15-0092 Amdt. # 1

VIA MESSENGER

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

November 12, 2015

Office of the Attorney General
1300 "I" Street
Sacramento, CA 95814

Attention: Ashley Johansson, Initiative Coordinator

Re: Submission of Amendment to The Water Supply Reliability and Drought Protection Act of 2016 (Version 5)

Dear Ms. Johansson:

On October 19, 2015 I submitted a proposed statewide initiative titled "The Water Supply Reliability and Drought Protection Act of 2016" ("Initiative") and a request that the Attorney General prepare a circulating title and summary pursuant to section 10(d) of Article II of the California Constitution. Pursuant to Elections Code section 9002(b), I hereby submit timely amendments to the text of the Initiative. As the proponent of the Initiative, I approve the submission of the amended text to the Initiative and I declare that the amendment is reasonably germane to the theme, purpose, and subject of the Initiative. I request that the Attorney General prepare a circulating title and summary using the amended Initiative.

Sincerely,

Gerald H Meral

Gerald Meral, PhD.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

Division 36 (commencing with Section 86000) is added to the Water Code, to read:

DIVISION 36. The Water Supply Reliability and Drought Protection Act of 2016

CHAPTER 1. Short Title

86000. This division shall be known and may be cited as the Water Supply Reliability and Drought Protection Act of 2016.

CHAPTER 2. Findings and Declarations.

86001. The people find and declare the following:

(a) California's historic drought raises serious questions about the long-term reliability of our current water supplies. The drought underscores the need to use our existing water supplies more efficiently and increase investments in our water infrastructure.

(b) California's water situation requires a comprehensive plan to provide for the water needs of people, agriculture and the environment. This division will help provide a more reliable water supply by reducing waste, increasing the amount of water available to meet our needs, and improving water quality. This measure also provides additional protection for our communities from floods.

(c) This division will implement cost effective methods of water development and conservation to meet California's present and future water needs in a changing climate, including capture of urban drainage and stormwater runoff, groundwater and brackish water desalting, water recycling, water conservation, and watershed management, restoration, enhancement and protection.

(d) The water supply and quality investments provided by this division will be matched by agencies and grant recipients, more than doubling the effectiveness of the funding provided.

(e) Agencies implementing this division will give high priority to cost effective projects, and to the most durable and most environmentally beneficial projects. Funding will go to projects which contribute to implementation of the Governor's Water Action Plan, whose goal is to increase the resiliency of the California water system and California communities.

(f) Every Californian has a right to safe, clean, affordable, and accessible drinking water. By complying with Section 106.3, agencies providing funds for safe drinking water pursuant to this division will help achieve that goal.(g) This division provides a fair and reasonable distribution of funds directly and indirectly benefitting every region of the state.

(h) This measure provides short and long term cost effective actions to address the water shortages caused by the recent drought, and will help prepare local communities for future droughts. Droughts reduce water supplies for people, agriculture and the environment. This division will help meet the water needs of people, agriculture, and the environment and make California more resilient in the face of a changing climate.

(i) By improving the health and water productivity of watersheds, communities will become more self-reliant with respect to water supply and local environmental quality will be increased.

(j) By removing invasive plants such as yellow starthistle, giant reed and tamarisk, water supply will be increased and habitat for fish and wildlife will be improved.

(k) Communities can be devastated by floods when droughts end. We can make better use of floodwaters by capturing waters that are not needed for the environment and putting them to use in our communities and on our farms. By providing funds to intelligently manage our watersheds and flood plains, this measure will also help avoid flood damage, improve fish and wildlife habitat, remove pollutants from our water supply, and improve the environment. Better flood plain management may allow improved operation of upstream reservoirs for water supply purposes.

(l) Droughts often lead to severe fire conditions, which can lead to significant erosion, reduced water quality and impacts to water infrastructure. This measure provides funding to manage forests and watersheds to reduce fire danger, mitigate the effects of wildfires on water supply and quality, and to improve the quality and quantity of water coming from those watersheds.

(m) Special consideration will be given to projects that employ new or innovative technology or practices, including decision support tools that support the integration of multiple strategies and jurisdictions, including, but not limited to, water supply, wildfire reduction, habitat improvement, flood control, land use, and sanitation.

CHAPTER 3. Definitions

86002. Unless the context otherwise requires, the definitions set forth in this section govern the construction of this division, as follows:

(a) "Delta" means the Sacramento-San Joaquin Delta as defined in Section 85058.

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

(c): "Desalination" means removing salt and other contaminants from polluted groundwater or other inland sources of water containing salts, including brackish water.

(d) "Disadvantaged community" has the meaning set forth in subdivision (a) of Section 79505.5, as it may be amended.

(e) "Economically distressed area" has the meaning set forth in subdivision (k) of Section 79702, as it may be amended

(f) "Finance committee" means the Water Supply Reliability and Drought Protection Finance Committee created by Section 86182.

(g) "Fund" means the Water Supply Reliability and Drought Protection Fund of 2016 created by Section 86169.

(h) "Groundwater sustainability agency" means an agency defined in subdivision (j) of Section 10721.

(i) "Integrated regional water management plan" means a comprehensive plan for a defined geographic area that meets the requirements of Part 2.2 (commencing with Section 10530) of Division 6, as that part may be amended.

(j) "invasive plant" means a terrestrial or aquatic plant not native to California of no or negligible agricultural value which does any of the following; displaces native plants, threatens native plant biodiversity, harms agricultural or rangeland productivity, degrades wildlife habitat, contributes to fire hazard, or uses more water than the plants it displaces.

(k) "Conservation Actions on Private Lands" means projects with willing landowners that involve the adaptive and flexible management of natural resources in response to changing conditions and threats to habitat and wildlife. These investments and actions are specifically designed to create habitat conditions on private lands which, when managed dynamically over time, contribute to the long-term health and resiliency of vital ecosystems and enhance wildlife populations.

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

(m) "Preservation" means rehabilitation, stabilization, restoration, development, and reconstruction, or any combination of those activities.

(n) "Protection" means those actions necessary to prevent harm or damage to persons, property or natural resources or those actions necessary to allow the continued use and enjoyment of property or natural resources and includes acquisition, development, restoration, preservation and interpretation as interpretation is defined in subdivision (i) of Section 75005 of the Public Resources Code.

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

(p) "Restoration" means the improvement of physical structures or facilities and, in the case of natural systems and landscape features includes, but is not limited to, projects which improve physical and ecological processes including but not limited to erosion control; sediment management; the control and elimination of invasive species; prescribed burning; fuel hazard reduction; fencing out threats to existing or restored natural resources; meadow, wetland, riparian, and stream restoration; and other plant and wildlife habitat improvement to increase the natural system value of the property. Restoration projects shall include the planning, monitoring and reporting necessary to ensure successful implementation of the project objectives.

(q) "State board" means the State Water Resources Control Board.

(r) "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).

(s) "Stormwater" and "dry weather runoff" are defined as in Section 10561.5.

(t) "Stormwater Resource Plans" are defined as in Part 2.3 (commencing with Section 10560) of Division 6.

Chapter 4. Accountability.

86003. (a) The Natural Resources Agency shall provide for an independent audit of expenditures pursuant to this division no less than every three years. The Natural Resources Agency may use funds available to it pursuant to Section 86160 to pay for the audit. The secretary of the Natural Resources Agency shall publish a list of all expenditures pursuant to this division not less than annually, in written form, and shall post an electronic form of the list on the Natural Resources Agency's Internet Web site.

(b) The Department of Finance or the Controller, or the California State Auditor at the direction of the Legislature may conduct an audit of the expenditures of any state agency receiving funding pursuant to this act.

(c) The state agency issuing any grant with funding authorized by this division shall require adequate reporting of the expenditures of the funding from the grant.

Chapter 5. Capture and Use of Urban Runoff and stormwater

86050. (a) The sum of one billion five hundred million dollars ($1,500,000,000) is appropriated from the fund to the state board for projects to capture and use urban dry weather runoff and stormwater runoff. All grants made pursuant to this section by the state board for construction projects must be to counties or cities or a city and county with responsibility for flood control or management.

