

California Legislature

**DON PERATA**  
PRESIDENT PRO TEMPORE  
STATE SENATE

07 - 0069

**RECEIVED**

OCT 11 2007

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

October 9, 2007

**VIA HAND DELIVERY**

Office of the Attorney General  
ATTN: Initiative Coordinator  
1300 I Street  
Sacramento, CA 95814

**RE: Request for Title and Summary for the Safe Drinking Water Act of 2008**

Dear Initiative Coordinator:

Pursuant to Elections Code section 9002, we hereby request preparation of a title and summary for the attached propose initiative "The Safe Drinking Water Act of 2008."

Enclosed please find a check in the amount of \$200.00. Please return a stamped copy of the initiative and this letter in the enclosed self-addressed envelope.


All inquiries or correspondence relative to this initiative should be directed to Senator Perata at:

555 Capitol Mall, Suite 440  
Sacramento, CA 95814

Thank you for your attention to this request.

Sincerely,

  
Don Perata  
Senate President pro Tem

  
Michael J. Machado  
State Senator

10/10/07 02:27 PM  
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**INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS**

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

(Here set forth the title and summary prepared by the Attorney General. This title and summary must also be printed across the top of each page of the petition whereon signatures are to appear.)

**TO THE HONORABLE SECRETARY OF STATE OF CALIFORNIA**

We, the undersigned, registered, qualified voters of California, residents of County (or City and County), hereby propose amendments to the California Water Code, and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election held prior to that general election or otherwise provided by law. The proposed amendments (full title and text of measure) read as follows:

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

**DIVISION 26.7. THE SAFE DRINKING WATER ACT OF 2008**

**CHAPTER 1. SHORT TITLE**

**79700.** This division shall be known and may be cited as the Safe Drinking Water Act of 2008.

**CHAPTER 2. FINDINGS AND DECLARATIONS**

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

- (a)** Safeguarding supplies of clean, safe drinking water to California's homes, businesses, and farms is an essential responsibility of government, and critical to protecting the quality of life for Californians.
- (b)** Providing adequate supplies of clean, safe drinking water is vital to keeping California's economy growing and strong.
- (c)** Encouraging water conservation, upgrading water systems to reduce waste, and improving sewage treatment to create recycled water for businesses and large water users are commonsense measures to treat water as the precious resource that it is.
- (d)** Protecting lakes, rivers, and streams from pollution, cleaning up polluted groundwater supplies, and protecting water sources that supply the California State Water Project are crucial to providing a reliable supply of drinking water.

### CHAPTER 3. DEFINITIONS

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

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

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

(c) "Committee" means the Safe Drinking Water Finance Committee created by Section 79782.

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

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

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

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

(h) "Fund" means the Safe Drinking Water Fund of 2008 created by Section 79720.

(i) "Integrated regional water management plan" means a comprehensive plan for a defined geographic area, the specific development and content of which shall be defined by guidelines adopted by the department. At a minimum, an integrated regional water management plan shall describe the major water-related objectives and conflicts within a region, consider a broad variety of water management strategies, and identify

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 at the lowest reasonable cost and with the highest possible benefits to the environment and to water users.

(j) "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.

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

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

(m) "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

79710. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the costs to administer that program.

79711. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development or implementation of programs or projects authorized or funded under this division.

79712. (a) Prior to disbursing grants pursuant to this division, each state agency that is required to administer a grant under this division 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. Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

79713. It is the intent of the people that the investment of public funds pursuant to this division should result in public benefits.

79714. The State Auditor shall annually conduct a programmatic review and an audit of expenditures from the fund. The State Auditor shall report, annually on or before March 1, its findings to the Governor and the Legislature, and shall make the findings available to the public.

79715. Funds provided by this division shall not be used to support or pay for environmental mitigation or compliance obligations of private parties or local agencies under state or federal law.

79716. The Legislature may, by statute, implement programs funded by this division.

**CHAPTER 5. SAFE DRINKING WATER FUND OF 2008**

79720. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Safe Drinking Water Fund of 2008, which is hereby created.

**CHAPTER 6. WATER SUPPLY RELIABILITY**

79721. The sum of two billion dollars (\$2,000,000,000) shall be available for appropriation by the Legislature from the fund to the department for competitive grants for water supply reliability in accordance with this chapter.

79722. (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 chapter until the urban water management plan is prepared and submitted in accordance with the requirements of that act.

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

(d) Eligible projects include, but are not limited to, all of the following:

(1) Agricultural and 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, desalination, and associated facilities, including distributions systems.

(3) Groundwater and surface storage projects, and conjunctive use and reservoir reoperations projects.

