



**DUBLIN SAN RAMON SERVICES DISTRICT
Board of Directors**

NOTICE OF REGULAR MEETING

TIME: 6:00 p.m.
PLACE: Regular Meeting Place
7051 Dublin Boulevard, Dublin, CA

DATE: Tuesday, September 16, 2014

AGENDA

(NEXT RESOLUTION NO. 62-14)

(NEXT ORDINANCE NO. 336)

Our mission is to provide reliable water and wastewater services to the communities we serve in a safe, efficient and environmentally responsible manner.

BUSINESS:

REFERENCE

Recommended Action **Anticipated Time**

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL – Members: Benson, Duarte, Halket, Howard, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)

At this time those in the audience are encouraged to address the Board on any item of interest that is within the subject matter jurisdiction of the Board and not already included on tonight’s agenda. Comments should not exceed five minutes. Speakers’ cards are available from the District Secretary and should be completed and returned to the Secretary prior to addressing the Board. The President of the Board will recognize each speaker, at which time the speaker should proceed to the lectern, introduce him/herself, and then proceed with his/her comment.

6. REPORTS
 - A. Reports by General Manager and Staff
 - Event Calendar
 - Correspondence to and from the Board
 - B. Agenda Management (consider order of items)
 - C. Committee Reports
None

- | | | | |
|----|---|-----------------------|----------------------|
| 7. | <u>APPROVAL OF MINUTES</u> - Regular Meeting of
<i>September 2, 2014</i> | District
Secretary | Approve
by Motion |
|----|---|-----------------------|----------------------|

BUSINESS:

REFERENCE

<u>Recommended Action</u>	<u>Anticipated Time</u>
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8. **CONSENT CALENDAR**

Matters listed under this item are considered routine and will be enacted by one Motion, in the form listed below. There will be no separate discussion of these items unless requested by a Member of the Board of Directors or the public prior to the time the Board votes on the Motion to adopt.

A.	Rejection of Claim – Mr. Philip Soo	Organizational Services Manager	Reject by Motion	
B.	Award Construction Agreement to Advanced Industrial Services, Inc., for the Secondary Clarifier No. 4 Recoating (CIP 15-P002)	Engineering Services Manager	Approve by Resolution	
C.	Approve Day of Service and Expense Reimbursement for Director Benson to Represent the District at the WaterSmart Innovations Conference and Exposition in Las Vegas, Nevada	General Manager	Approve by Motion	
D.	Authorize Travel to Las Vegas, Nevada for Clean Water Programs Specialist and Clean Water Environmental Compliance Inspector	Engineering Services Manager	Approve by Motion	
E.	Approve Day of Service and Expense Reimbursement for Director Halket to Represent the District at the Water Education Foundation 2014 Northern California Water Tour	General Manager	Approve by Motion	
F.	Upcoming Board Calendar	General Manager	Accept by Motion	

9. **BOARD BUSINESS**

A.	Discuss Drought Management Program	General Manager	Provide Direction	5 min
B.	Support Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014	General Manager	Approve by Resolution	15 min
C.	Authorize the Board President to Appoint a District Representative to Attend the September 27, 2014 Tri-Valley Retailer/Wholesaler Liaison Meeting and Discuss Various Water Policy Issues in Preparation for Meeting	General Manager	Approve by Motion & Discuss	15 min

10. **BOARDMEMBER ITEMS**

- Submittal of Written Reports from Travel and Training Attended by Directors

11. CLOSED SESSION

- A. Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9: One case. Receipt of claim from Philip Soo pursuant to the Government Claims Act (Government Code §§810-996.6) 5 min
Agency Negotiators: Bert Michalczyk, General Manager
Michelle Gallardo, Interim Organizational Services Manager
Additional attendees: General Counsel Carl P. A. Nelson
- B. Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6 20 min
Agency Negotiators: Bert Michalczyk, General Manager
Unrepresented Employees: 1. Engineering Services Manager
2. Administration Services Manager
3. Operations Manager
Additional attendees: General Counsel Carl P. A. Nelson

12. REPORT FROM CLOSED SESSION

13. ADJOURNMENT

BOARD CALENDAR*

<u>Committee & Board Meetings</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
Special LAVWMA	September 17, 2014	6:00 p.m.	District Office
Tri-Valley Water Liaison Committee	September 27, 2014	9:00 a.m.	Livermore City Council Chambers
Regular Board Meeting	October 7, 2014	6:00 p.m.	District Office

*Note: Agendas for regular meetings of District Committees are posted not less than 72 hours prior to each Committee meeting at the District Administrative Offices, 7051 Dublin Boulevard, Dublin, California

All materials made available or distributed in open session at Board or Board Committee meetings are public information and are available for inspection at the front desk of the District Office at 7051 Dublin Blvd., Dublin, during business hours, or by calling the District Secretary at (925) 828-0515. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.

**DUBLIN SAN RAMON SERVICES DISTRICT
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS**

September 2, 2014

A regular meeting of the Board of Directors was called to order at 6:00 p.m. by President Georgean M. Vonheeder-Leopold. Boardmembers present: President Georgean M. Vonheeder-Leopold, Vice President Edward R. Duarte, Director D.L. (Pat) Howard, and Director Dawn L. Benson. Director Richard M. Halket was absent. District staff present: Dan Gallagher, Operations Manager; Rhodora Biagtan, Interim Engineering Services Manager; John Archer, Interim Financial Services Manager/Treasurer; Michelle Gallardo, Interim Organizational Services Manager; Carl P.A. Nelson, General Counsel; and Nicole Genzale, Administrative Analyst I.

1. CALL TO ORDER
2. PLEDGE TO THE FLAG
3. ROLL CALL - Members: Benson, Duarte, Halket, Howard, Vonheeder-Leopold
4. SPECIAL ANNOUNCEMENTS/ACTIVITIES
5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC) – 6:01 p.m.

Speaker: Mr. Ed Kokko, Dublin Resident - Mr. Kokko stated his opposition to the proposed installation of an AT&T cell tower on District Reservoir 1A located at 8208 Rhoda Avenue in Dublin. Mr. Kokko stated that he and other residents who live in the neighboring area of the reservoir have submitted materials to the District requesting the District not approve the cell tower installation. He expressed concerns regarding possible long-term health implications, negative impact to property values, environmental impact, increase in noise pollution, and a disproportionate burden for residents to bear with no compensation from AT&T. He stated that his family carefully researched the area and would not have chosen this property if the cell tower was already in place. He also showed the Board pictures of his property, Reservoir 1A and another District reservoir that he proposed as an alternate location for the cell tower. He thanked the Board and staff for their time and consideration.

Director Benson entered the meeting at 6:05 p.m.

6. REPORTS
 - A. Reports by General Manager and Staff
 - Event Calendar – Operations Manager Gallagher reported on the following:
 - o The Annual WWTP Neighborhood meeting will be held Monday, October 20, 2014 at 5:30 p.m. About 2,000 addresses located within a circular radius of the Wastewater Treatment Plant receive invitations each year.
 - Correspondence to and from the Board on an Item not on the Agenda

DRAFT

Date	Format	From	To	Subject
8/21/14	E-Mail	Monique Reynolds	DSRSD Board	Application for Appeal
8/27/14	E-Mail	Ed Kokko	DSRSD Board	Proposed Rhoda Water Tower Concerns

B. Agenda Management (consider order of items)

Operations Manager Gallagher reported that there is a typographical error on the bottom of the Summary & Recommendation for Item 8.A and clarified that the anticipated cost should read "...zero point five percent..." instead of "...five percent..." He also reported that Item 9.C will not be needed due to the customer's withdrawal of his appeal earlier today. Lastly, he reminded the Board that Closed Session Item 11.A will only be needed if the Board wishes to discuss Item 8.C on the Consent Calendar.

C. Committee Reports

Finance	August 19, 2014
Personnel	August 19, 2014
Tri-Valley Water Agency Liaison	August 27, 2014

Operations Manager Gallagher noted that the preparation of the minutes for the Tri-Valley Water Agency Joint Liaison Meeting held on August 27 are in progress and must be reviewed by the participating agencies before they can be presented for approval.

President Vonheeder-Leopold invited comments on recent committee activities. Directors felt the available staff reports adequately covered the many matters considered at committee meetings and made a few comments about some of the committee activities.

7. APPROVAL OF MINUTES – Regular Meeting of *August 19, 2014*

Director Benson asked to have the minutes corrected related to Item 9.D. Director Benson said that in the matter related to Valley Christian Center's (VCC) appeal of an exemption that staff denied, the Board stipulated that a condition of granting VCC's request for an exemption included a requirement that VCC reduce all of their zone times by 50% compared to the timer schedules provided with the appeal by Mr. Buffington. She pointed out that the minutes as written only mention VCC reducing their timers from 30 minutes to 15 minutes.

Director Howard MOVED for the approval of the August 19, 2014 minutes with the correction that an additional statement be added to the motion for Item 9.D on page 8 requiring a reduction of 50% to the original timer settings. Director Benson SECONDED the MOTION, which CARRIED with FOUR AYES, and ONE ABSENT (Halket).

8. CONSENT CALENDAR

V.P. Duarte requested to REMOVE Item 8.A from the Consent Calendar for discussion.

Director Howard MOVED for approval of Items 8.B – 8.F on the Consent Calendar. Director Duarte SECONDED the MOTION, which CARRIED with FOUR AYES and ONE ABSENT (Halket).

The Board thanked John Archer, Rhodora Biagtan and Michelle Gallardo for their service in fulfilling the interim senior management positions for the District and complemented the senior management team on their performance, especially during the drought crisis.

A. REMOVED - Adopt and Implement Labor Compliance Program for Projects Financed by Proposition 84 Grant Funding – Approved – Resolution No. 61-14

V.P. Duarte inquired about the Contractor Compliance and Monitoring Inc., organization identified in the item and asked how the organization is funded.

Engineering Services Manager Biagtan explained that Contractor Compliance and Monitoring Inc., (CCMI) is the consultant firm selected to assist the District navigate through labor compliance requirements. They would provide labor compliance reporting. The District would pay a fee of 0.5% of project construction costs to CCMI for these services.

V.P. Duarte stated that he believes, as a contractor who has done this type of work, that this is going to cost the District more than 0.5% of the construction cost, as open shop contractors increase costs and pass them along to the client as a result of this requirement. These program requirements are already included in the California Labor Code which provides for prevailing wages, and proper registration and utilization of apprentices. This legislation has been pushed through by organized labor over the last two years and is designed to either put open shop contractors out of business or exclude them from bidding and building public works projects. He stated that he is adamantly opposed to approving this item. He stated that he has 50 years of experience as an open shop contractor building public works projects, including projects for the District, and does not understand why an open shop contractor that already complies with the law and pays union scale and benefits should have to become a signatory on these types of projects. V.P. Duarte stated he believes the fee that the District must pay is blatant extortion and discrimination, and that Sacramento is owned lock, stock and barrel by organized labor. It angers him to see this requirement come before the Board.

Director Howard asked if the 0.5% fee for the consulting services of CCMI is a requirement in order to obtain the grant funds.

Ms. Biagtan confirmed that the District must adopt and implement a labor compliance program in order to be eligible to receive the grant funding, and the

proposed contract with Contractor Compliance and Monitoring, Inc., would satisfy this requirement.

President Vonheeder-Leopold stated her agreement with V.P. Duarte, and expressed that the interest of unions often outweighs those they represent.

Director Benson stated that she has seen this situation drive the prices of projects up.

Director Howard inquired if there are any legal ramifications that the Board should be aware of regarding this agreement.

General Counsel Nelson stated that this is an agreement to track compliance with the law. This type of compliance used to be handled by the state, and a new law that was just passed requires contractors to register in order to be certified. This labor compliance program is a different way of funding this compliance. He confirmed that V.P. Duarte is correct that there is a big push for this and a lot of state money is tied into it.

President Vonheeder-Leopold stated that she would like the District to closely track the actual cost incurred compared to the 0.5% fee, and noted that she has seen effects of unions in other areas, such as the Assembly race that recently took place in this area.

Ms. Biagtan stated that the 0.5% fee for CCMI will be based on the bids that come in from the contractors.

V.P. Duarte stated that both open and closed shops are in opposition to this law.

Director Howard MOVED to approve staff's recommendation to Adopt and Implement a Labor Compliance Program for Projects Financed by Proposition 84 Grant Funding, with the correction of zero point five percent of the project construction cost as shown on the Summary & Recommendation. President Vonheeder-Leopold SECONDED the MOTION, which carried with THREE AYES, ONE NAY (Duarte), and ONE ABSENT (Halket).

- B. Trustworthy Electronic Content Management System (CIP 15-A006): Approve Master Agreement and Authorize Task Order No. 1 for Professional Consulting Services with Electronic Image Designers, Inc. – Approved – Resolution No. 57-14
- C. Approve Amendment No. 3 to Personal Services Agreement between Rhodora N. Biagtan and Dublin San Ramon Services District, Amendment No. 4 to Personal Services Agreement between John J. Archer and Dublin San Ramon Services District, and Amendment No. 4 to Personal Services Agreement between Michelle L. Gallardo and Dublin San Ramon Services District – Approved - Resolution No. 58-14, Resolution No. 59-14, and Resolution No. 60-14

- D. Approve Casting District Vote in the California Urban Water Conservation Council (CUWCC) 2014 Election for MOU Revision Ballot September 2014 – Approved
- E. Upcoming Board Calendar – Approved
- F. Report of Checks and Electronic Disbursements Made – Approved

Date Range	Amount
07/29/2014 – 08/25/14	\$6,374,437.48

9. BOARD BUSINESS

- A. Discuss Drought Management Program

Operations Manager Gallagher stated that we are currently still in a drought situation and there was nothing new to report at this time regarding this standing Board item. The Board did not direct staff to develop any changes to the drought management program.

- B. Accept Water Supply and Demand and Drought Response Action Plan Status Reports and Find that the Need for the Community Drought Emergency Still Exists

Operations Manager Gallagher briefly reviewed the report, noting that any changes from the last report are indicated in the highlighted sections. He pointed out page 3 of 18 which shows a graphic of the three metrics used by the District to keep track of how the District is doing against this year's Zone 7 allocation. The District has been under the allocation since late June and the District has finally achieved 25% conservation as requested by Zone 7. He also reported that the District continues to see improved conservation by customers. At this time, 336 customers are signed up for the District's residential recycled water program which provides recycled water at a fill station at the Wastewater Treatment Plant. It is likely that the District will see the gallons of recycled water taken home by customers cross the 1 million gallon mark this weekend. Customers are hauling over 20,000 gallons a day from the recycled water fill station. The Board agreed that the program is a resounding success! Mr. Gallagher also reported that about 5,000 District customers have signed up for and are using the AquaHawk website, which provides account and water consumption information in real time to help customers monitor and better manage their usage.

Director Howard agreed that the AquaHawk website is a great tool and shared that he uses it frequently.

Director Howard MOVED to: (a) accept the Water Supply and Demand Report and the Drought Response Action Plan Status Report; and, (b) find that there still exists a need for continuing the Community Drought Emergency, which the Board declared

on May 5, 2014. Director Benson **SECONDED** the MOTION, which **CARRIED** with **FOUR AYES** and **ONE ABSENT** (Halket).

The Board then had a brief discussion on various points of interest in the report.

- C. NOT HELD - Consider Appeal by Gregory Meyer of Staff Denial of an Exemption to Water Use Limitations

10. BOARDMEMBER ITEMS

Director Benson reported that she, as well as other Boardmembers and some District staff, attended the memorial service for former District Boardmember Tom McCormick on Friday, August 29, 2014. She expressed that it was a wonderful and heartfelt service.

Director Benson recommended that, in light of the proposed series of meetings to be held by the Tri-Valley Water Agency Joint Liaison, the participants might benefit from reading the Demand Management Advisory Committee report that was done by EBMUD on the water supply in October 2002. She also suggested that it would be helpful to arrange for a speaker to make a presentation and answer questions regarding Proposition 1, the proposed water bond. For this purpose she recommended Gary Breaux, who served on the water bond committee.

Director Howard reported that he attended the Tri-Valley Water Agency Joint Liaison Committee meeting hosted by the District on August 27, 2014. He noted that the meeting seemed to be more of an informational meeting regarding what agencies have already done about the drought, instead of looking to the future. He mentioned that City of Pleasanton Councilmember Karla Brown brought up the topic of establishing a building moratorium in the Tri-Valley. The meeting attendees agreed to add it as a discussion item for the next meeting. Director Howard suggested that each agency could give a presentation regarding the consequences of a building moratorium. Operations Manager Gallagher stated that as a result of that particular discussion, he has already reached out to Dublin City Manager Chris Foss and Assistant City Manager Linda Smith inviting the City to attend the next joint liaison meeting currently scheduled for Saturday, September 27, 2014.

V.P. Duarte reported that he, also, attended the Tri-Valley Water Agency Joint Liaison Committee meeting on August 27, 2014. He stated that the participating agencies all had glowing reports of water conservation by their customers. He also noted that a few well informed and eloquent speakers from the public, who spoke from the residents' perspectives, expressed that they are looking to the elected officials for leadership to guide the Tri-Valley into a better position than it has been in the last 50 years. V.P. Duarte also stated that we need to make our collective voices heard by local and state agencies and the Department of Water Resources regarding the long-term solution.

President Vonheeder-Leopold reported that she, too, attended the Tri-Valley Water Agency Joint Liaison Committee meeting on August 27, 2014. She noted that the speakers V.P. Duarte was referring to are Scott Raty, President/CEO of the Pleasanton Chamber of Commerce, and James Paxton, Executive Director of the Hacienda Business Association.

She stated that after the retailer presentations were made, Zone 7 presented their thoughts about the future by looking at 2015, and that the Committee was seeking a longer term outlook. President Vonheeder-Leopold shared that there is a desire for Zone 7 to take a leadership role in exploring ideas to find other sources of water, but that perhaps Zone 7 does not see themselves as the solution. The District is viewed as the “little District that can” and may need to take the lead on this matter if Zone 7 will not. She stated that the City of Dublin needs to be at the table for the discussion regarding a building moratorium, and that the District cannot issue a building moratorium without suffering legal consequences as long as Zone 7 says there is enough water. She indicated however, this will be irrelevant if we cannot find more water.

President Vonheeder-Leopold also reported that she attended the CASA Annual Conference in Monterey August 20-22, 2014 and felt slightly disappointed by the content as it seemed to be too technical for Directors. There was a vague presentation on the water bond and a follow-up session will be presented at the winter conference. CASA’s Executive Director is also currently making some internal organizational changes in the way they operate. She submitted reports for both meetings. She reported that she will not be able to attend the September 16, 2014 Board meeting.

11. CLOSED SESSION

- A. NOT HELD - Conference with Labor Negotiators – Pursuant to Government Code Section 54957.6
Agency Negotiator: Bert Michalczyk, General Manager
Unrepresented Employees: 1. Interim Engineering Services Manager
2. Interim Financial Services Manager
3. Interim Organizational Services Manager
Additional attendees: General Counsel Carl P. A. Nelson
Michelle Gallardo, Interim Organizational Services Manager

12. REPORT FROM CLOSED SESSION

13. ADJOURNMENT

President Vonheeder-Leopold adjourned the meeting at 6:54 p.m.

Submitted by,

Nicole Genzale
Administrative Analyst I

For: Nancy G. Hatfield
District Secretary



Reference Organizational Services Manager	Type of Action Reject Claim	Board Meeting of September 16, 2014
Subject Rejection of Claim - Mr. Philip Soo		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation	<input type="checkbox"/> Ordinance
REPORT:	<input checked="" type="checkbox"/> Staff	<input type="checkbox"/> Informational
	M. Gallardo	<input type="checkbox"/> Other
		<input type="checkbox"/> Board Member

Recommendation:

The Organizational Services Manager recommends the Board of Directors reject, by Motion, the property damage claim filed August 25, 2014 against Dublin San Ramon Services District by Mr. Philip Soo of Castro Valley, California.

