



DEBRA BOWEN | SECRETARY OF STATE
STATE OF CALIFORNIA | ELECTIONS

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February 15, 2008

TO: ALL COUNTY CLERKS/REGISTRARS OF VOTERS/PROPONENTS
(08067)

FROM:


KATHERINE MONTGOMERY
Elections Analyst

SUBJECT: **INITIATIVE #1327**

Pursuant to Elections Code section 336, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed initiative measure entitled:

**BONDS. WATER STORAGE, RELIABILITY,
PROTECTION. DRINKING WATER. STATUTE.**

The proponents of the above-named measure are:

Allan Zaremborg
James N. Earp
c/o Steve Lucas
Nielsen, Merksamer, Parrinello, Mueller & Naylor
1415 L Street, Suite 1200
Sacramento, CA 95814

(415) 389-6800

#1327

**BONDS. WATER STORAGE, RELIABILITY,
PROTECTION. DRINKING WATER. STATUTE.**

CIRCULATING AND FILING SCHEDULE

1. Minimum number of signatures required: 433,971
California Constitution, Article II, Section 8(b)
2. Official Summary Date: Friday, 02/15/08
3. Petitions Sections:
 - a. First day Proponent can circulate Sections for
signatures (Elec. Code § 336) Friday, 02/15/08
 - b. Last day Proponent can circulate and file with the county.
All sections are to be filed at the same time within each
county. (Elec. Codes §§ 336, 9030(a)). Monday, 07/14/08
 - c. Last day for county to determine total number of
signatures affixed to petitions and to transmit total
to the Secretary of State (Elec. Code § 9030(b))..... Thursday, 07/24/08

(If the Proponent files the petition with the county on a date prior to
07/14/08, the county has eight working days from the filing of the petition
to determine the total number of signatures affixed to the petition and to
transmit the total to the Secretary of State) (Elec. Code § 9030(b)).
 - d. Secretary of State determines whether the total number
of signatures filed with all county clerks/registrars of
voters meets the minimum number of required signatures
and notifies the counties..... Saturday, 08/02/08*
 - e. Last day for county to determine total number of qualified
voters who signed the petition, and to transmit certificate
with a blank copy of the petition to the Secretary of State
(Elec. Code § 9030(d)(e)) Tuesday, 09/16/08

*Date varies based on the date of county receipt.

INITIATIVE #1327

Circulating and Filing Schedule continued:

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 08/02/08, the last day is no later than the thirtieth working day after the county's receipt of notification.) (Elec. Code § 9030(d)(e)).

- f. If the signature count is more than 477,369 or less than 412,273 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 412,273 and 477,369 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of **all** signatures (EC §9030(f)(g); 9031(a))..... Friday, 09/26/08*

- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State. (Elec. Code § 9031(b)(c)).Monday, 11/10/08

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 09/26/08, the last day is no later than the thirtieth working day after the county's receipt of notification.) (Elec. Code § 9031(b)(c).)

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient (Elec. Code §§ 9031(d), 9033) Friday, 11/14/08*

*Date varies based on the date of county receipt.

IMPORTANT POINTS

- California law prohibits the use of signatures, names and addresses gathered on initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fundraising or requests for support. Any such misuses constitutes a crime under California law. Elections Code section 18650; *Bilofsky v. Deukmejian* (1981) 124 Cal.App.3d 825, 177 Cal.Rptr. 621; 63 Ops.Cal.Atty.Gen. 37 (1980).
- Please refer to Elections Code sections 100, 101, 104, 9001, 9008, 9009, 9021, and 9022 for appropriate format and type consideration in printing, typing and otherwise preparing your initiative petition for circulation and signatures. Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- Your attention is directed to the campaign disclosure requirements of the **Political Reform Act of 1974**, Government Code section 81000 et seq.
- When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- When filing the petition with the county elections official, please provide a blank petition for elections official use.

EDMUND G. BROWN JR.
Attorney General

State of California
DEPARTMENT OF JUSTICE



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February 15, 2008

FILED
In the office of the Secretary of State
of the State of California

FEB 15 2008

Debra Bowen
Secretary of State
1500 - 11th Street, 5th Floor
Sacramento, CA 95814

Debra Bowen, Secretary of State
By 
Deputy Secretary of State

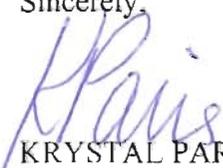
RE: Title and Summary for Initiative No. 07-0090
TITLE: BONDS. WATER STORAGE, RELIABILITY, PROTECTION. DRINKING
WATER. STATUTE.

Dear Ms. Bowen:

Pursuant to Elections Code sections 9004 and 336, you are hereby notified that on this day we mailed our title and summary of proposed initiative 07-0090 to the respective proponents.

Enclosed is a copy of that title and summary, and a copy of the proposed measure.

Sincerely,


KRYSTAL PARIS
Initiative Coordinator

For EDMUND G. BROWN JR.
Attorney General

Enclosures

Proponents' public contact information:

Allan Zarembeg
James N. Earp
C/O Steve Lucas
Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP
1415 L Street, Suite 1200
Sacramento, CA 95814

Date: February 15, 2008
Initiative No.: 07-0090

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

BONDS. WATER STORAGE, RELIABILITY, PROTECTION. DRINKING WATER.
STATUTE.

Authorizes \$11,690,000,000 in bonds paid from state's General Fund, allocated approximately as follows: 30% to dams and other surface water storage projects for the state water resources development system; 23% to statewide water supply reliability projects; 21% to Sacramento-San Joaquin delta ("delta") sustainability and ecosystem improvements; 14% to safe drinking water and water quality projects; 11% to statewide conservation and pollution cleanup including ecosystem and urban watershed protection; and 2% to water recycling. Creates commission with the power to finance projects, including delta water conveyance. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: State cost of about \$22.8 billion over 30 years to pay off both the principal (\$11.7 billion) and interest (\$11.1 billion) costs on general obligation bonds authorized by the initiative. Payments of about \$760 million per year. Unknown eventual costs, potentially in the hundreds of millions of dollars per year, to state and local governments to operate or maintain projects developed with these bond funds. (Initiative 07-0090.)

