

- **Board of Directors**
Communications and Legislation Committee

July 11, 2006 Board Meeting

8-5

Subject

Express support for Propositions 1E and 84 on the November 2006 ballot regarding water resources, natural resources and levee/flood protection funding

Description

Major levee failure in the Sacramento-San Joaquin Delta could disrupt water supplies to much of California and potentially cause economic losses of \$30 billion to \$40 billion. In February, in the wake of the devastation wreaked by Hurricane Katrina on New Orleans, Governor Schwarzenegger declared a state of emergency for California's aging and deteriorating levee system and ordered that the Department of Water Resources develop a plan to begin immediate repairs to prevent catastrophic flooding and loss of life in the event of a disaster. Since then, DWR has identified 50 levee erosion sites, 29 of which are deemed critical, primarily along the Sacramento River flood control system.

Two general obligation bonds meant to fund levee repairs and flood control measures will appear on the November 2006 ballot. These bonds build on the work begun under previous bond initiatives, including Propositions 12, 13, 40 and 50, whose funds are almost depleted.

AB 140 (Nuñez, D-Los Angeles), [Attachment 1](#), which will appear on the ballot as Proposition 1E, is a \$4.1 billion levee repair and flood control bond designed to shore up the state's deteriorating levee system. Of the total bond, \$3 billion would go to the Delta and state-federal project levees. The remaining \$1.09 billion would include \$500 million for statewide flood control subventions; \$300 million for grants to local governments for storm water flood management, and \$290 million for alluvial floodplains and bypasses. The majority of these funds would go to Bay Area, Southern California, and Napa communities.

The second bond, Proposition 84, entitled the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, [Attachment 2](#), would provide \$5.388 billion for several critical areas, including water quality, integrated regional water management, flood control, rivers and coastal protection. The initiative, which will appear on the ballot as Proposition 84, was developed by a coalition of conservation groups in consultation with the Association of California Water Agencies Infrastructure Task Force.

Should the voters approve Proposition 84 in November 2006, bond funds would be available for water management projects in the amount of \$2.714 billion and for resource and conservation programs in the amount of \$2.674 billion in several categories:

- Safe drinking water (\$240 million)
- Water quality (\$285 million)
- Flood control (\$800 million)
- Planning and feasibility studies of flood issues (\$65 million)
- Ecosystem restoration (\$180 million)
- QSA canal lining projects (\$41 million)
- Public access at SWP reservoirs (\$54 million)
- River, lakes and streams (\$541 million)
- Forest and wildlife conservation (\$445 million)
- Beaches, bays and coastal waters (\$440 million)

- Coastal watershed protection (\$360 million)
- State parks and nature education facilities (\$400 million)
- Sustainable communities/climate change reduction (\$580 million)

Additionally, in the area of Integrated Regional Water Management grants, DWR would oversee \$1 billion in competitive grants for projects within hydrologic regions. The program is modeled after Proposition 50, Chapter 8, criteria and guidelines. Under the regional allocations, the Los Angeles area would be eligible for \$215 million; Santa Ana for \$114 million; San Diego for \$91 million; the Colorado River for \$36 million; and inter-regional projects could compete for \$100 million in grants.

A list of the projects and regions that could potentially receive funding from each of the bonds is attached. ([Attachment 3](#)).

Policy

Policy Principle on Statewide Water Infrastructure Financing adopted by board June 2003 (M.I. 45390).

California Environmental Quality Act (CEQA)

CEQA determination for Options #1, #2, and #3:

The proposed action is not defined as a project under CEQA because it involves administrative and fiscal activities (Section 15378(b) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b) and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #4:

None required

Board Options

Option #1

Adopt the CEQA determination and support Propositions 1E and 84

Fiscal Impact: Potential grant funding and proportionate share of reimbursement under Davis-Dolwig Act

Business Analysis: Potential state funding to implement Integrated Resources Plan projects and programs; potential benefits from improvements to Delta levees

Option #2

Adopt the CEQA determination and support Proposition 1E and take no position on Proposition 84

Fiscal Impact: None

Business Analysis: Potential benefits from improvements to Delta levees

Option #3

Adopt the CEQA determination and support Proposition 84 and take no position on Proposition 1E

Fiscal Impact: Potential grant funding and proportionate share of reimbursement under Davis-Dolwig Act

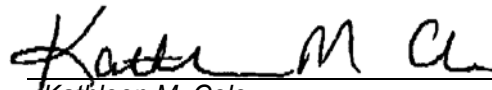
Business Analysis: Potential state funding to implement Integrated Resources Plan projects and programs; potential benefits from improvements to Delta levees

Option #4

Take no position on either Proposition 1E or Proposition 84

Staff Recommendation

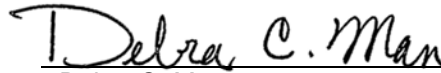
Option #1



Kathleen M. Cole
Deputy General Manager of External
Affairs

7/2/2006

Date



Debra C. Man
for Jeffrey Kightlinger
General Manager

7/5/2006

Date

Attachment 1 – Text of AB 140 (Nunez) [Proposition 1E]

Attachment 2 – Text of Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 [Proposition 84]

Attachment 3 – Breakdown of funding possibilities for Propositions 1E and 84

BLA #4682

Assembly Bill No. 140

CHAPTER 33

An act to add Chapter 1.699 (commencing with Section 5096.800) to Division 5 of the Public Resources Code, relating to financing disaster preparedness and flood prevention projects, 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.

[Approved by Governor May 19, 2006. Filed with
Secretary of State May 19, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 140, Nunez. Disaster Preparedness and Flood Prevention Bond Act of 2006.

Under existing law, various measures have been approved by the voters to provide funds for water projects, facilities, and programs.

This bill would enact the Disaster Preparedness and Flood Prevention Bond Act of 2006, which would, if approved by the voters, authorize the issuance and sale of bonds in the amount of \$4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects.

This bill would require the Secretary of State to submit this bond act to the voters at the November 7, 2006, statewide general election.

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

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

SECTION 1. Chapter 1.699 (commencing with Section 5096.800) is added to Division 5 of the Public Resources Code, to read:

CHAPTER 1.699. DISASTER PREPAREDNESS AND FLOOD PREVENTION BOND ACT OF 2006

Article 1. General Provisions

5096.800. This chapter shall be known and may be cited as the Disaster Preparedness and Flood Prevention Bond Act of 2006.

Article 2. Definitions

5096.805. Unless the context otherwise requires, the definitions set forth in this article govern the construction of this chapter.

- (a) “Board” means the Reclamation Board or successor entity.
- (b) “Committee” means the Disaster Preparedness and Flood Prevention Bond Finance Committee, created by Section 5096.957.
- (c) “Delta” means the area of the Sacramento-San Joaquin Delta as defined in Section 12220 of the Water Code.
- (d) “Department” means the Department of Water Resources.
- (e) “Facilities of the State Plan of Flood Control” means the levees, weirs, channels, and other features of the federal and state authorized flood control facilities located in the Sacramento and San Joaquin River drainage basin for which the board or the department has given the assurances of nonfederal cooperation to the United States required for the project, and those facilities identified in Section 8361 of the Water Code.
- (f) “Fund” means the Disaster Preparedness and Flood Prevention Bond Fund of 2006, created by Section 5096.806.
- (g) “Project levees” means the levees that are part of the facilities of the State Plan of Flood Control.
- (h) “Restoration” means the improvement of a physical structure or facility and, in the case of natural system and landscape features includes, but is not limited to, a project for the control of erosion, the control and elimination of exotic species, including prescribed burning, fuel hazard reduction, fencing out threats to existing or restored natural resources, road elimination, and other plant and wildlife habitat improvement to increase the natural system value of the property. A restoration project shall include the planning, monitoring, and reporting necessary to ensure successful implementation of the project objectives.
- (i) “State General Obligation Bond Law” means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).
- (j) “State Plan of Flood Control” means the state and federal flood control works, lands, programs, plans, conditions, and mode of maintenance and operations of the Sacramento River Flood Control Project described in Section 8350 of the Water Code, and of flood control projects in the Sacramento River and San Joaquin River watersheds authorized pursuant to Article 2 (commencing with Section 12648) of Chapter 2 of Part 6 of Division 6 of the Water Code for which the board or the department has provided the assurances of nonfederal cooperation to the United States, which shall be updated by the department and compiled into a single document entitled “The State Plan of Flood Control.”
- (k) “Urban area” means any contiguous area in which more than 10,000 residents are protected by project levees.