Summary:

On August 25, 2014, the Organizational Services Manager received a claim to recover costs in the amount of \$8,097.80 for damage to a personal vehicle owned and operated by Mr. Philip Soo.

Mr. Soo is requesting reimbursement for damages related to an incident that occurred on Tuesday, August 19, 2014 in the driveway of the Wendy’s parking lot located on Dublin Boulevard in Dublin. On the date of the incident, Mr. Soo states that he was exiting the Wendy’s parking lot from the driveway located on Dublin Boulevard when the right side of his vehicle struck a bollard protecting a fire hydrant, causing damage to the passenger side of his vehicle. Mr. Soo further states that height and placement of the bollard and fire hydrant were the direct causes of the accident and damage to his vehicle.

On advisement of the District’s insurance adjusters, Carl Warren and Company, staff recommends the Board reject the claim as the fire hydrant and bollard did not present a dangerous condition. The claimant struck a clearly visible fixed object while exiting a driveway that is marked as an entrance driveway with arrows and signage. Upon rejection, a denial notice will be forwarded to the claimant in compliance with the California Tort Claims Act.

The claimant has been notified that this matter will be considered by the Board at this regularly scheduled meeting.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Yes	ORIGINATOR M. Gallardo	DEPARTMENT Organizational Services	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0.00	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. Claim filed by Philip Soo 2. Letter - Invite to DSRSD Board Meeting (dated 8/29/14) 3. DSRSD Investigation Photos - Wendy's Parking Lot				



Dublin San Ramon Services District
7051 Dublin Blvd
Dublin, CA 94568

A. THE NAME AND POST OFFICE ADDRESS OF THE CLAIMANT:

PHILIP SOO
7731 PINEVILLE CIR
CASTRO VALLEY, CA 94552
DAYTIME TELEPHONE: 925-353-5150
EVENING TELEPHONE:

B. THE POST OFFICE ADDRESS TO WHICH THE PERSON PRESENTING THE CLAIM DESIRES NOTICES TO BE SENT:

SAME AS A:

TELEPHONE: SAME AS A:

C. THE DATE, PLACE, AND OTHER CIRCUMSTANCES OF THE OCCURRENCE OR TRANSACTION WHICH GAVE RISE TO THE CLAIM ASSERTED:

DATE OF OCCURRENCE: 08-19-14

TIME OF OCCURRENCE: 12 PM

PLACE OF OCCURRENCE: NE CORNER (DRIVEWAY @ DUBLIN BLVD) DUBLIN BLVD & VILLAGE PKWY

CIRCUMSTANCES: PASSENGER SIDE DAMAGE TO PERSONAL VEHICLE (RIGHT SIDE) FROM POST/FIRE HYDRANT, WHICH IS PLACED TOO CLOSE TO & IN PATH OF LANE & DRIVEWAY. HAZARD CANNOT BE SEEN VISIBLE FROM DRIVER VISION DUE TO HEDGE ~~OBSCURING~~ OBSCURING VIEW (ALSO PASSENGER SIDE ~~OBSCURING~~ OBSCURING VIEW)

D. A GENERAL DESCRIPTION OF THE INDEBTEDNESS, OBLIGATION, INJURY, DAMAGE OR LOSS INCURRED SO FAR AS IT MAY BE KNOWN AT THE TIME OF PRESENTATION OF THE CLAIM:

NO INJURY OR DAMAGE ~~TO MY PERSONAL VEHICLE~~ OCCURRED OTHER THAN SUBSTANTIAL DAMAGE TO MY PERSONAL VEHICLE.
BODY/COLLISION REPAIR ESTIMATE ATTACHED.

E. THE NAME OR NAMES OF THE PUBLIC EMPLOYEE OR EMPLOYEES CAUSING THE INJURY, DAMAGE, OR LOSS, IF KNOWN.

N/A

F. AMOUNT OF CLAIM:
(if less than \$10,000.00)

\$ 8,100

JURISDICTION OF CLAIM:

MUNICIPAL COURT (CLAIMS TO \$25,000)
 SUPERIOR COURT (CLAIMS OVER \$25,000)

BASIS OF COMPUTATION:

SEE BODY DAMAGE COLLISION REPAIR ESTIMATE.

DECLARATION

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOLLOWING INFORMATION IS TRUE AND CORRECT

SIGNATURE OF CLAIMANT OR REPRESENTATIVE:

DATE: 8-25-14

Chilton Auto Body Pleasanton
 4262 Stanley Blvd, PLEASANTON, CA 94566
 Phone: (925) 484-2800
 FAX: (925) 484-2822

Wkfile ID: 10958249
 State ID: SRCH102-072959
 Resale Number: CAL000367712
 State EPA: ARD00265457
 BAN:

Estimate

RO Number:

Customer: Soe, Philip
 7731 Pineville Ct
 Castro Valley, CA 94553
 (925) 353-5150

Insurance:

Adjuster:
 Phone:
 Claim:
 Loss Date:
 Deductible:

Estimator: Bob Carter
 Create Date: 8/19/2014

Year: 2007 Style: 4D SED VIN: JTHB3460972115470 Mileage In: 50455
 Make: LEXU Color: Charcoal Mileage Out:
 Model: ES 350 License: 5C05K15 Job Number: Vehicle Out:

Line	Ver	Operation	Description	Qty	Extended Price \$	Part Type	Labor	Type	Paint
1	E01		FRONT BUMPER						
2	E01	Remove/Replace	Bumper cover w/o park senso	1	302.34T	RECOND	2.9	Body	2.8
3	E01		Add for Clear Coat						1.1
4	E01		FENDER						
5	E01	Repair	RT Fender				1.5	Body	1.8
6	E01		Add for Clear Coat						0.7
7	E01		FRONT DOOR						
8	E01	Remove/Replace	RT Door shell	1	665.43T	OEM	5.3	Body	3.0
9	E01		Overlap Major Adj. Panel						(0.4)
10	E01		Add for Clear Coat						0.5
11	E01	Remove/Replace	RT Lower molding gray	1	163.77T	OEM	0.0	Body	
12	E01	Remove/Replace	Body side midg tungsten pearl	1	133.00T	OEM	0.6	Body	1.0
13	E01		Add for Clear Coat						0.2
14	E01	Remove/Replace	RT Mirror assy w/o memory gray	1	354.39T	OEM	0.0	Body	0.7
15	E01		Overlap Minor Panel						(0.2)
16	E01		Add for Clear Coat						0.1
17	E01	Remove/Replace	Door edge guard midg	1	15.00T	Other	0.3	Body	
18	E01		PILLARS, ROCKER & FLOOR						
19	E01	Remove/Replace	RT Rocker molding gray	1	374.18T	OEM	0.5	Body	
20	E01		REAR DOOR						
21	E01	Remove/Replace	RT Door shell	1	594.99T	OEM	5.0	Body	3.0
22	E01		Overlap Major Adj. Panel						(0.4)
23	E01		Add for Clear Coat						0.5
24	E01	Remove/Replace	RT Lower molding gray	1	123.02T	OEM	0.0	Body	
25	E01	Remove/Replace	RT Body side midg	1	133.00T	OEM			
26	E01	Remove/Replace	Door edge guard midg	1	15.00T	Other	0.3	Body	
27	E01		ROOF						

Estimate

Lambert

Vehicle: 2007 LEXU E5 350 4D SED 6-3.5L-FI Charcoal

28	E01	Remove/Install	RT Drip molding gray			0.3	Body	
29	E01	Blend	Blend over roof rail					0.7
30	E01		QUARTER PANEL					
31	E01	Repair	RT Quarter panel			6.0	Body	2.4
32	E01		Overlap Major Adj. Panel					(0.4)
33	E01		Add for Clear Coat					0.4
34	E01		Add for Lock Pillar					0.5
35	E01		REAR LAMPS					
36	E01	Remove/Install	RT Lens & housing			0.5	Body	
37	E01		REAR BUMPER					
38	E01	Remove/Install	R&L bumper cover			1.4	Body	
39	E01	Repair	Bumper cover w/o park assist			1.0	Body	3.0
40	E01		Add for Clear Coat					1.2
41	E01		Rope back glass			0.4	Body	
42	E01	Sublet	Hazardous waste removal	1	5.00T		Other	
43	E01	Remove/Replace	Cover car	1	10.00T		Other	
44	E01	Remove/Replace	Corrosion protection	1	18.00T		Other	
45	E01	Remove/Replace	Flex additive	1	8.00T		Other	

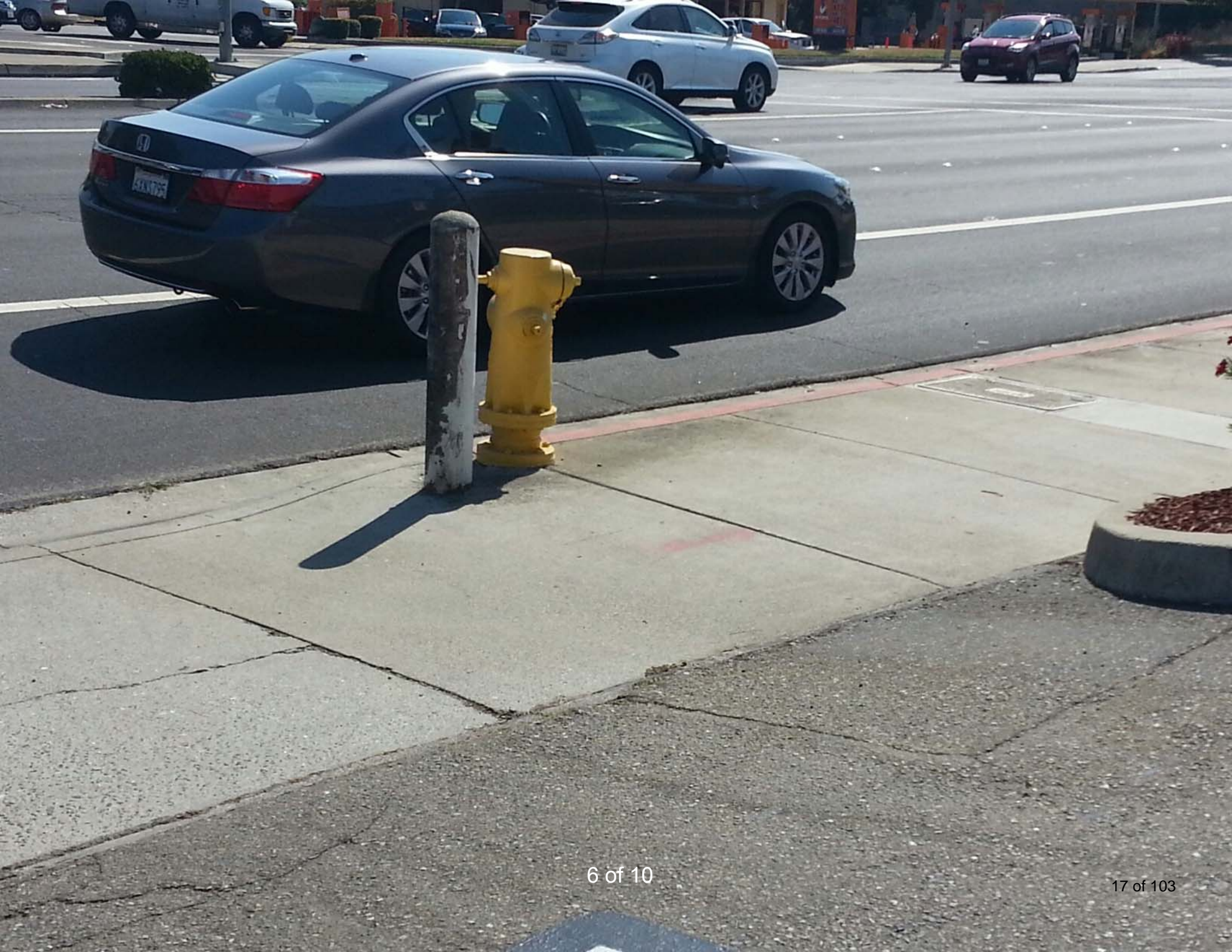
Estimate Totals	Discount \$	Markup \$	Rate \$	Total Hours	Total \$
Parts					2,910.12
Sublet/Miscellaneous					5.00
Labor, Body			82.00	26.0	2,132.00
Labor, Refinish			82.00	22.2	1,820.40
Material, Paint			40.00	22.2	888.00
Subtotal					7,755.52
Sales Tax					342.28
Grand Total					8,097.80
Net Total					8,097.80

Estimate Version	Total \$
Original	8,097.80

Insurance Total \$:	8,097.80
Received from Insurance \$:	0.00
Balance due from Insurance \$:	8,097.80
Customer Total \$:	0.00
Received from Customer \$:	0.00
Balance due from Customer \$:	0.00

















7051 Dublin Boulevard
Dublin, CA 94568-3018

ph: (925) 828-0515
fax: (925) 829-1180
www.dsrdsd.com

August 29, 2014

Mr. Philip Soo
7731 Pineville Circle
Castro Valley, CA 94552

SUBJECT: Claim for Costs Resulting from Property Damage As a Result of Dangerous Conditions

Dear Mr. Soo:

This correspondence is to advise you that your claim to recover costs will be included as an item on the next agenda of the regularly scheduled meeting of Dublin San Ramon Services District's Board of Directors on Tuesday, September 16, 2014 at 6:00 p.m. If you would like to address the Board on the matter of your claim, you may do so at that time.

Staff's recommendation is to deny your claim, as the fire hydrant and bollard did not present a dangerous condition.

A copy of the Board agenda will be available for viewing/downloading on the District's website www.dsrdsd.com after 5:00 p.m. on Friday, September 12, 2014.

Respectfully,

Michelle L. Gallardo
Interim Organizational Services Manager

CC:/ P. Soo Claim File

DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT



DSRSD PHOTOS - WENDY'S PARKING LOT





Reference Engineering Services Manager	Type of Action Award Agreement	Board Meeting of September 16, 2014
Subject Award Construction Agreement to Advanced Industrial Services, Inc., for the Secondary Clarifier No. 4 Recoating (CIP 15-P002)		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	R. Biagtan
		<input type="checkbox"/> Board Member

Recommendation:

The Engineering Services Manager recommends the Board of Directors award, by Resolution, the construction agreement for the Secondary Clarifier No. 4 Recoating (CIP 15-P002) to Advanced Industrial Services, Inc., the lowest responsive, responsible bidder, in the amount of \$156,900.

Summary:

This project will recoat the Secondary Clarifier No. 4 at the WWTP. The District has four secondary clarifiers at the WWTP that are critical to producing secondary effluent that meets NPDES requirements and suitable for recycled water treatment. Full clarifier capacity is required to meet the Regional Water Quality Control Board (RWQCB) discharge requirements during wet weather flows in the winter months and to produce effluent of adequate quality for the recycled water process in the summer months. In 2013, Clarifier No. 4 was inspected by a corrosion consultant, a structural engineer, and the equipment manufacturer's technical staff. Based on the inspections, Clarifier No. 4 tank and mechanical equipment should be recoated to reduce corrosion and prolong the life of the clarifier.

The bid period for the Secondary Clarifier No. 4 Recoating project began on August 12, 2014 and three (3) bids were received on September 10, 2014. The apparent low bid was received from Advanced Industrial Services, Inc., in the amount of \$156,900. The bids ranged from \$156,900 to \$267,477 (Attachment 1). The Engineer's Construction Cost estimate was \$180,000. Based on the scope of the project the engineer determined this work to be low risk; therefore, the insurance policy was adjusted by removal of the general aggregate of \$10,000,000 and maintaining the \$5,000,000 per occurrence. This was based on cost history for replacement of secondary clarifier's internal parts of approximately \$1,000,000.

The contract time for the project is thirty (30) calendar days and is estimated to be completed in October 2014. The project is funded by Regional Sewer Replacement funds. There are adequate funds available for construction.

In accordance with the Board guidelines, this item is a routine construction project award for an approved project, which is under budget with no bid irregularities, contractor issues, or public concerns. Therefore, staff recommends award of the contract to Advanced Industrial Services, Inc.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR J. Yee	DEPARTMENT Operations	REVIEWED BY R. Biagtan
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$156,900	<input checked="" type="checkbox"/> Funding Source A. Regional Sewer Replacement (Fund 310-100%)		Attachments to S&R 1. Bid Results 2. 3.			

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT TO ADVANCED INDUSTRIAL SERVICES, INC., FOR CONSTRUCTION OF SECONDARY CLARIFIER No. 4 RECOATING (CIP 15-P002) AND DIRECTING RETURN OF SECURITY DEPOSITS

WHEREAS, facility improvements are needed that serve current customers of Dublin San Ramon Services District (DSRSD); and

WHEREAS, on August 12, 2014 the District Secretary advertised for bid for Secondary Clarifier No. 4 Recoating project (CIP 15-P002); and

WHEREAS, pursuant to said advertisement, three (3) bids were received for the performance of said work and filed with the District Secretary; and

WHEREAS, Advanced Industrial Services, Inc., is the lowest responsive, responsible bidder, and it is the intention and desire of this Board to accept said bid of \$156,900.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the counties of Alameda and Contra Costa, California, as follows:

1. The CEQA requirements for this project were satisfied through categorical exemption, per CEQA Guideline 15301.
2. The bid of Advanced Industrial Services, Inc., in the amount of \$156,900, is hereby accepted, and said bidder is hereby found and declared to be the lowest responsive, responsible bidder for said work.
3. That certain agreement titled "Agreement for the Construction of Secondary Clarifier No. 4 Recoating (CIP 15-P002)" (Exhibit A), by and between Dublin San Ramon Services District, a California public agency, and Advanced Industrial Services, Inc.,

Res. No. _____

a copy of which agreement is on file in the Office of the General Manager, to which copy reference is hereby made for the full particulars thereof, is hereby approved, and the General Manager and District Secretary are hereby authorized and directed to execute, and to attest thereto, respectively, said agreement for and on behalf of Dublin San Ramon Services District.

4. The District Secretary is hereby authorized and directed to return to all unsuccessful bidders, and to the successful bidder upon execution by it of the aforementioned agreement, all securities guaranteeing execution of the Agreement upon award.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 16th day of September 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgan M. Vonheeder-Leopold, President

ATTEST: _____
Nancy G. Hatfield, District Secretary

SECTION 00500

AGREEMENT FOR THE CONSTRUCTION OF

Secondary Clarifier #4 Recoating (CIP 15-P002)

THIS AGREEMENT, made and concluded, in duplicate, this _____ day of _____, 20 _____, between the Dublin San Ramon Services District ("District"), Dublin, California, and Advanced Industrial Services, Inc. 11261 Weatherby Road, Los Alamitos, CA 90720, (562) 940-8305. ("Contractor").

WITNESSETH:

1. That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the District, and under the conditions expressed in the two bonds, bearing even date with these presents, and hereunto annexed, the Contractor agrees with the District, at his/her own proper cost and expense, to do all the work and furnish all the materials necessary to construct and complete in good workmanlike and substantial manner the project entitled: Secondary Clarifier #4 Recoating (CIP 15-P002) in strict conformity with the Contract Documents (collectively defined in Section 01090-2.0), prepared therefor, which said plans and specifications are hereby specially referred to and by said reference made a part hereof.

2. Now, therefore, in consideration of the mutual covenants and agreements of the parties herein contained and to be performed, the Contractor hereby agrees to complete the work in accordance with the terms and conditions stipulated in the Contract Documents for the sum of One Hundred Fifty Six Thousand Nine Hundred (\$156,900) computed in accordance with Contractor's accepted proposal dated September 10, 2014, which accepted proposal is incorporated herein by reference thereto as if herein fully set forth. Compensation shall be based upon any lump sum bid items plus the unit prices stated in the Bid Schedule times the actual quantities or units of work and materials performed or furnished. The further terms, conditions, and covenants of this Agreement are set forth in the Contract Documents, each of which is by this reference made a part hereof. Payments are to be made to the Contractor in accordance with the provisions of the Contract Documents in legally executed and regularly issued warrants of the District, drawn on the appropriate fund or funds as required by law and order of the District thereof.