December 5, 2007

RECEIVED

DEC 05 2007

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE**VIA PERSONAL DELIVERY**

The Honorable Edmund G. Brown, Jr.
Attorney General
1300 I Street
Sacramento, CA 95814

Attention: Patricia Galvan, Initiative Coordinator

Re: Request for Title and Summary- Initiative Statutory Amendment

Dear Mr. Brown:

Pursuant to Article II, Section 10(d) of the California Constitution and Section 9002 of the Elections Code, I hereby request that a title and summary be prepared for the attached initiative statutory amendment. Enclosed is a check for \$200.00. My residence address is attached.

All inquires or correspondence relative to this initiative should be directed to Nielsen, Merksamer, Parrinello, Mueller & Naylor, LLP, 1415 L Street, Suite 1200, Sacramento, CA 95814, (916) 446-6752, Attention: Steve Lucas (telephone: 415/389-6800).

Thank you for your assistance.

Sincerely,

Allan Zaremborg, Proponent

Enclosure: Proposed Initiative

[Version "A"]

SECTION 1. Part 9 of Division 2, commencing with Section 5980, is added to the Water Code to read as follows:

PART 9. THE COMPREHENSIVE SAFE DRINKING WATER, WATER SUPPLY RELIABILITY, AND DELTA RESTORATION ACT OF 2008

CHAPTER 1. SHORT TITLE

5980. This part may be cited as The Comprehensive Safe Drinking Water, Water Supply Reliability, and Delta Restoration Act of 2008.

CHAPTER 2. FINDINGS AND DECLARATIONS:

5980.10. The people of California find and declare all of the following:

(a) California's water infrastructure is in a state of crisis and Californians face the very real threat of severe shortages of clean and reliable water in the near future. The roots of the current water crisis can be traced to several factors, including:

(1) Population Growth - California's rapid rate of population growth is placing unprecedented demands upon the state's ability to deliver clean and reliable water. Today, California has a population of 37 million people, and that number is expected to surpass 50 million by mid-century. The state's current water-delivery system, designed nearly 50 years ago, is stretched to capacity and inadequate for our ever-increasing populace.

(2) Changing Climate - Recent studies indicate that California will experience decreasing snow pack, changing runoff patterns, rising sea levels, and changes in water use. No single approach to water management will adequately address these changes in a way that meets the state's current and future water needs. With snow pack providing less natural water storage, it will be necessary to invest in additional water infrastructure such as expanded water storage and improved water conveyance, as well as

improving water use efficiency, in order to protect California's environment and economy.

(3) Infrastructure - At the center of California's water-delivery system is the Sacramento-San Joaquin Delta, which is the source of drinking water for nearly two out of every three Californians. As the linchpin of California's water-delivery system and the largest freshwater estuary on the West coast, the delta is a unique and irreplaceable combination of environmental and economic resources. Current management and use of the delta is not sustainable, and results in a high level of conflict among various interests. Future delta sustainability is threatened by changing hydrology, climate change, flood risk, seismic events, nonnative species, toxics, and other environmental problems. Future management of the delta must improve delta ecosystem health and improve the means of delta conveyance in order to protect drinking water quality, improve water supply and water supply reliability, restore ecosystem health, and preserve agriculture and recreation in the delta. Many sources of funding will be needed to implement improved delta management.

(b) The Comprehensive Safe Drinking Water, Water Supply Reliability, and Delta Restoration Act of 2008 addresses the challenges facing California's water system due to rapid population growth, climate change, dilapidated infrastructure, and competing environmental and economic interests.

(c) Specifically, the Act will:

(1) Improve delta health, including improvements to delta conveyance and delta environmental sustainability, by providing funds to protect the delta from catastrophic earthquakes and levee failures, improve the quality of drinking water derived from the delta, remove toxics and invasive species, and guarantee adequate habitat for native fish and wildlife. Additional funds are allocated to protect and enhance the sustainability of the delta by implementing aspects of the Bay Delta Blue Ribbon Task Force recommendations and other projects to protect fish and wildlife in the delta. The Act also authorizes enhancements in delta conveyance by increasing operational

flexibility through a dual-conveyance model, which both increases the reliability and quality of water supplies while reducing fish deaths associated with water transmission.

(2) Improve drinking water quality, clean up stormwater runoff, and protect California's coastal waters by providing for grants to local agencies to meet safe and clean drinking water standards through expanded water treatment facilities, water contaminant detection and removal, groundwater cleanup, water security, and other programs to ensure all Californians have adequate access to pure, wholesome, and potable drinking water supplies. Funds are also made available for programs to capture and clean stormwater runoff that ends up in our oceans, beaches, lakes, and streams and to protect delicate coastal ecosystems.

(3) Expand water storage capacity by providing funds to expand both surface and underground water storage capacity. The state would contribute a portion of the funds required to build two additional surface storage facilities and to expand capacity at an existing facility. In order to minimize environmental impacts, two of the surface reservoirs would be located offstream and the third would be constructed behind an existing dam, thereby avoiding obstructing water flows and fish migrations. The groundwater storage funds are allocated in a manner to ensure that every region of the state receives its fair share of benefits. This added storage capacity will allow California to compensate for the reduced Sierra snow pack and allow water agencies more flexibility to bank and move water when necessary so that everyone in California has a reliable supply of clean water.

(4) Enhance statewide water supply and efficiency by providing funding for water recycling and efficiency projects, desalination, water efficiency rebate programs, invasive species control, flood management, wildfire impact reduction, and other projects that improve water supply reliability and efficiency.

(d) California finds itself in the unique position to define its future and provide a comprehensive solution to our water crisis. These changes will ensure clean and reliable water for all Californians and protect the economy, agriculture, and the environment for generations to come.

CHAPTER 3. DEFINITIONS

5980.15. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this part, as follows:

(a) "Bay Delta Conservation Plan" means the conservation program prepared pursuant to the "Planning Agreement regarding the Bay Delta Conservation Plan" dated October 6, 2006.

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

(c) "Board" means the governing board of the commission.

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

(e) "Commission" means the California Water Infrastructure Commission created by Section 5980.50.

(f) "Committee" means the Safe Drinking Water, Water Supply Reliability, and Delta Restoration Finance Committee created by Section 5983.20.

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

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

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

(j) "Design-build" means a procurement process in which both the design and construction of a project are procured from a single entity.

(k) "Design-build entity" means a partnership, corporation, or other legal entity that is able to provide appropriately licensed contracting, architectural, and engineering services as needed pursuant to a design-build contract.

(l) "Director" means the Director of the Department of Water Resources.

