



- Board of Directors  
*Communications and Legislation Committee*

3/10/2020 Board Meeting

**8-1**

**Subject**

Support and seek amendments to the Governor’s Proposed Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

**Executive Summary**

The Governor’s Proposed Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 (Climate Resilience Bond) (**Attachment 1**) would place a \$4.75 billion bond on the November 2020 ballot for voter approval. If approved, it would authorize general obligation bond funding to help the state mitigate and prepare for the effects of climate change and reduce the risks from water, fire, extreme heat, and sea level rise.

**Details**

As published on the California Department of Finance web page, the Governor’s Proposed Trailer Bill for the Climate Resilience Bond would authorize \$4.75 billion general obligation bonds, contingent upon approval by the California voters, to be allocated as follows:

Chapter	Title	Amount
2	Supporting Safe Drinking Water and Resilience to Flood and Drought	\$2.95 billion
3	Wildfire Resilience Through Forest Health and Community Preparedness	\$750 million
4	Minimizing Threats Posed to Coastal Resources and Communities from Seal Level Rise and Changing Ocean Conditions	\$500 million
5	Mitigating Extreme Heat	\$325 million
6	Supporting Community Resilience	\$250 million
<b>Total</b>		<b>\$4.75 billion</b>

**Impacts to Metropolitan and Member Agencies**

The Governor’s Climate Resilience Bond would provide funding to help increase statewide resiliency against climate change. If approved by the voters, this bond could reduce the severity of impacts, particularly for disadvantaged and underinvested communities throughout California. The proposed bond will support investments over the next five years with a goal of creating a long-term spending plan to help the state address climate risks.

Metropolitan and its member agencies would benefit from current provisions in the Governor's proposed bond, including:

- Funding for regional and intra-regional water resilience programs and projects that could include stormwater capture, recycled water, drinking water treatment and distribution, water use efficiency and conservation, and water storage and conveyance.
- Sustainable groundwater management.
- Flood infrastructure improvements projects prioritized by the Army Corps of Engineers and Sacramento and San Joaquin Bay-Delta multi-benefit flood projects.
- Fish species habitat restoration.
- Salton Sea Management Program to address environmental and local needs.
- Coastal wetlands restoration and protection of critical infrastructure vulnerable to sea level rise and flooding.
- Long-term forest health and hardening critical infrastructure, such as drinking water and wastewater infrastructure, to protect against wildfires.

Staff recommends support of these provisions based on board-adopted 2020 Principles and Priorities in order to ensure a more reliable and climate-resilient water supply system for our region.

### **Recommended Amendments**

Staff recommends that funding priorities in Chapter 2, Supporting Safe Drinking Water and Resilience to Flood and Drought be amended to include the following:

1. Separate funding for recycled water projects that would help the state achieve its goals for recycled water. WaterReuse California conducted a survey of its member agencies and found there is a \$10 billion demand for recycled water projects and the State Water Resources Control Board has a current \$3 billion backlog of projects for funding.
2. Provide funding for the restoration of the carrying capacity of conveyance facilities impacted by subsidence. Ensure adequate and targeted funding for sustainable groundwater management projects to reduce California Aqueduct subsidence.
3. Adequate funding should support non-mitigation related ecosystem improvements, including enhanced fish species monitoring, modeling, scientific research, and habitat restoration the Sacramento-San Joaquin Bay-Delta.
4. Funds for the State Water Resources Control Board to improve monitoring and control methods for harmful algal blooms, improved monitoring, remediation, and research into treatment for regulated and emerging contaminants, including perfluoroalkyl and polyfluoroalkyl substances.

Additionally, staff recommends that funding priorities in Chapter 6, Supporting Community Resilience, be amended to include funding for the replacement of emergency back-up generators for water and wastewater facilities that are critical to maintain public health and safety standards during power outages, including public safety power shutoffs.

Last, staff recommends adding a new section to the proposed bond language to provide funding for projects and programs that address the water-energy nexus to minimize greenhouse gas emissions. Funding for this section should support research into the use and availability of solar energy and battery storage systems to reduce greenhouse gas emissions at treatment and pumping plants.

## Policy

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Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities.

By Minute Item 51831, dated Dec 10, 2019, the Board adopted the State Legislative Priorities and Principles for 2020, as amended.

