

WATER LEGISLATION PASSED BY THE CALIFORNIA LEGISLATURE NOV. 4, 2009

The Water Legislation passed by the Legislature and signed by the Governor is an historic accomplishment that will dictate water policy in California for decades to come. Included in the package are provisions for water planning, development, restoration and governance for the Delta, a groundwater monitoring program, requirements that the state achieve a 20 percent reduction in urban per capita water use by 2020, and agricultural water management plans and efficient water management practices for agricultural water suppliers be implemented. The water bill package also promotes expanded development of sustainable water supplies at the regional level.

Significantly, the water legislation authorizes an \$11.14 billion water infrastructure bond for the November 2010 ballot. Below are summaries of the individual water package bills.

SB 1 X7 – DELTA RESTORATION

This bill provides for a comprehensive plan for taking care of the Sacramento-San Joaquin Delta including the establishment of a Delta Stewardship Council and the Delta Independent Science Board. It expands the State Water Resources Control Board's collection and reporting of data concerning the Delta and establishment of a Delta Watermaster. It also repeals the California Bay-Delta Authority. It also appropriates \$28,000,000 from 2006 bond funds for the Two-Gates Fish Protection Demonstration Program, managed by the United States Bureau of Reclamation.

This bill draws heavily on the work of the Public Policy Institute of California, Delta Blue Ribbon Task Force, and numerous legislative hearings. This bill establishes the twin goals of ecosystem restoration and water supply reliability, creates a new Delta Stewardship Council to develop and implement a Delta plan, creates a new Delta Conservancy to acquire lands and to facilitate ecosystem restoration, and revises the composition and duties of the Delta Protection Commission.

SB 2 X7 – FUNDING WATER INFRASTRUCTURE

This bond proposal introduces a new concept in funding water supply infrastructure – public benefits. Traditionally, water supply infrastructure was funded or financed by those who benefit and receive water supply. This bond introduces water infrastructure for purposes other than just water supply, which will qualify as "public benefits." This bill defines those benefits to include ecosystem improvements, water quality improvements, flood control benefits, emergency response, and recreation. The public pays for its benefits through the financing mechanism of a general obligation bond, which is paid by the General Fund and the State's tax revenues.

This bond also authorizes a large amount of continuous appropriation for water storage projects. Continuous appropriation limits the Legislature's ability to provide oversight of this funding through the annual budget process. Instead, this bond uses the Water Commission and statutory standards to set the rules for selecting projects for the State's investments in public benefits.

Specifically, SB 2 X7:

- 1) Authorizes a \$11.14 billion water infrastructure bond for the November 2010 ballot, including:

SB 2 X7	
CHAPTER 5 - Drought Relief	\$455,000,000
- Drought Relief Projects	\$190,000,000
- Economic impact from drought	\$ 90,000,000
- Small Community wastewater	\$ 75,000,000
- Safe Drinking Water Revolving Loan	\$80,000,000
- New River	\$20,000,000
CHAPTER 6 - Regional Supply	\$1,400,000,000
- IRWMP - allocated	\$1,000,000,000
- (Unallocated/Interregional)	\$50,000,000
- Local Conveyance	\$350,000,000
CHAPTER 7 - Delta	\$2,250,000,000
- Projects, including	\$750,000,000
- Ag economy (out of projects pot)	[\$250,000,000]
- Ecosystem/BDCP	\$1,500,000,000
CHAPTER 8 - Statewide Water System Operational Improvement (Water Storage)	\$3,000,000,000
CHAPTER 9 – Conservation and Watershed Protection	\$1,785,000,000
CHAPTER 10 – Groundwater Protection and Water Quality	\$1,000,000,000
CHAPTER 11 - Recycling	\$1,250,000,000
Recycling	\$1,000,000,000
Conservation	\$ 250,000,000
TOTALS	\$11,140,000,000