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

(n) "Economically distressed area" means a rural county with a financial hardship, a municipality with a population of 20,000 persons or less with a financial hardship, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less with a financial hardship. The state agencies disbursing grants pursuant to this part shall determine financial hardship by considering such factors as median income of residents, rate of unemployment, and low population density.

(o) "Fund" means the Comprehensive Safe Drinking Water, Water Supply Reliability and Delta Restoration Bond Fund of 2008 created by Chapter 15. It does not include the Water Conveyance Revenue Bond Fund created by subdivision (e) of Section 5981.

(p) "Integrated regional water management plan" means a comprehensive plan for a defined geographic area, the content of which shall be consistent with guidelines adopted by the department. At a minimum, an integrated regional water management plan describes the major water-related objectives and conflicts within a region, considers a broad variety of water management strategies, and identifies the appropriate combination of water demand and supply management alternatives, water quality protections, and environmental stewardship actions to provide long-term, reliable, and high-quality water supplies and to protect the environment.

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

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

(s) "Secretary" means the Secretary of the Resources Agency.

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

CHAPTER 4. GENERAL PROVISIONS

5980.20. An amount that equals not more than 4 percent of the funds allocated for a grant or loan program pursuant to this part may be used to pay the costs to administer that program.

5980.25. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this part.

5980.27. Any property sought to be acquired by the commission or the department for the construction of any project described in Section 5980.55 shall be subject to the requirements of Section 11590.

5980.30. (a) Prior to disbursing grants pursuant to this part, each state agency that is required to administer a grant program under this part shall develop project solicitation and evaluation guidelines. The guidelines may include a limitation on the dollar amount of grants to be awarded.

(b) Prior to disbursing grants, the state agency shall conduct three public meetings to consider public comments prior to finalizing the guidelines. The state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California, one meeting shall be conducted at a location in the central valley, and one meeting shall be conducted at a location in southern California.

(c) Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

5980.35. Nothing in this part shall limit or otherwise affect the application of Sections 10505 and 10505.5, Section 11128, or Sections 11460 to 11463.

5980.40. The provisions of this part pertaining to counties and watersheds of origin shall not be amended or repealed unless approved by the Legislature with two-thirds of the members of each house voting in favor thereof to further the purposes of this Act.

5980.45. The department and the commission, by July 1, 2010, and annually thereafter, shall report back to the fiscal and policy committees in the Legislature on the implementation of this part.

CHAPTER 5. CALIFORNIA WATER INFRASTRUCTURE COMMISSION

5980.50. The California Water Infrastructure Commission is hereby created for the purpose of awarding final design and construction contracts for the completion of the projects described in Section 5980.55.

5980.55. The commission shall award final design and construction contracts for all of the following projects:

(a) The delta conveyance facilities to be constructed in accordance with the alignment recommended by the department pursuant to subdivision (c) of Section 5981.40.

(b) Projects authorized pursuant to Chapter 12 of this part.

5980.60. (a) The commission shall be governed by a board of seven members. The director and the secretary shall serve as ex-officio members. The remaining five members shall be nominated by the Governor. If within 90 days of the nomination of a member, the member is neither confirmed nor refused confirmation by two-thirds of the membership of both the Senate and the Assembly, the member shall take office as if he or she had been confirmed by two-thirds of the membership of both the Senate and the Assembly. Members not serving in an ex-officio capacity shall serve for a term of 12

years. The governing board shall elect a chairperson, who shall not be an ex-officio member.

(b) All board members, including ex-officio members, shall be voting members.

(c) A majority of the board constitutes a quorum.

(d) No action of the board shall be effective unless it is concurred in by a majority of the members of the board.

5980.65. Vacancies on the board shall be filled by the Governor for the unexpired term subject to the procedure set forth in Section 5980.60.

5980.70. Each member of the board, other than ex-officio members, shall receive the necessary expenses incurred by the member in the performance of official duties and one hundred dollars (\$100) for each day attending meetings of the board, except that no member of the board shall be compensated for more than 40 days in any one fiscal year.

5980.75. (a) The board shall appoint as its confidential employee, exempt from civil service under Section 4 of Article VII of the California Constitution, an executive officer responsible for communicating and coordinating the board's policies and communications to the department and presenting contracts and other matters for decision to the board for action.

(b) The board may authorize the executive officer to appoint up to 20 staff members, including legal counsel, to assist the board and the executive officer in the performance of their responsibilities.

(c) The board shall determine the qualifications of, and fix the salary for, the executive officer.

5980.80. The commission shall have its office in the County of Sacramento. The office is the principal place and legal residence of the commission.

5980.85. (a) The board shall meet a minimum of four times a year.

(b) Additional meetings may be held by the board upon written request to the executive officer of a quorum of the board.

(c) Meetings of the board shall be governed by the Bagley-Keene Open Meeting Act (Government Code section 11120 et seq.).

5980.90. Members of the board and its executive officer shall be subject to the conflicts of interest provisions contained in the Political Reform Act of 1974 (Chapter 7 of Title 9 of the Government Code).

5980.95. Members of the board and its executive officer act in a fiduciary capacity and shall discharge their duties with respect to the projects described in Section 5980.55 with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

5981. The board has the power to:

(a) Enter into contracts on behalf of the commission with private or public entities necessary for the completion of the projects described in Section 5980.55, including litigation representation, and to perform all necessary functions in furtherance thereof.

(b) Acquire in the name of the state through purchase or eminent domain proceedings any property, including the relocation of utilities, as necessary for completion of the projects described in Section 5980.55.

(c) Form joint powers authorities with other public agencies pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(d) Issue revenue bonds substantially in accordance with the procedures set forth in Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code for the following purposes:

(1) To cover the costs of design, construction, and contract administration of projects described in subdivision (a) Section 5980.55.

(2) To provide funding for the nonstate share of costs of projects described in subdivision (b) of Section 5980.55.

(3) For the support and administration of the commission and the board in carrying out their responsibilities and duties for the projects described in Section 5980.55.

(e) Proceeds from the sale of revenue bonds issued to cover the costs of projects described in subdivision (a) of Section 5980.55 shall be deposited in the Water Conveyance Revenue Bond Fund, which is hereby created. Moneys in the fund shall be continuously appropriated, without regard to fiscal years, for the purpose of supporting the design, construction, and contract administration of projects described in subdivision (a) of Section 5980.55.

