

AGENDA

**IRVINE RANCH WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING**

January 13, 2014

PLEDGE OF ALLEGIANCE

CALL TO ORDER

5:00 P.M., Board Room, District Office
15600 Sand Canyon Avenue, Irvine, California

ROLL CALL

Directors Matheis, Reinhart, Swan, Withers and President LaMar

NOTICE

If you wish to address the Board on any item, including Consent Calendar items, please file your name with the Secretary. Forms are provided on the lobby table. Remarks are limited to five minutes per speaker on each subject. Consent Calendar items will be acted upon by one motion, without discussion, unless a request is made for specific items to be removed from the Calendar for separate action.

COMMUNICATIONS TO THE BOARD

1. A. Written:

B. Oral: Mrs. Joan Irvine Smith relative to the Dyer Road Wellfield.

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Recommendation: Determine that the need to discuss and/or take immediate action on item(s) introduced come to the attention of the District subsequent to the agenda being posted.

WORKSHOP

3. 2014 STATE LEGISLATIVE UPDATE

Recommendation: Receive and file.

CONSENT CALENDAR

Items 4-6

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the December 16, 2013 Regular Board meeting be approved as presented.

CONSENT CALENDAR - Continued	Resolution No. 2014-1	Items 4-6
<p>5. <u>RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS</u></p> <p>Recommendation: That the Board ratify/approve the meetings and events for Steven LaMar, Mary Aileen Matheis, Douglas Reinhart, Peer Swan and John Withers as described.</p>		
<p>6. <u>BUREAU OF RECLAMATION WATERSMART GRANT APPLICATIONS</u></p> <p>Recommendation: That the Board authorize staff to apply for Bureau of Reclamation WaterSMART grants with maximum award of up to \$1.0 million in total funding to improve water and energy use efficiency, and commit to authorizing matching funds of at least 50% of project costs; agree to meet established deadlines for entering into a cooperative agreement, and adopt two resolutions: 1) authorizing submission of a grant application for the Irvine Lake Pipeline Conversion Project to the Department of the Interior, Bureau of Reclamation, Policy and Administration, and 2) authorizing submission of a grant application for the Stockdale Integrated Banking project to the Department of the Interior, Bureau of Reclamation, Policy and Administration.</p>		<p>Reso. No. 2014-</p> <p>Reso. No. 2014-</p>
ACTION CALENDAR		
<p>7. <u>REVISED WATER, SEWER AND RECYCLED WATER REGIONAL ALLOCATIONS</u></p> <p>Recommendation: That the Board adopt a resolution adopting revised water, sewer and recycled water regional allocations as a result of the reorganization of IRWD improvement districts.</p>		<p>Reso. No. 2014</p>

OTHER BUSINESS

Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments.

- 8. A. General Manager's Report

OTHER BUSINESS - Continued

8. B. Directors' Comments

C. CLOSED SESSION:

- 1) Conference with Labor Negotiators – Government Code Section 54957.6
Agency Designated Representatives: Paul Cook and Jenny Roney
Employee Organization: Irvine Ranch Water District Employees Association, and
- 2) Conference with Legal Counsel relative to anticipated litigation – Government Code Section 54956.9(d)(2) – significant exposure to litigation (one potential case).

D. Open Session

E. Adjourn

* * * * *

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Irvine Ranch Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance to the Board of Directors Room of the District Office.

The Irvine Ranch Water District Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

January 13, 2014

Prepared by: C. Compton

Submitted by: P. Weghorst

Approved by: Paul Cook 

WORKSHOP

2014 STATE LEGISLATIVE UPDATE

SUMMARY:

This report provides an update on the 2014 legislative session and IRWD legislative priorities. As legislation develops, staff will provide updates and recommendations to the Water Resources Policy and Communications Committee and the Board as appropriate. A copy of the 2014 State Legislative Matrix is attached as Exhibit "A."

BACKGROUND:

The 2013-14 Legislature reconvened on January 6, 2014, for the second year of the two year session. As with the second year of any session, pending legislative business left over from 2013 will be taken up quickly in order to meet looming legislative deadlines. The 1,151 bills remaining at the close of the 2013 legislative year will need to meet the January 17 policy committee deadline if they are still in their house of origin. Other upcoming legislative deadlines of note are:

January 10 – Last day for the Governor to submit a budget proposal to the Legislature

January 24 – Last day to submit bill requests to the Office of Legislative Counsel

January 31 – Last day for bills introduced in 2013 to be passed out of their house of origin

February 21 – Last day for bills to be introduced

State Budget Update:

November State Revenue Numbers Released:

Given the political implications that State revenues and the State's fiscal outlook can have on local government, staff continues to monitor the State's revenue and budget situation. On December 10, 2013, State Controller John Chiang released his monthly report on the State's finances. He announced that the State took in \$6.0 billion in revenue during the month of November. This amount was 5.9%, or \$376 million, lower than budgeted. According to Controller Chiang's report:

"November's tax receipts could look somewhat disappointing at face value, but delays in collections and recording appear to have accounted for much of the shortfall... Those figures do not include approximately \$440 million in late November sales tax deposits which, because of the late Thanksgiving holiday, were recorded to the State's books in December."

For the first five months of Fiscal Year 2013-14, total General Fund revenues were still ahead of budget estimates despite the absence of the late sales tax deposits. The positive variance equaled

approximately \$270 million as of November 30, 2013. The State ended November with a General Fund cash deficit of \$19.6 billion. This deficit was covered by borrowing.

In November 2013, the Legislative Analyst Office issued “*The 2014-15 Budget: California’s Fiscal Outlook*.” The outlook forecasted a \$3.2 billion operating surplus for the State by the end of Fiscal Year 2014-15, and a \$9.6 billion operating surplus by the end of Fiscal Year 2017-18. As a result of this forecast and the recent months of higher than anticipated revenues, legislative leadership has already begun unveiling its plans for the revenue.

Senate President pro Tem Darrell Steinberg (D-Sacramento) has proposed using one-third of the unanticipated revenues to establish a rainy day fund, one-third to pay down the State’s debt, and one-third to fund social services programs which were previously cut. Speaker John Pérez (D-Los Angeles) has proposed a constitutional amendment for the November 2014 ballot establishing a rainy day fund, and indicated support for expanding pre-Kindergarten programs. Members in both houses have suggested using the anticipated surplus to fund programs such as universal pre-Kindergarten, child-care, college scholarships, work force development, infrastructure banks, and expanded welfare benefits. Governor Jerry Brown is scheduled to release his annual budget on January 10, 2014. In his statements leading up to the proposed budget’s release, he has cautioned the Legislature to exercise fiscal restraint with the Fiscal Year 2014-15 budget.

IRWD 2014 Legislative Priorities:

Cap-and-Trade Revenues:

One of IRWD’s 2014 legislative priorities is to “promote policies which encourage energy reliability in Orange County and energy efficiency in the water and wastewater sectors without an increase in cost to or mandates on local entities.” As part of this effort, IRWD has encouraged the Legislature to consider allocating Cap-and-Trade revenues to projects that reduce the greenhouse gas emissions and energy demands in the water and wastewater sectors.

The Legislature will determine how to spend the Cap-and-Trade revenue as part of the Fiscal Year 2014-15 budget. It has been reported that Governor Brown will propose spending \$250 million in Cap-and-Trade revenues on the California High-Speed Rail as part of his Fiscal Year 2014-2015 proposed budget. It is also rumored that Governor Brown will proposed directing \$850 million in Cap-and-Trade revenues to high-speed rail over the next few years. It is also expected that Governor Brown will propose repaying \$100 million of the \$500 million in Cap-and-Trade revenues borrowed in the Fiscal Year 2013-2014 budget.

Staff will continue to engage on this issue in 2014, and will update the Board and the Water Resources Policy and Communications Committee on the State’s Cap-and-Trade revenue spending plan as appropriate.

2014 Water Bond:

Currently the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, an \$11.14 billion general obligation bond, is scheduled for the November 2014 ballot. After significant consensus

in 2012 and 2013 that the \$11.14 billion water bond would fail passage, AB 1331 (Rendon, D-Lakewood) and SB 42 (Wolk, D-Vallejo) were introduced in 2013 to reformulate the water bond.

As previously discussed with the Board, AB 1331 would repeal the Safe, Clean and Reliable Drinking Water Supply Act of 2012 and enact the Climate Change Response for Clean and Safe Drinking Water Act of 2014. The Climate Change Response for Clean and Safe Drinking Water Act of 2014 would authorize the issuance of a \$6.5 billion general obligation water bond upon approval by the voters in November 2014. SB 42 would repeal the Safe, Clean and Reliable Drinking Water Supply Act of 2012, and enact the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014, a \$6.475 billion water bond. Both AB 1331 and SB 42 are in the Senate Natural Resources and Water Committee (Sen. Natural Resources).

In the first few days of the 2014 legislative year, SB 42 has been set for an informational hearing in Sen. Natural Resources on January 14, and AB 1331 was amended. AB 1331's amendments changed the name of the bond from the "Climate Change Response for Clean and Safe Drinking Water Act of 2014" to the "Clean and Safe Drinking Water Act of 2014;" remove references to climate change from the bill; remove the statement that groundwater contamination in California was a result of a vibrant economy; remove the list of watersheds in which bond funds can be spent to support ecosystem, watershed protection and restoration, and instead designates an intent to distribution watershed restoration funds regionally based on population; clarify that the groundwater management plan requirement shall not apply to a water replenishment district or to a local agency that serves or has authority to manage an adjudicated groundwater basin; and remove the continuous appropriation, among other changes. An informational hearing on AB 1331 will likely be held in February. A copy of AB 1331, as amended, is attached as Exhibit "B".

In the first week of the 2014 legislative year, a third water bond proposal has also been introduced by Assemblymember Dan Logue (R- Chico). AB 1445 would repeal the \$11.14 billion bond and place a \$5.8 billion on the November 2014 ballot. A copy of AB 1445 is attached as Exhibit "C".

As directed by the Board IRWD will continue to engage productively in the discussions surrounding the water bond in order to protect IRWD's interests, and to promote policies consistent with the Water Resources Funding Policy Principles adopted by the Board in August 2013. Staff will provide the Board an oral update on any new developments, as appropriate.

FISCAL IMPACTS:

Not applicable

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

RECEIVE AND FILE.

LIST OF EXHIBITS:

Exhibit "A" – 2013 IRWD Legislative Matrix

Exhibit "B" – AB 1331 (Rendon), as amended January 7, 2014

Exhibit "C" – AB 1445 (Logue), as introduced

EXHIBIT "A"
IRWD 2014 LEGISLATIVE MATRIX
Updated January 8, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
AB 1 Alejo (D)	Water Quality: Integrated Plan: Salinas Valley		Appropriates funds for use by the Greater Monterey County Regional Water Management Group, referred to as the management group, to develop the integrated plan to address the drinking water and wastewater needs of disadvantaged communities in the Salinas Valley whose waters have been affected by waste discharges.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
AB 25 Campos (D)	Employment: Social Media		Applies existing law that prohibits a private employer from requiring or requesting an employee or applicant for employment to disclose a username or password for the purpose of accessing personal social media, to access personal social media in the presence of the employer, or to divulge any personal social media to public employers. Provides that these provisions apply to public employers generally, including charter cities and counties.	09/13/2013 - In SENATE. Held at desk.	
AB 37 Perea (D)	Unemployment Insurance: Reporting: Status of Funds		Requires the Employment Development Department, when the Unemployment Fund indicates a negative balance, to include a status report on the Fund the estimated cost impact on employers from the changes in a specified federal tax credit and the estimated amount the state is expected to pay in interest on any outstanding loan to the federal government.	08/14/2013 - Re-referred to SENATE Committee on LABOR AND INDUSTRIAL RELATIONS.	
AB 52 Gatto (D)	Native Americans: California Environmental Quality Act		Requires a lead agency to make best efforts to avoid, preserve, and protect specified Native American resources with a project that may have a significant effect on the environment, and to take specified mitigation measures if the project will have a substantial adverse change. Prohibits certain damage unless certain conditions are met. Requires consultation with tribes affiliated with the area prior to determining a negative declaration. Requires the revision of related guidelines.	09/10/2013 - In SENATE. Joint Rule 61(a)12 suspended.;09/10/2013 - In SENATE. Joint Rule 62(a) suspended.	
AB 69 Perea (D)	Groundwater: Drinking Water: Nitrate at Risk Fund		Establishes the Nitrate at Risk Fund to be administered by the State Department of Public Health for loans, principal forgiveness loans, or grants to certain water systems operating in a high-nitrate at-risk area for specified purposes. Requires fertilizer sellers to pay a materials charge for deposit in the Fund.	08/12/2013 - From SENATE Committee on AGRICULTURE with author's amendments.;08/12/2013 - In SENATE. Read second time and amended. Re-referred to Committee on AGRICULTURE.	
AB 122 Rendon (D)	Energy Improvements: Financing		Enacts the Nonresidential Real Property Energy Retrofit Financing Act. Requires the Energy Resources Conservation and Development Commission to establish a program to develop a request for proposal for a third-party administrator and to develop and operate the program to provide financial assistance, through authorizing the issuance of, revenue bonds, to owners of eligible real property for implementing energy property improvement. Requires a public report on program efficacy.	01/06/2014 - From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.;01/06/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
AB 142 Water, Parks and	Water Resources: Infrastructure		Requires the Department of Water Resources to initiate and complete a comprehensive study of state and local water supply infrastructure needs and to	05/06/2013 - In ASSEMBLY. Read second time and	

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Updated January 8, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
Wildlife Cmt			provide a report to the Legislature that summarizes those findings.	amended. Re-referred to Committee on APPROPRIATIONS.	
AB 145 Perea (D)	State Water Resources Control Board: Drinking Water		Transfers to the State Water Resources Control Board the various duties and responsibilities imposed on the State Department of Public Health by the State Safe Drinking Water Act and the Safe Drinking Water State Revolving Fund Law of 1997. Requires the State Environmental Protection Agency to prepare a project initiation document for the transfer of the state drinking water program from the State Department of Public Health to a Division of Drinking Water Quality.	08/30/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
AB 153 Bonilla (D)	Global Warming Solutions Act of 2006: Offsets		Amends the Global Warming Solutions Act of 2006. Requires the State Air Resources Board to adopt a specified process for the review and consideration of new offset protocols for reducing greenhouse gases and, commencing in 2014 and continuing thereafter, use that process to review and consider new offset protocols. Requires the board to adopt guidelines and incentives that prioritize the approval of specified offset protocols. Requires the board to submit a specified annual report to the Legislature.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
AB 183 Dickinson (D)	Delta Protection Commission: Executive Director		Amends the Johnson-Baker-Andal-Boatwright Delta Protection Act of 1992. Requires the Executive Director of the Delta Commission to determine a discretionary project located in the primary zone to be consistent with the resource management plan provided that the project satisfies specified criteria. Authorizes appeals to specified decisions.	02/15/2013 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and NATURAL RESOURCES.	
AB 194 Campos (D)	Open Meetings: Actions For Violations		Amends the Ralph M. Brown Act. Requires every agenda for a regular meeting or notice for a special meeting to provide an opportunity for members of the public to address the legislative body on items being considered by the legislative body. Expands the authorization for a district attorney or interested party to seek a judicial determination that an action taken by a legislative body is null and void if the legislative body violates this requirement.	01/06/2014 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;01/06/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.	
AB 229 Perez J (D)	Infrastructure and Revitalization Financing Districts		Authorizes the creation by a city, county, city and county, and joint powers authority, of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district and the issuance of debt. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.	09/11/2013 - In ASSEMBLY. From Unfinished Business. To Inactive File.	
AB 243 Dickinson (D)	Local Government: Infrastructure Financing Districts		Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases if special conditions are met. Authorizes a district to fund various projects, including watershed land used for the collection and treatment of water for urban uses, flood management, open space, habitat restoration and development purposes.	09/11/2013 - In ASSEMBLY. To Inactive File.	

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Updated January 8, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
AB 294 Holden (D)	Local-State Joint Investment Partnership Program		Establishes a pilot program whereby certain local government entities, upon the approval and oversight of the Infrastructure and Economic Development Bank, are authorized to reallocate their annual payments of property tax revenue directed to the Educational Revenue Augmentation Fund to instead finance certain kinds of public works that further state policy. Requires each entity operating a project under the program and the bank to submit reports on program results.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
AB 295 Water, Parks and Wildlife Cmt	Water: Water Supply: Infrastructure		Requires the State Water Resources Control Board and the Drinking Water and Environmental Management Division of the State Department of Public Health to initiate and complete a comprehensive study relating to the need for state funding for water projects and to provide a report to the Legislature summarizing those findings.	05/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
AB 371 Salas (D)	Sewage Sludge: Kern County		Authorizes the Kern County Board of Supervisors, upon a majority vote, to regulate or prohibit by ordinance, in a manner more stringent than state or federal law and in a nondiscriminatory manner, the land application of sewage sludge in unincorporated areas in the jurisdiction of the county. Relates to applications for waste discharge.	05/16/2013 - In ASSEMBLY. To Inactive File.	
AB 378 Hueso (D)	Resources: Delta Research		Requires a person conducting Delta research whose research is funded, in whole or in part, by the state, to take specified actions with regard to the sharing of the primary data, samples, physical collections, and other supporting materials created or gathered in the course of that research. Authorizes the Delta Independent Science Board to adopt guidelines to provide adjustments to, and, where essential, exceptions from, these requirements.	03/07/2013 - To ASSEMBLY Committees on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW and WATER, PARKS AND WILDLIFE.	
AB 380 Dickinson (D)	California Environmental Quality Act: Notice		Amends the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by the clerk for public review. Provides notice requirements for projects that are determined to be exempted from the Act.	06/13/2013 - To SENATE Committee on ENVIRONMENTAL QUALITY.	
AB 416 Gordon (D)	Local Emission Reduction Program		Creates the Local Emission Reduction Program and requires money to be available from the general fund for providing grants and other financial assistance to develop and implement greenhouse gas emissions reduction projects in the state, giving consideration to the ability of a project to create local job training and job creation benefits and achieve greenhouse gas emissions reduction. Provides the public entities that will be required to administer the program.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
AB 436 Jones-Sawyer (D)	Inverse Condemnation: Comparative Fault		Applies the doctrine of comparative fault to inverse condemnation actions. Requires a court or arbitrator to reduce the compensation paid to a plaintiff in an inverse condemnation proceeding in direct proportion to his or her percentage of fault, if any, in the damaging of property that constitutes a taking. Provides the circumstances under which the plaintiff shall not recover his or her postoffer costs and shall pay the defendant's postoffer costs, including expert witness costs.	07/02/2013 - In SENATE Committee on JUDICIARY: Not heard.	
AB 507 Garcia (D)	Public Employees Retirement: Retirement Death Benefit		Requires that the amount paid pursuant to the Public Employees Retirement Law Post Retirement Death Benefit be a specified amount for a death occurring during a specified period. Increases that amount each year as specified at which point the	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in	

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 Updated January 8, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>AB 515</u> Dickinson (D)	State Environmental Quality Act: Writ of Mandate		amount would be a specified amount and would be adjusted annually thereafter. Amends the State Environmental Quality Act that requires a court, if the court finds that a public agency has violated the requirements of the Act, to issue an order, in the form of a peremptory writ of mandate, specifying what actions by the public agency are necessary to comply with the requirements of the Act. Requires the writ to specify the time by which the public agency is to make an initial return of the writ containing specified information.	committee. 01/06/2014 - From ASSEMBLY Committee on JUDICIARY with author's amendments.;01/06/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.;01/06/2014 - Re-referred to ASSEMBLY Committee on RULES.;01/06/2014 - Re-referred to ASSEMBLY Committees on NATURAL RESOURCES and JUDICIARY.	
<u>AB 536</u> Wagner (R)	Contractors: Payments		Amends existing law that allows specified persons to withhold from a contractor or subcontractor no more than a specified percentage of any disputed amount if there is a good faith dispute over the amount due on a contract payment. Excludes the amount of specified claims from being considered disputed amounts.	01/06/2014 - From ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION with author's amendments.;01/06/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.	
<u>AB 543</u> Campos (D)	California Environmental Quality Act: Translation	Oppose	Requires a lead agency to translate certain notices required by the California Environmental Quality Act and a summary of any negative declaration, mitigated negative declaration, or environmental impact report when a group of non-English-speaking people comprises at minimum percentage of the population within the lead agency's jurisdiction and the proposed project is to be located at or near an area where the group of non-English-speaking people comprises that same percentage of residents of the area.	06/13/2013 - Re-referred to SENATE Committee on ENVIRONMENTAL QUALITY.	
<u>AB 613</u> Hueso (D)	Water Reclamation		Makes technical, nonsubstantive changes to a provision of the Water Recycling Law that provides that a person recycling water or using recycled water in violation of specific provisions is guilty of a misdemeanor.	02/20/2013 - INTRODUCED.	
<u>AB 621</u> Wagner (R)	Local Government: Bonds		Relates to local government bonds and investment firms. Prohibits a local agency from entering into a financial advisory, legal advisory, underwriting, or similar relationship with an individual or firm that provides or will provide bond campaign services to the bond campaign. Defines certain terms for those purposes.	07/03/2013 - In SENATE Committee on GOVERNANCE AND FINANCE: Heard, remains in	