Article 3. Disaster Preparedness and Flood Prevention Bond Fund of 2006

5096.806. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Disaster Preparedness and Flood Prevention Bond Fund of 2006, which is hereby created.

Article 4. Disaster Preparedness and Flood Prevention Program

5096.820. (a) The sum of four billion ninety million dollars (\$4,090,000,000) shall be available, upon appropriation therefor, for disaster preparedness and flood prevention projects pursuant to this article.

(b) In expending funds pursuant to this article, the Governor shall do all of the following:

(1) Secure the maximum feasible amounts of federal and local matching funds to fund disaster preparedness and flood prevention projects in order to ensure prudent and cost-effective use of these funds to the extent that this does not prohibit timely implementation of this article.

(2) Prioritize project selection and project design to achieve maximum public benefits from the use of these funds.

(3) In connection with the submission of the annual Governor's Budget, submit an annual Bond Expenditure Disaster Preparedness and Flood Prevention Plan that describes in detail the proposed expenditures of bond funds, the amount of federal appropriations and local funding obtained to fund disaster preparedness and flood prevention projects to match those expenditures, and an investment strategy to meet long-term flood protection needs and minimize state taxpayer liabilities from flooding.

5096.821. Three billion dollars (\$3,000,000,000) shall be available, upon appropriation to the department, for the following purposes:

(a) The evaluation, repair, rehabilitation, reconstruction, or replacement of levees, weirs, bypasses, and facilities of the State Plan of Flood Control by all of the following actions:

(1) Repairing erosion sites and removing sediment from channels or bypasses.

(2) Evaluating and repairing levees and any other facilities of the State Plan of Flood Control.

(3) Implementing mitigation measures for a project undertaken pursuant to this subdivision. The department may fund participation in a natural community conservation plan pursuant to Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code to facilitate projects authorized by this subdivision.

(b) Improving or adding facilities to the State Plan of Flood Control to increase levels of flood prevention for urban areas, including all related costs for mitigation and infrastructure relocation. Funds made available by this subdivision may be expended for state financial participation in federal and state authorized flood control projects, feasibility studies and

design of federal flood damage reduction and related projects, and reservoir reoperation and groundwater flood storage projects. Not more than two hundred million dollars (\$200,000,000) may be expended on a single project, excluding authorized flood control improvements to Folsom Dam.

(c) (1) To reduce the risk of levee failure in the delta.

(2) The funds made available for the purpose specified in paragraph (1) shall be expended for both of the following purposes:

(A) Local assistance under the delta levee maintenance subventions program under Part 9 (commencing with Section 12980) of Division 6 of the Water Code, as that part may be amended.

(B) Special flood protection projects under Chapter 2 (commencing with Subdivision 12310) of Part 4.8 of Division 6 of the Water Code, as that chapter may be amended.

5096.824. (a) Five hundred million dollars (\$500,000,000) shall be available, upon appropriation to the department, for payment for the state's share of the nonfederal costs, and related costs, of flood control and flood prevention projects authorized under any of the following:

(1) The State Water Resources Law of 1945 (Chapter 1 (commencing with Section 12570) and Chapter 2 (commencing with Section 12639) of Part 6 of Division 6 of the Water Code).

(2) The Flood Control Law of 1946 (Chapter 3 (commencing with Section 12800) of Part 6 of Division 6 of the Water Code).

(3) The California Watershed Protection and Flood Prevention Law (Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code).

(b) The costs described in subdivision (a) include costs incurred in connection with either of the following:

(1) The granting of credits or loans to local agencies, as applicable, pursuant to Sections 12585.3, 12585.4 of, subdivision (d) of Section 12585.5 of, and Sections 12866.3 and 12866.4 of, the Water Code.

(2) The implementation of Chapter 3.5 (commencing with Section 12840) of Part 6 of Division 6 of the Water Code.

(c) The funds made available by this section shall be allocated only to projects that are not part of the State Plan of Flood Control.

5096.825. Two hundred ninety million dollars (\$290,000,000) shall be available, upon appropriation, for the protection, creation, and enhancement of flood protection corridors and bypasses through any of the following actions:

(a) Acquiring easements and other interests in real property to protect or enhance flood protection corridors and bypasses while preserving or enhancing the agricultural use of the real property.

(b) Constructing new levees necessary for the establishment of a flood protection corridor or bypass.

(c) Setting back existing flood control levees, and in conjunction with undertaking those setbacks, strengthening or modifying existing levees and weirs.

(d) Relocating or flood proofing structures necessary for the establishment of a flood protection corridor.

(e) Acquiring interests in, or providing incentives for maintaining agricultural uses of, real property that is located in a flood plain that cannot reasonably be made safe from future flooding.

(f) Acquiring easements and other interests in real property to protect or enhance flood protection corridors while preserving or enhancing the wildlife value of the real property.

(g) Flood plain mapping and related activities, including both of the following:

(1) The development of flood hazard maps, including all necessary studies and surveys.

(2) Alluvial fan flood plain mapping.

5096.827. Three hundred million dollars (\$300,000,000) shall be available, upon appropriation to the department, for grants for stormwater flood management projects that meet all of the following requirements:

(a) Have a nonstate cost share of not less than 50 percent.

(b) Are not part of the State Plan of Flood Control.

(c) Are designed to manage stormwater runoff to reduce flood damage and where feasible, provide other benefits, including groundwater recharge, water quality improvement, and ecosystem restoration.

(d) Comply with applicable regional water quality control plans.

(e) Are consistent with any applicable integrated regional water management plan.

5096.828. Funds provided by this article are only available for appropriation until July 1, 2016, and at that time the amount of indebtedness authorized by this chapter shall be reduced by the amount of funds provided by this article that have not been appropriated.

Article 16. Program Expenditures

5096.953. The Secretary of the Resources Agency shall provide for an independent audit of expenditures pursuant to this chapter to ensure that all moneys are expended in accordance with the requirements of this chapter. The secretary shall publish a list of all program and project expenditures pursuant to this chapter not less than annually, in written form, and shall post an electronic form of the list on the Resources Agency's Internet Web site.

Article 17. Fiscal Provisions

5096.955. (a) Bonds in the total amount of four billion ninety million dollars (\$4,090,000,000), not including the amount of any refunding bonds issued in accordance with Section 5096.966, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General

Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute valid and binding obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

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

5096.956. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

5096.957. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Disaster Preparedness and Flood Prevention Bond Finance Committee is hereby created. For the purposes of this chapter, the Disaster Preparedness and Flood Prevention Bond Finance Committee is “the committee” as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the department is designated the “board.”

5096.958. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter to carry out this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

5096.959. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

5096.960. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

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

(b) The sum that is necessary to carry out Section 5096.963, appropriated without regard to fiscal years.

5096.961. The department may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter. The department shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the department in accordance with this chapter.

5096.962. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

5096.963. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, with interest at the rate earned by the money in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

5096.964. All money deposited in the fund that is derived from premium and accrued interest on bonds sold pursuant to this chapter shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

5096.965. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionally by each program funded through this bond act.

5096.966. The bonds issued and sold pursuant to this chapter may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of the bonds under this chapter shall include approval of the issuance of any bonds issued to refund any bonds

originally issued under this chapter or any previously issued refunding bonds.

