

**CITY OF OAKLAND**  
**BILL ANALYSIS**



**Date:** October 2, 2007

**Bill Number:** SB 1XX and SB 2XX

Water Supply Reliability Bond Act of 2008  
Urgent Water Supply Funding

This bond package is the alternative water supply reliability bond proposal and existing bond appropriations to Governor Schwarzenegger's (introduced by Senator Codgill) bond package proposal (SB3XX and SB4XX).

**Bill Author:** Senator Perata

**DEPARTMENT INFORMATION**

**Contact:** Lesley Estes

**Department:** Watershed Program, CEDA

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**RECOMMENDED POSITION:** (SUPPORT, SUPPORT IF AMENDED, NEUTRAL, WATCH, OPPOSE, NOT RELEVANT)

SUPPORT - Staff recommends support for this legislation.

**Summary of the Bill**

This bond package for a water supply reliability bond and existing bond appropriations is Perata's alternative proposal to Governor Schwarzenegger's (introduced by Senator Codgill) bond package (SB3XX and SB4XX).

SB XX1 appropriates \$611 million in bond funding to the Department of Water Resources for Sacramento-San Joaquin Delta water-related projects. SBXX 2, is Perata's Water Supply Reliability Bond Act of 2008 proposal for the February 2008 statewide ballot. The bond provides \$5.8 billion to develop new regional water supplies, including water recycling, water conservation, groundwater protection, groundwater cleanup and stormwater capture. This bond would appropriate:

- \$2.4 billion for restoring the Sacramento-San Joaquin Delta,
- \$2 billion for water supply reliability competitive grants,

Item: \_\_\_\_\_  
City Council  
October 2, 2007

- \$1 billion for expenditures and grants for resource stewardship, ecosystem restoration, urban watershed, and stormwater management projects for various watersheds including the San Francisco Bay watersheds and...
- \$400 million for projects that prevent or reduce groundwater contamination to drinking water.

This legislation promotes funding water reliability programs focused on sustainable water supply practices such as water recycling, groundwater desalinization and water conservation.

### Positive Factors for Oakland

Residents are concerned about future droughts and water supply reliability during droughts. This legislation provides key funding and programs to help ensure future water reliability. The key advantages of this proposal to the Governor's alternative are:

- The proposal total cost is less and the programs are more cost efficient,
- Implementation of the programs in this bond will take less time than new dam or conveyance projects,
- This proposal is more economically and environmentally sustainable,
- This proposal will be less controversial because it does not include dams or alternative conveyance, and
- This bond proposal is more likely to receive support by statewide voters once on the ballot.

This bond will cost less for Oakland residents, is more environmentally sustainable and will provide more-timely water supply reliability.

### Negative Factors for Oakland

This bond may not provide new grant opportunities for City of Oakland restoration projects. This bond proposal is less likely to make it to the ballot because the Governor's bond proposal has more support in Sacramento circles.

### PLEASE RATE THE EFFECT OF THIS MEASURE ON THE CITY OF OAKLAND:

- Critical (top priority for City lobbyist, city position required ASAP)
- Very Important (priority for City lobbyist, city position necessary)
- Somewhat Important (City position desirable if time and resources are available)

Item:

Item: \_\_\_\_\_  
City Council  
October 2, 2007

\_\_\_ Minimal or \_\_\_ None (do not review with City Council, position not required)

**Known support:**

Planning and Conservation League,  
Restore the Delta

**Known Opposition:**

unknown

**Attach bill text and state/federal legislative committee analysis, if available.**

Respectfully Submitted,



Claudia Cappio  
Director, CEDA

Prepared by Lesley Estes  
Watershed Program

Approved for Forwarding to  
The City Council

Office of City Administrator

Item: \_\_\_\_\_  
City Council

Item: \_\_\_\_\_  
City Council  
October 2, 2007

**SENATE BILL**

**No. 1**

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**Introduced by Senators Perata, Machado, and Steinberg**

September 14, 2007

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An act to add Division 33 (commencing with Section 83000) to the Water Code, relating to water, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as introduced, Perata. Water quality, flood control, water storage, and wildlife preservation.

(1) Under existing law, various bond acts have been approved by the voters to provide funds for water projects, facilities, and programs. The Disaster Preparedness and Flood Prevention Bond Act of 2006, a bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$4,090,000,000 for the purposes of financing disaster preparedness and flood prevention projects. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$5,388,000,000 for the purposes of financing a safe drinking water, water quality and supply, flood control, and resource protection program. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, approved by the voters at the November 5, 2002, statewide general election, authorizes, for the purposes of financing a safe drinking water, water quality, and water reliability program, the issuance of bonds in the amount of \$3,440,000,000.

This bill, with regard to those bond funds, would appropriate \$610,890,000 as follows: of the funds made available pursuant to the

Disaster Preparedness and Flood Prevention Bond Act of 2006, \$50,000,000 to the Department of Water Resources for essential emergency preparedness supplies and projects, and \$150,000,000 to the department for stormwater flood management project grants; of the funds made available pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, \$50,000,000 to the State Department of Public Health for grants and loans for small community drinking water systems infrastructure improvements and related actions, \$50,400,000 to the State Department of Public Health for grants for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water, \$40,000,000 to the department for administrative costs, planning grants, and local groundwater assistance grants, \$50,000,000 to the department for projects to relocate existing Sacramento-San Joaquin Delta water intake facilities, \$60,000,000 to the department for expenditures to increase the department's ability to respond to levee breaches and to reduce the potential for levee failure, \$100,000,000 to the department for the acquisition, preservation, protection, and restoration of Sacramento-San Joaquin Delta islands, \$12,000,000 to the department to complete planning and feasibility studies associated with new surface storage under the California Bay-Delta Program, \$15,000,000 to the department for planning and feasibility studies to identify potential options for the reoperation of the state's flood protection and water supply systems, \$10,000,000 to the department to update the California Water Plan, \$10,000,000 to the department for planning and feasibility studies for projects to reduce ecosystem conflicts in the Sacramento-San Joaquin Delta, and \$10,000,000 to the State Coastal Conservancy for projects on the Santa Ana River; and of the funds made available under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, \$3,490,000 to the department for planning and feasibility studies associated with surface storage under the California Bay-Delta Program.