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				Committee.	
AB 687 Hernandez R (D)	Electricity		Requires the Public Utilities Commission, when authorizing additional direct transactions for retail nonresidential end-use customers, to provide the highest priority to acquire electric services from other providers to entities treating and remediating groundwater that is identified as contaminated on a site listed as a Superfund site in a disadvantaged or severely disadvantaged community or a public drinking water system of such communities. Requires the treatment and remediation using certain moneys.	08/30/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
AB 690 Campos (D)	State Government: International Relations		Repeals and recasts the provisions of existing law relating to the California-Mexico Border Relations Council and the Office of California-Mexico Affairs.	01/06/2014 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;01/06/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.;01/06/2014 - Re-referred to ASSEMBLY Committee on RULES.;01/06/2014 - Re-referred to ASSEMBLY Committee on JOBS, ECONOMIC DEVELOPMENT AND THE ECONOMY.	
AB 756 Melendez (R)	Environmental Quality Act: Court Review: Public Works		Applies the provisions of the California Environmental Quality Act and the Jobs and Economic Improvement Through Environmental Leadership Act of 2011 to a public works project, defined to mean an infrastructure project carried out by the city, county, special district, or state government or contracted out to a private entity by the special district or local or state government.	04/11/2013 - From ASSEMBLY Committee on JUDICIARY with author's amendments.;04/11/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.	
AB 766 Gaines B (R)	Attorney General: Investigations		Prohibits the Attorney General from offering a promise of use or transactional immunity during the course of an investigation into the misuse of public funds, unless specified findings are made. Requires the Attorney General to submit a written copy of the findings to a presiding judge.	04/16/2013 - In ASSEMBLY Committee on PUBLIC SAFETY: Not heard.	
AB 794 Gorell (R)	Environmental Quality: Use of Landfill & Organic Waste		Exempts from the requirements of the California Environmental Quality Act a project that takes landfill materials or organic waste and converts then into renewable green energy if the lead agency finds that the project will result in a net reduction in greenhouse gas emissions or support sustainable agriculture. Exempts from the requirements of the act a project that uses biological processes to convert organic	03/04/2013 - To ASSEMBLY Committee on NATURAL RESOURCES.	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			waste streams into nonchemical soil fertility products.		
AB 801 Brown (D)	Junk Dealers and Recyclers: Nonferrous Materials		Requires junk dealers and recyclers to obtain specified information before providing payment for nonferrous materials marked with an indicia of ownership. Requires that this information be retained as part of the written record of purchases.	03/04/2013 - To ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.	
AB 823 Eggman (D)	Environment: State Farmland Protection Act	Oppose	Enacts the Farmland Protection Act. Requires that a lead agency reviewing a development project require that all feasible mitigation of the identified significant environmental impacts associated with the conversion of agricultural lands be completed by the project applicant and to consider the permanent protection or replacement of such land as feasible mitigation for identified significant effects on the land caused by the project.	04/29/2013 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on AGRICULTURE.	
AB 892 Daly (D)	Parcel Taxes		Requires the State Board of Equalization to annually report specified information relating to the imposition of locally assessed parcel taxes including the type and rate of a parcel tax and the number of parcels subject to or exempt from the parcel tax.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
AB 953 Ammiano (D)	California Environmental Quality Act		Amends the California Environmental Quality Act, which defines environment and significant effect on the environment for certain purposes. Revises those definitions. Requires a lead agency to include in an environmental assessment report, a detailed statement on any effects that may result in the locating a proposed project near natural hazards or adverse environmental conditions.	05/31/2013 - In ASSEMBLY. To Inactive File.	
AB 993 Linder (R)	Contractors: Arbitration		Amends the Contractors' State License Law. Provides a party that submits a dispute with contractor to arbitration waives any right to recover attorney's fees or to challenge the arbitrator's award attorney's fees in a related civil action. Relates to the setting of the time, date, and location for an arbitration related hearing. Requires good cause to exclude any person from a hearing. Revises requirements regarding the recording of the hearing. Authorizes the reopening of a hearing prior to any award.	06/17/2013 - From SENATE Committee on BUSINESS, PROFESSIONS & ECON. DEVELOPMENT: Do pass to Committee on JUDICIARY.	
AB 1035 Muratsuchi (D)	Local Agencies: Financial Reports		Raises the amount forfeited for failure to submit financial reports to all local agencies. Doubles fines if the agency fails to submit the report to the Controller for 2 consecutive years. Triples the fines if the agency fails to submit the report to the Controller for 3 or more consecutive years. Requires the Controller to conduct an independent audit report of an agency that issues conduit revenue bonds. Specifies the agency that has a forfeiture or payment still must file the report.	06/11/2013 - In SENATE Committee on GOVERNANCE AND FINANCE: Not heard.	
AB 1043 Chau (D)	Drinking Water, Quality, Flood, River Protection		Amends the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Eliminates the requirement to develop and adopt regulations and requires a grantee of certain initiative bond act funds to take specific actions to recover the costs of cleanup and to utilize those funds for certain groundwater contamination cleanup projects.	06/25/2013 - In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.	
AB 1080 Alejo (D)	Community Revitalization & Investment Authorities		Authorizes certain public entities of a community revitalization and investment area to form a community revitalization plan within a community revitalization and investment authority to carry out the Community Redevelopment Law in a specified manner. Requires the authority to adopt a community revitalization plan for a	08/30/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			community revitalization and investment area and authorizes the authority to include in that plan a provision for the receipt of tax increment funds.		
AB 1445 Louge (R)	California Water Infrastructure Act of 2014		Repeals the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, Enacts the California Water Infrastructure Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law.	01/07/2014 – INTRODUCED. From printer. May be heard in committee February 6.	
AB 1212 Levine (D)	Public Contracts: Bids: Equal Materials or Service		Prohibits certain bid specifications from requiring a bidder to provide submission of data substantiating a request for a substitution of an equal item prior to the bid or proposal deadline.	03/07/2013 - To ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.	
AB 1251 Gorell (R)	Water Quality: Stormwater		Requires the Secretary for Environmental Protection to convene a stormwater task force to review, plan, and coordinate stormwater-related activity to maximize regulatory effectiveness in reducing water pollution. Requires the task force to submit a statewide stormwater management plan to the Legislature. Requires the task force to consider specified issues in developing the plan.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
AB 1331 Rendon (D)	Climate Change Response for Clean and Safe Water		Repeals the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, Enacts the Climate Change Response for Clean and Safe Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a climate change response for a clean and safe drinking water program.	01/07/2014 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;01/07/2014 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.	
AB 1349 Gatto (D)	CalConserve Water Use Efficiency Revolving Fund		Establishes the CalConserve Water Use Efficiency Revolving Fund for the purpose of water use efficiency projects. Requires moneys in the fund to be used for purposes that include, but are not limited to, at-or-below market interest rate loans.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
ACA 1 Donnelly (R)	Administrative Regulations: Legislative Approval		Requires an administrative agency to submit all regulations to the Legislature for approval. Authorizes the Legislature, by means of a concurrent resolution, to approve a regulation adopted by an administrative agency of the state.	05/01/2013 - In ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW: Failed passage.	
ACA 8 Blumenfield (D)	Local Government Financing: Voter Approval		Proposes an amendment to the Constitution to create an additional exception to the 1% limit for an ad valorem tax rate imposed by a city, county, city and county, or special district, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district.	06/27/2013 - To SENATE Committees on GOVERNANCE AND FINANCE and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.	
SB 1	Sustainable Communities Investment		Authorizes certain public entities of a Sustainable Communities Investment Area to	09/12/2013 - In SENATE. To	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
Steinberg (D)	Authority		form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area. Excludes certain types of farmland.	Inactive File.	
SB 24 Walters (R)	Public Employees' Retirement: Benefit Plans		Authorizes a local agency public employer or public retirement system that offers a defined benefit pension plan to offer a benefit formula with a lower benefit factor at normal retirement age and that results in a lower normal cost than the benefit formulas that are currently required, for purposes of addressing a fiscal necessity.	01/10/2013 - To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.	
SB 33 Wolk (D)	Infrastructure Financing Districts: Voter Approval		Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance, and authorizes the legislative body to create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and project. Prohibits financing until a certain requirement is met. Prohibits assistance to a vehicle dealer or big box retailer.	09/11/2013 - In ASSEMBLY. To Inactive File.	
SB 40 Pavley (D)	Safe, Clean, and Reliable Drinking Water Supply Act		Changes the name of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 to the Safe, Clean, and Reliable Drinking Water Supply Act of 2014. Declares the intent of the Legislature to amend the act for the purpose of reducing and potentially refocusing the bond.	01/06/2014 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;01/06/2014 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.	
SB 42 Wolk (D)	Safe Drinking Water, Water Quality, Flood Protection		Enacts the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality, and flood protection program.	09/11/2013 - In SENATE. Senate Rule 29.3(b) suspended.;09/11/2013 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;09/11/2013 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.	
SB 64 Corbett (D)	Global Warming Solutions: Clean Technology Investment		Creates the Clean Technology Investment Account within the Greenhouse Gas Reduction Fund. Requires appropriations of moneys in the fund or other funds to the account in the Budget Act. Makes such funds available for grants to nonprofit public benefit corporations and regional technology alliances to design and implement program that accelerate the development, demonstration, and deployment of technologies that would reduce greenhouse gas emissions and foster job creation in	06/24/2013 - Re-referred to ASSEMBLY Committee on NATURAL RESOURCES.	

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SB 123 Corbett (D)	Environmental and Land-Use Court		the state. Requires the Judicial Council to direct the creation of an environmental and land-use division within the Superior Courts selected by the Council to process civil proceedings brought pursuant to the California Environmental Quality Act or in specified subject areas, including air quality, biological resources, climate change, hazards and hazardous materials, land use planning, and water quality. Increases the fees for environmental license plates with revenue for the environmental and land use court.	05/23/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
SB 124 Corbett (D)	Public Contracts: Bid Preferences: Clean Energy		Authorizes a public agency including the Trustees of the California State University to award a contract based on the fact that a clean energy device, technology, or system was manufactured in the state if the contract is for an energy service contract determined to be in the best interests of the agency. Requires those entities to accept bids or proposals for such contract to provide a 5% preference to a bidder that certifies that everything regarding the device or technology was manufactured in the state.	08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
SB 176 Galgiani (D)	Administrative Procedures		Requires the Office of Administrative Law to allow electronic submission to the Office by a state agency of notices required to be published and information required to be submitted pursuant to specified provisions of existing law. Expands the public discussion required described in existing law to require a state agency proposing to adopt regulations, prior to publication of a notice of proposed adoption, amendment, or repeal, to involve parties that would be subject to the regulations in such discussions.	08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.;08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
SB 193 Monning (D)	Hazard Evaluation System and Information Service		Relates to the repository of data on toxic materials and harmful physical agents in places of employment. Requires chemical manufacturers, formulators, suppliers, distributors, importers, and their agents to provide Hazard Evaluation System and Information Service the names and addresses of their customers who have purchased specified chemicals or commercial products containing those chemicals, and certain other information upon a request from the Service. Exempts the names and address from disclosure.	08/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
SB 395 Jackson (D)	Hazardous Waste: Wells		Amends part of the Hazardous Waste Control Law that prohibits a person from discharging hazardous waste into an injection well unless certain conditions are met and imposes other requirements upon the operator of such well and defines injection for these purposes as excluding wells regulated by the Division of Oil and Gas. Deletes the exclusion of those regulated wells from the definition of injection well. Requires testing of the waste. Specifies that oil field waste does not include hazardous waste.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
SB 449 Galgiani (D)	Local Water Supply Programs or Projects: Funding	Oppose	Requires the Department of Water Resources to conduct a statewide inventory of local regional water supply projects and post specified results of the inventory on the Department's Internet Web site.	08/22/2013 - Re-referred to SENATE Committee on NATURAL RESOURCES AND WATER.	
SB 536 Berryhill T (R)	Property-Related Services		Provides that a county shall not be obligated to provide subsidies to cure any deficiencies in funding of property-related services provided within the jurisdiction of	06/17/2013 - To ASSEMBLY Committee on LOCAL	

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			a defined district, under any of certain specified circumstances. Provides that this prohibition would not apply if the county's governing board had agreed to subsidize the district's services before the completion of a majority protest proceeding or election.	GOVERNMENT.	
SB 556 Corbett (D)	Agency: Ostensible: Nongovernmental Entities		Relates to third person contracts and ostensible agencies. Prohibits a person, firm, corporation, or association that is a nongovernmental entity and contracts to perform labor or services relating to public health or safety for a public entity from displaying on a vehicle or uniform a logo that reasonably could be interpreted as implying the labor or services are being performed by employees of a public agency, unless the vehicle and uniform displays a specified disclosure.	09/11/2013 - In ASSEMBLY. To Inactive File.	
SB 617 Evans (D)	California Environmental Quality Act		Amends various provisions of the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by that clerk for public review. Provides additional duties regarding notices by the Office and the clerk. Requires a statement in the report regarding the placement of the project near natural hazards or adverse environment conditions. Repeals specified exemptions.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
SB 628 Beall (D)	Infrastructure Financing: Transit Priority Projects		Eliminates the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit priority project. Requires a specified percentage of the revenue for increasing, improving, and preserving the supply of lower and moderate-income housing. Requires a low-income housing replacement ordinance.	08/19/2013 - Withdrawn from Enrollment.;08/19/2013 - Ordered Held at SENATE desk.	
SB 633 Pavley (D)	CEQA		Amends the California Environmental Quality Act. Specifies, for purposes of new information exception to the prohibition on requiring a subsequent or supplement environmental impact report, that a specified exception applies if new information was not known and could not have been known by the lead or any responsible agency at the time the report was certified as complete. Authorizes the development of guidelines to exempt projects involving minor temporary uses of land and public gatherings.	08/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
SB 636 Hill (D)	Public Utilities Commission: Proceedings		Prohibits an officer, employee, or agent of the Public Utilities Commission assigned to assist in the prosecution of, to testify in, or to supervise the prosecution of a ratesetting adjudication case from participating in the decision of the case or in the decision of any factually related proceeding. Permits such persons to participate in reaching a settlement of the case. Prohibits such persons from participating in the decision of the Commission accept to reject the settlement. Provides an exception.	01/06/2014 - From SENATE Committee on APPROPRIATIONS with author's amendments.;01/06/2014 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.;01/06/20 14 - Withdrawn from SENATE Committee on APPROPRIATIONS.;01/06/20	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
				14 - Re-referred to SENATE Committee on RULES.	
SB 658 Correa (D)	Orange County Water District Act	Support in Concept	Relates to the Orange County Water District Act that requires the person causing or threatening to cause the contamination or pollution to the surface or groundwaters of the district to be liable to the district for reasonable costs actually incurred in cleaning up or containing the contamination or pollution, abating the effects of the contamination or pollution, or taking other remedial action. Makes that person also liable for costs in investigating the contamination and pollution.	05/24/2013 - In SENATE. From third reading. To Inactive File.	
SB 673 DeSaulnier (D)	Employees' Retirement: Contra Costa County		Makes the Contra Costa County retirement system for purposes of the County Employees Retirement System. Authorizes the board of retirement to appoint an administrator and personnel as required to accomplish the work of the board. Authorizes the administrator to make appointments on its behalf. Provides these employees are employees of the retirement system and not the county. Exempts such employees from civil service provisions and merit system rules. Makes the board a public agency for certain purposes.	01/06/2014 - In SENATE. From Inactive File. To second reading.;01/06/2014 - In SENATE. Read second time and amended. To second reading.;01/06/2014 - Re-referred to SENATE Committee on RULES.	
SB 731 Steinberg (D)	Environment: California Environmental Quality Act		Relates to the State Environmental Quality Act. Provides that certain impacts of a residential, mixed-use, or employment center project within a transit priority area shall not be considered significant impacts. Requires guidelines for thresholds of significance for noise and transportation impacts to be made available. Requires preparation of environmental impact reports. Extends the tolling of time for judicial actions and mitigation measures. Relates to sustainable communities planning and grants.	09/11/2013 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended.	
SB 735 Wolk (D)	Sacramento-San Joaquin Delta Reform Act		Amends existing law that establishes the Delta Stewardship Council to create a Delta management plan. Authorizes prescribed local entities to enter into a memorandum of understanding or other written agreement with the council and the Department of Fish and Wildlife regarding multispecies conservation plans that describes how the parties would ensure that multispecies conservation plans that have been adopted or are under development are consistent with the Delta Plan.	08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.	
SB 750 Wolk (D)	Building Standards: Water Meters: Multiunits		Requires a water purveyor providing water service to new multiunit residential or mixed use structures to require water measurement to each unit and to permit measurement to be by water meters or submeters. Requires submeters to comply with existing laws and regulations. Prohibits purveyor fees for submeters installed by the owner. Imposes certain requirements on landlords in related to the submetered water service. Relates to separate charge notification to tenant. Authorizes damages for violations.	08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.;08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Reconsideration granted.	
SB 754 Evans (D)	Environmental Quality Act		Amends the California Environmental Quality Act. Authorizes a person meeting specified requirements to bring an action or proceeding to enforce the implementation of the mitigation measures specified in a reporting and monitoring program if a project applicant fails to implement those measures. Prohibits a project proponent to	05/23/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			contract for, direct or prepare the initial study, environmental impact report or negative declaration. Prohibits the use of a prior EIR for specified purposes.		
SB 757 Berryhill T (R)	Junk Dealers		Relates to junk dealers and recyclers. Permits a seller to use a passport from any country or a Matricula Consular issued by Mexico, along with another form of identification bearing an address, or an identification card issued by the United States, as identification. Specifies that the provisions governing secondhand dealers and coin dealers do not apply to junk dealers.	09/06/2013 - In ASSEMBLY, To Inactive File.	
SB 761 DeSaulnier (D)	Income Taxes: Contributions: Homeless School Supplies		Requires the funds contributed from personal income tax contributions to be allocated to the State Department of Education for distribution to a single nonprofit organization for the sole purpose of assisting public in the State pursuant to the federal McKinney-Vento Homeless Assistance Act by providing grants of school supplies and health-related products to partnering learning education agencies.	01/06/2014 - In SENATE. From Inactive File. To second reading.;01/06/2014 - In SENATE. Read second time and amended. To second reading.;01/06/2014 - Re-referred to SENATE Committee on RULES.	
SB 772 Roth (D)	County Water Company of Riverside: Liability		Relates to an exemption for the Elsinor Valley Municipal Water District and the Eastern Municipal Water District from liability for claims by past or existing County Water Company of Riverside concerning the operation and supply of water during an interim operation period for any good faith, reasonable effort using ordinary care to assume possession of, and to operate an supply water to the company's water system. Provides immunity for future customer claims.	01/06/2014 - From SENATE Committee on GOVERNANCE AND FINANCE with author's amendments.;01/06/2014 - In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.;01/06/2014 - Withdrawn from SENATE Committee on GOVERNANCE AND FINANCE.;01/06/2014 - Re-referred to SENATE Committee on RULES.	
SCA 10 Huff (R)	Legislative Procedure		Authorizes a committee to hear or act on a bill if the bill, in the form to be considered by the committee, has been in print and published on the Internet for at least 15 days. Prohibits either house of the Legislature from passing a bill until the bill, in the form to be voted on, has been made available to the public, in print and published on the Internet, for at least 72 hours preceding the vote.	01/31/2013 - To SENATE Committee on RULES.	

EXHIBIT "B"

AMENDED IN SENATE JANUARY 7, 2014

AMENDED IN SENATE SEPTEMBER 11, 2013

AMENDED IN SENATE AUGUST 26, 2013

AMENDED IN ASSEMBLY MAY 21, 2013

AMENDED IN ASSEMBLY APRIL 23, 2013

AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1331

Introduced by Assembly Member Rendon

February 22, 2013

An act to repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a ~~climate change response~~ for clean and safe drinking water program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 1331, as amended, Rendon. ~~Climate Change Response for Clean and Safe Drinking Water Act of 2014.~~

(1) Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the

bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.

This bill would enact the ~~Climate Change Response for Clean and Safe Drinking Water Act~~ of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$6,500,000,000 pursuant to the State General Obligation Bond Law to finance a ~~climate change response~~ for clean and safe drinking water program.