3. The District hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the prices aforesaid, and hereby contracts to pay the same at the time, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

4. The Contractor and any subcontractor performing or contracting any work shall comply with all applicable provisions of the California Labor Code for all workers, laborers and mechanics of all crafts, classifications or types, including, but not limited to the following:

(a) The Contractor shall comply with all applicable provisions of Section 1810 to 1815, inclusive, of the California Labor Code relating to working hours. The Contractor shall, as a penalty to the District, forfeit the sum of twenty-five dollars (\$25) for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, unless such worker receives compensation for all hours worked in excess of eight (8) hours at not less than 1-1/2 times the basic rate of pay.

(b) Pursuant to the provision of California Labor Code, Sections 1770 et. seq., the Contractor and any subcontractor under him shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. Pursuant to the provisions of California Labor Code Section 1773.2, the Contractor is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the work is to be performed for each craft, classification, or type of worker required to execute the Contract, are on file in the office of the District, which copies shall be made available to any interested party on request. The Contractor shall post a copy of said prevailing rate of per diem wages at each job site.

(c) As required by Section 1773.1 of the California Labor Code, the Contractor shall pay travel and subsistence payments to each worker needed to execute the Work, as such travel and subsistence payments are defined in the applicable collective bargaining agreements filed in accordance with this Section.

(d) To establish such travel and subsistence payments, the representative of any craft, classification, or type of workman needed to execute the contracts shall file with the Department of Industrial Relations fully executed copies of collective bargaining agreements for the particular craft, classification or type of work involved. Such agreements shall be filed within ten (10) days after their execution and thereafter shall establish such travel and subsistence payments whenever filed thirty (30) days prior to the call for bids.

(e) The Contractor shall comply with the provisions of Section 1775 of the California Labor Code and shall, as a penalty to the District, forfeit up to fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the prevailing rate of per diem wages for each craft, classification, or type of worker needed to execute the Contract. The Contractor shall pay each worker an amount equal to the difference between the prevailing wage rates and the amount paid worker for each calendar day or portion thereof for which a worker was paid less than the prevailing wage rate.

(f) As required under the provisions of Section 1776 of the California Labor Code, Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Said payroll shall be certified and shall be available for inspection at all reasonable hours at the principal office of the

Contractor on the following basis:

- (1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.
- (2) A certified copy of all payroll records enumerated in Paragraph 4(f), herein, shall be made available for inspection or furnished upon request to the District, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations.
- (3) A certified copy of all payroll records enumerated in Paragraph 4(f), herein, shall be made available upon request by the public for inspection or for copies thereof; provided, however, that a request by the public shall be made through either the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to subparagraph 4(f)(2) herein, the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the Contractor, subcontractors, and the entity through which the request was made. The public shall not be given access to the records at the principal offices of the Contractor.

The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division.

Each Contractor shall file a certified copy of the records, enumerated in Paragraph 4(f) with the entity that requested the records within ten (10) days after receipt of a written request. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of the Contractor awarded the Contract or performing the Contract shall not be marked or obliterated. The Contractor shall inform the District of the location of the records enumerated under Paragraph 4(f) including the street address, city and county, and shall, within five (5) working days, provide a notice of change of location and address. The Contractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with this Paragraph 4(f). In the event that the Contractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or the District, forfeit twenty-five dollars (\$25.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. Responsibility for compliance with Paragraph 4(f) lies with the Contractor.

- (g) The Contractor and any subcontractors shall, when they employ any person in any apprenticeable craft or trade, apply to the joint apprenticeship committee

administering the apprenticeship standards of the craft or trade in the area of the construction site for a certificate approving the Contractor or subcontractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected; and shall comply with all other requirements of Section 1777.5 of the California Labor Code. The responsibility of compliance with California Labor Code Section 1777.5 during the performance of this Contract rests with the Contractor. Pursuant to California Labor Code Section 1777.7, in the event the Contractor willfully fails to comply with the provisions of California Labor Code Section 1777.5, the Contractor shall be denied the right to bid on any public works contract for up to three (3) years from the date noncompliance is determined and be assessed civil penalties.

(h) In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with Section 1860), and Chapter 4, Part 1, Division 4 (commencing with Section 3700) of the California Labor Code, the Contractor is required to secure the payment of compensation to its employees and for that purpose obtain and keep in effect adequate Workers' Compensation Insurance. If the Contractor, in the sole discretion of the District satisfies the District of the responsibility and capacity under the applicable Workers' Compensation Laws, if any, to act as self-insurer, the Contractor may so act, and in such case, the insurance required by this paragraph need not be provided.

The Contractor is advised of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code and shall comply with such provisions and have Employer's Liability Limits of \$1,000,000 per accident before commencing the performance of the Work of this Contract.

The Notice to Proceed with the Work under this Contract will not be issued, and the Contractor shall not commence work, until the Contractor submits written evidence that it has obtained full Workers' Compensation Insurance coverage for all persons whom it employs or may employ in carrying out the Work under this Contract. This insurance shall be in accordance with the requirements of the most current and applicable state Workers' Compensation Insurance Laws. In accordance with the provisions of Section 1861 of the California Labor Code, the Contractor in signing this Agreement certifies to the District as true the following statement: "I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

A subcontractor is not allowed to commence work on the project until verification of Workers' Compensation Insurance coverage has been obtained and verified by the Contractor and submitted to the Construction Manager for the District's review and records.

(i) In accordance with the provisions of Section 1727 of the California Labor Code, the District, before making payment to the Contractor of money due under a contract for public works, shall withhold and retain therefrom all wages and penalties which have been forfeited pursuant to any stipulation in the Contract, and the terms

of Chapter 1, Part 7, Division 2 of the California Labor Code (commencing with Section 1720). But no sum shall be withheld, retained or forfeited, except from the final payment, without a full investigation by either the Division of Labor Standards Enforcement or by the District.

5. It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this Agreement and the Bid Proposal of said Contractor, then this Agreement shall control, and nothing herein contained shall be considered as an acceptance of the said terms of said Proposal conflicting herewith.

6. The Contractor agrees to provide and maintain insurance coverage, and to indemnify and save harmless the parties named and in the manner set forth in Section 00800-2.0, **LIABILITY & INSURANCE.**

The duty of Contractor to indemnify and save harmless, as set forth herein, shall include a duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein shall be construed to require Contractor to indemnify against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

7. The Contractor shall diligently prosecute the Work so that it shall be substantially completed within the time specified in Section 00800-1.1, **Time Allowed for Completion.**

8. Except as otherwise may be provided in other provisions of the Contract Documents, Contractor hereby expressly guarantees for one (1) full year from the date of the Substantial Completion of the Work under this Agreement and acceptance thereof by the District, to repair or replace any part of the Work performed hereunder which constitutes a defect resulting from the use of inferior or defective materials, equipment or workmanship. If, within said period, any repairs or replacements in connection with the Work are, in the opinion of the District, rendered necessary as the result of the use of inferior or defective materials, equipment or workmanship, Contractor agrees, upon receipt of notice from District, and without expense to District, to promptly repair or replace such material or workmanship and/or correct any and all defects therein. If Contractor, after such notice, fails to proceed promptly to comply with the terms of this guarantee, District may perform the work necessary to effectuate such correction and recover the cost thereof from the Contractor and/or its sureties.

In special circumstances where a particular item of work or equipment is placed in continuous service before Substantial Completion of the Work, the correction period for that item may start to run from an earlier date. This date shall be agreed upon by the Contractor and District on or before the item is placed in continuous service.

Any and all other special guarantees which may be applicable to definite parts of the Work under this Agreement shall be considered as an additional guarantee and shall not reduce or limit the guarantee as provided by Contractor pursuant to this paragraph during the first year of the life of such guarantee.

9. The Contractor shall provide, on the execution of this Agreement, a good and sufficient corporate surety bond in the penal sum of one hundred percent (100%) of amount bid, which bond shall be on the form provided by the District in Section 00610, **BOND OF FAITHFUL PERFORMANCE**, and be conditioned upon the faithful performance of all work required to be performed by the Contractor under this Agreement. Said bond shall be liable for any and all penalties and obligations which may be incurred by Contractor under this

DSRSD

Agreement. The corporate surety bond shall be issued by a corporate surety approved by the District's counsel. The corporate surety shall be authorized to conduct business in California. At its discretion, the District may request that a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California be submitted by the Surety to the District. At its discretion, the District may also require the insurer to provide copies of its most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

10. In addition to the bond required under Paragraph 9, hereof, Contractor shall furnish a good and sufficient corporate surety bond in the penal sum of one hundred percent (100%) of amount of Bid, which bond shall be on the form provided by the District in Section 00620, **PAYMENT BOND**, and conform strictly with the provisions of Chapter 7, Title 15, Part 4, Division 3, of the Civil Code of the State of California, and all amendments thereto. The corporate surety bond shall be issued by a corporate surety approved by the District's counsel. The corporate Surety shall be authorized to conduct business in California. At its discretion, the District may request that a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California be submitted by the Surety to the District. At its discretion, the District may also require the insurer to provide copies of its most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

11. The Contractor may substitute securities for the amounts retained by the District to ensure performance of the work in accordance with the provisions of Section 22300 of the Public Contract Code.

12. Contractor covenants that Contractor is licensed in accordance with the provisions of the Contractors' License Law of California as provided in Section 00010, **NOTICE INVITING BIDS**.

13. The Contractor shall be provided the time period specified in Section 01340-2.0, **MATERIAL AND EQUIPMENT SUBSTITUTIONS**, for submission of data substantiating a request for a substitution of an "or equal" item.

14. As required by Section 6705 of the California Labor Code and in addition thereto, whenever work under the Contract involves the excavation of any trench or trenches five (5) feet or more in depth, the Contractor shall submit in advance of excavations, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety in Title 8, Subchapter 4, Article 6, California Code of Regulations, the plan shall be prepared by a registered civil or structural engineer employed by the Contractor, and all costs therefore shall be included in the price named in the Contract for completion of the Work as set forth in the Contract Documents. Nothing in this Section shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this Section shall be construed to impose tort liability on the District, the Design Consultant, Construction Manager nor any of their agents, consultants, or employees. The District's review of the Contractor's excavation plan is only for general conformance to the California Construction Safety Orders.

DSRSD

Prior to commencing any excavation, the Contractor shall designate in writing to the Construction Manager the “competent person(s)” with the authority and responsibilities designated in the Construction Safety Orders.

15. In accordance with Section 7104 of the Public Contract Code, whenever any work involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, the provisions of Section 00700-7.2, **Differing Site Conditions**, shall apply.

16. In accordance with Section 7103.5 of the Public Contract Code, the Contractor and subcontractors shall conform to the following requirements. In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act [Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code], arising from purchases of goods, materials or services pursuant to this Contract or the subcontract. Such assignment shall be made and become effective at the time the District tenders final payment to the Contractor, without further acknowledgment by the parties.

17. In accordance with Section 4552 of the Government Code, the Contractor shall conform to the following requirements. In submitting a Bid to the District, the Contractor offers and agrees that if the Bid is accepted, it will assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act [Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code], arising from purchase of goods, materials, or services by the Contractor for sale to the District pursuant to the Bid. Such assignment shall be made and become effective at the time the Authority tenders final payment to the Contractor.

18. Pursuant to Public Contract Code Section 7100, the acceptance by the Contractor of an undisputed payment made under the terms of the Contract shall operate as, and shall be, a release to the District, and their duly authorized agents, from all claim of and/or liability to the Contractor arising by virtue of the contract related to those amounts. Disputed contract claims in stated amounts may be specifically excluded by the Contractor from the operation of the release.

19. In accordance with California Business and Professions Code Section 7030, the Contractor is required by law to be licensed and regulated by the Contractors’ State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning the Contractor may be referred to the Registrar, Contractors’ State License Board, P.O. Box 26000, Sacramento, California 95826.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first set forth above.

CONTRACTOR

By: _____

Title: _____

Dublin San Ramon Services District

By: _____

Bert Michalczyk, General Manager

ATTEST:

Nancy G. Hatfield, District Secretary

*** END OF SECTION ***



**Results of Bid Opening for
Secondary Clarifier #4 Recoating (CIP 15-P002)
Wednesday, September 10, 2014 @ 2PM**

Engineer's Estimate: \$180,000

No.	Name of Bidder	Bid Amount
1	Advanced Industrial Services, Inc. – Los Alamitos, CA	\$156,900
2	T.P.A. Construction, Inc. – Rocklin, CA	\$234,000
3	Jeffco Painting & Coating, Inc. – Vallejo, CA	\$267,477

Sub-Contractors:

No subcontractors listed.



Reference General Manager	Type of Action Day of Service Payment Expense Reimbursement	Board Meeting of September 16, 2014
Subject Approve Day of Service and Expense Reimbursement for Director Benson to Represent the District at the WaterSmart Innovations Conference and Exposition in Las Vegas, Nevada		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	R. Biagtan
		<input type="checkbox"/> Board Member

Recommendation:

The General Manager recommends the Board approve, by Motion, day of service payment and expense reimbursement for Director Benson to represent the District at the WaterSmart Innovations Conference and Exposition, October 7-10, 2014 in Las Vegas, Nevada.

Summary:

In accordance with Day of Service policy (P100-14-2), Director’s attendance to certain qualifying events requires Board pre-approval in order to be eligible for compensation for a day of service and receive reimbursement for expenses.

WaterSmart Innovations (WSI) is the world’s largest urban water efficiency conference that features a comprehensive slate of professional sessions and panel discussions and an exposition featuring water-efficient products and services. Due to the drought and its possible continuance into 2015, sending Director Benson to this venue will be helpful in expanding her knowledge about water conservation programs currently available. Viable programs can be considered and policy decisions may be made within our community to help battle this year’s drought and its possible continuance into next year.

Staff administering the District’s water conservation program will accompany Director Benson. Adequate budget is available for the trip and no additional spending authorization is being requested.

A conference brochure is included as Attachment 1.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR R. Biagtan	DEPARTMENT Engineering	REVIEWED BY
ATTACHMENTS <input checked="" type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$1,800 but within budget	<input type="checkbox"/> Funding Source A. Water Operations (Fund 600) B.		Attachments to S&R 1. Conference Information 2. 3.			



Event Description

The seventh WaterSmart Innovations Conference and Exposition, Oct. 8-10, 2014, in Las Vegas, is the world's premier venue to showcase new water-efficiency technology; build and strengthen effective, interdisciplinary relationships; and establish your company as an international leader in innovative water efficiency technology and services. At WaterSmart Innovations, a wide range of professional sessions and workshops - along with an extensive exhibition of water-saving technologies and programs from around the world - will connect attendees with the resources they need in an atmosphere of networking, collaboration and learning, to create a new wave in water efficiency. Visit www.WaterSmartInnovations.com for more information.

About Us

WaterSmart Innovations brings the water-efficiency world together in Las Vegas

The WaterSmart Innovations Conference and Exposition (WSI) is the largest urban water-efficiency conference of its kind in the world. Presented by the Southern Nevada Water Authority and numerous forward-thinking organizations, the seventh Annual WSI will be held October 8-10, 2014, at the South Point Hotel and Conference Center in Las Vegas.

Recognized as the world's pre-eminent urban water efficiency conference, Water-efficiency professionals and others from across the United States and around the globe are invited to register for the Conference and Exposition. Beginning Tuesday, June 3, the full registration fee will be \$395.

This year, your full registration includes admission to the WaterSense Partner of the Year Awards luncheon on Thursday, October 9, hosted by the Alliance for Water Efficiency and the U.S. Environmental Protection Agency's WaterSense Program.

Last year's WSI drew more than 800 participants from 34 states and the District of Columbia, and 12 foreign nations. Again this year, WSI will feature a full slate of comprehensive professional sessions and an expo hall highlighting the latest in water-efficient products and services. The event also will feature several affordable pre-show workshops (which are not included with the WSI registration fee) on Tuesday, October 7.

When you register, take time to follow us on Twitter and Facebook to receive conference updates.



"Freshwater Hero" Sandra Postel to keynote WSI 2014 opening session, October 8

Sandra Postel, founder of Global Water Policy Project and widely recognized as an international "freshwater hero," will deliver the keynote address at the opening session for the seventh annual WaterSmart Innovations Conference and Exposition on Wednesday, October 8.

Hailed for her "inspiring, innovative and practical approach" to promoting the preservation and sustainable use of Earth's fresh water, Postel is co-creator of Change the Course, the national freshwater restoration campaign undertaken by National Geographic and its partners, and piloted in the Colorado River Basin.

She is the author of several acclaimed books, including the award-winning Last Oasis: Facing Water Scarcity, which appears in eight languages and was the basis for a PBS television documentary. She has appeared in dozens of television and radio shows nationally and internationally, as well as in some half dozen films, including the BBC's "Planet Earth," and Leonardo DiCaprio's "The 11th Hour."

The recipient of several honorary degrees, Postel is a Pew Scholar in Conservation and the Environment, and has been named one of the "Scientific American 50" for her contributions to water policy.



[Register Now](#)

2014 Event

- OCT 7 [Pre-Show Workshops](#)
- OCT 8 [Sessions & Exhibits](#)
- OCT 9 [Sessions & Exhibits](#)
- OCT 10 [Panel Discussions](#)

2014 SPONSORS





Reference Engineering Services Manager	Type of Action Authorize Out of State Travel	Board Meeting of September 16, 2014
Subject Authorize Travel to Las Vegas, Nevada for Clean Water Programs Specialist and Clean Water Environmental Compliance Inspector		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
<input checked="" type="checkbox"/> Staff	R. Biagtan	<input type="checkbox"/> Board Member

Recommendation:

The Engineering Services Manager recommends the Board authorize, by Motion, travel for Clean Water Programs Specialist Stefanie Olson and Clean Water Environmental Compliance Inspector Florence Khaw to the WaterSmart Innovations Conference and Exposition on October 7-10, 2014 in Las Vegas, Nevada.

Summary:

WaterSmart Innovations (WSI) is the world’s largest urban water efficiency conference that features a comprehensive slate of professional sessions and panel discussions and an exposition featuring water-efficient products and services. Due to the drought and its possible continuance into 2015, sending Ms. Olson and Ms. Khaw to this conference will be helpful in expanding their knowledge about water conservation products and programs currently available. Ms. Olson and Ms. Khaw’s duties include the administration of the District’s water conservation program. Viable programs can be brought back and executed within our community to help battle this year’s drought and its possible continuance into next year. Below are just a few of the training opportunities available that will be beneficial for our staff to attend:

1. Evaluation of turf conversion properties that do not save water;
2. Taking residential water efficiency to new heights – integration of rainwater and grey water harvesting;
3. Reviewing performance ratings for residential grey water systems;
4. Bringing best management practices to single family homes;
5. Where to go from here once you have harvested the low hanging fruit in regards to water conservation; and
6. How soil moisture sensor controllers can help conserve recycled water in landscape irrigation.

Since the drought is a major ongoing issue for our community, staff is requesting that Ms. Olson and Ms. Khaw be authorized to travel to Nevada. The direct cost of the trip would not exceed \$3000.

This trip is not identified in the approved Engineering Department operating budget for FYE 2015. However, no additional spending authorization is being requested as budget projections indicate that the overall department budget should be adequate to accommodate the trip. In accordance with District rules and directives, out-of-state conference attendance must be approved by the Board unless it is identified in the approved operating budget.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR S. Olson	DEPARTMENT Engineering	REVIEWED BY
ATTACHMENTS <input checked="" type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$3,000 but within budget	<input checked="" type="checkbox"/> Funding Source A. Water Operations (Fund 600) B.		Attachments to S&R 1. 2. 3.			



Reference General Manager	Type of Action Day of Service Payment Expense Reimbursement	Board Meeting of September 16, 2014
Subject Approve Day of Service and Expense Reimbursement for Director Halket to Represent the District at the Water Education Foundation 2014 Northern California Water Tour		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

Recommendation:

The General Manager recommends the Board approve, by Motion, day of service payments and expense reimbursement for Director Halket to represent the District at the Water Education Foundation 2014 Northern California Water Tour October 22-24, 2014 at various major water facilities throughout northern California.