The bill would provide that up to 5% of the funds appropriated by the bill may be expended to pay for the administrative costs of that program. The bill would provide that funds appropriated by the bill are available for encumbrance until June 30, 2009. On January 10, 2008, program recipients would be required to report to the fiscal committees of the Legislature with regard to the committed and anticipated expenditures of these funds.

(2) Under the Porter-Cologne Water Quality Control Act, the State Water Resources Control Board and the California regional water quality control boards are the principal state agencies with authority over matters relating to water quality.

This bill would require the state board, in consultation with other agencies, to develop pilot projects in the Tulare Lake Basin and the Salinas Valley focused on nitrate contamination. The bill would require the state board to create an interagency task force, as needed, to oversee the pilot projects and submit a report to the Legislature on the scope and findings of the projects within 2 years of receiving funding. The state board would be required to implement recommendations for developing a groundwater cleanup program for the Central Valley Water Quality Control Region and the Central Coast Water Quality Control Region based upon pilot project results within 2 years of submitting the report to the Legislature.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Division 33 (commencing with Section 83000)  
2 is added to the Water Code, to read:

3

4 DIVISION 33. INTEGRATED WATER SUPPLY AND  
5 FLOOD PROTECTION PLANNING, DESIGN, AND  
6 IMPLEMENTATION

7

8 83000. The Legislature hereby finds and declares all of the  
9 following:

10 (a) Water is vital to the economy, environment, and overall  
11 well-being of the state.

12 (b) California faces increasing challenges in managing its water  
13 supply due to climate change, uncertainty regarding the availability  
14 of water from the Sacramento-San Joaquin Delta and other sources,  
15 an increasing state population, limitations on public funds, and  
16 other factors.

17 (c) California must adopt a new, updated, and comprehensive  
18 set of water planning, design, and implementation policies that  
19 reflect these realities to protect its water supply future.

1 (d) In the past, state laws, funding schemes, and administrative  
2 actions have treated the planning, construction, and operation of  
3 water supply, groundwater, and flood control systems as separate  
4 and distinct activities, thereby reducing efficiency and water supply  
5 reliability.

6 (e) California has not taken full advantage of the cost savings,  
7 the environmental benefits, or the expediency of more efficient  
8 operations and usage of existing water supply, storage, and flood  
9 protection facilities.

10 (f) It is the policy of the state to more effectively integrate its  
11 flood protection systems with its water supply and conveyance  
12 systems in order to conserve limited public dollars, increase the  
13 available water supply, improve water quality, increase wildlife  
14 and ecosystem protections, protect public health and safety, and  
15 address the effects of climate change.

16 (g) The purpose of this division is to require the integration of  
17 flood protection and water systems to achieve multiple public  
18 benefits, including all of the following:

19 (1) Increasing water supply reliability in the least costly, most  
20 efficient, and most reliable manner to meet current and future state  
21 needs.

22 (2) Increasing use of water use efficiency and water conservation  
23 measures to increase and extend existing water supplies.

24 (3) Reducing energy consumption associated with water  
25 transport, thereby reducing state greenhouse gas emissions.

26 (4) Improving water management to protect and restore  
27 ecosystems and wildlife habitat.

28 83001. In order to provide the least costly, most efficient, and  
29 reliable water supply to a growing state, it is the intent of the  
30 Legislature that the department accomplish the following  
31 objectives:

32 (a) Integrate state flood protection and water supply systems.

33 (b) Promote conjunctive use of groundwater storage capacity  
34 to improve overall water supply and flood system operation.

35 (c) Promote increased water use efficiency through expanded  
36 use of water conservation, water recycling, and improvements in  
37 technology.

38 83002. The sum of six hundred ten million eight hundred ninety  
39 thousand dollars (\$610,890,000) is hereby appropriated as follows:

1 (a) Of the funds made available pursuant to Chapter 1.699.  
2 (commencing with Section 5096.800) of Division 5 of the Public  
3 Resources Code, the sum of two hundred million dollars  
4 (\$200,000,000) is hereby appropriated as follows:

5 (1) Pursuant to subdivision (c) of Section 5096.821 of the Public  
6 Resources Code, the sum of fifty million dollars (\$50,000,000) to  
7 the department for the acquisition, design, and construction of  
8 essential emergency preparedness supplies and projects. Prior to  
9 the design or construction of any project funded pursuant to this  
10 paragraph, the California Bay-Delta Authority, or its successor,  
11 shall approve the specific project or program.

12 (2) Pursuant to Section 5096.827 of the Public Resources Code,  
13 the sum of one hundred fifty million dollars (\$150,000,000) to the  
14 department for grants for stormwater flood management projects  
15 that reduce flood damage and provide other benefits, including  
16 groundwater recharge, water quality improvement, and ecosystem  
17 restoration. Not less than one hundred million dollars  
18 (\$100,000,000) of this amount shall be available for projects that  
19 address immediate public health and safety needs, strengthen  
20 existing flood control facilities to address seismic safety issues.  
21 Twenty million dollars (\$20,000,000) shall be available for local  
22 agencies to meet immediate water quality needs related to  
23 combined municipal sewer and stormwater systems to prevent  
24 sewage discharges into state waters. Twenty million dollars  
25 (\$20,000,000) shall be available for stormwater flood protection  
26 projects in the northern San Francisco Bay area and Marin County  
27 for the purposes of protecting public safety and property from  
28 flood events.