5981.10. The commission and the department may enter into an inter-agency agreement for the provision by the department of contract administration services. Such services may include the preparation of bid documents, administration of procurement, administration of contracts, inspections of contract work, administration of contract claims, and the provision of such other administrative services as the board deems necessary. Payment for such services shall be from funds available to the commission.

5981.15. (a) The commission is authorized to contract with either public or private entities for program management, project management, design, or construction of project facilities or may utilize a design-build contracting process.

(b) If the commission employs a design-build contracting process, the commission shall be guided by the procedure set forth in Section 14661 of the Government Code. This section is the authorization for use of the design-build procedure for purposes of Section 14661 of the Government Code, and the commission shall assume the responsibility of the Director of the Department of General Services and the Department of General Services.

(c) Where the design-build process is not utilized, contracts for construction or for the procurement of goods shall be awarded in accordance with Public Contracts Code Parts 1 and 2, as applicable. Where the contract is for architectural or engineering services, the commission shall follow the procedures of Section 4525 et seq. of the Government Code.

5981.20. The commission and the department may by written inter-agency agreement allocate responsibility for compliance with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and the National Environmental Policy Act of 1969 (42 U.S.C. Section 4321 et seq.).

5981.25. Upon completion of the projects described in Section 5980.55, the commission shall cease to exist and the department shall be responsible for any ongoing responsibilities the board or the commission may have had.

5981.30. The board may request the Director of Finance to make a loan from the General Fund of an amount or amounts necessary to carry out the commission's powers and duties. 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 money received from the sale of revenue bonds for the purpose of completing the projects described in subdivision (a) and subdivision (b) of Section 5980.55.

5981.35. The costs for the design, construction, operation, and maintenance of any delta conveyance facilities that establish intake facilities on the Sacramento River shall be the responsibility of the agencies that benefit from its design, construction, operation, and maintenance, including State Water Project and Central Valley Project contractors.

CHAPTER 6. DELTA SUSTAINABILITY

5981.40. (a) The Bay-Delta Estuary is a unique and irreplaceable combination of environmental and economic resources. Current management and use of the delta is not sustainable, and results in a high level of conflict among various interests. Future delta sustainability is threatened by changing hydrology, flood risk, seismic events, nonnative species, toxics, and other environmental problems. Future management of the delta must improve delta ecosystem health and improve the means of delta conveyance in order to protect drinking water quality, improve water supply and water supply reliability, restore ecosystem health, and preserve agriculture and recreation in the delta while providing to counties and watersheds of origin assurances that their priority to water resources will be protected and that programs or facilities implemented or constructed in the delta will not result in redirection of unmitigated, significant adverse impacts to the counties and watersheds of origin. Many sources of funding will be needed to implement improved delta management.

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

(c) Within six months of the passage of this Act, the department, as part of a comprehensive delta sustainability plan, shall recommend to the board a preferred alignment for delta conveyance facilities to transport water from the Sacramento River around the delta to the State Water Project and the Central Valley Export pumps. Upon completion, the state shall operate the new delta conveyance facilities in coordination with continuing through-delta conveyance in a manner that is beneficial to the delta environment and water quality while reducing the risk of loss of the state's water supply due to seismic events, sea level rise, and levee failures.

5981.45. (a) The commission shall commence the design and implementation of the delta conveyance facilities in accordance with the alignment recommended by the

department pursuant to subdivision (c) of Section 5981.40 no later than six months after the final environmental impact report (EIR) has been completed and all requisite permits have been acquired. The new delta conveyance facilities shall be designed, located, and sized to provide state and federal water and wildlife managers greater flexibility in water transport to reduce fish deaths at the pumps while improving the quality and reliability of water for the people of California.

(b) The costs for the design, construction, operation, and maintenance of any delta conveyance facilities that establish intake facilities on the Sacramento River shall be the responsibility of the agencies that benefit from its design, construction, operation, and maintenance, including State Water Project and Central Valley Project contractors.

5981.50. (a) For the purposes of this chapter, "account" means the Delta Sustainability Account created by subdivision (b).

(b) The Delta Sustainability Account is hereby created in the fund.

(c) The sum of two billion four hundred million dollars (\$2,400,000,000) is hereby transferred from the fund to the account. Notwithstanding Section 13340 of the Government Code, the funds in the account are hereby continuously appropriated to the department, without regard to fiscal years, as follows:

(1) One billion dollars (\$1,000,000,000) for projects that do any of the following:

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

(B) Improve the quality and safety of drinking water derived from the delta.

(C) Create water flow conditions within the delta to provide adequate habitat for native fish and wildlife.

(D) Improve flood management structures in the delta.

(E) Protect transportation and other vital infrastructure in and around the delta.

(F) Facilitate other capital projects that provide public benefits and support delta sustainability options, including projects associated with planning, monitoring, and design of alternatives, and project modifications and adaptations necessary to achieve the goals of this paragraph.

(2) One billion four hundred million dollars (\$1,400,000,000) for projects to protect and enhance the sustainability of the delta ecosystem, including any of the following:

(A) Projects for the development and implementation of a Bay Delta Conservation Plan and projects that are consistent with the findings of the Blue Ribbon Task Force established by Executive Order S-17-06. The projects shall be implemented through a cooperative effort among regulatory agencies, regulated and potentially regulated entities, and affected parties, including state and federal water contractors. These funds may be expended for the preparation of environmental documentation and environmental compliance, and for implementing projects identified in the plan.

(B) Other projects to protect and restore native fish and wildlife dependent upon the delta ecosystem, including the removal or reduction of undesirable invasive species and toxic substances in delta waters that are harmful to native species.

(C) Projects to reduce greenhouse gas emissions from soil oxidation in the delta.

(d) Expenditure of any portion of the funds provided pursuant to this section is contingent upon the adoption and implementation of a comprehensive plan for delta sustainability, including improvements in delta conveyance and ecosystem health.

CHAPTER 7. WATER SUPPLY RELIABILITY

5981.55. (a) For the purposes of this chapter, "account" means the Water Supply Reliability Account created by subdivision (b).

(b) The Water Supply Reliability Account is hereby created in the fund.

(c) The sum of two billion two hundred million dollars (\$2,200,000,000) is hereby transferred from the fund to the account.

5981.60. Notwithstanding Section 13340 of the Government Code, the sum of two billion two hundred million dollars (\$2,200,000,000) is hereby continuously appropriated from the account to the department, without regard to fiscal years, for competitive grants for water supply reliability projects in accordance with this section.