5096.967. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. (a) Section 1 of this act shall become operative upon the adoption by the voters of the Disaster Preparedness and Flood Prevention Bond Act of 2006, as set forth in Section 1 of this act.

SEC. 3. Notwithstanding Sections 13115 and 13117 of the Elections Code, the following measures shall be placed on the ballot for the November 7, 2006, statewide general election in the following order:

(a) Senate Constitutional Amendment No. 7 of the 2005–06 Regular Session shall be placed first on the ballot and shall be designated as Proposition 1A.

(b) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 shall be placed second on the ballot and shall be designated as Proposition 1B.

(c) The Housing and Emergency Shelter Trust Fund Act of 2006 shall be placed third on the ballot and shall be designated as Proposition 1C.

(d) The Kindergarten-University Public Education Facilities Bond Act of 2006 shall be placed fourth on the ballot and shall be designated as Proposition 1D.

(e) The Disaster Preparedness and Flood Prevention Bond Act of 2006 shall be placed fifth on the ballot and shall be designated as Proposition 1E.

SEC. 4. (a) Notwithstanding any other provision of law, all ballots of the November 7, 2006, statewide general election shall have printed thereon and in a square thereof, exclusively, the words: “Disaster Preparedness and Flood Prevention Bond Act of 2006” and in the same square under those words, the following in 8-point type:

“This act rebuilds and repairs California’s most vulnerable flood control structures to protect homes and prevent loss of life from flood-related disasters, including levee failures, flash floods, and mudslides; it protects California’s drinking water supply system by rebuilding delta levees that are vulnerable to earthquakes and storms; by authorizing a \$4.09 billion dollar bond act.”

Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

(b) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (a) shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and

Section 88003 of the Government Code. The ballot label is the condensed statement of the ballot title and the financial impact summary.

(c) Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choices by means thereof are in compliance with this section.

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

In order to provide for the submission of Section 1 of this act to the voters at the November 7, 2006, statewide general election, and to provide for improved disaster preparedness and flood prevention, as soon as possible, it is necessary that this act take effect immediately.



Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006

Initiative Text

Section. 1: Division 43 is added to the Public Resources Code to read:

Division 43. THE SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION BOND ACT OF 2006

Chapter 1. General Provisions

75001. This Division shall be known and may be cited as the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

75002. The people of California find and declare that protecting the state's drinking water and water resources is vital to the public health, the state's economy, and the environment.

75002.5. The people of California further find and declare that the state's waters are vulnerable to contamination by dangerous bacteria, polluted runoff, toxic chemicals, damage from catastrophic floods and the demands of a growing population. Therefore, actions must be taken to ensure safe drinking water and a reliable supply of water for farms, cities and businesses, as well as to protect California's rivers, lakes, streams, beaches, bays and coastal waters, for this and future generations.

75003. The people of California further find and declare that it is necessary and in the public interest to do all of the following:

(a) Ensure that safe drinking water is available to all Californians by:

(1) Providing for emergency assistance to communities with contaminated sources of drinking water.

(2) Assisting small communities in making the improvements needed in their water systems to clean up and protect their drinking water from contamination.

(3) Providing grants and loans for safe drinking water and water pollution prevention projects.

(4) Protecting the water quality of the Sacramento-San Joaquin Delta, a key source of drinking water for 23 million Californians.

(5) Assisting each region of the state in improving local water supply reliability and water quality.

(6) Resolving water-related conflicts, improving local and regional water self-sufficiency and reducing reliance on imported water.

(b) Protect the public from catastrophic floods by identifying and mapping the areas most at risk, inspecting and repairing levees and flood control facilities, and reducing the long-term costs of flood management, reducing future flood risk and maximizing public benefits by planning, designing and implementing multi-objective flood corridor projects.

(c) Protect the rivers, lakes and streams of the state from pollution, loss of water quality, and destruction of fish and wildlife habitat.

(d) Protect the beaches, bays and coastal waters of the state for future generations.

(e) Revitalizing our communities and making them more sustainable and livable by investing in sound land use planning, local parks and urban greening.

75003.5. The people of California further find and declare that the growth in population of the state and the impacts of climate change pose significant challenges. These challenges must be addressed through careful planning and through improvements in land use and water management that both reduce contributions to global warming and improve the adaptability of our water and flood control systems. Improvements include better integration of water supply, water quality, flood control and ecosystem protection, as well greater water use efficiency and conservation to reduce energy consumption.

75004. It is the intent of the people that investment of public funds pursuant to this division should result in public benefits.

75005. As used in this division, the following terms have the following meanings:

(a) "Acquisition" means the acquisition of a fee interest or any other interest in real property including easements, leases and development rights.

(b) "Board" means the Wildlife Conservation Board.

(c) "California Water Plan" means the California Water Plan Update Bulletin 160-05 and subsequent revisions and amendments.

(d) "Delta" means the Sacramento-San Joaquin River delta.

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

(f) "Development" includes, but is not limited to the physical improvement of real property including the construction of facilities or structures.

(g) "Disadvantaged community" means a community with a median household income less than 80% of the statewide average. "Severely disadvantaged community" means a community with a median household income less than 60% of the statewide average.

(h) "Fund" means the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006.

(i) "Interpretation" includes, but is not limited to, a visitor serving amenity that educates and communicates the significance and value of natural, historical, and cultural resources in a way that increases the understanding and enjoyment of these resources and that may utilize the expertise of a naturalist or other specialist skilled at educational interpretation.

(j) "Local conservation corps" means a program operated by a public agency or nonprofit organization that meets the requirements of Section 14406.

(k) "Nonprofit organization" means any nonprofit corporation qualified to do business in California, and qualified under Section 501(c)(3) of the Internal Revenue Code.

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

(m) "Protection" means those actions necessary to prevent harm or damage to persons, property or natural resources or those actions necessary to allow the continued use and enjoyment of property or natural resources and includes acquisition, development, restoration, preservation and interpretation.

(n) "Restoration" means the improvement of physical structures or facilities and, in the case of natural systems and landscape features includes, but is not limited to, projects for the control of erosion, the control and elimination of exotic species, prescribed burning, fuel hazard reduction, fencing out threats to existing or restored natural resources, road elimination, and other plant and wildlife habitat improvement to increase the natural system value of the property. Restoration projects shall include the planning, monitoring and reporting necessary to ensure successful implementation of the project objectives.

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

(p) "State Board" means the State Water Resources Control Board.

75009. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Safe Drinking Water, Water Quality and Supply, Flood Control, River and

Coastal Protection Fund of 2006, which is hereby created. Except as specifically provided in this division the money shall be available for appropriation by the Legislature, in the manner and for the purposes set forth in this division in accordance with the following schedule:

(a) The sum of one billion five hundred twenty five million dollars (\$1,525,000,000) for safe drinking water, water quality and other water projects in accordance with the provisions of Chapter 2.

(b) The sum of eight hundred million dollars (\$800,000,000) for flood control projects in accordance with the provisions of Chapter 3.

(c) The sum of sixty five million dollars (\$65,000,000) for statewide water management in accordance with the provisions of Chapter 4.

(d) The sum of nine hundred twenty eight million dollars (\$928,000,000) for the protection of rivers, lakes and streams in accordance with the provisions of Chapter 5.

(e) The sum of four hundred fifty million dollars (\$450,000,000) for forest and wildlife conservation in accordance with the provisions of Chapter 6.

(f) The sum of five hundred forty million dollars (\$540,000,000) for the protection of beaches, bays, and coastal waters and watersheds in accordance with the provisions of Chapter 7.

(g) The sum of five hundred million dollars (\$500,000,000) for state parks and nature education facilities in accordance with Chapter 8.

(h) The sum of five hundred eighty million dollars (\$580,000,000) for sustainable communities and climate change reduction projects in accordance with Chapter 9.