This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

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

1 SECTION 1. Division 26.7 (commencing with Section 79700)
2 of the Water Code, as added by Section 1 of Chapter 3 of the
3 Seventh Extraordinary Session of the Statutes of 2009, is repealed.
4 SEC. 2. Division 26.7 (commencing with Section 79700) is
5 added to the Water Code, to read:

6
7 DIVISION 26.7. ~~THE CLIMATE CHANGE RESPONSE~~
8 ~~FOR CLEAN AND SAFE DRINKING WATER ACT OF 2014.~~

9
10 CHAPTER 1. SHORT TITLE

11
12 79700. This division shall be known, and may be cited, as the
13 ~~Climate Change Response for Clean and Safe Drinking Water Act~~
14 of 2014.

15
16 CHAPTER 2. ~~DEFINITIONS-FINDINGS~~

17
18 79701. The people of California find and declare all of the
19 following:

20 (a) Safeguarding supplies of clean and safe drinking water to
21 California's homes, businesses, and farms is an essential

1 responsibility of government, and critical to protecting the quality
2 of life for Californians.

3 (b) Every Californian should have access to clean, safe, and
4 reliable drinking water, consistent with the human right to water
5 and Section 106.3. Providing adequate supplies of clean, safe, and
6 reliable drinking water is vital to keeping California's economy
7 growing and strong.

8 (c) Climate change has impaired California's capacity to ensure
9 clean, safe, and reliable drinking water, as droughts have become
10 more frequent and more severe, and ecosystems have become
11 stressed. Higher temperatures mean less snow pack, which is the
12 state's largest water reservoir. Scientists project a loss of at least
13 25 percent of the snow pack in the Sierra Nevada Mountains by
14 2050. The Colorado River basin, which provides drinking water
15 to southern California, has experienced prolonged drought ~~and the~~
16 ~~federal government projects a continuing decline in water~~
17 ~~availability.~~

18 (d) California's water infrastructure continues to age and
19 deteriorate. More than 50 years ago, Californians approved the
20 construction of the State Water Project. In the decades that
21 followed, California's water leaders developed the most
22 sophisticated system of state, federal, regional, and local water
23 infrastructure anywhere in the world. In recent decades, however,
24 that water infrastructure and the water environment on which it
25 depends have deteriorated.

26 (e) In the years since the voters approved the ~~state water project~~
27 *State Water Project*, California's population has continued to grow,
28 from less than 16 million in 1960 to more than 37 million in 2010.
29 A growing population and a growing economy have put greater
30 stress on California's natural resources, including water.
31 ~~Contamination of groundwater aquifers from a vibrant economy~~
32 ~~has threatened vital drinking water supplies.~~ The Department of
33 Finance projects that California's population will reach 50 million
34 by 2049.

35 (f) A growing population and a growing economy have put
36 greater stress on California's natural resources, including water.
37 Contamination of groundwater aquifers from economic activity
38 in the agricultural and industrial sectors has threatened vital
39 drinking water supplies.

1 (g) As California and its water infrastructure have grown,
2 increasing demands on California's limited water supplies and
3 deteriorating aquatic ecosystems have led to intense conflict,
4 further threatening the reliability of clean and safe drinking water.

5 79702. The people of California find and declare all of the
6 following:

7 (a) A sustainable water future can provide the means for
8 California to maintain vibrant communities, globally competitive
9 agriculture, and healthy ecosystems, which are all a part of the
10 quality of life that attracts so many to live in California.

11 (b) Responding to climate change, ensuring clean and safe
12 drinking water, and preparing for California's continued growth
13 will require a diversified portfolio of strategies and investments
14 to address the many water challenges facing California.

15 (c) Improving water quality offers one of the most immediate
16 steps to ensuring a clean and safe drinking water supply. California
17 needs water quality improvements at all parts of the hydrologic
18 cycle, from source water in the watersheds where the state's
19 drinking water supplies originate to wastewater treatment to
20 improve surface water quality for those who live downstream.

21 (d) Addressing the challenges to the sustainability of the Delta,
22 the heart of the California water system, will help resolve some
23 of the conflicts that impede progress in improving the statewide
24 water system.

25 (e) Enhancing regional water self-reliance offers a key strategy
26 for addressing climate change and improving water supply
27 reliability. It helps the Delta and it helps local communities to
28 address their own water challenges. Water conservation and water
29 recycling form one part of the regional water self-reliance strategy
30 and are commonsense methods to make more efficient use of
31 existing water supplies.

32

33

CHAPTER 3. DEFINITIONS

34

35 79703. Unless the context otherwise requires, the definitions
36 set forth in this section govern the construction of this division, as
37 follows:

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

40 (b) "Commission" means the California Water Commission.

- 1 (c) “Committee” means the ~~Climate Change Response for Clean~~
2 and Safe Drinking Water Finance Committee created by Section
3 79802.
- 4 (d) “Delta” means the Sacramento-San Joaquin Delta, as defined
5 in Section 85058.
- 6 (e) “Delta conveyance facilities” means facilities that convey
7 water directly from the Sacramento River to the State Water Project
8 or the federal Central Valley Project pumping facilities in the south
9 Delta.
- 10 (f) “Delta counties” means the Counties of ~~Solano, Yolo,~~
11 ~~Sacramento, Contra Costa, and San Joaquin~~ *Contra Costa,*
12 *Sacramento, San Joaquin, Solano, and Yolo.*
- 13 (g) “Department” means the Department of Water Resources.
- 14 (h) “Director” means the Director of Water Resources.
- 15 (i) “Disadvantaged community” has the meaning set forth in
16 subdivision (a) of Section 79505.5.
- 17 (j) “Economically distressed area” means a municipality with
18 a population of 20,000 persons or less, a rural county, or a
19 reasonably isolated and divisible segment of a larger municipality
20 where the segment of the population is 20,000 persons or less,
21 with an annual median household income that is less than 85
22 percent of the statewide median household income, and with one
23 or more of the following conditions as determined by the
24 department:
- 25 (1) Financial hardship.
- 26 (2) Unemployment rate at least 2 percent higher than the
27 statewide average.
- 28 (3) Low population density.
- 29 (k) “Fund” means the ~~Climate Change Response for Clean and~~
30 Safe Drinking Water Fund of 2014 created by Section 79717.
- 31 (l) “Integrated regional water management plan” has the
32 meaning set forth in Section 10534.
- 33 (m) “Nonprofit organization” means an organization qualified
34 to do business in California and qualified under Section 501(c)(3)
35 of Title 26 of the United States Code.
- 36 (n) “Public agency” means a state agency or department, district,
37 joint powers authority, city, county, city and county, or other
38 political subdivision of the state.
- 39 (o) “Rainwater” has the meaning set forth in subdivision (c) of
40 Section 10573.

1 (p) "Severely disadvantaged community" has the meaning set
2 forth in subdivision (n) of Section 116760.20 of the Health and
3 Safety Code.

4 (q) "Small community water system" means a community water
5 system that serves no more than 3,300 service connections or a
6 yearlong population of no more than 10,000 persons.

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

11 (s) "State small water system" has the meaning set forth in
12 subdivision (n) of Section 116275 of the Health and Safety Code.

13 (t) "Stormwater" has the meaning set forth in subdivision (e)
14 of Section 10573.

15
16 CHAPTER 4. GENERAL PROVISIONS
17

18 79705. An amount that equals not more than 5 percent of the
19 funds allocated for a grant program pursuant to this division may
20 be used to pay the administrative costs of that program.

21 79706. ~~Up~~ *Unless otherwise specified, up* to 10 percent of
22 funds allocated for each program funded by this division may be
23 expended for planning and monitoring necessary for the successful
24 design, selection, and implementation of the projects authorized
25 under that program. This section shall not otherwise restrict funds
26 ordinarily used by an agency for "preliminary plans," "working
27 drawings," and "construction" as defined in the annual Budget Act
28 for a capital outlay project or grant project. Water quality
29 monitoring shall be integrated into the surface water ambient
30 monitoring program administered by the State Water Resources
31 Control Board. Watershed monitoring shall be integrated into the
32 statewide watershed program administered by the Department of
33 Conservation.

34 79707. Chapter 3.5 (commencing with Section 11340) of Part
35 1 of Division 3 of Title 2 of the Government Code does not apply
36 to the development or implementation of programs or projects
37 authorized or funded under this division other than Chapter 9
38 (commencing with Section 79760).

39 79708. (a) Prior to disbursing grants or loans pursuant to this
40 division, each state agency that receives an appropriation from the

1 funding made available by this division to administer a competitive
2 grant or loan program under this division shall develop and adopt
3 project solicitation and evaluation guidelines. The guidelines shall
4 include monitoring and reporting requirements and may include
5 a limitation on the dollar amount of grants or loans to be awarded.

6 (b) Prior to disbursing grants or loans, the state agency shall
7 conduct three public meetings to consider public comments prior
8 to finalizing the guidelines. The state agency shall publish the draft
9 solicitation and evaluation guidelines on its Internet Web site at
10 least 30 days before the public meetings. One meeting shall be
11 conducted at a location in northern California, one meeting shall
12 be conducted at a location in the central valley of California, and
13 one meeting shall be conducted at a location in southern California.
14 Upon adoption, the state agency shall transmit copies of the
15 guidelines to the fiscal committees and the appropriate policy
16 committees of the Legislature.

17 79709. It is the intent of the people that:

18 (a) The investment of public funds pursuant to this division will
19 result in public benefits that address the most urgent *statewide*
20 needs *and priorities* for public funding.

21 (b) Beneficiaries pay for the benefits they receive from projects
22 funded pursuant to this division.

23 (c) Any relevant statute enacted before voters approve this bond
24 shall be considered in the appropriation and expenditure of the
25 funding authorized by this division.

26 (d) In the appropriation and expenditure of funding authorized
27 by this division, priority shall be given to projects that leverage
28 private, federal, or local funding or produce the greatest public
29 benefit.

30 (e) A funded project advances the purposes of the chapter from
31 which the project received funding.

32 (f) In making decisions regarding water resources, state and
33 local water agencies use the best available science to inform those
34 decisions.

35 (g) Special consideration will be given to projects that employ
36 new or innovative technology or practices, including decision
37 support tools that demonstrate the multiple benefits of integrating
38 multiple jurisdictions, including, but not limited to, water supply,
39 flood control, land use, and sanitation.

1 (h) Projects funded with proceeds from this division shall be
2 consistent with Section 65041.1 of the Government Code and any
3 adopted, approved sustainable communities strategy consistent
4 with subparagraph (B) of paragraph (2) of subdivision (b) of
5 Section 65080 of the Government Code contribute to improving
6 the sustainability of local communities.

7 (i) Except as provided in Sections 79726 and 79727, the costs
8 of stewardship, operation, and maintenance of the projects funded
9 by this division shall be paid from other sources of revenue that
10 are sustainable over the long term.

11 (j) Evaluation of projects considered for funding pursuant to
12 this division shall include review by professionals in the fields
13 relevant to the proposed project.

14 (k) To the extent practicable, a project supported by funds made
15 available by this division shall include signage informing the public
16 that the project received funds from the Clean and Safe Drinking
17 Water Act of 2014.

18 (l) Projects funded with proceeds from this division shall be
19 consistent with Division 7 (commencing with Section 13000) of
20 this code and Section 13100 of the Government Code.

21 79710. (a) The California State Auditor shall annually conduct
22 a programmatic review and an audit of expenditures from the fund.

23 (b) Notwithstanding Section 10231.5 of the Government Code,
24 the California State Auditor shall report its findings annually on
25 or before March 1 to the Governor and the Legislature, and shall
26 make the findings available to the public.

27 (c) If an audit, *required by statute*, of a public agency that
28 receives funding authorized by this division is conducted pursuant
29 to state law and reveals any impropriety, the California State
30 Auditor or the Controller may conduct a full audit of any or all of
31 the activities of the public agency.

32 (d) The state agency issuing any grant or loan with funding
33 authorized by this division shall require adequate reporting of the
34 expenditures of the funding from the grant or loan.

35 79711. (a) Funds provided by this division shall not be
36 expended to support or pay for the costs of environmental
37 mitigation measures or environmental compliance obligations of
38 any party except as part of the environmental mitigation costs of
39 projects financed by this division. Funds provided by this division

1 may be used for environmental enhancements or other public
2 benefits.

3 *(b) Funds provided by this division shall not be expended for*
4 *the acquisition or transfer of water rights except for a permanent*
5 *dedication of water approved in accordance with Section 1707*
6 *where the state board specifies that the water is in addition to*
7 *water that is required for regulatory requirements as provided in*
8 *subdivision (c) of Section 1707. The requirement that a dedication*
9 *of water be permanent shall not preclude the expenditure of funds*
10 *provided by this division for the initiation of the dedication as a*
11 *short-term or temporary urgency change, that is approved in*
12 *accordance with Section 1707 and either Chapter 6.6 (commencing*
13 *with Section 1435) of, or Chapter 10.5 (commencing with Section*
14 *1725) of, Part 2 of Division 2, during the period required to*
15 *prepare any environmental documentation and for approval of*
16 *permanent dedication.*

17 79712. Funds provided by this division shall not be expended
18 to pay the costs of the design, construction, operation, *mitigation*,
19 or maintenance of Delta conveyance facilities. Those costs shall
20 be the responsibility of the water agencies that benefit from the
21 design, construction, operation, or maintenance of those facilities.

22 79713. (a) This division does not diminish, impair, or
23 otherwise affect in any manner whatsoever any area of origin,
24 watershed of origin, county of origin, or any other water rights
25 protections, including, but not limited to, rights to water
26 appropriated prior to December 19, 1914, provided under the law.
27 This division does not limit or affect the application of Article 1.7
28 (commencing with Section 1215) of Chapter 1 of Part 2 of Division
29 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and
30 11463, and Sections 12200 to 12220, inclusive.

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

39 (c) Nothing in this division supersedes, limits, or otherwise
40 modifies the applicability of Chapter 10 (commencing with Section

1 1700) of Part 2 of Division 2, including petitions related to any
2 new conveyance constructed or operated in accordance with
3 Chapter 2 (commencing with Section 85320) of Part 4 of Division
4 35.

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

15 ~~(e) Nothing in this division shall be construed to affect any~~
16 ~~contract entered into before January 1, 2013, between the State of~~
17 ~~California and one or more of the delta water agencies pursuant~~
18 ~~to the authority granted under Chapter 283 of the Statutes of 1973,~~
19 ~~Chapter 1089 of the Statutes of 1973, or Chapter 1133 of the~~
20 ~~Statutes of 1973, as those chapters may have been amended.~~

21 ~~(f)~~

22 (e) Nothing in this division shall be construed to affect the
23 California Wild and Scenic Rivers Act (Chapter 1.4 (commencing
24 with Section 5093.50) of Division 5 of the Public Resources Code)
25 and funds authorized pursuant to this division shall not be available
26 for any project that could have an adverse effect on the free flowing
27 condition of a wild and scenic river *or any other river afforded*
28 *protections pursuant to the California Wild and Scenic Rivers Act.*

29 (f) *Nothing in this division supersedes, limits, or otherwise*
30 *modifies the Sacramento-San Joaquin Delta Reform Act of 2009*
31 *(Division 35 (commencing with Section 85000)).*

32 79714. Eligible applicants under this division are public
33 agencies, *federally recognized Indian tribes*, and nonprofit
34 organizations. A public agency may use funding authorized by
35 this division to benefit recipients of water from public utilities or
36 mutual water companies that operate a public water system if the
37 funding provides public benefits.

38 79715. The Legislature may enact legislation necessary to
39 implement programs funded by this division.

1 79716. (a) Unless otherwise specified, any state agency *that*
2 *has the statutory authority to implement one or more of the*
3 *purposes specified in this bond* may be eligible for appropriations
4 from the funding made available by this division.

5 ~~(b) Funds authorized in this division may be expended to pay~~
6 ~~for the services of the California Conservation Corps in~~
7 ~~implementation of funded projects.~~

8 *(b) Funding made available by this division shall not be*
9 *appropriated to a specific project.*

10 *(c) Projects funded pursuant to this division shall use the*
11 *services of the California Conservation Corps or certified*
12 *community conservation corps, as defined in Section 14507.5 of*
13 *the Public Resources Code, whenever feasible.*

14 79717. The proceeds of bonds issued and sold pursuant to this
15 division shall be deposited in the ~~Climate Change Response for~~
16 Clean and Safe Drinking Water Fund of 2014, which is hereby
17 created in the State Treasury.

18 79718. (a) *The funding authorized by this division shall be*
19 *subject to the oversight of a state agency established by statute for*
20 *that purpose.*

21 *(b) Each state agency that receives an appropriation of funding*
22 *made available by this division shall be responsible for establishing*
23 *metrics of success and reporting the status of projects and all uses*
24 *of the funding on the state's bond accountability Internet Web site,*
25 *as provided by statute.*

26
27 CHAPTER 5. ~~WATER QUALITY AND CLEAN AND SAFE DRINKING~~
28 WATER
29

30 79720. The sum of one billion dollars (\$1,000,000,000) shall
31 be available, upon appropriation by the Legislature from the fund,
32 for expenditures, grants, and loans for projects that improve water
33 quality or help provide clean and safe drinking water to all
34 Californians.

35 79721. The projects eligible for funding pursuant to this chapter
36 shall help improve water quality for a beneficial use. The purposes
37 of this chapter are to:

38 (a) Reduce contaminants in drinking water supplies regardless
39 of the source of the water or the contamination, including the

1 assessment and prioritization of the risk to the safety of drinking
2 water supplies.

3 (b) Address the critical and immediate needs of disadvantaged,
4 rural, or small communities that suffer from contaminated drinking
5 water supplies, including, but not limited to, projects that address
6 a public health emergency.

7 (c) Leverage other private, federal, state, and local drinking
8 water quality and wastewater treatment funds.

9 (d) Reduce contaminants in discharges to, and improve the
10 quality of, surface water streams.

11 (e) Improve water quality of surface water streams, including
12 multibenefit stormwater quality projects.

13 (f) Prevent further contamination of drinking water supplies.

14 (g) Provide disadvantaged communities with public drinking
15 water infrastructure that provides clean and safe drinking water
16 supplies that the community can sustain over the long term.

17 (h) Ensure access to clean, safe, and affordable drinking water
18 for California's communities.

19 79722. (a) A project that receives funding under this chapter
20 shall be selected by a competitive grant or loan process with added
21 consideration for those projects that leverage private, federal, or
22 local funding. This subdivision shall not apply to projects for the
23 purposes of Section 79727 that address a public health priority for
24 which no other source of funding can be identified.

25 (b) An agency administering grants or loans for the purposes
26 of this chapter shall assess the capacity of a community to pay for
27 the operation and maintenance of the facility to be funded.

28 (c) A project that receives funding authorized by this chapter
29 may be implemented by any public water system or other public
30 water agency.

31 79723. An applicant for a project to clean up a groundwater
32 aquifer shall demonstrate that a public agency has authority to
33 manage the water resources in that aquifer in order to be eligible
34 for funding pursuant to this chapter. This section does not apply
35 to projects that install treatment facilities at the wellhead, customer
36 connection, or the tap.

37 79724. The contaminants that may be addressed with funding
38 pursuant to this chapter may include, but shall not be limited to,
39 nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,
40 selenium, hexavalent chromium, mercury, PCE

1 (perchloroethylene), TCE (trichloroethylene), DCE
2 (dichloroethene), DCA (dichloroethane), 1, 2, 3 TCP
3 (trichloropropane),—and carbon tetrachloride, *1,4-dioxane*,
4 *1,4-dioxacyclohexane*, *nitrosodimethylamine*, *bromide*, *iron*,
5 *manganese*, and *uranium*.

6 79725. ~~(a)~~ Of the funds authorized in Section 79720, not less
7 than ~~one hundred million dollars (\$100,000,000)~~ *four hundred*
8 *million dollars (\$400,000,000)* shall be available for deposit in the
9 State Water Pollution Control Revolving Fund Small Community
10 Grant Fund created pursuant to Section 13477.6 for grants for
11 wastewater treatment projects. Priority shall be given to projects
12 that serve disadvantaged communities and severely disadvantaged
13 communities, and to projects that address public health hazards.
14 Projects shall include, but not be limited to, projects that identify,
15 plan, design, and implement regional mechanisms to consolidate
16 wastewater systems or provide affordable treatment technologies.

17 ~~(b)~~ ~~Of the funds authorized in Section 79720, up to two hundred~~
18 ~~fifty million dollars (\$250,000,000)~~ shall be available to support
19 ~~projects that address the management of stormwater quality,~~
20 ~~including projects described in subdivision (f) of Section 79743.~~

21 79726. (a) Of the funds authorized in Section 79720, one
22 hundred million dollars (\$100,000,000) shall be available for
23 deposit in the Emergency Clean Water Grant Fund, established
24 pursuant to Section 116475 of the Health and Safety Code, for
25 grants and direct expenditures to finance public health emergencies
26 and urgent actions, as may be determined by the Legislature, to
27 ensure that safe drinking water supplies are available to all
28 Californians. Eligible projects include, but are not limited to, the
29 following:

30 (1) Providing interim water supplies, including, but not limited
31 to, bottled water, where necessary to protect public health.