By Minute Item 51418, dated December 11, 2018, the Board adopted the State Legislative Priorities and Principles for 2019, as amended.

By Minute Item 50611, dated October 11, 2016, the Board adopted the Legislative Policy Principle on Watershed Management.

By Minute Item 49165, dated August 21, 2012, the Board adopted the amended Source Water Quality Protection Policy Principle.

By Minute Item 46191, dated April 12, 2005, the Board adopted Drinking Water Quality Policy Principles.

By Minute Item 46637, dated April 11, 2006, the Board adopted policy principles regarding long-term actions for the Sacramento-San Joaquin River Delta as described in the Revised Board Letter 8-3, as described in the revised letter signed by the General Manager on April 4, 2006.

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves legislative proposals that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Public Resources Code Section 21065 and Section 15378(b)(1) of the State CEQA Guidelines).

### CEQA determination for Option #2:

None required.

## Board Options

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### Option #1

Authorize the General Manager to express support and seek amendments to the Governor's Proposed Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020.

**Fiscal Impact:** If approved by the voters, the wide variety of projects to be funded by the state have the potential to increase the resilience of local communities against climate change impacts within Metropolitan's service area, thereby potentially reducing future Metropolitan and member agency expenditures to achieve, maintain and improve regional resiliency to wildfires, droughts, floods, and other climate change-related impacts.

**Business Analysis:** If approved by the voters, state funding would be available for various climate resilience projects and projects to develop more resilient local communities, water supplies, and local community capacity.

### Option #2

Take no position on the Governor's Proposed Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020.

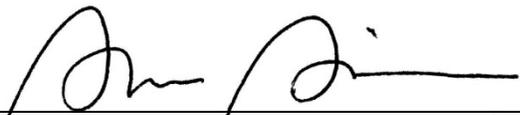
**Fiscal Impact:** If not approved by the voters, Metropolitan and member agencies may need to expend additional fiscal resources in the future to maintain and improve regional resiliency to wildfires, droughts, floods, and other climate change-related impacts.

**Business Analysis:** If not approved by the voters, there would be less funding available to assist local communities develop regional resiliency to wildfires, droughts, floods, and other climate change-related impacts.

**Staff Recommendation**

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Option #1

  
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Sue Sims  
Group Manager, External Affairs

2/28/2020  
Date

  
\_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

3/3/2020  
Date

**Attachment 1 – Trailer Bill – Safe Drinking Water, Wildlife Prevention,  
and Natural Resources Protection Bond Act of 2020**

Ref# ea12673332

**Attachment 1**  
**Trailer Bill - Safe Drinking Water, Wildlife Prevention, and**  
**Natural Resources Protection Bond Act of 2020**

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

**SECTION 1.** Division 47 (Commencing with Section 80200) is added to the Public Resources Code, to read:

**DIVISION 47.**

**SAFE DRINKING WATER, WILDFIRE PREVENTION, AND NATURAL RESOURCES  
PROTECTION BOND ACT OF 2020**

**CHAPTER 1. General Provisions**

**80200.** This division shall be known, and may be cited, as the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020.

**80201.** The people of California find and declare the following:

(a) California's changing climate creates increased risks of drought, floods, catastrophic wildfire, severe heat events, intense rain events, and sea level rise that will affect California's residents, agriculture, water supply, water quality, and the health of our forests, watersheds, fish and wildlife, biodiversity, and economy.

(b) Climate change threatens and undermines the state's ability to provide access to clean, safe, and reliable drinking water.

(c) These risks and impacts vary by region and can overwhelm the resources of local governments and communities that must cope with changing conditions and severe climate change-related events.

(d) Dedicated funding is needed to provide disadvantaged and vulnerable communities benefit from adaptation and resilience investments.

(e) Reducing vulnerability to fire, flood, drought, and other climate change-related events requires investments to save lives and increase the climate resilience of communities and natural systems.

(f) An integrated statewide investment that increases resilience to climate change impacts will save Californians billions of dollars by preventing or reducing the amount of damage that would otherwise occur.

(g) The investment of public funds pursuant to this division will result in public benefits that will address the most critical statewide climate resilience needs and priorities for public funding while saving billions of dollars.

**80202.** (a) In the appropriation and expenditure of funding authorized by this division, priority shall be given to projects that reduce the impacts of climate change to people, nature, and built infrastructure; leverage private, federal, and local funding; and/or achieve multiple benefits.