Chapter 2. Safe Drinking Water and Water Quality Projects

75020. This chapter is intended to provide the funds necessary to address the most critical water needs of the state including the provision of safe drinking water to all Californians, the protection of water quality and the environment, and the improvement of water supply reliability.

75021. (a) The sum of ten million dollars (\$10,000,000) shall be available to the Department of Health Services for grants and direct expenditures to fund emergency and urgent actions to ensure that safe drinking water supplies are available to all Californians. Eligible projects include, but are not limited to, the following:

(1) Providing alternate water supplies including bottled water where necessary to protect public health.

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

(3) Establishing connections to an adjacent water system.

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

(b) Grants and expenditures shall not exceed \$250,000 per project.

(c) Direct expenditures for the purposes of this section shall be exempt from contracting and procurement requirements to the extent necessary to take immediate action to protect public health and safety.

75022. The sum of one hundred eighty million dollars (\$180,000,000) shall be available to the Department of Health Services for grants for small community drinking water system infrastructure improvements and related actions to meet safe drinking water standards. Priority shall be given to projects that address chemical and nitrate contaminants, other health hazards and by whether the community is disadvantaged or severely disadvantaged. Special consideration shall be given to small communities with limited financial resources. Eligible recipients include public agencies and incorporated mutual water companies that serve disadvantaged communities. The Department of Health Services may make grants for the purpose of financing feasibility studies and to meet the eligibility requirements for a construction grant. Construction grants shall be limited to \$5,000,000 per project and not more than twenty

five percent of a grant may be awarded in advance of actual expenditures. The Department of Health Services may expend up to \$5,000,000 of the funds allocated in this section for technical assistance to eligible communities.

75023. For the purpose of providing the state share needed to leverage federal funds to assist communities in providing safe drinking water, the sum of fifty million dollars (\$50,000,000) shall be available for deposit into the Safe Drinking Water State Revolving Fund (Section 116760.30 of the Health and Safety Code).

75024. For the purpose of providing the state share needed to leverage federal funds to assist communities in making those infrastructure investments necessary to prevent pollution of drinking water sources, the sum of eighty million dollars (\$80,000,000) shall be available for deposit into the State Water Pollution Control Revolving Fund (Section 13477 of the Water Code).

75025. The sum of sixty million dollars (\$60,000,000) shall be available to the Department of Health Services for the purpose of loans and grants for projects to prevent or reduce contamination of groundwater that serves as a source of drinking water. The Department of Health Services shall require repayment for costs that are subsequently recovered from parties responsible for the contamination. The Legislature may enact legislation necessary to implement this section.

75026. (a) The sum of one billion dollars (\$1,000,000,000) shall be available to the department for grants for projects that assist local public agencies to meet the long term water needs of the state including the delivery of safe drinking water and the protection of water quality and the environment. Eligible projects must implement integrated regional water management plans that meet the requirements of this section. Integrated regional water management plans shall identify and address the major water related objectives and conflicts within the region, consider all of the resource management strategies identified in the California Water Plan, and use an integrated, multi-benefit approach to project selection and design. Plans shall include performance measures and monitoring to document progress toward meeting plan objectives. Projects that may be funded pursuant to this section must be consistent with an adopted integrated regional water management plan or its functional equivalent as defined in the department's Integrated Regional Water Management Guidelines, must provide multiple benefits, and must include one or more of the following project elements:

- (1) Water supply reliability, water conservation and water use efficiency.
- (2) Storm water capture, storage, clean-up, treatment, and management.
- (3) Removal of invasive non-native species, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands.
- (4) Non-point source pollution reduction, management and monitoring.
- (5) Groundwater recharge and management projects.
- (6) Contaminant and salt removal through reclamation, desalting, and other treatment technologies and conveyance of reclaimed water for distribution to users.
- (7) Water banking, exchange, reclamation and improvement of water quality.
- (8) Planning and implementation of multipurpose flood management programs.
- (9) Watershed protection and management.
- (10) Drinking water treatment and distribution.
- (11) Ecosystem and fisheries restoration and protection.

(b) The Department of Water Resources shall give preference to proposals that satisfy the following criteria:

- (1) Proposals that effectively integrate water management programs and projects within a hydrologic region identified in the California Water Plan; the Regional Water Quality Control Board region or subdivision or other region or sub-region specifically identified by the department.
- (2) Proposals that effectively integrate water management with land use planning.
- (3) Proposals that effectively resolve significant water-related conflicts within or between regions.

(4) Proposals that contribute to the attainment of one or more of the objectives of the CALFED Bay Delta Program.

(5) Proposals that address statewide priorities.

(6) Proposals that address critical water supply or water quality needs for disadvantaged communities within the region.

(c) Not more than 5% of the funds provided by this section may be used for grants or direct expenditures for the development, updating or improvement of integrated regional water management plans.

(d) The department shall coordinate the provisions of this section with the program provided in Chapter 8 of Division 26.5 of the Water Code and may implement this section using existing Integrated Regional Water Management Guidelines.

75027. (a) The funding provided in Section 75026 shall be allocated to each hydrologic region as identified in the California Water Plan and listed below. For the South Coast Region, the department shall establish three sub-regions that reflect the San Diego county watersheds, the Santa Ana River watershed, and the Los Angeles--Ventura County watersheds respectively, and allocate funds to those sub-regions. The North and South Lahontan regions shall be treated as one region for the purpose of allocating funds, but the department may require separate regional plans. Funds provided in Section 75026 shall be allocated according to the following schedule:

(1) North Coast	\$37,000,000
(2) San Francisco Bay	\$138,000,000
(3) Central Coast	\$52,000,000
(4) Los Angeles sub-region	\$215,000,000
(5) Santa Ana sub-region	\$114,000,000
(6) San Diego sub-region	\$91,000,000
(7) Sacramento River	\$73,000,000
(8) San Joaquin River	\$57,000,000
(9) Tulare/Kern (Tulare Lake)	\$60,000,000
(10) North/South Lahontan	\$27,000,000
(11) Colorado River Basin	\$36,000,000
(12) Inter-regional/Unallocated	\$100,000,000

(b) The interregional and unallocated funds provided in subdivision (a) may be expended directly or granted by the department to address multi-regional needs or issues of statewide significance.

75028. (a) The department shall allocate grants on a competitive basis within each identified hydrologic region or sub-region pursuant to Section 75027. The department may establish standards and procedures for the development and approval of local project selection processes within hydrologic regions and sub-regions identified in Section 75027. The department shall defer to approved local project selection, and review projects only for consistency with the purposes of Section 75026.

(b) If a hydrologic region or sub-region identified in Section 75027 does not have any adopted plan that meets the requirements of Section 75026 at the time of the department's grant selection process, the funds allocated to that hydrologic region or sub-region shall not be reallocated to another region but will remain unallocated until such time as an adopted plan from the hydrologic region or sub-region is submitted to the department.

75029. The sum of one hundred thirty million dollars (\$130,000,000) shall be available to the department for grants to implement Delta water quality improvement projects that protect drinking water supplies. The department shall require a cost share from local agencies. Eligible projects are:

(a) Projects that reduce or eliminate discharges of salt, dissolved organic carbon, pesticides, pathogens and other pollutants to the San Joaquin River. Not less than forty million

(\$40,000,000) shall be available to implement projects to reduce or eliminate discharges of subsurface agricultural drain water from the west side of the San Joaquin Valley for the purpose of improving water quality in the San Joaquin River and the Delta.

(b) Projects that reduce or eliminate discharges of bromide, dissolved organic carbon, salt, pesticides and pathogens from discharges to the Sacramento River.

(c) Projects at Franks Tract and other locations in the Delta that will reduce salinity or other pollutants at agricultural and drinking water intakes.

(d) Projects identified in the June 2005 Delta Region Drinking Water Quality Management Plan, with a priority for design and construction of the relocation of drinking water intake facilities for in-delta water users.