32 (2) Identifying, planning, designing, and constructing projects
33 that improve existing water systems to provide safe, reliable,
34 accessible, and affordable drinking water, provide other sources
35 of safe drinking water, including, but not limited to, replacement
36 wells, and prevent contamination.

37 (3) Establishing connections to an adjacent water system.

38 (4) The design, purchase, installation, and initial operating costs
39 for interim water treatment equipment and systems.

1 (b) The administering entity may expend up to ten million
2 dollars (\$10,000,000) for grants and loans to address the water
3 quality needs of private well owners that have no other source of
4 funding and serve members of a disadvantaged community.

5 79727. (a) Of the funds authorized in Section 79720, four
6 hundred million dollars (\$400,000,000) shall be available for grants
7 and loans for public water system infrastructure improvements
8 and related actions to meet safe drinking water standards, ensure
9 affordable drinking water, or both. Priority shall be given to
10 projects that provide treatment for contamination or access to an
11 alternate drinking water source or sources for small community
12 water systems or state small water systems in disadvantaged
13 communities whose drinking water source is impaired by chemical
14 and nitrate contaminants and other health hazards identified by
15 the implementing agency. Eligible recipients serve disadvantaged
16 communities and are public agencies or incorporated mutual water
17 companies. The implementing agency may make grants for the
18 purpose of financing feasibility studies and to meet the eligibility
19 requirements for a construction grant. Eligible expenses may
20 include initial operation and maintenance costs for systems serving
21 disadvantaged communities. Special consideration shall be given
22 to projects that provide shared solutions for multiple communities,
23 at least one of which is a disadvantaged community that lacks safe,
24 affordable drinking water and is served by a small community
25 water system, state small water system, or a private well.
26 Construction grants shall be limited to five million dollars
27 (\$5,000,000) per project, except that the implementing agency
28 may set a limit of not more than twenty million dollars
29 (\$20,000,000) for projects that provide regional *benefits* or *are*
30 shared among multiple entities, at least one of which shall be a
31 small disadvantaged community. Not more than 25 percent of a
32 grant may be awarded in advance of actual expenditures.

33 (b) The administering entity may expend up to twenty-five
34 million dollars (\$25,000,000) of the funds allocated in subdivision
35 (a) for technical assistance to eligible communities.

36 79728. Of the funds authorized in Section 79720, ~~two up to~~
37 ~~one hundred fifty million dollars (\$250,000,000)~~ (\$100,000,000)
38 shall be available for improving groundwater quality, *including,*
39 *but not limited to, the costs of planning, design, and construction*

1 *of improvements necessary to resume delivery of safe drinking*
2 *water.*

3 79729. (a) For the purposes of awarding funding under this
4 chapter, a local cost share of not less than 50 percent of the total
5 costs of the project shall be required. The cost-sharing requirement
6 may be waived or reduced for projects that directly benefit a
7 disadvantaged community or an economically distressed area.

8 (b) At least 10 percent of the funds available pursuant to this
9 chapter shall be allocated for projects serving severely
10 disadvantaged communities.

11 (c) Funding authorized pursuant to this chapter shall include
12 funding for technical assistance to disadvantaged communities.
13 The agency administering this funding shall operate a
14 multidisciplinary technical assistance program for small and
15 disadvantaged communities.

16 (d) *Funding for planning activities, including technical*
17 *assistance, to benefit disadvantaged communities may exceed 10*
18 *percent of the funds allocated, subject to the determination of the*
19 *need for additional planning funding by the state agency*
20 *administering the funding.*

21

22 CHAPTER 6. PROTECTING RIVERS, LAKES, STREAMS, COASTAL
23 WATERS, AND WATERSHEDS
24

24

25 79730. (a) The sum of one billion five hundred million dollars
26 (\$1,500,000,000) shall be available, upon appropriation by the
27 Legislature from the fund, in accordance with this chapter, for
28 expenditures and grants for *multibenefit* ecosystem and watershed
29 protection and restoration projects, ~~including, but not limited to,~~
30 ~~for all of the following watersheds:~~ *projects in accordance with*
31 *statewide priorities.*

32 ~~(a) The San Joaquin River watershed.~~

33 ~~(b) The Kern River and Tulare Basin watersheds.~~

34 ~~(c) The Salton Sea and Colorado River watersheds.~~

35 ~~(d) The Los Angeles River watershed.~~

36 ~~(e) The San Gabriel River watershed.~~

37 ~~(f) The Santa Ana River watershed.~~

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

40 ~~(h) The North Coast watersheds.~~

- 1 ~~(i) The San Francisco Bay watersheds.~~
- 2 ~~(j) The Central Coast watersheds.~~
- 3 ~~(k) The South Coast watersheds.~~
- 4 ~~(l) The Lake Tahoe Basin watershed.~~
- 5 ~~(m) The Sacramento River watershed, including the Yolo~~
- 6 ~~Bypass.~~
- 7 ~~(n) The San Diego County coastal watersheds.~~
- 8 ~~(o) The Ventura River watershed.~~
- 9 ~~(p) The Sierra Nevada Mountain watersheds.~~
- 10 ~~(q) The Mojave River watershed.~~
- 11 ~~(r) The Owens River watershed.~~
- 12 ~~(s) The Santa Monica Bay watershed.~~
- 13 ~~(t) The watersheds of Marin County.~~
- 14 ~~(u) The watersheds of Orange County.~~
- 15 *(b) Of the funds made available by this section, the following*
- 16 *specified amounts shall be made available to the specified regions,*
- 17 *with consideration of the population of each region:*
- 18 *(1) _____ million dollars (\$ _____) for the North Coast region.*
- 19 *(2) _____ million dollars (\$ _____) for the San Francisco Bay*
- 20 *Area.*
- 21 *(3) _____ million dollars (\$ _____) for the Sierra Nevada and*
- 22 *Cascade Range region.*
- 23 *(4) _____ million dollars (\$ _____) for the Central Coast region.*
- 24 *(5) _____ million dollars (\$ _____) for the Central Valley region.*
- 25 *(6) _____ million dollars (\$ _____) for the Southern California*
- 26 *region.*
- 27 79731. In protecting and restoring California rivers, lakes,
- 28 streams, and watersheds, the purposes of this chapter are to:
- 29 (a) Protect and increase the economic benefits arising from
- 30 healthy watersheds, fishery resources, and instream flow.
- 31 ~~(b) Help watershed ecosystems adapt to climate change.~~
- 32 *(b) Implement watershed adaptation projects in order to reduce*
- 33 *the impacts of climate change on California's communities and*
- 34 *ecosystems.*
- 35 (c) Restore river parkways throughout the state, including, but
- 36 not limited to, projects pursuant to the California River Parkways
- 37 Act of 2004 (Chapter 3.8 (commencing with Section 5750) of
- 38 Division 5 of the Public Resources Code), in the Urban Streams
- 39 Restoration Program established pursuant to Section 7048, and
- 40 urban river greenways.

1 (d) Protect and restore aquatic, wetland, and migratory bird
2 ecosystems, including fish and wildlife corridors and the
3 acquisition of water rights for instream flow pursuant to Section
4 1707.

5 (e) Fulfill the obligations of the State of California in complying
6 with the terms of multiparty settlement agreements related to water
7 resources.

8 (f) Remove barriers to fish passage.

9 (g) Collaborate with federal agencies in the protection of fish
10 native to California and wetlands in the central valley of California.

11 (h) Implement fuel treatment projects to reduce wildfire risks,
12 protect watersheds tributary to water storage facilities, and promote
13 watershed health.

14 (i) Protect and restore rural and urban watershed health to
15 improve watershed storage capacity, forest health, protection of
16 life and property, stormwater resource management, and
17 greenhouse gas reduction.

18 (j) Promote access and recreational opportunities to watersheds
19 and waterways that are compatible with habitat values and water
20 quality objectives.

21 (k) Promote educational opportunities to instruct and inform
22 Californians, including young people, about the value of
23 watersheds.

24 *(l) Protect and restore coastal watersheds, including, but not*
25 *limited to, bays, marine estuaries, and nearshore ecosystems.*

26 *(m) Reduce pollution or contamination of rivers, lakes, streams,*
27 *or coastal waters, prevent and remediate mercury contamination*
28 *from legacy mines, and protect or restore natural system functions*
29 *that contribute to water supply, water quality, or flood*
30 *management.*

31 *(n) Assist in the recovery of endangered, threatened, or*
32 *migratory species by improving watershed health, instream flows*
33 *pursuant to Section 1707, fish passage, coastal or inland wetland*
34 *restoration, or other means, such as natural community*
35 *conservation plan and habitat conservation plan implementation.*

36 *(o) Promote urban forestry pursuant to the Urban Forest Act*
37 *of 1978 (Chapter 2 (commencing with Section 4799.06) of Division*
38 *4 of the Public Resources Code).*

39 79732. For restoration and ecosystem protection projects under
40 this chapter, the services of the California Conservation Corps or

1 a local conservation corps certified by the California Conservation
2 Corps shall be used whenever feasible.

3 79733. (a) Notwithstanding Section 79711, of the funds
4 authorized in Section 79730, five hundred million dollars
5 (\$500,000,000) shall be available to fulfill the obligations of the
6 State of California in complying with the terms of any of the
7 following:

8 (1) The February 18, 2010, Klamath Basin Restoration
9 Agreement.

10 (2) The Quantification Settlement Agreement, as defined in
11 subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002.

12 (3) The San Joaquin River Restoration Settlement, as described
13 in Part I of Subtitle A of Title X of Public Law 111-11.

14 (4) Section 3406(d) of Title 34 of Public Law 102-575.

15 (5) *Other multiparty settlement agreements in effect as of*
16 *January 1, 2014, including the Tahoe Regional Planning Compact*
17 *set forth in Section 66801 of the Government Code.*

18 (b) Of the funds authorized in Section 79730, two hundred fifty
19 million dollars (\$250,000,000) shall be available to the Natural
20 Resources Agency to support projects of a state conservancy as
21 provided in the conservancy's strategic plan.

22 (c) *In order to guide the expenditure of funds described in this*
23 *chapter, the Natural Resources Agency shall develop a statewide*
24 *natural resource protection plan to identify priorities consistent*
25 *with the purposes of this section. All expenditures by state*
26 *conservancies and state agencies of funds described in this section*
27 *shall advance the priorities set forth in the statewide natural*
28 *resource protection plan.*

29 (d) *In coordination with the Natural Resources Agency, all state*
30 *conservancies expending funds provided pursuant to subdivision*
31 *(b) shall provide biannual written reports to the Natural Resources*
32 *Agency on expenditures made and how those expenditures advance*
33 *the statewide priorities set forth in the statewide natural resource*
34 *protection plan developed pursuant to subdivision (c). The Natural*
35 *Resources Agency shall produce and make available to the public*
36 *biannual written reports on total expenditures made and progress*
37 *toward meeting statewide priorities.*

38 79734. For the purposes of this chapter, the terms "protection"
39 and "restoration" have the meanings set forth in Section 75005 of
40 the Public Resources Code.

1 CHAPTER 7. CLIMATE CHANGE PREPAREDNESS FOR REGIONAL
2 WATER SECURITY
3

4 79740. The sum of one billion five hundred million dollars
5 (\$1,500,000,000) shall be available, upon appropriation by the
6 Legislature from the fund, for expenditures and competitive grants
7 and loans to ~~eligible projects that are included in, and implement~~
8 ~~an adopted integrated regional water management plan consistent~~
9 ~~with Part 2.2 (commencing with Section 10530) of Division 6~~
10 *respond to climate change and contribute to regional water*
11 *security as provided in this chapter.*

12 79741. In order to improve regional water self-reliance security
13 and adapt to the effects on water supply arising out of climate
14 change, the purposes of this chapter are to:

15 (a) Help water infrastructure systems adapt to climate change,
16 including, but not limited to, sea level rise.

17 (b) Incentivize water agencies throughout each watershed to
18 collaborate in managing the region's water resources and setting
19 regional priorities for water infrastructure.

20 (c) Improve regional water self-reliance, including projects that
21 reduce *future* reliance on the Delta *watershed* in meeting
22 California's future water supply needs, consistent with Section
23 85021.

24 (d) Fund the increment of project costs related to the project's
25 public benefits.

26 79742. (a) In selecting among proposed projects in a
27 watershed, the scope of the adopted integrated regional water
28 management plan may be considered by the administering state
29 agency, with priority going to projects in plans that cover a greater
30 portion of the watershed. If a plan covers substantially all of the
31 watershed, then the plan's project priorities shall be given
32 deference.

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

1 (c) An agricultural water supplier that does not prepare, adopt,
2 and submit its agricultural water management plan in accordance
3 with the Agricultural Water Management Planning Act (Part 2.8
4 (commencing with Section 10800) of Division 6) is ineligible to
5 apply for funds made available pursuant to this chapter until the
6 agricultural water management plan is prepared and submitted in
7 accordance with the requirements of that act.

8 (d) A local agency that does not prepare, adopt, and submit its
9 groundwater management plan in accordance with Part 2.75
10 (commencing with Section 10750) of Division 6 is ineligible to
11 apply for funds made available pursuant to this chapter until the
12 plan is prepared and submitted in accordance with the requirements
13 of that part. *The groundwater management plan requirement shall*
14 *not apply to a water replenishment district formed pursuant to*
15 *Division 18 (commencing with Section 60000) or to a local agency*
16 *that serves or has authority to manage an adjudicated groundwater*
17 *basin.*

18 (e) For the purposes of awarding funding under this chapter, a
19 cost share from nonstate sources of not less than 50 percent of the
20 total costs of the project shall be required. The cost sharing
21 requirement may be waived or reduced for projects that directly
22 benefit a disadvantaged community or an economically distressed
23 area.

24 (f) Not less than 10 percent of the funds authorized by this
25 chapter shall be allocated to projects that directly benefit
26 disadvantaged communities.

27 (g) For the purposes of awarding a grant under this chapter, the
28 applicant shall demonstrate that the integrated regional water
29 management plan the applicant's project implements addresses
30 the risks in the region to water supply and water infrastructure
31 arising from climate change.

32 (h) Projects that achieve multiple benefits shall receive special
33 consideration.

34 79743. Subject to the determination of regional priorities by
35 the regional water management group, eligible projects may
36 include, but are not limited to, projects that promote any of the
37 following:

- 38 (a) Water reuse and recycling.
- 39 (b) Water-use efficiency and water conservation.

1 (c) Local and regional surface and underground water storage,
2 including groundwater aquifer cleanup or recharge projects.

3 (d) Regional water conveyance facilities that improve integration
4 of separate water systems.

5 (e) Watershed protection, restoration, and management projects.

6 (f) Stormwater resource management, including, but not limited
7 to, the following:

8 (1) Projects to reduce, manage, treat, or capture rainwater or
9 stormwater.

10 (2) Projects that provide multiple benefits such as water quality,
11 water supply, flood control, or open space.

12 (3) Decision support tools that evaluate the benefits and costs
13 of multibenefit stormwater projects.

14 (4) Projects to implement a stormwater resource plan developed
15 in accordance with Part 2.3 (commencing with Section 10560) of
16 Division 6.

17 (g) Conjunctive use of surface and groundwater storage
18 facilities.

19 (h) Water desalination projects, including projects that
20 incorporate renewable energy generation and reduce ~~Delta exports~~
21 *regional reliance on water from the Delta watershed to meet*
22 *California's future water supply needs pursuant to Section 85021.*

23 (i) Decision support tools to model regional water management
24 strategies to account for climate change and other changes in
25 regional demand and supply projections.

26 79744. (a) Of the funds authorized in Section 79740, one
27 billion dollars (\$1,000,000,000) shall be allocated to the hydrologic
28 regions as identified in the California Water Plan in accordance
29 with this section. For the South Coast hydrologic region, the
30 department shall establish three funding areas that reflect the
31 watersheds of San Diego County (designated as the San Diego
32 subregion), the Santa Ana River watershed and southern Orange
33 County (designated as the Santa Ana subregion), and the Los
34 Angeles and Ventura County watersheds (designated as the Los
35 Angeles subregion), and shall allocate funds to those areas in
36 accordance with this subdivision. The North and South Lahontan
37 hydrologic regions shall be treated as one area for the purpose of
38 allocating funds. For purposes of this subdivision, the Sacramento
39 River hydrologic region does not include the Delta. For purposes
40 of this subdivision, the Mountain Counties Overlay is not eligible

1 for funds from the Sacramento River hydrologic region or the San
2 Joaquin River hydrologic region. Multiple integrated regional
3 water management plans may be recognized in each of the areas
4 allocated funding.

5 (b) Funds made available by this chapter shall be allocated as
6 follows:

- 7 (1) North Coast: \$45,000,000.
- 8 (2) San Francisco Bay: \$132,000,000.
- 9 (3) Central Coast: \$58,000,000.
- 10 (4) Los Angeles subregion: \$198,000,000.
- 11 (5) Santa Ana subregion: \$128,000,000.
- 12 (6) San Diego subregion: \$87,000,000.
- 13 (7) Sacramento River: \$76,000,000.
- 14 (8) San Joaquin River: \$64,000,000.
- 15 (9) Tulare/Kern: \$70,000,000.
- 16 (10) North/South Lahontan: \$51,000,000.
- 17 (11) Colorado River Basin: \$47,000,000.
- 18 (12) Mountain Counties Overlay: \$44,000,000.

19 79745. (a) Of the funds authorized by *Section 79740* up to
20 two hundred fifty million dollars (\$250,000,000) may be used for
21 direct expenditures, grants, and loans for water conservation and
22 water use efficiency plans, projects, and programs, including either
23 of the following:

24 (1) Urban water conservation plans, projects, and programs,
25 including regional projects and programs, implemented to achieve
26 urban water use targets developed pursuant to *Section 10608.20*.
27 Priority for funding shall be given to programs that do any of the
28 following:

29 (A) Assist water suppliers and regions to implement
30 conservation programs and measures that are not locally
31 cost-effective.

32 (B) Support water supplier and regional efforts to implement
33 programs targeted to enhance water use efficiency for commercial,
34 industrial, and institutional water users.

35 (C) Assist water suppliers and regions with programs and
36 measures targeted toward realizing the conservation benefits of
37 implementation of the provisions of the state landscape model
38 ordinance.

1 (2) Agricultural water management plans or agricultural water
2 use efficiency projects and programs developed pursuant to Part
3 2.8 (commencing with Section 10800) of Division 6.

4 (b) Section 1011 applies to all conservation measures that an
5 agricultural water supplier or an urban water supplier implements
6 with funding under this chapter. This subdivision does not limit
7 the application of Section 1011 to any other measures or projects
8 implemented by a water supplier.

9 79746. Of the funds authorized by *Section 79740*, the sum of
10 five hundred million dollars (\$500,000,000) shall be available,
11 upon appropriation by the Legislature from the fund, for grants
12 and loans for water recycling and advanced treatment technology
13 projects, including all of the following:

14 (a) Water recycling projects.

15 (b) Contaminant and salt removal projects, including, but not
16 limited to, groundwater and seawater desalination.

17 (c) Dedicated distribution infrastructure for recycled water and
18 commercial and industrial end-user retrofit projects to allow use
19 of recycled water.

20 (d) Pilot projects for new salt and contaminant removal
21 technology.

22 (e) Groundwater recharge infrastructure related to recycled
23 water.

24 (f) Technical assistance and grant writing assistance for
25 disadvantaged communities.

26 (g) For projects funded pursuant to this section, at least a 50
27 percent local cost share shall be required. That cost share may be
28 suspended or reduced for disadvantaged communities and
29 economically distressed areas.

30 (h) Projects funded pursuant to this section shall be selected on
31 a competitive basis, considering all of the following criteria:

32 (1) Water supply reliability improvement.

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

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

36 (4) Cost effectiveness.

