



MEMORANDUM

TO: Water Resources Committee and Alternates, Board of Directors and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: March 1, 2021

RE: Water Resources Committee to Consider Recommendation to Board of Directors to Adopt Staff Recommendation for Positions on Legislation

Recommendation

Recommend to the Board of Directors to adopt the following positions on federal legislation:

- Adopt a position of “Support” on H.R. 644 (Calvert), REBUILD Act
- Adopt a position of “Support” on H.R. 737 (Valadao), RENEW WIIN Act
- Adopt a position of “Support” on H.R. 866 (Calvert), FISH Act
- Adopt a position of “Support” on S.B. 559 (Hurtado), Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

Summary

H.R. 644 (Calvert) – REBUILD Act

RECOMMENDATION: SUPPORT

OBJECTIVE: Improve Central Valley Project Water Supply for Member Agencies
Improve Water Infrastructure Affecting Authority Member Agencies

Summary

This bill authorizes (1) the assignment to states of federal environmental review responsibilities under relevant federal environmental laws for projects funded by, carried out by, or subject to approval by federal agencies; and (2) states to assume all or part of those responsibilities.

Each responsible federal official who is authorized to assign such responsibility must promulgate regulations that establish requirements relating to information required to be contained in state applications to assume those responsibilities.

An official may approve an application only if (1) public notice requirements have been met, (2) the state has the capability to assume the responsibilities, and (3) the head of the state agency having

primary jurisdiction over the projects enters into a written agreement with an official to assume the responsibilities and to maintain the financial resources necessary to carry them out.

The officials must audit state compliance with federal laws for which responsibilities are assumed. The officials may terminate the responsibilities assigned to states after providing notice to states of any noncompliance and an opportunity to take corrective action.

Status

H.R. 644 was introduced in the House of Representatives on February 1, 2021 and has been referred to the House Natural Resources Committee.

Importance to the Authority

This legislation would extend the National Environmental Policy Act delegation authority granted under the FAAST Act to other state agencies, leading to more streamlined environmental review processes for projects that require both CEQA and NEPA analysis. This streamlined review could expedite project delivery without negatively impacting public information and notice requirements and reduce the costs associated with environmental permitting of project development and delivery.

Pros:

- Joint CEQA/NEPA review by California state agencies could reduce project development costs and expedite project delivery with little to no impact on public information requirements and environmental impacts.

Cons:

- None identified at this time.

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express support to H.R. 644 (Calvert), REBUILD Act

Fiscal Impact: Unknown. May result in decreased environmental permitting costs and expedited project delivery timelines for projects that currently require joint CEQA/NEPA review by state and federal agencies by granting authority for a joint analysis by a single agency to be completed.

Business Analysis: Reduce costs associated with project delivery for member agencies.

Option 2

Take no action.

Fiscal Impact: Unknown. SLDMWA may be subject to additional costs associated with water supply, storage or conveyance infrastructure.

Business Analysis: SLDMWA and its member agencies could be subject to additional costs resulting from environmental permitting for project delivery.

H.R. 737 (Valadao) – RENEW WIIN Act

RECOMMENDATION: SUPPORT

OBJECTIVE: Restore Central Valley Project Water Supply for Member Agencies
Improve Water Infrastructure Affecting Authority Member Agencies

Summary

The bill would extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

Status

H.R. 737 was introduced in the U.S. House of Representatives on February 2, 2021 and has been referred to the House Natural Resources Committee.). Additional key cosponsors include the 10 Members of the California Republican Congressional delegation.

Importance to the Authority

The bill extends Subtitle J of the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016, legislation that provides key operational provisions for the Central Valley Project and funding for water storage and conveyance projects, water recycling, desalination, and environmental restoration projects, and authorized the contract conversions and prepayment completed by many Authority member agencies. Importantly, the authorities provided by the WIIN Act expire at the end of this calendar year.

Pros:

- The legislation would extend beneficial provisions of the WIIN Act, including the water storage account funding, water recycling funding, and operations provisions, for 10 years. If enacted, the legislation would provide opportunities to continue to fund Authority and member agency projects, including the restoration of the conveyance capacity of the Delta-Mendota Canal and an expansion of San Luis Reservoir.

Cons:

- None identified at this time.

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express support to H.R. 737, Renew WIIN Act.