(b) The sum of thirty million dollars ($30,000,000) is appropriated from the fund to the California Tahoe Conservancy for projects to capture and use dry weather runoff and stormwater runoff in the Tahoe Basin pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.

(c) The sum of forty million dollars ($40,000,000) is appropriated from the fund to the Santa Monica Mountains Conservancy for projects to capture and use dry weather runoff and stormwater runoff pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code in the area defined in paragraph (2) of subdivision (d) of Section 86080.

(d) The sum of thirty million dollars ($30,000,000) is appropriated from the fund to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for projects to capture and use dry weather runoff and stormwater runoff pursuant to Division 22.8 (commencing with Section 32600) of the Public Resources Code.

(e) Funds spent pursuant to this section shall be used for competitive grants for projects that develop, implement, or improve multi-benefit projects identified and prioritized in Stormwater Resource Plans adopted by the state board consistent with Part 2.3 (commencing with Section 10560) of Division 6, as

that part may be amended, and shall include as many as possible of the following benefits: use Best Management Practices that improve environmental quality to capture and treat stormwater or dry weather runoff for beneficial uses; remove pollutants from the captured and treated runoff; create or restore habitat or parkland to capture and treat stormwater or dry weather runoff for beneficial uses ; store, infiltrate or use the captured and treated runoff to augment local water supplies; create or restore native habitat, trails, park land or other natural open space; reduce urban heat islands, and provide other public recreational opportunities. Projects that include wetlands and native habitat or project elements designed to mimic or restore natural watershed functions shall be given the highest priority.

86054. (a) Each agency receiving funds pursuant to this chapter shall require at least a fifty percent (50%)cost share by recipients of grant funds pursuant to this chapter, but may eliminate or reduce the matching requirements for that portion of projects primarily benefiting disadvantaged communities or economically distressed areas.

(b) Projects funded by this section must comply with water quality policies or regulations adopted by the state board or the regional water quality control board with jurisdiction.

(c) Project costs may include development of decision support tools, data acquisition, and geographic information system data analysis to identify and evaluate the benefits and costs of potential stormwater capture and reuse projects.

(d) Preference shall be granted to projects that divert stormwater or dry weather runoff from storm drains or channels and put it to beneficial use. Projects may also prevent stormwater and dry weather runoff from entering storm drains or channels.

(e) (1) Each agency receiving funds pursuant to this chapter shall allocate at least thirty-five percent (35%) of the funds they receive for projects that benefit disadvantaged communities. Of this thirty-five percent, at least half shall be for projects within disadvantaged communities.

(2) Of the funds allocated to the state board by this chapter, the state board may spend up to fifty million dollars ($50,000,000) for grants to eligible entities as defined in subdivision (a) of Section 86166 to develop Stormwater Resource Plans. The state board shall give priority to grant applications for the development or refinement of Stormwater Resource Plans that are metric-driven and use a watershed scale.

(f) In implementing this chapter, each agency receiving funds pursuant to this chapter shall consult with the Natural Resources Agency regarding the integration and prioritization of the habitat, park land, open space, recreational and public use components of stormwater and dry weather runoff capture and reuse projects, and shall seek assistance from the Natural Resources Agency in the review and scoring of proposed projects.

86056. Entities eligible to receive funds as defined in subdivision (a) of Section 86166 may apply for funds available pursuant to subdivisions (b), (c), and (d) of Section 86050..

86057. Funds allocated pursuant to this Chapter may be granted to an eligible applicant for single or

multiple small-scale projects that are consistent with Chapter 6.5 of Division 2 of the Fish and Game Code, regardless of whether that Chapter is still in effect.

Chapter 6. Water recycling and desalination

86060. The sum of four hundred million dollars ($400,000,000) is appropriated from the fund to the state board to award grants to eligible entities as defined in subdivision (a) of Section 86166on a competitive basis for wastewater recycling projects. Grants pursuant to this section may be made for all of the following:

(a) Water recycling projects, including, but not limited to, treatment, storage, conveyance, and distribution facilities for potable and nonpotable recycling projects.

(b) Dedicated distribution infrastructure to serve residential, commercial, agricultural, fish and wildlife habitat, and industrial end-user retrofit projects to allow use of recycled water.

(c) Pilot projects for new potable reuse and contaminant removal technology.

(d) Multibenefit recycled water projects that improve water quality.

(e) Multibenefit recycled water projects that protect and restore wetland and other wildlife habitat.

86062. The sum of four hundred million dollars ($400,000,000) is appropriated from the fund to the state board to award grants to eligible entities as defined in subdivision (a) of Section 86166 on a competitive basis for desalination of brackish groundwater, and other brackish water desalination projects which do not directly affect riparian habitat, estuaries, coastal bays, coastal lagoons, or ocean waters of California as defined by the State Board. Grants pursuant to this section must comply with the requirements of this section, and may be made for all of the following:

(a) Treatment, storage, conveyance, and distribution facilities. Projects may remove contaminants in addition to salts, but shall be primarily constructed and operated to remove salt.

(b) Distribution infrastructure to serve residential, commercial, agricultural, fish and wildlife habitat, and industrial end-user retrofit projects to allow use of desalted water.

(c) Multibenefit salt removal projects that improve water quality.

(d) Technical assistance and grant writing assistance related to specific projects for disadvantaged communities and economically distressed areas.

(e) Multibenefit salt removal projects that provide water supply for wetland and other wildlife habitat.

86064. No grant made pursuant to this chapter shall exceed fifty percent (50%) of the cost of the project, but this requirement may be eliminated or reduced for that portion of projects that primarily serve disadvantaged communities and economically distressed areas.

86066. Projects funded pursuant to this chapter shall be selected on a competitive basis with priority given to the following criteria:

(a) Water supply reliability improvement.

(b) Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or from local rivers and streams, and benefits related to attainment of beneficial uses and water quality objectives in local receiving waters.

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

(d) Cost-effectiveness, based on the amount of water produced per dollar invested, and other cost-effectiveness criteria adopted by the state board.

(e) Energy efficiency and greenhouse gas emission impacts.

(f) Water supply or water quality improvements benefitting disadvantaged communities.

(g) Protection and restoration of fish and wildlife habitat, as well as provision of a reliable water supply for fish and wildlife.

Chapter 7. Water Conservation

86070. The sum of four hundred million dollars ($400,000,000) is appropriated from the fund to the department for the following purposes:

(a) (1) A statewide turf removal rebate program, providing financial incentives to public and private property owners to convert their irrigated or watered landscaping to drought tolerant plantings, including appropriate low water using plants. The department shall set a maximum amount each applicant can receive, and shall allow greater incentives to low-income homeowners who could not otherwise afford to participate in the landscape water conversion program. No less than seventy five percent (75%) of the funds shall be spent on programs benefitting residential property owners. The department shall make awards to nonresidential applicants on the basis of cost effectiveness with respect to water supply.

(2)The most cost effective projects and those projects that provide the greatest environmental benefits based on the state investment shall receive highest priority for funding. Environmental benefits shall include, but not be limited to, planting appropriate drought resistant native and other plants, reduction in consumptive water use, and increased availability of water for environmental benefits.

(3) The Department shall not reject or reduce eligibility to residents residing in service areas which have previously offered turf removal rebate programs as long as the resident was not a participant in the program.

(4) The department shall cooperate with eligible entities as defined in subdivision (a) of Section 86166 and the California Public Utilities Commission to develop an on-bill repayment mechanism to pay for the consumer's share of the landscape conversion project.

(b) (1) For competitive grants on a matching basis to eligible entities as defined in subdivision (a) of Section 86166 to reduce leaks in their water distribution systems, eliminate leaks in the water systems of their customers if the agency determines that customer leak detection and elimination is a cost effective way to improve the agency's water supply and provides a public benefit, and install instrumentation to detect leaks at residential, institutional and commercial properties. The department shall make awards on the basis of cost effectiveness with respect to water supply. Agencies receiving grants pursuant to this subdivision shall give highest priority to leak detection and elimination programs in disadvantaged communities and economically distressed communities.