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

38 (i) For the purposes of this section, *eligible projects shall*
39 *implement* a plan or strategy by one or more regional water
40 agencies or *integrated regional water management groups* to

1 incorporate water recycling into the region's water supplies ~~shall~~
2 ~~satisfy the requirements for an integrated regional water~~
3 ~~management plan, consistent with Part 2.2 (commencing with~~
4 ~~Section 10530) of Division 6.~~

5 79747. (a) *Of the funds authorized by Section 79740, up to*
6 *two hundred fifty million dollars (\$250,000,000) may be available*
7 *for grants and loans for multibenefit stormwater management*
8 *projects.*

9 (b) *Eligible projects may include, but shall not be limited to,*
10 *green infrastructure, rainwater and stormwater capture projects,*
11 *and stormwater treatment facilities.*

12 (c) *Development of plans for stormwater projects shall address*
13 *the entire watershed and incorporate the perspectives of*
14 *communities adjacent to the affected waterways, especially*
15 *disadvantaged communities.*

16 ~~79747.~~

17 79748. In order to receive funding authorized by this chapter
18 to address groundwater quality or supply in an aquifer, the
19 applicant shall demonstrate that a public agency has authority to
20 manage the water resources in that aquifer. A groundwater
21 management plan adopted and approved pursuant to Part 2.75
22 (commencing with Section 10750) of Division 6 shall be deemed
23 sufficient to satisfy the requirements of this section.

24

25 CHAPTER 8. SACRAMENTO-SAN JOAQUIN DELTA
26 SUSTAINABILITY

27

28 79750. (a) The sum of one billion *dollars* (\$1,000,000,000)
29 shall be available, upon appropriation by the Legislature from the
30 fund, for grants and direct expenditures to improve the
31 sustainability of the Delta.

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

36 79751. In order to promote the sustainability and resiliency of
37 the Delta, the purposes of this chapter are to:

38 (a) Protect, restore, and enhance the Delta ecosystem.

39 (b) Maintain and improve existing Delta levees.

40 (c) Promote the sustainability of the Delta.

1 79752. The funds authorized in Section 79750 shall not be
2 used to pay the costs of a *public agency* exercising eminent domain
3 *to acquire or use property. All property acquired with moneys*
4 *available pursuant to this chapter shall be acquired from willing*
5 *sellers.*

6 ~~79753. Any project funded by this chapter shall include a~~
7 ~~partner that is a resident, landowner, public agency, or organization~~
8 ~~from one or more of the five Delta counties. For the purposes of~~
9 ~~this chapter, a partner from a Delta county shall have a significant~~
10 ~~role in the development and implementation of the funded project.~~

11 79754. Funding authorized by this chapter for the purpose of
12 subdivision (a) of Section 79751 may include, but is not limited
13 to, the following:

14 (a) Projects to protect and restore native fish and wildlife
15 dependent on the Delta ecosystem, including improvement of
16 aquatic or terrestrial habitat or the removal or reduction of
17 undesirable invasive species.

18 (b) Projects to reduce greenhouse gas emissions from exposed
19 Delta soils.

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

22 79755. (a) Funding authorized by this chapter for the purpose
23 of subdivision (b) of Section 79751 shall reduce the risk of levee
24 failure and flood in the Delta and may be expended, consistent
25 with the Delta levee investment priorities recommended pursuant
26 to Section 85306, for any of the following:

27 (1) Local assistance under the Delta levee maintenance
28 subventions program under Part 9 (commencing with Section
29 12980) of Division 6, as that part may be amended.

30 (2) Special flood protection projects under Chapter 2
31 (commencing with Section 12310) of Part 4.8 of Division 6, as
32 that chapter may be amended.

33 (3) Levee improvement projects that increase the resiliency of
34 levees within the Delta to withstand earthquake, flooding, or sea
35 level rise.

36 (4) Emergency response and repair projects.

37 (b) All projects funded pursuant to this section shall be subject
38 to Section 79050.

1 CHAPTER 9. WATER STORAGE FOR CLIMATE CHANGE

2
3 79760. (a) Notwithstanding Section 162, the commission may
4 make the determinations, findings, and recommendations required
5 of it by this chapter independent of the views of the director. All
6 final actions by the commission in implementing this chapter shall
7 be taken by a majority of the members of the commission at a
8 public meeting noticed and held pursuant to the Bagley-Keene
9 Open Meeting Act (Article 9 (commencing with Section 11120)
10 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
11 Code).

12 ~~(b) Notwithstanding Section 13340 of the Government Code,~~
13 ~~the sum of one billion five hundred million dollars~~
14 ~~(\$1,500,000,000) is hereby continuously appropriated from the~~
15 ~~fund, without regard to fiscal years, to the commission for public~~
16 ~~benefits associated with water storage projects that improve the~~
17 ~~operation of the state water system, are cost effective, and provide~~
18 ~~a net improvement in ecosystem and water quality conditions, in~~
19 ~~accordance with this chapter. Funds authorized for, or made~~
20 ~~available to, the commission pursuant to this chapter shall be~~
21 ~~available and expended only for the purposes provided in this~~
22 ~~chapter, and shall not be subject to appropriation or transfer by the~~
23 ~~Legislature or the Governor for any other purpose.~~

24 *(b) (1) The commission shall submit its project selections to*
25 *any state agency created by statute for the purpose of oversight*
26 *of bond acts for confirmation of compliance with applicable legal*
27 *requirements.*

28 *(2) The commission shall submit project status reports as*
29 *requested to the Department of Finance or the state agency created*
30 *by statute described in paragraph (1).*

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

36 ~~(d) Any project constructed with funds provided by this chapter~~
37 ~~shall be subject to Section 11590.~~

38 *(d) Only projects selected by the commission shall be eligible*
39 *for funding authorized by this chapter. Funding authorized by this*
40 *chapter shall be appropriated to the commission.*

1 (e) *The commission shall, to the extent feasible, maximize the*
2 *following:*

3 (1) *Leveraging of the funding made available in this chapter*
4 *with funds from federal, local, and private sources.*

5 (2) *Statewide storage benefits or regional storage benefits that*
6 *promote regional self-reliance.*

7 79761. (a) *The sum of one billion five hundred million dollars*
8 *(\$1,500,000,000) shall be available from the fund to the*
9 *commission, for expenditures, competitive grants, and loans for*
10 *public benefits associated with projects that expand the state's*
11 *water storage capacity.*

12 (b) (1) *Three hundred million dollars (\$300,000,000) is hereby*
13 *appropriated to the commission from the moneys available*
14 *pursuant to subdivision (a) for the purposes of this chapter during*
15 *each of the fiscal years from the 2015–16 fiscal year to the 2019–20*
16 *fiscal year, inclusive, unless the moneys in the fund available for*
17 *this chapter pursuant to subdivision (a) are exhausted.*

18 (2) *Funds appropriated pursuant to this subdivision shall be*
19 *available for encumbrance for three years in accordance with*
20 *Section 16304 of the Government Code.*

21 (3) *The Legislature may augment the appropriations made*
22 *pursuant to this subdivision until the funds are exhausted.*

23 (c) *The Legislature shall retain authority and responsibility for*
24 *oversight of the commission and expenditure of the funding*
25 *authorized by this chapter.*

26 ~~79761.~~

27 79762. *In order to expand the state's water storage capacity to*
28 *address the impacts of climate change on the snow pack in the*
29 *Sierra Nevada Mountains and water storage resources, the purposes*
30 *of this chapter are to:*

31 (a) *Construct new surface water storage projects.*

32 (b) *Restore and expand groundwater aquifer storage capacity.*

33 (c) *Restore water storage capacity of existing surface water*
34 *storage reservoirs.*

35 (d) *Remediate or prevent contamination of groundwater*
36 *aquifers.*

37 (e) *Construct and expand stormwater retention facilities.*

38 ~~79762.~~

39 79763. *Projects for which the public benefits are eligible for*
40 *funding under this chapter consist of only the following:*

1 (a) Surface storage projects identified in the CALFED Bay-Delta
2 Program, except for projects prohibited by Chapter 1.4
3 (commencing with Section 5093.50) of Division 5 of the Public
4 Resources Code.

5 (b) Groundwater storage projects and groundwater
6 contamination prevention or remediation projects that provide
7 water storage benefits.

8 (c) Conjunctive use and reservoir reoperation projects.

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

11 (e) Projects that remove sediment, improve dam stability in
12 seismic events, or otherwise restore water storage capacity in
13 existing water storage reservoirs.

14 (f) *Projects that the United States Bureau of Reclamation*
15 *develops through its Water SMART storage program.*

16 ~~79763.~~

17 *79764. A project in the Delta watershed or an area that*
18 *receives water from the Delta watershed shall not be funded*
19 *pursuant to this chapter unless it provides measurable*
20 *improvements to the Delta ecosystem or to the tributaries to the*
21 *Delta watershed.*

22 ~~79764.~~

23 *79765.* (a) Funds allocated pursuant to this chapter may be
24 expended solely for the following public benefits associated with
25 water storage projects:

26 (1) Ecosystem improvements, including changing the timing of
27 water diversions, improvement in flow conditions, temperature,
28 or other benefits that contribute to restoration of aquatic ecosystems
29 and native fish and wildlife, including those ecosystems and fish
30 and wildlife in the Delta or the Delta tributaries.

31 (2) Water quality improvements in the Delta, or in other river
32 systems, that provide significant public trust *fish and wildlife*
33 resources, or that clean up and restore groundwater resources.

34 (3) Flood control benefits, including, but not limited to, increases
35 in flood reservation space in existing reservoirs by exchange for
36 existing or increased water storage capacity in response to the
37 effects of changing hydrology and decreasing snow pack on
38 California's water and flood management system.

1 ~~(4) Emergency response, including, but not limited to, securing~~
2 ~~emergency water supplies and flows for dilution and salinity~~
3 ~~repulsion following a natural disaster or act of terrorism.~~

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

6 ~~(4) Regional water storage benefits for more than one drinking~~
7 ~~water supplier or more than three million people.~~

8 (b) Funds shall not be expended pursuant to this chapter for the
9 costs of environmental mitigation measures or compliance
10 obligations ~~except for those associated with providing public~~
11 ~~benefits as described in subdivision (a).~~

12 ~~79765.~~

13 79766. In consultation with the Department of Fish and ~~Game~~
14 ~~Wildlife~~, the State Water Resources Control Board, and the
15 department, the commission shall develop and adopt, by regulation,
16 methods for quantification and management of public benefits
17 described in Section ~~79764~~ 79765 by December 15, 2014. The
18 regulations shall include the priorities and relative environmental
19 value of ecosystem benefits as provided by the Department of Fish
20 and ~~Game Wildlife~~ and the priorities and relative environmental
21 value of water quality benefits as provided by the State Water
22 Resources Control Board.

23 ~~79766.~~

24 79767. (a) Except as provided in subdivision (c), no funds
25 allocated pursuant to this chapter may be allocated for a project
26 before December 15, 2014, and until the commission approves the
27 project based on the commission's determination that all of the
28 following have occurred:

29 (1) The commission has adopted the regulations specified in
30 Section ~~79765~~ 79766 and specifically quantified and made public
31 the cost of the public benefits associated with the project.

32 (2) The department has entered into a contract with each party
33 that will derive benefits, other than public benefits, as defined in
34 Section ~~79764~~ 79765, from the project that ensures the party will
35 pay its share of the total costs of the project. The benefits available
36 to a party shall be consistent with that party's share of total project
37 costs.

38 (3) The department has entered into a contract with each public
39 agency identified in Section ~~79765~~ 79766 that administers the
40 public benefits, after that agency makes a finding that the public

1 benefits of the project for which that agency is responsible meet
2 all the requirements of this chapter, to ensure that the public
3 contribution of funds pursuant to this chapter achieves the public
4 benefits identified for the project.

5 (4) The commission has held a public hearing for the purposes
6 of providing an opportunity for the public to review and comment
7 on the information required to be prepared pursuant to this
8 subdivision.

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

10 (A) Feasibility studies have been completed.

11 (B) The commission has found and determined that the project
12 is feasible, is consistent with all applicable laws and regulations,
13 and, *if the project is in the Delta watershed or an area that receives*
14 *water from the Delta watershed*, will advance the ~~long-term~~
15 ~~objectives of restoring ecological health and improving water~~
16 ~~management for beneficial uses of the Delta policy objectives~~
17 *specified in Section 85020.*

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

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

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

28 ~~79767.~~

29 ~~79768.~~ (a) The public benefit cost share of a project funded
30 pursuant to this chapter, ~~other than a project described in~~
31 ~~subdivision (e) of Section 79762~~, may not exceed 50 percent of
32 the total costs of any project funded under this chapter.

33 ~~(b) No project may be funded unless it provides ecosystem~~
34 ~~improvements as described in paragraph (1) of subdivision (a) of~~
35 ~~Section 79764 that are at least 50 percent of total public benefits~~
36 ~~of the project funded under this chapter.~~

37 ~~(e)~~

38 (b) In order to receive funding authorized by this chapter to
39 improve groundwater storage in an aquifer, the applicant shall

1 demonstrate that a public agency has authority to manage the water
2 resources in that aquifer.

3 ~~79768.~~

4 79769. (a) A project is not eligible for funding under this
5 chapter unless, by January 1, 2018, all of the following conditions
6 are met:

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

9 (2) The commission makes a finding that the project is feasible,
10 and will advance the long-term objectives of restoring ecological
11 health and improving water management for beneficial uses of the
12 Delta.

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

15 (b) If compliance with subdivision (a) is delayed by litigation
16 or failure to promulgate regulations, the date in subdivision (a)
17 shall be extended by the commission for a time period that is equal
18 to the time period of the delay, and funding under this chapter that
19 has been dedicated to the project shall be encumbered until the
20 time at which the litigation is completed or the regulations have
21 been promulgated.

22 *79770. (a) Funding authorized by this chapter shall not be*
23 *used to pay any share of the costs of remediation attributed to*
24 *parties responsible for the contamination of a groundwater storage*
25 *aquifer, but may be used to pay costs that cannot be recovered*
26 *from responsible parties. Parties that receive funding for*
27 *remediating groundwater storage aquifers shall exercise their best*
28 *efforts to recover the costs of groundwater cleanup from the parties*
29 *responsible for the contamination.*

30 *(b) Projects that leverage funding from local agencies and*
31 *responsible parties to the maximum extent possible shall receive*
32 *priority consideration in groundwater storage project selection.*

33

34

CHAPTER 10. FISCAL PROVISIONS

35

36 79800. (a) Bonds in the total amount of six billion five hundred
37 million dollars (\$6,500,000,000), or so much thereof as is
38 necessary, not including the amount of any refunding bonds issued
39 in accordance with Section 79812 may be issued and sold to
40 provide a fund to be used for carrying out the purposes expressed

1 in this division and to reimburse the General Obligation Bond
2 Expense Revolving Fund pursuant to Section 16724.5 of the
3 Government Code. The bonds, when sold, shall be and constitute
4 a valid and binding obligation of the State of California, and the
5 full faith and credit of the State of California is hereby pledged
6 for the punctual payment of both principal of, and interest on, the
7 bonds as the principal and interest become due and payable.

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

13 79801. The bonds authorized by this division shall be prepared,
14 executed, issued, sold, paid, and redeemed as provided in the State
15 General Obligation Bond Law (Chapter 4 (commencing with
16 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
17 Code), and all of the provisions of that law apply to the bonds and
18 to this division and are hereby incorporated in this division as
19 though set forth in full in this division, except subdivisions (a) and
20 (b) of Section 16727 of the Government Code.

21 79802. (a) Solely for the purpose of authorizing the issuance
22 and sale pursuant to the State General Obligation Bond Law
23 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
24 4 of Title 2 of the Government Code) of the bonds authorized by
25 this division, the ~~Climate Change Response for Clean and Safe~~
26 Drinking Water Finance Committee is hereby created. For purposes
27 of this division, the ~~Climate Change Response for Clean and Safe~~
28 Drinking Water Finance Committee is "the committee" as that
29 term is used in the State General Obligation Bond Law.

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

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

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

38 79803. The committee shall determine whether or not it is
39 necessary or desirable to issue bonds authorized pursuant to this
40 division in order to carry out the actions specified in this division

1 and, if so, the amount of bonds to be issued and sold. Successive
2 issues of bonds may be authorized and sold to carry out those
3 actions progressively, and it is not necessary that all of the bonds
4 authorized to be issued be sold at any one time.

5 79804. For purposes of the State General Obligation Bond
6 Law, "board," as defined in Section 16722 of the Government
7 Code, means the Department of Water Resources.

8 79805. There shall be collected each year and in the same
9 manner and at the same time as other state revenue is collected,
10 in addition to the ordinary revenues of the state, a sum in an amount
11 required to pay the principal of, and interest on, the bonds each
12 year. It is the duty of all officers charged by law with any duty in
13 regard to the collection of the revenue to do and perform each and
14 every act that is necessary to collect that additional sum.

15 79806. Notwithstanding Section 13340 of the Government
16 Code, there is hereby appropriated from the General Fund in the
17 State Treasury, for the purposes of this division, an amount that
18 will equal the total of the following:

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

22 (b) The sum that is necessary to carry out the provisions of
23 Section 79809, appropriated without regard to fiscal years.

24 79807. The board may request the Pooled Money Investment
25 Board to make a loan from the Pooled Money Investment Account
26 in accordance with Section 16312 of the Government Code for the
27 purpose of carrying out this division less any amount withdrawn
28 pursuant to Section 79809. The amount of the request shall not
29 exceed the amount of the unsold bonds that the committee has, by
30 resolution, authorized to be sold for the purpose of carrying out
31 this division. The board shall execute those documents required
32 by the Pooled Money Investment Board to obtain and repay the
33 loan. Any amounts loaned shall be deposited in the fund to be
34 allocated in accordance with this division.

35 79808. Notwithstanding any other provision of this division,
36 or of the State General Obligation Bond Law, if the Treasurer sells
37 bonds that include a bond counsel opinion to the effect that the
38 interest on the bonds is excluded from gross income for federal
39 tax purposes under designated conditions or is otherwise entitled
40 to any federal tax advantage, the Treasurer may maintain separate

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

9 79809. For the purposes of carrying out this division, the
10 Director of Finance may authorize the withdrawal from the General
11 Fund of an amount or amounts not to exceed the amount of the
12 unsold bonds that have been authorized by the committee to be
13 sold for the purpose of carrying out this division less any amount
14 borrowed pursuant to Section 79807. Any amounts withdrawn
15 shall be deposited in the fund. Any money made available under
16 this section shall be returned to the General Fund, with interest at
17 the rate earned by the money in the Pooled Money Investment
18 Account, from proceeds received from the sale of bonds for the
19 purpose of carrying out this division.

20 79810. All money deposited in the fund that is derived from
21 premium and accrued interest on bonds sold pursuant to this
22 division shall be reserved in the fund and shall be available for
23 transfer to the General Fund as a credit to expenditures for bond
24 interest, except that amounts derived from premium may be
25 reserved and used to pay the cost of bond issuance prior to any
26 transfer to the General Fund.

27 79811. Pursuant to Chapter 4 (commencing with Section
28 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
29 the cost of bond issuance shall be paid out of the bond proceeds,
30 including premium, if any. To the extent the cost of bond issuance
31 is not paid from premiums received from the sale of bonds, these
32 costs shall be shared proportionately by each program funded
33 through this division by the applicable bond sale.

34 79812. The bonds issued and sold pursuant to this division
35 may be refunded in accordance with Article 6 (commencing with
36 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
37 the Government Code, which is a part of the State General
38 Obligation Bond Law. Approval by the voters of the state for the
39 issuance of the bonds under this division shall include approval

1 of the issuance of any bonds issued to refund any bonds originally
2 issued under this division or any previously issued refunding bonds.

3 79813. The proceeds from the sale of bonds authorized by this
4 division are not “proceeds of taxes” as that term is used in Article
5 XIII B of the California Constitution, and the disbursement of
6 these proceeds is not subject to the limitations imposed by that
7 article.

8 SEC. 3. Section 2 of Chapter 3 of the Seventh Extraordinary
9 Session of the Statutes of 2009, as amended by Section 1 of
10 Chapter 74 of the Statutes of 2012, is repealed.

11 SEC. 4. Section 2 of this act shall be submitted to the voters
12 at the November 4, 2014, statewide general election in accordance
13 with provisions of the Government Code and the Elections Code
14 governing the submission of a statewide measure to the voters.

15 SEC. 5. Section 2 of this act shall take effect upon the approval
16 by the voters of the ~~Climate Change Response for Clean and Safe~~
17 Drinking Water Act of 2014, as set forth in that section at the
18 November 4, 2014, statewide general election.

O

EXHIBIT "C"

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1445

Introduced by Assembly Member Logue

January 6, 2014

An act to repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a public benefits associated with water storage projects program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California, and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1445, as introduced, Logue. California Water Infrastructure Act of 2014.

(1) Existing law creates the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.

This bill would enact the California Water Infrastructure Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds

in the amount of \$5,800,000,000 pursuant to the State General Obligation Bond Law to finance a public benefits associated with water storage projects program.

This bill would provide for the submission of this bond act to the voters at the November 4, 2014, statewide general election.

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

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Division 26.7 (commencing with Section 79700)
2 of the Water Code, as added by Section 1 of Chapter 3 of the
3 Seventh Extraordinary Session of the Statutes of 2009, is repealed.