Fiscal Impact: Unknown. Federal funding provided through WIIN Act authorities could reduce member fees for key Authority projects and additional water supplies provided by operational provisions could increase year-to-year water supply reliability.

Business Analysis: Unknown.

Option 2

Take no action.

Fiscal Impact: Unknown. SLDMWA may be subject to lower federal funding for projects, reduced allocations or lost water supply resulting from expired authorities.

Business Analysis: SLDMWA may be subject to reduced allocations or lost water supply resulting from expired authorities.

H.R. 866 (Calvert) – To amend the Endangered Species Act of 1973 to vest in the Secretary of the Interior functions under that Act with respect to species of fish that spawn in fresh or estuarine waters and migrate to ocean waters, and species of fish that spawn in ocean waters and migrate to fresh waters.

RECOMMENDATION: SUPPORT

OBJECTIVE: Restore Central Valley Project Water Supply for Member Agencies

Summary

This bill gives the Fish and Wildlife Service (FWS) the sole authority to protect endangered or threatened species that are anadromous species (species of fish that spawn in fresh or estuarine waters and that migrate to ocean waters) or catadromous species (species of fish that spawn in ocean waters and migrate to fresh waters). Currently, the FWS shares this authority with the National Marine Fisheries Service.

Status

H.R. 866 was introduced in the House of Representatives on February 5, 2021, and has been referred to the House Natural Resources Committee. Additional key cosponsors include: Tom McClintock (CA-04), Jim Costa (CA-16), David Valadao (CA-21), Devin Nunes (CA-22), and Mike Simpson (ID-02).

Importance to the Authority

This bill would shift Endangered Species Act management for anadromous and catadromous species from NOAA Fisheries to the Fish and Wildlife Service, making a single resource agency responsible for the management of Endangered Species Act compliance for all species impacting water supply reliability through implementation of the Biological Opinions for the Long-Term Operations of the Central Valley Project and State Water Project.

Pros:

- The bill would increase efficiencies of species management efforts and likely reduce conflicting management requirements that arise when multiple agencies have responsible charge over species management efforts, like those experienced in 2016 when FWS was urging releases from Shasta Dam for salinity control

Cons:

- None identified at this time.

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express support to H.R. 866, To amend the Endangered Species Act of 1973 to vest in the Secretary of the Interior functions under that Act with respect to species of fish that spawn in fresh or estuarine waters and migrate to ocean waters, and species of fish that spawn in ocean waters and migrate to fresh waters.

Fiscal Impact: Unknown. Potentially reduce costs associated with Endangered Species Act program.

Business Analysis: Reduce costs associated with recovery of listed species.

Option 2

Take no action.

Fiscal Impact: Unknown. SLDMWA may be subject to additional costs/water supply impacts due to conflicting species management efforts.

Business Analysis: SLDMWA and its member agencies could be subject to additional costs resulting from regulatory requirements.

S.B. 559 (Hurtado) – Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

RECOMMENDATION: SUPPORT

OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

Summary

This bill would establish the Canal Conveyance Capacity Restoration Fund in the State Treasury to be administered by the department. The bill would require all moneys deposited in the fund to be expended, upon appropriation by the Legislature, in support of subsidence repair costs, including environmental planning, permitting, design, and construction and necessary road and bridge upgrades required to accommodate capacity improvements. The bill would require the department to expend from the fund, upon appropriation by the Legislature, specified monetary amounts to restore the capacity of 4 specified water conveyance systems, as prescribed, with 2 of those 4 expenditures being in the form of a grant to the Friant Water Authority and to the San Luis and Delta-Mendota Water Authority. The bill would make these provisions inoperative on July 1, 2030, and would repeal the provisions as of January 1, 2031.

Status

S.B. 559 was introduced in the California Senate on February 18, 2021. Additional key coauthors include: Andreas Borgeas, Anna Caballero, Adam Gray, Rudy Salas, and Jim Patterson.

Importance to the Authority

This bill would establish the Canal Conveyance Capacity Restoration Fund in the State Treasury. Funds deposited into the Fund would be used to support subsidence repair costs of up to one-third of the total cost of subsidence repair costs to the Delta-Mendota (DMC), San Luis, and Friant-Kern Canals, and the California Aqueduct. This would provide up to a \$187 million grant to the Water Authority for subsidence mitigation along the DMC and up to \$194 million for repairs along the San Luis Canal.