(2) No grant award pursuant to this subdivision shall exceed fifty percent (50%) of the cost of the project except for a grant award that primarily benefits residential property owners in a disadvantaged community or an economically distressed community.

Chapter 8. Watershed improvement for Water Supply and Water Quality enhancement

86080. The sum of one billion eight hundred and eighty five million dollars ($1,885,000,000) is appropriated from the fund to protect, restore and improve the health of watershed lands, including forest lands (including redwoods and sequoias), meadows, wetlands, chaparral, riparian habitat and other watershed lands, including lands owned by the United States, in order to protect and improve water supply and water quality, reduce fire danger consistent with the best available science, mitigate the effects of wildfires on water quality and supply, increase flood protection, or to protect or restore riparian or aquatic resources. Funds shall be allocated as follows:

(a) one hundred fifty million dollars ($150,000,000) to the Sierra Nevada Conservancy for the protection and restoration of Sierra Nevada watersheds pursuant to Division 23.3 (commencing with Section 33300) of the Public Resources Code.

(b) sixty million dollars ($60,000,000) to the California Tahoe Conservancy for the protection and restoration of watersheds of the Lake Tahoe Basin, pursuant to Title 7.42 commencing with Section 66905 of the Government Code. Funds shall be spent for the implementation and to further the goals and purposes of the Lake Tahoe Environmental Improvement Program, pursuant to Article 6 of Chapter 1.692 of Division 5 (commencing with Section 5096.351) of the Public Resources Code.

(c) one hundred million dollars ($100,000,000) to the San Francisco Bay Area Conservancy Program of the Coastal Conservancy for the protection and restoration of watersheds of the San Francisco Bay Area, pursuant to Chapter 4.5 of Division 21 of the Public Resources Code (commencing with Section 31160).

(d) one hundred fifty five million dollars ($155,000,000) for the protection and restoration of watersheds of Los Angeles, Ventura and Orange Counties as follows:

(1) fifty million dollars ($50,000,000) to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for the protection and restoration of the watersheds of the San Gabriel and Lower Los Angeles Rivers pursuant to Division 22.8 (commencing with Section 32600) of the Public

Resources Code.

(2) fifty million dollars ($50,000,000) to the Santa Monica Mountains Conservancy, for the protection and restoration of the watersheds of Santa Monica Bay, the Upper Los Angeles River and the upper Santa Clara River pursuant to Division 23 (commencing with Section 33000) of the Public Resources Code, and the watersheds defined in subdivision (c) of Section 79570.

(3) thirty million dollars ($30,000,000) to the Santa Ana River Conservancy Program of the Coastal Conservancy for the protection and restoration of watersheds of the Santa Ana River pursuant to Chapter 4.6 of Division 21 of the Public Resources Code (commencing with Section 31170).

(4) twenty five million dollars ($25,000,000) to the Baldwin Hills Conservancy for the protection and restoration of the Baldwin Hills and Ballona Creek watersheds pursuant to Division 22.7 (commencing with Section 32550) of the Public Resources Code.

(e) forty million dollars ($40,000,000) to the San Diego River Conservancy for the protection and restoration of watersheds in San Diego County pursuant to Division of 22.9 (commencing with Section 32630) of the Public Resources Code.

(f) one hundred thirty five million dollars ($135,000,000) to the State Coastal Conservancy for the protection and restoration of coastal watersheds pursuant to Division 21 (commencing with Section 31000) of the Public Resources Code. First priority for projects will be areas not covered by subdivisions (c) or (d).

(g) ninety million dollars ($90,000,000) for the protection and restoration of the watersheds of the Sacramento and San Joaquin Rivers as follows:

(1) forty million dollars ($40,000,000) to the Sacramento-San Joaquin Delta Conservancy for protection and restoration of the Delta pursuant to Division 22.3 (commencing with Section 32300) of the Public Resources Code.

(2) twenty million dollars ($20,000,000) to the San Joaquin River Conservancy for the protection and restoration of the upper San Joaquin River Watershed pursuant to Division 22.5 (commencing with Section 32500) of the Public Resources Code.

(3) thirty million dollars ($30,000,000) to the Wildlife Conservation Board for grants for watershed and riparian habitat protection and restoration projects that are consistent with Chapter 10 (commencing with Section 5840) of Division 5 of the Public Resources Code.

(h) three hundred and forty million dollars ($340,000,000) to the Secretary of the Resources Agency for projects pursuant the California River Parkways Act of 2004 (Chapter 3.8 (commencing with Section 5750) of Division 5 of the Public Resources Code). The Secretary shall allocate at least seventy-five percent (75%) of these funds for projects that benefit disadvantaged communities.

(i) one hundred million dollars ($100,000,000) for projects consistent with subdivision (a) of Section 79735, with half the funds appropriated pursuant to Division 23 and half pursuant to Division 22.8 of the Public Resources Code.

(j) two hundred forty million dollars ($240,000,000) to the Wildlife Conservation Board for the following

(1) for the protection and restoration of the watersheds of the Sacramento, Smith, Eel, and Klamath Rivers and other rivers of Marin, Sonoma, Mendocino, Humboldt and Del Norte Counties, and the Carrizo Plain pursuant to Chapter 4 of Division 2 (commencing with section 1300) of the Fish and Game Code.

(2) for protection and restoration of oak woodlands and rangelands pursuant to Division 10.4 (commencing with Section 10330) of the Public Resources Code and Article 3.5 (commencing with Section 1360) of Chapter 4 of Division 2 of the Fish and Game Code.

(3) for acquisition and restoration of riparian habitat, migratory bird habitat, anadromous fisheries, wetland habitat and other watershed lands pursuant to Chapter 4 of Division 2 (commencing with Section 1300) of the Fish and Game Code.

(4) Grants made pursuant to paragraphs (2) and (3) may include funding to help fulfill state commitments to implement Natural Community Conservation Plans adopted pursuant to Chapter 10 of Division 3 (commencing with Section 2800) of the Fish and Game Code, and to large scale regional Habitat Conservation Plans adopted pursuant to 16 USC Chapter 35.

(k) twenty five million dollars ($25,000,000) to the Coachella Valley Mountains Conservancy for the protection and restoration of the Coachella valley watershed pursuant to Division 23.5 (commencing with Section 33500) of the Public Resources Code.

(l) one hundred fifty million dollars ($150,000,000) to the Department of Parks and Recreation for protection and restoration of watershed lands within units of the State Parks System, with high priority to redwood and other forest land important to protecting river and stream flows and quality. In addition to other purposes authorized pursuant to this section, the Department of Parks and Recreation may allocate funds to improve and increase the efficiency and effectiveness of State Park water supply and wastewater treatment systems.

(m) sixty million dollars ($60,000,000) to the Department of Conservation for watershed restoration and conservation projects on agricultural lands, rangelands, and forested lands.

(i)At least thirty percent (30%) of the funds shall be used for grants pursuant to Section 9084 of the Public Resources Code.

(ii) At least sixty five percent (65%) of the funds shall be used for the purposes of Division 10.2 (commencing with Section 10200) of the Public Resources Code.

(o) one hundred million dollars ($100,000,000) to the California Ocean Protection Council for projects that: (1) reduce the amount of pollutants that flow to beaches, bays, coastal estuaries, and near-shore ecosystems; and (2) projects that protect coastal and near-shore ocean resources from the impacts of rising sea levels, storm surges, ocean acidification and related hazards, including, but not limited to,

increasing the resiliency of near-shore ocean habitats. Projects may include, but are not limited to, projects that protect or restore beaches, coastal estuaries and watersheds, bays, and near-shore ecosystems including marine protected areas.