(b) To the extent practicable, a state agency allocating funds available pursuant to this division shall prioritize projects that advance the state's resilience principles, as

established by the State of California's Integrated Climate Adaptation and Resiliency Program, which include:

- (1) Prioritize integrated climate actions, those that both reduce greenhouse gas emissions and build resilience to climate impacts, as well as actions that provide multiple benefits.
  - (2) Prioritize actions that promote equity, foster community resilience, and protect the most vulnerable. Explicitly include communities that are disproportionately vulnerable to climate impacts.
  - (3) Prioritize natural and green infrastructure solutions to enhance and protect natural resources, as well as urban environments. Preserve and restore ecological systems (or engineered systems that use ecological processes) that enhance natural system functions, services, and quality and that reduce risk, including but not limited to actions that improve water and food security, habitat for fish and wildlife, coastal resources, human health, recreation and jobs.
  - (4) Avoid maladaptation by making decisions that do not worsen the situation or transfer the challenge from one area, sector, or social group to another. Identify and take all opportunities to prepare for climate change in all planning and investment decisions.
  - (5) Base all planning, policy, and investment decisions on the best-available science, including local and traditional knowledge, including consideration of future climate conditions out to 2050 and 2100, and beyond.
  - (6) Employ adaptive and flexible governance approaches by utilizing collaborative partnership across scales and between sectors to accelerate effective problem solving. Promote mitigation and adaptation actions at the regional and landscape scales.
  - (7) Take immediate actions to reduce present and near future (within 20 years) climate change risks for all Californians; do so while also thinking in the long term and responding to continual changes in climate, ecology, and economics using adaptive management that incorporates regular monitoring.
- (c) Administering agencies shall be guided by the following implementation principles:
- (1) Invest in actions that, to the extent practicable, advance the state's resilience principles pursuant to section 80202 (b).
  - (2) Reduce administrative complexity of bond-funded programs; utilize and align existing programs and mechanisms where possible to achieve existing state goals.
  - (3) Build regional resilience recognizing that climate threats differ widely across the state.
  - (4) Leverage other funding through use of bond proceeds; require funding matches where appropriate to attract important federal, local and philanthropic resources.

(5) Increase collaboration among administering agencies by organizing funds around the type or types of risks and requiring where possible multi-agency development, review and selection of projects.

(d) To the extent practicable, a project that receives funding pursuant to this division may include signage informing the public that the project received funding from the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020.

**80203.** For the purposes of this division, the following definitions apply:

(a) "Committee" means the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 Finance Committee created pursuant to Section 80282.

(b) "Council" is the California Strategic Growth Council established pursuant to Public Resource Code Section 75121.

(c) "Disadvantaged Community", unless otherwise specified, means a community with a median household income less than 80 percent of the statewide average.

(d) "Fund" means the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 Fund created pursuant to Section 80214.

(e) "Local coastal program" has the same meaning as in Public Resources Code Section 30108.6.

(f) "Local hazard mitigation plan" means the plan adopted in accordance with the federal Disaster Mitigation Act of 2000 (P.L. 106-390) as part of the safety element of a city, county, or city and county's general plan.

(g) "General plan" has the same meaning as in Government Code Section 65302.

(h) "Natural infrastructure" means using natural ecological systems or processes to reduce vulnerability to climate change related hazards, or other related climate change effects, while increasing the long-term adaptive capacity of coastal and inland areas by perpetuating or restoring ecosystem services. This includes, but is not limited to, the conservation, preservation, or sustainable management of any form of aquatic or terrestrial vegetated open space, such as beaches, dunes, tidal marshes, reefs, seagrass, parks, rain gardens, and urban tree canopies. It also includes systems and practices that use or mimic natural processes, such as permeable pavements, bioswales, and other engineered systems, such as levees that are combined with restored natural systems, to provide clean water, conserve ecosystem values and functions, and provide a wide array of benefits to people and wildlife.

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

(j) (1) "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, any of the following:

(A) The control of erosion.

(B) Stormwater capture, treatment, reuse and storage, or to otherwise reduce stormwater pollution.

(C) The control and elimination of invasive species and harmful algal blooms.

(D) The planting of native species.

(E) The removal of waste and debris.

(F) Fuel hazard reduction.