(a) Except as provided in subdivision (g), the department shall award grants to eligible projects that are consistent with an adopted integrated regional water management plan.

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

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

(d) Eligible projects include all of the following:

(1) Agricultural or urban water use efficiency implementation projects, as well as feasibility studies, technical assistance, education, and public outreach, and projects that result in water savings, increased instream flow, improved water quality, or increased energy efficiency.

(2) Recycling, reclamation, water treatment for the recovery of water supplies, waste water treatment for the protection of water supplies, desalination, and associated facilities, including storage and distributions systems.

(3) Groundwater and surface storage projects, and conjunctive use and reservoir reoperation projects, including regional and local surface storage and regional

and local water conveyance enhancements that improve interregional water system operation.

(4) Groundwater contamination prevention, cleanup, and treatment projects, and other water quality projects necessary to protect existing or potential water supplies. The implementation of a project financed pursuant to this paragraph does not relieve a responsible party or liable person from that party or person's obligation under existing state or federal law to clean up or remediate, or otherwise treat, contaminated water.

(5) Planning and implementation of flood or floodplain management programs, including projects that address multipurpose objectives.

(6) Non-point source pollution reduction and stormwater capture, storage, cleanup treatment, and management.

(7) Water infrastructure reliability projects to prevent or reduce water service outages due to natural or human made disasters.

(8) Rebate programs to promote agricultural and urban use water efficiency through the purchase and installation of water conservation products and systems.

(9) Other projects that improve water supply reliability or improve the supply and delivery of safe drinking water.

(e) Eligible applicants are public agencies, public utilities, and mutual water companies. To be eligible for funding under this section, projects proposed by public utilities that are regulated by the Public Utilities Commission and mutual water companies shall have a clear and definite public purpose and shall benefit the customers of those respective water systems.

(f) The funding provided in this section shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watershed of San Diego County (designated as the San Diego subregion), the southern Orange County and the Santa Ana River watersheds (designated as the Santa Ana subregion), and the Los Angeles and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this

subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. The department may recognize multiple integrated regional water management plans in each of the areas allocated funding. Funds made available by this section shall be allocated as follows:

(1) North Coast	\$69,000,000
(2) San Francisco Bay	\$225,000,000
(3) Central Coast	\$93,000,000
(4) Los Angeles subregion	\$343,000,000
(5) Santa Ana subregion	\$218,000,000
(6) San Diego subregion	\$144,000,000
(7) Sacramento River	\$133,000,000
(8) San Joaquin River	\$110,000,000
(9) Tulare/Kern	\$113,000,000
(10) North/South Lahontan	\$79,000,000
(11) Colorado River Basin	\$73,000,000
(12) Interregional	\$600,000,000

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

- (1) Investing in new water technology development and deployment.
- (2) Meeting state water recycling goals.
- (3) Managing and adapting to changing hydrology.
- (4) Other projects to improve statewide water, flood, or floodplain

management systems.

CHAPTER 8. CLEAN DRINKING WATER AND WATER QUALITY

5981.65. (a) For the purposes of this chapter, "account" means the Clean Drinking Water and Water Quality Account created by subdivision (b).

(b) The Clean Drinking Water and Water Quality Account is hereby created in the fund.

(c) The sum of one billion five hundred million dollars (\$1,500,000,000) is hereby transferred from the fund to the account.

5981.70. (a) Notwithstanding Section 13340 of the Government Code, the sum of one billion dollars (\$1,000,000,000) is hereby continuously appropriated from the account to the State Water Resources Control Board, without regard to fiscal years, for expenditures, grants, and loans to meet safe drinking water standards.

(b) Eligible projects include, but are not limited to, any of the following:

(1) Design, purchase, installation, and initial operation costs for water treatment equipment and systems.

(2) Projects to prevent or reduce contamination of groundwater that serves as a source of drinking water.

(3) Drinking water contaminant detection and removal.

(4) Projects to mitigate pathogen risk from recreational uses at drinking water storage facilities.

(5) Securing drinking water supplies from the threat of terrorist attacks.

(6) Small community wastewater treatment projects necessary to meet safe drinking water standards or to prevent contamination of surface or groundwater resources.

(7) Other projects necessary to provide pure, wholesome, and potable drinking water supplies.

(c) The State Water Resources Control Board shall establish and administer a grant program to distribute these funds in an equitable manner on a statewide basis. In awarding grants, the State Water Resources Control Board shall consider the cost effectiveness of the proposed project and the potential public health benefits of the project.

(d) For the purposes of awarding a grant under this section, the State Water Resources Control Board shall require a cost share of not less than 50 percent of project costs. The State Water Resources Control Board may waive or reduce the cost-sharing requirement for projects that directly benefit a disadvantaged community or an economically distressed area.

(e) Eligible applicants are local public agencies, public utilities, and mutual water companies. To be eligible for funding under this section, projects proposed by public utilities that are regulated by the Public Utilities Commission and mutual water companies shall have a clear and definite public purpose and shall benefit the customers of those respective water systems.

5981.75. (a) Notwithstanding Section 13340 of the Government Code, the sum of five hundred million dollars (\$500,000,000) is hereby continuously appropriated to the State Water Resources Control Board, without regard to fiscal years, for competitive grants and loans for stormwater management and water quality projects pursuant to this section.

(b) Eligible projects shall assist in compliance with total maximum daily load (TMDL) implementation plans and be consistent with all applicable water quality permits.

(c) Eligible projects include facilities and infrastructure to reduce, manage, and treat stormwater runoff, including, but not limited to:

- (1) Detention and retention basins.
- (2) Dry weather diversion facilities, trash filters, and screens.
- (3) Treatment wetlands creation and enhancement.
- (4) Stormwater runoff reduction projects, including permeable surface installation, cisterns, and collection and treatment facilities for groundwater recharge.

(d) The board shall require not less than a 50 percent cost share for grant funds, but may suspend or reduce the matching requirements for disadvantaged communities or economically distressed areas.

(e) The board shall award grants on a competitive basis, considering the following criteria:

(1) Water quality benefits of the project, including the project's ability to reduce impairment of the receiving water body.

(2) Cost effectiveness.

(3) Public health benefits of the project.

(f) Eligible recipients shall include local public agencies and joint powers authorities.

CHAPTER 9. CONSERVATION AND POLLUTION CLEANUP

5981.80. (a) For the purposes of this chapter, "account" means the Conservation and Pollution Cleanup Account created by subdivision (b).