(p) fifty million dollars ($50,000,000) to the California Natural Resources Agency for projects relating to water, including ecosystem restoration projects, that fulfill the obligations of the State of California in complying with the terms of Chapters 611, 612, 613, and 614 of the Statutes of 2003, which were enacted to facilitate the execution and implementation of the Quantification Settlement Agreement, including restoration of the Salton Sea.

(q) five million dollars ($5,000,000) to the Delta Stewardship Council for the Delta Science Program as described in Section 85280.

(r) fifty million dollars ($50,000,000) to the department for Urban Streams Restoration Program competitive grants pursuant to Section 7048. The department shall allocate at least seventy-five (75%) of these funds for projects that benefit disadvantaged communities.

(s) twenty million dollars ($20,000,000) to the California Department of Forestry and Fire Protection for grants for urban forestry projects that manage, capture or conserve stormwater, recharge local groundwater supplies or improve water supplies or water quality through infiltration, sediment management and erosion control pursuant to the California Urban Forestry Act, Chapter 2 (commencing with Section 4799.06) of Part 2.5 of Division 1 of the Public Resources Code.

(t) fifteen million dollars ($15,000,000) to the Delta Protection Commission for expenditures, grants, or loans for projects that improve water quality by improving wastewater treatment in Delta legacy communities (as described in section 32301(f) of the Public Resources Code) and at recreational facilities in the Delta. Funds may be expended on wastewater improvement projects serving Delta legacy communities, or Delta legacy community households with failing septic systems which threaten the quality of groundwater or surface water supplies used for urban, agricultural or fisheries purposes. Funds may also be allocated to improve and increase the efficiency and effectiveness of Delta recreational facility wastewater treatment systems. Priority shall be given to projects that address public health hazards. Projects may identify, plan, design, and implement regional mechanisms to consolidate wastewater systems or provide affordable treatment technologies.

86083. Consistent with the other requirements of this chapter, funds spent pursuant to this chapter may be used for grant programs. With the exception of funds allocated to grant programs, funds may also be used directly by the state agency receiving the funds to implement watershed improvement projects consistent with this chapter. In making grants pursuant to this chapter, agencies shall give high priority to applications which include cost sharing, and to grants that benefit disadvantaged and economically distressed areas.

86084. (a) For a project to be eligible for funding pursuant to this chapter, the project shall have water supply or water quality benefits, or ecosystem benefits relating to rivers, streams, forests, meadows, wetlands or other water related resources for approximately 20 years, or such time as is commensurate

with the best practices for the type of project as maintained by the agency, applicant or some other entity.

(b) (1) Funds appropriated pursuant to this Chapter may be used for protection and restoration of forests, meadows, wetlands, riparian habitat, coastal resources, and near-shore ocean habitat; to acquire land and easements to protect these resources and avoid development that may reduce watershed health, and to take other measures that protect or improve the quality or quantity of water supplies downstream from projects funded in whole or in part by this Chapter. Forest restoration projects, including but not limited to hazardous fuel reduction, post-fire watershed rehabilitation, and forest management and tree planting using appropriate native plants shall be based on the best available science regarding forest restoration and must be undertaken to protect and restore ecological values and to promote forest conditions that are more resilient to wildfire, climate change, and other disturbances.

(2) Fuel hazard reduction activities on US Forest Service lands in the Sierra Nevada and similar forest types shall be generally consistent with United States Forest Service General Technical Report 220 as it may be updated.

86085. Any entity receiving funds pursuant to this chapter which expends funds on private lands shall secure an agreement or interest in the private lands to assure the purpose of the expenditure is maintained for such time as is commensurate with the best practices for the type of project.

86086. (a) (1) A local public agency or nonprofit organization that receives funding pursuant to this chapter to acquire an interest in land may use up to twenty percent (20%) of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of that interest in land.

(2) A local public agency or nonprofit organization that acquires an interest in land with money from this chapter and transfers the interest in land to another public agency or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in land.

(3) This section does not apply to state agencies.

(b) If the local public agency or nonprofit organization does not establish a trust fund pursuant to subdivision (a), the agency or organization shall certify to the state agency making the grant that it can maintain the land to be acquired from funds otherwise available to the agency or organization.

(c) The interest from the trust fund shall be used only to monitor the implementation of a project, and maintain a project and its water supply and water quality benefits implemented pursuant to this chapter.

(d) If the interest in land is condemned or if the local public agency or nonprofit organization determines that the interest in land is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated and shall be returned to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this chapter.

86087. Funds allocated pursuant to this Chapter may be granted to an eligible applicant for single or multiple small-scale projects that are consistent with Chapter 6.5 of Division 2 of the Fish and Game Code, regardless of whether that Chapter is still in effect.

86088. By April 30, 2017, the Natural Resources Agency shall recommend provisions for grant approval guidelines to each state agency that receives an appropriation pursuant to this chapter in orderto ensure appropriate consistency of the guidelines. Each agency shall consider the recommendations of the Natural Resources Agency as they adopt their own guidelines.

86089. Agencies receiving funds pursuant to this chapter shall give high priority to projects which benefit the native fishes of California.

Chapter 9. Land and Water Management for Water Supply Improvement.

86090. The sum of one hundred million dollars ($100,000,000) is appropriated from the fund to the Wildlife Conservation Board for the purpose of awarding competitive grants to eligible entities as defined in subdivision (a) of Section 86166 to improve the quality of public and private rangelands, wildlands, meadows, wetlands, riparian areas and aquatic areas for the purpose of increasing groundwater recharge and water supply from those lands, and for improving water quality consistent with protecting and restoring ecological values.

86091. Funds allocated pursuant to this chapter may be granted to an eligible applicant for single or multiple small-scale projects that are consistent with Chapter 6.5 of Division 2 of the Fish and Game Code, regardless of whether that chapter is still in effect.

86092. Grants pursuant to this chapter may be made for the purpose of invasive plant control and eradication, restoration of riparian habitat, meadows and wetlands, and other projects that improve the flow of water from the lands, reduce the use of water by invasive plant species, or improve water quality. Projects shall restore, improve or protect fish and wildlife habitat to be eligible for funding.

86094. In making grants pursuant to this chapter, the Wildlife Conservation Board shall give highest priority to projects which are most cost effective in producing improved water supply or water quality, and which provide the greatest fish and wildlife benefits. The Wildlife Conservation Board shall give high priority to projects which include matching funds, and to projects which benefit disadvantaged and economically distressed communities.

86098. For a project to be eligible for funding pursuant to this chapter, the project shall have water supply or water quality benefits or both for approximately 20 years or such time as is commensurate with the best practices for the type of project. A project such as the removal of invasive plants to increase water supply shall only be funded if the applicant guarantees that the land from which plants will be removed will be maintained for at least 20 years or such time as is commensurate with the best practices for the type of project.

86099. (a) (1)A local public agency or nonprofit organization that receives funding under this chapter may use up to twenty percent (20%) of those funds to establish a trust fund that is exclusively used to help pay for the maintenance of the funded project.

(2) A local public agency or nonprofit organization that undertakes a project with money from this division and can no longer maintain the project shall transfer the ownership of the trust fund to another public agency or nonprofit organization that is willing and able to maintain that project.

(3) This section does not apply to state agencies.

(b) If the local public agency or nonprofit organization does not establish a trust fund pursuant to subdivision (a), the agency or organization shall certify to the state agency making the grant that it can maintain the land in an appropriate condition for 20 years, or such time as is commensurate with the best practices for the type of project after the project is undertaken using funds otherwise available to the agency or organization.

(c) The interest from the trust fund established from the funds available pursuant to this section shall be used only to maintain a project and its water supply and water quality benefits implemented pursuant to this chapter.

(d) If the interest in land is condemned or if the local public agency or nonprofit organization determines that the interest in land is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated and shall be returned to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this chapter.

86099.1 In implementing this chapter, the Wildlife Conservation Board may provide incentives to landowners for conservation actions on private lands or use of voluntary habitat credit exchange mechanisms.

