scientific, educational, recreational, scenic, water, watershed, and wildlife resource that should be held in trust for the enjoyment of, and appreciated by, present and future generations.

The Secretary shall administer grants to the Sierra Nevada-Cascade Program to assist local governments, agencies, districts, and nonprofit organizations working in collaboration with those local governments, agencies, and districts to plan, create, and conserve the Sierra-Cascade natural ecosystem. The Secretary shall make funds available on a competitive basis for all of the following activities:

1. The acquisition and restoration of riparian habitat in accordance with Sections 7048 and 78662.2 of the Water Code to improve water quality, and to protect, restore, or rehabilitate watersheds, streams, wetlands, or other aquatic habitat.

2. Capital improvement projects that provide park and recreational opportunities.

3. Access to trails and public lands, in accordance with Article 6 (commencing with Section 5070) of Chapter 1 of Division 5.

4. Acquisition of park lands or recreational facilities.

5. The Secretary shall give priority to fund up to two million dollars ($2,000,000) for Commons Beach improvements on properties owned or administered by local agencies in the Lake Tahoe area, that will provide opportunities.

6. Wetlands, or other aquatic habitat.

7. Programs to establish permanent buffer areas, including, but not limited to, agricultural lands that are necessary to preserve the acreage and habitat values of existing wetlands.

8. Waterfowl habitat development projects on agricultural lands; the reduction of fishery impacts resulting from supply diversions that have a direct benefit to wetlands and waterfowl habitat; or programs to establish permanent buffer areas, including, but not limited to, agricultural lands that are necessary to preserve the acreage and habitat values of existing wetlands.

The Secretary may provide the following capital outlay grants:

1. Five hundred thousand dollars ($500,000) for capital outlay to an incorporated city all or part of the territory of which is located within five miles of the boundary line between San Joaquin County and Sacramento County.

2. Two hundred fifty thousand dollars ($250,000) to the department for the renovation of a state historical point of interest near the intersection of Jack Tone Road and State Highway 86.

3. For the purposes of this article, the Sierra Nevada-Cascade Mountain Region includes those portions of Fresno County, Kern County, Stanislaus County, and Tulare County, and counties with populations of less than 250,000 as of the 1990 United States Census, that are located in the mountains, the foothills, and the area adjacent to the geologic formations of the Sierra Nevada and Cascade mountain ranges.

Article 4.7. Murray-Hayden Urban Parks and Youth Service Program

Note: The Murray-Hayden Urban Parks and Youth Service Program is a separate program that provides funding for urban parks and youth services. The text describes the purposes of the program, the funding mechanisms, and the allocation of funds. The program is funded through the California Department of Parks and Recreation, which administers grants and funding opportunities for urban parks and youth services. The text outlines the general guidelines for the program, including eligibility criteria, grant application process, and requirements for recipients. The program aims to support the development and improvement of urban parks, recreation facilities, and youth services in communities throughout California, ensuring availability to all residents. The funds provided through the program can be utilized for a wide range of projects, such as park improvements, landscaping, equipment purchases, and youth programs. The text emphasizes the importance of providing accessible and quality recreational opportunities for youth and families in urban areas, fostering community engagement and promoting healthy lifestyles. The program seeks to bridge the gap between urban residents, especially youth, and the natural environment, encouraging active participation in outdoor activities and environmental stewardship. This initiative aligns with broader urban planning efforts that prioritize the integration of nature-based solutions to address environmental challenges, improve public health, and strengthen community well-being.
for the acquisition of real property or other actions taken pursuant to Chapter 10 (commencing with Section 2800) of the Fish and Game Code.

(6) One hundred million dollars ($100,000,000), upon appropriation by the Legislature, for the purpose of funding the acquisition of real property subject to a natural community conservation plan adopted pursuant to Chapter 10 (commencing with Section 2800) of the Fish and Game Code. If the acquisition and restoration project is conducted in conjunction with a natural community conservation plan approved by the Department of Fish and Game prior to January 1, 1999, or if the acquisition is approved by statute.

(f) An amount not to exceed three million dollars ($3,000,000) may be expended on regional approaches to reduce beach erosion. Up to fifteen million dollars ($15,000,000) shall be made available for the acquisition and restoration of lands, and for administrative costs incurred in connection therewith, in accordance with the following schedule:

(1) An amount not to exceed fifteen million dollars ($15,000,000) shall be expended in coastal areas north of the Gualala River.

(2) An amount not to exceed twenty-five million dollars ($25,000,000) shall be expended in Santa Cruz, Monterey, San Luis Obispo, or Santa Barbara Counties. One million dollars ($1,000,000) shall be allocated to the City of Monterey to fund public access and open space along the waterfront for the Window on the Bay.

(3) An amount not to exceed twenty-five million dollars ($25,000,000) shall be expended for the San Francisco Bay Ridge Trail.

(4) An amount not to exceed ten million dollars ($10,000,000) shall be expended for the acquisition of real property or other actions taken pursuant to the Salton Sea Restoration Project authorized by Public Law 105-372, the Salton Sea Reclamation Act of 1998, and identified in the Final Environmental Impact Statement of the Salton Sea Restoration Project.

(a) Redaím, in the long term, healthy fish and wildlife resources and their habitats.

(b) Enhance the potential for recreational uses of the Salton Sea.

(c) Not more than 5 percent of the funds authorized for expenditure by this section may be used for public access and wildlife-oriented public use projects.

Article 6. Lake Tahoe Program

5096.351. (a) The Legislature has recognized the need to protect and restore the fragile environment at Lake Tahoe and the Tahoe Regional Planning Agency has prepared an Environmental Improvement Program that outlines a capital outlay approach to help achieve environmental goals in the Lake Tahoe basin, which allocates funding responsibilities over the first 10 years of the program in the amounts of approximately two hundred seventy-four million dollars ($274,000,000) to the State of California, two hundred ninety-seven million dollars ($297,000,000) to the federal government, eighty-two million dollars ($82,000,000) to the State of Nevada, one hundred eighty-one million dollars ($181,000,000) to local governments, and one hundred fifty-three million dollars ($153,000,000) to private sector.

(b) Funds allocated pursuant to subdivision (n) of Section 5096.310 shall be available for expenditure for the development, restoration, acquisition, and enhancement of real property, by the California Tahoe Conservancy within the Lake Tahoe region pursuant to the criteria and standards established pursuant to Article 21 (commencing with Section 66905) of the Government Code for the following purposes:

(1) Protecting the natural environment through preservation of environmentally sensitive lands, soil erosion control, restoration or enhancement of watershed lands, and restoration or enhancement of streams and other natural areas.

(2) Providing public access and public recreation opportunities.

(3) Enhancing and restoring wildlife areas.

(c) The funds received to accomplish the above goals and objectives shall be matched with funds for federal, state, and local agencies and nonprofit organizations, on a competitive basis, to meet applicable state responsibilities pursuant to the Tahoe Regional Planning Agency's Environmental Improvement Program.

(d) The allocation of these funds has been made in the expectation that the federal government, the state, and the private sector will fulfill their respective obligations pursuant to the Environmental Improvement Program. The secretary shall report annually to the Legislature on the progress of the development and implementation of the criteria and standards established pursuant to this section.

(e) Twenty-five million dollars ($25,000,000) shall be available, upon appropriation by the Legislature, to the State Coastal Conservancy for expenditure for the acquisition, development, rehabilitation, enhancement, and protection of land, and for administrative costs incurred in connection therewith, in accordance with Division 23.5 (commencing with Section 5096.340).

(f) Twenty-five million dollars ($25,000,000) shall be available, upon appropriation by the Legislature, to the State Coastal Conservancy for expenditure for the acquisition, development, enhancement, and protection of land, and for administrative costs incurred in connection therewith, in accordance with Division 23.5 (commencing with Section 5096.340).

Article 7. Coastal Protection Program

5096.350. Funds allocated pursuant to subdivision (o) of Section 5096.310 shall be available to the San Francisco Bay Area Conservancy Program for the acquisition of real property or other actions taken pursuant to the San Francisco Bay Area Conservancy Program for the following purposes, including, but not limited to:

(1) An amount not to exceed three million dollars ($3,000,000) may be expended on regional approaches to reduce beach erosion. Up to fifteen million dollars ($15,000,000) shall be made available for the acquisition and restoration of lands, and for administrative costs incurred in connection therewith, in accordance with the following schedule:

(a) Twenty-five million dollars ($25,000,000) for projects funded pursuant to the San Francisco Bay Area Conservancy Program established pursuant to Chapter 4.5 (commencing with Section 31160) of the Government Code.

(b) Twenty-five million dollars ($25,000,000) shall be available to the State Coastal Conservancy for expenditure for the acquisition of real property or other actions taken pursuant to the State Coastal Conservancy pursuant to Division 21 (commencing with Section 31000) of the Fish and Game Code. If the acquisition and restoration project is conducted in conjunction with a natural community conservation plan approved by the Department of Fish and Game prior to January 1, 1999, or if the acquisition is approved by statute.

(c) Sixty-four million two hundred thousand dollars ($64,200,000) of the funds available may be expended by the State Coastal Conservancy directly or as grants to governmental entities and nonprofit organizations for the purpose of Division 21 (commencing with Section 31000), and for the acquisition and restoration of property in the Lake Tahoe Basin, which allocates funding responsibilities over the first 10 years of the program in the amounts of approximately one hundred fifty-three million dollars ($153,000,000) to the private sector.

(d) Enhance the potential for recreational uses of the Salton Sea.

(e) Twenty-five million dollars ($25,000,000) shall be available, upon appropriation by the Legislature, to the State Coastal Conservancy for expenditure for the acquisition, development, rehabilitation, enhancement, and protection of land, and for administrative costs incurred in connection therewith, in accordance with Division 23.5 (commencing with Section 5096.340).

(f) Twenty-five million dollars ($25,000,000) shall be available, upon appropriation by the Legislature, to the State Coastal Conservancy for expenditure for the acquisition, development, enhancement, and protection of land, and for administrative costs incurred in connection therewith, in accordance with Division 23.5 (commencing with Section 5096.340).

Article 8. Mountain Resource Program

5096.353. Funds allocated pursuant to subdivision (p) of Section 5096.310 shall be available to the San Joaquin River Program for the acquisition of real property or other actions taken pursuant to the San Joaquin River Program for the following purposes, including, but not limited to:

(1) An amount not to exceed three million dollars ($3,000,000) may be expended on regional approaches to reduce beach erosion. Up to fifteen million dollars ($15,000,000) shall be made available for the acquisition and restoration of lands, and for administrative costs incurred in connection therewith, in accordance with the following schedule:

(a) Twenty-five million dollars ($25,000,000) for projects funded pursuant to the San Joaquin River Program.

(b) Twenty-five million dollars ($25,000,000) shall be available to the State Coastal Conservancy for expenditure for the acquisition of real property or other actions taken pursuant to the State Coastal Conservancy for the acquisition, development, enhancement, and protection of land, and for administrative costs incurred in connection therewith, in accordance with Division 23.5 (commencing with Section 5096.340).

(c) Sixty-four million two hundred thousand dollars ($64,200,000) of the funds available may be expended by the State Coastal Conservancy directly or as grants to governmental entities and nonprofit organizations for the purpose of Division 21 (commencing with Section 31000), and for the acquisition and restoration of property in the Lake Tahoe Basin, which allocates funding responsibilities over the first 10 years of the program in the amounts of approximately one hundred fifty-three million dollars ($153,000,000) to the private sector.

(d) Enhance the potential for recreational uses of the Salton Sea.

(e) Twenty-five million dollars ($25,000,000) shall be available, upon appropriation by the Legislature, to the State Coastal Conservancy for expenditure for the acquisition, development, enhancement, and protection of land, and for administrative costs incurred in connection therewith, in accordance with Division 23.5 (commencing with Section 5096.340).

(f) Twenty-five million dollars ($25,000,000) shall be available, upon appropriation by the Legislature, to the State Coastal Conservancy for expenditure for the acquisition, development, enhancement, and protection of land, and for administrative costs incurred in connection therewith, in accordance with Division 23.5 (commencing with Section 5096.340).

Article 9. Agriculture Program

5096.355. Funds allocated pursuant to subdivision (r) of Section 5096.310 shall be available to the Coachella Valley Mountains Conservancy for expenditure for the acquisition of real property or other actions taken pursuant to the Coachella Valley Mountains Conservancy for the acquisition, development, enhancement, and protection of land, and for administrative costs incurred in connection therewith, in accordance with Division 23.5 (commencing with Section 5096.340).