(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 person's obligation under existing state or federal law to clean up or remediate, or otherwise treat, contaminated water.

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

(e) Eligible applicants under this chapter are public agencies, public utilities, and mutual water companies. To be eligible for funding under this chapter, 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 Section 79721 shall be allocated to each hydrologic region as identified in the California Water Plan in accordance with this subdivision. For the South Coast hydrologic region, the department shall establish three funding



areas that reflect the watersheds of San Diego County and southern Orange County (designated as the San Diego subregion), the Santa Ana River watershed (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 chapter shall be allocated as follows:

(1) North Coast	\$70,000,000
(2) San Francisco Bay	\$240,000,000
(3) Central Coast	\$95,000,000
(4) Los Angeles subregion	\$369,000,000
(5) Santa Ana subregion	\$200,000,000
(6) San Diego subregion	\$161,000,000
(7) Sacramento River	\$131,000,000
(8) San Joaquin River	\$103,000,000
(9) Tulare/Kern	\$109,000,000
(10) North/South Lahontan	\$53,000,000
(11) Colorado River Basin	\$69,000,000
(12) Interregional	\$400,000,000

(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) Adapting to climate change impacts.
- (4) Reducing contributions to climate change.
- (5) Other projects to improve statewide water management systems.

## CHAPTER 7. DELTA SUSTAINABILITY

79730. (a) The Bay-Delta Estuary is a unique and irreplaceable combination of environmental and economic resources. Current management and use of the delta is not sustainable, and results in a high level of conflict among various interests. Future delta sustainability is threatened by changing hydrology, 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 water conveyance in order to protect drinking water quality, improve water supply reliability, restore ecosystem health, and preserve sustainable agricultural and recreational values in the delta. 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) In implementing this chapter, the department, taking into consideration the recommendations of the Bay Delta Conservation Plan and the Blue Ribbon Task Force established by Executive Order S-17-06, shall develop, in cooperation with the Department of Fish and Game and the State Water Resources Control Board, a comprehensive delta sustainability program that includes both water conveyance and ecosystem improvements, and that meets the following criteria:

(1) Reduces impacts to native fish caused by the operation of the export pumps and improves the operational flexibility and ability of the State Water Project and the Central Valley Project to provide the benefits described by this subdivision.

(2) Provides conditions that will allow for habitat improvements for fish and wildlife in the delta.

(3) Guides ecosystem restoration activities in the delta.

(4) Provides improved water supply reliability and conveyance for the State Water Project and the Central Valley Project and for water transfers.

(5) Reduces the quantity of bromide, total organic carbon, and total dissolved solids in the water pumped at state and federal water pumping facilities to protect the public health and improves the ability of the State Water Project and the Central Valley Project to manage salinity.

(6) Reduces vulnerability to seismic events in or near the delta and provides flexibility to manage uncertainties associated with climate change and future fishery needs.

(d) Funds provided by this division shall not be expended to pay the costs of the design or construction of delta water transfer facilities. Those costs shall be the responsibility of the agencies that benefit from those improvements.

(e) The Legislature may only amend or repeal this section by a statute that is passed in each house by rollcall vote entered into the journal, two-thirds of the membership concurring.

79731. The sum of two billion four hundred million dollars (\$2,400,000,000) shall be available for appropriation by the Legislature from the fund for grants and direct expenditure, as follows:

(a) One billion dollars (\$1,000,000,000) for projects that provide public benefits and support delta sustainability options, including the acquisition of environmental water rights and projects that do any of the following:

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

(2) Improve the quality of drinking water derived from the delta.

(3) Provide physical improvements or other actions to create waterflow conditions within the delta to provide adequate habitat for native fish and wildlife.

(4) Create sustainable land use patterns and flood structures in the delta.

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

(6) Facilitate other projects that provide public benefits and support delta sustainability options approved by the Legislature, by statute, including costs associated with planning, monitoring, and design of alternatives, and project modifications and adaptations necessary to achieve the goals of this chapter. Not more than 5 percent of the funds allocated under this chapter may be expended for planning, monitoring, and design.

(b) 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:

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

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

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

(c) (1) Expenditure of any portion of the funds provided pursuant to this chapter is contingent on the adoption of a comprehensive plan for delta sustainability.

(2) The water agency members and nongovernment organization members of the Bay Delta Conservation Steering Committee shall recommend to the secretary a cost-share formula for the nonstate funded share of projects proposed for funding pursuant to paragraph (1) of subdivision (b).