29 (b) Of the funds made available pursuant to Division 43  
30 (commencing with Section 75001) of the Public Resources Code,  
31 the sum of four hundred seven million four hundred thousand  
32 dollars (\$407,400,000) is hereby appropriated as follows:

33 (1) Pursuant to Section 75022 of the Public Resources Code,  
34 the sum of fifty million dollars (\$50,000,000) to the State  
35 Department of Public Health for grants for small community  
36 drinking water system infrastructure improvements and related  
37 action to meet safe drinking water standards. First priority for these  
38 funds shall be given to disadvantaged or severely disadvantaged  
39 communities lacking resources to provide safe drinking water to  
40 residents. Small community drinking water systems that are



1 dependent on surface water and are under orders from the State  
2 Department of Public Health to boil water from existing treatment  
3 systems for parasites, viruses, or giardia shall be eligible for grants  
4 for drinking water system infrastructure improvements.

5 (2) Pursuant to Section 75025 of the Public Resources Code,  
6 the sum of fifty million four hundred thousand dollars  
7 (\$50,400,000) to the State Department of Public Health for grants  
8 for projects to prevent or reduce the contamination of groundwater  
9 that serves as a source of drinking water. Funds appropriated by  
10 this paragraph shall be available for immediate projects needed to  
11 protect public health by preventing or reducing the contamination  
12 of groundwater that serves as a major source of drinking water for  
13 a community.

14 (A) The State Department of Public Health shall prioritize  
15 project funding based on the following criteria:

16 (i) The threat posed by groundwater contamination to the  
17 affected community's overall drinking water supplies, including  
18 the need for the treatment or construction of alternative supplies  
19 if groundwater is not available due to contamination.

20 (ii) The potential for groundwater contamination to spread and  
21 reduce drinking water supply and water storage capacity for major  
22 population areas.

23 (iii) The potential of the project, if fully implemented, to enhance  
24 local water supply reliability.

25 (iv) The potential of the project to increase opportunities for  
26 groundwater recharge and optimization of groundwater supplies.

27 (B) The State Department of Public Health shall give additional  
28 consideration to projects that meet any of the following criteria:

29 (i) The project is implemented pursuant to a comprehensive  
30 basinwide groundwater quality management and remediation plan  
31 or is necessary to develop a comprehensive groundwater plan.

32 (ii) Affected groundwater provides a local supply that, if  
33 contaminated, will require the importation of additional water from  
34 the Sacramento-San Joaquin Delta or the Colorado River.

35 (iii) The project will serve an economically disadvantaged  
36 community.

37 (iv) Multiple contaminants affect more than one-third of the  
38 well capacity of a local water system.

39 (C) Of the funds appropriated by this paragraph, two million  
40 dollars (\$2,000,000) shall be allocated to the State Department of

1 Public Health to contract with the State Water Resources Control  
2 Board for the purposes of Section 83002.5.

3 (3) Pursuant to Section 75026 of the Public Resources Code,  
4 the sum of forty million dollars (\$40,000,000) to the department  
5 for administrative costs, planning grants, and local groundwater  
6 assistance grants.

7 (4) Pursuant to subdivision (d) of Section 75029 of the Public  
8 Resources Code, the sum of fifty million dollars (\$50,000,000) to  
9 the department for projects that relocate existing Sacramento-San  
10 Joaquin Delta water intake facilities and that meet all of the  
11 following criteria:

12 (A) Have completed documentation required under the  
13 California Environmental Quality Act (Division 13 (commencing  
14 with Section 21000) of the Public Resources Code) and a notice  
15 of determination has been filed prior to June 30, 2007.

16 (B) Have demonstrated multiple benefits in the environmental  
17 documentation, including a net benefit to delta pelagic fisheries  
18 and drinking water quality improvement.

19 (C) Are able to complete design and, if the project involves  
20 construction, commence construction within the 2007-08 fiscal  
21 year.

22 (D) Have local and federal cost sharing.

23 (5) Pursuant to Section 75033 of the Public Resources Code,  
24 the sum of one hundred sixty million dollars (\$160,000,000) to  
25 the department as follows:

26 (A) Sixty million dollars (\$60,000,000) to increase the  
27 department's ability to respond to levee breaches and to reduce  
28 the potential for levee failure, including, but not limited to, the  
29 following:

30 (i) Acquisition and positioning of emergency construction  
31 materials and equipment.

32 (ii) Emergency projects to prevent levee failure or repair levees  
33 or other flood control facilities to restore conveyance and flood  
34 protection.

35 (iii) Preparation for, and implementation of, a delta emergency  
36 operations plan.

37 (iv) Emergency contracts for activities relating to a flood fight  
38 or levee failure to prevent or mitigate loss of, or damage to, life,  
39 health, property, or essential public services.

1 (B) One hundred million dollars (\$100,000,000) for the  
2 acquisition, preservation, protection, and restoration of  
3 Sacramento-San Joaquin Delta islands. Projects shall be selected  
4 to improve the stability of the delta levee system, reduce  
5 subsidence, and assist in restoring the ecosystem of the delta.  
6 Priority shall be given to projects that improve conditions for delta  
7 smelt and other native fish. Eligible projects include, but are not  
8 limited to, all of the following:

- 9 (i) Suisun Marsh tidal marsh restoration.
- 10 (ii) Dutch Slough tidal marsh restoration.
- 11 (iii) Decker Island restoration.
- 12 (iv) Exotic species control.

13 (6) Pursuant to Chapter 4 (commencing with Section 75041) of  
14 Division 43 of the Public Resources Code, the sum of forty-seven  
15 million dollars (\$47,000,000) to the department as follows:

16 (A) (i) Twelve million dollars (\$12,000,000) to complete the  
17 planning and feasibility studies associated with new surface storage  
18 under the California Bay-Delta Program.

19 (ii) The planning and feasibility studies shall include the  
20 following information:

21 (I) The identification of specific construction and operation  
22 conditions proposed for each surface storage facility, including  
23 consideration of climate change, an estimated schedule for the  
24 construction and completion of each project funded under Section  
25 75041, and the total costs of constructing each project.

26 (II) A description of the estimated total costs to construct each  
27 project and an allocation of the costs to public and private  
28 beneficiaries.

29 (iii) Any feasibility study conducted by or funded by the state  
30 for new surface storage under the California Bay-Delta Program  
31 shall evaluate funded projects consistent with all statutory and  
32 other legally established requirements for protection of  
33 environmental and natural resources, including protections for the  
34 McCloud River pursuant to Section 5093.542 of the Public  
35 Resources Code.