Pros:

- The bill would provide up to a one-third cost share of state grant funds for capacity restoration of key conveyance for Authority member agencies.

Cons:

- None identified at this time.

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express support to S.B. 559, Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

Fiscal Impact: Unknown. Reduce costs associated with infrastructure finance.

Business Analysis: Reduce costs associated with infrastructure finance.

Option 2

Take no action.

Fiscal Impact: Unknown. SLDMWA may be subject to additional costs associated with infrastructure development/repair.

Business Analysis: SLDMWA and its member agencies could be subject to additional costs resulting from infrastructure construction/repair.

Guidelines for Taking Positions on Legislation

A number of controversial bills are introduced each year in the Congress and in the California Legislature. It is important to understand how the Authority takes positions on legislation.

Policy

By Agenda Item 9, dated December 12, 2019, the Board adopted the Fiscal Year 2021 Objectives.

Water Authority's Positions on Legislation

The Water Authority takes positions on legislation that, if enacted, would impact Water Authority members, consistent with Water Authority Board adopted Goals and Objectives. The Water Authority may take the following positions on legislation: Oppose, Support, Oppose Unless Amended, Support if Amended, Not Favor, Favor, Not Favor Unless Amended, Favor if Amended, and Watch (neutral). The Water Authority's staff testifies and advocates with legislators and staff through meetings and member agency contacts on all positions except Watch, Favor and Not Favor. For Favor and Not Favor positions, written communication of the Water Authority's position is provided to the legislator. Nothing in this section should be read to preclude the Executive Director or his or her delegee from taking an informal support or informal oppose position on behalf of the Water Authority that is consistent with adopted legislative or policy objectives, or to preclude the Executive Director from communicating a position on emergency legislation after obtaining the concurrence of the Chair, or the Chair's designee, provided that the Executive Director informs the Board regarding such positions on emergency legislation no later than the next regularly scheduled Board meeting.

Amendment Development Process

If the Water Authority takes an Oppose Unless Amended or Support if Amended position, the Water Authority will typically discuss the concepts for the amendments at the meeting. Then Water Authority

staff, in consultation with Committee and/or Board Members as needed, will develop the amendments after the meeting.

Information Sharing

To provide adequate information to the entire Water Authority membership, the Water Authority provides legislative updates, posts positions and other information on our website, and sends out advisories and alerts on key legislation.

The Water Authority's legislative department is available to provide specific information on bills on request and Board Members are encouraged to communicate Water Authority positions on priority legislation in meetings with legislative staff, consistent with Water Authority policy. The Water Authority's Water Policy Director appreciates being informed by Water Authority members of positions taken by Water Authority members on legislation.

117TH CONGRESS
1ST SESSION

H. R. 644

To amend the National Environmental Policy Act of 1969 to authorize assignment to States of Federal agency environmental review responsibilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 2021

Mr. CALVERT introduced the following bill; which was referred to the
Committee on Natural Resources

A BILL

To amend the National Environmental Policy Act of 1969 to authorize assignment to States of Federal agency environmental review responsibilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Reducing Environ-
5 mental Barriers to Unified Infrastructure and Land De-
6 velopment Act of 2021” or the “REBUILD Act”.

1 **SEC. 2. ASSIGNMENT TO STATES OF FEDERAL ENVIRON-**
2 **MENTAL REVIEW RESPONSIBILITIES.**

3 Title I of the National Environmental Policy Act of
4 1969 (42 U.S.C. 4331 et seq.) is amended by adding at
5 the end the following new section:

6 **“SEC. 106. ASSIGNMENT TO STATES OF ENVIRONMENTAL**
7 **REVIEW RESPONSIBILITIES WITH RESPECT**
8 **TO CERTAIN PROJECTS IN THE STATE.**

9 **“(a) ASSUMPTION OF RESPONSIBILITY.—**

10 **“(1) IN GENERAL.—**Subject to the other provi-
11 sions of this section, with the written agreement of
12 the responsible Federal official and a State, which
13 may be in the form of a memorandum of under-
14 standing, the responsible Federal official may assign,
15 and the State may assume, the responsibilities of the
16 responsible Federal official under this Act with re-
17 spect to one or more covered Federal projects of the
18 responsible Federal official within the State.