4 SEC. 2. Division 26.7 (commencing with Section 79700) is
5 added to the Water Code, to read:

6
7 DIVISION 26.7. THE CALIFORNIA WATER
8 INFRASTRUCTURE ACT OF 2014

9
10 CHAPTER 1. SHORT TITLE

11
12 79700. This division shall be known, and may be cited, as the
13 California Water Infrastructure Act of 2014.

14
15 CHAPTER 2. DEFINITIONS

16
17 79702. Unless the context otherwise requires, the definitions
18 set forth in this section govern the construction of this division, as
19 follows:

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

22 (b) "Commission" means the California Water Commission.

23 (c) "Committee" means the California Water Infrastructure
24 Finance Committee created by Section 79812.

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

27 (e) "Delta conveyance facilities" means facilities that convey
28 water directly from the Sacramento River to the State Water Project

1 or the federal Central Valley Project pumping facilities in the south
2 Delta.

3 (f) "Department" means the Department of Water Resources.

4 (g) "Director" means the Director of Water Resources.

5 (h) "Fund" means the California Water Infrastructure Fund of
6 2014 created by Section 79716.

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

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

13 (k) "Secretary" means the Secretary of the Natural Resources
14 Agency.

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

19
20 CHAPTER 3. GENERAL PROVISIONS

21
22 79705. An amount that equals not more than 5 percent of the
23 funds allocated for a grant program pursuant to this division may
24 be used to pay the administrative costs of that program.

25 79706. Up to 10 percent of funds allocated for each program
26 funded by this division may be expended for planning and
27 monitoring necessary for the successful design, selection, and
28 implementation of the projects authorized under that program.
29 This section shall not otherwise restrict funds ordinarily used by
30 an agency for "preliminary plans," "working drawings," and
31 "construction" as defined in the annual Budget Act for a capital
32 outlay project or grant project. Water quality monitoring shall be
33 integrated into the surface water ambient monitoring program
34 administered by the State Water Resources Control Board.

35 79709. It is the intent of the people that the investment of public
36 funds pursuant to this division will result in public benefits.

37 79710. The California State Auditor shall annually conduct a
38 programmatic review and an audit of expenditures from the fund.
39 The California State Auditor shall report its findings annually on

1 or before March 1 to the Governor and the Legislature, and shall
2 make the findings available to the public.

3 79711. Funds provided by this division shall not be expended
4 to support or pay for the costs of environmental mitigation
5 measures or compliance obligations of any party except as part of
6 the environmental mitigation costs of projects financed by this
7 division. Funds provided by this division may be used for
8 environmental enhancements or other public benefits.

9 79712. Funds provided by this division shall not be expended
10 to pay the costs of the design, construction, operation, or
11 maintenance of Delta conveyance facilities. Those costs shall be
12 the responsibility of the water agencies that benefit from the design,
13 construction, operation, or maintenance of those facilities.

14 79713. (a) This division does not diminish, impair, or
15 otherwise affect in any manner whatsoever any area of origin,
16 watershed of origin, county of origin, or any other water rights
17 protections, including, but not limited to, rights to water
18 appropriated prior to December 19, 1914, provided under the law.
19 This division does not limit or otherwise affect the application of
20 Article 1.7 (commencing with Section 1215) of Chapter 1 of Part
21 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461,
22 11462, and 11463, and Sections 12200 to 12220, inclusive.

23 (b) For purposes of this division, an area that utilizes water that
24 has been diverted and conveyed from the Sacramento River
25 hydrologic region, for use outside the Sacramento River hydrologic
26 region or the Delta, shall not be deemed to be immediately adjacent
27 thereto or capable of being conveniently supplied with water
28 therefrom by virtue or on account of the diversion and conveyance
29 of that water through facilities that may be constructed for that
30 purpose after January 1, 2015.

31 (c) Nothing in this division supersedes, limits, or otherwise
32 modifies the applicability of Chapter 10 (commencing with Section
33 1700) of Part 2 of Division 2, including petitions related to any
34 new conveyance constructed or operated in accordance with
35 Chapter 2 (commencing with Section 85320) of Part 4 of Division
36 35.

37 (d) Unless otherwise expressly provided, nothing in this division
38 supersedes, reduces, or otherwise affects existing legal protections,
39 both procedural and substantive, relating to the state board's
40 regulation of diversion and use of water, including, but not limited

1 to, water right priorities, the protection provided to municipal
2 interests by Sections 106 and 106.5, and changes in water rights.
3 Nothing in this division expands or otherwise alters the state
4 board's existing authority to regulate the diversion and use of water
5 or the courts' existing concurrent jurisdiction over California water
6 rights.

7 79714. Eligible applicants under this division are public
8 agencies, nonprofit organizations, public utilities, and mutual water
9 companies. To be eligible for funding under this division, a project
10 proposed by a public utility that is regulated by the Public Utilities
11 Commission or a mutual water company shall have a clear and
12 definite public purpose and shall benefit the customers of the water
13 system.

14 79716. The proceeds of bonds issued and sold pursuant to this
15 division shall be deposited in the California Water Infrastructure
16 Fund of 2014, which is hereby created in the State Treasury.

17
18 CHAPTER 4. CALIFORNIA WATER INFRASTRUCTURE
19

20 79740. (a) Notwithstanding Section 162, the commission may
21 make the determinations, findings, and recommendations required
22 of it by this chapter independent of the views of the director. All
23 final actions by the commission in implementing this chapter shall
24 be taken by a majority of the members of the commission at a
25 public meeting noticed and held pursuant to the Bagley-Keene
26 Open Meeting Act (Article 9 (commencing with Section 11120)
27 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government
28 Code).

29 (b) Notwithstanding Section 13340 of the Government Code,
30 the sum of five billion eight hundred million dollars
31 (\$5,800,000,000) is hereby continuously appropriated from the
32 fund, without regard to fiscal years, to the commission for public
33 benefits associated with water storage projects that improve the
34 operation of the state water system, are cost effective, and provide
35 a net improvement in ecosystem and water quality conditions, in
36 accordance with this chapter. Funds authorized for, or made
37 available to, the commission pursuant to this chapter shall be
38 available and expended only for the purposes provided in this
39 chapter, and shall not be subject to appropriation or transfer by the
40 Legislature or the Governor for any other purpose.

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

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

8 79741. Projects for which the public benefits are eligible for
9 funding under this chapter consist of only the following:

10 (a) Surface storage projects identified in the CALFED Bay-Delta
11 Program Record of Decision, dated August 28, 2000, except for
12 projects prohibited by Chapter 1.4 (commencing with Section
13 5093.50) of Division 5 of the Public Resources Code.

14 (b) Groundwater storage projects and groundwater
15 contamination prevention or remediation projects that provide
16 water storage benefits.

17 (c) Conjunctive use and reservoir reoperation projects.

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

20 79742. A project shall not be funded pursuant to this chapter
21 unless it provides measurable improvements to the Delta ecosystem
22 or to the tributaries to the Delta.

23 79743. (a) Funds allocated pursuant to this chapter may be
24 expended solely for the following public benefits associated with
25 water storage projects:

26 (1) Ecosystem improvements, including changing the timing of
27 water diversions, improvement in flow conditions, temperature,
28 or other benefits that contribute to restoration of aquatic ecosystems
29 and native fish and wildlife, including those ecosystems and fish
30 and wildlife in the Delta.

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

34 (3) Flood control benefits, including, but not limited to, increases
35 in flood reservation space in existing reservoirs by exchange for
36 existing or increased water storage capacity in response to the
37 effects of changing hydrology and decreasing snow pack on
38 California's water and flood management system.

1 (4) Emergency response, including, but not limited to, securing
2 emergency water supplies and flows for dilution and salinity
3 repulsion following a natural disaster or act of terrorism.

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

6 (b) Funds shall not be expended pursuant to this chapter for the
7 costs of environmental mitigation measures or compliance
8 obligations except for those associated with providing the public
9 benefits as described in this section.

10 79744. In consultation with the Department of Fish and
11 Wildlife, the State Water Resources Control Board, and the
12 department, the commission shall develop and adopt, by regulation,
13 methods for quantification and management of public benefits
14 described in Section 79743 by December 15, 2016. The regulations
15 shall include the priorities and relative environmental value of
16 ecosystem benefits as provided by the Department of Fish and
17 Wildlife and the priorities and relative environmental value of
18 water quality benefits as provided by the State Water Resources
19 Control Board.

20 79745. (a) Except as provided in subdivision (c), no funds
21 allocated pursuant to this chapter may be allocated for a project
22 before December 15, 2016, and until the commission approves the
23 project based on the commission's determination that all of the
24 following have occurred:

25 (1) The commission has adopted the regulations specified in
26 Section 79744 and specifically quantified and made public the cost
27 of the public benefits associated with the project.

28 (2) The department has entered into a contract with each party
29 that will derive benefits, other than public benefits, as defined in
30 Section 79743, from the project that ensures the party will pay its
31 share of the total costs of the project. The benefits available to a
32 party shall be consistent with that party's share of total project
33 costs.

34 (3) The department has entered into a contract with each public
35 agency identified in Section 79744 that administers the public
36 benefits, after that agency makes a finding that the public benefits
37 of the project for which that agency is responsible meet all the
38 requirements of this chapter, to ensure that the public contribution
39 of funds pursuant to this chapter achieves the public benefits
40 identified for the project.

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

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

6 (A) Feasibility studies have been completed.

7 (B) The commission has found and determined that the project
8 is feasible, is consistent with all applicable laws and regulations,
9 and will advance the long-term objectives of restoring ecological
10 health and improving water management for beneficial uses of the
11 Delta.

12 (C) All environmental documentation associated with the project
13 has been completed, and all other federal, state, and local approvals,
14 certifications, and agreements required to be completed have been
15 obtained.

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

19 (c) Notwithstanding subdivision (a), funds may be made
20 available under this chapter for the completion of environmental
21 documentation and permitting of a project.

22 79746. (a) The public benefit cost share of a project funded
23 pursuant to this chapter, other than a project described in
24 subdivision (c) of Section 79741, may not exceed 50 percent of
25 the total costs of any project funded under this chapter.

26 (b) A project shall not be funded unless it provides ecosystem
27 improvements as described in paragraph (1) of subdivision (a) of
28 Section 79743 that are at least 50 percent of total public benefits
29 of the project funded under this chapter.

30 79747. (a) A project is not eligible for funding under this
31 chapter unless, by January 1, 2022, all of the following conditions
32 are met:

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

35 (2) The commission makes a finding that the project is feasible,
36 and will advance the long-term objectives of restoring ecological
37 health and improving water management for beneficial uses of the
38 Delta.

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

1 (b) If compliance with subdivision (a) is delayed by litigation
2 or failure to promulgate regulations, the date in subdivision (a)
3 shall be extended by the commission for a time period that is equal
4 to the time period of the delay, and funding under this chapter that
5 has been dedicated to the project shall be encumbered until the
6 time at which the litigation is completed or the regulations have
7 been promulgated.

8 79748. Surface storage projects funded pursuant to this chapter
9 and described in subdivision (a) of Section 79741 may be made a
10 unit of the Central Valley Project as provided in Section 11290
11 and may be financed, acquired, constructed, operated, and
12 maintained pursuant to Part 3 (commencing with Section 11100)
13 of Division 6.

14 79749. (a) The funds allocated for the design, acquisition, and
15 construction of surface storage projects identified in the CALFED
16 Bay-Delta Record of Decision, dated August 28, 2000, pursuant
17 to this chapter may be provided for those purposes to local joint
18 powers authorities formed by irrigation districts and other local
19 water districts and local governments within the applicable
20 hydrologic region to design, acquire, and construct those projects.

21 (b) The joint powers authorities described in subdivision (a)
22 may include in their membership governmental partners that are
23 not located within their respective hydrologic regions in financing
24 the surface storage projects, including, as appropriate, cost-share
25 participation or equity participation. Notwithstanding Section 6525
26 of the Government Code, the joint powers authorities described
27 in subdivision (a) shall not include in their membership any
28 for-profit corporation, or any mutual water company whose
29 shareholders and members include a for-profit corporation or any
30 other private entity. The department shall be an ex officio member
31 of each joint powers authority subject to this section, but the
32 department shall not control the governance, management, or
33 operation of the surface water storage projects.

34 (c) A joint powers authority subject to this section shall own,
35 govern, manage, and operate a surface water storage project,
36 subject to the requirement that the ownership, governance,
37 management, and operation of the surface water storage project
38 shall advance the purposes set forth in this chapter.

39 79749.5. (a) In approving the California Water Infrastructure
40 Act of 2014, the people were informed and hereby declare that the

1 provisions of this chapter are necessary, integral, and essential to
2 meeting the single object or work of the California Water
3 Infrastructure Act of 2014. As such, any amendment of the
4 provisions of this chapter by the Legislature without voter approval
5 would frustrate the scheme and design that induced voter approval
6 of this act. The people therefore find and declare that any
7 amendment of the provisions of this chapter by the Legislature
8 shall require an affirmative vote of two-thirds of the membership
9 in each house of the Legislature and voter approval.

10 (b) This section shall not govern or be used as authority for
11 determining whether the amendment of any other provision of this
12 act not contained in this chapter would constitute a substantial
13 change in the scheme and design of this act requiring voter
14 approval.

15
16 CHAPTER 5. FISCAL PROVISIONS
17

18 79810. (a) Bonds in the total amount of five billion eight
19 hundred million dollars (\$5,800,000,000), not including the amount
20 of any refunding bonds issued in accordance with Section 79822,
21 or so much thereof as is necessary, may be issued and sold to
22 provide a fund to be used for carrying out the purposes expressed
23 in this division and to reimburse the General Obligation Bond
24 Expense Revolving Fund pursuant to Section 16724.5 of the
25 Government Code. The bonds, when sold, shall be and constitute
26 valid and binding obligations of the State of California, and the
27 full faith and credit of the State of California is hereby pledged
28 for the punctual payment of both the principal of, and interest on,
29 the bonds as the principal and interest become due and payable.

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

35 79811. The bonds authorized by this division shall be prepared,
36 executed, issued, sold, paid, and redeemed as provided in the State
37 General Obligation Bond Law, and all of the provisions of that
38 law apply to the bonds and to this division and are hereby
39 incorporated in this division as though set forth in full in this
40 division, except that Section 16727 of the Government Code shall

1 not apply to the extent that it is inconsistent with any other
2 provision of this division.

3 79812. (a) Solely for the purpose of authorizing the issuance
4 and sale, pursuant to the State General Obligation Bond Law, of
5 the bonds authorized by this division, the California Water
6 Infrastructure Committee is hereby created. For purposes of this
7 division, the California Water Infrastructure Committee is “the
8 committee” as that term is used in the State General Obligation
9 Bond Law.

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

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

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

19 79813. The committee shall determine whether or not it is
20 necessary or desirable to issue bonds authorized pursuant to this
21 division to carry out the actions specified in this division and, if
22 so, the amount of bonds to be issued and sold. Successive issues
23 of bonds may be authorized and sold to carry out those actions
24 progressively, and it is not necessary that all of the bonds
25 authorized to be issued be sold at any one time.

26 79814. “Board,” as defined in Section 16722 of the Government
27 Code for the purposes of compliance with the State General
28 Obligation Bond Law, means the department.

29 79815. There shall be collected each year and in the same
30 manner and at the same time as other state revenue is collected,
31 in addition to the ordinary revenues of the state, a sum in an amount
32 required to pay the principal of, and interest on, the bonds each
33 year, and it is the duty of all officers charged by law with any duty
34 in regard to the collection of the revenue to do and perform each
35 and every act that is necessary to collect that additional sum.

36 79816. Notwithstanding Section 13340 of the Government
37 Code, there is hereby appropriated from the General Fund in the
38 State Treasury, for the purposes of this division, an amount that
39 will equal the total of the following:

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

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

6 79817. The board may request the Pooled Money Investment
7 Board to make a loan from the Pooled Money Investment Account
8 in accordance with Section 16312 of the Government Code for the
9 purpose of carrying out this division. The amount of the request
10 shall not exceed the amount of the unsold bonds that the committee
11 has, by resolution, authorized to be sold for the purpose of carrying
12 out this division. The board shall execute those documents required
13 by the Pooled Money Investment Board to obtain and repay the
14 loan. Any amounts loaned shall be deposited in the fund to be
15 allocated in accordance with this division.

16 79818. Notwithstanding any other provision of this division,
17 or of the State General Obligation Bond Law, if the Treasurer sells
18 bonds that include a bond counsel opinion to the effect that the
19 interest on the bonds is excluded from gross income for federal
20 tax purposes under designated conditions, the Treasurer may
21 maintain separate accounts for the bond proceeds invested and for
22 the investment earnings on those proceeds, and may use or direct
23 the use of those proceeds or earnings to pay any rebate, penalty,
24 or other payment required under federal law or take any other
25 action with respect to the investment and use of those bond
26 proceeds, as may be required or desirable under federal law in
27 order to maintain the tax-exempt status of those bonds and to obtain
28 any other advantage under federal law on behalf of the funds of
29 this state.

30 79819. For purposes of carrying out this division, the Director
31 of Finance may authorize the withdrawal from the General Fund
32 of an amount or amounts not to exceed the amount of the unsold
33 bonds that have been authorized by the committee to be sold for
34 the purpose of carrying out this division. Any amounts withdrawn
35 shall be deposited in the fund. Any money made available under
36 this section shall be returned to the General Fund, with interest at
37 the rate earned by the money in the Pooled Money Investment
38 Account, from proceeds received from the sale of bonds for the
39 purpose of carrying out this division.

1 79820. All money deposited in the fund that is derived from
2 premiums and accrued interest on bonds sold pursuant to this
3 division shall be reserved in the fund and shall be available for
4 transfer to the General Fund as a credit to expenditures for bond
5 interest.

6 79821. Pursuant to Chapter 4 (commencing with Section
7 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
8 the cost of bond issuance shall be paid out of the bond proceeds.
9 These costs shall be shared proportionately by each program funded
10 through this division.

11 79822. The bonds issued and sold pursuant to this division
12 may be refunded in accordance with Article 6 (commencing with
13 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
14 the Government Code, which is a part of the State General
15 Obligation Bond Law. Approval by the electors of the state for the
16 issuance of the bonds under this division shall include approval
17 of the issuance of any bonds issued to refund any bonds originally
18 issued under this division or any previously issued refunding bonds.

19 79823. The proceeds from the sale of bonds authorized by this
20 division are not "proceeds of taxes" as that term is used in Article
21 XIII B of the California Constitution, and the disbursement of
22 these proceeds is not subject to the limitations imposed by that
23 article.

24 79824. Of the five billion eight hundred million dollars
25 (\$5,800,000,000) in bonds authorized in this division, no more
26 than two billion nine hundred million dollars (\$2,900,000,000)
27 shall be sold by the Treasurer before July 1, 2019.

28 SEC. 3. Section 2 of Chapter 3 of the Seventh Extraordinary
29 Session, of the Statutes of 2009, as amended by Section 1 of
30 Chapter 74 of the Statutes of 2012, is repealed.

31 ~~Sec. 2. Section 1 of this act shall be submitted to the voters at~~
32 ~~the November 4, 2014, statewide general election, instead of the~~
33 ~~November 6, 2012, statewide general election, in accordance with~~
34 ~~provisions of the Government Code and the Elections Code~~
35 ~~governing the submission of a statewide measure to the voters.~~

36 SEC. 4. Section 2 of this act shall be submitted to the voters
37 at the November 4, 2014, statewide general election in accordance
38 with provisions of the Government Code and the Elections Code
39 governing the submission of a statewide measure to the voters.

1 SEC. 5. Section 2 of this act shall take effect upon the approval
2 by the voters of the California Water Infrastructure Act of 2014
3 as set forth in that section at the November 4, 2014, statewide
4 general election.


5 SEC. 6. This act is an urgency statute necessary for the
6 immediate preservation of the public peace, health, or safety within
7 the meaning of Article IV of the Constitution and shall go into
8 immediate effect. The facts constituting the necessity are:


9 In order to ensure that the Safe, Clean, and Reliable Drinking
10 Water Supply Act of 2012 is removed from the November 4, 2014,
11 statewide general election, and to ensure that the California Water
12 Infrastructure Act of 2014 is placed on the November 4, 2014,
13 statewide general election, it is necessary that this act take effect
14 immediately.