Summary:

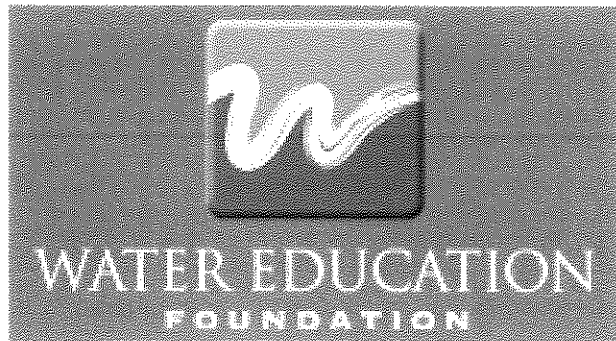
In accordance with Day of Service policy (P100-14-2), Director’s attendance to certain qualifying events requires Board pre-approval in order to be eligible for compensation for a day of service and receive reimbursement for expenses.

The District is a supporting member of the Water Education Foundation. The Foundation has been a unique resource for unbiased information about water issues. A nonprofit, impartial organization, the Foundation maintains a strong commitment to high standards of objectivity and balance in all its publications and programs, earning respect from all sides in the debate over water in California and the Southwest. The Foundation’s mission is to create a better understanding of water issues and help resolve water resource problems through educational programs.

Adequate budget is available for the trip and no additional spending authorization is being requested.

Information about the tour is included as Attachment 1.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR R. Biagtan	DEPARTMENT Engineering	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$1,600 but within budget	<input type="checkbox"/> Funding Source A. Water Operations (Fund 600) B.		Attachments to S&R 1. Tour Information 2. 3.			

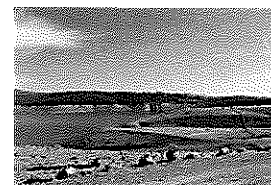


October 22, 2014 - October 24, 2014 | [Images from the Northern California Tour](#)

NORTHERN CALIFORNIA TOUR 2014 FIELD TRIP

This 3-day, 2-night tour travels the length of the Sacramento Valley, a major source of water for California.

Stops include **Oroville and Shasta dams**, Red Bluff Fish Passage Improvement Project, **Feather River Fish Hatchery**, Clear Creek restoration site, **Glenn-Colusa Irrigation District's fish screen** and Delevan Wildlife Refuge. Other highlights have included a **houseboat cruise** on Shasta Reservoir. Participants learn about water supply management, farming, flood management, groundwater management and conjunctive use, and salmon restoration. The tour begins and ends at Sacramento International Airport.



The Water Education Foundation's tours are **action-packed field trips** that offer participants a **firsthand look** at the water facilities, rivers and regions critical in the debate about the future of water resources. Issues of water supply, water quality, environmental restoration, flood management, groundwater and water conservation are addressed by a **wide-range of speakers** representing different viewpoints.

- Cancellations can be made by October 14, 2014.
- Substitutions can be made by October 16, 2014. Cancellations and substitutions must be in writing.
- Substitutions cannot be made mid-trip (no seat sharing).

Be sure to choose the higher priced ticket if you need credits for California MCLE or DHS/Water Plant Operator.



Reference General Manager	Type of Action Accept Report	Board Meeting of September 16, 2014
Subject Upcoming Board Calendar		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
<input checked="" type="checkbox"/> Staff	B. Michalczyk	<input type="checkbox"/> Board Member

Recommendation:

The General Manager recommends that the Board of Directors accept, by Motion, the attached upcoming Board calendar.

Summary:

The attached Board calendar presents items anticipated by staff to be presented to the Board at the next two Board meetings. This report represents the most current information available to staff as of the preparation of this agenda. Items that are listed may be deferred or eliminated for various reasons including but not limited to staff work not being fully complete, the need for further management, Committee and/or legal review, needed material or information not being received by the District in a timely fashion, etc. Furthermore, matters not listed may be placed on the Board agenda.

This report should be used only as a general guide of what business the District Board will be considering in the near future. The District Secretary should be contacted to confirm the contents of specific agendas. Agendas will be finalized in accordance with the requirements of the Brown Act (generally 72 hours for regular meetings and 24 hours for special meetings).

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR BLM	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. Upcoming Board Calendar 2. 3.				

TENTATIVE BOARD ITEMS

9/10/2014 12:42:19 PM

Board Mtg	Agenda Item	Water	WWC	Finance	Personnel	Ext. Aff.
10/7/2014	Policy - District Security					
	Consider Appeal by {name} of Staff Denial of an Exemption to Water Use Limitations					
	AT&T Cell Tower Lease and CEQA Reservoir 1A					
	Policy - Records Retention Schedule Policy Update					
	Approve Reimbursement Agreement with City of Dublin for the Dougherty Blvd Widening Project					
	Closed Session: Direction for Negotiation on the AT&T Cell Tower Lease at Reservoir 1A					
	Resolution to Reallocate City of Dublin Excess Sewer Capacity Rights					
	Budget Adjustment to Allow for Early Payoff of Regional Bank Bond					
	Drought Related Customer Issues and Concerns					
	Consider District's Position on Zone 7 Water Rates					
	Consider Appeal by {name} of Staff Denial of a Waiver of Enforcement Action Related to Violation of Water Use Limitations					
	Adopt Pay Schedule in Accordance with California Code of Regulations, Title 2, Section 570.5, Requirement for a Publicly Available Pay Schedule and Rescind Resolution No. 56-14					
	Approve New Job Descriptions and Salaries: Engineering Services Manager, Administration Services Manager					
	Accept Water Supply and Demand and Drought Response Action Plan Status Reports and Find that the Need for the Community Drought Emergency Still Exists					
	Tri-Valley Intergovernmental Reciprocal Services Agreement					
	Committee Accomplishments for 2014 - Triannual Reports					
	Award Construction Agreement to _____ for Reservoir Access Road Repairs (CIP 14-A018)					

Board Mtg	Agenda Item	Water	WWC	Finance	Personnel	Ext. Aff.
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10/21/2014	Award Construction Agreement to _____ for Water and Recycled Water SCADA Improvements (CIP 09-6101)					
	GM Approved CIP Budget Adjustment, FYE 2014, Reservoir 10A Rehabilitation (CIP 12-W010)					
	Consider Appeal by {name} of Staff Denial of an Exemption to Water Use Limitations					
	Presentation - Nutrients in the San Francisco Bay					
	Approve Agreement for Design Services During Construction and Construction Management with Arcsine Engineering for Water and Recycled Water SCADA Improvements (CIP 09-6101)					
	Consider Appeal by {name} of Staff Denial of a Waiver of Enforcement Action Related to Violation of Water Use Limitations					
	Award Construction Agreement to ___ for OSH Sewer Replacement (CIP 08-2102)					
	Policy - Service for Development with Affordable Housing					
	Unexpected Asset Replacement Request for a Replacement Intercooler for the Cogeneration Engines and Increase the FYE 2015 Operating Budget (Capital Outlay) by \$11,700					
	Drought Related Customer Issues and Concerns					
	Policy - Construction Project Acceptance by GM					
	Policy - Water Supply					
	Approve Master Consulting Agreement with _____ for WWTP/Biosolids Master Plan (CIP 14-P004)					



Reference General Manager	Type of Action Provide Direction	Board Meeting of September 16, 2014
Subject Discuss Drought Management Program		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input checked="" type="checkbox"/> Other
REPORT:	<input checked="" type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

Recommendation:

The General Manager recommends the Board of Directors receive comments from the public related to the District’s Drought Management Program, discuss those as appropriate and, by Consensus, provide appropriate direction to staff and/or Board Committees for follow-up.

Summary:

On May 5, 2014 the Board took various actions (collectively the “Drought Management Program”) in response to the drought including the following:

- Declared a Community Drought Emergency;
- Established Water Use Curtailment Goals;
- Adopted Water Use Limitations;
- Adopted Penalties and Enforcement Provisions (subsequently amended on August 5, 2014);
- Adopted Water Shortage Rate Stage 3;
- Approved a Wise Water User Credit;
- Approved an Enhanced Rebate Program;
- Endorsed a Drought Response Action Plan; and
- Approved a Budget Amendment related to Drought Management Activities.

The various aspects of the Drought Management Program affect all customers of the District in various ways. To be as open and transparent as possible, the Board wishes to allow the public an opportunity to address the Board on the various aspects of the Drought Management Program in a manner that can lead to a productive outcome. The public may always address the Board under the “Public Comment” portion of the Board agenda. However, for public comment made at that time, the Board is precluded from having substantive discussions in response to the public comment received. This agenda item allows the Board to engage in a substantive discussion of issues that may be raised by the public and also to provide staff or a Board Committee with appropriate direction related to the Drought Management Program in a timely fashion.

This item will be a standing item on the Board agenda throughout the duration of the Community Drought Emergency.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR BLM	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <input checked="" type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.	Attachments to S&R 1. 2. 3.				



Reference General Manager	Type of Action Support Proposition	Board Meeting of September 16, 2014
Subject Support Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014		
<input type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input type="checkbox"/> Other
REPORT:	<input type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input checked="" type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

Recommendation:

The General Manager recommends the Board of Directors support, by Resolution, the passage of Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act of 2014.

Summary:

On January 30, 2014, the District, Zone 7 and other Retailers co-hosted a community forum where California Natural Resources Secretary John Laird presented the California Water Action Plan (CWAP) to an auditorium filled with 123 local stakeholders. On February 18, 2014, the District endorsed the Association of California Water Agencies’ (ACWA) Statewide Water Action Plan (SWAP) which calls for significant investments in California’s water infrastructure and water management and ecosystem improvements. The SWAP is consistent with the CWAP.

The Water Quality, Supply and Infrastructure Improvement Act of 2014 (the Act) placed Proposition 1 on the November ballot. It is one implementing vehicle for the actions called for in the CWAP and the SWAP. A fact sheet related to the Act and a copy of the Proposition itself are included as Attachments 1 and 2, respectively. The Act is the product of more than five years of discussions among state lawmakers, stakeholders and others to craft a responsible bond measure to fund needed investments as part of a statewide comprehensive water plan for California. The measure passed the Legislature (Assembly 77-2; Senate 37-0) and was signed by Governor Edmund G. Brown Jr. It is supported by a broad coalition of water, business, conservation, labor and agriculture organizations. ACWA, CASA, The League of Cities, The State Association of California Counties and the California Chamber of Commerce have taken support positions. Locally, Zone 7 will be considering a support position on September 17, 2014. A listing of other known supporters and opponents along with ballot arguments for and against Proposition 1 is included in Attachment 3. The Legislative Analyst Office report is included as Attachment 4.

If approved by voters, Proposition 1 would provide funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities. This funding would directly and indirectly benefit the District by increasing the reliability of the water supply we receive and providing funding for local and regional projects.

The Act is a \$7.545 billion general obligation bond (which replaces an \$11.14 billion measure). Key funding areas include: \$2.7 billion for surface and groundwater storage; \$810 million for regional water reliability; \$520 million for safe drinking water; \$750 million for water recycling; \$900 million for groundwater sustainability; \$1.495 billion for watershed protection, ecosystem restoration, and state settlements; and \$395 million for statewide flood management.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR S. Stephenson	DEPARTMENT Organizational Services	REVIEWED BY
ATTACHMENTS <input type="checkbox"/> None						
<input checked="" type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. Fact Sheet: Water Bond at a Glance 2. Proposition 1 3. Supporters, Opponents and Ballot Arguments 4. Legislative Analyst Office Report			51 of 103
<small>H:\Board\2014\09-16-14\Water Bond Prop 1\S&R Water Bond.docx</small>						

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT DECLARING SUPPORT FOR PROPOSITION 1 AND THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014

WHEREAS, California is in a severe, multi-year drought and faces a growing list of challenges associated with aging infrastructure, climate change, population growth and other factors; and

WHEREAS, water managers and top leaders, including Governor Edmund G. Brown Jr., agree we need a comprehensive, statewide water plan to create a more resilient water system and meet the coequal goals of improved water supply reliability and ecosystem health; and

WHEREAS, the Legislature has approved and Governor Brown has signed the Water Quality, Supply and Infrastructure Improvement Act of 2014, which will appear as Proposition 1 on the November 4, 2014 ballot and provide much-needed funding to advance a statewide comprehensive water plan to secure our water future; and

WHEREAS, if approved by voters, the measure would provide \$7.545 billion in bond funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities, and other programs the Association of California Water Agencies (ACWA) and its members have long advocated as a part of a statewide comprehensive plan; and

WHEREAS, ACWA's Board of Directors voted unanimously to formally support Proposition 1 in a special meeting on August 19, 2014; and

Res. No. _____

WHEREAS, Dublin San Ramon Services District is an active member of ACWA and District staff serve on ACWA's Board of Directors, Legislative Committee, and Communications Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUBLIN SAN RAMON SERVICES DISTRICT, a public agency located in the counties of Alameda and Contra Costa, California, as follows:

That Dublin San Ramon Services District Board of Directors supports the passage of Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act of 2014 on the November ballot.

ADOPTED by the Board of Directors of Dublin San Ramon Services District, a public agency in the State of California, counties of Alameda and Contra Costa, at its regular meeting held on the 16th day of September 2014, and passed by the following vote:

AYES:

NOES:

ABSENT:

Georgean M. Vonheeder-Leopold, President

ATTEST: _____
Nancy G. Hatfield, District Secretary



FACT SHEET

7051 Dublin Boulevard, Dublin, CA 94568-3018 | (925) 828-0515 | www.drsrd.com

Proposition 1: The Water Quality, Supply and Infrastructure Improvement Act of 2014

What would it do?

If approved by voters, the measure would provide funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities.

How much would it cost?

\$7.545 billion general obligation bond (which replaces an \$11.14 billion measure previously slated for the November ballot)

What key areas would it fund?

- **Surface and Groundwater Storage** - \$2.7 billion
 - Continuous appropriations for above and below ground water storage projects
- **Regional Water Reliability** - \$810 million
 - Integrated regional water management (\$510 million)
 - Stormwater capture (\$200 million)
 - Water conservation (\$100 million)
- **Safe Drinking Water** - \$520 million
 - Leverages federal funds for safe drinking water and clean water programs and for disadvantaged communities, small community wastewater program (\$260 million)
 - Drinking water public infrastructure (\$260 million)
- **Water Recycling** - \$750 million
 - Statewide water recycling projects and activities
- **Groundwater Sustainability** - \$900 million
 - Prevent and reduce groundwater contaminants (\$800 million)
 - Provide sustainable groundwater management planning and implementation (\$100 million)
- **Watershed Protection, Ecosystem Restoration, State Settlements** - \$1.495 billion
 - Conservancies (\$327.5 million)
 - Wildlife Conservation Board (\$200 million for restoration of flows)
 - Department of Fish and Wildlife (\$285 million out of Delta, no mitigation on Bay Delta Conservation Plan)
 - Department of Fish and Wildlife (\$87.5 million in the Delta with constraints)
 - State settlement obligations including CVPIA (\$475 million)
 - Rivers and creeks (\$120 million)

- **Statewide Flood Management** - \$395 million
 - Statewide flood management projects and activities (\$100 million)
 - Delta levee subvention programs and Delta flood protection projects (\$295 million)

General Provisions

- Requires urban or agricultural water management plans and compliance with 2009 Water Conservation Act to be eligible for funding
- It is neutral regarding the Bay Delta Conservation Plan
- Protects existing water rights and reaffirms area of origin protections

Background

Proposition 1 is the product of more than five years of discussions and negotiations among state lawmakers, stakeholders and others to craft a responsible bond measure to fund needed investments as part of a statewide comprehensive water plan for California. The measure was approved by the Legislature and signed by Governor Edmund G. Brown Jr., on August 13, 2014.

It is supported by a broad coalition of water, business, conservation, labor and agriculture organizations.

Assembly Bill No. 1471

CHAPTER 188

An act to add Sections 5096.968 and 75089 to the Public Resources Code, to add Sections 13467, 78691.5, 79222, and 79591 to, and to repeal and add Division 26.7 (commencing with Section 79700) of, the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a water quality, supply, and infrastructure improvement 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.

[Approved by Governor August 13, 2014. Filed with
Secretary of State August 13, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1471, Rendon. Water Quality, Supply, and Infrastructure Improvement Act of 2014.

(1) Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs. Existing law, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative measure approved by the voters as Proposition 84 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 safe drinking water, water quality and supply, flood control, natural resource protection, and park improvements. Existing law, the Disaster Preparedness and Flood Prevention Bond Act of 2006, approved by the voters as Proposition 1E at the November 7, 2006, general statewide 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. Existing law, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, an initiative measure approved by the voters as Proposition 50 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. Existing law, the Costa-Machado

Water Act of 2000, approved by the voters as Proposition 13 at the March 7, 2000, statewide primary election, authorizes the issuance of general obligation bonds in the amount of \$1,970,000,000 for the purposes of financing a safe drinking water, clean water, watershed protection, and flood protection program. Existing law, the Safe, Clean, Reliable Water Supply Act, approved by the voters as Proposition 204 at the November 5, 1996, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$995,000,000 for the purposes of financing a safe, clean, reliable water supply program. Existing law, the Water Conservation and Water Quality Bond Law of 1986, approved by the voters as Proposition 44 at the June 3, 1986, statewide primary election, authorizes the issuance of general obligation bonds in the amount of \$150,000,000 for the purposes of financing a water conservation and water quality program.

This bill would enact the Water Quality, Supply, and Infrastructure Improvement Act of 2014, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$7,120,000,000 pursuant to the State General Obligation Bond Law to finance a water quality, supply, and infrastructure improvement program. This bill, upon voter approval, would reallocate \$425,000,000 of the unissued bonds authorized for the purposes of Propositions 1E, 13, 44, 50, 84, and 204 to finance the purposes of a water quality, supply, and infrastructure improvement program.

This bill would provide for the submission of these provisions to the voters at the November 4, 2014, statewide general election.

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

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

SECTION 1. Section 5096.968 is added to the Public Resources Code, to read:

5096.968. Notwithstanding any other law, one hundred million dollars (\$100,000,000) of the unissued bonds authorized for the purposes of this chapter are reallocated to finance the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700) of the Water Code. The funds available for reallocation shall be made on a pro-rata basis from each bond allocation of this chapter.

SEC. 2. Section 75089 is added to the Public Resources Code, to read:

75089. Notwithstanding any other law, one hundred five million dollars (\$105,000,000) of the unissued bonds authorized for the purposes of this division are reallocated for the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700) of the Water Code. The funds available for reallocation shall be made on a pro-rata basis from each bond allocation of this division.

SEC. 3. Section 13467 is added to the Water Code, to read:

13467. Notwithstanding any other law, thirteen million five hundred thousand dollars (\$13,500,000) of the unissued bonds authorized for the

purposes of subdivision (a) of Section 13459 are reallocated to finance the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700).

SEC. 4. Section 78691.5 is added to the Water Code, to read:

78691.5. Notwithstanding any other law, nine million nine hundred thousand dollars (\$9,900,000) of the unissued bonds authorized for the purposes of Sections 78550 to 78551, inclusive, three million two hundred thousand dollars (\$3,200,000) of the unissued bonds authorized for the purposes of Section 78671, three million five hundred thousand dollars (\$3,500,000) of the unissued bonds authorized for the purposes of paragraph (3) of subdivision (a) of Section 78680, and eight million one hundred thousand dollars (\$8,100,000) of the unissued bonds authorized for the purposes of Section 78681.2, and eight hundred thousand dollars (\$800,000) of the unissued bonds authorized for the purposes of Section 78530.5 are reallocated to finance the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700).

SEC. 5. Section 79222 is added to the Water Code, to read:

79222. Notwithstanding any other law, thirty-four million dollars (\$34,000,000) of the unissued bonds authorized for the purposes of Section 79157, and fifty-two million dollars (\$52,000,000) of the unissued bonds authorized for the purposes of Section 79195 are reallocated to finance the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700).