19 **“(2) ADDITIONAL RESPONSIBILITY.—**If a State
20 assumes responsibility under paragraph (1) the re-
21 sponsible Federal official may assign to the State,
22 and the State may assume, all or part of the respon-
23 sibilities of the responsible Federal official for envi-
24 ronmental review, consultation, or other action re-
25 quired under any Federal environmental law per-

1 taining to the review or approval of covered projects
2 of the responsible Federal official.

3 “(3) PROCEDURAL AND SUBSTANTIVE RE-
4 QUIREMENTS.—A State shall assume responsibility
5 under this section subject to the same procedural
6 and substantive requirements as would apply if that
7 responsibility were carried out by the responsible
8 Federal official.

9 “(4) FEDERAL RESPONSIBILITY.—Any respon-
10 sibility of the responsible Federal official not explic-
11 itly assumed by the State by written agreement
12 under this section shall remain the responsibility of
13 the responsible Federal official.

14 “(5) NO EFFECT ON AUTHORITY.—Nothing in
15 this section preempts or interferes with any power,
16 jurisdiction, responsibility, or authority of an agen-
17 cy, other than the agency of the responsible Federal
18 official for a covered Federal project, under applica-
19 ble law (including regulations) with respect to the
20 project.

21 “(b) STATE PARTICIPATION.—

22 “(1) APPLICATION.—Not later than 180 days
23 after the date of enactment of this section, each re-
24 sponsible Federal official shall promulgate regula-
25 tions that establish requirements relating to infor-

1 mation required to be contained in any application
2 of a State to assume responsibility under this section
3 with respect to covered Federal projects of the re-
4 sponsible Federal official, including, at a min-
5 imum—

6 “(A) the projects or classes of projects for
7 which the State anticipates exercising the au-
8 thority that may be granted under this section;

9 “(B) verification of the financial resources
10 necessary to carry out the authority that may
11 be assigned under this section; and

12 “(C) evidence of the notice and solicitation
13 of public comment by the State relating to as-
14 sumption of responsibility under this section by
15 the State, including copies of comments re-
16 ceived from that solicitation.

17 “(2) PUBLIC NOTICE.—

18 “(A) IN GENERAL.—Each State that sub-
19 mits an application under this subsection shall
20 give notice of the intent of the State to submit
21 such application not later than 30 days before
22 the date of submission of the application.

23 “(B) METHOD OF NOTICE AND SOLICITA-
24 TION.—The State shall provide notice and so-
25 licit public comment under this paragraph by

1 publishing the complete application of the State
2 in accordance with the appropriate public notice
3 law of the State.

4 “(3) SELECTION CRITERIA.—A responsible Fed-
5 eral official may approve the application of a State
6 under this section only if—

7 “(A) the regulatory requirements under
8 paragraph (2) have been met;

9 “(B) the responsible Federal official deter-
10 mines that the State has the capability, includ-
11 ing financial and personnel, to assume the re-
12 sponsibility; and

13 “(C) the head of the State agency having
14 primary jurisdiction over covered projects with
15 respect to which responsibility would be as-
16 signed to the State pursuant to the application
17 enters into a written agreement with the re-
18 sponsible Federal official described in sub-
19 section (e).

20 “(4) OTHER FEDERAL AGENCY VIEWS.—If a
21 State applies to assume a responsibility of a respon-
22 sible Federal official that would have required the
23 responsible Federal official to consult with another
24 Federal agency, the responsible Federal official shall

1 solicit the views of the Federal agency before ap-
2 proving the application.

3 “(c) WRITTEN AGREEMENT.—A written agreement
4 under this section shall—

5 “(1) be executed by the Governor of the State
6 or the head of the State agency referred to in sub-
7 section (b)(3)(C);

8 “(2) be in such form as the responsible Federal
9 official may prescribe; and

10 “(3) provide that the State—

11 “(A) agrees to assume all or part of the re-
12 sponsibilities of the responsible Federal official
13 described in subsection (a);

14 “(B) expressly consents, on behalf of the
15 State, to accept the jurisdiction of the Federal
16 courts for the compliance, discharge, and en-
17 forcement of any responsibility of the respon-
18 sible Federal official assumed by the State;

19 “(C) certifies that State laws (including
20 regulations) are in effect that—

21 “(i) authorize the State to take the
22 actions necessary to carry out the respon-
23 sibilities being assumed; and

24 “(ii) are comparable to section 552 of
25 title 5, United States Code, including pro-

1 viding that any decision regarding the pub-
2 lic availability of a document under those
3 State laws is reviewable by a court of com-
4 petent jurisdiction; and

5 “(D) agrees to maintain the financial re-
6 sources necessary to carry out the responsibil-
7 ities being assumed.