36 (iv) The feasibility studies shall be prepared and submitted to  
37 the Governor and the Legislature no later than December 31, 2008.

38 (B) (i) Fifteen million dollars (\$15,000,000) for planning and  
39 feasibility studies to identify potential options for the reoperation  
40 of the state's flood protection and water supply systems that will

1 optimize the use of existing facilities and groundwater storage  
2 capacity.

3 (ii) The studies shall incorporate appropriate climate change  
4 scenarios and be designed to determine the potential to achieve  
5 the following objectives:

6 (I) Integration of flood protection and water supply systems to  
7 increase water supply reliability and flood protection; improve  
8 water quality, and provide for ecosystem protection and restoration.

9 (II) Reoperation of existing reservoirs, flood facilities, and other  
10 water facilities in conjunction with groundwater storage to improve  
11 water supply reliability, flood control, and ecosystem protection  
12 and to reduce groundwater overdraft.

13 (III) Promotion of more effective groundwater management and  
14 protection and greater integration of groundwater and surface water  
15 resource uses.

16 (IV) Improvement of existing water conveyance systems to  
17 increase water supply reliability, improve water quality, expand  
18 flood protection, and protect and restore ecosystems.

19 (C) Ten million dollars (\$10,000,000) to update the California  
20 Water Plan, including evaluation of climate change impacts, the  
21 development of strategies to adapt to climate change impacts, and  
22 the identification of strategies to reduce greenhouse gas emissions  
23 related to the storage, conveyance, and distribution of water.

24 (D) Ten million dollars (\$10,000,000) for planning and  
25 feasibility studies for projects to reduce ecosystem conflicts in the  
26 Sacramento-San Joaquin Delta. The department shall commence  
27 these studies by January 1, 2008.

28 (7) Of the funds made available pursuant to subdivision (i) of  
29 Section 75050 of the Public Resources Code ten million dollars  
30 (\$10,000,000) is appropriated to the State Coastal Conservancy  
31 for projects on the Santa Ana River.

32 (c) Of the funds made available pursuant to subdivision (a) of  
33 Section 79550 of the Public Resources Code, the sum of three  
34 million four hundred ninety thousand dollars (\$3,490,000) is hereby  
35 appropriated to the department for planning and feasibility studies  
36 associated with surface storage under the California Bay-Delta  
37 Program.

38 83002.5. To improve understanding of the causes of  
39 groundwater contamination, identify potential solutions and  
40 funding sources to clean up or treat groundwater, and ensure the

1 provision of safe drinking water to all communities, the State Water  
2 Resources Control Board, in consultation with other agencies as  
3 specified in this section, shall develop pilot projects in the Tulare  
4 Lake Basin and the Salinas Valley that focus on nitrate  
5 contamination and do all of the following:

6 (a) (1) In collaboration with relevant agencies and utilizing  
7 existing data, including groundwater ambient monitoring and  
8 assessment results along with the collection of new information  
9 as needed, do all of the following:

10 (A) Identify sources, by category of discharger, of groundwater  
11 contamination due to nitrates in the pilot project basins.

12 (B) Estimate proportionate contributions to groundwater  
13 contamination by source and category of discharger.

14 (C) Identify and analyze options within the board's current  
15 authority to reduce current nitrate levels and prevent continuing  
16 nitrate contamination of these basins and estimate the costs  
17 associated with exercising existing authority.

18 (2) In collaboration with the State Department of Public Health,  
19 do all of the following:

20 (A) Identify methods and costs associated with the treatment  
21 of nitrate contaminated groundwater for use as drinking water.

22 (B) Identify methods and costs to provide an alternative water  
23 supply to groundwater reliant communities in each pilot project  
24 basin.

25 (3) Identify all potential funding sources to provide resources  
26 for the cleanup of nitrates, groundwater treatment for nitrates, and  
27 the provision of alternative drinking water supply, including, but  
28 not limited to, state bond funding, federal funds, water rates, and  
29 fees or fines on polluters.

30 (4) Develop recommendations for developing a groundwater  
31 cleanup program for the Central Valley Water Quality Control  
32 Region and the Central Coast Water Quality Control Region based  
33 upon pilot project results.

34 (b) Create an interagency task force, as needed, to oversee the  
35 pilot projects and develop recommendations for the Legislature.  
36 The interagency task force may include the board, the State  
37 Department of Public Health, the Department of Toxic Substances  
38 Control, the California Environmental Protection Agency, the  
39 Department of Water Resources, local public health officials, the

1 Department of Food and Agriculture, and the Department of  
2 Pesticide Regulation.

3 (c) Submit a report to the Legislature on the scope and findings  
4 of the pilot projects, including recommendations, within two years  
5 of receiving funding.

6 (d) Implement recommendations in the Central Coast Water  
7 Quality Control Region and the Central Valley Water Quality  
8 Control Region pursuant to paragraph (4) of subdivision (a) within  
9 two years of submitting the report described in subdivision (c) to  
10 the Legislature.

11 83002.6. Up to 5 percent of the funds appropriated by this  
12 division may be expended to pay the costs incurred in the  
13 administration of that program.

14 83002.7. Funds appropriated by this division shall only be  
15 available for encumbrance until June 30, 2009. On January 10,  
16 2008, any program that is the recipient of an appropriation made  
17 by this division shall report to the fiscal committees of the  
18 Legislature on the details of all committed and anticipated  
19 expenditures of these funds. The report shall include all of the  
20 following information:

21 (a) Fiscal detail of state operations support and local assistance  
22 costs.

23 (b) *A general description of the project and the project funding*  
24 made available by an appropriation in the annual Budget Act for  
25 the 2007–08 fiscal year or proposed to be made available in the  
26 annual Budget Act for the 2008–09 fiscal year.

27 (c) A description of the manner in which funds have been  
28 expended and a plan for the future expenditure of funds.

29 (d) An anticipated timeframe for the full expenditure of the  
30 appropriation.