Article 10. Agriculture Program

5096.356. (a) Funds allocated pursuant to subdivision (t) of Section 5096.310 shall be available to the Department of Conservation for grants on a competitive basis, to state and local agencies and nonprofit organizations for farm products, to purchase fish and wildlife habitat and trails, and for the acquisition of real property or other actions taken pursuant to the Fish and Game Code.
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Agricultural Land Stewardship Program Act of 1995 (Division 10.2 (commencing with Section 10200)), or its successor program. This purpose shall include, but not be limited to, the placement of improvements and acquisition of agricultural conservation easements and other interests in land pursuant to the Agricultural Land Stewardship Program.

(b) At least 20 percent of the funds allocated pursuant to subdivision (t) of Section 5096.310 shall be available for projects that preserve agricultural lands and protect water quality in the counties that serve the San Pablo Bay.

Article 11. Fish and Game Program

5096.357. (a) Funds allocated pursuant to paragraph (1) of subdivision (v) of Section 5096.310 shall be available to the Department of Fish and Game for the exclusive purpose of acquiring habitat preservation and enhancement agreements on private wetlands pursuant to the California Waterfowl Habitat Program—Phase II and administrative costs incurred in connection therewith. Expenditure of those funds shall be consistent with the purposes identified in Section 3702 of the Fish and Game Code.

(b) Funds allocated pursuant to paragraph (2) of subdivision (v) of Section 5096.310 shall be made available to the Department of Fish and Game for the exclusive purpose of acquiring habitat preservation and enhancement agreements on private wetlands pursuant to the California Waterfowl Habitat Program—Phase II and administrative costs incurred in connection therewith. Expenditure of those funds shall be consistent with the purposes identified in Section 3702 of the Fish and Game Code.

Article 12. California Indian Tribe Participation

5096.358. To the extent funds authorized pursuant to this chapter are available for competitive grants to local government entities, federally recognized California Indian tribes may apply for those grants, the tribes' application shall be considered on its merits, and the tribes shall expend any funds received for the purpose authorized by this chapter for which the funds are made available.


5096.360. Bonds in the total amount of two billion one hundred million dollars ($2,100,000,000), not including the amount of any refunding bonds issued in accordance with Section 5096.370, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes set forth in Section 5096.310 and to be used 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 a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due.

(b) At least 20 percent of the funds allocated pursuant to subdivision (a) of Section 5096.362 at any different times that are necessary to service expenditures appropriated pursuant to this chapter.

The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in 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), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

5096.362. (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 chapter, the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection (Villaraigosa-Keely Act) Finance Committee is hereby created. For purposes of this chapter, the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection (Villaraigosa-Keely Act) Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Director of Finance and the Treasurer, or their designees.

(b) Funds provided pursuant to this chapter, and any appropriation or transfer of those funds, shall not be deemed to be a transfer of funds for the purposes of Chapter 9 (commencing with Section 2780) of Division 3 of the Fish and Game Code.

Provision 13: Text of Proposed Law

This law proposed by Assembly Bill 1584 of the 1999–2000 Regular Session (Chapter 725, Statutes of 1999) is submitted to the people in accordance with the provisions of Article XVI of the California Constitution.
This proposed law amends, adds, adds and repeals, and repeals and adds sections to the Water Code; therefore, existing provisions proposed to be deleted are printed in strikeout type and new provisions proposed to be added are printed in italic type to indicate that they are new.

PROPOSED LAW

SECTION 1. Division 26 (commencing with Section 79000) is added to the Water Code, to read:

DIVISION 26. SAFE DRINKING WATER, CLEAN WATER, WATERSHED PROTECTION, AND FLOOD PROTECTION ACT

CHAPTER 1. SHORT TITLE

79000. This division shall be known and may be cited as the Costa-Machado Water Act of 2000.

CHAPTER 2. DEFINITIONS

79005. Unless the context otherwise requires, the definitions set forth in this chapter govern the construction of this division.

79006. “Bay-delta” means the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

79007. “Board” means the State Water Resources Control Board.

79008. “CALFED” refers to the consortium of state and federal agencies with management and regulatory responsibilities in the bay-delta that are developing a long-term solution to water management, environmental, and other problems in the bay-delta watershed.


CHAPTER 3. SAFE DRINKING WATER, CLEAN WATER, WATERSHED PROTECTION, AND FLOOD PROTECTION FUND

79019. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund, which is hereby created.

CHAPTER 4. SAFE DRINKING WATER PROGRAM

Article 1. Definitions

79020. Unless the context otherwise requires, the following definitions govern the construction of this chapter:

(a) “Federal act” means the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.), and includes any amendments thereto.

(b) “State department” means the State Department of Health Services.

(c) “Supplier” means any person, partnership, corporation, association, public agency, or other entity, including any Indian tribe having a federally recognized governing body carrying out substantial water management functions and powers over any area, that owns or operates a public water system.

Article 2. Safe Drinking Water State Revolving Fund

79021. The sum of seventy million dollars ($70,000,000), hereby transferred to the Safe Drinking Water State Revolving Fund created by Section 116760.30 of the Health and Safety Code.

Article 3. Safe Drinking Water Program

79022. (a) The money transferred to the Safe Drinking Water State Revolving Fund pursuant to Section 79021, except as otherwise provided in Sections 79022.7 and 79025, shall be used by the state department for loans and grants to suppliers for the purposes of undertaking infrastructure improvements and related actions to meet drinking water standards, in accordance with the Safe Drinking Water State Revolving Fund Law of 1997 (Chapter 4.5 (commencing with Section 116760) of Part 12 of Division 104 of the Health and Safety Code).

(b) The public water system for which the money in the Safe Drinking Water State Revolving Fund is transferred pursuant to Section 300(j-12)(i) of the federal act (42 U.S.C. Sec. 1452(i)) or if the supplier does not have a public water system permit pursuant to Section 116525 of the Health and Safety Code. The state department may place a public water system on the priority list for funding if a supplier has not otherwise received a letter of commitment to make a grant from the Department of Water Resources or the Small Community Water System Loan Program.

(b) The Legislature finds and declares that Indian tribes shall be encouraged to cooperate with an adjacent public water system to determine whether the delivery of water from the public water system to the Indian tribe would be feasible and cost-effective in comparison to the improvement of a public water system owned or operated by the Indian tribe. The determination of feasibility shall include an assessment of whether the tribal water supplier possesses adequate financial, managerial, and technical capability to ensure the delivery of pure, wholesome water to the Indian tribe. The Legislature further finds and declares that public water suppliers shall be encouraged to investigate opportunities for Indian tribes to deliver water beyond trust land boundaries to consumers that may not be economically served by a public water system.

(d) The state department shall encourage loan or grant applicants, where feasible, to consider the consolidation of small public water systems and community water systems with other public water systems to reduce the cost of service and improve the level of protection for consumers.

(e) To the extent that loans under this chapter that are made to a public water system regulated by the Public Utilities Commission bear a lower interest rate than that supplier could receive from nongovernmental sources, the Public Utilities Commission shall ensure that the entire benefit of the interest rate differential shall benefit the rate payers of that system by including the lower interest rate when establishing the system’s weighted average cost of capital.

(f) Any repayment of loans made pursuant to this article, including interest payments, and all interest earnings on any proceeds, shall be available for the purposes of this chapter.

Article 4. Flood Protection Program

Artile 1. Flood Protection Account

79030. For the purposes of this chapter, “account” means the Flood Protection Account created by Section 79031.

79031. The Flood Protection Account is hereby created in the fund. The sum of two hundred ninety-two million dollars ($292,000,000) is hereby transferred to the account.

Artile 2. Floodplain Mapping Program

79032. (a) There is hereby created in the account the Floodplain Mapping Subaccount.

(b) The sum of two million five hundred thousand dollars ($2,500,000) is hereby transferred from the account to the Floodplain Mapping Subaccount.

(c) The Legislature finds and declares that the Indian tribes shall be encouraged to cooperate with an adjacent public water system to determine whether the delivery of water from the public water system to the Indian tribe would be feasible and cost-effective in comparison to the improvement of a public water system owned or operated by the Indian tribe. The determination of feasibility shall include an assessment of whether the tribal water supplier possesses adequate financial, managerial, and technical capability to ensure the delivery of pure, wholesome water to the Indian tribe. The Legislature further finds and declares that public water suppliers shall be encouraged to investigate opportunities for Indian tribes to deliver water beyond trust land boundaries to consumers that may not be economically served by a public water system.

(d) The state department shall encourage loan or grant applicants, where feasible, to consider the consolidation of small public water systems and community water systems with other public water systems to reduce the cost of service and improve the level of protection for consumers.

(e) To the extent that loans under this chapter that are made to a public water system regulated by the Public Utilities Commission bear a lower interest rate than that supplier could receive from nongovernmental sources, the Public Utilities Commission shall ensure that the entire benefit of the interest rate differential shall benefit the rate payers of that system by including the lower interest rate when establishing the system’s weighted average cost of capital.

(f) Any repayment of loans made pursuant to this article, including interest payments, and all interest earnings on any proceeds, shall be available for the purposes of this chapter.

(g) All moneys made available under this chapter shall be used to carry out the purposes of this chapter and shall be available in accordance with Section 300(j-12)(i) of the federal act (42 U.S.C. Sec. 1452(i)).
(a) Mapping newly identified floodplains.
(b) Mapping rural areas with potential for urbanization.
(c) Mapping flood hazard areas with undefined 100-year flood elevations.
(d) Updating outdated floodplain maps.
(e) Accelerating mapping of riverine floodplains, alluvial fans, and coastal flood hazard areas.
(f) Collecting topographic and hydrographic survey data.

79033.6. (a) The money in the Agriculture and Open Space Mapping Subaccount, upon appropriation by the Legislature to the Department of Conservation, may be used by the Department of Conservation for the purposes of assisting local land-use planning by making available Important Farmland Series maps and Interim Farmland maps, as those terms are defined in Section 65750 of the Government Code. The information may be acquired from the Department of Conservation, through the purchase of floodplain and flood hazard maps developed by the department to protect agricultural land resources coincident with avoidance or reduction of future flood risk and damage to reacquire interests in real property from willing sellers located in subaccount by the Department of Conservation shall include, but is not limited to, all of the following:
(1) Accelerating production of Important Farmland Series maps and Interim Farmland maps.
(2) Increasing the coverage and availability of soil surveys conducted by the United States Natural Resource Conservation Service.
(3) Increasing topographic, sal, and agricultural crop data collection and enhancing flood data related to mapping.
(4) Developing integrated mapping that incorporates Important Farmland Series mapping and Interim Farmland mapping data with other relevant information, including, but not limited to, floodplain or flood hazard information, planning designation, and other land and natural resource data.

(b) For the purposes of this article, “maps” and “mapping” may include digital map files.

Art. 2.5. Flood Protection Corridor Program
79035. (a) There is hereby created in the account the Flood Protection Corridor Subaccount.
(b) For the purposes of this article, “subaccount” means the Flood Protection Corridor Subaccount created by subdivision (a).

79036. (a) Twenty million dollars ($20,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article.

79037. (a) The money in the subaccount, upon appropriation by the Legislature, may be used by the department for flood control projects through direct expenditure for the acquisition, restoration, enhancement, and protection of real property for the purposes of flood control protection, agricultural land preservation, and wildlife habitat protection, and for grants to local public agencies or nonprofit organizations for these purposes, and for related administrative costs.
(b) The money in the subaccount, upon appropriation by the Legislature, shall be used for the protection, creation, and enhancement of flood protection corridors through all of the following actions:
(1) Acquiring easements and other interests in real property from willing sellers to protect or enhance flood protection corridors and floodplains while preserving or enhancing the agricultural use of the real property.
(2) Setting back existing flood control levees and, in conjunction with undertaking those setbacks, strengthening or modifying existing levees.
(3) Acquiring easements and other interests, including in a floodplain that cannot reasonably be made safe from future flooding.
(4) Acquiring easements and other interests in real property from willing sellers to protect or enhance flood protection corridors while preserving or enhancing the wildlife value of the real property.