(G) Fencing out threats to existing or restored natural resources.

(H) Improving instream, riparian, or wetland habitat conditions.

(I) Other plant and wildlife habitat improvement to increase the natural system value of the property, or coastal or ocean resources.

(J) Activities described in subdivision (b) of Section 79737 of the Water Code.

(2) "Restoration" also includes activities, such as the planning, permitting, monitoring, and reporting that are necessary to ensure successful implementation of the restoration objectives.

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

(l) "Socially disadvantaged farmer or rancher" means as defined in Food and Agricultural Code Section 512.

(m) "Tribe" means a federally recognized Native American Tribe or a nonfederally recognized Native American Tribe listed on the California Tribal Consultation List maintained by the Native American Heritage Commission located in California.

(n) "Vulnerable Communities" means communities that experience heightened risk and increased sensitivity to climate change and have less capacity and fewer resources to cope with, adapt to, or recover from climate impacts. These disproportionate effects are caused by physical (built and environmental), social, political, and/or economic factors, which are exacerbated by climate impacts.

**80204.** An amount not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

**80205.**(a) Except as provided in subdivision (b), up to 10 percent of funds allocated for each program funded by this division may be expended for planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under the program. This section shall not otherwise restrict funds ordinarily used by an agency for "preliminary plans," "working drawings," and "construction" as defined in the annual Budget Act for a capital outlay project or grant project. Planning

may include studies. Monitoring may include monitoring of climate risk reduction and resilience measures associated with program expenditures under this division to ensure successful implementation of such measures.

(b) Funds used for planning and monitoring of programs that benefit disadvantaged communities or socially disadvantaged farmers or ranchers may exceed 10 percent of the funds allocated if the state agency administering the moneys determines that there is a need for the additional funding.

(c) At least 35 percent of the funds available pursuant to this division shall be allocated for projects benefiting disadvantaged communities or socially disadvantaged farmers or ranchers.

**80206.** (a) Administering agencies may provide funding pursuant to this division through programs that match or leverage federal funding.

(b) A state agency administering funds pursuant to this division may make a grant to a federal agency if the state agency determines a grant is the most efficient way to implement the intent of this division on federally managed lands.

**80207.** Subject to section 11019 of the Government Code, for grants awarded for projects that serve a disadvantaged community or socially disadvantaged farmers or ranchers, the administering entity may provide advanced payments up to 25 percent of the grant award to the recipient to initiate the project in a timely manner. If the administering entity provides advanced payments, it shall adopt additional requirements regarding the distribution and use of advanced payments to ensure that the moneys are used properly for grant-funded work, including repayment if the funds are not used.

**80208.** Up to 10 percent of the funds available pursuant to each chapter of this division may be allocated for technical assistance for disadvantaged communities or socially disadvantaged farmers or ranchers.

**80209.** Unless otherwise specified, eligibility for funding under this division shall be determined by the administering agencies in the guideline development process specified in Section 80211.

**80210.** (a) To be eligible for funding under this division, a project proposed by a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors.

(b) Tribes are eligible recipients of funds available pursuant to this division.

**80211** (a) Prior to disbursing grants or loans pursuant to this division, each state agency that receives an appropriation from the funding made available by this division to administer a competitive grant or loan program under this division shall develop and adopt project solicitation and evaluation guidelines. The guidelines shall include monitoring and reporting requirements and may include a limitation on the dollar

amount of grants or loans to be awarded. An agency may use or modify existing program guidelines to be consistent with this division.

(b) Prior to adopting guidelines, the state agency shall conduct public meetings and consider public comments. The state agency shall publish the draft guidelines on its internet web site at least 30 days before the public meetings.

(c) Prior to approving grant guidelines, the state agency shall make the following finding in a report to the Council:

Grant guidelines developed by the administering entity, to the extent practicable, advance the resilience principles pursuant to Section 80202(b) and the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 objectives pursuant to Section 80214(a).

(d) 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 division.

(e) Division 13 of the Public Resources Code does not apply to the development and adoption of program guidelines and selection criteria adopted pursuant to this division.

(f) The Council will work in collaboration with all departments and agencies that administer expenditures under this division to develop overarching guidance on bond expenditures.