CHAPTER 8. CONSERVATION AND POLLUTION CLEANUP

79770. The sum of one billion dollars (\$1,000,000,000) shall be available for appropriation by the Legislature from the fund 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 watershed.
- (m) Kern River and Tulare Basin.
- (n) San Diego County coastal watersheds.
- (o) The Ventura River watershed.
- (p) The Sierra Nevada Mountain watersheds.

79771. (a) Funds provided for the Sacramento River and San Joaquin River watersheds under Section 79770 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 79770 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 79770 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 79770 shall be available pursuant to Section 79508, and for projects identified in the Los Angeles River Revitalization Master Plan.

79772. (a) The sum of eighty-five million dollars (\$85,000,000) shall be available for appropriation by the Legislature from the fund to the Department of Fish and Game for expenditures and grants to protect the delta ecosystem and the state's water supply 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. The Department of Fish and Game shall administer the grant program.

(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 costs from parties described in paragraph (1).

79773. 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.

79774. Funds provided under this chapter may be appropriated to the Resources Agency, the Department of Fish and Game, the Wildlife Conservation Board, the California Conservation Corps, the Department of Parks and Recreation, or state conservancies for expenditures and grants consistent with this chapter.

79774.1. Of the funds made available pursuant to this chapter, not less than two hundred million dollars (\$200,000,000) shall be available to the State Coastal Conservancy for coastal watershed projects.

79774.2. Of the funds provided in Section 79770, not less than one hundred million dollars (\$100,000,000) shall be available to the Wildlife Conservation Board 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).

79774.5. 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 9. GROUNDWATER PROTECTION AND WATER QUALITY

79775. The sum of four hundred million dollars (\$400,000,000) shall be available for appropriation by the Legislature, to the State Water Resources Control except as provided in subdivision (d), from the fund for expenditures, grants, and loans for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water. Funds appropriated by this chapter shall be available for projects necessary to protect public health by preventing or reducing the contamination of groundwater that serves as a major source of drinking water for a community.

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

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

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

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

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

(b) The board shall give additional consideration to projects that meet any of the following criteria:

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

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

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

(c) Of the amount made available by this section, up to one hundred million dollars (\$100,000,000) shall be available for projects that meet the requirements of this section and the following criteria:

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

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

(d) Of the amount made available by this section, forty million dollars (\$40,000,000) shall be available to the State Department of Public Health for grants and direct expenditures to finance emergency and urgent actions in accordance with

this section on behalf of disadvantaged communities to ensure that safe drinking water supplies are available to all Californians.

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

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

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

79776. The sum of one hundred million dollars (\$100,000,000) shall be available for appropriation by the Legislature from the fund to the State Water Resources Control Board for grants for small community wastewater treatment projects to protect water quality that meet the following criteria:

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

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

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

79777. (a) The sum of five hundred million dollars (\$500,000,000) shall be available for appropriation by the Legislature from the fund to the State Water Resources Control Board 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 waste discharge 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 local cost share for grant funds, but may suspend or reduce the matching requirements for disadvantaged communities.

(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.

79778. The sum of one hundred million dollars (\$100,000,000) shall be transferred from the fund to the California Ocean Protection Trust Fund established

pursuant to Section 35650 of the Public Resources Code for expenditure, upon appropriation by the Legislature, by the 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.

79778.5. Except as otherwise provided, eligible applicants under this chapter are public agencies, public utilities, and mutual water companies. To be eligible for funding under this chapter, 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.

#### CHAPTER 10. WATER RECYCLING PROGRAM

79779. The sum of two hundred fifty million dollars (\$250,000,000) shall be available for appropriation by the Legislature from the fund to the State Water Resources Control Board for grants and loans for water recycling projects.

79779.5. Eligible applicants under this chapter are public agencies, public utilities, and mutual water companies. To be eligible for funding under this chapter, 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.

CHAPTER 11. FISCAL PROVISIONS

79780. (a) Bonds in the total amount of six billion eight hundred thirty-five million dollars (\$6,835,000,000), not including the amount of any refunding bonds issued in accordance with Section 79792, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

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

79781. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division, except Section 16727 of the Government Code shall not apply to the extent that it is inconsistent with any other provision of this division.

79782. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the Safe Drinking Water Finance Committee is hereby created. For purposes of this division, the Safe Drinking Water Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, and the Controller. 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.

79783. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

79784. "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.

79785. 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.

79786. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

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

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

79787. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

79788. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate



accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

79789. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this division. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

79790. All money deposited in the fund that is derived from premiums and accrued interest on bonds sold pursuant to this division shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

79791. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionately by each program funded through this division.

79792. The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this division shall include approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds.

79793. 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.