31 (e) An anticipated timeframe for the full completion of the  
32 designated project.

33 (f) The amount of total matching project funding that is being  
34 provided by an entity other than the state.

35 83003. The Legislature further finds and declares the following:

36 (a) At the November 7, 2006, statewide general election, the  
37 voters approved nine billion five hundred thousand dollars  
38 (\$9,000,500,000) in general obligation bonding authority to  
39 improve flood protection, water supply reliability, water quality,  
40 fish and wildlife, parks and open space, and other natural resources.

1 This is in addition to the eleven billion one hundred thousand  
2 dollars (\$11,000,100,000) previously authorized by the voters  
3 since 1996 for similar uses.

4 (b) The Legislative Analyst reports that at the end of the  
5 2006-07 fiscal year, more than one billion two hundred thousand  
6 dollars (\$1,000,200,000) of the previously authorized eleven billion  
7 one-hundred-thousand dollars (\$11,000,100,000) will not have  
8 been appropriated or otherwise committed for voter-approved uses.

9 (c) The proceeds of bonds approved by the voters of the state  
10 for water and natural resources should be appropriated and  
11 expended for those uses, as directed by the voters.

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**SENATE BILL**

**No. 2**

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**Introduced by Senators Perata, Machado, and Steinberg**

September 19, 2007

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An act to add Division 26.7 (commencing with Section 79700) to the Water Code, relating to financing a water supply reliability and environmental restoration program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as introduced, Perata. Water Supply Reliability Bond Act of 2008.

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

This bill would enact the Water Supply Reliability Bond Act of 2008 which, if approved by the voters, would authorize, for the purposes of financing a specified water supply reliability and environmental restoration program, the issuance of bonds in the amount of \$5,800,000 pursuant to the State General Obligation Bond Law.

The bill would provide for submission of the bond act to the voters at the February 5, 2008, statewide primary election.

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

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



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

1 SECTION 1. Division 26.7 (commencing with Section 79700)  
2 is added to the Water Code, to read:

3  
4 DIVISION 26.7. WATER SUPPLY RELIABILITY BOND  
5 ACT OF 2008

6  
7 CHAPTER 1. SHORT TITLE

8  
9 79700. This division shall be known and may be cited as the  
10 Water Supply Reliability Bond Act of 2008.

11  
12 CHAPTER 2. DEFINITIONS

13  
14 79702. Unless the context otherwise requires, the definitions  
15 set forth in this section govern the construction of this division, as  
16 follows:

17 (a) "Bay-delta" means the San Francisco Bay/Sacramento-San  
18 Joaquin Delta.

19 (b) "Bay Delta Conservation Plan" means the plan prepared  
20 pursuant to the Planning Agreement regarding the Bay Delta  
21 Conservation Plan, dated October 6, 2006.

22 (c) "Bay-Delta Estuary" means the delta, Suisun Bay, and Suisun  
23 Marsh.

24 (d) "CALFED" means the consortium of state and federal  
25 agencies with management and regulatory responsibilities in the  
26 San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

27 (e) "CALFED Bay-Delta Program" means the undertaking by  
28 CALFED to develop and implement, by means of the final  
29 programmatic environmental impact statement/environmental  
30 impact report, the preferred programs, actions, projects, and related  
31 activities that will provide solutions to identified problem areas  
32 related to the San Francisco Bay/Sacramento-San Joaquin Delta  
33 Estuary ecosystem, including, but not limited to, the bay-delta and  
34 its tributary watersheds.

35 (f) "Committee" means the Water Supply Reliability Finance  
36 Committee created by Section 79782.

37 (g) "Delta" means the Sacramento-San Joaquin Delta as defined  
38 in Section 12220.

- 1 (h) "Department" means the Department of Water Resources.  
2 (i) "Director" means the Director of Water Resources.  
3 (j) "Disadvantaged community" means a community with a  
4 median household income that is less than 80 percent of the  
5 statewide average.  
6 (k) "Fund" means the Reliable Water Supply Bond Fund of  
7 2008 created by Section 79720.  
8 (l) "Integrated regional water management plan" means a  
9 comprehensive plan for a defined geographic area, the specific  
10 development and content of which shall be defined by guidelines  
11 adopted by the department. At a minimum, an integrated regional  
12 water management plan describes the major water-related  
13 objectives and conflicts within a region, considers a broad variety  
14 of water management strategies, and identifies the appropriate  
15 combination of water demand and supply management alternatives,  
16 water quality protections, and environmental stewardship actions  
17 to provide long-term, reliable, and high-quality water supplies and  
18 to protect the environment at the lowest reasonable cost and with  
19 the highest possible benefits to the environment and to water users.  
20 (m) "Nonprofit organization" means an organization qualified  
21 to do business in California and qualified under Section 501(c) (3)  
22 of Title 26 of the United States Internal Revenue Code.  
23 (n) "Public agency" means a state agency or department, district,  
24 joint powers authority, city, county, city and county, or other  
25 political subdivision of the state.  
26 (o) "Secretary" means the Secretary of the Resources Agency.  
27 (p) "State General Obligation Bond Law" means the State  
28 General Obligation Bond Law (Chapter 4 (commencing with  
29 Section 16720) of Part 3 of Division 4 of Title 2 of the Government  
30 Code).

31  
32 CHAPTER 3. GENERAL PROVISIONS  
33

34 79710. An amount that equals not more than 5 percent of the  
35 funds allocated for a grant program pursuant to this division may  
36 be used to pay the costs to administer that program.

37 79711. Chapter 3.5 (commencing with Section 11340) of Part  
38 1 of Division 3 of Title 2 of the Government Code does not apply  
39 to the development or implementation of programs or projects  
40 authorized or funded under this division.

1 79712. (a) Prior to disbursing grants pursuant to this division,  
2 the department shall develop project solicitation and evaluation  
3 guidelines. The guidelines may include a limitation on the dollar  
4 amount of grants to be awarded.

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

14 79713. It is the intent of the people that the investment of public  
15 funds pursuant to this division should result in public benefits.