79038. (a) For the purposes of this article, the department shall give highest priority to projects that include any of the following:
(1) Projects that have been assigned a high priority for completion by the department for flood protection purposes and by the Department of Conservation for purposes of preserving agricultural land in accordance with the Agricultural Land Stewardship Program Act of 1995 (Division 10.2 (commencing with Section 10200) of the Public Resources Code).
(2) Projects that have been assigned high priority for completion by the department for flood protection purposes and by the Department of Fish and Game for wildlife habitat protection or restoration purposes.
(3) Projects that have been assigned high priority for completion by the department for flood protection purposes and by the Department of Conservation for purposes of preserving agricultural land in accordance with the Agricultural Land Stewardship Program Act of 1995 (Division 10.2 (commencing with Section 10200) of the Public Resources Code).

79039. (a) In order to ensure that property acquired under paragraphs (1), (2), and (3) of subdivision (b) of Section 79036, or otherwise available to the agency or organization, is used for the purposes of this section or financed pursuant to this section.
(b) If the local public agency or nonprofit organization does not establish a trust fund pursuant to subdivision (a), it shall certify to the department that it will maintain the land to be acquired from funds otherwise available to the agency or organization.
(c) This section does not affect the use of the proceeds of a sales tax levied by the Legislature.

79044.5. (a) It is the intent of the Legislature to address the problem of soaring federal flood insurance rates by assisting local governments to meet technical requirements for participation in the National Flood Insurance Program and the National Flood Insurance Program’s Community Rating System.
(b) Notwithstanding any other provision of this article, the funds transferred pursuant to Section 79036, the sum of one million dollars ($1,000,000) is hereby continuously appropriated, without regard to fiscal years, to the department, as follows:
(1) Five hundred thousand dollars ($500,000) to educate and provide technical assistance to cities and counties regarding the National Flood Insurance Program and the National Flood Insurance Program’s Community Rating System.
(2) Five hundred thousand dollars ($500,000) to educate and provide technical assistance to cities and counties currently enrolled in the National Flood Insurance Program with regard to the National Flood Insurance Program’s Community Rating System and the implementation of activities creditable under that system.

79044.6. Notwithstanding any other provision of this article, the sum of five million dollars ($5,000,000), upon appropriation by the Legislature to the department, shall be allocated by the department to the City of Santee for the purposes of flood protection for streets and highways.

79044.7. Not more than 5 percent of the total amount deposited in the subaccount may be used to pay costs incurred in connection with the administration of this article.

79044.9. The department may adopt regulations to carry out this article.

Art. 3. Delta Levee Rehabilitation Program
79045. (a) There is hereby created in the account the Delta Levee Rehabilitation Subaccount.
(b) For the purposes of this article, “subaccount” means the Delta Levee Rehabilitation Subaccount created by subdivision (a).

79046. (a) The money in the subaccount, upon appropriation by the Legislature to the department, shall be continuously appropriated, without regard to fiscal years, to the department, as follows:
(1) Twenty million dollars ($20,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article pursuant to Section 12986.
(2) Notwithstanding Section 13340 of the Government Code, the money in the subaccount may be continuously appropriated, without regard to fiscal years, to the department, as follows:
(3) Fifteen million dollars ($15,000,000) for local assistance under the Delta levee maintenance subventions program under Part 9 (commencing with Section 12980) of Division 6, and for the administration of that assistance.
Text of Proposed Laws—Continued

(b) Fifteen million dollars ($15,000,000) for special flood protection projects under Chapter 2 (commencing with Section 12310) of Part 4.8 of Division 6, subsidence studies and monitoring, and for the administration of this subdivision. Allocation of these funds shall be for flood protection projects on Bethel, Bradford, Holland, Hotchkiss, Jersey Shermans, Twitchell, and Webb Islands, and at other locations in the delta.

(c) Any funds that are made available under subdivision (a) may be used to reimburse local agencies for the state’s share of costs for eligible projects completed on or after July 1, 1998.

79047. (a) The State Capitol Flood Protection Subaccount created by this article is subject to Chapter 1.5 (commencing with Section 12306) of Part 4.8 of Division 6, 79049. Of the funds appropriated pursuant to subdivision (a) or (b) of Section 79047, not more than 5 percent may be expended by the department to repair levee road pavement if the damage is attributable to flood control projects.

79050. No expenditure of funds may be made under this article unless the Department of Fish and Game makes a written determination as part of its review and approval of a plan or project pursuant to Section 12314 or 12867. The Department of Fish and Game shall make its determination in a reasonable and timely manner following the submission of the plan or project to that department. For the purposes of this article, an expenditure may include more than one levee project or plan.

79051. For the purposes of this article, a levee project includes levee improvements and related habitat improvements undertaken in the delta at a location other than the location of that levee improvement.

79052. Following the date on which a program for the bay-delta is adopted by the department, the remaining funds in the Subaccount shall be used for levee rehabilitation improvement projects that, to the greatest extent possible, are consistent with the program adopted by CALFED.

Article 4. Flood Control Subventions Program

79055. (a) There is hereby created in the account the Flood Control Subventions Subaccount.

(b) For purposes of this article, “subaccount” means the Flood Control Subventions Subaccount created by subdivision (a).

79056. The sum of forty-five million dollars ($45,000,000) is hereby transferred from the fund to the subaccount.

79057. (a) Notwithstanding Sections 12570 and 12850 of the Government Code, or any other provision of law, the money in the subaccount is hereby continuously appropriated, without regard to fiscal year, to the department to pay for the state’s share of the nonfederal costs of flood control and flood prevention projects adopted and authorized as of January 1, 1999, under The State Water Resources Law of 1945 (Chapter 1 (commencing with Section 12570) and Chapter 2 (commencing with Section 12639) of Part 6 of Division 6), The Flood Control Act of 1950 (Chapter 3 (commencing with Section 12800) of Part 6 of Division 6), and The California Watershed Protection and Flood Prevention Law (Chapter 4 (commencing with Section 12870) of Part 6 of Division 6), including the credits and loans to local agencies pursuant to Section 12866.5, Sections 12866.3 and 12866.4, and to implement Chapter 3.5 (commencing with Section 12840) of Part 6 of Division 6.

(b) The money in the subaccount shall be allocated only to projects in the Counties of Contra Costa, Fresno, Kern, Los Angeles, Marin, Napa, Orange, Riverside, San Bernadino, San Diego, Santa Clara, Sonoma, and Ventura.

(c) It is the intent of the Legislature that the state’s share of the nonfederal costs of projects for flood control and flood prevention adopted and authorized after January 1, 2001, shall not exceed that portion of the nonfederal costs authorized pursuant to Chapter 1 (commencing with Section 12570) of Part 6 or any amendments thereto.

Article 5. Urban Stream Restoration Program

79060. (a) There is hereby created in the account the Urban Stream Restoration Subaccount.

(b) For purposes of this article, “subaccount” means the Urban Stream Restoration Subaccount created by subdivision (a).

79061. The sum of twenty-five million dollars ($25,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article.

79062. (a) The money in the subaccount, upon appropriation by the Legislature to the department, may be used by the department for both of the following purposes:

(b) For purposes of this article, “subaccount” means the San Lorenzo River Flood Protection Subaccount created by Section 79068.2.

(c) It is the intent of the Legislature that the state’s share of the nonfederal costs of projects for flood control and flood prevention adopted and authorized after January 1, 2001, shall not exceed that portion of the nonfederal costs authorized pursuant to Chapter 1 (commencing with Section 12570) of Part 6 or any amendments thereto.

Article 6. Capital Area Flood Protection Program

79065. The Legislature hereby finds and declares all of the following:

(a) Since Sacramento, the state capital, was founded over 150 years ago, it has suffered from flood disasters because of inadequate flood protection. Each year, state government-owned buildings and infrastructure in the capital region are at risk because of their location in the worst protected urban area in the country.

(b) The State of California’s investment of money and other resources in the State Capitol’s flood protection is important to preserve and protect. The State Capitol is the nation’s capitol and the House of Representatives is the world’s oldest legislative body. The State Capitol is at the heart of the city of Sacramento.

(c) The Congress and the President of the United States have recognized the national importance of increasing the level of the state Capitol’s flood protection by authorizing projects in the Water Resources Development Act of 1999.

(d) The state Capitol Flood Protection Subaccount created by subdivision (a) of Section 79065.2 is hereby transferred from the account to the subaccount for the purposes of this article.

79065.2. (a) There is hereby created in the account the State Capital Flood Protection Subaccount.

(b) For purposes of this article, “subaccount” means the State Capital Flood Protection Subaccount created by subdivision (a).

79065.4. The sum of twenty million dollars ($20,000,000) is hereby transferred from the account to the subaccount for the purposes of this article.

79065.6. The money in the subaccount, upon appropriation by the Legislature to the Sacramento Area Flood Control Agency, may be used by the Sacramento Area Flood Control Agency to pay for the state’s share of the costs of flood management projects authorized by the United States to improve the level of flood protection in the state capital region.

79065.8. No money deposited in the subaccount may be used to pay the costs incurred in connection with the administration of this article.

Article 7. San Lorenzo River Flood Control Program

79067. (a) There is hereby created in the account the San Lorenzo River Flood Control Subaccount.

(b) For purposes of this article, “subaccount” means the San Lorenzo River Flood Control Subaccount created by subdivision (a).

(b) There is hereby created in the account the San Lorenzo River Flood Control Subaccount.

79068.2. There is hereby created in the account the Yuba Feather Flood Protection Subaccount created by Section 79068.2.

79068.4. The sum of ninety million dollars ($90,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article.

79068.6. Seventy million dollars ($70,000,000) in the subaccount, upon appropriation by the Legislature to the department or Reclamation Board, shall be used by the department or Reclamation Board to fund one or more of the following flood protection projects to be implemented by a local public entity that has legal authority and jurisdiction to implement a flood control program along the Yuba and Feather Rivers and any other provision of law, the money in the subaccount is hereby transferred from the account to the subaccount for the purposes of implementing this article.

79068.8. The construction or improvement of weirs, bypasses, and channels.

(b) The construction of levees or improving publicly maintained levees shall be eligible for funding, but not levees, training walls, floodwalls, and streambank protection projects, which provide flood protection or flood damage reduction.

(c) The modification or reoperation of existing dams and waterworks, including spillways or other资本出流设施，for the purpose of increased efficiency in managing flood waters.

(d) The installation of tailwater suppression systems, detention basins, relief wells, test wells, flood warning systems, and telemetry devices.
(e) The relocation or floodproofing of structures within floodplains, which meet or exceed a community’s floodplain regulations, pursuant to the National Flood Insurance Program.

(f) Implementation of watershed projects, which provide flood protection or flood damage reduction.

(g) The construction of, or improvement to, a state or interstate highway, county road, or a levee road, that is designated a flood emergency evacuation route, or that provides access to a levee for emergency vehicles, flood lights, or levee repair and maintenance, or a project that protects such a road or highway.

(h) The purchase of lands, easements, and rights-of-way.

(i) Capital costs of environmental mitigation.

79068.8. No expenditures of state funds may be made under this article until the department or the Reclamation Board determines that all of the following requirements have been met:

(a) There is a final environmental document prepared pursuant to the California Environmental Quality Act (commencing with Section 21000 of the Public Resources Code).

(b) The project is in compliance with the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), as demonstrated by documentation such as comments received from the Department of Fish and Game, a permit obtained from the Department of Fish and Game or other appropriate evidence.

(c) The local project proponent agrees to pay at least that portion of the nonfederal capital costs of the project required by Section 12585.5.

(d) The local project proponent agrees to operate and maintain the completed project.

(e) The local project proponent enters into an agreement indemnifying and holding the state, its agencies, officers and employees free and harmless from any and all liability arising out of the design, construction, operation and maintenance of the project.

(f) The project is recommended for implementation by the department or the Reclamation Board.

79068.10. All of the following factors shall be considered by the department and the Reclamation Board for prioritizing projects:

(a) Potential loss from flooding.

(b) Increased flood protection or flood damage reduction for areas that have the greatest flood risk or have experienced repetitive flood loss.

(c) Local community is a small community with financial hardship.

(d) Projects that provide multiple benefits.

(e) Projects that are implemented in accordance with the Sacramento-San Joaquin River Basins Comprehensive Study.

(f) Projects that are implemented pursuant to the completion of feasibility studies conducted by the United States Army Corps of Engineers or local agencies.

(g) Projects along the Yuba and Feather Rivers and their tributaries.

(h) Projects that address regional flood problems.

(i) Projects along the Colusa Drain and its tributaries.

(j) Minimizing impacts to the environment.