2) Allocates \$1.05 billion to specific regions for the purposes of integrated regional water management, as shown below:

a) North Coast	\$45 million
b) San Francisco Bay	\$132 million
c) Central Coast	\$58 million
d) Los Angeles	\$198 million
e) Santa Ana	\$128 million
f) San Diego	\$87 million
g) Sacramento	\$76 million
h) San Joaquin	\$64 million
i) Tulare/Kern	\$70 million
j) Lahontan	\$51 million
k) Colorado River	\$47 million
l) Mountain Counties	\$44 million
m) Interregional	\$50 million

3) Continuously appropriates \$3 billion for competitive grants to pay for "public benefits" in storage projects that benefit the Sacramento-San Joaquin Delta (Delta), including:

- a) Surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000;
- b) Groundwater storage projects;
- c) Conjunctive use and reservoir reoperation projects; and,
- d) Local and regional surface storage projects that improve the operation of water systems in the state and provide public benefits.

4) Specifies conditions for awarding grants for storage projects:
Defines "public benefits" of storage projects, to include ecosystem improvements, water quality improvements, flood control benefits, emergency response and recreation;

- a) Limits public-benefit funding to 50%;
- b) Requires parties that benefit from storage to sign contracts;
- b) Requires public process and regulations regarding public benefits; and,
- c) Requires Water Commission to make finding that project is feasible.

Allocates \$1.785 billion to specific regions and state conservancies in watershed protection category (Chapter 9).

Chapter 9	
State Coastal Conservancy	\$250,000,000
WCB - water rights	\$100,000,000
WCB - watershed	\$215,000,000
LA & San Gabriel River	\$75,000,000
Santa Monica Mts. Cons.	\$75,000,000
Baldwin Hills	\$20,000,000
Santa Monica Bay -SMMC	\$25,000,000
Coastal Salmon	\$50,000,000
Lake Tahoe	\$100,000,000
Farmland Conservation/Watershed Coordinator	\$20,000,000
River Parkways	\$50,000,000
Sierra Nevada	\$75,000,000
Salton Sea	\$100,000,000
Climate Change Planning	\$10,000,000
Watershed Educ. Centers	\$30,000,000
Waterfowl	\$10,000,000
CDF	\$100,000,000
Klamath	\$250,000,000
Siskiyou County	\$20,000,000
CSU Fresno/Cal Poly	\$50,000,000
Ocean Protection	\$50,000,000
CVP - Salmonid	\$60,000,000
Public Infrastructure Mitigation	\$50,000,000
Total	\$1,785,000,000

- 5) Allows up to 10% of funds for costs of project planning and monitoring.
- 6) Bars funding for environmental mitigation or compliance obligations, except in certain circumstances related to groundwater cleanup.
- 7) Bars use of this bond funding for design or construction of Delta water conveyance facilities.

- 8) Preserves "area of origin" and other legal protections for water rights, with specific reference to Sacramento River hydrologic region.
- 9) Allows public utilities and mutual water companies to receive bond funding under certain conditions.
- 10) Creates Safe, Clean and Reliable Drinking Water Supply Fund of 2010 in State Treasury.
- 11) Limits bond funding before July 1, 2015 to \$5.57 billion.
- 12) Specifies conditions for placing measure on ballot.
- 13) Makes legislative findings and defines certain terms.
- 14) Specifies fiscal conditions, including finance committee, for selling bonds.
- 15) Contains an urgency clause allowing this bill to take effect immediately upon enactment.

SB 6 X7 – GROUNDWATER MONITORING

This bill establishes a statewide groundwater monitoring program to ensure that groundwater elevations in all groundwater basins and subbasins be regularly and systematically monitored locally and that the resulting groundwater information be made readily and widely available.

This bill requires the Department of Water Resources (DWR) to work cooperatively with local groundwater management entities to determine who would conduct the groundwater monitoring.

Currently, California has very little information about the conditions of its groundwater basins. Excessive pumping in the last century has led to substantial subsidence, as much as 55 feet in some areas. Recently, for example, on the west side of the San Joaquin Valley, where allocations of Delta water from the federal Central Valley Project were minimal, farmers responded by pumping more groundwater. DWR then reported that the State Water Project's canal, which passes through the area on its way south, may suffer cracks because of the high level of pumping and resulting slumping of the ground under the canal.