O

January 13, 2014

Prepared and

Submitted by: L. Bonkowski 

Approved by: P. Cook 

CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the December 16, 2013 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE DECEMBER 16, 2013 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes

EXHIBIT "A"

MINUTES OF REGULAR MEETING – DECEMBER 16, 2013

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Reinhart on December 16, 2013 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Swan, Withers, Matheis, LaMar and Reinhart

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Water Policy Heiertz, Executive Director of Engineering and Planning Burton, Executive Director of Operations Sheilds, Assistant Director of Director of Water Resources Weghorst, Director of Administrative Services Mossbarger, Director of Human Resources Roney, Director of Wastewater Operations Lee, Assistant Director of Conservation Sanchez, Assistant Director of Water Operations Drake, Legal Counsel Arneson (via conference call), Secretary Bonkowski, Director of Risk Management and Treasury Jacobson, Mr. Rich Mori, Mr. Mike Hoolihan, Mr. Alex Aguilar, Mr. A.T. Kilani, Ms. Kathy Beseau, Ms. Carolyn Heiertz, Ms. Shannon Reed, Mr. Rich Mori, Ms. Kelly Welch, Ms. Christine Compton, Ms. Tina Bertsch, Mr. Dean Kirk, Mr. Jim Reed, Mr. Bruce Newell and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION

Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road Wellfield. She said it was her understanding that currently wells 1, 5, 6, 7, C-8, C-9, and 17 will operate in accordance with the District's annual pumping plan. Wells 2, 3, 4, 11, 12, 13, 14 and 16 will be off. This was confirmed by Mr. Cook, General Manager of the District.

On October 31, 2013, the District received its fully executed copy of the Annexation Agreement with the Orange County Water District. This was confirmed by Mr. Cook.

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD, to produce additional groundwater for use within IRWD and transfer imported water from IRWD to south Orange County in case of emergencies. On October 14 2013, the IRWD Board approved the operating agreement with certain south Orange County water agencies to fund the interconnection facilities needed to affect the emergency transfer of water. MWDOC and OCWD have also approved the operating agreement. This was confirmed by Mr. Cook.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - None.

PRESENTATION

RESOLUTION OF COMMENDATION FOR GREG HEIERTZ

General Manager Cook presented Executive Director of Water Resources Heiertz a resolution commending him for his 34 years of dedicated service. The Board of Directors individually thanked Mr. Heiertz for his service. On MOTION by Swan, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2013-55

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
GREG HEIERTZ FOR HIS DEDICATED AND
OUTSTANDING SERVICE TO THE DISTRICT

CONSENT CALENDAR

Director Swan asked that item No. 10 be placed on the Action Calendar for discussion. There being no objection, this item was moved accordingly. On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 – 9 AND 11 THROUGH 18 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the November 25, 2013 Regular Board meeting be approved as presented.

5. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and events for Mary Aileen Matheis, Douglas Reinhart, Peer Swan, and John Withers.

6. ANNUAL BOARD OF DIRECTORS' FEES

Recommendation: That the Committee recommend the Board decline the five (5%) percent scheduled compensation increase for calendar year 2014.

7. NOVEMBER 2013 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for November 2013, and Disclosure Report of reimbursements to board members and staff; approve the November 2013 summary of payroll ACH payments in the total amount of \$2,321,805 and approve the November 2013 accounts payable disbursement summary of warrants 343731 through 344413, workers' compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$11,111,974.

CONSENT CALENDAR (CONTINUED)

8. PROPOSED 2014 INVESTMENT POLICY

Recommendation: That the Board approve of the proposed 2014 Investment Policy and adopt the following resolution by title:

RESOLUTION NO. 2013-56

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING INVESTMENT
POLICY AND AUTHORIZING THE TREASURER AND ASSISTANT
TREASURERS TO INVEST AND REINVEST FUNDS OF THE
DISTRICT AND OF EACH OF ITS IMPROVEMENT DISTRICTS
AND TO SELL AND EXCHANGE SECURITIES

9. PROPOSED WATER, SEWER AND RECYCLED WATER REGIONAL CAPITAL
COST ALLOCATIONS

Recommendation: That the Board approve of the updated regional capital cost allocation tables.

11. PORTOLA HILLS SEWER LIFT STATION ABANDONMENT AND GRAVITY
SEWER FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Portola Hills Sewer Lift Station Abandonment and Gravity Sewer, project 20224 (1600); authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

12. SAND CANYON AVENUE GRADE SEPARATION VARIANCE

Recommendation: That the Board authorize the General Manager to execute Variance no. 4 in the amount of \$60,000 with Tetra Tech, Inc. for additional construction management and support services for the IRWD Utility Relocations project for the sand canyon grade separation, projects 11455 (1459) and 21455 (1152).

13. APPROVAL OF IRWD'S SHARE OF SOUTH ORANGE COUNTY WASTEWATER
AUTHORITY'S (SOCWA) FISCAL YEAR 2013-14 OPERATING BUDGET

Recommendation: That the Board recommend approval of IRWD's share of SOCWA's Operations and Maintenance Fiscal Year 2013-14 Budget in the amount of \$263,414.

CONSENT CALENDAR (CONTINUED)

14. AGREEMENT FOR BIOSOLIDS MANAGEMENT SERVICES WITH THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY, SOCWA ENTITIES, AND NURSERY PRODUCTS, INC.

Recommendation: That the Board authorize the General Manager to execute an agreement with Nursery Products Incorporated for biosolids management services.

15. FISCAL YEAR 2012-13 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Recommendation: That the Board receive and file the Fiscal Year 2012-13 Comprehensive Annual Financial Report.

16. LONG-TERM DISABILITY COVERAGE FOR CALENDAR YEAR 2014

Recommendation: That the Board authorize the General Manager to continue to contract for LTD coverage, including the enhanced Employee Assistant Program, for the calendar year 2014 with Principal Financial.

17. VISION INSURANCE COVERAGE FOR CALENDAR YEAR 2014

Recommendation: That the Board authorize the General Manager to extend IRWD's current contract with Eye Med Vision Care for the 2014.

18. CALLING FOR SPECIAL ELECTIONS AND REQUEST REGISTRAR OF VOTERS TO HOLD SPECIAL BOND ELECTIONS IN IMPROVEMENT DISTRICTS NOS. 185/285

Recommendation: That the Board adopt the following three resolutions by title:

RESOLUTION NO. 2013-57

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT CALLING A SPECIAL ELECTION IN IMPROVEMENT DISTRICT NO. 185 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF THE IMPROVEMENT DISTRICT A PROPOSITION TO ISSUE GENERAL OBLIGATION BONDS IN THE AMOUNT OF \$13,500,000.00

RESOLUTION NO. 2013 -58

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT CALLING A SPECIAL ELECTION IN IMPROVEMENT DISTRICT NO. 285 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF THE IMPROVEMENT DISTRICT A PROPOSITION TO ISSUE GENERAL OBLIGATION BONDS IN THE AMOUNT OF \$21,300,000.00

RESOLUTION NO. 2013-59

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT REQUESTING THE BOARD OF SUPERVISORS TO AUTHORIZE THE REGISTRAR OF VOTERS TO RENDER SERVICES TO THE DISTRICT RELATING TO THE CONDUCT OF SPECIAL BOND ELECTIONS FOR IMPROVEMENT DISTRICT NOS. 185 AND 285 TO BE HELD ON MARCH 4, 2014

ACTION CALENDAR

SOUTH ORANGE COUNTY AGENCIES' METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA REPRESENTATIVE SELECTION PROCESS

In response to Director Swan's comments, and following discussion, staff was asked to relay his concerns to the south county member agencies relative to the ranking process. On MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED AND AGREED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA REPRESENTATIVE SELECTION PROCESS FOR SOUTH COUNTY AGENCIES.

2014 LEGISLATIVE PLANNING POTENTIAL LEGISLATIVE ISSUES AND IRWD LEGISLATIVE PRIORITIES

Government Relations Manager Compton provided an overview of expected 2014 legislative issues in Sacramento, including proposals the District's statewide associations are considering for introduction. Ms. Compton also provided a review of potential 2014 IRWD state legislative priorities for consideration by the Water Resources Policy and Communications Committee. Following the overview, Director LaMar complimented Ms. Compton on her efforts.

ORANGE PARK ACRES WELL NO. 1 WELLHEAD FACILITIES - CONSTRUCTION AWARD AND CONSULTANT SELECTION

Executive Director of Engineering and Planning Burton reported that Orange Park Acres Well No. 1 (OPA-1) was drilled in 2012 on the same site as the former Orange Park Acres Mutual Water Company Headquarters building and the former Orange Park Acres Well No. 3. The drilling work is complete and the wellhead facilities have been designed. Mr. Burton said that

the project was advertised on to a select list of 11 contractors including Caliagua, Clarke Contracting, Doty Bros. Construction, Gateway Pacific Contractors, Olsson Construction, Pacific Hydrotech, RC Foster Corporation, Schuler Engineering, SS Mechanical, Stanek Constructors, and W.M. Lyles. The bid opening was held with bids received from Olsson Construction, Pacific Hydrotech, Schuler Engineering, SS Mechanical, and Stanek Constructors. He said that Pacific Hydrotech is the apparent low bidder with a bid amount of \$5,341,200. He further said that the low bid was 12% higher than the engineer's estimate, which is similar to other recent bids.

Mr. Burton said that in 2012, the Board approved a Professional Services Agreement with URS for engineering services, which included \$77,070 for construction phase services. He said that since the final design of the project significantly varied from the preliminary design developed by Kennedy/Jenks, staff requested URS to submit a revised scope of work and fee for construction phase services. He said that URS submitted a proposal in the amount of \$156,490 for construction phase engineering services.

Director Withers said that the consultant selection portion of this recommendation was reviewed and approved on December 10, 2013 by the Engineering and Operations Committee meeting. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$1,738,900, FROM \$7,407,800 TO \$9,146,700, FOR PROJECT 11405 (1250); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$6,031,900 FOR PROJECT 11405 (1250); AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PACIFIC HYDROTECH IN THE AMOUNT OF \$5,341,200 FOR PROJECT 11405 (1250); AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH URS CORPORATION IN THE AMOUNT OF \$156,490 FOR CONSTRUCTION PHASE SERVICES FOR THE ORANGE PARK ACRES WELL NO. 1 WELLHEAD FACILITIES, PROJECT 11405 (1250).

ESTABLISHING/SETTING CONNECTION FEES AS OF JANUARY 2014

Executive Director of Finance Clary reported that the master consolidation resulting from the Long Term Financial Plan included significant changes for both the remaining and newly formed Improvement Districts. Ms. Clary said that the fundamental concept in the District's capital funding plan is that the cost of new capital facilities is shared equally between the connection fees paid by the developer and property taxes paid by the property owner. She said that the District used a financial model to factor in variables such as regional capital costs, future development, growth rates, inflation and other variables in order to determine connection fees. She further said that the updated rates and charges become effective January 1, 2014 and anticipates that they will be re-evaluated in June/July 2014 as part of the budget process.

Director Swan said that this item was reviewed by the Finance and Personnel Committee on December 9, 2013. General Manager Cook recognized the working group, staff and the Board for their efforts on this process. On MOTION by Swan, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO 2013-60

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH IN
THE SCHEDULE OF RATES AND CHARGES IN EXHIBIT "B" TO THE
RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER, RECYCLED WATER AND NATURAL
TREATMENT SYSTEM SERVICE.

VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR CITY OF IRVINE PLANNING
AREA 6 (TENTATIVE TRACT MAP 17607)

General Manager Cook reported that in September 2013, staff approved a request by the City of Irvine to complete a Verification of Sufficient Water Supplies (WSV) for Tentative Tract Map 17607 in Planning Area 6 within the City's Northern Sphere Area proposed development area. Mr. Cook said that staff has prepared an Addendum to the Assessment of Water Supply for the Northern Sphere Area and completed the WSV for the Tentative Tract Map 17607.

Director LaMar said that this item was reviewed and approved by the Water Resources Policy and Communications Committee on December 9, 2013. On MOTION by LaMar, seconded and unanimously carried, THE BOARD APPROVED THE ADDENDUM TO ASSESSMENT OF WATER SUPPLY FOR NORTHERN SPHERE AREA AND VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR PLANNING AREA 6 (TENTATIVE TRACT MAP 17607).

BAKER WATER TREATMENT PLANT AND RAW WATER CONVEYANCE FACILITIES
CONSTRUCTION AWARD AND CONSTRUCTION PHASE AUTHORIZATIONS

General Manager Cook recognized the member agencies and staff for all of their efforts on this project.

Using a PowerPoint presentation, Mr. Mori said that for the Baker Water Treatment Plant (WTP) project, the bid notice was issued to pre-qualified contractors including Archer Western, McCarthy, PCL Construction, Inc. (PCL), J.F. Shea Construction, W.M. Lyles, and Shimmick Construction. Bids were received from Archer Western Contractors, PCL and J. F. Shea Construction, Inc. Staff recommends award to the apparent low bidder, PCL with a bid total of \$77,520,613. He said for the Baker Raw Water Conveyance Facilities (RWCF), the bid notice was issued to pre-qualified contractors including ARB Inc., Caliagua, Inc., Clarke Contracting Corp., Gateway Pacific Contractors, Hillcrest Contracting, Olsson Construction, Pacific Hydrotech Corp. (Pacific Hydrotech), RC Foster Corp., Schuler Engineering Corp., SS Mechanical Corp., and Stanek Constructors. Bids were received on October 1, 2013 from Olsson Construction, Pacific Hydrotech, and Schuler Engineering Corp. with the apparent low bidder being Pacific Hydrotech for a bid total of \$4,995,744.

Mr. Mori said there were potential irregularities in both bids which he reviewed with legal counsel, and was advised that they did not result in a failure to meet the District's specifications; permit a lower bid to be submitted; or impair the District's ability to compare and rank the bids.

Mr. Mori said that at the onset of the project, a Baker Project Committee (Baker PC), consisting of key staff from each agency, was established to provide oversight for the development of the project. The Baker PC and legal counsel for each agency have been working collaboratively to develop the following agreements related to the Project: 1) amended and Restated Agreement for Construction, Operation, and Maintenance of the Baker Water Treatment plant between ETWD, IRWD, MNWD, SMWD, TCWD, and Municipal Water District of Orange County (MWDOC); 2) agreement Relating to Baker Pipeline Capacity Transfers Among Baker Water Treatment Plant Participants between ETWD, IRWD, MNWD, SMWD, TCWD, and MWDOC; 3) agreement between ETWD and IRWD Providing for Domestic Water Interconnection; 4) installment Sale Agreement between IRWD and ETWD; and 5) agreement between ETWD, MNWD, and SMWD Providing for Domestic Water Interconnection. He said that these agreements, with the exception of the last two, are presented tonight for review and approval.

Mr. Mori said that the construction management (CM) team, which will administer both the Baker WTP and RWCF construction contracts, will consist of a combination of IRWD staff and consultants. He said that a total of six consultant firms were invited to submit proposals for CM services including Anderson-Penna, Arcadis, CDM-Smith, HDR, CH2M-Hill, and Jacobs. Staff evaluated each of the proposals and conducted interviews with select candidates in order to identify the most qualified candidate for each position. Staff interviewed each of the proposing firms and selected individuals who clearly demonstrated experience working on jobs similar to the scope and magnitude of the Project. He said that staff recommended Carollo Engineers (Carollo) to be the lead engineering firm representing the design team during construction. Carollo will subcontract with RBF and the other key firms responsible for the design to lead the engineering services during construction effort. He said that staff selected Mike Alexander from Jacobs Engineering (Jacobs) as the full-time, on site resident engineer and Sean Hoss of HDR as the full-time, on site field engineer and Jin Chong as the full-time, on site construction inspector. Staff selected Arcadis-US (Arcadis) as the provider of the web-based DCS and also selected Jon Westervelt as the part-time construction scheduler from Arcadis.

Mr. Mori said that staff received proposals from GMU, LGC, and Ninyo & Moore for construction phase support services, and following review of the proposals, staff recommends the selection of Ninyo & Moore as the geotechnical engineer in the amount of \$363,860. He said staff requested proposals from Borchard, Guida, Bush & Associates, and CNC Engineering (CNC) to provide surveying services, and following a review of the proposal, staff recommends the selection of CNC as the surveyor in the amount of \$139,875. He said that the Environmental Impact Report established requirements for biological and cultural resource monitoring that were summarized in the Mitigation Monitoring, Compliance, and Reporting Program (MMCRP). Staff requested proposals from Dudek, VCS Environmental (VCS), ESA, and Harmsworth to provide biological, paleontology, and archaeology monitoring services as needed during excavation and other construction activities. Staff reviewed the proposals, and based on these criteria, staff recommends the selection of VCS as the environmental consultant in the amount of \$33,541.

Mr. Mori then reviewed the project schedule with Director Swan making a comment related to the bird nesting season. On MOTION by Withers, seconded and unanimously carried, THE BOARD WAIVED BID IRREGULARITIES AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PCL CONSTRUCTION INCORPORATED IN THE AMOUNT OF \$77,520,613 TO CONSTRUCT THE BAKER WATER TREATMENT PLANT; WAIVE BID IRREGULARITIES AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PACIFIC HYDROTECH CORPORATION IN THE AMOUNT OF \$4,995,744 TO CONSTRUCT THE BAKER RAW WATER CONVEYANCE FACILITIES; APPROVED THE AMENDED AND RESTATED AGREEMENT FOR CONSTRUCTION, OPERATION, AND MAINTENANCE OF THE BAKER WATER TREATMENT PLANT; APPROVED THE AGREEMENT RELATING TO BAKER PIPELINE CAPACITY TRANSFERS AMONG BAKER WATER TREATMENT PLANT PARTICIPANTS; APPROVED THE AGREEMENT BETWEEN EL TORO WATER DISTRICT AND IRWD PROVIDING FOR DOMESTIC WATER INTERCONNECTION; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CAROLLO ENGINEERS IN THE AMOUNT OF \$3,418,900 FOR ENGINEERING SERVICES DURING CONSTRUCTION; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH JACOBS ENGINEERING IN THE AMOUNT OF \$810,600 FOR CONSTRUCTION MANAGEMENT SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HDR ENGINEERING IN THE AMOUNT OF \$1,253,936 FOR CONSTRUCTION MANAGEMENT SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH ARCADIS-US IN THE AMOUNT OF \$145,662 FOR CONSTRUCTION SUPPORT SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NINYO & MOORE IN THE AMOUNT OF \$363,860 FOR CONSTRUCTION PHASE GEOTECHNICAL AND CONCRETE TESTING SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CNC ENGINEERING IN THE AMOUNT OF \$139,875 FOR CONSTRUCTION PHASE SURVEYING SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH VCS ENVIRONMENTAL IN THE AMOUNT OF \$33,541 FOR CONSTRUCTION PHASE BIOLOGICAL AND CULTURAL MONITORING SERVICES; AUTHORIZED A BUDGET DECREASE IN THE FY 2013-14 CAPITAL BUDGET FOR THE BAKER WATER TREATMENT PLANT PROJECT 11218 (1417) FOR THE DESIGN AND BIDDING PHASE IN THE AMOUNT OF \$72,901,500, FROM \$80,010,000 TO \$7,108,500; AUTHORIZED THE ADDITION TO THE FY 2013-14 CAPITAL BUDGET OF THE BAKER WATER TREATMENT PLANT PROJECT 11747 (5027) FOR THE CONSTRUCTION PHASE IN THE AMOUNT OF \$96,852,000; APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF <\$6,751,500> FOR THE BAKER WATER TREATMENT PLANT, PROJECT 11218 (1417); AND APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$96,852,000 FOR THE BAKER WATER TREATMENT PLANT, PROJECT 11747 (5027).

ELECTION OF OFFICERS FOR 2014

General Manager Cook acted as temporary Chair and called for nominations for President. Director Withers nominated Director LaMar as President. Director Swan made a motion for nominations to be closed. On MOTION by Withers, seconded and unanimously carried on a roll call vote (5-0) (Matheis, Reinhart, LaMar, Swan and Withers voting aye), STEVE LAMAR WAS ELECTED PRESIDENT. President LaMar asked for nominations for Vice President. Director Swan nominated himself as Vice President. There being no other nominations, the nominations were closed. On MOTION by Withers, seconded and unanimously carried on a roll call vote (5-0) (Matheis, Reinhart, LaMar, Swan and Withers voting aye), PEER SWAN WAS ELECTED VICE PRESIDENT.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook reported that last week he attended a conference in San Francisco as he was invited by the Senior Executive of the US Army Corps of Engineers relative to a scoring system for projects and are most interested in having the District's Syphon Reservoir as their "pilot project".

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at the Colorado River Water Users Association's (CRWUA) annual conference held in Las Vegas.

Director Swan reported on his attendance at the District's annual holiday breakfast, an Association of California Water Agencies (ACWA) conference held in Los Angeles, a discussion held with Ms. Jennette Justin at the San Joaquin Wildlife Sanctuary, a WACO meeting, and a meeting with the Newport Bay Conservancy.

Director Reinhart reported on his attendance at CRWUA and ACWA.

Director LaMar also reported on his attendance at CRWUA, ACWA, and a tour and overview of the District held with Ms. Debbie Davis of Governor Brown's office and Mr. Gordon Burris of CA EPA.