SEC. 6. Section 79591 is added to the Water Code, to read:

79591. Notwithstanding any other law, ninety-five million dollars (\$95,000,000) of the unissued bonds authorized for the purposes of this division are reallocated for the purposes of, and shall be authorized, issued, and appropriated in accordance with, Division 26.7 (commencing with Section 79700). The funds available for reallocation shall be made on a pro-rata basis from each bond allocation of this division.

SEC. 7. Division 26.7 (commencing with Section 79700) of the Water Code, as added by Section 1 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, is repealed.

SEC. 8. Division 26.7 (commencing with Section 79700) is added to the Water Code, to read:

DIVISION 26.7. WATER QUALITY, SUPPLY, AND
INFRASTRUCTURE IMPROVEMENT ACT OF 2014

CHAPTER 1. SHORT TITLE

79700. This division shall be known, and may be cited, as the Water Quality, Supply, and Infrastructure Improvement Act of 2014.

CHAPTER 2. FINDINGS

79701. The people of California find and declare all of the following:

(a) Safeguarding California's supply of clean and safe water for homes, businesses, and farms is an essential responsibility of government, and critical to protecting the quality of life for all Californians.

(b) Every Californian should have access to clean, safe, and reliable drinking water.

(c) California has been experiencing more frequent and severe droughts and is currently enduring the worst drought in 200 years. These droughts are magnifying the shortcomings of our current water infrastructure.

(d) California's water infrastructure continues to age and deteriorate. More than 50 years ago, Californians approved the construction of the State Water Project. In recent decades, however, that infrastructure has proven inadequate to meet California's growing needs.

(e) This measure provides funding to implement the three objectives of the California Water Action Plan which are more reliable water supplies, the restoration of important species and habitat, and a more resilient and sustainably managed water infrastructure.

(f) Developing and guarding our water resources is critical for California to maintain vibrant communities, globally competitive agriculture, and healthy ecosystems.

(g) Encouraging water conservation and recycling are commonsense methods to make more efficient use of existing water supplies.

(h) Sustainable water management in California depends upon reducing and reversing overdraft and water quality impairment of groundwater basins. Investments to expand groundwater storage and reduce and reverse overdraft and water quality impairment of groundwater basins provide extraordinary public benefit and are in the public interest.

(i) Protecting lakes, rivers, and streams, cleaning up polluted groundwater supplies, and preserving water sources that supply the entire state are crucial to providing a reliable supply of water and protecting the state's natural resources.

(j) The Water Quality, Supply, and Infrastructure Improvement Act of 2014 provides a comprehensive and fiscally responsible approach for addressing the varied challenges facing California's water resources.

CHAPTER 3. DEFINITIONS

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

(a) "Acquisition" means obtaining a fee interest or any other interest in real property, including, easements, leases, water, water rights, or interest in water obtained for the purposes of instream flows and development rights.

(b) "CALFED Bay-Delta Program" means the program described in the Record of Decision dated August 28, 2000.

- (c) “Commission” means the California Water Commission.
- (d) “Committee” means the Water Quality, Supply, and Infrastructure Improvement Finance Committee created by Section 79787.
- (e) “Delta” means the Sacramento-San Joaquin Delta, as defined in Section 85058.
- (f) “Delta conveyance facilities” means facilities that convey water directly from the Sacramento River to the State Water Project or the federal Central Valley Project pumping facilities in the south Delta.
- (g) “Delta counties” means the Counties of Contra Costa, Sacramento, San Joaquin, Solano, and Yolo.
- (h) “Delta plan” has the meaning set forth in Section 85059.
- (i) “Director” means the Director of Water Resources.
- (j) “Disadvantaged community” has the meaning set forth in subdivision (a) of Section 79505.5, as it may be amended.
- (k) “Economically distressed area” means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with an annual median household income that is less than 85 percent of the statewide median household income, and with one or more of the following conditions as determined by the department:
 - (1) Financial hardship.
 - (2) Unemployment rate at least 2 percent higher than the statewide average.
 - (3) Low population density.
- (l) “Fund” means the Water Quality, Supply, and Infrastructure Improvement Fund of 2014 created by Section 79715.
- (m) “Instream flows” means a specific streamflow, measured in cubic feet per second, at a particular location for a defined time, and typically follows seasonal variations.
- (n) “Integrated regional water management plan” has the meaning set forth in Part 2.2 (commencing with Section 10530) of Division 6, as that part may be amended.
- (o) “Long-term” means for a period of not less than 20 years.
- (p) “Nonprofit organization” means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.
- (q) “Proposition 1E” means the Disaster Preparedness and Flood Prevention Bond Act of 2006 (Chapter 1.699 (commencing with Section 5096.800) of Division 5 of the Public Resources Code).
- (r) “Proposition 84” means the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001) of the Public Resources Code).
- (s) “Public agency” means a state agency or department, special district, joint powers authority, city, county, city and county, or other political subdivision of the state.

(t) “Rainwater” has the meaning set forth in subdivision (c) of Section 10573.

(u) “Secretary” means the Secretary of the Natural Resources Agency.

(v) “Severely disadvantaged community” has the meaning set forth in subdivision (a) of Section 116760.20 of the Health and Safety Code.

(w) “Small community water system” means a community water system that serves no more than 3,300 service connections or a yearlong population of no more than 10,000 persons.

(x) “State board” means the State Water Resources Control Board.

(y) “State General Obligation Bond Law” means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code).

(z) “State small water system” has the meaning set forth in subdivision (n) of Section 116275 of the Health and Safety Code.

(aa) “Stormwater” has the meaning set forth in subdivision (e) of Section 10573.

(ab) “Water right” means a legal entitlement authorizing water to be diverted from a specified source and put to a beneficial, nonwasteful use.

CHAPTER 4. GENERAL PROVISIONS

79703. An amount that equals 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.

79704. Unless otherwise specified, 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 that 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. Water quality monitoring data shall be collected and reported to the state board in a manner that is compatible and consistent with surface water monitoring data systems or groundwater monitoring data systems administered by the state board. Watershed monitoring data shall be collected and reported to the Department of Conservation in a manner that is compatible and consistent with the statewide watershed program administered by the Department of Conservation.

79705. 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 or implementation of programs or projects authorized or funded under this division other than Chapter 8 (commencing with Section 79750).

79706. (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. If the state agency has previously developed and adopted project solicitation and evaluation guidelines that comply with the requirements of this subdivision, it may use those guidelines.

(b) Prior to disbursing grants or loans, the state agency shall conduct three public meetings to consider public comments prior to finalizing the guidelines. The state agency shall publish the draft solicitation and evaluation guidelines on its Internet Web site at least 30 days before the public meetings. One meeting shall be conducted at a location in northern California, one meeting shall be conducted at a location in the central valley of California, and one meeting shall be conducted at a location in southern California. Upon adoption, the state agency shall transmit copies of the guidelines to the fiscal committees and the appropriate policy committees of the Legislature.

79707. It is the intent of the people that:

(a) The investment of public funds pursuant to this division will result in public benefits that address the most critical statewide needs and priorities for public funding.

(b) In the appropriation and expenditure of funding authorized by this division, priority will be given to projects that leverage private, federal, or local funding or produce the greatest public benefit.

(c) A funded project advances the purposes of the chapter from which the project received funding.

(d) In making decisions regarding water resources, state and local water agencies will use the best available science to inform those decisions.

(e) Special consideration will be given to projects that employ new or innovative technology or practices, including decision support tools that support the integration of multiple jurisdictions, including, but not limited to, water supply, flood control, land use, and sanitation.

(f) Evaluation of projects considered for funding pursuant to this division will include review by professionals in the fields relevant to the proposed project.

(g) To the extent practicable, a project supported by funds made available by this division will include signage informing the public that the project received funds from the Water Quality, Supply, and Infrastructure Improvement Act of 2014.

(h) Projects funded with proceeds from this division will be consistent with Division 7 (commencing with Section 13000) of this code and Section 13100 of the Government Code.

(i) Projects funded with proceeds from this division will promote state planning priorities consistent with the provisions of Section 65041.1 of the Government Code and sustainable communities strategies consistent with the provisions of subparagraph (B) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, to the extent feasible.

(j) California's working agricultural and forested landscapes will be preserved wherever possible. To the extent feasible, watershed objectives

included in this division should be achieved through use of conservation easements and voluntary landowner participation, including, but not limited to, the use of easements pursuant to Division 10.2 (commencing with Section 10200) and Division 10.4 (commencing with Section 10330) of the Public Resources Code and voluntary habitat credit exchange mechanisms.

79708. (a) The Department of Finance shall provide for an independent audit of expenditures pursuant to this division. The secretary shall publish a list of all program and project expenditures pursuant to this division not less than annually, in written form, and shall post an electronic form of the list on the Natural Resources Agency's Internet Web site.

(b) If an audit, required by statute, of any entity that receives funding authorized by this division is conducted pursuant to state law and reveals any impropriety, the California State Auditor or the Controller may conduct a full audit of any or all of the activities of that entity.

(c) The state agency issuing any grant or loan with funding authorized by this division shall require adequate reporting of the expenditures of the funding from the grant or loan.

(d) Prior to soliciting projects pursuant to this division, state agencies shall submit guidelines to the secretary. The secretary shall verify that the guidelines are consistent with applicable statutes and for all the purposes enumerated in this division. The secretary shall post an electronic form of the guidelines submitted by state agencies and the subsequent verifications on the Natural Resources Agency's Internet Web site.

79709. (a) Funds expended pursuant to this division for the acquisition of a permanent dedication of water shall be in accordance with Section 1707 where the state board specifies that the water is in addition to water that is required for regulatory requirements as provided in subdivision (c) of Section 1707. The expenditure of funds provided by this division may include the initiation of the dedication as a short term or temporary urgency change, that is approved in accordance with Section 1707 and either Chapter 6.6 (commencing with Section 1435) of, or Chapter 10.5 (commencing with Section 1725) of, Part 2 of Division 2, during the period required to prepare any environmental documentation and for approval of permanent dedication.

(b) Funds expended pursuant to this division for the acquisition of long-term transfers of water shall be transfers in accordance with Sections 1735, 1736, and 1737 if the state board, after providing notice and opportunity for a hearing, approves such a petition. Funds expended pursuant to this division shall prioritize permanent transfers. Long-term transfers shall be for a period of not less than 20 years, except for any water transfers for the benefit of subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

(c) Funds expended pursuant to this division for any acquisition of water shall only be done pursuant to this section and shall only be used for projects that will provide fisheries or ecosystem benefits or improvements that are greater than required applicable environmental mitigation measures or compliance obligations in effect at the time the funds from this division are made available for the project and funds shall not be credited to any measures

or obligations, except for any water transfers for the benefit of subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

79710. (a) Funds provided by this division shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities. Those costs shall be the responsibility of the water agencies that benefit from the design, construction, operation, mitigation, or maintenance of those facilities.

(b) To the extent feasible, in implementing subdivision (k) of Section 79731, the Sacramento-San Joaquin Delta Conservancy shall seek to achieve wildlife conservation objectives through projects on public lands or voluntary projects on private lands. Funds available to the Sacramento-San Joaquin Delta Conservancy pursuant to subdivision (k) of Section 79731 may be used, in consultation with the Department of Fish and Wildlife, for payments to landowners for the creation of measurable habitat improvements or other improvements to the condition of endangered or threatened species. The Sacramento-San Joaquin Delta Conservancy may develop and implement a competitive program for habitat enhancements that maximizes voluntary landowner participation in projects that provide measurable and long-lasting habitat or species improvements in the Delta. These funds shall not be used to subsidize or decrease the mitigation obligations of any party.

(c) In implementing subdivision (k) of Section 79731, the Sacramento-San Joaquin Delta Conservancy shall coordinate and consult with the city or county in which a grant is proposed to be expended or an interest in real property is proposed to be acquired and with the Delta Protection Commission. Acquisitions by the Sacramento-San Joaquin Delta Conservancy pursuant to subdivision (k) of Section 79731 shall be from willing sellers only.

79711. (a) This division does not diminish, impair, or otherwise affect in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law. This division does not limit or affect the application of Article 1.7 (commencing with Section 1215) of Chapter 1 of Part 2 of Division 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and 11463, and Sections 12200 to 12220, inclusive.

(b) For the purposes of this division, an area that utilizes water that has been diverted and conveyed from the Sacramento River hydrologic region, for use outside the Sacramento River hydrologic region or the Delta, shall not be deemed to be immediately adjacent thereto or capable of being conveniently supplied with water therefrom by virtue or on account of the diversion and conveyance of that water through facilities that may be constructed for that purpose after January 1, 2014.

(c) Nothing in this division supersedes, limits, or otherwise modifies the applicability of Chapter 10 (commencing with Section 1700) of Part 2 of Division 2, including petitions related to any new conveyance constructed

or operated in accordance with Chapter 2 (commencing with Section 85320) of Part 4 of Division 35.

(d) Unless otherwise expressly provided, nothing in this division supersedes, reduces, or otherwise affects existing legal protections, both procedural and substantive, relating to the state board's regulation of diversion and use of water, including, but not limited to, water right priorities, the protection provided to municipal interests by Sections 106 and 106.5, and changes in water rights. Nothing in this division expands or otherwise alters the state board's existing authority to regulate the diversion and use of water or the courts' existing concurrent jurisdiction over California water rights.

(e) Nothing in this division shall be construed to affect the California Wild and Scenic Rivers Act (Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code) or the federal Wild and Scenic Rivers Act (16 U.S.C. Sec. 1271 et seq.) and funds authorized pursuant to this division shall not be available for any project that could have an adverse effect on the values upon which a wild and scenic river or any other river is afforded protections pursuant to the California Wild and Scenic Rivers Act or the federal Wild and Scenic Rivers Act.

(f) Nothing in this division supersedes, limits, or otherwise modifies the Sacramento-San Joaquin Delta Reform Act of 2009 (Division 35 (commencing with Section 85000)) or any other applicable law, including, but not limited to, Division 22.3 (commencing with Section 32300) of the Public Resources Code.

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

(h) Notwithstanding any other law, any agency acquiring land pursuant to this division may use the Natural Heritage Preservation Tax Credit Act of 2000 (Division 28 (commencing with Section 37000) of the Public Resources Code).

79712. (a) Eligible applicants under this division are public agencies, nonprofit organizations, public utilities, federally recognized Indian tribes, state Indian tribes listed on the Native American Heritage Commission's California Tribal Consultation List, and mutual water companies.

(b) (1) 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.

(2) To be eligible for funding under this division, an urban water supplier shall adopt and submit an urban water management plan in accordance with the Urban Water Management Planning Act (Part 2.6 (commencing with Section 10610) of Division 6).

(3) To be eligible for funding under this division, an agricultural water supplier shall adopt and submit an agricultural water management plan in accordance with the Agricultural Water Management Planning Act (Part 2.8 (commencing with Section 10800) of Division 6).

(4) In accordance with Section 10608.56, an agricultural water supplier or an urban water supplier is ineligible for funding under this division unless it complies with the requirements of Part 2.55 (commencing with Section 10608) of Division 6.

79713. The Legislature may enact legislation necessary to implement programs funded by this division, except as otherwise provided in Section 79760.

79714. (a) Unless otherwise specified, any state agency that has the statutory authority to implement one or more of the purposes specified in this bond may be eligible for appropriations from the funding made available by this division.

(b) Funding made available by this division shall not be appropriated by the Legislature to a specific project.

(c) Projects funded pursuant to this division 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.

79715. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Water Quality, Supply, and Infrastructure Improvement Fund of 2014, which is hereby created in the State Treasury.

79716. 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 Web site, as provided by statute.

CHAPTER 5. CLEAN, SAFE AND RELIABLE DRINKING WATER

79720. The sum of five hundred twenty million dollars (\$520,000,000) shall be available, upon appropriation by the Legislature from the fund, for expenditures, grants, and loans for projects that improve water quality or help provide clean, safe, and reliable drinking water to all Californians.

79721. The projects eligible for funding pursuant to this chapter shall help improve water quality for a beneficial use. The purposes of this chapter are to:

(a) Reduce contaminants in drinking water supplies regardless of the source of the water or the contamination.

(b) Assess and prioritize the risk of contamination to drinking water supplies.

(c) Address the critical and immediate needs of disadvantaged, rural, or small communities that suffer from contaminated drinking water supplies, including, but not limited to, projects that address a public health emergency.

(d) Leverage other private, federal, state, and local drinking water quality and wastewater treatment funds.

(e) Reduce contaminants in discharges to, and improve the quality of, waters of the state.

(f) Prevent further contamination of drinking water supplies.

(g) Provide disadvantaged communities with public drinking water infrastructure that provides clean, safe, and reliable drinking water supplies that the community can sustain over the long term.

(h) Ensure access to clean, safe, reliable, and affordable drinking water for California's communities.

(i) Meet primary and secondary safe drinking water standards or remove contaminants identified by the state or federal government for development of a primary or secondary drinking water standard.

79722. The contaminants that may be addressed with funding pursuant to this chapter may include, but shall not be limited to, nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic, selenium, hexavalent chromium, mercury, PCE (perchloroethylene), TCE (trichloroethylene), DCE (dichloroethene), DCA (dichloroethane), 1,2,3-TCP (trichloropropane), carbon tetrachloride, 1,4-dioxane, 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron, manganese, and uranium.

79723. Of the funds authorized by Section 79720, two hundred sixty million dollars (\$260,000,000) shall be available for deposit in the State Water Pollution Control Revolving Fund Small Community Grant Fund created pursuant to Section 13477.6 for grants for wastewater treatment projects. Priority shall be given to projects that serve disadvantaged communities and severely disadvantaged communities, and to projects that address public health hazards. Projects may include, but not be limited to, projects that identify, plan, design, and implement regional mechanisms to consolidate wastewater systems or provide affordable treatment technologies.

79724. (a) (1) Of the funds authorized by Section 79720, two hundred sixty million dollars (\$260,000,000) shall be available for grants and loans for public water system infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water, or both. Priority shall be given to projects that provide treatment for contamination or access to an alternate drinking water source or sources for small community water systems or state small water systems in disadvantaged communities whose drinking water source is impaired by chemical and nitrate contaminants and other health hazards identified by the state board. Eligible recipients serve disadvantaged communities and are public water systems or public agencies. The state board may make grants for the purpose of financing feasibility studies and to meet the eligibility requirements for a construction grant. Eligible expenses may include initial operation and maintenance costs for systems serving disadvantaged communities. Priority shall be given to projects that provide shared solutions for multiple communities, at least one of which is a disadvantaged community that lacks safe, affordable drinking water and is served by a small community water system, state small water system, or a private well. Construction grants shall be limited to five million dollars (\$5,000,000) per project, except that the state board may set a limit of not more than twenty million dollars (\$20,000,000) for projects that provide regional benefits or are shared among multiple entities, at least one of which

shall be a small disadvantaged community. Not more than 25 percent of a grant may be awarded in advance of actual expenditures.

(2) For the purposes of this subdivision, “initial operation and maintenance costs” means those initial, eligible, and reimbursable costs under a construction funding agreement that are incurred up to, and including, initial startup testing of the constructed project in order to deem the project complete. Initial operation and maintenance costs are eligible to receive funding pursuant to this section for a period not to exceed two years.

(b) The administering entity may expend up to twenty-five million dollars (\$25,000,000) of the funds allocated in subdivision (a) for technical assistance to eligible communities.

(c) The state board shall deposit up to two million five hundred thousand dollars (\$2,500,000) of the funds available pursuant to this section into the Drinking Water Capital Reserve Fund, which is hereby created in the State Treasury. Moneys in the Drinking Water Capital Reserve Fund shall be available, upon appropriation by the Legislature, and shall be administered by the state board for the purpose of serving as matching funds for disadvantaged communities. The state board shall develop criteria to implement this subdivision.

79725. (a) For the purposes of awarding funding under this chapter, a local cost share of not less than 50 percent of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community or an economically distressed area.