Chapter 10. Flood Management for Improved Water Supply

86100. (a) The sum of one hundred million dollars ($100,000,000) is appropriated from the fund to the Central Valley Flood Protection Board for:

(1) Enlargement and environmental enhancement of existing floodways and bypasses within the jurisdiction of the Central Valley Flood Protection Board, and

(2) Improvement of flood control facilities and environmental enhancement within the jurisdiction of the Central Valley Flood Protection Board.

(b) To be eligible for funding under this section, a project shall provide (1) reduced flood risk, reduced liability or reduced maintenance responsibility for state agencies or local flood control districts or both; and (2) net improvement of habitat for native fish and wildlife. The Central Valley Flood Protection Board shall provide additional priority for projects that provide multiple benefits that may include increased groundwater storage, improved water supply resilience, expanded public access along rivers, enhanced commercial and recreational fisheries, enhanced recreational opportunities, or enhanced riparian and floodplain habitat.

(c) The Central Valley Flood Protection Board shall give preference to those projects that primarily benefit disadvantaged communities or economically distressed areas and include benefits for ecosystem

restoration, and shall give preference to projects that include matching funds, including matching funds from other state agencies.

(d) The Central Valley Flood Protection Board may make grants to eligible entities as defined in subdivision (a) of Section 86166 to implement this section.

(e) The Central Valley Flood Protection Board may use up to $1 million ($1,000,000) of these funds to develop a programmatic permit for projects that meet the criteria described in paragraphs (a) and (b) of this section.

86101. (a) The sum of one hundred million dollars ($100,000,000) is appropriated from the fund to the department for grants to local agencies on a fifty percent (50%) matching basis to repair or reoperate reservoirs whose principal purpose is flood control. Grantees must demonstrate that the proposed repair or reoperation will allow water stored in those reservoirs which would otherwise have to be discharged downstream to be put to beneficial use. No funds shall be used to raise the height of any dam.

(b) To be eligible for funding under this section, a project must provide substantial increases in recreational opportunities, such as trails along river channels, and significant net improvements to fish and wildlife habitat in and adjacent to the river channel downstream of the reservoir and, to the extent compatible with safe reservoir operation, within the reservoir. At least ten percent (10%) of project costs shall be allocated to these recreational and habitat purposes. The funds to carry out these purposes shall be allocated by the department directly to a state conservancy if there is a conservancy with jurisdiction over the area of the project. If there is no conservancy, the Natural Resources Agency River Parkways program shall contract with an eligible entity as defined in subdivision (a) of Section 86166 to carry out these purposes. The agency operating the reservoir being repaired or reoperated shall approve the recreational and habitat elements of the project and shall not charge any fees for review, plan check, permits, inspections or any other related costs associated with the project, and shall provide permanent operation and maintenance of the entire project, including the habitat and recreational elements. Projects may include grants to eligible entities as defined in subdivision (a) of Section 86166 to implement this paragraph.

(c) Grants made pursuant to this section may be for the purpose of seismic retrofit.

(d) No grants made pursuant to this chapter shall be for reservoir maintenance or sediment removal from the reservoir or upstream of the reservoir, except as necessary to complete projects authorized under paragraphs (a), (b), and (c).

(e) Applicants must agree to permanently operate and maintain projects paid for by funds provided by this section.

(f) First priority shall be given to projects which benefit disadvantaged communities.

(g) Projects to assist in the reoperation of flood control reservoirs shall increase water supply for beneficial uses through the purchase and installation of water measuring equipment, acquisition of information systems, technologies and data to improve reservoir management

86105. The sum of two hundred million dollars ($200,000,000) is appropriated from the fund to the San Francisco Bay Restoration Authority to provide matching grants for flood management, wetlands restoration, and other projects consistent with Article 2 (commencing with Section 66704.5) of Chapter 5 of Title 7.25 of the Government Code. For purposes of this section, matching funds may include funds provided by local governments, regional governments, the federal government, private parties, or other funds raised by the San Francisco Bay Restoration Authority. No grant shall exceed fifty percent (50%) of the cost of the project.

86106. (a) (1) A local public agency or nonprofit organization that receives funding under this chapter to acquire an interest in land may use up to twenty percent (20%) of those funds to establish a trust fund that is exclusively used to help pay for the maintenance and monitoring of that interest in land.

(2) A local public agency or nonprofit organization that acquires an interest in land with money from this chapter and transfers the interest in land to another public agency or nonprofit organization shall also transfer the ownership of the trust fund that was established to maintain that interest in land.

(3) This section does not apply to state agencies.

(b) If the local public agency or nonprofit organization does not establish a trust fund pursuant to subdivision (a), the agency or organization shall certify to the state agency making the grant that it can maintain the land to be acquired from funds otherwise available to the agency or organization.

(c) If the interest in land is condemned or if the local public agency or nonprofit organization determines that the interest in land is unable to fulfill the purposes for which money from this chapter was expended, the trust fund and any unexpended interest are appropriated to the agency that provided the money. The funds returned to the agency may be utilized only for projects pursuant to this chapter.

Chapter 11 Groundwater Sustainability and Storage

86110. The sum of two hundred thirty million dollars ($230,000,000) is appropriated to the department for projects and programs that support sustainable groundwater management consistent with Chapter 2.74 of Division 6 (commencing with Section 10720). The funds shall be used for competitive grants that advance sustainable groundwater management through implementation of groundwater sustainability plans and projects that protect, enhance, or improve groundwater supplies.

86111. (a) Of the funds authorized by section 86110, one hundred eighty million dollars ($180,000,000) shall be available for:

(1) Groundwater recharge and storage projects including but not limited to groundwater recharge and storage projects; planning of facilities such as feasibility studies and environmental compliance; distribution systems, and monitoring facilities. No grant made pursuant to this section shall exceed $20 million dollars ($20,000,000).

(2) Projects that implement groundwater sustainability plans pursuant to Part 2.74. Projects eligible for funding include but are not limited to feasibility studies, environmental compliance, engineering work used to develop groundwater use and sustainable yield for specific projects, and innovative decision support tools.

(b) Of the funds authorized by section 86110, fifty million dollars ($50,000,000) shall be available for matching grants to groundwater sustainability agencies to develop groundwater sustainability plans pursuant to subdivision (k) of Section 10721. No grant shall exceed one million dollars ($1,000,000), and no groundwater sustainability agency shall receive more than one grant.

86112. (a) The department shall give priority for funding pursuant to this chapter to the following in equal priority:

(1) Groundwater basins designated by the department as critically overdrafted basins;

(2) Groundwater basins with documented water quality problems, land subsidence, impacts on surface streams or groundwater dependent ecosystems, or other undesirable results as defined by subdivision (w) of section 10721.

(b) The department shall consider the following criteria when awarding grants:

(1) The potential of the project to prevent or correct undesirable results due to groundwater use.

(2) The potential of the project to maximize groundwater storage, reliability, recharge or conjunctive use.

(3) The potential of the project to support sustainable groundwater management.

(c) Eligible entities as defined in subdivision (a) of Section 86166, including groundwater sustainability agencies, shall be eligible for grants.

(d) For purposes of awarding funding under this chapter, a local cost share of not less than fifty percent (50%) of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community or economically distressed areas, or for projects specifically designed to restore ecosystems dependent on groundwater.

(e) No grant may be made unless the California Department of Fish and Wildlife certifies that harm done to fish or wildlife as a result of the project will be mitigated to ensure any potential impacts are less than significant.

(f) Eligible projects may include such infrastructure improvements as improved canal and infiltration capacity.

Chapter 12. Water for wildlife

86120. (a) The sum of one hundred million dollars ($100,000,000) is appropriated from the fund to the Wildlife Conservation Board (hereinafter in this Chapter referred to as "the Board") to acquire water from willing sellers to improve conditions for fish and wildlife in streams, rivers, wildlife refuges, wetland habitat areas and estuaries. The Board may arrange for acquisition, long-term lease agreements, or transfer of water rights if it determines such actions are beneficial to wildlife conservation. The Board may sell, transfer, or store water purchased pursuant to this section, including water acquired as

provided in paragraphs (1) and (2) of subdivision (c) of this section if the Board finds that the sale, transfer or storage will not cause harm to fish and wildlife. In years when the Board does not require the water for fish and wildlife purposes, the Board may sell the water and use the proceeds to achieve conservation purposes authorized by this section. Ecosystem benefits shall be consistent with and complement those required by applicable environmental mitigation measures or regulatory compliance obligations in effect at the time the funds from this division are made available for the project.