8 “(d) JURISDICTION.—

9 “(1) IN GENERAL.—The United States district
10 courts shall have exclusive jurisdiction over any civil
11 action against a State for failure to carry out any
12 responsibility of the State under this section.

13 “(2) LEGAL STANDARDS AND REQUIRE-
14 MENTS.—A civil action under paragraph (1) shall be
15 governed by the legal standards and requirements
16 that would apply in such a civil action against the
17 responsible Federal official had the responsible Fed-
18 eral official taken the actions in question.

19 “(3) INTERVENTION.—The responsible Federal
20 official shall have the right to intervene in any ac-
21 tion described in paragraph (1).

22 “(e) EFFECT OF ASSUMPTION OF RESPONSI-
23 BILITY.—A State that assumes responsibility under sub-
24 section (a) shall be solely responsible and solely liable for
25 carrying out, in lieu of the responsible Federal official, the

1 responsibilities assumed under subsection (a), until the
2 termination of such assumption of responsibility.

3 “(f) LIMITATIONS ON AGREEMENTS.—Nothing in
4 this section permits a State to assume any rulemaking au-
5 thority of the responsible Federal official under any Fed-
6 eral law.

7 “(g) AUDITS.—

8 “(1) IN GENERAL.—To ensure compliance by a
9 State with any agreement of the State under sub-
10 section (c) (including compliance by the State with
11 all Federal laws for which responsibility is assumed
12 under subsection (a)), for each State participating in
13 the program under this section, the responsible Fed-
14 eral official shall conduct—

15 “(A) semiannual audits during each of the
16 first 2 years of the effective period of the agree-
17 ment; and

18 “(B) annual audits during each subsequent
19 year of such effective period.

20 “(2) PUBLIC AVAILABILITY AND COMMENT.—

21 “(A) IN GENERAL.—An audit conducted
22 under paragraph (1) shall be provided to the
23 public for comment for a 30-day period.

24 “(B) RESPONSE.—Not later than 60 days
25 after the date on which the period for public

1 comment ends, the responsible Federal official
2 shall respond to public comments received
3 under subparagraph (A).

4 “(h) REPORT TO CONGRESS.—Each responsible Fed-
5 eral official shall submit to Congress an annual report that
6 describes the administration of this section by such offi-
7 cial.

8 “(i) TERMINATION BY RESPONSIBLE FEDERAL OFFI-
9 CIAL.—The responsible Federal official with respect to an
10 agreement with a State under this section may terminate
11 the agreement, and any responsibility or authority of the
12 State under this section with respect to such agreement,
13 if—

14 “(1) the responsible Federal official determines
15 that the State is not adequately carrying out the re-
16 sponsibilities assumed by the State under this sec-
17 tion;

18 “(2) the responsible Federal official provides to
19 the State—

20 “(A) notification of the determination of
21 noncompliance; and

22 “(B) a period of at least 30 days during
23 which to take such corrective action as the re-
24 sponsible Federal official determines is nec-

1 essary to comply with the applicable agreement;
2 and

3 “(3) the State, after the notification and period
4 provided under subparagraph (B), fails to take satis-
5 factory corrective action, as determined by the re-
6 sponsible Federal official.

7 “(j) DEFINITIONS.—In this section:

8 “(1) COVERED FEDERAL PROJECT.—The term
9 ‘covered Federal project’ means—

10 “(A)(i) except as provided in clause (ii)
11 and subparagraph (B), any project that is fund-
12 ed by, carried out by, or subject to approval or
13 disapproval by a responsible official, including
14 any project for which a permit or other author-
15 ization by a responsible Federal official is re-
16 quired; and

17 “(ii) in the case of projects funded, carried
18 out by, or subject to review, approval, or dis-
19 approval by the Secretary of the Army, and ex-
20 cept as provided in subparagraph (B), includes
21 only such projects of the Corps of Engineers;
22 and

23 “(B) the preparation of any statement re-
24 quired by section 102(2)(C).