(b) At least 10 percent of the funds available pursuant to this chapter shall be allocated for projects serving severely disadvantaged communities.

(c) Up to 15 percent of the funds available pursuant to this chapter may be allocated for technical assistance to disadvantaged communities. The agency administering this funding shall operate a multidisciplinary technical assistance program for small and disadvantaged communities.

(d) Funding for planning activities, including technical assistance, to benefit disadvantaged communities may exceed 15 percent of the funds allocated, subject to the determination of the need for additional planning funding by the state agency administering the funding.

CHAPTER 6. PROTECTING RIVERS, LAKES, STREAMS, COASTAL WATERS,
AND WATERSHEDS

79730. The sum of one billion four hundred ninety-five million dollars (\$1,495,000,000) shall be available, upon appropriation by the Legislature from the fund, in accordance with this chapter, for competitive grants for multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities.

79731. Of the funds authorized by Section 79730, the sum of three hundred twenty-seven million five hundred thousand dollars (\$327,500,000) shall be allocated for multibenefit water quality, water supply, and watershed

protection and restoration projects for the watersheds of the state in accordance with the following schedule:

- (a) Baldwin Hills Conservancy, ten million dollars (\$10,000,000).
- (b) California Tahoe Conservancy, fifteen million dollars (\$15,000,000).
- (c) Coachella Valley Mountains Conservancy, ten million dollars (\$10,000,000).
- (d) Ocean Protection Council, thirty million dollars (\$30,000,000).
- (e) San Diego River Conservancy, seventeen million dollars (\$17,000,000).
- (f) San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, thirty million dollars (\$30,000,000).
- (g) San Joaquin River Conservancy, ten million dollars (\$10,000,000).
- (h) Santa Monica Mountains Conservancy, thirty million dollars (\$30,000,000).
- (i) Sierra Nevada Conservancy, twenty-five million dollars (\$25,000,000).
- (j) State Coastal Conservancy, one hundred million five hundred thousand dollars (\$100,500,000). Eligible watersheds for the funds allocated pursuant to this subdivision include, but are not limited to, those that are in the San Francisco Bay Conservancy region, the Santa Ana River watershed, the Tijuana River watershed, the Otay River watershed, Catalina Island, and the central coast region.
- (k) Sacramento-San Joaquin Delta Conservancy, fifty million dollars (\$50,000,000).

79732. (a) In protecting and restoring California rivers, lakes, streams, and watersheds, the purposes of this chapter are to:

- (1) Protect and increase the economic benefits arising from healthy watersheds, fishery resources, and instream flow.
- (2) Implement watershed adaptation projects in order to reduce the impacts of climate change on California's communities and ecosystems.
- (3) Restore river parkways throughout the state, including, but not limited to, projects pursuant to the California River Parkways Act of 2004 (Chapter 3.8 (commencing with Section 5750) of Division 5 of the Public Resources Code), in the Urban Streams Restoration Program established pursuant to Section 7048, and urban river greenways.
- (4) Protect and restore aquatic, wetland, and migratory bird ecosystems, including fish and wildlife corridors and the acquisition of water rights for instream flow.
- (5) Fulfill the obligations of the State of California in complying with the terms of multiparty settlement agreements related to water resources.
- (6) Remove barriers to fish passage.
- (7) Collaborate with federal agencies in the protection of fish native to California and wetlands in the central valley of California.
- (8) Implement fuel treatment projects to reduce wildfire risks, protect watersheds tributary to water storage facilities, and promote watershed health.

(9) Protect and restore rural and urban watershed health to improve watershed storage capacity, forest health, protection of life and property, stormwater resource management, and greenhouse gas reduction.

(10) Protect and restore coastal watersheds, including, but not limited to, bays, marine estuaries, and nearshore ecosystems.

(11) Reduce pollution or contamination of rivers, lakes, streams, or coastal waters, prevent and remediate mercury contamination from legacy mines, and protect or restore natural system functions that contribute to water supply, water quality, or flood management.

(12) Assist in the recovery of endangered, threatened, or migratory species by improving watershed health, instream flows, fish passage, coastal or inland wetland restoration, or other means, such as natural community conservation plan and habitat conservation plan implementation.

(13) Assist in water-related agricultural sustainability projects.

(b) Funds provided by this chapter shall only be used for projects that will provide fisheries or ecosystem benefits or improvements that are greater than required applicable environmental mitigation measures or compliance obligations.

79733. Of the funds made available by Section 79730, the sum of two hundred million dollars (\$200,000,000) shall be administered by the Wildlife Conservation Board for projects that result in enhanced stream flows.

79734. For restoration and ecosystem protection projects under this chapter, the services of the California Conservation Corps or a local conservation corps certified by the California Conservation Corps shall be used whenever feasible.

79735. (a) Of the funds authorized by Section 79730, one hundred million dollars (\$100,000,000) shall be available, upon appropriation by the Legislature, for projects to protect and enhance an urban creek, as defined in subdivision (e) of Section 7048, and its tributaries, pursuant to Division 22.8 (commencing with Section 32600) of, and Division 23 (commencing with Section 33000) of, the Public Resources Code and Section 79508.

(b) (1) Of the funds authorized by Section 79730, twenty million dollars (\$20,000,000) shall be made available to the secretary for a competitive program to fund multibenefit watershed and urban rivers enhancement projects in urban watersheds that increase regional and local water self-sufficiency and that meet at least two of the following objectives:

(A) Promote groundwater recharge and water reuse.

(B) Reduce energy consumption.

(C) Use soils, plants, and natural processes to treat runoff.

(D) Create or restore native habitat.

(E) Increase regional and local resiliency and adaptability to climate change.

(2) The program under this subdivision shall be implemented by state conservancies, the Wildlife Conservation Board, the state board, or other entities whose jurisdiction includes urban watersheds, as designated by the secretary. Projects funded under the program shall be a part of a plan

developed jointly by the conservancies, the Wildlife Conservation Board, the state board, or other designated entities in consultation with the secretary.

(c) At least 25 percent of the funds available pursuant to this section shall be allocated for projects that benefit disadvantaged communities.

(d) Up to 10 percent of the funds available pursuant to this section may be allocated for project planning.

79736. Of the funds authorized by Section 79730, four hundred seventy-five million dollars (\$475,000,000) shall be available to the Natural Resources Agency to support projects that fulfill the obligations of the State of California in complying with the terms of any of the following:

(a) Subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

(b) Interstate compacts set forth in Section 66801 of the Government Code pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.

(c) Intrastate or multiparty water quantification settlement agreement provisions, including ecosystem restoration projects, as set forth in Chapters 611, 612, 613, and 614 of the Statutes of 2003.

(d) The settlement agreement referenced in Section 2080.2 of the Fish and Game Code.

(e) Any intrastate or multiparty settlement agreement related to water acted upon or before December 31, 2013. Priority shall be given to projects that meet one or more of the following criteria:

(1) The project is of statewide significance.

(2) The project restores natural aquatic or riparian functions, or wetlands habitat for birds and aquatic species.

(3) The project protects or promotes the restoration of endangered or threatened species.

(4) The project enhances the reliability of water supplies on a regional or interregional basis.

(5) The project provides significant regional or statewide economic benefits.

79737. (a) Of the funds authorized by Section 79730, two hundred eighty-five million dollars (\$285,000,000) shall be available to the Department of Fish and Wildlife for watershed restoration projects statewide in accordance with this chapter.

(b) For the purposes of this section, watershed restoration includes activities to fund coastal wetland habitat, improve forest health, restore mountain meadows, modernize stream crossings, culverts, and bridges, reconnect historical flood plains, install or improve fish screens, provide fish passages, restore river channels, restore or enhance riparian, aquatic, and terrestrial habitat, improve ecological functions, acquire from willing sellers conservation easements for riparian buffer strips, improve local watershed management, and remove sediment or trash.

(c) For any funds available pursuant to this section that are used to provide grants under the Fisheries Restoration Grant Program, a priority shall be given to coastal waters.

(d) In allocating funds for projects pursuant to this section, the Department of Fish and Wildlife shall only make funds available for water quality, river, and watershed protection and restoration projects of statewide importance outside of the Delta.

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

(f) Funds provided by this section shall only be used for projects that will provide fisheries or ecosystem benefits or improvements that are greater than required applicable environmental mitigation measures or compliance obligations, except for any water transfers for the benefit of subsection (d) of Section 3406 of the Central Valley Project Improvement Act (Title 34 of Public Law 102-575).

79738. (a) Of the funds authorized by Section 79730, eighty-seven million five hundred thousand dollars (\$87,500,000) shall be available to the Department of Fish and Wildlife for water quality, ecosystem restoration, and fish protection facilities that benefit the Delta, including, but not limited to, the following:

(1) Projects to improve water quality or that contribute to the improvement of water quality in the Delta, including projects in Delta counties that provide multiple public benefits and improve drinking and agricultural water quality or water supplies.

(2) Habitat restoration, conservation, and enhancement projects to improve the condition of special status, at risk, endangered, or threatened species in the Delta and the Delta counties, including projects to eradicate invasive species, and projects that support the beneficial reuse of dredged material for habitat restoration and levee improvements.

(3) Scientific studies and assessments that support the Delta Science Program, as described in Section 85280, or projects under this section.

(b) In implementing this section, the department shall coordinate and consult with the Delta city or Delta county in which a grant is proposed to be expended or an interest in real property is proposed to be acquired.

(c) Acquisitions pursuant to this section shall be from willing sellers only.

(d) In implementing this section state agencies shall prioritize wildlife conservation objectives through projects on public lands or voluntary projects on private lands, to the extent feasible.

(e) Funds available pursuant to this section shall not be used to acquire land via eminent domain.

(f) Funds available pursuant to this section shall not be expended to pay the costs of the design, construction, operation, mitigation, or maintenance of Delta conveyance facilities.

CHAPTER 7. REGIONAL WATER SECURITY, CLIMATE, AND DROUGHT
PREPAREDNESS

79740. The sum of eight hundred ten million dollars (\$810,000,000) shall be available, upon appropriation by the Legislature from the fund, for expenditures on, and competitive grants and loans to, projects that are included in and implemented in an adopted integrated regional water management plan consistent with Part 2.2 (commencing with Section 10530) of Division 6 and respond to climate change and contribute to regional water security as provided in this chapter.

79741. In order to improve regional water self-reliance security and adapt to the effects on water supply arising out of climate change, the purposes of this chapter are to:

(a) Help water infrastructure systems adapt to climate change, including, but not limited to, sea level rise.

(b) Provide incentives for water agencies throughout each watershed to collaborate in managing the region's water resources and setting regional priorities for water infrastructure.

(c) Improve regional water self-reliance consistent with Section 85021.

79742. (a) In selecting among proposed projects in a watershed, the scope of the adopted integrated regional water management plan may be considered by the administering state agency, with priority going to projects in plans that cover a greater portion of the watershed. If a plan covers substantially all of the watershed, the plan's project priorities shall be given deference if the project and plan otherwise meet the requirements of this division and the Integrated Regional Water Management Planning Act (Part 2.2 (commencing with Section 10530) of Division 6).

(b) A local agency that does not prepare, adopt, and submit its groundwater plan in accordance with groundwater planning requirements established under Division 6 (commencing with Section 10000) is ineligible to apply for funds made available pursuant to this chapter until the plan is prepared and submitted in accordance with the requirements of that part. The groundwater management plan requirement shall not apply to a water replenishment district formed pursuant to Division 18 (commencing with Section 60000) or to a local agency that serves or has authority to manage an adjudicated groundwater basin.

(c) For the purposes of awarding funding under this chapter, a cost share from nonstate sources of not less than 50 percent of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community or an economically distressed area.

(d) Not less than 10 percent of the funds authorized by this chapter shall be allocated to projects that directly benefit disadvantaged communities.

(e) For the purposes of awarding funding under this chapter, the applicant shall demonstrate that the integrated regional water management plan the applicant's project implements contributes to addressing the risks in the region to water supply and water infrastructure arising from climate change.

(f) Projects that achieve multiple benefits shall receive special consideration.

79743. Subject to the determination of regional priorities in the regional water management group, eligible projects may include, but are not limited to, projects that promote any of the following:

(a) Water reuse and recycling for nonpotable reuse and direct and indirect potable reuse.

(b) Water-use efficiency and water conservation.

(c) Local and regional surface and underground water storage, including groundwater aquifer cleanup or recharge projects.

(d) Regional water conveyance facilities that improve integration of separate water systems.

(e) Watershed protection, restoration, and management projects, including projects that reduce the risk of wildfire or improve water supply reliability.

(f) Stormwater resource management, including, but not limited to, the following:

(1) Projects to reduce, manage, treat, or capture rainwater or stormwater.

(2) Projects that provide multiple benefits such as water quality, water supply, flood control, or open space.

(3) Decision support tools that evaluate the benefits and costs of multibenefit stormwater projects.

(4) Projects to implement a stormwater resource plan developed in accordance with Part 2.3 (commencing with Section 10560) of Division 6.

(g) Conjunctive use of surface and groundwater storage facilities.

(h) Water desalination projects.

(i) Decision support tools to model regional water management strategies to account for climate change and other changes in regional demand and supply projections.

(j) Improvement of water quality, including drinking water treatment and distribution, groundwater and aquifer remediation, matching water quality to water use, wastewater treatment, water pollution prevention, and management of urban and agricultural runoff.

79744. (a) Of the funds authorized by Section 79740, five hundred ten million dollars (\$510,000,000) shall be allocated to the hydrologic regions as identified in the California Water Plan in accordance with this section. For the South Coast hydrologic region, the department shall establish three funding areas that reflect the watersheds of San Diego County and southern Orange County (designated as the San Diego subregion), the Santa Ana River watershed (designated as the Santa Ana subregion), and the Los Angeles and Ventura County watersheds (designated as the Los Angeles subregion), and shall allocate funds to those areas in accordance with this subdivision. The North and South Lahontan hydrologic regions shall be treated as one area for the purpose of allocating funds. For purposes of this subdivision, the Sacramento River hydrologic region does not include the Delta. For purposes of this subdivision, the Mountain Counties Overlay is not eligible for funds from the Sacramento River hydrologic region or the

San Joaquin River hydrologic region. Multiple integrated regional water management plans may be recognized in each of the areas allocated funding.

(b) Funds made available by this chapter shall be allocated as follows:

(1) Twenty-six million five hundred thousand dollars (\$26,500,000) for the North Coast hydrologic region.

(2) Sixty-five million dollars (\$65,000,000) for the San Francisco Bay hydrologic region.

(3) Forty-three million dollars (\$43,000,000) for the Central Coast hydrologic region.

(4) Ninety-eight million dollars (\$98,000,000) for the Los Angeles subregion.

(5) Sixty-three million dollars (\$63,000,000) for the Santa Ana subregion.

(6) Fifty-two million five hundred thousand dollars (\$52,500,000) for the San Diego subregion.

(7) Thirty-seven million dollars (\$37,000,000) for the Sacramento River hydrologic region.

(8) Thirty-one million dollars (\$31,000,000) for the San Joaquin River hydrologic region.

(9) Thirty-four million dollars (\$34,000,000) for the Tulare/Kern hydrologic region.

(10) Twenty-four million five hundred thousand dollars (\$24,500,000) for the North/South Lahontan hydrologic region.

(11) Twenty-two million five hundred thousand dollars (\$22,500,000) for the Colorado River Basin hydrologic region.

(12) Thirteen million dollars (\$13,000,000) for the Mountain Counties Overlay.

79745. The Department of Water Resources shall expend, either directly or for noncompetitive grants, no less than 10 percent of the funds from the regional allocations specified in Section 79744 for the purposes of ensuring involvement of disadvantaged communities, economically distressed areas, or underrepresented communities within regions.

79746. (a) Of the funds authorized by Section 79740, the sum of one hundred million dollars (\$100,000,000) may be used for direct expenditures, and for grants and loans, for the following water conservation and water-use efficiency plans, projects, and programs:

(1) Urban water conservation plans, projects, and programs, including regional projects and programs, implemented to achieve urban water use targets developed pursuant to Section 10608.20. Priority for funding shall be given to programs that do any of the following:

(A) Assist water suppliers and regions to implement conservation programs and measures that are not locally cost effective.

(B) Support water supplier and regional efforts to implement programs targeted to enhance water-use efficiency for commercial, industrial, and institutional water users.

(C) Assist water suppliers and regions with programs and measures targeted toward realizing the conservation benefits of implementation of the provisions of the state landscape model ordinance.

(2) Agricultural water management plans or agricultural water use efficiency projects and programs developed pursuant to Part 2.8 (commencing with Section 10800) of Division 6.

(b) Section 1011 applies to all conservation measures that an agricultural water supplier or an urban water supplier implements with funding under this chapter. This subdivision does not limit the application of Section 1011 to any other measures or projects implemented by a water supplier. Notwithstanding Section 79748, the projects funded pursuant to this section are not required to be in an adopted integrated regional water management plan or to comply with that program.

79747. (a) Of the funds authorized by Section 79740, two hundred million dollars (\$200,000,000) shall be available for grants for multibenefit stormwater management projects.

(b) Eligible projects may include, but shall not be limited to, green infrastructure, rainwater and stormwater capture projects, and stormwater treatment facilities.

(c) Development of plans for stormwater projects shall address the entire watershed and incorporate the perspectives of communities adjacent to the affected waterways, especially disadvantaged communities.

79748. In order to receive funding authorized by this chapter to address groundwater quality or supply in an aquifer, the applicant shall demonstrate that a public agency has authority to manage the water resources in that aquifer. A groundwater management plan adopted and submitted in accordance with groundwater management planning requirements established under Division 6 (commencing with Section 10000) shall be deemed sufficient to satisfy the requirements of this section.

CHAPTER 8. STATEWIDE WATER SYSTEM OPERATIONAL IMPROVEMENT AND DROUGHT PREPAREDNESS

79750. (a) Notwithstanding Section 162, the commission may make the determinations, findings, and recommendations required of it by this chapter independent of the views of the director. All final actions by the commission in implementing this chapter shall be taken by a majority of the members of the commission at a public meeting noticed and held pursuant to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code).

(b) Notwithstanding Section 13340 of the Government Code, the sum of two billion seven hundred million dollars (\$2,700,000,000) is hereby continuously appropriated from the fund, without regard to fiscal years, to the commission for public benefits associated with water storage projects that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions, in accordance with this chapter. Funds authorized for, or made available to, the commission pursuant to this chapter shall be available and expended

only for the purposes provided in this chapter, and shall not be subject to appropriation or transfer by the Legislature or the Governor for any other purpose.

(c) Projects shall be selected by the commission through a competitive public process that ranks potential projects based on the expected return for public investment as measured by the magnitude of the public benefits provided, pursuant to criteria established under this chapter.

(d) Any project constructed with funds provided by this chapter shall be subject to Section 11590.

79751. Projects for which the public benefits are eligible for funding under this chapter consist of only the following:

(a) Surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000, except for projects prohibited by Chapter 1.4 (commencing with Section 5093.50) of Division 5 of the Public Resources Code.

(b) Groundwater storage projects and groundwater contamination prevention or remediation projects that provide water storage benefits.

(c) Conjunctive use and reservoir reoperation projects.

(d) Local and regional surface storage projects that improve the operation of water systems in the state and provide public benefits.

79752. A project shall not be funded pursuant to this chapter unless it provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta.

79753. (a) Funds allocated pursuant to this chapter may be expended solely for the following public benefits associated with water storage projects:

(1) Ecosystem improvements, including changing the timing of water diversions, improvement in flow conditions, temperature, or other benefits that contribute to restoration of aquatic ecosystems and native fish and wildlife, including those ecosystems and fish and wildlife in the Delta.

(2) Water quality improvements in the Delta, or in other river systems, that provide significant public trust resources, or that clean up and restore groundwater resources.

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

(4) Emergency response, including, but not limited to, securing emergency water supplies and flows for dilution and salinity repulsion following a natural disaster or act of terrorism.

(5) Recreational purposes, including, but not limited to, those recreational pursuits generally associated with the outdoors.