Each year, the Board shall consult with the regulatory, wildlife and water management agencies entrusted with current decision-making on water needs for the environment (including but not limited to the State Water Resources Control Board, Department of Fish and Wildlife, the department, U.S. Fish and Wildlife Service, National Marine Fisheries Service of the National Oceanic and Atmospheric Administration, and the United States Bureau of Reclamation) to assure the water acquired pursuant to this section is allocated to meet the priority flow needs of the Delta and its tributaries. The Wildlife Conservation Board shall also consult with nonprofit organizations. The use of this water shall not compromise or interfere with the State Board update or implementation of its Bay-Delta Water Quality Control Plan; however, the Board may allocate assets secured in this program to help satisfy environmental flow requirements under that Plan.

(b) Notwithstanding Section 13340 of the Government Code, the proceeds of any water sales pursuant to this section by the Board are appropriated directly to the Board without regard to fiscal year, and shall be used only for the purpose of this section, and may not be appropriated by the Legislature.

(c) (1) If a permanent dedication of water is completed using funds expended pursuant to this chapter it shall be done in accordance with Section 1707 if the state board certifies that the water is in addition to water that is required for regulatory requirements as provided in subdivision (c) of Section 1707. Funds expended pursuant to this division may be used for the purpose of initiating the dedication as a short term or temporary urgency change, that is approved in accordance with Section 1707 and either Chapter 6.6 (commencing with Section 1435) of, or Chapter 10.5 (commencing with Section 1725) of, Part 2 of Division 2, during the period required to prepare any environmental documentation and for approval of permanent dedication.

(2) Transfers using funds expended pursuant to this chapter that require State Board review shall be made in accordance with Sections 1735, 1736, and 1737, if applicable, and if the State Board, after providing notice and opportunity for a hearing, approves such a petition. Funds expended pursuant to this chapter shall prioritize long-term and permanent transfers. Long-term transfers shall be for a period of not less than 10 years. Any water transfers for the benefit of subdivision (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575), shall be for a period of not less than 10 years, including renewable transfer agreements totaling not less than 10 years in the initial period and first renewal period.

(3) The acquisition of water using funds expended pursuant to this chapter shall only be used for projects that will provide fisheries, wildlife or ecosystem benefits.

86121. The sum of fifty million dollars ($50,000,000) is appropriated from the fund to the California Department of Fish and Wildlife for the purpose of improving water supply and water quality conditions for fish and wildlife on private lands. The California Department of Fish and Wildlife may provide incentives to landowners for conservation actions on private lands or use of voluntary habitat credit

exchange mechanisms. Such incentives shall be designed to be appropriately flexible and responsive to the highly variable amounts of water required by fish and wildlife.

86122. The sum of one hundred million dollars ($100,000,000) is appropriated from the fund to the Wildlife Conservation Board for coastal and central valley salmon and steelhead fisheries restoration projects. The Wildlife Conservation Board shall give priority to projects that contribute to the recovery of listed salmon and steelhead species, to enhancing commercial and recreational salmon fisheries and to achieving the goals of Chapter 8 of Part 1 of Division 6 (commencing with Section 6900)of the Fish and Game Code.

86123. The sum of one hundred million dollars ($100,000,000) is appropriated from the fund to the Wildlife Conservation Board for projects to protect migratory birds through habitat acquisition, easements, restoration, or other projects, and to provide water for wildlife refuges and wildlife habitat areas to fulfill the purposes identified in the Central Valley Joint Venture Implementation Plan, as it may be amended, including:

(a) Projects to implement this section which may include conservation actions on private lands.

(b) Protection and restoration of riparian and wetland habitat in the Sacramento Valley, including the Butte, Colusa, Sutter, and Yolo Basins, and the Feather River watershed.

(c) Other eligible projects include, but are not limited to, the California Waterfowl Habitat Account for the purposes of implementing the California Waterfowl Habitat Program pursuant to Article 7 (commencing with Section 3460) of Chapter 2 of Part 1 of Division 4 of the Fish and Game Code, the California Landowner Incentive Program of the Department of Fish and Wildlife, the Permanent Wetland Easement Program of the Wildlife Conservation Board, the establishment or enhancement of waterfowl nesting and other wildlife habitat cover on fallowed lands including projects authorized pursuant to Section 1018, and the Inland Wetlands Conservation Program described in Division 2, Chapter 4.3 of the Fish and Game Code.

Chapter 13 Funding for Water Measurement

86130. The sum of twenty five million dollars ($25,000,000) is appropriated from the fund to the state board for: (1) purchase and installation of water measuring equipment to better measure streamflow and water diversions, (2) acquisition of information systems, technologies, and data that improve the board's ability to manage water resources including, but not limited to, reducing adverse impact of droughts; and (3) grants to eligible entities as defined in subdivision (a) of Section 86166 for the purposes of this section. In making grants, preference shall be given to projects which include cost sharing, and to projects which facilitate improved groundwater management in priority basins as designated by the department pursuant to Section 10720.7.

CHAPTER 14. Conservation Corps

86140. The sum of thirty million dollars ($30,000,000) shall be available to the California Conservation Corps for projects to protect, restore, and improve the health of watershed lands, including forest lands, meadows, wetlands, chaparral, riparian habitat and other watershed lands. Projects may include, but

are not limited to, regional and community fuel hazard reduction projects on public lands, invasive species removal, and stream, river, and riparian restoration projects. The California Conservation Corps shall allocate at least fifty percent (50%) of the funds pursuant to this section for grants to certified local conservation corps. Projects shall improve water quality, water supply reliability, or riparian or watershed health.

CHAPTER 15. Safe Drinking Water

86150. The sum of two hundred million dollars ($200,000,000) is appropriated from the fund to the state board for expenditures, grants, and loans for projects that improve water quality for, or help provide clean, safe, affordable, and reliable drinking water to disadvantaged communities pursuant to Sections 79721, 79722, and 79724. Funds may be expended as follows:

(a) (1) for projects serving disadvantaged communities pursuant to Sections 79721, 79722, and 79724, as well as projects to provide disadvantaged communities access to adequate, clean, safe, affordable and reliable water in schools, day care centers, health clinics, parks, and in disadvantaged households and communities not currently served by public water systems, or which are served by public water systems which fail to provide water that is found safe to drink by the state board.

(2) The state board may expend funds for grants and direct expenditures to fund emergency and urgent actions and projects to ensure that safe drinking water supplies are available to all Californians. Grants and expenditures made pursuant to this paragraph shall not exceed $1,000,000 per project. Eligible projects include, but are not limited to:

(A) Improvements in existing water systems necessary to prevent contamination or provide other sources of safe drinking water including replacement wells.

(B) Establishing connections to an adjacent water system.

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

(3) If the governor declares a state of emergency because of threats to public health and safety with respect to a safe drinking water supply problem, direct expenditures for the purposes of this section shall be exempt from contracting and procurement requirements to the extent necessary to take immediate action to protect public health and safety.

(b) For wastewater treatment projects pursuant to Section 79723, as well as wastewater improvement projects serving disadvantaged households with failing septic systems which threaten the quality of groundwater or surface supplies used for urban, agricultural, or fisheries purposes.

(c) For technical assistance to disadvantaged communities for specific projects. The state board shall operate a multidisciplinary technical assistance program for disadvantaged communities.

CHAPTER 16. General Provisions

86151. In projects involving voluntary habitat restoration, each agency administering provisions of this Division shall encourage interagency coordination and the use of efficient project approval and permitting mechanisms, including but not limited to the provisions of Chapter 6.5 of Division 2 of the Fish and Game Code (regardless of whether that chapter is still in effect)and programmatic permits for voluntary habitat restoration, so as to avoid project delays and maximize the amount of money spent on project implementation.