1 “(2) RESPONSIBLE FEDERAL OFFICIAL.—The
2 term ‘responsible Federal official’ means—
3 “(A) the Secretary of the Interior;
4 “(B) the Secretary of Transportation;
5 “(C) the Administrator of the Environ-
6 mental Protection Agency;
7 “(D) the Secretary of the Army; and
8 “(E) the head of a Federal agency, with
9 respect to the preparation of statements under
10 section 102(2)(C) for major Federal actions (as
11 that term is used in that section) of the agen-
12 cy.”.

○

117TH CONGRESS
1ST SESSION

H. R. 737

To extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2021

Mr. VALADAO (for himself, Mr. MCCARTHY, Mr. CALVERT, Mr. GARCIA of California, Mr. ISSA, Mrs. KIM of California, Mr. LAMALFA, Mr. MCCLINTOCK, Mr. NUNES, Mr. OBERNOLTE, and Mrs. STEEL) introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Responsible, No-Cost
5 Extension of Western Water Infrastructure Improvements
6 Act” or the “RENEW WIIN Act”.

1 **SEC. 2. EXTENSION OF AUTHORITY.**

2 Subtitle J of the Water Infrastructure Improvements
3 for the Nation Act (Public Law 114–322) is amended—

4 (1) in section 4007 (43 U.S.C. 390(b) note), in
5 subsection (i), by striking “January 1, 2021” and
6 inserting “January 1, 2031”; and

7 (2) in section 4013 (43 U.S.C. 390(b) note)—

8 (A) in the first sentence, by striking “the
9 date that is 5 years after the date of its enact-
10 ment” and inserting “December 31, 2031”; and

11 (B) in paragraph (1), by striking “10
12 years after the date of its enactment” and in-
13 sserting “on December 31, 2036”.

○

Introduced by Senator Hurtado
(Principal coauthor: Assembly Member Patterson)
(Coauthors: Senators Borgeas and Caballero)
(Coauthors: Assembly Members Gray and Salas)

February 18, 2021

An act to add and repeal Section 140.5 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 559, as introduced, Hurtado. Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

Under existing law, the United States Bureau of Reclamation operates the federal Central Valley Project and the Department of Water Resources operates the State Water Project to supply water to persons and entities in the state. Existing law requires the Friant-Kern Canal to be of such capacity as the department determines necessary to furnish an adequate supply of water for beneficial purposes in the area to be served by the canal.

This bill would establish the Canal Conveyance Capacity Restoration Fund in the State Treasury to be administered by the department. The bill would require all moneys deposited in the fund to be expended, upon appropriation by the Legislature, in support of subsidence repair costs, including environmental planning, permitting, design, and construction and necessary road and bridge upgrades required to accommodate capacity improvements. The bill would require the department to expend from the fund, upon appropriation by the Legislature, specified monetary amounts to restore the capacity of 4 specified water conveyance systems, as prescribed, with 2 of those 4

expenditures being in the form of a grant to the Friant Water Authority and to the San Luis and Delta-Mendota Water Authority. The bill would make these provisions inoperative on July 1, 2030, and would repeal the provisions as of January 1, 2031.

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

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

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The human right to water is an important state policy enacted
4 in 2013. Climate change may impact the ability of existing water
5 infrastructure to continue to provide safe, affordable, and reliable
6 water.

7 (b) The Legislature, recognizing that chronic groundwater
8 overpumping was leading to undesirable impacts such as
9 subsidence, enacted the Sustainable Groundwater Management
10 Act (Part 2.74 (commencing with Section 10720) of Division 6 of
11 the Water Code) in 2015.

12 (c) Subsidence has impacted the ability of state and regional
13 water conveyance infrastructure to reliably deliver water to the
14 San Joaquin Valley and southern California.

15 (d) A significant number of the communities that rely on water
16 delivered by infrastructure of statewide or regional importance are
17 considered disadvantaged or severely disadvantaged.