(b) Funds shall not be expended pursuant to this chapter for the costs of environmental mitigation measures or compliance obligations except for those associated with providing the public benefits as described in this section.

79754. In consultation with the Department of Fish and Wildlife, the state board, and the Department of Water Resources, the commission shall develop and adopt, by regulation, methods for quantification and management of public benefits described in Section 79753 by December 15, 2016. The regulations shall include the priorities and relative environmental value of ecosystem benefits as provided by the Department of Fish and Wildlife and the priorities and relative environmental value of water quality benefits as provided by the state board.

79755. (a) Except as provided in subdivision (c), no funds allocated pursuant to this chapter may be allocated for a project before December 15, 2016, and until the commission approves the project based on the commission's determination that all of the following have occurred:

(1) The commission has adopted the regulations specified in Section 79754 and specifically quantified and made public the cost of the public benefits associated with the project.

(2) The project applicant has entered into a contract with each party that will derive benefits, other than public benefits, as defined in Section 79753, from the project that ensures the party will pay its share of the total costs of the project. The benefits available to a party shall be consistent with that party's share of total project costs.

(3) The project applicant has entered into a contract with each public agency identified in Section 79754 that administers the public benefits, after that agency makes a finding that the public benefits of the project for which that agency is responsible meet all the requirements of this chapter, to ensure that the public contribution of funds pursuant to this chapter achieves the public benefits identified for the project.

(4) The commission has held a public hearing for the purposes of providing an opportunity for the public to review and comment on the information required to be prepared pursuant to this subdivision.

(5) All of the following additional conditions are met:

(A) Feasibility studies have been completed.

(B) The commission has found and determined that the project is feasible, is consistent with all applicable laws and regulations, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

(C) All environmental documentation associated with the project has been completed, and all other federal, state, and local approvals, certifications, and agreements required to be completed have been obtained.

(b) The commission shall submit to the Legislature its findings for each of the criteria identified in subdivision (a) for a project funded pursuant to this chapter.

(c) Notwithstanding subdivision (a), funds may be made available under this chapter for the completion of environmental documentation and permitting of a project.

79756. (a) The public benefit cost share of a project funded pursuant to this chapter, other than a project described in subdivision (c) of Section

79751, shall not exceed 50 percent of the total costs of any project funded under this chapter.

(b) No project may be funded unless it provides ecosystem improvements as described in paragraph (1) of subdivision (a) of Section 79753 that are at least 50 percent of total public benefits of the project funded under this chapter.

79757. (a) A project is not eligible for funding under this chapter unless, by January 1, 2022, all of the following conditions are met:

(1) All feasibility studies are complete and draft environmental documentation is available for public review.

(2) The commission makes a finding that the project is feasible, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

(3) The director receives commitments for not less than 75 percent of the nonpublic benefit cost share of the project.

(b) If compliance with subdivision (a) is delayed by litigation or failure to promulgate regulations, the date in subdivision (a) shall be extended by the commission for a time period that is equal to the time period of the delay, and funding under this chapter that has been dedicated to the project shall be encumbered until the time at which the litigation is completed or the regulations have been promulgated.

79758. Surface storage projects funded pursuant to this chapter and described in subdivision (a) of Section 79751 may be made a unit of the Central Valley Project as provided in Section 11290 and may be financed, acquired, constructed, operated, and maintained pursuant to Part 3 (commencing with Section 11100) of Division 6.

79759. (a) The funds allocated for the design, acquisition, and construction of surface storage projects identified in the CALFED Bay-Delta Record of Decision, dated August 28, 2000, pursuant to this chapter may be provided for those purposes to local joint powers authorities formed by irrigation districts and other local water districts and local governments within the applicable hydrologic region to design, acquire, and construct those projects.

(b) The joint powers authorities described in subdivision (a) may include in their membership governmental partners that are not located within their respective hydrologic regions in financing the surface storage projects, including, as appropriate, cost share participation or equity participation. Notwithstanding Section 6525 of the Government Code, the joint powers agencies described in subdivision (a) shall not include in their membership any for-profit corporation or any mutual water company whose shareholders and members include a for-profit corporation or any other private entity. The department shall be an ex officio member of each joint powers authority subject to this section, but the department shall not control the governance, management, or operation of the surface water storage projects.

(c) A joint powers authority subject to this section shall own, govern, manage, and operate a surface water storage project, subject to the requirement that the ownership, governance, management, and operation

of the surface water storage project shall advance the purposes set forth in this chapter.

79760. (a) In approving the Water Quality, Supply, and Infrastructure Improvement Act of 2014, the people were informed and hereby declare that the provisions of this chapter are necessary, integral, and essential to meeting the single object or work of the Water Quality, Supply, and Infrastructure Improvement Act of 2014. As such, any amendment of the provisions of this chapter by the Legislature without voter approval would frustrate the scheme and design that induced voter approval of this act. The people therefore find and declare that any amendment of the provisions of this chapter by the Legislature shall require an affirmative vote of two-thirds of the membership in each house of the Legislature and voter approval.

(b) This section shall not govern or be used as authority for determining whether the amendment of any other provision of this act not contained in this chapter would constitute a substantial change in the scheme and design of this act requiring voter approval.

CHAPTER 9. WATER RECYCLING

79765. The sum of seven hundred twenty-five million dollars (\$725,000,000) shall be available, upon appropriation by the Legislature from the fund, for grants or loans for water recycling and advanced treatment technology projects, including all of the following:

(a) Water recycling projects, including, but not limited to, treatment, storage, conveyance, and distribution facilities for potable and nonpotable recycling projects.

(b) Contaminant and salt removal projects, including, but not limited to, groundwater and seawater desalination and associated treatment, storage, conveyance, and distribution facilities.

(c) Dedicated distribution infrastructure to serve residential, commercial, agricultural, and industrial end-user retrofit projects to allow use of recycled water.

(d) Pilot projects for new potable reuse and other salt and contaminant removal technology.

(e) Multibenefit recycled water projects that improve water quality.

(f) Technical assistance and grant writing assistance for disadvantaged communities.

79766. At least a 50-percent local cost share shall be required for projects funded pursuant to this chapter. That cost share may be suspended or reduced for disadvantaged communities and economically distressed areas.

79767. Projects funded pursuant to this chapter shall be selected on a competitive basis, considering all of the following criteria:

(a) Water supply reliability improvement.

(b) Water quality and ecosystem benefits related to decreased reliance on diversions from the Delta or instream flows.

(c) Public health benefits from improved drinking water quality or supply.

- (d) Cost-effectiveness.
- (e) Energy efficiency and greenhouse gas emission impacts.
- (f) Reasonable geographic allocation to eligible projects throughout the state, including both northern and southern California and coastal and inland regions.

79768. For purposes of this chapter, competitive programs shall be implemented consistent with water recycling programs administered pursuant to Sections 79140 and 79141 or consistent with desalination programs administered pursuant to Sections 79545 and 79547.2.

CHAPTER 10. GROUNDWATER SUSTAINABILITY

79770. Prevention and cleanup of groundwater contamination are critical components of successful groundwater management. Groundwater quality becomes especially important as water providers do the following:

- (a) Evaluate investments in groundwater recharge with surface water, stormwater, recycled water, and other conjunctive use projects that augment local groundwater supplies to improve regional water self-reliance.
- (b) Adapt to changing hydrologic conditions brought on by climate change.
- (c) Consider developing groundwater basins to provide much needed local storage options to accommodate hydrologic and regulatory variability in the state's water delivery system.
- (d) Evaluate investments in groundwater recovery projects.

79771. (a) The sum of nine hundred million dollars (\$900,000,000) shall be available, upon appropriation by the Legislature from the fund, for expenditures on, and competitive grants, and loans for, projects to prevent or clean up the contamination of groundwater that serves or has served as a source of drinking water. Funds appropriated pursuant to this section shall be available to the state board for projects necessary to protect public health by preventing or reducing the contamination of groundwater that serves or has served as a major source of drinking water for a community.

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

- (1) The threat posed by groundwater contamination to the affected community's overall drinking water supplies, including an urgent need for treatment of alternative supplies or increased water imports if groundwater is not available due to contamination.
- (2) The potential for groundwater contamination to spread and impair drinking water supply and water storage for nearby population areas.
- (3) The potential of the project, if fully implemented, to enhance local water supply reliability.
- (4) The potential of the project to maximize opportunities to recharge vulnerable, high-use groundwater basins and optimize groundwater supplies.
- (5) The project addresses contamination at a site for which the courts or the appropriate regulatory authority has not yet identified responsible parties, or where the identified responsible parties are unwilling or unable to pay

for the total cost of cleanup, including water supply reliability improvement for critical urban water supplies in designated superfund areas with groundwater contamination listed on the National Priorities List established pursuant to Section 105(a)(8)(B) of the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. Sec. 9605(a)(8)(B)).

(c) Funding authorized by this chapter shall not be used to pay any share of the costs of remediation recovered from parties responsible for the contamination of a groundwater storage aquifer, but may be used to pay costs that cannot be recovered from responsible parties. Parties that receive funding for remediating groundwater storage aquifers shall exercise reasonable efforts to recover the costs of groundwater cleanup from the parties responsible for the contamination. Funds recovered from responsible parties may only be used to fund treatment and remediation activities.

79772. Of the funds authorized by Section 79771, eighty million dollars (\$80,000,000) shall be available for grants for treatment and remediation activities that prevent or reduce the contamination of groundwater that serves as a source of drinking water.

79773. The contaminants that may be addressed with funding pursuant to this chapter may include, but shall not be limited to, nitrates, perchlorate, MTBE (methyl tertiary butyl ether), arsenic, selenium, hexavalent chromium, mercury, PCE (perchloroethylene), TCE (trichloroethylene), DCE (dichloroethene), DCA (dichloroethane), 1,2,3-TCP (trichloropropane), carbon tetrachloride, 1,4-dioxane, 1,4-dioxacyclohexane, nitrosodimethylamine, bromide, iron, manganese, and uranium.

79774. (a) A project that receives funding pursuant to this chapter shall be selected by a competitive grant or loan process with added consideration for those projects that leverage private, federal, or local funding.

(b) For the purposes of awarding funding under this chapter, a local cost share of not less than 50 percent of the total costs of the project shall be required. The cost-sharing requirement may be waived or reduced for projects that directly benefit a disadvantaged community or an economically distressed area.

(c) An agency administering grants or loans for the purposes of this chapter shall assess the capacity of a community to pay for the operation and maintenance of the facility to be funded.

(d) At least 10 percent of the funds available pursuant to this chapter shall be allocated for projects serving severely disadvantaged communities.

(e) Funding authorized by this chapter shall include funding for technical assistance to disadvantaged communities. The agency administering this funding shall operate a multidisciplinary technical assistance program for small and disadvantaged communities.

79775. Of the funds authorized by Section 79771, one hundred million dollars (\$100,000,000) shall be made available for competitive grants for projects that develop and implement groundwater plans and projects in accordance with groundwater planning requirements established under Division 6 (commencing with Section 10000).

CHAPTER 11. FLOOD MANAGEMENT

79780. The sum of three hundred ninety-five million dollars (\$395,000,000) shall be available, upon appropriation by the Legislature from the fund, to the Department of Water Resources and the Central Valley Flood Protection Board for the purpose of statewide flood management projects and activities. Funds shall be allocated to multibenefit projects that achieve public safety and include fish and wildlife habitat enhancement. The Department of Water Resources shall make its best effort to coordinate this funding with proceeds from Propositions 84 and 1E.

79781. Of the funds authorized by Section 79780, two hundred ninety-five million dollars (\$295,000,000) shall be available to reduce the risk of levee failure and flood in the Delta for any of the following:

- (a) Local assistance under the Delta levee maintenance subventions program pursuant to Part 9 (commencing with Section 12980) of Division 6, as that part may be amended.
- (b) Special flood protection projects pursuant to Chapter 2 (commencing with Section 12310) of Part 4.8 of Division 6, as that chapter may be amended.
- (c) Levee improvement projects that increase the resiliency of levees within the Delta to withstand earthquake, flooding, or sea level rise.
- (d) Emergency response and repair projects.

CHAPTER 12. FISCAL PROVISIONS

79785. (a) Bonds in the total amount of seven billion one hundred twenty million dollars (\$7,120,000,000), and any additional bonds authorized, issued, and appropriated in accordance with this division pursuant to other provisions of law, or so much thereof as is necessary, not including the amount of any refunding bonds issued in accordance with Section 79797 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, 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 principal of, and interest on, the bonds as the principal and interest become due and payable.

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

79786. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of

that law, as that law may be amended, apply to the bonds and to this division, except subdivisions (a) and (b) of Section 16727 of the Government Code to the extent that those subdivisions conflict with any other provision of this division.

79787. (a) Solely for the purpose of authorizing the issuance and sale pursuant to 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) of the bonds authorized by this division, the Water Quality, Supply, and Infrastructure Improvement Finance Committee is hereby created. For purposes of this division, the Water Quality, Supply, and Infrastructure Improvement Finance Committee is the “committee” as that term is used in the State General Obligation Bond Law.

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

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

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

79788. The committee shall determine whether or not it is necessary or desirable to issue 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.

79789. For purposes of the State General Obligation Bond Law, “board,” as defined in Section 16722 of the Government Code, means the secretary.

79790. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. 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.

79791. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:

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

(b) The sum that is necessary to carry out the provisions of Section 79794, appropriated without regard to fiscal years.

79792. 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 less any amount withdrawn pursuant to Section 79794. 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. 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.

79793. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the bond proceeds invested and for the investment earnings on those proceeds, and may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds, as may be required or desirable under federal law in order to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

79794. 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 less any amount borrowed pursuant to Section 79792. Any amounts withdrawn shall be deposited in the fund. 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.

79795. All moneys deposited in the fund that are derived from premium and accrued interest on bonds sold pursuant to this division 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 premium may be reserved and used to pay the cost of bond issuance prior to any transfer to the General Fund.

79796. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds, including premium, 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 shared proportionately by each program funded through this division by the applicable bond sale.

79797. 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 of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds.

79798. 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. 9. Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, as amended by Section 1 of Chapter 74 of the Statutes of 2012, is repealed.

SEC. 10. (a) Notwithstanding the requirements of Sections 9040, 9043, 9044, 9061, and 9082 of the Elections Code, or any other law, the Secretary of State shall submit Sections 1 to 6, inclusive, and Section 8 of this act to the voters at the November 4, 2014, statewide general election.

(b) The Secretary of State shall include in the ballot pamphlets mailed pursuant to Section 9094 of the Elections Code the information specified in Section 9084 of the Elections Code regarding the bond act contained in Sections 1 to 6, inclusive, and Section 8 of this act. If that inclusion is not possible, the Secretary of State shall publish a supplemental ballot pamphlet regarding this act to be mailed with the ballot pamphlet. If the supplemental ballot pamphlet cannot be mailed with the ballot pamphlet, the supplemental ballot pamphlet shall be mailed separately.

(c) Notwithstanding Section 9054 of the Elections Code or any other law, the translations of the ballot title and the condensed statement of the ballot title required pursuant to Section 9054 may be made available for public examination at a later date than the start of the public examination period for the ballot pamphlet, provided that the translations of the ballot title and the condensed statement of the ballot title must remain available for public examination for eight days.

(d) Notwithstanding Section 13282 of the Elections Code or any other law, the public shall be permitted to examine the condensed statement of the ballot title for not more than eight days. Any voter may seek a writ of mandate for the purpose of requiring the condensed statement of the ballot title, or portion thereof, to be amended or deleted only within that eight-day period.

SEC. 11. Notwithstanding Sections 13115 and 13117 of the Elections Code, Sections 1 to 6, inclusive, and Section 8 of this act shall be placed as the first ballot measure on the November 4, 2014, general election ballot and shall be designated as Proposition 1.

SEC. 12. Sections 1 to 6, inclusive, and Section 8 of this act shall take effect upon approval by the voters of the Water Quality, Supply, and Infrastructure Improvement Act of 2014, as set forth in Section 8 of this act, including changes to the Disaster Preparedness and Flood Prevention Bond Act of 2006, as set forth in Section 1 of this act, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, as set forth in Section 2 of this act, the Water Conservation and Water Quality Bond Law of 1986, as set forth in Section 3 of this act, the Safe, Clean, Reliable Water Supply Act, as set forth in Section 4 of this act, the Costa-Machado Water Act of 2000, as set forth in Section 5 of this act, and the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, as set forth in Section 6 of this act.

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

In order to fund a water quality, supply, and infrastructure improvement program at the earliest possible date, it is necessary that this act take effect immediately.

O

PROPOSITION 1 SUPPORT**Officials**

Gov. Jerry Brown (D)
 US Sen. Dianne Feinstein (D)
 US Sen. Barbara Boxer (D)

Known Organizations

- Association of California Water Agencies
- California Association of Sanitation Agencies
- League of California Cities
- California State Association of Counties
- California Chamber of Commerce
- California Farm Bureau Federation
- The Nature Conservancy
- Audubon California
- Delta Counties Coalition
- Los Angeles Area Chamber of Commerce
- Ducks Unlimited
- American Rivers
- Silicon Valley Leadership Group
- Friant Water Authority
- San Diego Water Authority
- Metropolitan Water District of Southern California
- Natural Resources Defense Council
- Northern California Water Association
- State Building and Construction Trades Council of California
- Association of California Water Agencies
- Fresno Irrigation District
- Western Growers

Arguments

Gov. Jerry Brown (D), Paul Wenger, President of California Farm Bureau Federation, and Mike Sweeny, California Director of The Nature Conservancy, wrote the argument in favor found in the state's official voter information guide:

YES ON PROPOSITION 1 ENSURES A RELIABLE WATER SUPPLY FOR FARMS AND BUSINESSES DURING SEVERE DROUGHT — PROTECTING BOTH THE ECONOMY AND THE ENVIRONMENT

California is in a severe, multi-year drought and has an aging water infrastructure. That is why Republicans and Democrats and leaders from all over California came together in nearly unanimous fashion to place this fiscally responsible measure on the ballot.

YES ON 1 IS FISCALLY RESPONSIBLE

Proposition 1 will not raise taxes. It is a no-frills investment in critical projects that doesn't break the bank - it even reallocates money from unused bonds to make better use of the money.

YES ON 1 GROWS CALIFORNIA'S ECONOMY

California's economy depends on a reliable water supply. Proposition 1 secures our water future, keeps our family farms and businesses productive, and puts Californians to work building the new facilities we need to store, deliver and treat water.

YES ON 1 SAFEGUARDS OUR EXISTING WATER SUPPLIES

Proposition 1 will clean up our contaminated groundwater which serves as a critical buffer against drought by providing additional water in years when there is not enough rainfall or snow.

Proposition 1 expands water recycling and efficiency improvements making the best use of our existing supplies.

Proposition 1 provides funding for clean drinking water in communities where water is contaminated.

YES ON 1 STORES WATER WHEN WE HAVE IT

Proposition 1 invests in new storage increasing the amount of water that can be stored during wet years for the dry years that will continue to challenge California.

YES ON 1 PROTECTS THE ENVIRONMENT

Proposition 1 protects California's rivers, lakes and streams from pollution and contamination and provides for the restoration of our fish and wildlife resources.

PROPOSITION 1 CONTAINS STRICT ACCOUNTABILITY REQUIREMENTS INCLUDING ANNUAL AUDITS, OVERSIGHT AND PUBLIC DISCLOSURE TO ENSURE THE MONEY IS PROPERLY SPENT.

Yes on 1 - Supported by Republicans, Democrats, farmers, local water suppliers, conservation groups, business and community leaders.

—Gov. Jerry Brown, Paul Wenger and Mike Sweeny

PROPOSITION 1 OPPOSITION

The campaign against the measure is being led by *Vote NO on Proposition 1*.