86151.1. Projects designed to primarily protect migratory birds through acquisition, easements, restoration or other projects shall be consistent with the plans and recommendations established by the federal Migratory Bird Joint Venture partnerships that encompass parts of California.

86151.2. Any agency providing funds to disadvantaged or economically distressed areas may provide funding to assist these communities in applying for that funding, including technical and grant writing assistance for specific projects. These funds may be provided to nonprofit organizations assisting these communities.

86151.3. Any agency receiving funds pursuant to this division may contract for the services of resource conservation districts pursuant to Section 9003 of the Public Resources Code.

86151.4. Agencies may count in kind contributions up to twenty five percent (25%) of the total project cost as part of cost sharing. Agencies may count the value of the donated land in a bargain sale as part of cost sharing.

86151.5. Agencies considering proposals for acquisition of lands shall also consider the ability of the proposed final owner of the land to maintain it in a condition that will protect the values for which it is to be acquired, and to prevent any problems that might occur on neighboring lands if the land is not properly managed.

86151.6. Trust funds established pursuant to Sections 86086, 86099, and 86106 shall be managed pursuant to the requirements of the Uniform Prudent Management of Institutional Funds Act (Part 7 (commencing with Section 18501) of Division 9 of the Probate Code).

86151.7. Projects designed to primarily protect riparian habitat through acquisition, easements, restoration or other projects shall consider the plans and recommendations established by the California Riparian Habitat Conservation Program pursuant to Chapter 4.1 of Division 2 of the Fish & Game Code (commencing with Section 1385).

86152. Agencies shall, to the extent practicable, quantify the amount of water generated for human and environmental use resulting from proposed expenditures they make pursuant to this division. Agencies shall, to the extent practicable, quantify the improvement in the quality of water generated for human and environmental use resulting from proposed expenditures they make pursuant to this division.

86153. To the extent consistent with the other provisions of this division, statewide agencies making grants pursuant to this Division shall seek to allocate funds equitably to eligible projects throughout the state, including northern and southern California, coastal and inland regions, and Sierra and Cascade foothill and mountain regions.

86154. To the extent consistent with the other requirements of this division, agencies making grants pursuant to chapters 5, 6, 11 and 15 of this division shall seek to make those grants consistent with the provisions of the applicable Integrated Regional Water Management Plan.

86155. Notwithstanding any other provision of this division, no local public agency with a population of less than 100,000 and an average household income of less than one hundred fifty percent (150%) of the state average household income may be required to provide matching funds of more than thirty-five percent (35%) for a grant for a project entirely within their jurisdiction. State agencies making grants to these local public agencies may provide funding after discrete parts of the project are completed, if in the determination of the state agency requiring the local public agency to wait for payment until the project is completed would make the project infeasible.

86156. Any repayment of loans made pursuant to this division, including interest payments, and interest earnings shall be deposited in the fund and shall be available for the purposes of the chapter which authorized the loan.

86157. Funds provided pursuant to this division, and any appropriation or transfer of those funds, shall not be deemed to be a transfer of funds for the purposes of Chapter 9 (commencing with Section 2780) of Division 3 of the Fish and Game Code.

86158. (a) If a state agency is carrying out a project pursuant to this division, up to ten percent (10%) of funds allocated for each program funded by this division may be expended for planning, monitoring and reporting necessary for the successful design, selection, and implementation of the projects authorized under that program. An eligible entity receiving a grant pursuant to this division may also receive sufficient funds for planning, monitoring and reporting necessary for the successful design, selection, and implementation of the projects authorized under that program. This section shall not otherwise restrict funds ordinarily used by an agency for "preliminary plans," "working drawings," and "construction" as defined in the annual Budget Act for a capital outlay project or grant project.

(b) Permit and plan check fees and reasonable administrative fees and costs related to managing construction shall be deemed part of construction costs. Project costs allocated for project planning and design, and administrative costs (where such administrative costs directly relate to the projects) shall be identified as separate line items in the project budget.

86159. Notwithstanding Section 16727 of the Government Code, funding provided pursuant to Chapters 5, 8, 9 and 10 may be used for grants and loans to nonprofit organizations to repay financing described in Section 22064 of the Financial Code related to projects that are consistent with the purposes of those chapters.

86160. Not more than a total of five percent (5%) of the funds allocated to any state agency under this division may be used to pay for its costs of administering programs and projects specified in this division or costs for the same purposes that are specified in other measures.

86161. (a) Water quality monitoring data shall be collected and reported to the state board in a manner that is compatible and consistent with surface water monitoring data systems or groundwater monitoring data systems administered by the state board. Watershed monitoring data shall be collected

and reported to the Department of Conservation in a manner that is compatible and consistent with the statewide watershed program administered by the Department of Conservation.

(b) State agencies making grants or loans pursuant to this division may authorize additional specific expenditures specifically for compliance with local, state and federal permitting and other requirements.

(c) Up to one percent (1%) of funds allocated for each program funded by this division may be expended for research into methods to improve water supply and water quality relevant to that program.

86162. (a) Prior to disbursing grants or loans pursuant to this division, each state agency that receives an appropriation from the funding made available by this division to administer a grant or loan program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines shall include monitoring and reporting requirements and may include a limitation on the dollar amount of each grant~~s~~ or loan~~s~~ to be awarded. If the state agency has previously developed and adopted project solicitation and evaluation guidelines that comply with the requirements of this division, it may use those guidelines.

(b) Prior to disbursing grants or loans, 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 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 of California, and one meeting shall be conducted at a location in southern California. Agencies without jurisdiction in one or more of these three regions may omit the meetings in the region or regions within which they do not have jurisdiction. Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

(c) At least 45 days prior to soliciting projects pursuant to this division, a state agency administering funds pursuant to this division shall post an electronic form of the guidelines for grant applicants on its website. Project solicitation and evaluation guidelines shall only include criteria based on the applicable requirements of this division.

(d) Nothing in this division restricts agencies from enforcing and complying with existing laws.

86163. Each project funded from this division shall comply with the following requirements

(a) The investment of public funds pursuant to this division will result in public benefits that address the most critical statewide needs and priorities for public funding, as determined by the agency distributing the funds.

(b) In the appropriation and expenditure of funding authorized by this division, priority will be given to projects that leverage private, federal, or local funding or produce the greatest public benefit. All agencies receiving funds pursuant to this division shall seek to leverage the funds to the greatest extent possible, but agencies may take into account the limited ability to cost share by small public agencies, and by agencies seeking to benefit disadvantaged communities and economically distressed areas.

(c) A funded project shall advance the purposes of the chapter from which the project received funding.

(d) In making decisions regarding water resources pursuant to this division, state and local agencies will use the best available science to inform those decisions.

(e) To the extent practicable, a project supported by funds made available by this division will include signage informing the public that the project received funds from the Water Supply Reliability and Drought Protection Act of 2016.

(f) To the extent feasible, projects funded with proceeds from this division will promote state planning priorities consistent with the provisions of Section 65041.1 of the Government Code and sustainable communities strategies consistent with the provisions of subparagraph (B) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code.

(g) To the extent feasible, watershed objectives for private lands included in this division should be achieved through use of conservation easements and voluntary landowner participation, including, but not limited to, the use of perpetual conservation easements pursuant to Division 10.2 (commencing with Section 10200) and Division 10.4 (commencing with Section 10330) of the Public Resources Code, voluntary habitat credit exchange mechanisms, and conservation actions on private lands.

86164. Funds provided by this division shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta water conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities.

86165. (a) This division does not diminish, impair, or otherwise affect in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law. This division does not limit or affect the application of Article 1.7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and 11463, and Sections 12200 to 12220, inclusive.

(b) For the purposes of this division, an area that utilizes water that has been diverted and conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or capable of being conveniently supplied with water therefrom by virtue or on account of the diversion and conveyance of that water through facilities that may be constructed for that purpose after January 1, 2014.