(b) The Conservation and Pollution Cleanup Account is hereby created in the fund.

(c) The sum of one billion forty million dollars (\$1,040,000,000) is hereby transferred from the fund to the account.

5981.85. Notwithstanding Section 13340 of the Government Code, the sum of seven hundred million dollars (\$700,000,000) is hereby continuously appropriated from the account to the department, without regard to fiscal years, for expenditures and grants for ecosystem and urban watershed protection and restoration projects, including, but not limited to, all of the following watersheds, including tributaries and bypasses in those watersheds:

(a) The San Joaquin River watershed.

(b) The Sacramento River watershed.

(c) The Salton Sea and Colorado River watersheds.

(d) The Los Angeles River watershed.

(e) The San Gabriel River watershed.

(f) The Santa Ana River watershed.

(g) The Klamath River, including the Trinity, Scott, and Shasta Rivers and watersheds.

(h) North coast watersheds.

(i) San Francisco Bay watersheds.

(j) Central coast watersheds.

(k) South coast watersheds.

(l) Lake Tahoe Basin.

(m) Kern River and Tulare Basin.

(n) San Diego County coastal watersheds.

(o) The Ventura River watershed.

(p) The Sierra Nevada Mountain watersheds.

(q) The Mojave River watershed.

5981.90. (a) Funds provided for the Sacramento River and San Joaquin River watersheds under Section 5981.85 shall be available for projects consistent with the ecosystem restoration program element of the California Bay-Delta Program, or its successor.

(b) Funds provided for Salton Sea watershed projects under Section 5981.85 shall be available for Salton Sea restoration activities identified for "Period I" in the Resources Agency report entitled "Salton Sea Ecosystem Restoration Program Preferred Alternative Report and Funding Plan," dated May 2007.

(c) Funds provided for the Lake Tahoe Basin watershed under Section 5981.85 shall be available for projects consistent with the Lake Tahoe Environmental Improvement Program.

(d) Funds provided for the Los Angeles River and San Gabriel River watersheds under Section 5981.85 shall be available pursuant to Section 79508, and for projects within the City of Los Angeles, consistent with the Los Angeles River Revitalization Master Plan.

5981.95. (a) Notwithstanding Section 13340 of the Government Code, the sum of eighty-five million dollars (\$85,000,000) is hereby continuously appropriated from the account to the Department of Fish and Game, without regard to fiscal years, for grants and expenditures to protect the state's water supply and the delta ecosystem from invasive species, including, but not limited to, Asiatic clams, zebra mussels, quagga mussels, and New Zealand mud snails.

(b) At least fifty million dollars (\$50,000,000) of the funds provided pursuant to subdivision (a) shall be available for grants to public agencies, including water agencies, to pay for capital expenditures associated with the control of invasive species, including, but not limited to, chlorination facilities, habitat modifications, and monitoring equipment.

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

(1) Requirements for repayment of grant funds made available by this section in the event of cost recovery from parties responsible for the introduction of invasive species that affect the delta ecosystem and the state's water supply.

(2) Requirements for recipients of grants to make reasonable efforts to recover from parties described in paragraph (1).

5982. For restoration and ecosystem protection projects under this chapter, the services of the California Conservation Corps or community conservation corps shall be used whenever feasible.

5982.15. Notwithstanding Section 13340 of the Government Code, the sum of one hundred million dollars (\$100,000,000) is hereby continuously appropriated from the account to the Wildlife Conservation Board, without regard to fiscal years, for direct expenditure or grants for the acquisition of water rights from willing sellers and the conveyance of water for the benefit of migratory birds on wildlife refuges and wildlife habitat areas subject to Section 3406(d) of the federal Central Valley Project Improvement Act (Public Law 102-575), provided that the acquisition of water rights by

the Wildlife Conservation Board is consistent with the Section 3406(d) of the federal Central Valley Project Improvement Act (Public Law 102-575). All costs associated with the acquisition of water rights by the Wildlife Conservation Board for the purposes set forth in this section shall be paid for out of the funds so designated to the Wildlife Conservation Board.

5982.20. Notwithstanding Section 13340 of the Government Code, the sum of one hundred fifty-five million dollars (\$155,000,000) is hereby continuously appropriated from the account to the Department of Forestry and Fire Protection, without regard to fiscal years, for expenditures and grants for fuel treatment and forest restoration projects. The Department of Forestry and Fire Protection may provide grants to government agencies and to nonprofit organizations as defined in subdivision (c) of Section 30910 of the Public Resources Code. Eligible projects include any of the following:

- (a) Projects to protect watersheds tributary to dams or reservoirs from the adverse impacts of fire and erosion.
- (b) Projects to promote forest health in watersheds tributary to dams or reservoirs.
- (c) Other forest restoration or forest management projects that benefit water quality or water supply.

5982.25. For the purposes of this chapter, the terms "restoration" and "protection" have the meanings set forth in Section 75005 of the Public Resources Code.

CHAPTER 10. COASTAL WATER QUALITY AND PROTECTION

5982.30. (a) For the purposes of this chapter, "account" means the Coastal Water Quality and Protection Account created by subdivision (b).

(b) The Coastal Water Quality and Protection Account is hereby created in the fund.

(c) The sum of three hundred million dollars (\$300,000,000) is hereby transferred from the fund to the account.

5982.35. Notwithstanding Section 13340 of the Government Code, the funds in the account are hereby continuously appropriated, without regard to fiscal years, as follows:

(a) One hundred million dollars (\$100,000,000) to the California Ocean Protection Council for grants to public agencies for projects to protect and improve water quality in Areas of Special Biological Significance, as defined in subdivision (f) of Section 36700 of the Public Resources Code. The California Ocean Protection Council shall establish and administer a grant program to distribute the funds in an equitable manner to coastal areas statewide. In awarding grants, the California Ocean Protection Council shall consider the cost effectiveness of the proposed project, the project's potential to reduce or improve discharges into the Areas of Special Biological Significance, and the potential aquatic health benefits of the project.

(b) Two hundred million dollars (\$200,000,000) to the California Coastal Conservancy for coastal watershed projects.

CHAPTER 11. WATER RECYCLING PROGRAM

5982.40. (a) For the purposes of this chapter, "account" means the Water Recycling Account created by subdivision (b).

(b) The Water Recycling Account is hereby created in the fund.

(c) The sum of two hundred fifty million dollars (\$250,000,000) is hereby transferred from the fund to the account.