79068.12. Of the fund appropriated pursuant to Section 79068.6, two million six hundred thousand dollars ($2,600,000) in the subaccount shall be used for the local share of levee repairs and enhancements in Sutter County.

79068.14. (a) Twenty million dollars ($20,000,000) in the subaccount and an additional two million sixty thousand dollars ($2,600,000) in the subaccount shall be used for the local share of levee repairs and enhancements in Sutter County.

(b) The sum of forty-six million dollars ($46,000,000) is hereby transferred from the fund to the account.

79069. The purposes of this article are to provide funds to assist in implementing watershed plans to reduce flooding, control erosion, improve water quality, and improve aquatic and terrestrial species habitats, to restore natural systems of groundwater recharge, native vegetation, water flows, and riparian zones, to restore the beneficial uses of waters of the state in watersheds, and to provide matching funds for federal grant programs.

79069.10. Except as otherwise required, the following definitions govern the construction of this article:

(a) “Local agency” means any city, county, city and county, district, or other political subdivision of the state.

(b) “Local watershed group” means a group consisting of owners and managers of land within the watershed of interest, local, state, and federal government representatives, and interested persons, other than landowners, who reside or work within the watershed of interest, and may include other persons, organizations, nonprofit corporations, and businesses.

(c) “Local watershed management plan” means a document prepared by a local watershed group that sets forth a strategy to achieve an ecologically sustainable watershed, and that does all of the following:

1. Defines the geographical boundaries of the watershed.

2. Describes the natural resource conditions within the watershed.

3. Describes measurable characteristics for water quality improvements.

4. Describes methods for achieving and sustaining water quality improvements.

5. Identifies any person, organization, or public agency that is responsible for implementing the methods described in paragraph (4).

6. Provides milestones for implementing the methods described in paragraph (4).

7. Describes a monitoring program designed to measure the effectiveness of the methods described in paragraph (4).

(d) “Municipality” has the same meaning as defined in the Clean Water Act and also includes the state or any agency, department, or political subdivision thereof, and applicants eligible for technical assistance under Section 319 (33 U.S.C. Sec. 1329) or grants under Section 320 of the Clean Water Act (33 U.S.C. Sec. 1330).

(e) “Nonprofit organization” means any California corporation organized under Section 501(c)(3) or 501(c)(5) of the Internal Revenue Code.
Text of Proposed Laws—Continued

79080. (a) A municipality, local agency, or nonprofit organization may only receive a grant under this article if the board determines that both of the following apply:

(1) The municipality, local agency, or nonprofit organization has adequate legal authority to manage the grant money.

(2) The municipality, local agency, or nonprofit organization is a member of a local watershed group.

(b) Grants may be awarded for projects that implement methods for attaining, improving, or maintaining water quality. Not more than 25 percent of the total amount in the subaccount shall be used for capital outlay projects.

(c) Eligible projects under this article may do any of the following:

(1) Describe the manner in which the proposed watershed restoration activities will rehabilitate and improve the Clear Lake Watershed by funding one or more of the following projects or activities: Clear Lake Basin 2000 Project.

(2) Include definable targets and desired future conditions.

(3) Protect and enhance habitats for aquatic or terrestrial species.

(4) Prevent watershed soil erosion and sedimentation of surface waters.

(5) Use geographic information systems to display and manage the environmental data describing the watershed.

(6) Prevent watershed soil erosion and sedimentation of surface waters.

(7) Support beneficial groundwater recharge activities.

(8) Otherwise reduce the discharge of pollutants to state waters from stormwater or nonpoint sources.

(d) (1) Grants may be awarded to municipalities, local agencies, or nonprofit organizations for the development of local watershed management plans in amounts not to exceed two hundred thousand dollars ($200,000) per local watershed management plan.

(2) Funding under this subdivision may be used to develop components of local watershed management plans that contribute to the development or implementation of species recovery plans.

(e) Grants may be awarded to meet requirements for nonprofit local agencies under the Water Quality Act (3 U.S.C. Sec. 1285(j)) or Section 319(h) of the Clean Water Act (3 U.S.C. Sec. 1329(h)).

(f) Projects funded under this article shall be designed to withstand substantial flooding and shall include a minimum 10-year maintenance program and shall demonstrate the potential to provide watershed benefits for 20 years.

(g) A proponent of a project funded from the subaccount, except a grant recipient pursuant to subdivision (d), shall be required to submit to the board a monitoring and reporting plan that does all of the following:

(1) Describes the baseline water quality of the waterbody impacted.

(2) Describes the manner in which the proposed watershed restoration activities are implemented.

(3) Determines the effectiveness of the watershed restoration activities in preventing pollution.

(4) Determines, to the extent feasible, the changes in the pattern of flow in affected streams, including reduction of flood flows and increases in spring, summer, and fall flows that result from the implementation of the project.

(5) Determines, to the extent feasible, the economic benefits resulting from changes determined pursuant to paragraph (3) or (4).

(h) (1) A grant applicant shall inform the board with regard to necessary approvals, entitlements, and permits that may be necessary to implement the project. The municipality, local agency, or nonprofit organization shall certify to the board, at the appropriate time, that those approvals, entitlements, and permits have been granted.

(2) A small entity in the county of the Clear Lake Watershed, if a small entity, shall notify, in writing, the board of its request for funding under this article and the scope of the project for which the funding is requested. If this paragraph requires notification of more than 200 landowners, notification may be made by letter to the owners of record of the 200 largest parcels and by publication for at least 20 days in a local newspaper of general circulation. Upon completion of the notification required under this paragraph, the municipality, local agency, or nonprofit organization shall inform the board that the notification has occurred.

(i) The board may adopt regulations to carry out this article. In exercising its discretion under this article, the board shall consider the extent to which projects do the following:

(1) Consider the entire ecosystem to be protected or restored.

(2) Include definable targets and desired future conditions.

(3) Support local community institutional capacity to restore the watershed.

(4) Include community decisionmaking by affected stakeholders in project design and fund allocation.

(j) Help protect intact or restore intact ecosystems and watersheds.

(k) Consider the economic benefits of the restoration project or program.

(l) Address the root causes of degradation, rather than the symptoms.

(m) Maximize the use of other restoration funds.

(n) Include an educational component, if appropriate.

(o) Improve the quality of drinking water and support other beneficial uses of waters of the state, including coastal waters.

79081. A grant recipient shall obtain written permission from the landowner of the parcel of land upon which the project is proposed to be carried out. The written permission shall expressly consent to the actions described in the grant application.

79082. Not more than 25 percent of a grant may be awarded in advance of actual expenditures.

79083. (a) A grant recipient shall submit to the board a report upon the completion of the project or activity funded under this article. The report shall include the completed project or activity and additional steps necessary to achieve the purposes of the local watershed management plan. The board shall make the report available to interested federal, state, and local agencies and other interested parties.

(b) The board may require and submit to the Governor a biennial report regarding the implementation of this article. The biennial report shall include, at a minimum, a discussion relating to the extent to which the purposes described in Section 79077 are being furthered by the implementation of this article.

79084. (a) Of the funds transferred pursuant to Section 79076, at least thirty-five million dollars ($35,000,000) shall be for grants to small communities.

(b) For the purposes of this article, “small community” means a municipality with a population of 10,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the population of the segment is 10,000 persons or less, with a financial hardship as determined by the County’s or City’s community.

(c) If the board determines that any of the funds made available for grants under this section will not be encumbered for that purpose on or before January 1, 2007, the board may use these funds for other purposes of this article.

79085. The board shall give added consideration to projects that utilize the services of the California Conservation Corps, community conservation corps, or other local nonprofit entities employing underprivileged youths.

79085.5. Notwithstanding any other provision of this article, the following amounts from the subaccount, upon appropriation by the Legislature, shall be allocated as follows:

(a) The sum of two million dollars ($2,000,000) to the Governor for allocation to the Pajaro River watershed Flood Prevention Authority for a hydrologic study with regard to the Pajaro River watershed.

(b) The sum of one million dollars ($1,000,000) to the board for allocation to the County of Sonoma to develop and implement community-based watershed management activities that will protect, restore, and enhance the environmental and economic value of the Russian River watershed in the County of Sonoma.

(c) The sum of five million dollars ($5,000,000) to the board for the Clover Creek Flood Protection and Environmental Enhancement Project to provide for the acquisition, restoration, and conservation of low-flow stream channel, riparian and wetland habitat, oak woodland regeneration, and grassland and meadow preservation.

(d) The sum of two million dollars ($2,000,000) to the board to rehabilitate and improve the Clear Lake Watershed by funding one or more of the following: Clear Lake Basin 2000 Project, aeration, wetlands restoration, fishery enhancement, and wastewater treatment, or for grants awarded by the board to local public agencies for any of these purposes. The first priority for funding under the purposes of this subdivision is for a grant award to fund eligible expenses of the Basin 2000 Project.

(e) To the maximum extent feasible, the watershed restoration and flood control projects described in this subdivision shall do one or more of the following:

(1) Preserve agricultural land.

(2) Protect and enhance wildlife habitat.

(3) Protect and enhance recreational and environmental education resources.

(4) Protect lake water quality.
Notwithstanding any other provision of law, the board shall terminate any grant where it is determined that the project is not providing the proposed watershed benefits.

Not more than 5 percent of the total amount deposited in the subaccount may be used to pay costs incurred in connection with the administration of this article.

Where recovery plans for coho salmon, steelhead trout, or other threatened or endangered aquatic species exist, projects funded under this article shall be consistent with those plans, and to the extent feasible, shall seek to implement actions specified in those plans.

(a) There is hereby created in the account the Water and Watershed Education Subaccount.

(b) For the purposes of this article, “subaccount” means the Water and Watershed Education Subaccount created by subdivision (a).

(c) There is hereby transferred from the account to the subaccount for the purposes of implementing this article.

The sum of nine million dollars ($9,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article.

The sum of nine million dollars ($9,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article.

(a) There is hereby created in the account the River Protection Subaccount.

(b) For the purposes of this article, “subaccount” means the River Protection Subaccount created by subdivision (a).

(c) There is hereby transferred from the account to the subaccount for the purposes of implementing this article.

The sum of nine million dollars ($9,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article.

The sum of nine million dollars ($9,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article.

The money in the subaccount, upon appropriation by the Legislature, may be used to pay costs incurred in connection with the administration of this article.

Notwithstanding any other provision of this article, the funds transferred pursuant to Section 79101 shall be used by the department, upon appropriation by the Legislature, to the extent feasible, shall seek to implement actions specified in those plans, and to the extent feasible, shall seek to implement actions specified in those plans.
Section 32025 of the Public Resources Code.

practices, technologies, processes, siting criteria, operating methods, or
reflect the greatest degree of pollutant prevention achievable through the
identified in the board
with regional water quality control plans.

increase acceptance of alternative methods and materials, and
pollutant loading, incentive programs or large scale demonstration
management, installation of vegetative systems to filter or retard
nonpoint source pollution may include, but are not limited to, wildfire

The Clean Water and Water Recycling Account is hereby
funds pursuant to Article 5 (commencing with Section 79148).

The Clean Water and Water Recycling Account created by Section 79106.
The Clean Water and Water Recycling Account is hereby
created in the fund. The sum of three hundred fifty-five million dollars
($355,000,000) hereby transferred from the fund to the account.

A project that is consistent with local watershed management
projects in counties not described in subdivision (a).

A broad-based nonpoint source project, including a project
identified in the board’s “Initiatives in NPS Management,” dated
1995, and nonpoint source technical advisory committee
reports.

A project that implements management measures and practices or
other necessary steps for public and/or private benefit that are part of the
nonpoint source pollution control program’s 15-year implementation strategy
and five-year implementation plan that meets the requirements of Section
6217(g) of the federal Coastal Zone Act Reauthorization Amendments of
1990.

The projects funded from the subaccount shall demonstrate a
ability to sustain water quality benefits for a period of 20 years.
Categories of nonpoint source pollution addressed by projects may
include, but are not limited to, surface agriculture, urban runoff,
mining, hydromodification, grazing, onsite disposal systems, boatyards
and marinas, and animal feeding operations. Projects to address
nonpoint source pollution may include, but are not limited to, wildlife
management, installation of vegetative systems, filter or retard
pollutant loading, incentive programs or large scale demonstration
programs to reduce commercial reliance on polluting substances or to
increase acceptance of alternative methods and materials, and
engineered features to minimize impacts of nonpoint source pollution.
Projects shall have defined water quality or beneficial use goals.