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

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

(e) Nothing in this division shall be construed to affect the California Wild and Scenic Rivers Act (Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code) or the federal Wild and Scenic Rivers Act (16 U.S.C. Sec. 1271 et seq.) and funds authorized pursuant to this division shall not be available for any project that could have an adverse effect on the values upon which a wild and scenic river or any other river is afforded protections pursuant to the California Wild and Scenic Rivers Act or the federal Wild and Scenic Rivers Act.

(f) Nothing in this division supersedes, limits, or otherwise modifies the Sacramento-San Joaquin Delta Reform Act of 2009 (Division 35 (commencing with Section 85000)) or any other applicable law, including, but not limited to, Division 22.3 (commencing with Section 32300) of the Public Resources Code.

(g) Notwithstanding any other provision of law, any agency acquiring land pursuant to this division may make use of the Natural Heritage Preservation Tax Credit Act of 2000 (Division 28 (commencing with Section 37000) of the Public Resources Code).

86166. (a) Applicants eligible to receive grants and loans pursuant to this division are public agencies, resource conservation districts, nonprofit organizations, public utilities, mutual water companies, public water systems as defined in subdivision (h) of section 116275 of the Health and Safety Code, federally recognized Indian tribes, federal agencies owning land in California, and state Indian tribes listed on the Native American Heritage Commission's California Tribal Consultation List. State agencies granting funds pursuant to this division shall give priority to eligible applicants with experience in planning, designing, and developing the types of projects receiving funding from the agencies, or which have access to consulting help in these areas.

(b) (1) To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and the project shall benefit the customers of the water system and not the investors.

(2) To be eligible for funding under this division, an urban water supplier shall have adopted and submitted an urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6).

(3) To be eligible for funding under this division, an agricultural water supplier shall have adopted and submitted an agricultural water management plan in accordance with the Agricultural Water Management Planning Act (Part 2.8 (commencing with Section 10800) of Division 6).

(4) In accordance with Section 10608.56, an agricultural water supplier or an urban water supplier is ineligible for funding under this division unless it complies with the requirements of Part 2.55 (commencing with Section 10608) of Division 6.

86167. Where feasible, projects funded pursuant to this division may_use the services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5 of the Public Resources Code. Public agencies receiving funding under this division shall give additional priority to projects that involve the services of the California Conservation Corps or a certified community conservation corps, or other programs employing at risk youth in conservation or restoration projects

where the programs have demonstrated expertise and experience in conservation or restoration implementation and management.

86168. Each state agency that receives an appropriation of funding made available by this division shall be responsible for establishing and reporting on the state's bond accountability website each of the following: metrics of success, metrics for benefitting disadvantaged communities and economically distressed areas, progress in meeting those metrics, status of projects funded under this division, and all uses of the funding the state agency receives under this division.

86169. The proceeds of bonds issued and sold pursuant to this division (excluding the proceeds of any refunding bonds issued in accordance with Section 86192) shall be deposited in the Water Supply Reliability and Drought Protection Fund of 2016, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code moneys in the fund are continuously appropriated without regard to fiscal year for the purposes of this division in the manner and for the purposes set forth in this division.

86170. 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.

86170.1. If a state conservancy is established to provide grants to local agencies and nonprofit organizations to protect and restore the Lower American River, then funds pursuant to paragraph (3) of subdivision (g) of Section 86080 shall be appropriated to that conservancy.

86171. (a) Funds provided by this division shall not be used to support or pay for the costs of environmental mitigation.

(b) Funds provided by this division shall be used for environmental enhancements or other public benefits.

(c)Notwithstanding paragraphs (a) and (b) of this section, the costs of mitigation of the environmental impacts directly related and limited to expenditures under this division may be paid for by funds provided by this division.

86172. Every entity implementing this division shall give highest priority to funding projects which combine relatively high cost effectiveness, durability, and enhanced environmental quality.

86174. Acquisitions pursuant to Chapters 8, 9, and 12 of this division shall be from willing sellers only.

86176. (a) Unless otherwise specified by this division, a state agency expending funds or approving a grant pursuant to this division for projects considered to be capital outlay must find that the benefits of the capital outlay expenditure or grant shall last for at least 20 years or such time as is commensurate with the best practices for the type of project being funded.

(b) A state agency expending funds or approving a grant pursuant to this division shall give highest priority to projects which provide benefits for at least 20 years. No state agency expending funds or approving grants pursuant to this division shall expend more than ten percent of the funds on planning

purposes unrelated to specific capital outlay projects or projects which provide benefits for less than 10 years.

86179. The requirement that a project be cost effective does not require a full benefit/cost analysis.

CHAPTER 17. Fiscal Provisions

86180. (a) Bonds in the total amount of six billion twenty million dollars ($6,020,000,000), or so much thereof as is necessary, not including the amount of any refunding bonds issued in accordance with Section 86192 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 a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall from time to time sell the bonds authorized by the committee pursuant to Section 86182. Bonds shall be sold upon the terms and conditions specified in one or more resolutions to be adopted by the committee pursuant to Section 16731 of the Government Code.

86181. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, as that law may be amended, 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 subdivisions (a) and (b) of Section 16727 of the Government Code to the extent that those subdivisions conflict with any other measure of this division.

86182. (a) Solely for the purpose of authorizing the issuance and sale pursuant to 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) of the bonds authorized by this division, the Water Supply Reliability and Drought Protection Finance Committee is hereby created. For purposes of this division, the Water Supply Reliability and Drought Protection Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law.

(b) The finance committee consists of the Director of Finance, the Treasurer, and the Controller. Notwithstanding any other provision of law, any member may designate a representative 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 finance committee.

(d) A majority of the finance committee may act for the finance committee.

86183. The finance committee shall determine whether or not it is necessary or desirable to issue bonds authorized by this division in order 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.

86184. For purposes of the State General Obligation Bond Law, "board," as defined in Section 16722 of the Government Code, means the Secretary of the Natural Resources Agency.

86185. 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. 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 that is necessary to collect that additional sum.

86186. 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 86189, appropriated without regard to fiscal years.

86187. 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 less any amount withdrawn pursuant to Section 86189. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold (excluding any refunding bond authorized pursuant to Section 86192) 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.

86188. 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 or is otherwise entitled to any federal tax advantage, 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.

86189. 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 (excluding any refunding bond authorized pursuant to Section 86192) for the purpose of carrying out this division less any amount borrowed pursuant to Section 86187. Any amounts withdrawn shall be deposited in the fund. Any moneys made available under this section shall be returned to the General Fund, with interest at the rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

86190. All moneys deposited in the fund that are derived from premium 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, except that amounts derived from premium may be reserved and used to pay the cost of bond issuance prior to any transfer to the General Fund.

86191. 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, including premiums, if any. To the extent the cost of bond issuance is not paid from premiums received from the sale of bonds, these costs shall be shared proportionately by each program funded through this division by the applicable bond sale.

86192. 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 voters 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. Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing such refunded bonds.

86193. The proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SECTION 2. Section 1 of this act shall take effect immediately upon approval by the voters of the Water Supply Reliability and Drought Protection Act of 2016, as set forth in that section at the November 8, 2016, statewide general election. In order to fund a water supply reliability and drought protection program at the earliest possible date, it is necessary that this act take effect immediately.

SECTION 3. Conflicting provisions

(a) The provisions and intent of this Act shall be given precedence over any state law, statute, regulation or policy that conflicts with this section, and the policy and intent of this Act shall prevail over any such contrary law, statute, regulation or policy.
(b) If this division is approved by the voters, but superseded by any other conflicting ballot division approved by more voters at the same election, and the conflicting ballot division is later held invalid, it is the intent of the voters that this Act shall be given the full force of law.
(c) If any rival or conflicting initiative regulating any matter addressed by this Act receives the higher affirmative vote, then all non-conflicting parts of this measure shall become operative.

SECTION 4. If any provision of this Act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provisions or applications, and to this end the provisions of this Act are severable.