5982.45. (a) Notwithstanding Section 13340 of the Government Code, the sum of two hundred fifty million dollars (\$250,000,000) is hereby continuously appropriated from the account to the to the State Water Resources Control Board, without regard to fiscal years, for grants and loans for water recycling projects.

(b) Eligible applicants under this section are public agencies, public utilities, and mutual water companies. To be eligible for funding under this section, projects proposed

by public utilities that are regulated by the Public Utilities Commission and mutual water companies shall have a clear and definite public purpose and shall benefit the customers of the respective water systems.

CHAPTER 12. WATER STORAGE DEVELOPMENT PROJECTS

5982.50. (a) For the purposes of this chapter, "account" means the Water Storage Development Account created by subdivision (b).

(b) The Water Storage Development Account is hereby created in the fund.

(c) The sum of three billion five hundred million dollars (\$3,500,000,000) is hereby transferred from the fund to the account.

5982.55. Notwithstanding Section 13340 of the Government Code, the sum of three billion five hundred million dollars (\$3,500,000,000) is hereby continuously appropriated from the account to the commission, without regard to fiscal years, for the design, acquisition, and construction of surface water storage projects to finance the state's cost share in accordance with subdivision (b) of Section 5982.65. The following surface water storage projects being investigated by the department under the CALFED Bay-Delta Program are eligible for funding pursuant to this chapter:

(a) Sites Reservoir located in the Counties of Colusa and Glenn, as identified in the North-of-the-delta Offstream Storage Investigation Initial Alternatives Information Report, prepared for the department and the United States Bureau of Reclamation pursuant to the CALFED Bay-Delta Program, dated May 2006.

(b) Temperance Flat Reservoir located in the Counties of Fresno and Madera, as identified in the Upper San Joaquin River Basin Storage Investigation Initial Alternatives Information Report, prepared by the department and the United States Bureau of Reclamation pursuant to the CALFED Bay-Delta Program, dated June 2005.

(c) Expansion of Los Vaqueros Reservoir located in the County of Contra Costa, as identified in the Los Vaqueros Expansion Investigation Initial Alternatives Information Report, prepared by the department, the United States Bureau of Reclamation, and the

Contra Costa Water District pursuant to the CALFED Bay-Delta Program, dated September 2005.

5982.60. (a) Any new surface water storage projects constructed with funds made available pursuant to Section 5982.55 shall be operated in conjunction with delta conveyance improvements and other storage facilities to develop greater and more diverse benefits and to offset the impacts of changing hydrology and decreasing snow pack on California's water and flood management systems.

(b) The commission shall approve both the operations plan and the operations manager for any new surface water storage project constructed with funds made available pursuant to this chapter. Both the operations plan and the operations manager shall represent and provide for the interests of all of the cost share partners of the project. The operations manager may be a local, state, or federal agency or other entity that is bound by the terms of the agreements developed by the cost share partners.

5982.65. (a) Expenditure of any portion of the funds provided pursuant to this chapter for any surface water storage project described in Section 5982.55 is contingent upon all of the following:

(1) A finding by the director that the project is feasible, consistent with all applicable laws and regulations, and will advance the objectives of the CALFED Bay-Delta Program.

(2) Development of a comprehensive financing plan for the project that includes the state's cost share for the project benefits described in subdivision (b), any cost sharing by the federal government for federal interests identified in the project, and any other state or local public agency or private cost share for water supply, power generation, or other benefits generated by the project. The comprehensive financing plan shall allocate all project costs among all project beneficiaries in relation to the benefits received. The state's cost share for the project benefits described in subdivision (b) shall not exceed 50 percent of the total project costs for projects funded under this chapter.

The commission shall take the lead role in coordinating and developing the comprehensive financing plan for any surface water storage project constructed with funds made available pursuant to this chapter.

(3) Agreements with potential water users to contract and pay for not less than 75 percent of the agricultural and urban water supply benefits of the project.

(b) Funds described in Section 5982.55 shall only be available to finance surface water storage projects that provide any of the following public benefits:

(1) Major ecosystem restoration, including improvements to riverine ecosystems and fisheries habitat through flow, temperature, and diversion management; and mitigation of water supply losses resulting from programs to restore or enhance fish or wildlife resources.

(2) Water quality improvement of a major river or water body that serves as a water supply source for more than one region of the state and provides significant public trust resources.

(3) Flood control benefits, including, but not limited to, increases in flood reservation space in existing reservoirs by exchange for capacity in a new offstream reservoir.

(4) Emergency response, including securing emergency water supplies and flows for dilution and salinity repulsion following natural disasters or acts of terrorism.

(5) Response to the effects of changing hydrology and decreasing snow pack on California's flood management systems.

(6) Recreational purposes, including, but not limited to, those recreational pursuits generally associated with the out-of-doors, such as camping, picnicking, fishing, hunting, wildlife viewing, water contact sports, boating, and sightseeing, and the associated facilities of campgrounds, picnic areas, water and sanitary facilities, parking areas, view points, boat launching ramps, and any others necessary to make project land and water areas available for use by the public.

(7) Groundwater recharge benefits, including, but not limited to, increases in the ability to capture and divert excess surface water into underground aquifers.

(c) The expenditure of funds described in Section 5982.55 shall be prioritized based upon the expected return for public investment as measured by the magnitude and diversity of benefits pursuant to subdivision (b) that would be provided by the proposed expenditure. For the purposes of carrying out this subdivision, the commission shall consult with the department, the Department of Fish and Game, the State Water Resources Control Board, the California regional water quality control boards, the State Department of Public Health, the Department of Parks and Recreation, the California Bay-Delta Authority or its successor, and other relevant state agencies.

5982.70. Any surface water storage facility constructed with funds made available pursuant to this chapter shall be made a part of the State Water Resources Development System and shall be acquired, constructed, operated, and maintained pursuant to Part 3 (commencing with Section 11100) of Division 6.

5982.75. To provide funding to pay the share of costs of surface water storage projects allocated to providing agricultural and urban water supply benefits, the commission may issue revenue bonds pursuant to Chapter 8 (commencing with Section 11700) of Part 3 of Division 6.

CHAPTER 13. LOCAL AND REGIONAL GROUNDWATER AND SURFACE STORAGE

5982.80. (a) For the purpose of this chapter, "account" means the Local and Regional Groundwater and Surface Storage Account created by subdivision (b).