Projects funded from the subaccount shall utilize best
management practices, management measures, or both.
(d) If projects include capital costs, those costs shall be identified by
the project applicant. The grant recipient shall provide a matching
contribution for the portion of the project consisting of capital
expenditures for construction, according to the following formula:

Project Capital Cost/ Capital Cost Match by Recipient

<table>
<thead>
<tr>
<th>Cost Match</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000,000 to $5,000,000, inclusive</td>
<td>20%</td>
</tr>
<tr>
<td>$125,000 to $999,999 inclusive</td>
<td>15%</td>
</tr>
<tr>
<td>$1 to $124,999, inclusive</td>
<td>10%</td>
</tr>
</tbody>
</table>
| Not more than 25% of a grant may be awarded in advance of actual expenditure.
(f) A proponent of a project funded from the subaccount shall
be required to submit to the board a monitoring and reporting plan that
does all of the following:
(1) Identifies one or more nonpoint sources of pollution.
(2) Describes the baseline water quality of the waterbody impacted.
(3) Describes the manner in which the proposed practices or measures
are implemented.
(4) Determines the effectiveness of the proposed practices or measures
in preventing or reducing pollution.

Notwithstanding any other provision of this article, of the
sum of four hundred million dollars ($400,000,000) is hereby appropriated
from the subaccount, to the board to be used by the board, after consultation
with the Department of Food and Agriculture, for loans, not to exceed
five hundred thousand dollars ($500,000) per loan, to provide low interest
loans to finance the construction of projects designed to manage animal
nutrients from animal feeding operations. Grants may be made
available to local public agencies to pay for the cost of developing
ordinances, regulations, and elements for their General Plan or other
planning devices to assist in providing uniform standards for the
permitting and operation of animal feeding operations within their
jurisdictions. These funds may also be used for the preparation of the
related environmental reviews that may be necessary under the
California Environmental Quality Act (commencing with Section
21000) of the Public Resources Code) for approval of the devices.

Sixty percent of the money in the subaccount shall be
allocated to projects in the Counties of Riverside, Ventura, Los Angeles,
San Diego, Orange, or San Bernardino.
(b) Forty percent of the money in the subaccount shall be allocated to
projects in counties not described in subdivision (a).

A project that is consistent with the “Integrated Plan for
Implementation of the Watershed Management Initiative” prepared by
the board and the regional boards.

A project that implements management measures and practices or
other necessary steps for public and/or private benefit that are part of the
nonpoint source pollution control program’s 15-year implementation strategy
and five-year implementation plan that meets the requirements of Section
6217(g) of the federal Coastal Zone Act Reauthorization Amendments of
1990.

The sum of twenty-five million dollars ($25,000,000) is hereby
transferred from the account to the subaccount for the purposes of
implementing this article.

The money in the subaccount, upon appropriation by the
Legislature to the Department of Fish and Game, shall be used by the
Department of Fish and Game for direct expenditure and for grants to
public and private organizations to implement projects that restore
and enhance habitat for salmon. These funds may be used to match
federal funding available for those purposes.

Not more than 3 percent of the total amount deposited in the
subaccount may be used to pay the costs incurred in connection with
the administration of this article.

Chapter 7. Clean Water and Water Recycling Program


For the purposes of this chapter, “account” means the Clean
Water and Water Recycling Account created by Section 79106.

The Clean Water and Water Recycling Account is hereby
created in the fund. The sum of three hundred fifty-five million dollars
($355,000,000) hereby transferred from the fund to the account.

Article 2. Nonpoint Source Pollution Control Program

The purpose of this article is to provide grant funding for projects
that are beneficial uses of water throughout the state
through the control of nonpoint source pollution.

Unless the context otherwise requires, the following
definitions govern the construction of this article.

(a) “Best management practices” means those practices or set of
practices determined by the board, a regional board, or the water quality
planning agency for a designated area to be the most effective feasible
means of preventing or reducing the generation of a specific type of
nonpoint source pollution, given technological, institutional,
environmental, and economic constraints.

(b) “Capital costs” has the same meaning as “cost,” as defined in
Section 32025 of the Public Resources Code.

(c) “Management measures” means economically achievable measures
to prevent or control the addition of pollutants to state waters,
which reflect the greatest degree of pollutant prevention achievable through
the application of the best available nonpoint source pollution control
practices, technologies, processes, siting criteria, operating methods,
or other alternatives.

(d) “Regional board” means a regional water quality control board.

(e) “Subaccount” means the Nonpoint Source Pollution Control
Subaccount created by Section 79112.

(f) “Pollution Control Subaccount” means the Clean Water and Water Recycling
Account created by Section 79106.
The Clean Water and Water Recycling Account is hereby
created in the fund. The sum of three hundred fifty-five million dollars
($355,000,000) hereby transferred from the fund to the account.

Article 3. Clean Water Program

The purpose of this article is to provide grant funding for
projects that are beneficial uses of water throughout the state
through the control of nonpoint source pollution.

Unless the context otherwise requires, the following
definitions govern the construction of this article.

(a) “Eligible project” means a project or activity described in
paragraph (1), (2), (3), or (4) of subdivision (a) of Section 13480 that is
all of the following:

(1) Identifies one or more nonpoint sources of pollution.
(2) Describes the baseline water quality of the waterbody impacted.
(3) Describes the manner in which the proposed practices or measures
are implemented.
(4) Determines the effectiveness of the proposed practices or measures
in preventing or reducing pollution.

Notwithstanding any other provision of this article, of the
sum of four hundred million dollars ($400,000,000) is hereby appropriated
from the subaccount, to the board to be used by the board, after consultation
with the Department of Food and Agriculture, for loans, not to exceed
five hundred thousand dollars ($500,000) per loan, to provide low interest
loans to finance the construction of projects designed to manage animal
nutrients from animal feeding operations. Grants may be made
available to local public agencies to pay for the cost of developing
ordinances, regulations, and elements for their General Plan or other
planning devices to assist in providing uniform standards for the
permitting and operation of animal feeding operations within their
jurisdictions. These funds may also be used for the preparation of the
related environmental reviews that may be necessary under the
California Environmental Quality Act (commencing with Section
21000) of the Public Resources Code) for approval of the devices.

Sixty percent of the money in the subaccount shall be
allocated to projects in the Counties of Riverside, Ventura, Los Angeles,
San Diego, Orange, or San Bernardino.
(b) Forty percent of the money in the subaccount shall be allocated to
projects in counties not described in subdivision (a).

(c) This section does not apply to Section 79114.2 or Section 79117.

The board may adopt regulations to implement this article.

Not more than 5 percent of the total amount deposited in the
subaccount may be used to pay the costs incurred in connection with
the administration of this article.

(a) Notwithstanding any other provision of this article, the funds
transferred pursuant to Section 79113, the sum of ten million dollars
($10,000,000), upon appropriation by the Legislature to the board,
may be used by the board, after consultation with the Department of
Pesticide Regulation and the Office of Environmental Health Hazard
Assessment, for grants as follows:
(1) Two million dollars ($2,000,000) for research and source
identification.
(2) Eight million dollars ($8,000,000) for mitigation measures to
protect water quality from potential adverse effects of pesticides, which
may include, but are not limited to, activities that provide for the ability
to provide benefits for a period of 20 years, as determined by the board after consultation with the Department of Pesticide Regulation and the Office of Environmental Health Hazard Assessment.

The board shall adopt regulations to carry out this section.

Article 3. Clean Water Program

Unless the context otherwise requires, the following
definitions govern the construction of this article.

(a) “Eligible project” means a project or activity described in
paragraph (1), (2), (3), or (4) of subdivision (a) of Section 13480 that is
all of the following:
Act…government to construct eligible projects pursuant to the Clean Water Act either directly or through allocation by the state, from the federal government to construct eligible projects pursuant to the Clean Water Act and also includes the state or any agency, department, or political subdivision thereof, and applicants eligible for technical assistance under Section 319 (33 U.S.C. Sec. 1329) or grants under Section 320 of the Clean Water Act (33 U.S.C. Sec. 1330).

(c) “Municipality” has the same meaning as defined in the Clean Water Act and also includes the state or any agency, department, or political subdivision thereof, and applicants eligible for technical assistance under Section 319 (33 U.S.C. Sec. 1329) or grants under Section 320 of the Clean Water Act (33 U.S.C. Sec. 1330).

(d) “Small community” means a municipality with a population of 10,000 persons or less, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 10,000 persons or less, with a financial hardship as determined by the board.

(e) “Treatment works” has the same meaning as defined in the Clean Water Act.

79121. There is hereby created in the account all of the following subaccounts:

(a) The State Revolving Fund Loan Subaccount.

(b) The Small Communities Grant Subaccount.

(c) The Wastewater Construction Grant Subaccount.

(d) The Revolving Fund Loan Subaccount to the State Water Pollution Control Board.

(e) The Wastewater Construction Grant Subaccount for the purposes of providing loans pursuant to the Clean Water Act, to aid in the construction or implementation of eligible projects, and for the purposes described in Section 79124.

(f) Thirty-four million dollars ($34,000,000) to the Small Communities Grant Subaccount for grants by the board to small communities for construction of eligible treatment works, and for the purposes described in Section 79124.

79122. The sum of thirty-five million five hundred thousand dollars ($35,500,000) is hereby transferred from the account to the Wastewater Construction Grant Subaccount and, upon appropriation by the Legislature to the board, may be used by the board for the purposes of providing grants to aid in the construction of treatment works for the Cities of Manteca, Stockton, Tracy, and Orange Cove.

79122.4. The board may transfer unallocated funds from the State Revolving Fund Loan Subaccount to the Water Recycling Project Subaccount for the purposes of providing loans pursuant to the Clean Water Act, to aid in the construction or implementation of eligible projects, and for the purposes described in Section 79124.

79122.5. For the purposes of implementing paragraph (1) of subdivision (a) of Section 79122, the board may make loans to small communities, pursuant to contract, to aid in the construction or implementation of eligible projects.

79127. For the purposes of implementing paragraph (1) of subdivision (a) of Section 79122, the board may make loans to municipalities, pursuant to contract, to aid in the construction or implementation of eligible projects.

79128. Notwithstanding any other provision of this article, of Subdivision (a) of Section 79122, the sum of seven million dollars ($7,000,000) shall be used by the Department of Toxic Substances Control for allocation to local agencies for groundwater remediation projects.

79129. Any contract entered into pursuant to this article for a loan or grant may include provisions determined by the board, and shall include all of the following provisions:

(a) An estimate of the reasonable cost of the project.

(b) A description of the type of assistance being offered.

(c) An agreement by the board, part of a municipality or small community, during the progress of the project or following completion, as agreed upon by the parties, the amount specified in the contract determined pursuant to applicable federal and state laws.

(d) An agreement by the municipality or small community to proceed expeditiously with, and complete, the project, commence operation of the project upon completion, properly operate and maintain the project in accordance with applicable provisions of law, and provide for payment of its share of the costs of the project.

79130. All contracts entered into pursuant to this article for loans or grants are subject to both of the following requirements:

(a) Municipalities seeking assistance shall demonstrate, to the satisfaction of the board, that an adequate opportunity for public participation in the planning, construction, and operation of the project has existed.

(b) Any election held with respect to the project shall include the voters of the entire municipality unless the municipality proposes to accept the assistance on behalf of a specified portion or portions of the municipality, in which case the election shall be held in that portion or portions of the municipality only.

79131. Any loan made pursuant to Section 79127 shall meet the requirements of paragraph (1) of subdivision (b) of Section 79120.

79132. The State Revolving Fund Loan Subaccount is hereby continuously appropriated, to the board, as follows:

(a) The State Revolving Fund Loan Subaccount.

(b) The Water Recycling Project Subaccount.

(c) “Water recycling project” means a water recycling project that meets applicable reclamation criteria and water reclamation requirements and that complies with applicable water quality standards, policies, and plans.

79136. There is hereby created in the account the Water Recycling Subaccount.

79137. (a) The sum of forty million dollars ($40,000,000) is hereby transferred from the account to the subaccount for the purposes of this article.

(b) “Subaccount” means the Water Recycling Subaccount created by Section 79136.