16  
17 CHAPTER 4. RELIABLE WATER SUPPLY BOND FUND OF 2008

18  
19 79720. The proceeds of bonds issued and sold pursuant to this  
20 division shall be deposited in the Reliable Water Supply Bond  
21 Fund of 2008, which is hereby created.

22  
23 CHAPTER 5. DELTA SUSTAINABILITY

24  
25 79730. (a) The Bay-Delta Estuary is a unique and irreplaceable  
26 combination of environmental and economic resources. Current  
27 management and use of the delta is not sustainable, and results in  
28 a high level of conflict among various interests. Future delta  
29 sustainability is threatened by changing hydrology, climate change,  
30 flood risk, seismic events, nonnative species, toxics, and other  
31 environmental problems. Future management of the delta must  
32 improve delta ecosystem health and improve the means of delta  
33 water conveyance in order to protect drinking water quality,  
34 improve water supply reliability, restore ecosystem health, and  
35 preserve sustainable agricultural and recreational values in the  
36 delta. Many sources of funding will be needed to implement  
37 improved delta management.

38 (b) This chapter provides state funding for public benefits  
39 associated with projects needed to assist in the delta's sustainability

1 as a vital resource for fish, wildlife, water quality, water supply,  
2 agriculture, and recreation.

3 (c) It is the intent of the Legislature that the department  
4 implement, pursuant to current authority and the recommendations  
5 of the Bay Delta Conservation Plan and the Blue Ribbon Task  
6 Force established by Executive Order S-17-06, a comprehensive  
7 delta sustainability program, including both water conveyance and  
8 ecosystem improvements, that meets the following criteria:

9 (1) Reduces impacts to native fish caused by the operation of  
10 the export pumps and improves the operational flexibility and  
11 ability of the State Water Project and the Central Valley Project  
12 to provide the benefits described by this subdivision.

13 (2) Provides conditions that will allow for habitat improvements  
14 for fish and wildlife in the delta.

15 (3) Provides improved water supply reliability and conveyance  
16 for the State Water Project and the Central Valley Project and for  
17 market water transfers.

18 (4) Reduces the quantity of bromide, total organic carbon, and  
19 total dissolved solids in the water pumped at the Harvey O. Banks  
20 and C.W. "Bill" Jones pumping plants to protect the public health  
21 and improves the ability of the State Water Project and the Central  
22 Valley Project to manage salinity.

23 (5) Reduces vulnerability to seismic events in or near the delta  
24 and provides flexibility to manage uncertainties associated with  
25 climate change and future fishery needs.

26 (d) Funds provided by this chapter may not be expended for the  
27 design or construction of delta water transfer facilities.

28 79731. The sum of two billion four hundred million dollars  
29 (\$2,400,000,000) shall be available for appropriation by the  
30 Legislature from the fund to the department for grants and direct  
31 expenditure, as follows:

32 (a) One billion dollars (\$1,000,000,000) for projects to do any  
33 of the following:

34 (1) Ensure that urban and agricultural water supplies derived  
35 from the delta, including water supplies used within the delta to  
36 support beneficial uses, are not disrupted because of catastrophic  
37 failures of delta levees resulting from earthquakes, floods, land  
38 sinking, rising ocean levels, or other forces.

39 (2) Improve the quality of drinking water derived from the delta.

1 (3) Physical improvements or other actions to create waterflow  
2 conditions within the delta to provide adequate habitat for native  
3 fish and wildlife.

4 (4) Create sustainable land use patterns and flood structures in  
5 the delta.

6 (5) *Protect transportation and other vital infrastructure in and*  
7 *around the delta.*

8 (6) Facilitate other projects that provide public benefits and  
9 support delta sustainability options approved by the Legislature,  
10 including costs associated with planning, monitoring, and design  
11 of alternatives, and project modifications and adaptations necessary  
12 to achieve the goals of this paragraph.

13 (b) One billion four hundred million dollars (\$1,400,000,000)  
14 for projects to protect and enhance the sustainability of the delta  
15 ecosystem, including any of the following:

16 (1) Projects for the development and implementation of the Bay  
17 Delta Conservation Plan and projects that are consistent with the  
18 findings of the Blue Ribbon Task Force established by Executive  
19 Order S-17-06. The plan shall identify projects for the enhancement  
20 and sustainability of selected fish species and shall be developed  
21 to meet the requirements of Chapter 10 (commencing with Section  
22 2800) of Division 3 of the Fish and Game Code. The projects shall  
23 be implemented through a cooperative effort among regulatory  
24 agencies, regulated and potentially regulated entities, and affected  
25 parties, including state and federal water contractors. These funds  
26 may be expended for the preparation of environmental  
27 documentation and environmental compliance, and for  
28 implementing projects identified in the plan.

29 (2) Other projects to protect and restore native fish and wildlife  
30 dependent on the delta ecosystem, including the removal or  
31 reduction of undesirable invasive species.

32 (3) Projects to reduce greenhouse gas emissions from exposed  
33 delta soils.

34 (c) Expenditure of any portion of the funds provided pursuant  
35 to this chapter is contingent on the adoption of a comprehensive  
36 plan for delta sustainability.

CHAPTER 6. WATER SUPPLY RELIABILITY

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79760. The sum of two billion dollars (\$2,000,000,000) shall be available for appropriation by the Legislature from the fund to the department for competitive grants for water supply reliability in accordance with this chapter.

79761. (a) Except as provided in subdivision (g), the department shall award grants to eligible projects that are consistent with an adopted integrated regional water management plan.

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

(c) For the purposes of awarding a grant under this chapter, the department shall require a cost share of not less than 50 percent of project costs.

- (d) Eligible projects include all of the following:
- (1) Agricultural and urban water use efficiency implementation projects, as well as feasibility studies, technical assistance, education, and public outreach, and projects that result in water savings, increased instream flow, improved water quality, or increased energy efficiency.
  - (2) Recycling, reclamation, desalination, and associated facilities, including distributions systems.
  - (3) Groundwater and surface storage projects, and conjunctive use and reservoir reoperations projects.
  - (4) Groundwater contamination prevention, cleanup, and treatment, and other water quality projects necessary to protect existing or potential water supplies.
  - (5) Other projects that improve water supply reliability or improve the supply and delivery of safe drinking water.

