

Chapter 8 – Statewide Water System Operational Improvement

79765. (a) The sum of three billion, five hundred million (\$3,500,000,000) are continuously appropriated from the fund to the department for water storage projects that improve the operation of the state water system and provide public benefits that are cost effective and capable of timely implementation and in accordance with this chapter.

(b) This chapter shall not be amended or repealed unless approved by the Legislature with two-thirds of the members of each house voting in favor thereof.

79766. Eligible projects include:

- (a) Surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, excluding the expansion of Shasta Reservoir.
- (b) Groundwater storage, conjunctive use, and reservoir re-operation projects.
- (c) Groundwater contamination prevention or remediation that provides water storage benefits.
- (d) Regional and local surface storage and regional and local water conveyance enhancements that improve interregional water system operation.

79767. (a) No project may be funded pursuant to this chapter unless it provides measurable improvements to the Delta ecosystem, including fisheries habitat and water quality of the delta.

(b) Funds pursuant to this chapter shall be prioritized based upon the expected return for public investment as measured by the magnitude and diversity of the following benefits:

(1) Ecosystem benefits including improvement in flow conditions, temperature, or other factors that contribute to the restoration of aquatic ecosystems and native fish and wildlife.

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

(3) Water quality improvement of the delta, a major river or water body that serves as a water supply source for more than one region of the state and provides significant public trust resources.

(4) Emergency response, including securing emergency water supplies and flows for dilution and salinity repulsion following natural disaster or acts of terrorism.

(5) Recreational purposes, including but not limited to, those recreational pursuits generally associated with the out-of-doors.

(c) The department shall define the quantification of public benefits through a rulemaking process (citation) and shall identify the appropriate public agency or agencies to administer the public benefits.

(d) The department shall enter into contracts with cost share partners and with the public agencies that administer the public benefits to assure that anticipated benefits are commensurate with public contributions.

79768. To be eligible for funding under this chapter, projects shall meet the following requirements:

- (a) The state's share shall not exceed 50% of the total costs of projects funded under this chapter.
- (b) Funds for eligible projects pursuant to this chapter shall be limited to the amount of quantified public benefits listed in Section 79767, or the costs of project capacity dedicated to providing the public benefit.
- (c) For eligible projects pursuant to this chapter, a finding by the director that the project is feasible, and meets the objectives of the CALFED Bay-Delta Program. Feasibility studies and contractual commitment for not less than 75% of local cost share shall be completed not later than January 1, 2012. The director shall extend that date based on delays caused by litigation.

79769. Surface storage projects funded pursuant to this chapter included in division (a) of Section 79766 may be made a unit of the Central Valley Project as provided in Section 11290 and shall be acquired, constructed, operated and maintained pursuant to Part 3 (commencing with Section 11100) of Division 6.

79770. A priority will be provided for water developed pursuant to this chapter to be used to offset Bay-Delta flow related objectives or obligations, if any, imposed by the State Water Resources Control Board on the water rights of water users within the watershed or counties of origin

Area of Origin Language

Add a new subdivision to Section 79702:

(n) "Hydrologic region" means the respective regions identified in the California Water Plan, as more specifically identified in this division.

Amend Section 79716 to provide:

Section 79716 Nothing in this division shall limit or otherwise affect the application of Sections 11460 to 11463, inclusive, Sections 10505 to 10505.5, inclusive, or Section 11128; provided, that these provisions shall not be interpreted as creating any right in areas outside of the Sacramento River hydrologic region to water originating within the Sacramento River hydrologic region as a result of facilities constructed with proceeds of bonds issued and sold pursuant to this division. For the purposes of this division, the Sacramento hydrologic region shall exclude the delta.

Add a new Section 79717:

79717. The provisions of this division pertaining to counties and watersheds of origin shall not be amended or repealed unless approved by the Legislature with two-thirds of the members of each house voting in favor thereof.

Revise Section 79730 (a) to read:

79730 (a) The Bay-Delta Estuary is a unique and irreplaceable combination of environmental and economic resources. Current management and use of the delta is not sustainable, and results in a high level of conflict among various interests. Future delta sustainability is threatened by changing hydrology, decreasing snow pack, flood risk, seismic events and environmental problems. Future management of the delta must improve delta ecosystem health and improve the means of delta water conveyance in order to protect drinking water quality, improve water supply reliability, restore ecosystem health, and preserve sustainable agricultural and recreational values in the delta, *while providing to counties and watersheds of origin assurances that their priority to water resources will be protected and that programs or facilities implemented or constructed in the delta will not result in redirection of adverse impacts to the counties and watersheds of origin.* Many sources of funding will be needed to implement improved delta management.

Conveyance Language

Chapter 7. Delta Sustainability

Section 79730 (c)

(c) ~~In implementing this chapter,~~ Using its existing authority, the department, taking into consideration the recommendations of the Bay Delta Conservation Plan and the Blue Ribbon Task Force established by Executive Order S-17-06, shall ~~develop~~ implement, in cooperation with the Department of Fish and Game and the State Water Resources Control Board, a comprehensive delta sustainability program that includes both water conveyance and ecosystem improvements, and that meets the following criteria:

Section 79730 (d)

(d) Funds provided by this chapter may not be expended for the design or construction of delta water transfer facilities. The costs for the design, construction, operation, and maintenance of any conveyance facility shall be the responsibility of the agencies that benefit from its design, construction, operation, and maintenance, including State Water Project and Central Valley Project contractors. ~~All costs related to any water conveyance improvements shall be the responsibility of the agencies that benefit from those improvements.~~

Section 79731 (b) (1)

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

Necessary Technical Fix

Chapter 6. Water Supply Reliability

Section 79722 – insert new paragraph (d) (6) at line 32

(6) Water infrastructure reliability projects to prevent or reduce water service interruptions due to natural or human made disasters.