75029.5. The sum of fifteen million dollars (\$15,000,000) shall be available to the state board for grants to public agencies and non-profit organizations for projects that reduce the discharge of pollutants from agricultural operations into surface waters of the state.

Chapter 3. Flood Control

75030. This chapter is intended to provide the funding needed to address short term flood control needs such as levee inspection and evaluation, floodplain mapping and improving the effectiveness of emergency response, and providing funding for critical immediate flood control needs throughout the state. It is also intended to provide a framework to support long term strategies that will require the establishment of more effective levee maintenance programs, better floodplain management and more balanced allocation of liability and responsibility between the federal, state and local governments.

75031. The sum of thirty million dollars (\$30,000,000) shall be available to the department for the purposes of floodplain mapping, assisting local land-use planning, and to avoid or reduce future flood risks and damages. Eligible projects include, but are not limited to:

- (a) Mapping floodplains.
- (b) Mapping rural areas with potential for urbanization.
- (c) Mapping and identification of flood risk in high density urban areas.
- (d) Mapping flood hazard areas.
- (e) Updating outdated floodplain maps.
- (f) Mapping of riverine floodplains, alluvial fans, and coastal flood hazard areas.
- (g) Collecting topographic and hydrographic survey data.

75032. The sum of two hundred seventy five million dollars (\$275,000,000) shall be available to the department for the following flood control projects:

(a) The inspection and evaluation of the integrity and capability of existing flood control project facilities and the development of an economically viable flood control rehabilitation plan.

(b) Improvement, construction, modification, and relocation of flood control levees, weirs, or bypasses including repair of critical bank and levee erosion.

(c) Projects to improve the department's emergency response capability.

(d) Environmental mitigation and infrastructure relocation costs related to projects under this section.

(e) To the extent feasible, the department shall implement a multi-objective management approach for floodplains that would include, but not be limited to, increased flood protection, ecosystem restoration, and farmland protection.

75032.4. Notwithstanding Section 13340 of the Government Code, the funds allocated in Sections 75031 and 75032 are continuously appropriated to the department for the purposes of those sections.

75032.5 The sum of forty million dollars (\$40,000,000) shall be available to the department for Flood Protection Corridor projects that are consistent with Water Code Section 79037.

75033. The sum of two hundred seventy five million dollars (\$275,000,000) shall be available to the department for flood control projects in the Delta designed to increase the department's ability to respond to levee breaches and to reduce the potential for levee failures. The funds provided by this section shall be available for the following purposes:

- (a) Projects to improve emergency response preparedness.
- (b) Local assistance under the delta levee maintenance subventions program under Part 9 (commencing with Section 12980) of Division 6 of the Water Code.
- (c) Special flood protection projects under Chapter 2 (commencing with Section 12310) of Part 4.8 of Division 6 of the Water Code, including projects for the acquisition, preservation, protection and restoration of Delta lands for the purpose of flood control and to meet multiple objectives such as drinking water quality ecosystem restoration and water supply reliability.
- (d) All projects shall be subject to the provisions of Water Code Section 79050.

75034. The sum of one hundred eighty million dollars (\$180,000,000) shall be available to the department for the purposes of funding the state's share of the nonfederal costs of flood control and flood prevention projects for which assurances required by the federal government have been provided by a local agency and which have been authorized under the State Water Resources Law of 1945 (Chapter 1 (commencing with Section 12570) and Chapter 2 (commencing with Section 12639) of Part 6 of Division 6 of the Water Code), the Flood Control Law of 1946 (Chapter 3 (commencing with Section 12800) of Part 6 of Division 6 of the Water Code), and the California Watershed Protection and Flood Prevention Law (Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code), including the credits and loans to local agencies pursuant to Sections 12585.3 and 12585.4, subdivision (d) of Section 12585.5, and Sections 12866.3 and 12866.4 of the Water Code, and to implement Chapter 3.5 (commencing with Section 12840) of Part 6 of Division 6 of the Water Code. Projects eligible for funding pursuant to this section shall comply with the requirements of AB 1147 (Statutes of 2000, Chapter 1071).

Chapter 4. Statewide Water Planning and Design

75041. The sum of sixty five million dollars (\$65,000,000) shall be available to the department for planning and feasibility studies related to the existing and potential future needs for California's water supply, conveyance and flood control systems. The studies shall be designed to promote integrated, multi-benefit approaches that maximize the public benefits of the overall system including protection of the public from floods, water supply reliability, water quality, and fish, wildlife and habitat protection and restoration. Projects to be funded include:

- (a) Evaluation of climate change impacts on the state's water supply and flood control systems and the development of system redesign alternatives to improve adaptability and public benefits.
- (b) Surface water storage planning and feasibility studies pursuant to the CALFED Bay-Delta Program.
- (c) Modeling and feasibility studies to evaluate the potential for improving flood protection and water supply through coordinating groundwater storage and reservoir operations.
- (d) Other planning and feasibility studies necessary to improve the integration of flood control and water supply systems.

Chapter 5. Protection of Rivers, Lakes and Streams

75050. The sum of nine hundred twenty eight million dollars (\$928,000,000) shall be available for the protection and restoration of rivers, lakes and streams, their watersheds and associated land, water, and other natural resources in accordance with the following schedule:

(a) The sum of one hundred eighty million dollars (\$180,000,000) shall be available to the Department of Fish and Game, in consultation with the department, for Bay-Delta and coastal fishery restoration projects. Of the funds provided in this section, up to \$20,000,000 shall be available for the development of a natural community conservation plan for the CALFED Bay-Delta Program and up to \$45,000,000 shall be available for coastal salmon and steelhead fishery restoration projects that support the development and implementation of species recovery plans and strategies for salmonid species listed as threatened or endangered under state or federal law.

(b) The sum of ninety million dollars (\$90,000,000) shall be available for projects related to the Colorado River in accordance with the following schedule:

(1) Not more than \$36,000,000 shall be available to the department for water conservation projects that implement the Allocation Agreement as defined in the Quantification Settlement Agreement.

(2) Not more than \$7,000,000 shall be available to the Department of Fish and Game for projects to implement the Lower Colorado River Multi-Species Habitat Conservation Plan.

(3) \$47,000,000 shall be available for deposit into the Salton Sea Restoration Fund.

(c) The sum of fifty four million dollars (\$54,000,000) shall be available to the department for development, rehabilitation, acquisition, and restoration costs related to providing public access to recreation and fish and wildlife resources in connection with state water project obligations pursuant to Water Code Section 11912.

(d) The sum of seventy two million dollars (\$72,000,000) shall be available to the secretary for projects in accordance with the California River Parkways Act of 2004 Chapter 3.8 (commencing with Section 5750) of Division 5. Up to \$10,000,000 may be transferred to the Department of Conservation for the Watershed Coordinator Grant Program.

(e) The sum of eighteen million dollars (\$18,000,000) shall be available to the department for the Urban Streams Restoration Program pursuant to Water Code Section 7048.

(f) The sum of thirty six million dollars (\$36,000,000) shall be available for river parkway projects to the San Joaquin River Conservancy.

(g) The sum of seventy two million dollars (\$72,000,000) shall be available for projects within the watersheds of the Los Angeles and San Gabriel Rivers according to the following schedule:

(1) \$36,000,000 to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy pursuant to Division 22.8 (commencing with Section 32600).

(2) \$36,000,000 to the Santa Monica Mountains Conservancy for implementation of watershed protection activities throughout the watershed of the Upper Los Angeles River pursuant to Section 79508 of the Water Code.

(h) The sum of thirty six million dollars (\$36,000,000) shall be available for the Coachella Valley Mountains Conservancy.