SB 7 X7 – WATER CONSERVATION

This bill establishes a statewide target to reduce urban per capita water use by 20 percent by 2020. This bill requires urban retail water suppliers, individually or on a regional basis, to develop an urban water use target by December 31, 2010, requires each urban water supplier to meet their target by 2020, and to meet an interim target (half of their 2020 target) by 2015.

This bill provides options for how water agencies can achieve higher levels of water conservation but requires those options to meet a per capita reduction in water use. This bill sets the “20 by 2020” target (and the interim 2015 target) for the entire state and then allows water agencies to choose one of four methods for determining their own water-use target for 2020. Water suppliers also can choose to join with a broader group of suppliers to meet the targets regionally. Finally, this bill provides urban water suppliers with the option of shifting more water use to recycled water to meet their targets.

This bill restricts urban water suppliers from imposing conservation requirements on process water.

For agriculture, this bill relies on implementation of efficient water management practices (EWMPs) for water use, which have been developed, at least in part, by the Agricultural Water Management Council. This bill creates two EWMP categories: “critical” that all agricultural water suppliers (i.e. measurement and pricing structures) must implement and “additional” EWMPs that must be implemented if the measures are locally cost effective and technically feasible. The two mandatory EWMPs are already required of all federal water contractors (e.g. Westlands Water District and Friant Water Authority) since 1992 under the Central Valley Project Improvement Act.

This bill reauthorizes dormant provisions of the Water Code that required agricultural water suppliers to prepare agricultural water management plans. This bill places agricultural water suppliers on an equal footing with urban suppliers who have been required to prepare and submit water management plans for approximately 15 years. This bill defines agricultural water suppliers as those with 10,000 acres of irrigated land, but exempts from the bill’s requirements any supplier serving less than 25,000 of irrigated land if the state does not provide funding for implementation.

This bill requires DWR to develop incentives for sustainable water management and alternative water supplies such as brackish water desalination and stormwater recovery.

SB 8 X7 – WATER DIVERSION REPORTING

This bill requires all in-Delta diverters to record and report all diversions, regardless of method or volume of their diversion, to the State Water Resources Control Board (SWRCB). Historically, Delta diversions were exempt from water diversion reporting requirements, which date back to 1965, due to the distinct nature of Delta diversions. As discussion of the need for greater information on water diversions, particularly within the Delta’s watershed, has developed, the need for information on all diversions has become apparent. The conflict over state and federal water project (CVP/SWP) diversions intensified demand that all Delta diversions be monitored.

In November 2006, voters approved a substantial amount of bond funding for watershed protection and Central Valley flood protection, including improvements to Delta levees. This bill relies on bond funding approved by voters in Propositions 1E (legislative bond) and 84 (initiative bond). This funding will address an urgent issue that was not foreseen in 2006 – the current drought – but the purposes of these appropriations were nevertheless authorized for bond funding.

- 1) Authorizes the SWRCB and the Department of Water Resources (DWR) to adopt emergency regulations for the filing of reports of water diversion or use that are required to be filed by those respective state agencies under specified statutory provisions.
- 2) Subjects a person to civil liability if that person fails to file, as required, a diversion and use statement for a diversion or use that occurs after January 1, 2009, tampers with any measuring device, or makes a material misstatement in connection with the filing of a diversion and use statement.
- 3) Appropriates \$546 million in bond funding from Propositions 1E (2006) and 84 (2006) as follows:
 - a) \$250 million from integrated regional water management funding to reduce dependence on the Sacramento-San Joaquin Delta (Delta) for water supply;
 - b) \$32 million from Delta flood control funding for flood control projects that reduce levee failure risk that would jeopardize water conveyance in the Delta;
 - c) \$170 million from Central Valley flood control funding for Delta flood control projects to protect water supply;
 - d) \$70 million from storm water flood management funding for storm water projects; and,
 - e) \$24 million in Natural Community Conservation Plan (NCCP) funding for NCCP projects in or around the Delta.
- 4) Appropriates \$3.75 million in fee-generated funding from the Water Rights Fund to hire 25 additional water rights enforcement personnel at SWRCB.

Document Prepared By Office of Assemblyman Jose Solorio