**80212.** (a) Nothing in this division determines or alters water rights or water right priorities.

(b) Nothing in this division is a limitation on the authority of the Natural Resources Agency, the Water Board, entities under the Natural Resources Agency, or the Department of Finance under any other law, including any authority to transfer an appropriation of funds made available by this division to another state department or entity for use by the department or entity if doing so will be administratively efficient and consistent with both this division and the code section from which they were allocated.

(c) Funds provided by this division shall not be used to acquire land via eminent domain.

**80213.** (a) The Department of Finance shall provide for an independent audit, as it determines necessary, of any entity receiving funds pursuant to this division. The audit shall determine the entity's compliance with this division, including fiscal activities and performance metrics or deliverables. Such audit may be provided for through contracting with other entities. The Secretary of the Natural Resources Agency 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 an Internet Web site in a downloadable spreadsheet format. The publication shall include:

(1) Information about the location of each funded project, the project's objectives, the status of the project, anticipated outcomes, any matching moneys provided for the

project by the grant recipient, and the applicable chapter of this division pursuant to which the grant recipient received moneys.

(2) Information identifying that the administering entity made one or more of the following findings for each grant program:

(A) The expenditure is anticipated to reduce the risk of flood, drought, wildfire, sea level rise, extreme heat, or other danger that is associated with, or exacerbated by, climate change.

(B) The expenditure will increase the resilience of a community's residents, workers, visitors, businesses, built infrastructure, and/or a natural system to the risks of flood, drought, wildfire, sea level rise, extreme heat, or other danger that is associated with or exacerbated by climate change.

(C) The expenditure will help a community recover from the impacts of flood, drought, wildfire, sea level rise, extreme heat, or other climate-related events, or help restore a natural system, natural infrastructure, from the impacts of flooding, drought, wildfire, extreme heat, or other climate-related events.

(D) The expenditure will help improve the resilience of a community's water supplies or provide safe drinking water or clean water benefits in light of California's changing climate.

(b) The state agency issuing any grant with funding authorized by this division shall provide oversight of the grant funding and shall require periodic reporting of the grant expenditures and progress of the grant deliverables.

(c) Each state agency that receives an appropriation of funding made available by this division shall be responsible for establishing metrics of success and reporting the status of projects and all uses of the funding on the state's bond accountability Internet Website.

(d) Notwithstanding any provision of this division, the full costs associated with the publications, audits, statewide bond tracking, cash management, and related oversight activities provided for in this section shall be funded from this division. These costs shall be shared proportionally by each program through this division. Actual costs incurred to administer non-grant programs authorized by this division shall be paid from the funds authorized in this division. The provisions of Section 10295 and Sections 10335 to 10381, inclusive, of the Public Contract Code shall not apply to agreements entered into by the Department of Finance in connection with the provision of an independent audit pursuant to this section.

**80214.** (a) The proceeds of bonds issued and sold pursuant to this division, exclusive of refunding bonds issued and sold pursuant to Section 80293, shall be deposited in the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 Fund, which is hereby created in the State Treasury. Moneys in the fund are available upon appropriation by the Legislature.

(b) Proceeds of bonds issued and sold pursuant to this division shall be allocated according to the following schedule:

(1) Two billion nine hundred twenty-five million dollars (\$2,925,000,000) for Chapter 2 (Commencing with Section 80220).

(2) Seven hundred fifty million dollars (\$750,000,000) for Chapter 3 (commencing with Section 80230).

(3) Five hundred million dollars (\$500,000,000) for Chapter 4 (commencing with Section 80240).

(4) Three hundred twenty-five million dollars (\$325,000,000) for Chapter 5 (commencing with Section 80250).

(5) Two hundred fifty million dollars (\$250,000,000) for Chapter 6 (commencing with Section 80260).

**80215.** The Legislature may enact legislation necessary to implement programs funded by this division.

## **CHAPTER 2. Supporting Safe Drinking Water and Resilience to Flood and Drought**

**80220.** (a) The sum of two billion nine hundred twenty-five million dollars (\$2,925,000,000) shall be available, upon appropriation by the Legislature, for providing safe and clean drinking water and resilience to flood and drought.

(b) Projects funded pursuant to this chapter may use the services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5 of the Public Resources Code.

(c) Funds provided by this chapter shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities.