(i) The sum of forty five million dollars (\$45,000,000) shall be available for projects to expand and improve the Santa Ana River Parkway. Project funding shall be appropriated to the State Coastal Conservancy for projects developed in consultation with local government agencies participating in the development of the Santa Ana River Parkway. Of the amount provided in this paragraph the sum of thirty million dollars (\$30,000,000) shall be equally divided between projects in Orange, San Bernardino and Riverside Counties.

(j) The sum of fifty four million dollars (\$54,000,000) shall be available for the Sierra Nevada Conservancy.

(k) The sum of thirty six million dollars (\$36,000,000) shall be available for the California Tahoe Conservancy.

(l) The sum of forty five million dollars (\$45,000,000) shall be available to the California Conservation Corps for resource conservation and restoration projects and for facilities acquisition, development, restoration, and rehabilitation and for grants and state administrative costs, in accordance with the following schedule:

(1) The sum of twenty five million dollars (\$25,000,000) shall be available for projects to improve public safety and improve and restore watersheds including regional and community fuel load reduction projects on public lands, and stream and river restoration projects. Not less than 50% of these funds shall be in the form of grants to local conservation corps.

(2) The sum of twenty million dollars (\$20,000,000) shall be available for grants to local conservation corps for acquisition and development of facilities to support local conservation corps programs, and for local resource conservation activities.

(m) The sum of ninety million dollars (\$90,000,000) to the state board for matching grants to local public agencies for the reduction and prevention of stormwater contamination of rivers, lakes, and streams. The legislature may enact legislation to implement this subdivision.

(n) The sum of one hundred million dollars (\$100,000,000) shall be available to the secretary for the purpose of implementing a court settlement to restore flows and naturally-reproducing and self-sustaining populations of salmon to the San Joaquin River between Friant Dam and the Merced River. These funds shall be available for channel and structural improvements, and related research pursuant to the court settlement. The secretary is authorized to enter into a cost-sharing agreement with the United States Secretary of the Interior and other parties, as necessary, to implement this provision.

Chapter 6. Forest and Wildlife Conservation

75055. The sum of four hundred fifty million dollars (\$450,000,000) shall be available for the protection and conservation of forests and wildlife habitat according to the following schedule:

(a) Notwithstanding Section 13340 of the Government Code, the sum of one hundred eighty million dollars (\$180,000,000) is continuously appropriated to the board for forest conservation and protection projects. The goal of this grant program is to promote the ecological integrity and economic stability of California's diverse native forests for all their public benefits through forest conservation, preservation and restoration of productive managed forest lands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitats for native fish, wildlife and plants found on these lands.

(b) (1) Notwithstanding Section 13340 of the Government Code, the sum of one hundred thirty five million dollars (\$135,000,000) is hereby continuously appropriated to the board for the development, rehabilitation, restoration, acquisition and protection of habitat that accomplishes one or more of the following objectives:

(A) Promotes the recovery of threatened and endangered species.

(B) Provides corridors linking separate habitat areas to prevent fragmentation.

(C) Protects significant natural landscapes and ecosystems such as old growth redwoods, mixed conifer forests and oak woodlands, riparian and wetland areas, and other significant habitat areas.

(D) Implements the recommendations of California Comprehensive Wildlife Strategy, as submitted October 2005 to the United States Fish and Wildlife Service.

(2) Funds authorized by this subdivision may be used for direct expenditures or for grants and for related state administrative costs, pursuant to the Wildlife Conservation Law of 1947, Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code, the Oak Woodland Conservation Act, Article 3.5 (commencing with Section 1360) of Chapter 4 of Division 2 of the Fish and Game Code, and the California Rangeland, Grazing Land and Grassland Protection Act, commencing with Section 10330 of Division 10.4. Funds scheduled in this subdivision may be used to prepare management plans for properties acquired by the Wildlife Conservation Board and for the development of scientific data, habitat mapping and other research information necessary to determine the priorities for restoration and acquisition statewide.

(3) Up to twenty five million dollars (\$25,000,000) may be granted to the University of California for the Natural Reserve System for matching grants for land acquisition and for the construction and development of facilities that will be used for research and training to improve the management of natural lands and the preservation of California's wildlife resources.

(c) The sum of ninety million dollars (\$90,000,000) shall be available to the board for grants to implement or assist in the establishment of Natural Community Conservation Plans, Chapter 10 (Commencing with Section 2800) of Division 3 of the Fish and Game Code.

(d) The sum of forty five million dollars (\$45,000,000) shall be available for the protection of ranches, farms, and oak woodlands according the following schedule:

(1) Grazing land protection pursuant to the California Rangeland, Grazing Land and Grassland Protection Act, commencing with Section 10330 of Division 10.4.....\$15,000,000.

(2) Oak Woodland Preservation pursuant to Article 3.5 (commencing with Section 1360) of Chapter 4 of Division 2 of the Fish and Game Code....\$15,000,000.

(3) Agricultural land preservation pursuant to the California Farmland Conservancy Program Act of 1995, Article 1 (commencing with Section 10200) of Division 10.2.....\$10,000,000.

(4) To the board for grants to assist farmers in integrating agricultural activities with ecosystem restoration and wildlife protection.....\$5,000,000.

Chapter 7. Protection of Beaches, Bays and Coastal Waters.

75060. The sum of five hundred forty million dollars (\$540,000,000) shall be available for the protection of beaches, bays and coastal waters and watersheds, including projects to prevent contamination and degradation of coastal waters and watersheds, projects to protect and restore the natural habitat values of coastal waters and lands, and projects and expenditures to promote access to and enjoyment of the coastal resources of the state, in accordance with the following schedule:

(a) The sum of ninety million dollars (\$90,000,000) shall be available to the state board for the purpose of matching grants for protecting beaches and coastal waters from pollution and toxic contamination pursuant to the Clean Beaches Program, Chapter 3 (commencing with Section 30915) of Division 20.4. Not less than \$35,000,000 shall be for grants to local public agencies to assist those agencies to comply with the discharge prohibition into Areas of Special Biological Significance contained in the California Ocean Plan. Not less than 20% of the funds allocated by this subdivision shall be available to the Santa Monica Bay Restoration Commission.

(b) The sum of one hundred thirty five million dollars (\$135,000,000) shall be available for the State Coastal Conservancy for expenditure pursuant to Division 21.

(c) The sum of one hundred eight million dollars (\$108,000,000) shall be available for the San Francisco Bay Area Conservancy Program pursuant to Chapter 4.5 of Division 21. Not less than 20% of the funds allocated by this paragraph shall be expended on projects in watersheds draining directly to the Pacific Ocean.

(d) The sum of forty five million dollars (\$45,000,000) for the protection of the Santa Monica Bay and its watersheds shall be available as follows:

(1) To the Santa Monica Mountains Conservancy pursuant to Division 23 (commencing with Section 33000).....\$20,000,000.

(2) To the Baldwin Hills Conservancy for the protection of the Ballona Creek/Baldwin Hills watershed....\$10,000,000.

(3) To the Rivers and Mountains Conservancy.....\$15,000,000.

(e) The sum of forty five million dollars (\$45,000,000) for the protection of Monterey Bay and its watersheds shall be available to the State Coastal Conservancy.

(f) The sum of twenty seven million dollars (\$27,000,000) for the protection of San Diego Bay and adjacent watersheds shall be available to the State Coastal Conservancy.

(g) The sum of ninety million dollars (\$90,000,000) shall be allocated to the California Ocean Protection Trust Fund (Chapter 4 (commencing with Section 35650) of Division 26.5) and available for the purposes of projects consistent with Section 35650. Priority projects shall include the development of scientific data needed to adaptively manage the state's marine resources and reserves, including the development of marine habitat maps, the development and implementation of projects to foster sustainable fisheries using loans and grants, and the development and implementation of projects to conserve marine wildlife.