(b) The Local and Regional Groundwater and Surface Storage Account is hereby created in the fund.

(c) The sum of five hundred million dollars (\$500,000,000) is hereby transferred from the fund to the account.

5982.85. (a) Notwithstanding Section 13340 of the Government Code, the sum of five hundred million dollars (\$500,000,000) is hereby continuously appropriated from the account to the department, without regard to fiscal years, for grants and expenditures for the planning, design, and construction of local surface water storage projects, locally managed conjunctive use and groundwater storage projects, and projects that improve the efficiency or reliability of existing surface water storage facilities funded pursuant to this chapter. Projects shall be consistent with an adopted integrated regional water management plan, and provide one or more of the following benefits:

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

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

(3) Adaptation to the impacts of hydrologic changes.

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

(b) The department shall allocate grants as follows:

(1) Not less than 20 percent shall be allocated to the combined North Coast, San Francisco Bay, Sacramento River, and North Lahontan hydrologic regions as identified in the California Water Plan.

(2) Not less than 20 percent shall be allocated to the combined Central Coast, San Joaquin River, Tulare Lake, and South Lahontan hydrologic regions as identified in the California Water Plan.

(3) Not less than 20 percent shall be allocated to the combined South Coast and Colorado River hydrologic regions as identified in the California Water Plan.

(c) Not more than 10 percent of the funds provided for locally managed conjunctive use and groundwater storage projects pursuant to this chapter may be used for grants and expenditures for planning, investigations, studies, and monitoring that lead to improved groundwater management.

(d) For the purposes of awarding a grant pursuant to this chapter, the department shall require cost sharing from nonstate sources of not less than 50 percent of project costs. The department may waive or reduce the cost-sharing requirement for projects that directly benefit disadvantaged communities or economically distressed areas.

5982.90. Of the amount made available by this chapter, the sum of fifty million dollars (\$50,000,000) shall be available to the department for costs incurred in connection with the provision of recreation and fish and wildlife enhancement at state water projects under Section 11912 of the Water Code. The funds shall be available to meet the cost associated with the planning, construction, operations, and maintenance for recreation and fish and wildlife enhancement, including costs incurred before the effective date of the Comprehensive Safe Drinking Water, Water Supply Reliability, and Delta Restoration Act of 2008. Funds made available to the department by subdivision (c) of Section 75050 of the Public Resources Code shall likewise be available for recreation and fish and wildlife enhancement costs at state water projects, including costs incurred before the effective date of Section 75050 of the Public Resources Code.

CHAPTER 14. PUBLIC AND FINANCIAL ACCOUNTABILITY

5982.95. (a) The commission shall annually contract for an independent financial audit of its activities from a certified public accounting firm, which shall be provided to the State Controller. The State Controller shall review the audit and annually issue a public report of that review. Both the independent financial audit and the State Controller's public report shall be posted on the Internet.

(b) The commission shall contract with the Bureau of State Audits to annually conduct a performance audit of the commission's operations and the progress of the projects described in Section 5980.55, which shall be posted on the Internet. For the purposes of this subdivision, the Bureau of State Audits may contract with a third party to conduct the performance audit. This subdivision is not intended to reduce the number of audits the Bureau of State Audits may otherwise be able to conduct.

5983. (a) The secretary shall provide for an independent audit of all grants and expenditures made pursuant to Chapters 6, 7, 8, 9, 10, 11, and 13 to ensure that all moneys are expended in accordance with the requirements of this Act. The secretary shall publish a list of all program and project expenditures pursuant to this part not less than annually, in written form, and shall post an electronic copy of the list on the Resources Agency's Internet website.

(b) The Secretary shall appoint a citizen advisory committee to review the annual audit and to identify and recommend actions to ensure that the intent and purposes of this Act are met by the agencies responsible for the implementation of this part.

CHAPTER 15. FISCAL PROVISIONS

5983.10. (a) The proceeds of the bonds issued and sold pursuant to this chapter shall be deposited in the Comprehensive Safe Drinking Water, Water Supply Reliability and Delta Restoration Bond Fund of 2008, which is hereby created. The proceeds of the bonds issued and sold pursuant to this chapter shall be used only for the purposes specified in this part and not for any other purpose. As used in this chapter, "this part" excludes Chapter 5, Section 5981.40, and Section 5981.45.

(b) Bonds in the total amount of eleven billion six hundred ninety million dollars (\$11,690,000,000), not including the amount of any refunding bonds issued in accordance with Section 5983.70, 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 part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

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

5983.15. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter, except Section 16727 of the Government Code shall not apply to the extent that it is inconsistent with any other provision of this chapter.

5983.20. (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 Drinking Water, Water Supply Reliability, and Delta Restoration Finance Committee is hereby created. For purposes of this chapter, the Safe Drinking Water, Water Supply Reliability, and Delta Restoration Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law.

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

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

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

5983.25. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter to carry out the actions specified in this chapter and, if so, the amount of bonds to be issued and sold. Successive

issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

5983.30. "Board," as defined in Section 16722 of the Government Code for the purposes of compliance with the State General Obligation Bond Law, means the department.

5983.35. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

5983.40. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this part, an amount that will equal the total of the following:

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

(b) The sum that is necessary to carry out the provisions of Section 79789, appropriated without regard to fiscal years.

5983.45. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this part. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this part. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the

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

5983.50. Notwithstanding any other provision of this part, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

5983.55. For the purposes of carrying out this part, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this part. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this part.

5983.60. All money deposited in the fund that is derived from premiums and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

5983.65. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out

of the bond proceeds. These costs shall be shared proportionately by each program funded through this part.

5983.70. The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this chapter shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

5983.75. The people of California hereby find and declare that, inasmuch as the proceeds from the sale of bonds authorized by this chapter 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. 2. AMENDMENTS

The Legislature may amend this Act by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, only if the statute is consistent with, and furthers the purposes of, this Act. All amendments to this Act proposed by the Legislature must remain in print for not less than 12 consecutive days prior to enactment.

SEC. 3. CONFLICTING MEASURES

In the event this measure appears on the same statewide election ballot as another initiative measure or measures that seek to provide for the development of new surface or underground water storage, water conveyance facilities, water quality programs, Sacramento-San Joaquin Delta protection programs or coastal water protection programs, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event this measure receives a greater number of affirmative votes, the

provisions of this measure shall prevail in their entirety, and each and every provision of the other measure or measures shall be null and void.