**80221.** Of the funds made available by Section 80220, one billion dollars (\$1,000,000,000) shall be available, upon appropriation by the Legislature, to the Department of Water Resources and the Water Board, for projects and competitive grants or loans to support regional and inter-regional water resilience programs and projects. Funding allocated pursuant to this section shall support the regional approach identified in the Water Resilience Portfolio. This funding will support various water management programs and projects with a focus on regional and inter regional water projects, including but not limited to: Integrated Regional Water Management; multi-benefit stormwater management; wastewater treatment; water reuse and recycling; drinking water treatment and distribution; water use efficiency and water conservation; water storage; water conveyance; watershed protection, restoration, and management; and water quality.

**80222.** Of the funds made available by Section 80220, three hundred ninety-five million dollars (\$395,000,000) shall be available to the Department of Water Resources in collaboration with the Water Board, upon appropriation by the Legislature, for competitive grants for projects that support sustainable groundwater management implementation. These funds are dedicated to supporting local groundwater sustainability agencies implementing projects and programs related to the groundwater sustainability plans for critically overdrafted basins.

**80223.** Of the funds made available by Section 80220, three hundred sixty million dollars (\$360,000,000) shall be available to the Water Board, upon appropriation by the Legislature, for competitive grants or loans for the purposes described in Chapter 5 (commencing with Section 79720) of Division 26.7 of the Water Code to help provide clean, safe and reliable drinking water to all Californians.

**80224.** Of the funds made available by Section 80220, three hundred forty million dollars (\$340,000,000) shall be available, upon appropriation by the Legislature, to the Department of Water Resources for flood infrastructure projects. These funds will support flood risk reduction and provide the state cost share for priority United States Army Corps of Engineers projects.

**80225.** Of the funds made available by Section 80220, two hundred seventy million dollars (\$270,000,000) shall be made available, upon appropriation by the Legislature, to the Department of Water Resources for Central Valley and Sacramento-San Joaquin Delta multi-benefit flood control projects. These funds shall support multi-benefit flood risk reduction and ecosystem restoration efforts.

**80226.** Of the funds made available by Section 80220, two hundred twenty million dollars (\$220,000,000) shall be made available, upon appropriation by the Legislature, to the Natural Resources Agency for restoration activities identified in the Salton Sea Management Program Phase I: 10 Year Plan, dated March 2017, the final management plan report, and restoration activities identified in any subsequent revisions to this plan.

**80227.** (a) Of the funds made available by Section 80220, two hundred million (\$200,000,000) shall be made available, upon appropriation by the Legislature, to the Department of Food and Agriculture for projects and competitive grants to support environmental farming projects. The Environmental Farming Incentive Program would fund grants for incentives, demonstration projects and technical assistance to enhance agricultural lands for soil health, water quality and efficiency, biodiversity, resiliency and habitat benefits. Eligible projects include, but are not limited to, healthy soils, water efficiency, nutrient management, habitat restoration and other conservation practices on farms and ranches.

- (1) For the purposes of this section, a minimum of 35 percent of funds shall go to projects that benefit socially disadvantaged farmers or ranchers or disadvantaged communities. "Disadvantaged Community" means a community identified pursuant to Health and Safety Code Section 39711 or 39713.
- (2) Priority shall be given to small and medium sized farms.

**80228.** Of the funds made available by Section 80220, one hundred forty million dollars (\$140,000,000) shall be made available, upon appropriation by the Legislature, to the Department of Fish and Wildlife for projects and competitive grants for projects that enhance or restore native fish species habitat. Projects include, but are not limited to enhanced stream flows, improved fish passage, reconnection of riverine and floodplain habitat, and other actions to help fish adapt to climate change.

### **CHAPTER 3. Wildfire Resilience Through Forest Health and Community Preparedness**

**80230.** The sum of seven hundred fifty million dollars (\$750,000,000) shall be available, upon appropriation by the Legislature, for wildfire resilience.

**80231.** Of the funds made available by Section 80230, two hundred fifty million dollars (\$250,000,000) shall be available for the Department of Forestry and Fire Protection, upon appropriation by the Legislature, for competitive grants for projects that reduce the risk of wildfire and provide long-term forest health benefits, including, but not limited to reforestation; activities that promote long-term carbon storage; and upper watershed, riparian, mountain meadow and inland wetland restoration.