Chapter 8. Parks and Nature Education Facilities

75063. The sum of five hundred million dollars (\$500,000,000) shall be available to provide public access to the resources of the State of California, including its rivers, lakes and

streams, its beaches, bays and coastal waters, to protect those resources for future generations, and to increase public understanding and knowledge of those resources, in accordance with the following schedule:

(a) The sum of four hundred million dollars (\$400,000,000) shall be available to the Department of Parks and Recreation for development, acquisition, interpretation, restoration and rehabilitation of the state park system and its natural, historical, and visitor serving resources. The Department of Parks and Recreation shall include the following goals in setting spending priorities for the funds appropriated pursuant to this section:

(1) The restoration, rehabilitation and improvement of existing state park system lands and facilities.

(2) The expansion of the state park system to reflect the growing population and shifting population centers and needs of the state.

(3) The protection of representative natural resources based on the criteria and priorities identified in Section 75071.

(b) The sum of one hundred million dollars (\$100,000,000) shall be available to the Department of Parks and Recreation for grants for nature education and research facilities and equipment to non-profit organizations and public institutions, including natural history museums, aquariums, research facilities and botanical gardens. Eligible institutions include those that combine the study of natural science with preservation, demonstration and education programs that serve diverse populations, institutions that provide collections and programs related to the relationship of Native American cultures to the environment, and institutions for marine wildlife conservation research. Grants may be used for buildings, structures and exhibit galleries that present the collections to inspire and educate the public and for marine wildlife conservation research equipment and facilities.

Chapter 9. Sustainable Communities and Climate Change Reduction

75065. The sum of five hundred eighty million dollars (\$580,000,000) shall be available for improving the sustainability and livability of California's communities through investment in natural resources. The purposes of this chapter include reducing urban communities' contribution to global warming and increasing their adaptability to climate change while improving the quality of life in those communities. Funds shall be available in accordance with the following schedule:

(a) The sum of ninety million dollars (\$90,000,000) shall be available for urban greening projects that reduce energy consumption, conserve water, improve air and water quality, and provide other community benefits. Priority shall be given to projects that provide multiple benefits, use existing public lands, serve communities with the greatest need, and facilitate joint use of public resources and investments including schools. Implementing legislation shall provide for planning grants for urban greening programs. Not less than \$20,000,000 shall be available for urban forestry projects pursuant to the California Urban Forestry Act, Chapter 2 (commencing with Section 4799.06) of Part 2.5 of Division 1.

(b) The sum of four hundred million dollars (\$400,000,000) shall be available to the Department of Parks and Recreation for competitive grants for local and regional parks. Funds provided in this subdivision may be allocated to existing programs or pursuant to legislation enacted to implement this subdivision, subject to the following considerations:

(1) Acquisition and development of new parks and expansion of overused parks that provide park and recreational access to underserved communities shall be given preference.

(2) Creation of parks in neighborhoods where none currently exist shall be given preference.

(3) Outreach and technical assistance shall be provided to underserved communities to encourage full participation in the program or programs.

(4) Preference shall be given to applicants that actively involve community based groups in the selection and planning of projects.

(5) Projects will be designed to provide efficient use of water and other natural resources.

(c) The sum of ninety million dollars (\$90,000,000) shall be available for planning grants and planning incentives, including revolving loan programs and other methods to encourage the development of regional and local land use plans that are designed to promote water conservation, reduce automobile use and fuel consumption, encourage greater infill and compact development, protect natural resources and agricultural lands, and revitalize urban and community centers.

75066. Appropriation of the funds provided in subdivisions (a) and (c) of Section 75065 may only be made upon enactment of legislation to implement that subdivision.

Chapter 10. Miscellaneous Provisions

75070. Every proposed activity or project to be financed pursuant to this division shall be in compliance with the California Environmental Quality Act, Division 13 (commencing with Section 21000).

75070.4. Acquisitions of real property pursuant to Chapters 5, 6, 7, 8, and 9 shall be from willing sellers.

75070.5. Not more than 5% of the funds allocated to any program in this division may be used to pay the costs incurred in the administration of that program.

75071. In evaluating potential projects that include acquisition or restoration for the purpose of natural resource protection, the Department of Parks and Recreation, the board, and the State Coastal Conservancy shall give priority to projects that demonstrate one or more of the following characteristics:

(a) Landscape/Habitat Linkages: properties that link to, or contribute to linking, existing protected areas with other large blocks of protected habitat. Linkages must serve to connect existing protected areas, facilitate wildlife movement or botanical transfer, and result in sustainable combined acreage.

(b) Watershed Protection: projects that contribute to long-term protection of and improvement to the water and biological quality of the streams, aquifers, and terrestrial resources of priority watersheds of the major biological regions of the state as identified by the Resources Agency.

(c) Properties that support relatively large areas of under-protected major habitat types.

(d) Properties that provide habitat linkages between two or more major biological regions of the state.

(e) Properties for which there is a non-state matching contribution toward the acquisition, restoration, stewardship or management costs. Matching contributions can be either monetary or in the form of services, including volunteer services.

(f) At least fourteen days before approving an acquisition project funded by this division, an agency subject to this section shall submit to the Resources Agency and post on its website an explanation as to whether and how the proposed acquisition meets criteria established in this section.

75071.5. The Department of Parks and Recreation, the board, and the State Coastal Conservancy shall work with the United States Department of Defense to coordinate the development of buffer areas around military facilities that facilitate the continued operation of those facilities and promote the conservation and recreation goals of the state. To the extent consistent with this division, agencies may provide funding to support projects that meet the purposes of this section.

75072. Up to 10 percent of funds allocated for each program funded by this division may be used to finance planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This provision shall not otherwise restrict funds ordinarily used by an agency for "preliminary plans," "working drawings," and

“construction” as defined in the Annual Budget Act for a capital outlay project or grant project. Water quality monitoring shall be integrated into the Surface Water Ambient Monitoring Program administered by the state board.

75072.5 For the purposes of Section 75060(e), “Monterey Bay and its watersheds” shall be considered to be watersheds of those rivers and streams in Santa Cruz and Monterey Counties flowing to the Monterey Bay southward to, and including, the Carmel River watershed.

75072.6. For purposes of Section 75060(f), “San Diego Bay and adjacent watersheds” includes the coastal and bay watersheds within San Diego County.

75072.7. For purposes of Section 75060(d), “Santa Monica Bay and watershed” includes the coastal and bay watersheds in Ventura and Los Angeles Counties from Calleguas Creek southward to the San Gabriel River.

75073. Funds scheduled in Chapter 5, 6, 7 and 8 of this division that are not designated for competitive grant programs may also be used for the purposes of reimbursing the General Fund, pursuant to the Natural Heritage Preservation Tax Credit Act of 2000 (Division 28 (commencing with Section 37000)).

75074. In enacting Chapters 5, 6, 7 and 8 of this division it is the intent of the people that when a project or program is funded herein, funds for such program or project may be used to the full extent authorized by the statute governing the program or conservancy receiving such funds.

75075. The body awarding any contract for a public works project financed in any part from funds made available pursuant to this division shall adopt and enforce, or contract with a third party to enforce, a labor compliance program pursuant to subdivision (b) of Labor Code Section 1771.5 for application to that public works project.

75076. Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government code does not apply to the development and adoption of program guidelines and selection criteria adopted pursuant to this chapter.

75077. Funds provided pursuant to this chapter, and any appropriation or transfer of those funds, shall not be deemed to be a transfer of funds for the purposes of Chapter 9 (commencing with Section 2780) of Division 3 of the Fish and Game Code.

75078. The Secretary shall provide for an independent audit of expenditures pursuant to this division to ensure that all moneys are expended in accordance with the requirements of this division. The secretary shall publish a list of all program and project expenditures pursuant to this division not less than annually, in written form, and shall post an electronic form of the list on the Resources Agency's Internet Website.

75079. The Secretary shall appoint a citizen advisory committee to review the annual audit and to identify and recommend actions to ensure that the intent and purposes of this division are met by the agencies responsible for implementation of this division.