79138. Unallocated funds remaining in the Water Recycling Subaccount in the Safe, Clean, Reliable Water Supply Fund on March 8, 2000, and any funds deposited into that subaccount after that date, shall be transferred to, and all money repaid to the state pursuant to any loan or grant contract executed under Chapter 17 (commencing with Section 14050) of Division 7 or Article 6.2 (commencing with Section 14810) of Division 5 of Division 24 shall be transferred to, the subaccount for the purposes of this article.

79139. The board may enter into an agreement with the federal government for federal contributions to the subaccount if all of the following conditions have been met:

(a) The board has identified any required matching funds.

(b) The board is prepared to commit to the expenditure of any minimum amount in the subaccount in the manner required by the Clean Water Act.

(c) Any agreement between the board and the federal government is consistent with the purposes of this article.

79140. (a) Any agreement of the Board of Water Resources or any agency, department, or political subdivision thereof, and applicants eligible for technical assistance under Section 319 (33 U.S.C. Sec. 1329) or grants under Section 320 of the Clean Water Act (33 U.S.C. Sec. 1330).
The purpose of this article is to provide funding for projects that restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters and groundwater. This article applies only to nonpoint source control projects that are intended to reduce stormwater runoff and groundwater pollution. The board may adopt regulations to carry out the purposes of this article.

Section 79148.8. (a) The money in the subaccount, upon appropriation by the Legislature to the board, may be used by the board for grants to municipalities for the design and construction of water recycling projects in accordance with Section 79141.

(b) Fifty percent of the money in the subaccount, upon appropriation by the Legislature to the board, may be used by the board for grants to municipalities for the design and construction of water recycling projects in accordance with Section 79141. The board may enter into agreements with municipalities for loans and/or projects for water recycling in accordance with this article. Criteria to be considered by the board in determining whether to enter into an agreement under this article may include, but are not limited to, the degree to which the recycled water improves water supply reliability, the degree to which it reduces the needs for other water resources, the degree to which it reduces pollution, and the degree to which the recycled water would reduce water supply demands on the bay-delta system, the Colorado River, or other water systems critical to regional or statewide water supply, the ability to encourage development of new water recycling projects, and the amount of funding that the municipality is requesting under this article. The effectiveness of a project when compared to other sources of water supply that may be available to the municipality, whether the project is necessary to protect water quality, the readiness of the municipality to proceed with the design and construction of water recycling projects, the degree to which the recycled water improves water supply reliability, water quality, or restoration of other environmental benefits, the net water savings benefit, the degree to which the recycled water would reduce water supply demands on the bay-delta system, the Colorado River, or other water systems critical to regional or statewide water supply, the ability to encourage development of new water recycling projects, and the amount of funding that the municipality is requesting under this article. The cost-effectiveness of a project when compared to other sources of water supply shall not be the sole factor in determining whether to enter into an agreement under this article.

Section 79142. An agreement entered into pursuant to Section 79141 may include those provisions determined by the board to be necessary for the purposes of this article.

Section 79142.2. (a) A contract for a loan made pursuant to this article may not provide for a moratorium on, or the deferral of, the payment of the principal of, or interest on, the loan.

(b) Any loan made pursuant to Section 79141 shall be for a period not to exceed 20 years.

(c) The board may enter into a contract for a loan that equals up to 100 percent of the total eligible cost of design and construction of an eligible recycling project.

Section 79142.4. (a) The board may establish the interest rate for a loan made pursuant to this article at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, to be computed according to the true interest cost method.

(b) If the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of 1 percent.

(c) The interest rate set for each contract shall be applied throughout the repayment period of the contract. There shall be a level annual repayment of principal and interest on the loans.

Section 79142.6. All principal and interest payments received pursuant to loan contracts executed pursuant to this article shall be deposited in the subaccount for the purposes of this article and shall not be transferred to the General Fund.

Section 79142.8. All interest earned by assets in the subaccount shall be deposited in the subaccount.

Section 79143. The board may make grants to municipalities for facility planning studies for water recycling projects. The amount of the grants may not exceed seventy-five thousand dollars ($75,000) per study.

Section 79144. The board may make grants to or undertake plans, surveys, research, development, and studies necessary or desirable to carry out this article, and may prepare recommendations with regard thereto, including the preparation of comprehensive statewide or area-wide studies, the context of pollution, treatment, and disposal of waste and wastewater recycling. For the purposes of this section, “research” may include the design, acquisition, installation, or construction of monitoring and testing equipment and related facilities.

Section 79145. (a) Not more than 3 percent of the total amount deposited in the subaccount may be used to pay the costs incurred in connection with the administration of this article.

(b) Not more than 3 percent of the total amount deposited in the subaccount for the purposes of Section 79144.

Section 79146. Notwithstanding any other provision of this article, the money in the subaccount may not be used to provide financial assistance to any water recycling project used to augment water supplies by discharge into a surface water reservoir that supplies water directly to a treatment facility for a water supply system that serves domestic uses.

Section 79147. (a) The board may adopt regulations to carry out this article.

(b) The board is expressly authorized to expedite the review and processing of agreements to carry out the purposes of this article. The board shall report to the Legislature on the progress of implementing this article on or before June 30, 2001.

Article 5. Coastal Nonpoint Source Control Program

Section 79148. The purpose of this article is to provide funding for projects that restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters and groundwater. This article applies only to nonpoint source control projects that are intended to reduce stormwater runoff and groundwater pollution. The board may adopt regulations to carry out the purposes of this article. The board shall report to the Legislature on the progress of implementing this article on or before June 30, 2001.
including a determination of the effectiveness of the project in preventing or reducing pollution. The board shall make the report available to the public, watershed groups, and federal, state, and local agencies.

(f) If projects include capital costs for construction, those costs shall be identified in the project application. The grant recipient shall provide a matching contribution for the portion of the project consisting of capital costs for construction, according to the following formula:

\[
\text{Capital Cost Project Cost/ Capital Cost Match by Recipient} = \frac{1,000,000 \text{ to } 5,000,000, inclusive}{} \times 20\% \\
\frac{125,000 \text{ to } 999,999, inclusive}{} \times 15\% \\
\frac{1 \text{ to } 124,999, inclusive}{} \times 10\%
\]

For the purposes of this subdivision, "capital costs" has the same meaning as "cost" as defined in Section 32025 of the Public Resources Code.

(g) Not more than 25 percent of a grant may be awarded in advance of actual expenditure.

(h) An applicant for funds from the subaccount shall inform the board of any necessary public agency approvals, entitlements, and permits that may be necessary to implement the project. The application shall certify to the board, at the appropriate time, that those approvals, entitlements, and permits have been granted.

(i) Where recovery plans for coho salmon, steelhead trout, or other threatened or endangered aquatic species exist, projects funded under this article shall be consistent with those plans, and to the extent feasible, shall seek to implement actions specified in those plans.

79148.10. (a) Sixty percent of the money in the subaccount shall be allocated to projects in the Counties of Riverside, Ventura, Los Angeles, San Diego, Orange, or San Bernadino.

(b) Forty percent of the money in the subaccount shall be allocated to projects in the counties not described in subdivision (a).

79148.12. The board shall provide an opportunity for the public and comment in awarding funds pursuant to this article, and may, in consultation with the California Coastal Commission, adopt regulations to implement this article.

79148.14. No project shall receive funds under this article if it receives funds pursuant to Article 2 (commencing with Section 79110).

79149.10. Notwithstanding any other provision of this article, three million dollars ($3,000,000), upon appropriation by the Legislature to the Safe, Clean, Reliable Water Supply Fund on March 8, 2000, and any funds deposited into that subaccount after that date shall be transferred to, and all money repaid to the state pursuant to any loan contract executed under Article 6 (commencing with Section 78648) of Chapter 5 of Division 24 shall be deposited in, the subaccount for the purposes of this article.

79149.4. The board may enter into contracts to make loans to local agencies for the purposes set forth in this article.

(a) Any loan made pursuant to Section 79149.4 may include those provisions determined by the board to be necessary for the purposes of this article and shall include both of the following provisions:

(A) An estimate of the reasonable cost of the eligible seawater intrusion control project.

(B) An agreement by the local agency to proceed expeditiously with, and complete, the eligible seawater intrusion control project, commence operation of the project in accordance with applicable provisions of law, and provide for the payment of the local agency's share of the cost of the project, including the principal of, and interest on, the loan.

79148.8. (a) A contract for a loan may not provide for a moratorium or deferral of the payment of the principal or interest on the loan.

(b) Any loan made pursuant to Section 79149.4 shall be for a period not to exceed 20 years.

(c) The board may enter into a contract for a loan amount that equals up to 60 percent of the total cost of design and construction of an eligible seawater intrusion control project.

79149.10. (a) The board shall establish the interest rate for a loan made pursuant to this article at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, to be computed according to the true interest cost method.

(b) If the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of 1 percent.

(c) The interest rate set for each contract shall be applied throughout the repayment period of the contract. There shall be a level annual repayment of principal and interest on the loan.

79149.12. All principal and interest payments received pursuant to loan contracts entered into pursuant to this article shall be deposited in the subaccount.

79149.14. The board may, by contract or otherwise, undertake plans, surveys, research, development, and studies necessary, convenient, or desirable to carry out the purposes of this article.

79149.16. Not more than 3 percent of the total amount deposited in the subaccount may be used to pay the costs incurred in connection with the administration of this article.

Article 6. Seawater Intrusion Control

79149. Unless the context otherwise requires, the following definitions govern the construction of this article:

(a) (1) "Eligible seawater intrusion control project" means a project that meets all of the following requirements:

(I) The project is necessary to protect groundwater and meets both of the following requirements:

(i) The project is within a basin that is subject to a local groundwater management plan, which can be a review completed pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000)) of the Public Resources Code.

(ii) The project is threatened by seawater intrusion in an area where restrictions on groundwater pumping, a physical solution, or both, are necessary to prevent the destruction of, or irreparable injury to, groundwater quality.

(B) In the case of a project that would provide a substitute water supply, the project is cost-effective when compared to the development of other sources of water and includes requirements or measures adequate to ensure that the substitute supply will be used in lieu of projects that are otherwise considered desirable to prevent the destruction of, or irreparable injury to, groundwater quality.

(b) "Local agency" means any city, county, district, joint powers authority, or other political subdivision of the state involved in water management.

(c) "Subaccount" means the Seawater Intrusion Control Subaccount created by Section 79149.2.

79149.2. (a) There is hereby created in the account the Seawater Intrusion Control Subaccount. The sum of twenty-five million dollars ($25,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article.

(b) Notwithstanding Section 13340 of the Government Code, the money in the subaccount is hereby continuously appropriated, without regard to fiscal years, to the board for loans to local agencies to carry out eligible seawater intrusion control projects and for the purposes described in this article and for the administration of this article.

79149.3. Unallocated funds remaining in the Seawater Intrusion Control Subaccount in the Clean Water and Water Recycling Account in March 1, 2000, and any funds deposited into that subaccount after that date shall be transferred to, and all money repaid to the state pursuant to any loan contract executed under Article 6 (commencing with Section 78648) of Chapter 5 of Division 24 shall be deposited in, the subaccount for the purposes of this article.

79149.4. Any loan made pursuant to Section 79149.4 may include those provisions determined by the board to be necessary for the purposes of this article and shall include both of the following provisions:

(A) An estimate of the reasonable cost of the eligible seawater intrusion control project.

(B) An agreement by the local agency to proceed expeditiously with, and complete, the eligible seawater intrusion control project, commence operation of the project in accordance with applicable provisions of law, and provide for the payment of the local agency's share of the cost of the project, including the principal of, and interest on, the loan.

79149.8. (a) A contract for a loan may not provide for a moratorium or deferral of the payment of the principal or interest on the loan.

(b) Any loan made pursuant to Section 79149.4 shall be for a period not to exceed 20 years.

(c) The board may enter into a contract for a loan amount that equals up to 60 percent of the total cost of design and construction of an eligible seawater intrusion control project.

79149.10. (a) The board shall establish the interest rate for a loan made pursuant to this article at a rate equal to 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds, to be computed according to the true interest cost method.

(b) If the interest rate so determined is not a multiple of one-tenth of 1 percent, the interest rate shall be set at the next higher multiple of one-tenth of 1 percent.

(c) The interest rate set for each contract shall be applied throughout the repayment period of the contract. There shall be a level annual repayment of principal and interest on the loan.

79149.12. All principal and interest payments received pursuant to loan contracts entered into pursuant to this article shall be deposited in the subaccount.