18 (e) These communities, particularly throughout the San Joaquin
19 Valley, face adverse impacts associated with subsidence and loss
20 of water supply, including loss of job opportunities and job
21 security.

22 (f) Disadvantaged communities, particularly in southern
23 California, face increasing costs to ensure access to high-quality
24 water and to maintain water supply reliability.

25 (g) The Friant-Kern Canal, Delta-Mendota Canal, San Luis
26 Canal, and California Aqueduct are the state’s main state and
27 regional water conveyance infrastructure that delivers water for
28 agricultural, municipal, and industrial use, refuge water supplies,
29 and groundwater recharge in the San Joaquin Valley and in
30 southern California.

1 (h) This water is delivered through a series of regional canals
2 and aqueducts that traverse through the San Joaquin Valley for
3 delivery and continue to southern California.

4 (i) At least 5,000,000 people in the state, including
5 approximately 1,250,000 people living in disadvantaged
6 communities, receive water from the Friant-Kern Canal,
7 Delta-Mendota Canal, and San Luis Canal.

8 (j) The State Water Project provides approximately three-fourths
9 of California's disadvantaged communities with some or all of
10 their water supplies.

11 (k) Over 750,000 acres of farmland receive water from the State
12 Water Project and nearly 2,500,000 acres of productive cropland
13 are served water through the Friant-Kern Canal, Delta-Mendota
14 Canal, and San Luis Canal.

15 (l) Climate change has increased the variability of the hydrologic
16 cycle and reduced the availability of surface water supplies to a
17 smaller number of years, which increases the need for conjunctive
18 use of groundwater to manage reductions in surface water supplies.
19 An increase in groundwater pumping has caused significant land
20 subsidence that has affected the ability of regional water
21 conveyance infrastructure to convey water. In some areas, the
22 water conveyance infrastructure has dropped in elevation an
23 average of one inch per month since 2014.

24 (m) The total cost to repair these regional water conveyance
25 structures is approximately \$2,300,000,000 over 10 years.

26 (n) Restoring water conveyance capacity is a necessary step to
27 improving water resilience and to protect critical regional water
28 infrastructure from the impacts of drought and climate change,
29 which will improve the accessibility of safe and reliable drinking
30 water and other beneficial uses of water.

31 (o) The Sustainable Groundwater Management Act (Part 2.74
32 commencing with Section 10720) of Division 6 of the Water
33 Code) will help to protect investments made to restore water
34 conveyance capacity.

35 (p) It is of paramount importance that the primary state and
36 regional water conveyance infrastructure in the state be protected
37 from subsidence, and that conveyance be restored whenever
38 economically, environmentally, and technically feasible.

39 SEC. 2. Section 140.5 is added to the Water Code, to read:

1 140.5. (a) The Canal Conveyance Capacity Restoration Fund
2 is hereby established in the State Treasury. The department shall
3 administer the fund.

4 (b) All moneys deposited in the fund shall be expended, upon
5 appropriation by the Legislature, in support of subsidence repair
6 costs, including environmental planning, permitting, design, and
7 construction and necessary road and bridge upgrades required to
8 accommodate capacity improvements.

9 (c) Moneys expended from the fund for each individual project
10 specified in subdivision (d) shall not exceed one-third of the total
11 cost of each individual project. The total amount expended from
12 the fund for all of the projects specified in subdivision (d) shall
13 not exceed seven hundred eighty-five million dollars
14 (\$785,000,000).

15 (d) The department shall expend from the fund, upon
16 appropriation by the Legislature, all of the following, consistent
17 with subdivision (b):

18 (1) Three hundred eight million dollars (\$308,000,000) for a
19 grant to the Friant Water Authority to restore the capacity of the
20 Friant-Kern Canal.

21 (2) One hundred eighty-seven million dollars (\$187,000,000)
22 for a grant to the San Luis and Delta-Mendota Water Authority to
23 restore the capacity of the Delta-Mendota Canal.

24 (3) One hundred ninety-four million dollars (\$194,000,000) to
25 restore the capacity of the San Luis Field Division of the California
26 Aqueduct.

27 (4) Ninety-six million dollars (\$96,000,000) to restore the
28 capacity of the San Joaquin Division of the California Aqueduct.

29 (e) This section shall become inoperative on July 1, 2030, and,
30 as of January 1, 2031, is repealed.