Chapter 11. Fiscal Provisions

75080. Bonds in the total amount of five billion three hundred and eighty eight million dollars (\$5,388,000,000), not including the amount of any refunding bonds issued in accordance with Section 75088, or so much thereof as is necessary, may be issued and sold to be used for carrying out the purposes set forth in this division and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

The bond proceeds shall be deposited in the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 created by Section 75009. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of and interest on the bonds as they become due and payable.

75081. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, and all provisions of that law shall apply to the bonds and to this division and are hereby incorporated in this division by this reference as though fully set forth in this division.

75082. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this division, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Finance Committee is hereby created. For purposes of this division, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Finance Committee is "the committee" as that term is used by the State General Obligation Bond Law. The committee shall consist of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of this chapter and the State General Obligation Bond Law, the secretary is designated as "the board."

75083. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

75084. There shall be collected annually in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do so and perform each and every act that is necessary to collect that additional sum.

75085. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund, for purposes of this division, an amount that will equal the total of the following:

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

(b) The sum which is necessary to carry out the provisions of Section 75086, appropriated without regard to fiscal years.

75086. For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized to be sold for the purpose of carrying out this division. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from money received from the sale of bonds that would otherwise be deposited in that fund.

75087. All money derived from premium and accrued interest on bonds sold shall be reserved and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

75088. Any bonds issued or sold pursuant to this division may be refunded by the issuance of refunding bonds in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. Approval by the electors of the state for the issuance of the bonds shall include approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

75090. The people of California hereby find and declare that inasmuch as the proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitation imposed by that article.

SEC. 2. If any provision of this Act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC.3. This Act is an exercise of the public power of the People of the State of California for the protection of their health, safety, and welfare and shall be liberally construed to effectuate those purposes.

Californians for Clean Water and Coastal Protection
A Coalition of Conservation Groups
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Proposition 1E

Assembly Bill 140 (Nuñez, D-Los Angeles) which will appear on the ballot as Proposition 1E, is a \$4.1 billion levee repair and flood control bond designed to shore up the state's deteriorating levee system. Of the total bond, \$3 billion would go to the Delta and state-federal project levees. The remaining \$1.09 billion would include \$500 million for statewide flood control subventions; \$300 million for grants to local governments for storm water flood management, and \$290 million for alluvial floodplains and bypasses.

Allocations by state region

Central Valley

As a primary floodplain, Sacramento and San Joaquin county projects will benefit from a portion of the \$3 billion set aside in the bond for the Delta. The bond will include funds for projects to improve levees on the Sacramento and American Rivers and to improve Folsom Dam's ability to protect Sacramento from flooding. Levee projects in these counties would be eligible for funding as part of the \$3 billion allocated by the bond to improve state-federal project levees and flood systems.

Northern California and Bay Area

Levee and other flood protection projects in Yuba City, Marysville, Woodland, West Sacramento, Stockton, Lathrop, and numerous small towns would be eligible for funding as part of the \$3 billion allocated by the bond to improve state/federal project levees and flood systems.

Southern California

- San Diego County would receive approximately \$950,000 in directed funding for the San Luis Rey River and Sweetwater River, and would be eligible for its share of funding from the \$300 million for storm water flood control projects.
- Orange County would receive approximately \$185 million in directed funding for the Santa Ana River Mainstem and would be eligible for their share of funding from the \$300 million for storm water flood control projects.
- Los Angeles County would receive approximately \$10 million in directed funding for the Los Angeles County Drainage Area and would be eligible for its share of funding from the \$300 million for storm water flood control projects.
- Riverside County would receive approximately \$12.9 million: Gunnerson Pond - \$1.5 million; Murrieta Creek - \$5.2 million; Norco Bluffs - \$3.5 million; Santa Ana River Mainstem - \$2 million; Lake Elsinore Outlet - \$700,000.
- San Bernardino County would receive approximately \$6.1 million.
- Santa Ana River Mainstem - \$6.1 million.

Proposition 84

Also called the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, Prop. 84 is a nearly \$5.4 billion initiative, that, if passed, would provide funding for all of the major natural resource protection and water programs at the state level. All of California will benefit from these funds, as programs with local, regional and statewide benefit can all compete for funding. The total amount of funding for water programs is \$2.714 billion and includes:

\$240 million for Safe Drinking Water

- \$10 million for Emergency Safe Drinking Water Projects
- \$180 million for Small Community Grants
- \$50 million for Safe Drinking Water Revolving Fund

\$1.285 billion for Integrated Water Management and Water Quality

- \$80 million for the Clean Water Revolving Fund
- \$1 billion for Integrated Regional Water Management Grants (DWR)
- \$60 million for Groundwater Cleanup Loans and Grants (DHS)
- \$130 million for Delta Water Quality Improvement
- \$15 million for Agricultural Pollution Reduction

\$800 million for Flood Control

- \$30 million for Floodplain Mapping
- \$275 million for Flood Control
- \$275 million for Delta Levees
- \$180 million for Subventions
- \$40 million for Flood Corridors

\$65 million for Statewide Water Planning and Design

- Surface Water Storage Planning and Feasibility (CalFed)
- Evaluation of Climate Change Impacts on Flood and Water Systems
- Flood Protection Improvement
- Other Studies Related to Integration of Flood and Water Systems

\$928 million for Protection of Rivers, Lakes and Streams

- \$90 million for Storm Water Cleanup (TMDLs)
- \$180 million for Environmental Conflicts Related to Water Projects
- \$90 million for Colorado River, QSA and Salton Sea
- \$54 million for Public Access to State Water Projects (State's obligation)
- \$72 million for River Parkways and \$18 million for Urban Streams
- \$72 million for the LA/San Gabriel Rivers
- \$36 million for the San Joaquin River
- \$36 million for Coachella/Desert Area

Additionally, if passed, the proposition would provide \$1 billion to the Department of Water Resources for Integrated Regional Water Management. The funds would be divided by hydrologic regions and available by competitive grants within those regions. The program is modeled after and uses Prop. 50 guidelines. The regional breakdown of potential funding is:

North Coast	\$37 million
San Francisco Bay	\$138 million
Central Coast	\$52 million
Los Angeles	\$215 million
Santa Ana	\$114 million
San Diego	\$91 million
Sacramento	\$73 million
San Joaquin	\$57 million
Tulare	\$60 million
Lahontan	\$27 million
Colorado River	\$36 million
Inter-regional	\$100 million

Specific funding benefits for Southern California counties include:

Los Angeles County

Funding Amount	Program	Bond Funding Category
\$72 million	Los Angeles/San Gabriel Rivers	Protection of Rivers, Lakes & Streams
\$215 million	Los Angeles Integrated Regional Water Management	Integrated Water Management & Water Quality
\$45 million	Santa Monica Bay Watersheds (Santa Monica Mountains Conservancy, Baldwin Hills Conservancy, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy)	Beaches, Bays & Coastal Protection

Orange, Riverside and San Bernardino Counties

Funding Amount	Program	Bond Funding Category
\$45 million	Santa Ana River Parkway Improvement	Protection of Rivers, Lakes & Streams
\$114 million	Santa Ana Sub-Region Integrated Regional Water Management	Integrated Water Management & Water Quality
\$tbd	Subventions funding (SARI line)	Flood Control

San Diego County

Funding Amount	Program	Bond Funding Category
\$36 million	All-American and Coachella Canals Lining	Protection of Rivers, Lakes & Streams
\$7 million	Lower Colorado River Multi-Species Habitat Conservation Plan	Protection of Rivers, Lakes & Streams
\$47 million	Salton Sea Restoration	Protection of Rivers, Lakes & Streams
\$91 million	San Diego Integrated Regional Water Management	Integrated Water Management & Water Quality
\$27 million	San Diego Bay	Beaches, Bays & Coastal Protection