**80232.** (a) Of the funds made available by Section 80230, five hundred million dollars (\$500,000,000) shall be made to the Office of Emergency Services to be managed in coordination with the California Natural Resources Agency and the Department of Forestry and Fire Protection, upon appropriation by the Legislature, for competitive grants for hardening critical community infrastructure.

(b) These funds shall be allocated for projects that make critical infrastructure and facilities more resistant to wildfires and cascading climate impacts aligned with the State of California Hazard Mitigation Plan. This funding allocation may serve as matching funds for other non-state funding sources where allowable to support project implementation. Projects can include, but are not limited to, hardening of drinking/waste water infrastructure, emergency shelters, communication and warning systems, evacuation routes, emergency power and public medical facilities.

**80233.** Notwithstanding Section 80210, investor-owned utilities are not eligible to receive funds allocated in Sections 80231 and 80232.

### **CHAPTER 4. Minimizing Threats Posed to Coastal Resources and Communities from Sea Level Rise and Changing Ocean Conditions**

**80240.** The sum of five hundred million dollars (\$500,000,000) shall be available, upon appropriation by the Legislature, for competitive grants to the Ocean Protection Council for adapting to sea level rise and protecting coastal resources and communities from changing ocean conditions such as increasing ocean temperatures and acidification.

**80241.** Of the funds made available by Section 80240, three hundred twenty million dollars (\$320,000,000) shall be available, upon appropriation by the Legislature, for projects and for competitive grants for projects that restore coastal wetlands.

**80242.** Of the funds made available by Section 80240, one hundred thirty million dollars (\$130,000,000) shall be available, upon appropriation by the Legislature, for competitive grants for projects that use nature-based solutions to address climate change impacts to California's ocean ecosystems, including, but not limited to, kelp forests, seagrass habitat, eelgrass beds, and marine protected areas.

**80243.** Of the funds made available by Section 80240, fifty million dollars (\$50,000,000) shall be available, upon appropriation by the Legislature, for competitive grants for demonstration projects protecting critical infrastructure that is vulnerable to sea level rise and flooding, including, but not limited to, roads, railways, ports, sewage treatment plants, and power plants.

#### **CHAPTER 5. Mitigating Extreme Heat**

**80250.** The sum of three hundred twenty-five million dollars (\$325,000,000) shall be available, upon appropriation by the Legislature, for mitigating extreme heat impacts.

**80251.** Of the funds made available by Section 80250, two hundred million dollars (\$200,000,000) shall be available, upon appropriation by the Legislature, to the Natural Resources Agency for competitive grants for urban greening and forestry projects. These funds will support projects that mitigate urban heat island impacts. Eligible projects may include, but are not limited to, investments that support urban forestry projects and an expanded urban greening program that supports the creation of green recreational parks in park poor communities.

**80252.** (a) Of the funds made available by Section 80250, one hundred twenty-five million dollars (\$125,000,000) shall be available, upon appropriation by the Legislature, to the Council in collaboration with the Department of Transportation for competitive grants to support projects that provide for cool surface materials. This includes but is not limited to:

(1) Projects that support the installation of cool surfaces, including building, roofing and active transportation/roadway surfaces, at affordable housing developments, public spaces, and transit stations.

(2) Projects that support the installation of innovative pavement materials and pavement treatments on roadways and parking lots to mitigate heat island impacts.

(b) Notwithstanding subdivision (c) of section 80203, for the purpose of the allocation and use of funds available under this section, "Disadvantaged Community" means a community identified pursuant to Health and Safety Code Section 39711 or 39713.

#### **CHAPTER 6. Supporting Community Resilience**

**80260.** (a) The sum of two hundred fifty million dollars (\$250,000,000) shall be available, upon appropriation by the Legislature, to the Council for community resilience.

(b) In the implementation of the programs included in this chapter, the Council shall collaborate with all relevant agencies to develop grant guidelines.

**80261.** Of the funds made available by Section 80260, two hundred twenty-five million dollars (\$225,000,000) shall be available, upon appropriation by the Legislature, to the Council for competitive grants for the development of community resilience centers, including but not limited to those on fairgrounds.

**80262.** (a) Of the funds made available by Section 80260, twenty-five million dollars (\$25,000,000) shall be available, upon appropriation by the Legislature, to the Council for competitive grants that support community resilience planning efforts.