(e) Eligible applicants are public agencies, public utilities, and mutual water companies. To be eligible for funding under this chapter, projects proposed by public utilities that are regulated by the Public Utilities Commission and mutual water companies shall have a clear and definite public purpose and shall benefit the customers of those respective water systems.

1 (f) Funds made available by this chapter shall be allocated  
 2 pursuant to the following regional distribution based on hydrologic  
 3 regions and subregions identified in the California Water Plan:

4		
5	(1) North Coast	\$70,000,000
6	(2) San Francisco Bay	\$240,000,000
7	(3) Central Coast	\$95,000,000
8	(4) Los Angeles subregion	\$369,000,000
9	(5) Santa Ana subregion	\$200,000,000
10	(6) San Diego subregion	\$161,000,000
11	(7) Sacramento River	\$131,000,000
12	(8) San Joaquin River	\$103,000,000
13	(9) Tulare/Kern	\$109,000,000
14	(10) North/South Lahonton	\$53,000,000
15	(11) Colorado River Basin	\$69,000,000
16	(12) Interregional	\$400,000,000
17		

18 (g) Interregional funds may be expended directly or granted by  
 19 the department to address multiregional needs or statewide  
 20 priorities, including, but not limited to, any of the following:

- 21 (1) Investing in new water technology development and  
 22 deployment.
- 23 (2) Meeting state water recycling goals.
- 24 (3) Adapting to climate change impacts.
- 25 (4) Reducing contributions to climate change.
- 26 (5) Other projects to improve statewide water management  
 27 systems.

28  
 29 CHAPTER 7. RESOURCE STEWARDSHIP AND ENVIRONMENTAL  
 30 RESTORATION PROGRAM

31  
 32 79770. The sum of one billion dollars (\$1,000,000,000) shall  
 33 be available for appropriation by the Legislature from the fund to  
 34 the secretary for expenditures and grants for resource stewardship,  
 35 ecosystem restoration, urban watershed, and stormwater  
 36 management projects, including, but not limited to, all of the  
 37 following watersheds:

- 38 (a) The San Joaquin River system.
- 39 (b) The Sacramento River corridor.
- 40 (c) The Salton Sea watersheds.

- 1 (d) The Los Angeles River watershed.
- 2 (e) The San Gabriel River watershed.
- 3 (f) The Santa Ana River watershed.
- 4 (g) The Klamath River watershed.
- 5 (h) North coast watersheds.
- 6 (i) San Francisco Bay watersheds.
- 7 (j) Central coast watersheds.
- 8 (k) South coast watersheds.
- 9 (l) Lake Tahoe Basin.
- 10 (m) Kern River and Tulare Basin.

11

12 CHAPTER 8. GROUNDWATER PROTECTION

13

14 79775. The sum of four hundred million dollars (\$400,000,000)  
15 shall be available for appropriation by the Legislature for  
16 expenditures, grants, and loans for projects to prevent or reduce  
17 the contamination of groundwater that serves as a source of  
18 drinking water. Funds appropriated by this chapter shall be  
19 available for projects necessary to protect public health by  
20 preventing or reducing the contamination of groundwater that  
21 serves as a major source of drinking water for a community.

22 (a) Projects shall be prioritized based upon the following criteria:

23 (1) The threat posed by groundwater contamination to the  
24 affected community's overall drinking water supplies, including  
25 the need for treatment of alternative supplies if groundwater is not  
26 available due to contamination.

27 (2) The potential for groundwater contamination to spread and  
28 reduce drinking water supply and water storage for nearby  
29 population areas.

30 (3) The potential of the project, if fully implemented, to enhance  
31 local water supply reliability.

32 (4) The potential of the project to increase opportunities for  
33 groundwater recharge and optimization of groundwater supplies.

34 (b) The board shall give additional consideration to projects  
35 that meet any of the following criteria:

36 (1) The project is implemented pursuant to a comprehensive  
37 basin-wide groundwater quality management and remediation plan  
38 or is necessary to develop a comprehensive groundwater plan.



1 (2) Affected groundwater provides a local supply that, if  
2 contaminated and not remediated, will require import of additional  
3 water from outside the region.

4 (3) The project will serve an economically disadvantaged  
5 community.

6 (c) The Legislature, by statute, shall establish both of the  
7 following:

8 (1) Requirements for repayment of grant funds in the event of  
9 cost recovery from parties responsible for the groundwater  
10 contamination.

11 (2) Requirements for recipients of grants to make reasonable  
12 efforts to recover costs from parties responsible for groundwater  
13 contamination.

14

15

CHAPTER 9. FISCAL PROVISIONS

16

17 79780. (a) Bonds in the total amount of five billion eight  
18 hundred million dollars (\$5,800,000,000), not including the amount  
19 of any refunding bonds issued in accordance with Section 79792,  
20 or so much thereof as is necessary, may be issued and sold to  
21 provide a fund to be used for carrying out the purposes expressed  
22 in this division and to reimburse the General Obligation Bond  
23 Expense Revolving Fund pursuant to Section 16724.5 of the  
24 Government Code. The bonds, when sold, shall be and constitute  
25 valid and binding obligations of the State of California, and the  
26 full faith and credit of the State of California is hereby pledged  
27 for the punctual payment of both the principal of, and interest on,  
28 the bonds as the principal and interest become due and payable.

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

34 79781. The bonds authorized by this division shall be prepared,  
35 executed, issued, sold, paid, and redeemed as provided in the State  
36 General Obligation Bond Law, and all of the provisions of that  
37 law apply to the bonds and to this division and are hereby  
38 incorporated in this division as though set forth in full in this  
39 division, except Section 16727 of the Government Code shall not

1 apply to the extent that it is inconsistent with any other provision  
2 of this division.