CLOSED SESSION

President LaMar said that the Closed Session with Legal Counsel relative to anticipated litigation– Government Code Section 54956.9(d)(2) – significant exposure to litigation (one potential case) would not be held this evening. He said that the a conference with Labor Negotiators – Government Code Section 54957.6; Agency Designated Representatives: Paul Cook and Jenny Roney; Employee Organization: Irvine Ranch Water District Employees Association would be held.

OPEN SESSION

Following the Closed Session, the meeting was reconvened with all Directors present. President LaMar said that there was no action to report from the Closed Session item.

ADJOURNMENT

President LaMar adjourned the meeting at 8:00 p.m.

APPROVED and SIGNED this 13th day of January, 2014.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

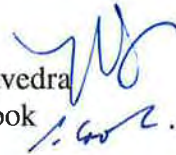
Legal Counsel - Bowie, Arneson,
Wiles & Giannone

January 13, 2014

Prepared and

Submitted by: N. Savedra

Approved by: P. Cook



CONSENT CALENDAR

RATIFY/APPROVE BOARD OF DIRECTORS'
ATTENDANCE AT MEETINGS AND EVENTS

SUMMARY:

Pursuant to Resolution 2006-29 adopted on August 28, 2006, approval of attendance of the following events and meetings are required by the Board of Directors.

Events/Meetings

Steven LaMar

1/07/14	Monthly meeting with Paul Cook regarding District activities
1/14/14	Irvine City Council Recognition Ceremony
1/16/14	Meeting with Senator Mimi Walters on Syphon Reservoir
1/20/14	District Tour of Orange County Business Journal staff
1/21/14	ACWA Headwaters Framework Team Meeting, Sacramento, CA
1/22/14	Meeting w/State Legislative Consultant Maureen O'Haren, Sacramento, CA
1/30/14	Baker Water Treatment Plant Construction Kickoff

Mary Aileen Matheis

1/14/14	Irvine City Council Recognition Ceremony
1/16/14	Meeting with Senator Mimi Walters on Syphon Reservoir
1/30/14	Irvine Chamber 2014 Business Outlook

Douglas Reinhart

12/17/13	Monthly meeting w/Paul Cook regarding District activities
1/30/14	Baker Water Treatment Plant Construction Kickoff

Peer Swan

12/12/13	Newport Bay Conservancy Meeting
1/06/14	ACWA Board of Directors Teleconference Meeting
1/15-17/14	CASA Winter Conference, Indian Wells, CA
1/21/14	ACWA Headwaters Framework Team Meeting, Sacramento, CA
1/30-31/14	ACWA Board of Directors Meeting, Sacramento, CA

John Withers

1/30/14	Irvine Chamber 2014 Business Outlook
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RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE MEETINGS AND EVENTS FOR STEVEN LaMAR, MARY AILEEN MATHEIS, DOUGLAS REINHART, PEER SWAN, AND JOHN WITHERS AS DESCRIBED.

LIST OF EXHIBITS:

None

Board Mtgs Events.doc

January 13, 2014

Prepared by: K. Welch/M. Tetteimer

Submitted by: P. Weghorst

Approved by: Paul Cook

CONSENT CALENDAR

BUREAU OF RECLAMATION WATERSMART GRANT APPLICATIONS

SUMMARY:

The Bureau of Reclamation is accepting applications for grant funding under its 2014 Fiscal Year WaterSMART Program which is designed to leverage funding through cost-sharing for water and energy efficiency projects in the western United States. Staff recommends the Board:

- Authorize submitting two applications for WaterSMART grant funding for the ILP Conversion and Stockdale Integrated Banking Projects, and;
- Adopt two resolutions authorizing the District to apply for funding of up to \$1.0 million per project with a matching funds requirement of at least 50% of project costs and committing the District to meeting established requirements for receipt of the funding.

BACKGROUND:

The Bureau of Reclamation (Reclamation), through the WaterSMART (Sustain and Manage America's Resources for Tomorrow) grant funding program, is providing assistance for water sustainability and energy projects in the western United States. Reclamation expects to award up to a total of \$12 million, with funding up to \$300,000 per agreement for smaller projects to be completed within two years, and up to \$1 million for larger, phased projects that may take up to three years to complete. Applicants are required to provide a minimum match of at least 50% of project costs. Multiple funding applications may be submitted for consideration; however, no more than \$1,000,000 will be awarded to any one applicant. Grant applications are due January 23, 2014 and awards will be announced in May 2014 or later based on the enactment of FY 2014 appropriations. Financial assistance agreements will be issued within one to three months after award date.

The following tasks describe the type of projects eligible for funding. Applications may include any one or a combination of the following types of projects:

- Task A – Water Conservation:
 - Projects that result in quantifiable and sustained water savings or improved water management.
- Task B – Energy-Water Nexus:
 - Projects that increase the use of renewable energy sources in the management and delivery of water, and/or
 - Projects that upgrade existing water management facilities resulting in quantifiable and sustained energy savings or by reducing energy consumption through water conservation.

- Task C – Benefits to Endangered Species:
 - Projects that benefit endangered species or designated critical habitat.
- Task D – Water Markets:
 - Projects that implement or use water markets to make water available to meet other existing water supply needs or uses.

After review of conditions for project eligibility, staff recommends submitting applications for up to \$1 million in grant funding for each of the following two projects:

ILP Conversion Project: This project proposes to convert the Irvine Lake Pipeline (ILP) system from untreated imported water to recycled water. Currently, IRWD must purchase untreated water through Metropolitan Water District of Southern California to serve agricultural and landscape irrigation customers that receive supply from the ILP. The planned project is expected to result in imported water savings of 600 acre feet per year by converting the pipeline from imported water to recycled water. In addition, the project could potentially serve future demands in the Santiago Hills/East Orange area. This project will improve local water supply reliability and reduce imported water requirements, thereby reducing diversions from the Bay-Delta as well as the associated energy use from pumping State Water Project water. If this project is selected for grant funding, staff will return to the Board with a financial analysis of the project and recommendation to add this project to the Capital Budget.

Stockdale Integrated Banking Project: This project proposes to create water markets and reduce water supply conflicts especially during dry years by constructing recovery facilities on IRWD's Stockdale West property for use by IRWD and its exchange partners to recover previously stored water supplies. Wells and pipelines are necessary to pump stored water that has been previously conserved for use during periods of drought or catastrophic supply interruption. The recovery facilities will help to improve water supply reliability and redundancy making previously conserved water available during times when imported and/or local supplies are interrupted or curtailed during periods of drought or catastrophic supply interruption. Banked supplies would be recovered and conveyed to IRWD or its exchange partners when needed. The recovery facilities for the Stockdale Integrated Banking Project are included in the FY 2013-14 Capital Budget.

An official, adopted resolution is a required element of each of the grant applications. Resolutions for the proposed ILP Recycled Water Conversion Project and the Stockdale Integrated Banking Project are attached as Exhibits "A" and "B", respectively. The resolutions authorize staff to apply for the WaterSMART grant on behalf of the District, commit the District to authorize matching funds of at least 50% of project costs, and to acknowledge that the District agrees to meet the established deadlines for entering into a cooperative agreement.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

The proposed ILP Conversion project will require compliance with the California Environmental Quality Act (CEQA) for certain project components. The pipeline component is expected to be categorically exempt from CEQA. After receiving notification of grant award, the appropriate CEQA documents will be prepared for Board adoption and filing. An Environmental Impact Report (EIR) for the Stockdale Integrated Banking Project is being prepared and a public draft is expected to be published in February 2014. The EIR is expected to be finalized and presented to the Board for approval and certification in May 2014.

National Environmental Policy Act (NEPA) compliance for the ILP Conversion and Stockdale Integrated Banking Projects and any additional required supplemental environmental compliance required under CEQA will be completed during or after the application process.

COMMITTEE STATUS:

This item was not previously reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE STAFF TO APPLY FOR BUREAU OF RECLAMATION WATERSMART GRANTS WITH MAXIMUM AWARD OF UP TO \$1.0 MILLION IN TOTAL FUNDING TO IMPROVE WATER AND ENERGY USE EFFICIENCY, AND COMMIT TO AUTHORIZING MATCHING FUNDS OF AT LEAST 50% OF PROJECT COSTS; AGREE TO MEET ESTABLISHED DEADLINES FOR ENTERING INTO A COOPERATIVE AGREEMENT; AND ADOPT THE FOLLOWING RESOLUTIONS BY TITLE:

RESOLUTION NO. 2014 - XX

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT AUTHORIZING SUBMISSION OF
A GRANT APPLICATION FOR THE IRVINE LAKE PIPELINE CONVERSION PROJECT
TO THE DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, POLICY
AND ADMINISTRATION

RESOLUTION NO. 2014 - XX

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT AUTHORIZING SUBMISSION OF
A GRANT APPLICATION FOR THE STOCKDALE INTEGRATED BANKING PROJECT
TO THE DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, POLICY
AND ADMINISTRATION

LIST OF EXHIBITS:

Exhibit "A" – Resolution for the Irvine Lake Pipeline Conversion Project
Exhibit "B" – Resolution for the Stockdale Integrated Banking Project

EXHIBIT "A"

RESOLUTION NO. 2014 - XX

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT AUTHORIZING SUBMISSION OF A GRANT APPLICATION FOR THE IRVINE LAKE PIPELINE CONVERSION PROJECT TO THE DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, POLICY AND ADMINISTRATION

WHEREAS the Department of the Interior, Bureau of Reclamation, Policy and Administration (Reclamation) has released a Funding Opportunity Announcement to provide federal grant funding under the WaterSMART: Water and Energy Efficiency Grants for Fiscal Year (FY) 2014; and

WHEREAS Reclamation is seeking applications from eligible water or power delivery agencies to cost share 50 percent or more with Reclamation on projects that save water, improve energy efficiency, provide benefit to endangered species, and facilitate water markets or prevent water related crisis or conflict; and

WHEREAS the Irvine Ranch Water District is eligible to submit an application for grant funding up to \$1 million for its Irvine Lake Pipeline Conversion project with a cost share of 50 percent or more of the total project costs.

NOW, THEREFORE, the Board of Directors of IRVINE RANCH WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. The General Manager of the Irvine Ranch Water District or his/her designee is hereby authorized to submit an application to Reclamation for grant funding up to \$1 million for the Irvine Lake Pipeline Conversion project.

Section 2. The Board of Directors of the Irvine Ranch Water District has reviewed and supports the application for a grant from Reclamation for the construction of Irvine Lake Pipeline Conversion project facilities.

Section 3. The Irvine Ranch Water District hereby agrees and further confirms that it has the capability to provide its cost share funding (50 percent or more of the total project costs) as specified in the application's project funding plan.

Section 4. The General Manager or his/her designee is hereby authorized to enter into a cooperative agreement and any amendments thereto with Reclamation on behalf of the Irvine Ranch Water District.

Section 5. The General Manager or his/her designee is hereby authorized to work with Reclamation to meet the established deadlines for entering into a cooperative agreement.

Section 6. That the Secretary is hereby authorized to certify a copy of this resolution to accompany the grant application.

ADOPTED, SIGNED AND APPROVED this 13th day of January, 2014.

President, IRVINE RANCH WATER DISTRICT
and the Board of Directors there of

Secretary, IRVINE RANCH WATER DISTRICT
and the Board of Directors there of

APPROVED AS TO FORM:
BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel—IRWD

By: _____

EXHIBIT "B"

RESOLUTION NO. 2014 - XX

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT AUTHORIZING SUBMISSION OF A GRANT APPLICATION FOR THE STOCKDALE INTEGRATED BANKING PROJECT TO THE DEPARTMENT OF THE INTERIOR, BUREAU OF RECLAMATION, POLICY AND ADMINISTRATION

WHEREAS the Department of the Interior, Bureau of Reclamation, Policy and Administration (Reclamation) has released a Funding Opportunity Announcement to provide federal grant funding under the WaterSMART: Water and Energy Efficiency Grants for Fiscal Year (FY) 2014; and

WHEREAS Reclamation is seeking applications from eligible water or power delivery agencies to cost share 50 percent or more with Reclamation on projects that save water, improve energy efficiency, provide benefit to endangered species, and facilitate water markets or prevent water related crisis or conflict; and

WHEREAS the Irvine Ranch Water District is eligible to submit an application for grant funding up to \$1 million for its Stockdale Integrated Banking Project with a cost share of 50 percent or more of the total project costs.

NOW, THEREFORE, the Board of Directors of IRVINE RANCH WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. The General Manager of the Irvine Ranch Water District or his/her designee is hereby authorized to submit an application to Reclamation for grant funding up to \$1 million for the Stockdale Integrated Banking Project.

Section 2. The Board of Directors of the Irvine Ranch Water District has reviewed and supports the application for a grant from Reclamation for the construction of the Stockdale Integrated Banking Project.

Section 3. The Irvine Ranch Water District hereby agrees and further confirms that it has the capability to provide its cost share funding (50 percent or more of the total project costs) as specified in the application's project funding plan.

Section 4. The General Manager or his/her designee is hereby authorized to enter into a cooperative agreement and any amendments thereto with Reclamation on behalf of the Irvine Ranch Water District.

Section 5. The General Manager or his/her designee is hereby authorized to work with Reclamation to meet the established deadlines for entering into a cooperative agreement.

Section 6. That the Secretary is hereby authorized to certify a copy of this resolution to accompany the grant application.


ADOPTED, SIGNED AND APPROVED this 13th day of January, 2014.

President, IRVINE RANCH WATER DISTRICT
and the Board of Directors there of

Secretary, IRVINE RANCH WATER DISTRICT
and the Board of Directors there of

APPROVED AS TO FORM:
BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel—IRWD

By: _____

January 13, 2014
Prepared by: Christopher Smithson
Submitted by: Cheryl Clary
Approved by: Paul Cook 

ACTION CALENDAR

REVISED WATER, SEWER AND RECYCLED WATER REGIONAL ALLOCATIONS

SUMMARY:

At the December 16, 2013 Board meeting, the Board approved updated regional cost allocations as a result of the reorganization of IRWD improvement districts (IDs). Staff recommends the Board adopt a resolution effective January 1, 2014 adopting the revised water, sewer and recycled water regional allocations.

BACKGROUND:

The master consolidation resulting from the Long Term Financial Plan (LTFP) included significant changes for both the remaining and newly formed IDs. The Board approved updated regional capital cost allocations at the District's December 16, 2013 Board meeting. Staff recommends the Board adopt a resolution, which is attached as Exhibit "A", adopting the revised regional allocations. Also attached are Exhibits "B" through "D" which identify the splits approved in 2008 and the proposed allocations based upon updated demand projections and new ID formations.

FISCAL IMPACTS:

The net fiscal impacts will be minimal to the District as a whole and vary based on the ID.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act (CEQA), Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item was approved by the Board on December 16, 2013.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2014-__

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT ADOPTING
REVISED WATER, SEWER AND
RECYCLED WATER REGIONAL ALLOCATIONS

LIST OF EXHIBITS:

Exhibit "A" – Resolution

Exhibit "B" – Potable Water – Regional Capital Cost Allocations

Exhibit "C" – Sewer – Regional Capital Cost Allocations

Exhibit "D" – Recycled Water – Regional Capital Cost Allocations

Exhibit "A"

RESOLUTION NO. 2014-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT ADOPTING REVISED REGIONAL ALLOCATIONS

WHEREAS, the Irvine Ranch Water District ("IRWD") establishes regional allocations among its improvement districts, for purposes of determining the funding requirements for projects; and

WHEREAS such allocations were most recently modified in 2008; and

WHEREAS, IRWD has undertaken a comprehensive evaluation and study of its long-term financial requirements, including: a detailed planning, engineering and financial assessment of the total costs of existing and future facilities in the water and wastewater systems; available bond authorization and other revenue sources to finance facilities to serve future development ("new capital"), augment system reliability and meet upgraded regulatory requirements for both existing and future demands ("enhancement") and replace and refurbish the existing systems ("replacement"); debt service; simplification of the improvement district structure; and assurance of equitable and fair sharing of regional and local cost between existing and future users and among the areas that have comprised the various existing improvement districts and other geographic areas served by the system; and

WHEREAS, as one of several components of the actions to be taken based upon such study, IRWD improvement districts have been reorganized, and as a result it is necessary to revise the regional allocations;

NOW, THEREFORE, the Board of Directors of the Irvine Ranch Water District DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. The regional allocations are hereby modified as set forth in Exhibit 1 to this resolution, attached hereto and incorporated herein by this reference.

Section 2. The allocations adopted in 2008 and all other previous allocations are hereby superseded.

ADOPTED, SIGNED AND APPROVED this 13th day of January, 2014.

President/Vice President
IRVINE RANCH WATER DISTRICT
and of the Board of Directors
thereof

Secretary/Assistant Secretary
IRVINE RANCH WATER DISTRICT
and of the Board of Directors
thereof

APPROVED AS TO FORM:

BOWIE, ARNESON,
WILES & GIANNONE
Legal Counsel - IRWD

By _____

BAWGjca/ 172785

Exhibit "B"

Potable Water Regional Capital Cost Allocations

	New (2013)		Old (2008)	
	Demand (cfs)	Splits	Demand (cfs)	Splits
Improvement District 110	38.29	33.3%		
Improvement District 112 ET	3.76	3.3%	3.27	4.3%
Improvement District 113 TU	3.40	3.0%	4.01	5.2%
Improvement District 120/1			11.74	15.3%
Improvement District 125 (New)	53.69	46.6%		
Improvement District 130			8.46	11.0%
Improvement District 140			3.23	4.2%
Improvement District 150			23.93	31.2%
Improvement District 153	12.82	11.2%	2.60	3.4%
Improvement District 154	0.47	0.4%	1.12	1.5%
Improvement District 160/1			6.16	8.0%
Improvement District 182			2.31	3.0%
Improvement District 184			2.13	2.8%
Improvement District 185 (New)	1.90	1.7%		
Improvement District 186			0.76	1.0%
Improvement District 188	0.53	0.5%	0.76	1.0%
Improvement District 190			0.63	0.8%
Planning Area IBC			5.65	7.3%
Grand Total	114.86	100%	76.76	100%
Improvement District 110			29.81	
Improvement District 135			14.84	
Improvement District 700			3.86	
Improvement District 189			0.37	
Santiago Area			0.7	
TCWD in Portola Hills	0.32		0.32	
Total Potable Demands	115.18		126.66	

Exhibit "C"

Sewer

Regional Capital Cost Allocations

		New (2013)		Old (2008)	
		Flow (mgd)	Splits	Flow (mgd)	Splits
Improvement District	210	3.77	8.1%		
Improvement District	211 UCI			3.15	8.9%
Improvement District	212 ET	1.50	3.2%	1.35	3.8%
Improvement District	213 TU	1.52	3.3%	1.78	5.0%
Improvement District	220/1			6.32	17.8%
Improvement District	225 (New)	33.06	71.3%		
Improvement District	230			4.02	11.3%
Improvement District	240	1.21	2.6%	1.18	3.3%
Improvement District	250			9.81	27.7%
Improvement District	253	4.46	9.6%	0.35	1.0%
Improvement District	256 (New)	0.15	0.3%		
Improvement District	260/1			2.56	7.2%
Improvement District	282			0.70	2.0%
Improvement District	284			0.75	2.1%
Improvement District	285 (New)	0.59	1.3%		
Improvement District	286			0.22	0.6%
Improvement District	288	0.14	0.3%	0.22	0.6%
Improvement District	290			0.13	0.4%
Planning Area	IBC			2.93	8.3%
Grand Total		46.42	100%	35.47	100%
Improvement District	210			3.71	
Improvement District	235			5.42	
Improvement District	289			0.10	
Total Sewer		46.42		44.70	

Exhibit "D"

Recycled Water

Regional Capital Cost Allocations

		New (2013)		Old (2008)	
		Demand (cfs)	Splits	Demand (cfs)	Splits
Improvement District	210	3.66	9.0%		
Improvement District	211UCI		0.0%	0.85	2.3%
Improvement District	212 ET	4.38	10.7%	5.25	14.3%
Improvement District	213 TU	1.67	4.1%	1.90	5.2%
Improvement District	220/1		0.0%	5.26	14.3%
Improvement District	225 (New)	22.47	55.2%		
Improvement District	230		0.0%	2.03	5.5%
Improvement District	240	3.14	7.7%	3.07	8.4%
Improvement District	250		0.0%	12.66	34.5%
Improvement District	253	4.82	11.8%		
Improvement District	260/1		0.0%	3.63	9.9%
Improvement District	285 (New)	0.61	1.5%		
Improvement District	290		0.0%	1.79	4.9%
Planning Area	IBC		0.0%	0.30	0.7%
Grand Total		40.76	100%	36.74	100%
Improvement District	210			5.24	
Improvement District	235			3.13	
		40.76		45.11	