Known Organizations

- | | |
|---|--|
| California Sportfishing Protection Alliance | Pacific Coast Federation of Fishermen’s Associations |
| California Striped Bass Association | Restore the Delta |
| California Water Impact Network | San Francisco Crab Boat Association |
| Center for Biological Diversity | Sherman Island Duck Hunters Association |
| Central Delta Water Agency | Small Boat Commercial Salmon Fishermens’ Association |
| Concerned Citizens Coalition of Stockton | South Delta Water Agency |
| Factory Farm Awareness Coalition | Southern California Watershed Alliance |
| Friends of the River | Winnemem Wintu Tribe |
| Food and Water Watch | |

Arguments

The California Sportfishing Protection Alliance issued a "statement of opposition" to Proposition 1. The group provided 14 reasons to vote against the proposition. The following is a selection from those reasons:

UNDERMINES THE PUBLIC TRUST DOCTRINE.

Water in rivers and streams, like the air people breathe, belongs to the people of California as part of the public trust... Private interests have a right to use the public’s water for beneficial purposes, as long as the public’s ownership in healthy rivers is protected. The Bond requires taxpayers to enrich a few wealthy water users by purchasing water the public already owns, at inflated prices, to protect the public’s rivers and environment. It’s a retread of previously discredited programs that allowed speculators to reap millions in profit selling the public’s water back to the public.

UNDERMINES THE PRINCIPLE OF BENEFICIARY PAYS.

The major reason more dams and other environmentally damaging projects have not been constructed in recent decades is the principle, stemming from approval of the State Water Project in 1960, that beneficiaries of water projects, not taxpayers, must pay for new projects. The Bond turns the beneficiary pays principle on its head by requiring taxpayers to pay for projects benefiting special interests.

UNDERMINES THE PRINCIPLE THAT PROJECTS SHOULD MITIGATE ADVERSE IMPACTS.

Projects have long been legally responsible for mitigating their adverse impacts. Many, if not most, of the watershed protection and restoration projects that will be funded by the Bond are efforts to repair and mitigate environmental damage caused by projects that were constructed by and for special interests... Taxpayers should not be on the hook because regulators failed to require special interest projects to mitigate their adverse impacts.

USHERS IN A NEW ERA OF BIG DAMS.

The Bond includes the largest appropriation for new dams in the state's history... A number of dam projects that had been abandoned because of low water yield and financial infeasibility are being resurrected in response to the Bond's commitment of billions of taxpayer dollars for dams. If the Bond passes, fishermen and environmentalists can expect to find themselves spending decades fighting new dam schemes on rivers throughout the state.

PROVIDES LITTLE COST-EFFECTIVE NEAR-TERM DROUGHT RELIEF.

Funds for recycling, conservation and groundwater cleanup were slashed 36% in the final version of the Bond in order to provide money for expensive water purchases and speculative new dams that will not be operational for decades... In essence, the Bond sacrifices funds for proven near-term projects that would create "new" lower cost water, contribute to regional self-sufficiency, reduce dependency on the Delta and provide drought relief in order to subsidize long-term pie in the sky projects benefiting the hydraulic brotherhood.

SABOTAGES EFFORTS TO MEANINGFULLY RESOLVE CALIFORNIA'S CONTINUING WATER CRISIS.

Prop. 1 is a red herring that diverts attention from the real causes of the state's water crisis and the steps and resources required to address it. The water crisis is the result of the over-appropriation, waste and inequitable distribution of limited water supplies and the failure to balance the public trust.

CROWDS OUT OTHER CRITICAL INVESTMENTS.

The Bond imposes an insidious hidden cost by crowding out critical investments in public schools, roads, public health and safety. California cannot afford to provide lavish subsidies to special interests, while ignoring existing and urgent infrastructure needs.

IS FISCALLY IRRESPONSIBLE.

California is staggering under a \$777 billion debt and voters have already approved \$128 billion in general fund Bonds that must be repaid by taxpayers. The Bond would add over \$7 billion in taxpayer indebtedness that must be repaid with interest, which can easily double the original amount. Subsidies for special interests are inherently fiscally irresponsible.

IS A HOGFEST OF PROJECTS UNRELATED TO WATER SUPPLY OR DROUGHT RELIEF.

Bond proponents carefully disguised pork projects by not identifying specific projects in general funding allocations to various groups. Associated Press, in a widely published article, reported that Conservancies and other groups have acknowledged they will use Bond funds for pedestrian and bike trails, parkways, interpretive centers, trash cleanups and other projects with no direct connection to the stated intent of the water Bond.

SHAMEFULLY HOLDS A FEW WORTHY PROJECTS HOSTAGE TO FISCALLY
IRRESPONSIBLE AND ENVIRONMENTALLY DAMAGING PROJECTS.

The fact that the Bond contains a few worthy projects fails to justify sacrificing core environmental principles and fiscal responsibility. Approximately, 6.9% of the Bond will provide safe drinking water and clean water programs to disadvantaged communities. This commitment is long overdue and should have been presented as a standalone proposition. It's shameful to use the long-ignored plight of those lacking safe drinking water in disadvantaged communities as justification for eviscerating environmental protection and providing extravagant subsidies to special interests.

—*California Sportfishing Protection Alliance*

Other arguments against the proposition include:

Barbara Barrigan-Parrilla, field director of Vote NO on Proposition 1:

Proposition 1 is a corporate money grab aimed at bankrolling special interests with taxpayer dollars while providing tragically inadequate funding for projects that provide safe, clean water for the people of California. Proposition 1 is the wrong investment for California.

Proposition 1**Water Quality, Supply, and Infrastructure Improvement Act of 2014.****AB 1471 (Chapter 188, Statutes of 2014), Rendon. Bond Measure.****Yes/No Statement**

A **YES** vote on this measure means: The state could sell \$7.1 billion in additional general obligation bonds—as well as redirect \$425 million in unsold general obligation bonds that were previously approved by voters for resource-related uses—to fund various water-related programs.

A **NO** vote on this measure means: The state could not sell \$7.1 billion in additional general obligation bonds to fund various water-related programs. In addition, \$425 million in unsold general obligation bonds would continue to be available for resource-related uses as previously approved by voters.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact

- Increased state bond repayment costs averaging \$360 million annually over the next 40 years.
- Savings to local governments related to water projects, likely averaging a couple hundred million dollars annually over the next few decades.

State Bond Cost Estimates	
Authorized new borrowing	\$7.1 billion
Average annual cost to pay off bonds	\$360 million
Likely repayment period	40 years
Source of repayment	General tax revenues

Ballot Label

Fiscal Impact: Increased state bond costs averaging \$360 million annually over 40 years.

Local government savings for water-related projects, likely averaging a couple hundred million dollars annually over the next few decades.

BACKGROUND

Sources of Water in California. A majority of the state's water comes from rivers, much of it from Northern California and from snow in the Sierra Nevada Mountains. Water available underground (referred to as "groundwater") makes up roughly a third of the state's water use and is more heavily relied on in dry years. A small share of the state's water also comes from other sources, such as capturing rainwater, reusing wastewater (water recycling), and removing the salt from ocean water (desalination).

Meeting the State's Water Needs. Providing clean water throughout California while protecting the environment presents several key challenges. First, water is not always available where it is needed. For example, water from Northern California is delivered to other parts of the state, such as farmland in the Central Valley and population centers in the San Francisco Bay Area and Southern California. Second, the amount of water available can change widely from year to year. So, when less water is available in dry years, it can be difficult to provide all of the water that people want throughout the state. This can include providing enough water to maintain natural habitats—such as wetlands—for endangered species as is required under state and federal laws. However, in very wet years the state can sometimes experience floods, particularly in the Central Valley. Third, water is sometimes polluted, making it unsuitable for drinking, irrigating

crops, or fish habitat. Fourth, parts of the state's water system have affected natural habitats. For example, providing more water for drinking and irrigation has reduced the water available for fish.

In order to address these challenges, California has built various projects. Some projects use natural rivers—as well as pipelines, pumping stations, and canals—to deliver water used for drinking or farming throughout the state. These projects also include dams and other types of water storage to hold water for when it is needed. Other projects to meet the state's water challenges include water treatment plants to remove pollutants from drinking water and wastewater, systems to clean up runoff from storms, and levees to prevent floods.

Environment and Water System Are Linked. The state's water system and the environment are linked in several ways. As noted above, the use of water for irrigation and drinking water affects natural habitats used by fish and wildlife. These effects on natural habitats are made worse by pollution, which harms water quality for fish, wildlife, and people. The state has taken a variety of actions to improve natural habitats and water quality. These include restoring watersheds (an area of land that drains into a body of water) by reintroducing native plants and animals. The state has also provided water to rivers when needed by fish species.

Roles of Various Governments in Water System. The state, federal, and local governments play important roles in providing clean and reliable water supplies. Most spending on water programs in the state is done at the local level, such as by water districts, cities, and counties. In recent years, local governments have spent about \$26 billion per year to supply water and to treat wastewater. About 80 percent of this spending is paid for by individuals as ratepayers of water and sewer bills. In addition, local governments pay for projects using other sources, including

state funds, federal funds, and local taxes. While most people get their water from these public water agencies, about one-sixth of Californians get their water from private water companies.

The state runs programs to (1) conserve, store, and transport water around the state; (2) protect water quality; (3) provide flood control; and (4) protect fish and wildlife habitat. The state provides support for these programs through direct spending, as well as grants and loans to local governments, nonprofit organizations, and privately owned water companies. (The federal government runs similar programs.) Funding for these state programs usually comes from bonds and fees. Since 2000, voters have approved about \$20 billion in bonds for various environmental purposes, including water. Currently, about \$900 million (5 percent) of these bonds remain available for new projects.

PROPOSAL

This measure provides a total of \$7.5 billion in general obligation bonds for various water-related programs. First, the measure allows the state to sell \$7.1 billion in additional bonds. Second, the measure redirects \$425 million in unsold bonds that voters previously approved for water and other environmental uses. The state repays these bonds, with interest, using the state's General Fund. (The General Fund is the state's main operating account, which pays for education, prisons, health care, and other services.)

Uses of Funds

As shown in Figure 1 and described below, the bond measure provides funding to (1) increase water supplies, (2) protect and restore watersheds, (3) improve water quality, and (4) increase flood protection. The bond money would be available to state agencies for various projects and programs, as well as for loans and grants to local governments, private water

companies, mutual water companies (where water users own the company), Indian tribes, and nonprofit organizations.

Figure 1	
Uses of Proposition 1 Bond Funds	
<i>(In Millions)</i>	
Water Supply	\$4,235
• Dams and groundwater storage—cost share associated with public benefits.	\$2,700
• Regional projects to achieve multiple water-related improvements (includes conservation and capturing rainwater).	810
• Water recycling, including desalination.	725
Watershed Protection and Restoration	\$1,495
• Watershed restoration and habitat protection in designated areas around the state.	\$515
• Certain state commitments for environmental restorations.	475
• Restoration programs available to applicants statewide.	305
• Projects to increase water flowing in rivers and streams.	200
Improvements to Groundwater and Surface Water Quality	\$1,420
• Prevention and cleanup of groundwater pollution.	\$800
• Drinking water projects for disadvantaged communities.	260
• Wastewater treatment in small communities.	260
• Local plans and projects to manage groundwater.	100
Flood Protection	\$395
• Repairs and improvements to levees in the Delta.	\$295
• Flood protection around the state.	100
Total	\$7,545

Funds for Water Supplies (\$4.2 Billion). About \$4.2 billion would fund projects intended to improve water supplies, in order to make more water available for use. Specifically, the bond includes:

- **\$2.7 Billion for New Water Storage.** The bond includes \$2.7 billion to pay up to half of the cost of new water storage projects, including dams and projects that replenish groundwater. This funding could only be used to cover costs related to the “public

benefits” associated with water storage projects, including restoring habitats, improving water quality, reducing damage from floods, responding to emergencies, and improving recreation. Local governments and other entities that rely on the water storage project would be responsible for paying the remaining project costs. These costs would generally be associated with private benefits (such as water provided to their customers).

- ***\$810 Million for Regional Water Projects.*** The bond also provides \$810 million for regional projects that are included in specific plans developed by local communities. These projects are intended to improve water supplies, as well as provide other benefits, such as habitat for fish and flood protection. The amount provided includes \$510 million for allocations to specific regions throughout the state and \$300 million for specific types of water supplies, including projects and plans to manage runoff from storms in urban areas and water conservation projects and programs.
- ***\$725 Million for Water Recycling.*** The bond includes \$725 million for projects that treat wastewater or saltwater so that it can be used later. For example, the funds could be used to test new treatment technology, build a desalination plant, and build pipes to deliver recycled water.

Funds to Protect and Restore Watersheds (\$1.5 Billion). These monies would fund projects intended to protect and restore watersheds and other habitat throughout the state. This funding could be used to restore bodies of water that support native, threatened, or endangered species of fish and wildlife; purchase land for conservation purposes; reduce the risk of wildfires in watersheds; and purchase water to support wildlife. These funds include \$515 million to restore

watersheds in designated regions around the state (including \$140 million specifically for projects in the Sacramento-San Joaquin Delta [Delta]) and \$475 million to pay for certain state commitments to fund environmental restorations. The remaining funding would be available to applicants statewide for programs that restore habitat and watersheds (\$305 million) and increase the amount of water flowing in rivers and streams, for example by buying water (\$200 million).

Funds to Improve Groundwater and Surface Water Quality (\$1.4 Billion). The bond includes over \$1.4 billion to improve groundwater and surface water quality. More than half of this funding (\$800 million) would be used for projects to clean up and prevent polluted groundwater that is, or has been, a source of drinking water. The remaining funds would be available to (1) improve access to clean drinking water (\$260 million), (2) help small communities pay for wastewater treatment (\$260 million), and (3) provide grants to local governments to develop and implement plans to manage their groundwater supply and quality (\$100 million).

Funds for Flood Protection (\$395 Million). The bond provides \$395 million for projects that both protect the state from floods and improve fish and wildlife habitat. While \$100 million of this funding could be spent on flood control projects anywhere in the state, \$295 million is set aside to improve levees or respond to flood emergencies in the Delta.

Requirements for Allocating and Spending Funds

How Projects Would Be Selected. The measure includes several provisions that would affect how specific projects are chosen to receive bond funds. The California Water Commission—an existing state planning and regulatory agency—would choose which water storage projects would be funded with the \$2.7 billion provided in the bond for that use. The Commission would

not have to go through the state budget process to spend these funds. For all other funding provided in the measure, the Legislature generally would allocate money annually to state agencies in the state budget process. While the Legislature could provide state agencies with some direction on what types of projects or programs could be chosen, the measure states that the Legislature cannot allocate funding to specific projects. Instead, state agencies would choose the projects. In addition, none of the funding in the measure can be used to build a canal or tunnel to move water around the Delta.

Requirements for Matching Funds. Of the \$7.5 billion in funds made available by the measure, \$5.7 billion is available only if recipients—mostly local governments—provide funding to support the projects. This matching requirement only applies to the water supply and water quality projects funded by the measure. The required share of matching funds is generally at least 50 percent of the total cost of the project, although this can be waived or reduced in some cases.

FISCAL EFFECTS

Fiscal Effects on State Government. This measure would allow the state to borrow up to \$7.1 billion by selling additional general obligation bonds to investors, who would be repaid with interest using the state's general tax revenues. We assume that (1) the interest rate for the bonds would average just over 5 percent, (2) they would be sold over the next ten years, and (3) they would be repaid over a 30-year period. Based on these assumptions, the cost to taxpayers to repay the bonds would **average about \$360 million annually over the next 40 years**. This amount is about one-third of a percent of the state's current General Fund budget. We assume that redirecting \$425 million in unsold bonds from previously approved measures would not increase the state's anticipated debt payments. This is because, without this measure, these bonds

likely would have been sold in the future to support other projects. (For more information on the state's use of bonds and the impact of this proposed bond measure on the state's budget, see "Overview of State Bond Debt" later in this guide.)

Fiscal Effects on Local Governments. The availability of state bond funds for local water projects would affect how much local governments, primarily water agencies, spend on water projects. In many cases, the availability of state bonds could reduce local spending. For example, this would occur in cases where state bond funds replaced monies that local governments would have spent on projects anyway. Local savings would also occur in cases where the availability of state bond funds allowed local governments to build projects that reduced operating costs, such as by increasing efficiency or using a new water source that allows them to purchase less water.

However, in some cases, state bond funds could increase spending on water projects by local governments. For example, the availability of bond funds might encourage some local governments to build additional or substantially larger projects than they would otherwise. These projects could also be more expensive to operate.

On balance, we estimate that this measure would result in savings to local governments on water-related projects. These savings would likely average a couple hundred million dollars annually over the next few decades.

An individual local government might use these savings in various ways. For example, it might use the savings to build other new facilities or for maintenance and repair of existing facilities. In other cases, a government might use the savings to keep water rates lower than they otherwise would be by delaying or reducing future rate increases. Since the amount of statewide

savings in any given year is likely to be small relative to the overall amount spent by local governments on water, any effect on rates would likely be small for most ratepayers.



Reference General Manager	Type of Action Discuss Water Policy Issues/ Appointment Authority	Board Meeting of September 16, 2014
Subject Authorize the Board President to Appoint a District Representative to Attend the September 27, 2014 Tri-Valley Retailer/Wholesaler Liaison Meeting and Discuss Various Water Policy Issues in Preparation for Meeting		
<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Resolution
<input type="checkbox"/> Ordinance	<input type="checkbox"/> Informational	<input checked="" type="checkbox"/> Other
REPORT:	<input checked="" type="checkbox"/> Verbal	<input type="checkbox"/> Presentation
	<input type="checkbox"/> Staff	B. Michalczyk
		<input type="checkbox"/> Board Member

Recommendation:

The General Manager recommends that the Board (a) by Motion, authorize the Board President to appoint a District representative to the September 27, 2014 Tri-Valley Retailer/Wholesaler Liaison meeting in the event that a Water Committee member or a Water Committee alternate cannot attend and (b) discuss possible water policy issues that it wishes to see identified at the Liaison meeting for possible discussion at future Liaison meetings.

Summary:

On August 27, 2014 a meeting of the Tri-Valley Retailer/Wholesaler Liaison Committee was held at the District office. At that meeting, the Committee decided to embark on a series of meetings focusing on various water policy issues. The first of that series of meetings will be held on Saturday, September 27, 2014. The Board has designated the members of its Water Committee (and the alternate to that Committee) as its representatives to the meeting. Due to the non-traditional time for the meeting, there is concern that the District may not be adequately represented by its elected officials. In order to ensure the District is adequately represented and to preserve flexibility to do so, it is recommended that the Board President be authorized to appoint District elected representatives for this and subsequent meetings in this series in the event Water Committee members or the alternate cannot attend.

The primary purpose of this first meeting in the series is to identify, in a brain-storming fashion (facilitated discussions with small group breakout sessions), various water policy issues that the Liaison Committee feels should be discussed at future meetings of the Liaison Committee. This agenda item provides the District Board an opportunity to identify for the District representatives water policy issues that they feel should be raised at the meeting. Staff has identified the following as possible candidate issues based on prior District Board discussions, decisions made, and direction given:

- Water reliability and acceptable shortages;
- Water allocations during shortages;
- Water quality;
- Recycled water usage in the Tri-Valley;
- Development of alternative local water supplies to reduce reliance on State Water Project;
- Water rate setting process;
- Debt financing for capital projects; and
- Growth management and its consequences.

This is merely a list to pique the Board’s discussion; other issues can be added or direction given not to put any of these on the table.

Committee Review			Legal Review	Staff Review		
COMMITTEE ---	DATE ---	RECOMMENDATION ---	Not Required	ORIGINATOR B. Michalczyk	DEPARTMENT Executive	REVIEWED BY
ATTACHMENTS <input checked="" type="checkbox"/> None						
<input type="checkbox"/> Resolution	<input type="checkbox"/> Minute Order	<input type="checkbox"/> Task Order	<input type="checkbox"/> Staff Report	<input type="checkbox"/> Ordinance		
<input checked="" type="checkbox"/> Cost \$0	<input type="checkbox"/> Funding Source A. B.		Attachments to S&R 1. 2. 3.			