79149.14. The board may, by contract or otherwise, undertake plans, surveys, research, development, and studies necessary, convenient, or desirable to carry out the purposes of this article.

79149.16. Not more than 3 percent of the total amount deposited in the subaccount may be used to pay the costs incurred in connection with the administration of this article.

Chapter 8. Water Conservation Program

Article 1. Findings and Declarations

79150. The Legislature finds and declares that:

(a) Voluntary, cost-effective capital outlay measures to improve the efficiency of water use through projects, the benefits of which exceed the costs.

(b) The programs include, but are not limited to, all of the following:

(A) The lining or piping of ditches.

(B) The development of distribution system controls such as automated canal control, construction of small reservoirs within distribution systems that conserve water that has already been captured and used, and related physical improvements.

(C) Tailwater pumping systems.

(D) Major improvements to, or replacement of, deteriorated distribution systems to reduce leakage and maximize conservation.


(F) Economically disadvantaged area means any area of the state for which both of the following statements apply:

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(1) A median household income that is less than forty thousand dollars ($40,000) based on the most recent federal census.

(2) An average annual unemployment rate that is greater than 9 percent based on the most recent federal census.

(3) An economically disadvantaged area for the repair, replacement, or expanding of a failing water distribution system that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities.

(4) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that result in the reduction of or elimination of seepage, unauthorized use, or overuse.

(5) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may include provisions determined to be necessary by the department.

(6) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may deliver water for irrigation or domestic use, or both, to its members or shareholders, at actual cost plus necessary expenses.

(7) A project that may include any of the following:

(a) Water conservation project.

(b) Groundwater recharge facilities.

(c) Urban water conservation project.

(d) Infrastructure rehabilitation project.

(8) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that result in the reduction of or elimination of seepage, unauthorized use, or overuse.

(9) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may include provisions determined to be necessary by the department.

(10) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may deliver water for irrigation or domestic use, or both, to its members or shareholders, at actual cost plus necessary expenses.

(11) A project that may include any of the following:

(a) Water conservation project.

(b) Groundwater recharge facilities.

(c) Urban water conservation project.

(d) Infrastructure rehabilitation project.

(12) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that result in the reduction of or elimination of seepage, unauthorized use, or overuse.

(13) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may include provisions determined to be necessary by the department.

(14) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may deliver water for irrigation or domestic use, or both, to its members or shareholders, at actual cost plus necessary expenses.

(15) A project that may include any of the following:

(a) Water conservation project.

(b) Groundwater recharge facilities.

(c) Urban water conservation project.

(d) Infrastructure rehabilitation project.

(16) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that result in the reduction of or elimination of seepage, unauthorized use, or overuse.

(17) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may include provisions determined to be necessary by the department.

(18) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may deliver water for irrigation or domestic use, or both, to its members or shareholders, at actual cost plus necessary expenses.

(19) A project that may include any of the following:

(a) Water conservation project.

(b) Groundwater recharge facilities.

(c) Urban water conservation project.

(d) Infrastructure rehabilitation project.

(20) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that result in the reduction of or elimination of seepage, unauthorized use, or overuse.

(21) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may include provisions determined to be necessary by the department.

(22) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may deliver water for irrigation or domestic use, or both, to its members or shareholders, at actual cost plus necessary expenses.

(23) A project that may include any of the following:

(a) Water conservation project.

(b) Groundwater recharge facilities.

(c) Urban water conservation project.

(d) Infrastructure rehabilitation project.

(24) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that result in the reduction of or elimination of seepage, unauthorized use, or overuse.

(25) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may include provisions determined to be necessary by the department.

(26) An area that delivers water for domestic, municipal, or industrial uses, including pipelines, pump stations, valves, meters, reservoirs, and all other appurtenant water delivery facilities that may deliver water for irrigation or domestic use, or both, to its members or shareholders, at actual cost plus necessary expenses.

(27) A project that may include any of the following:

(a) Water conservation project.

(b) Groundwater recharge facilities.

(c) Urban water conservation project.

(d) Infrastructure rehabilitation project.
reduction of system water losses by rehabilitating water delivery systems.

(2) Grants awarded pursuant to subdivision (a) shall be available for public water systems owned and operated by local agencies in economically disadvantaged areas within the confines of any political subdivision of 200 but are not greater than 16,000 in number. The department shall give priority to those projects with the highest retail water rates and service charges as of January 1, 1999.

(b) No single feasibility study shall be eligible to receive more than 200 but are not greater than 16,000 in number. The department shall give highest priority in awarding grants to those agencies with the highest retail water rates and service charges as of January 1, 1999.

(c) A construction grant that may be made under this article, for the purpose of financing feasibility studies of projects potentially eligible for a grant under Section 79162.

(1) A project under this article shall not receive more than five million dollars ($5,000,000) in loan proceeds from the department.

(2) The Water Supply, Reliability, and Infrastructure Account is hereby created in the fund. The sum of sixty million dollars ($60,000,000) is hereby transferred from the account to the subaccount for the purposes of financing feasibility studies.

79166.4. The department may adopt regulations to carry out this article.

Article 6. Urban Water Conservation Program

79163. (a) The sum of thirty million dollars ($30,000,000) in the account, upon appropriation by the Legislature to the department, shall be used by the department for grants and loans awarded by the department to local agencies for the purposes of financing urban water conservation projects.

(b) A project under this article shall not receive more than five million dollars ($5,000,000) in loan proceeds from the department.

79164. (a) The department may make grants to local agencies, under any terms and conditions that may be determined necessary by the department, for the purpose of financing feasibility studies of projects potentially eligible for a loan under Section 79163.

(b) No single feasibility study shall be eligible to receive more than one hundred thousand dollars ($100,000), and not more than 5 percent of the total amount deposited in the account may be expended for the purposes of financing feasibility studies.

(c) A grant for a feasibility study shall not affect the maximum amount of any loan that may be made under this article.

Article 7. Water Supply, Reliability, and Infrastructure Program

79165. For the purposes of this chapter, “account” means the Water Supply, Reliability, and Infrastructure Account created by Section 79166.

79166. The Water Supply, Reliability, and Infrastructure Account is hereby created in the fund. The sum of sixty million dollars ($60,000,000) is hereby transferred from the fund to the account.

Article 2. Groundwater Storage Program

79170. The Legislature finds and declares that the conjunctive management of surface water and groundwater is an effective way to increase the water supplies for project participants in California watersheds.

79171. Unless the context otherwise requires, the following definitions govern the construction of this article:

(a) “Conjunctive use” means the temporary storage of water in a groundwater aquifer through intentional recharge and subsequent extraction for later use. Storage is accomplished by one of the following methods:

(1) “Direct recharge” of an aquifer by conducting surface water into the ground by various means, including, without limitation, spreading ponds and injection wells for the purpose of making the water stored in the aquifer available for extraction and later use in drier years.

(2) “In-lieu recharge” means increasing the amount of groundwater available in an aquifer by substituting surface water supplies to a user who would otherwise pump groundwater.

(b) “Conjunctive use facilities” include land and appurtenant facilities for any phase of a conjunctive use operation. Appurtenant facilities may include subsurface storage, treatment, conveyance, recharge ponds, injection wells, spreading grounds, monitoring, measurements, subsidence detection, flow regulation, detention basins to facilitate recharge, diversion facilities, and extraction facilities.

(c) “Conjunctive use project” means a project that is intended to produce water supply benefits for the local agency or a project that is intended to produce water supply benefits for water users, including the environment, in conjunctive use to the local agency.

(d) “Local agency” means any city, county, city and county, district, joint powers authority, mutual water company, or other political subdivision of the state.

(e) “Project participants” means any public agency participating in, and benefiting from, a conjunctive use project under this article.

(f) “Subaccount” means the Conjunctive Use Subaccount created by Section 79172.

79172. There is hereby created in the account the Conjunctive Use Subaccount.

79173. The sum of two hundred million dollars ($200,000,000) is hereby transferred from the account to the subaccount for the purposes of implementing this article.

79174. The money in the subaccount, upon appropriation by the Legislature to the department, may be used by the department for grants for feasibility studies, project design, or the construction of conjunctive use projects on a pilot or demonstration scale.

79175. Not more than 5 percent of the total amount deposited in the subaccount may be expended for purposes of financing feasibility studies.

79175.5. For the purpose of approving projects pursuant to this article, the department shall give priority to those projects for which there is availability of the storage for purposes of the following with regard to each proposed project:

(a) The magnitude of the actual increase in water supply yield and reliability compared to preexisting conditions.

(b) The consistency with the plans or recommendations proposed by CALFED.

(c) The distribution of the benefits to water supply and to the environment.

(d) The availability of the storage for the project.

(e) The technical and environmental suitability of the groundwater basin for conjunctive use.

(f) The potential to reduce critically overdrafted conditions in a groundwater basin.

(g) The need for the project.

(h) The potential to alleviate salt water intrusion into groundwater basins or other groundwater quality degradation.

(i) The economic, engineering, and hydrogeologic justifications for the project.

(j) The availability of third-party or local matching funds from any source other than the Central Valley Project Restoration Fund authorized by the Central Valley Project Improvement Act.

(k) The involvement of one or more local agencies whose jurisdiction or water service area overlies or is adjacent to the aquifer utilized to store water.

(l) The potential to reduce dry year demand for surface water under existing contracts.

(m) The existence of a system for the recovery of the stored water or an agreement with the department or a local agency for the installation of such a system.

(n) Whether the project is located in an area that is subject to a groundwater management program.

79176. To be eligible for funding for the construction of a conjunctive use project under this article, an applicant that is other than a local agency shall be required to carry out that project with the participation of a local agency. The department or a local agency may provide technical assistance, coordination, or any other assistance in implementing a project or study if requested by the participating local agency.

79177. No construction project may receive more than fifty million dollars ($50,000,000) from the subaccount.

79178. Not more than 5 percent of the total amount deposited in the subaccount may be expended for the costs incurred in connection with the administration of this article.

79180. Not less than 40 percent of the total amount deposited in the subaccount shall be expended for studies, projects, and facilities within watersheds of the central valley.

79181. (a) A project undertaken pursuant to this article shall fully and protect the groundwater rights of the project participants, and shall fully and protect the water rights of the project participants. The department shall not provide funding for a project unless it determines that the project will be designed and operated in a manner that ensures that other uses of the same or a hydrologically related aquifer will not suffer any unreasonable diminution of the quantity or quality of their groundwater supplies or incur additional uncompensated expense as a result of the implementation of the project.

(b) For the purposes of receiving funding for aconjunctive use project pursuant to this article, the applicant shall be required to do both of the following:

(1) Provide for a continuing groundwater monitoring and mitigation program.

(2) Limit the extraction of the groundwater to not more than the amount of water that is stored or recharged by the project participants or the amount that complies with all laws and contract terms governing the extraction, appropriation, and use of groundwater by the project participants.

79182. The purpose of the following with regard to each proposed project:

(a) The economic, engineering, and hydrogeologic justifications for the project.

(b) The availability of third-party or local matching funds from any source other than the Central Valley Project Restoration Fund authorized by the Central Valley Project Improvement Act.

(c) The involvement of one or more local agencies whose jurisdiction or water service area overlies or is adjacent to the aquifer utilized to store water.

(d) The potential to reduce dry year demand for surface water under existing contracts.

(e) The existence of a system for the recovery of the stored water or an agreement with the department or a local agency for the installation of such a system.

(f) Whether the project is located in an area that is subject to a groundwater management program.

(g) Whether the project is located in an area that is subject to a groundwater management program.
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(c) Persons and agencies participating in the project may not assert a claim or file a cause of action against an overlying landowner who is not exceeding either of the following:

(1) The overlying landowner’s historic rate of groundwater pumping.

(2) The full amount of groundwater to which the overlying landowner would be entitled to under state law regarding rights to groundwater.

(d) The overlying landowners may not assert a claim or file a cause of action against the persons or agencies participating in the project if the project is implemented in compliance with this section, except as provided by contract between the project participants.

e) Nothing in this article modifies state law with regard to groundwater rights, regulations, or management.

Section 79182. In the process of awarding grants, the department shall convene and consult with an advisory committee comprised of technically qualified representatives of local water agencies, project participants, environmental interests, agricultural laborers interests, and interests representing farmers who use groundwater. The advisory committee shall be geographically balanced to reflect the communities that use water in the central valley. If a member of the advisory committee, or a member of his or her immediate family, is employed by a grant applicant or the employer of a grant applicant, the committee members shall make that disclosure to the other members of the committee and shall not participate in the review of the grant application of that applicant.