3 79782. (a) Solely for the purpose of authorizing the issuance  
4 and sale, pursuant to the State General Obligation Bond Law, of  
5 the bonds authorized by this division, the Reliable Water Supply  
6 Finance Committee is hereby created. For purposes of this division,  
7 the Reliable Water Supply Finance Committee is "the committee"  
8 as that term is used in the State General Obligation Bond Law.

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

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

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

18 79783. The committee shall determine whether or not it is  
19 necessary or desirable to issue bonds authorized pursuant to this  
20 division to carry out the actions specified in this division and, if  
21 so, the amount of bonds to be issued and sold. Successive issues  
22 of bonds may be authorized and sold to carry out those actions  
23 progressively, and it is not necessary that all of the bonds  
24 authorized to be issued be sold at any one time.

25 79784. "Board," as defined in Section 16722 of the Government  
26 Code for the purposes of compliance with the State General  
27 Obligation Bond Law, means the department.

28 79785. There shall be collected each year and in the same  
29 manner and at the same time as other state revenue is collected,  
30 in addition to the ordinary revenues of the state, a sum in an amount  
31 required to pay the principal of, and interest on, the bonds each  
32 year, and it is the duty of all officers charged by law with any duty  
33 in regard to the collection of the revenue to do and perform each  
34 and every act which is necessary to collect that additional sum.

35 79786. Notwithstanding Section 13340 of the Government  
36 Code, there is hereby appropriated from the General Fund in the  
37 State Treasury, for the purposes of this division, an amount that  
38 will equal the total of the following:

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

4 (b) The sum that is necessary to carry out the provisions of  
5 Section 79789, appropriated without regard to fiscal years.

6 79787. The board may request the Pooled Money Investment  
7 Board to make a loan from the Pooled Money Investment Account  
8 in accordance with Section 16312 of the Government Code for the  
9 purpose of carrying out this division. The amount of the request  
10 shall not exceed the amount of the unsold bonds that the committee  
11 has, by resolution, authorized to be sold for the purpose of carrying  
12 out this division. The board shall execute those documents required  
13 by the Pooled Money Investment Board to obtain and repay the  
14 loan. Any amounts loaned shall be deposited in the fund to be  
15 allocated in accordance with this division.

16 79788. Notwithstanding any other provision of this division,  
17 or of the State General Obligation Bond Law, if the Treasurer sells  
18 bonds that include a bond counsel opinion to the effect that the  
19 interest on the bonds is excluded from gross income for federal  
20 tax purposes under designated conditions, the Treasurer may  
21 maintain separate accounts for the bond proceeds invested and for  
22 the investment earnings on those proceeds, and may use or direct  
23 the use of those proceeds or earnings to pay any rebate, penalty,  
24 or other payment required under federal law or take any other  
25 action with respect to the investment and use of those bond  
26 proceeds, as may be required or desirable under federal law in  
27 order to maintain the tax-exempt status of those bonds and to obtain  
28 any other advantage under federal law on behalf of the funds of  
29 this state.

30 79789. For the purposes of carrying out this division, the  
31 Director of Finance may authorize the withdrawal from the General  
32 Fund of an amount or amounts not to exceed the amount of the  
33 unsold bonds that have been authorized by the committee to be  
34 sold for the purpose of carrying out this division. Any amounts  
35 withdrawn shall be deposited in the fund. Any money made  
36 available under this section shall be returned to the General Fund,  
37 with interest at the rate earned by the money in the Pooled Money  
38 Investment Account, from proceeds received from the sale of bonds  
39 for the purpose of carrying out this division.

1 79790. All money deposited in the fund that is derived from  
2 premium and accrued interest on bonds sold pursuant to this  
3 division shall be reserved in the fund and shall be available for  
4 transfer to the General Fund as a credit to expenditures for bond  
5 interest.

6 79791. Pursuant to Chapter 4 (commencing with Section  
7 16720) of Part 3 of Division 4 of Title 2 of the Government Code,  
8 the cost of bond issuance shall be paid out of the bond proceeds.  
9 These costs shall be shared proportionately by each program funded  
10 through this division.

11 79792. The bonds issued and sold pursuant to this division  
12 may be refunded in accordance with Article 6 (commencing with  
13 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of  
14 the Government Code, which is a part of the State General  
15 Obligation Bond Law. Approval by the electors of the state for the  
16 issuance of the bonds under this division shall include approval  
17 of the issuance of any bonds issued to refund any bonds originally  
18 issued under this division or any previously issued refunding bonds.

19 79793. The Legislature hereby finds and declares that,  
20 inasmuch as the proceeds from the sale of bonds authorized by  
21 this division are not "proceeds of taxes" as that term is used in  
22 Article XIII B of the California Constitution, the disbursement of  
23 these proceeds is not subject to the limitations imposed by that  
24 article.

25 SEC. 2. The Secretary of State shall submit Section 1 of this  
26 act to the voters at the February 5, 2008, statewide primary election  
27 in accordance with the provisions of the Government Code and  
28 the Elections Code governing the submission of a statewide  
29 measure to the voters.

30 SEC. 3. (a) Notwithstanding any other provision of law, with  
31 respect to the Water Supply Reliability Bond Act of 2008, as set  
32 forth in Section 1 of this act, all ballots of the February 5, 2008,  
33 statewide primary election shall have printed thereon and in a  
34 square thereof, exclusively, the words: "Water Supply Reliability  
35 Bond Act of 2008" and in the same square under those words, the  
36 following in 8-point type:

37 "This act will provide financing for projects to protect  
38 California's drinking water supply from natural disasters and  
39 improve water supply reliability and safe drinking water in every  
40 region of the state by authorizing a \$5.8 billion dollar bond act."

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

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

9 SEC. 4. Section 1 of this act shall take effect only upon the  
10 approval by the voters of the Water Supply Reliability Bond Act  
11 of 2008, as set forth in that section.

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

16 In order to finance a critical water supply reliability and  
17 environmental restoration program as soon as possible, it is  
18 necessary that this act take effect immediately.