(b) In the implementation of this section, the Council shall:

(1) Develop guidelines to awards funds to advance local adaptation planning, specifically focused on preparing local community infrastructure and natural systems to the impacts of climate change;

(2) Support the updating of local plans, including General Plans consistent with Government Code Section 65032, Local Coastal Programs, Local Hazard Mitigation Plans, and other local planning efforts.

#### **CHAPTER 7. Fiscal Provisions**

**80280.** (a) Bonds in the total amount of four billion seven hundred fifty million dollars (\$4,750,000,000), not including the amount of any refunding bonds issued in accordance with Section 80293, or so much as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall cause the issuance and sell the bonds authorized by subdivision (a) and in the amount determined by the committee to be necessary or desirable pursuant to this section. The bonds shall be issued and sold upon the terms and conditions specified in one or more resolutions to be adopted by the committee pursuant to Section 16731 of the Government Code.

**80281.** 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), as amended from time to time, and all of the provisions of that law, except subdivisions (a) and (b) of Section 16727 of the Government Code apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division.

**80282.** (a) Solely for the purpose of authorizing the issuance and sale of the bonds authorized by this division, pursuant to the Safe Drinking Water, Wildfire Prevention, and

Natural Resources Protection Bond Act of 2020 Finance Committee is hereby created. For purposes of this division, the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020 Finance Committee is the "committee" as that term is used in this division and in the State General Obligation Bond Law.

(b) The committee consists of the Director of Finance, the Treasurer, and the Controller. Notwithstanding any other law, any member may designate a representative to act as that member in that member's place for all purposes, as though the member were personally present.

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

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

**80283.** The committee shall determine by resolution whether or not it is necessary or desirable to issue and sell bonds authorized by this division in order to carry out the actions specified in this division and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

**80284.** For purposes of this division and the State General Obligation Bond Law, "board," as defined in Section 16722 of the Government Code, means the Secretary of the Natural Resources Agency.

**80285.** 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 becoming due and payable each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

**80286.** Notwithstanding Section 13340 of the Government Code, there is hereby continuously appropriated from the General Fund in the State Treasury, for the purposes of this division, and without regard to fiscal years an amount that will equal the total of the following:

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

(b) The sum that is necessary to carry out the provisions of Section 80289.

**80287.** The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account in accordance with Section 16312 of the Government Code for the purpose of carrying out this division. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this division, excluding refunding bonds authorized pursuant to Section 80292, less any amount loaned and not

yet repaid pursuant to this section and withdrawn from the General Fund pursuant to Section 80289 and not yet returned. The board shall execute those documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated in accordance with this division.

**80288.** Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this division that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the earnings and the investment of 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.

**80289** For the purposes of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this division, excluding refunding bonds authorized pursuant to Section 80292, less any amount loaned pursuant to Section 80287 and not yet repaid and any amount withdrawn from the General Fund pursuant to this section and not yet returned to the General Fund. Any amounts withdrawn shall be deposited in the fund to be allocated in accordance with this division. Any moneys made available under this section shall be returned to the General Fund, with interest at the rate earned by the moneys in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.

**80290.** All moneys deposited in the fund that are derived from premiums and accrued interest on bonds sold pursuant to this division, in excess of any amount of premium used to pay the costs of issuing the bonds, shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest, except that amounts derived from premiums may be reserved and used to pay the cost of bond issuance before any transfer to the General Fund.

**80291.** Pursuant to the State General Obligation Bond Law, the cost of bond issuance shall be paid or reimbursed out of the bond proceeds, including premiums, if any. To the extent the cost of bond issuance is not paid from premiums received from the sale of bonds, these costs shall be allocated proportionally to each program funded through this division by the applicable bond sale.

**80292.** The bonds issued and sold pursuant to this division may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General

Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds under this division shall include approval of the issuance, sale or exchange of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds. Any bond refunded with the proceeds of a refunding bond as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

**80293.** The proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

**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 this act that can be given effect without the invalid provisions or applications, and to this end the provisions of this act are severable.

**SEC. 3.** Section 1 of this act shall take effect upon approval by the voters of the Safe Drinking Water, Wildfire Prevention, and Natural Resources Protection Bond Act of 2020.

**SEC. 4.** Section 1 of this act shall be submitted to the voters at the November 3, 2020 statewide general election in accordance with the provisions of the Government Code and Elections Code governing the submission of a statewide measure to the voters.

**SEC 5.** This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.