79183. The department may adopt regulations to carry out this article.

Article 3. Bay-Delta Multipurpose Water Management Program

79190. Unless the context otherwise requires, the following definitions govern the construction of this article:

(a) “CALFED Bay-Delta Program” or “program” means the undertaking by CALFED pursuant to the Framework Agreement dated June 20, 1994, to develop a long-term solution to water management, environmental, and other problems in the bay-delta watershed by means of a programmatic environmental impact statement/environmental impact report.

(b) “CALFED EIS/EIR” means the final programmatic environmental impact statement/environmental impact report prepared by CALFED.

(c) “CALFED stage 1 action” means an action identified in the preferred alternative of the CALFED EIS/EIR as an action intended for implementation during stage 1 of Phase III of the CALFED Bay-Delta Program.

(d) “Eligible project” means a demonstration project, subject to the CALFED adaptive management principle that requires an assessment of the performance of a demonstrated project in order to determine which projects are successful in achieving the goals of the program.

(e) “Eligible project” means a project that meets both of the following requirements:

(i) The project is identified in the CALFED EIS/EIR as a CALFED stage 1 action.

(ii) The project does one or more of the following:

(A) Constructs treatment facilities or relocates discharge facilities for agricultural ditches in the delta to improve water quality in the delta or the quality of water that is transported from the delta.

(B) Constructs facilities to control waste discharges that contribute to low dissolved oxygen and other water quality problems in the lower San Joaquin River and the south delta.

(C) Constructs fish facilities for the State Water Project or the Central Valley Project intake in the south delta, such as facilities for fish screens, fish handling, and fish passage, or modifications to intake structures or other facilities, to reduce losses of any life stages of fish to water diversions in the San Joaquin River and the delta in accordance with paragraph (1) of subdivision (d) of Section 79190.

(D) Constructs a barrier at the head of Old River to improve fish migration and other permanent barriers in the south delta channels to improve water quality and water levels for local diversions.

(E) Constructs facilities to control drainage from abandoned mines that adversely affect water quality in the bay-delta.

(F) Constructs a permanent barrier at Granville Canal to improve water quality and water levels for local diversions.

(g) “Subaccount” means the Bay-Delta Multipurpose Water Management Subaccount created by Section 79194.

79191. This article does not affect the authority of any agency pursuant to an allocation of law to expend funds for the purposes described in this article.

79192. The Legislature hereby finds and declares all of the following:

(a) CALFED is in the process of preparing a programmatic EIS/EIR for a long-term comprehensive plan that will resolve problems related to ecosystem restoration, including the recovery of endangered species such as chinook salmon, water quality, water supply, water management, and system integrity for the protection of beneficial uses of the bay-delta ecosystem.

(b) The CALFED Bay-Delta Program is of statewide and national importance. The state should participate in the funding of eligible projects as a part of its ongoing program to improve conditions in the bay-delta ecosystem.

(c) The programmatic EIS/EIR will include a schedule for funding and implementing all elements of the long-term comprehensive plan.

(d) The elements of the CALFED Bay-Delta Program will achieve balanced solutions in all identified problem areas, including the ecosystem, water quality, water supply, and system integrity.

79193. (a) This article does not authorize the implementation of the CALFED Bay-Delta Program or any element of that program.

(b) Nothing in this article affects the obligation to comply with provisions of existing law in connection with the implementation of this article.

79194. There is hereby created in the account the Bay-Delta Multipurpose Water Management Subaccount.

79195. The sum of two hundred fifty million dollars ($250,000,000) is hereby transferred from the balance of the subaccount to carry out eligible projects and for the purposes of Section 79202.

79196. Of the money in the subaccount, $16,000,000 allocated as follows:

(a) Seventeen million dollars ($17,000,000) for the purposes of the project described in clause (i) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(b) Forty million dollars ($40,000,000) for the purposes of the project described in clause (ii) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(c) One hundred twenty million dollars ($120,000,000) for the purposes of the project described in clause (iii) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(d) Forty million dollars ($40,000,000) for the purposes of the project described in clause (iv) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(e) Seventeen million dollars ($17,000,000) for the purposes of the project described in clause (v) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(f) Sixteen million dollars ($16,000,000) for the purposes of the project described in clause (vi) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

79197. The funds appropriated pursuant to Section 79196 shall be allocated as follows:

(a) Seventeen million dollars ($17,000,000) for the purposes of the project described in clause (i) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(b) Forty million dollars ($40,000,000) for the purposes of the project described in clause (ii) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(c) One hundred twenty million dollars ($120,000,000) for the purposes of the project described in clause (iii) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(d) Forty million dollars ($40,000,000) for the purposes of the project described in clause (iv) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(e) Seventeen million dollars ($17,000,000) for the purposes of the project described in clause (v) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(f) Sixteen million dollars ($16,000,000) for the purposes of the project described in clause (vi) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

79198. The state, to the greatest extent possible, shall secure federal and nonfederal funds to implement this article in addition to these funds. Due to the interjurisdictional and other eligible projects, as described in clauses (i), (iii), and (v) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190, and until the department has consulted, on an annual basis, with the state and federal agencies that participate in CALFED, as well as representatives of the public convened as a duly authorized advisory committee, with regard to the specific projects proposed for funding under this article. Decisions regarding specific expenditures of funds provided under this article shall be made in the manner described in clause (iv) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

79199. Prior to the approval of a program described in clauses (i), (iii), and (v) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190 for those purposes, as described in clauses (i), (iii), and (v) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190, and until the department has consulted, on an annual basis, with the state and federal agencies that participate in CALFED, as well as representatives of the public convened as a duly authorized advisory committee, with regard to the specific projects proposed for funding under this article. Decisions regarding specific expenditures of funds provided under this article shall be made in the manner described in clause (iv) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

79200. Funds appropriated pursuant to Sections 79196, 79197, and 79198 shall be allocated as follows:

(a) Seventeen million dollars ($17,000,000) for the purposes of the project described in clause (i) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(b) Forty million dollars ($40,000,000) for the purposes of the project described in clause (ii) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(c) One hundred twenty million dollars ($120,000,000) for the purposes of the project described in clause (iii) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(d) Forty million dollars ($40,000,000) for the purposes of the project described in clause (iv) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(e) Seventeen million dollars ($17,000,000) for the purposes of the project described in clause (v) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

(f) Sixteen million dollars ($16,000,000) for the purposes of the project described in clause (vi) of subparagraph (B) of paragraph (2) of subdivision (d) of Section 79190.

79201. The Secretary of the Resources Agency shall determine that the schedule established in the final programmatic EIS/EIR has not been substantially adhered to.
(b) On or before November 15 of each year, the Secretary of the Resources Agency, in consultation with state and federal CALFED representatives and other interested persons and agencies, shall review adherence to the schedule.

c. The absence of funding from nonfederal or nonstate sources shall not be a basis for a determination that the schedule has not been adhered to.

d. If, at the conclusion of each annual review, the Secretary of the Resources Agency determines that the schedule established in the final programmatic EIS/EIR, or a revised schedule prepared pursuant to this subdivision, has not been substantially adhered to, the secretary, after notice to, and consultation with, state and federal CALFED representatives and other interested persons and agencies, shall prepare a revised schedule that ensures that balanced solutions in all identified problem areas, including ecosystem restoration, water supply, water quality, and system integrity are achieved, consistent with the intent of the interagency water infrastructure projects for the purposes of this article.

(1) The counties included within the Association of Bay Area Governments.

(2) The project or program implements measures that facilitate improved water treatment, water transfers, or exchanges, including, but not limited to, a project that improves water quality by shifting reliance from lower quality to higher quality water supplies.

(3) The project or program implements state of the art agricultural water conservation programs, and programs that treat and manage agricultural drainage water for reuse or instream water quality benefits.

(c) The department shall list the projects that are proposed to be funded from the subaccount.

79205.10. For purposes of prioritizing programs or projects for funding under this article, the department shall give priority to programs or projects that meet one or more of the following requirements:

(a) Can be completed expeditiously and thereby provide near term benefits and more immediate mitigation of urgent problems related to water for the environment.

(b) Implements actions to improve water quality and protect water level conditions in San Luis Reservoir.

(c) Includes public-private partnerships or cost sharing arrangements that maximize public benefits.

(d) Sponsored by a public agency with water supplies that are being or would be impacted to a greater degree by delta-related water supply shortages and water quality degradation.

79205.12. The state, to the greatest extent possible, shall seek matching federal funds to provide grants or loans, or any combination thereof, which are approved by the Governor, to local agencies located in the delta export service areas or desirable to issue bonds authorized pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

79205.14. Funds available from the subaccount shall be available for all phases of project development including, but not limited to, project administration, permitting and environmental compliance, feasibility studies, and constructability.

79205.16. Not more than 5 percent of the total amount deposited in the subaccount may be used to pay costs incurred in connection with the administration of this article.


79210. Bonds in the total amount of one billion nine hundred seventy million dollars ($1,970,000,000), not including the amount of any refunding bonds issued in accordance with Section 79219, 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 be used in connection with the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Finance Committee and the Interim Water Supply and Water Quality Infrastructure and Management Program and for all phases of project development including, but not limited to, project administration, permitting and environmental compliance, feasibility studies, and constructability.

79214. There shall be collected each year and in the same manner as that provided by law, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of the public officials charged by law with the duty of collecting the taxes provided by law to do and perform each and every act that is necessary to collect that additional sum.

79215. 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:

(1) The project or program constructs new or expands existing groundwater storage and recovery projects or acquires rights to use storage in existing reservoirs.

(2) The project or program implements measures that facilitate improved water treatment, water transfers, or exchanges, including, but not limited to, a project that improves water quality by shifting reliance from lower quality to higher quality water supplies.

(3) The project or program implements state of the art agricultural water conservation programs, and programs that treat and manage agricultural drainage water for reuse or instream water quality benefits.
(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 necessary to carry out Section 79216, appropriated without regard to fiscal years.

79216. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount 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 amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

79217. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

79218. The agency that administers an appropriation of the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance 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 voters of the state for the issuance of the bonds described in this division includes the approval of the issuance and sale of bonds issued to make and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the requesting agency in accordance with this division.

79219. The bonds 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 voters of the state for the issuance of the bonds described in this division includes the approval of the issuance and sale of bonds issued to make and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the requesting agency in accordance with this division.

79220. Notwithstanding any provision of this division or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this division that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of that state.

79221. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 5. Section 78626 of the Water Code is repealed.

78626. (a) All principal and interest payments received pursuant to loan contracts entered into pursuant to this article shall be deposited in the subaccount for additional loans under subdivision (b) of Section 78621, and shall not be transferred to the General Fund.

(b) The board may transfer any unallocated funds in the subaccount to the Water Recycling Account in the 1986 State Clean Water Bond Fund for the purposes set forth in Section 79135.10.

SEC. 6. Section 78626 is added to the Water Code, to read:

78626. Unallocated funds remaining in the subaccount on March 8, 2000, and any funds deposited into the subaccount after that date, shall be transferred to, and all money repaid to the state pursuant to any loan contract executed under this article shall be deposited in, the Water Recycling Subaccount in the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund created by Section 79136, for the purposes set forth in Article 4 (commencing with Section 79135) of Chapter 7 of Division 26.

SEC. 8. Section 78648.12 is added to the Water Code, to read:

78648.12. All principal and interest payments received pursuant to loan contracts entered into pursuant to this article shall be deposited in the subaccount for additional loans under subdivision (a) of Section 78621, and shall not be transferred to the General Fund.

The board may transfer any unallocated funds in the subaccount to the Water Recycling Account in the 1986 State Clean Water Bond Fund for the purposes set forth in Section 79135.10.

SEC. 9. Section 78675 of the Water Code is repealed.

78675. Any repayments of loans made pursuant to this article, including interest payments, and all interest earned on, or accruing to, any money in the subaccount, shall be deposited in the subaccount and shall be available for the uses described in this article.

SEC. 10. Section 78675 is added to the Water Code, to read:

78675. Unallocated funds remaining in the subaccount on March 8, 2000, shall be transferred to, and all money repaid to the state pursuant to any loan contract executed under this article shall be deposited in, the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund for the purposes of entering into additional loans under Article 3 (commencing with Section 79157) and Article 4 (commencing with Section 79161) of Chapter 8 of Division 26.