

AB 1471: Breakdown

Eligible Projects

- Projects must:
 - Improve the operation of the state water system
 - Be cost effective
 - Provide a net improvement in ecosystem and water quality conditions --79750(b)
- Eligible project include only:
 - CALFED Surface Storage Projects
 - Groundwater Storage and groundwater contamination prevention or remediation projects (that improve water storage)
 - Conjunctive use and reservoir reoperation
 - Local and regional surface storage projects --79751
- Must provide measureable improvements to the Delta ecosystem or tributaries --79752
- Do all the following by January 1, 2022:
 - Have completed feasibility study and draft environmental documentation
 - Be found to be feasible by the Commission, and advance ecological health and improve water management for beneficial uses in the Delta
 - Have 75% commitments for non-public benefits --79757(a)

Eligible Applicants

- Public agencies, nonprofit organizations, public utilities, federally and state recognized Indian tribes, and mutual water companies --79712(a)
- Public Utilities and Mutual Water Companies that benefit the public, not investors --79712(b)(1)
- Urban Water Agencies must have an adopted urban water management plan --79712(b)(2)
- Agricultural water suppliers must have an adopted agricultural water management plan --79712(b)(3)
- Funds for CALFED surface storage projects may be provided to JPAs --79759(a)
- Those JPAs may not include any for-profit corporation or mutual water company whose shareholders include a for profit corporation --79759(b)

Funding Priorities/ Considerations

- Investments to expand groundwater storage and reduce and reverse overdraft and water quality of impairment of groundwater basins provide extraordinary public benefits that are in the public interest 79701(h) (Chapter 2. Findings)
- Public benefits that address the most critical statewide needs and priorities for public funding --79707(a)
- Priority to projects that leverage other funding or produce the biggest public benefit --79707(b)

- Use the best available science to inform decision making -- 79707(d)
- Special consideration to projects that use new or innovative technology or practices including decision support tools --79707(e)
- California's working agricultural and forested landscapes will be preserved wherever possible -- 79707(j)
- Projects will be ranked based on expected return on public investment measured by the magnitude of the benefits provided --79750(c)
- Funds shall not be expended for mitigation or compliance obligations (unless associated with providing the public benefits) --79753(b)
- Must incorporate the relative environmental value of ecosystem benefits, provided by the Department of Fish and Wildlife (DFW) --75754
- Must incorporate the relative environmental value of water quality benefits, provided by the State Water Resources Control Board (State Board) --79754
- Funds may be made available to complete environmental documentation and permitting -- 79755(c)
- The public benefits cost share shall be no more than 50% of total project costs (except for conjunctive use and reservoir reoperation projects) --79756(a)
- Ecosystem improvements must be at least 50% of the funded public benefits --79756(b)

Procedural Requirements

- Each state agency shall develop and adopt project solicitation and evaluation guidelines prior to disbursing grants --79706(a)
- Guidelines shall include monitoring and reporting requirements --79706(a)
- State agencies shall conduct 3 public meetings prior to finalizing guidelines --79706(b)
- Draft guidelines must be published on website 30 days before public meetings --79706(b)
- Use the best available science to inform decision making --79707 (d)
- Projects shall be reviewed by professionals in the fields relevant to the proposed project --79707 (f)
- Guidelines will be submitted to the secretary for review and posted on the California Natural Resources Agency's (CNRA) website prior to soliciting any projects --79708(d)
- Commission must establish metrics for success and reporting on the status of projects --79716
- All final action taken to implement this chapter shall take place in a public meeting --79750 (a)
- Projects shall be selected through a competitive public process --79750 (c)
- The Commission must adopt regulations for public benefits by December 15, 2016 --79754
- Before funds are allocated, the Commission must ensure:
 - ✓ The Commission has adopted regulations and quantified and publicized the cost of the project's public benefits
 - ✓ The project applicant has entered into a contract with each party that will derive benefits

- ✓ The agency administering public benefits has made a finding that the funded public benefits meet the bond requirements
- ✓ The project applicant has entered into a contract with each benefit administering agency (DWR, DFW, the State Board, and the Commission) to ensure that public funds achieve the public benefits of the project
- ✓ The Commission holds a public hearing
- ✓ Feasibility studies are complete
- ✓ The Commission makes a determination the project is feasible, consistent with laws and regulations, and will advance the long term-objectives (Delta ecosystem health and water management)
- ✓ Environmental documentation is complete
- ✓ All necessary state, federal, and local approvals, certifications, and agreements have been obtained --79755(a)
- The Commission must submit findings to the legislature on each of the above criteria for each project funded --79755(b)

Financial Requirements

- \$2.7 billion is appropriated to the Commission without regard for fiscal years --79750(b)
- Up to 5% of allocated funds can used to pay for the administrative costs of the grant program --(79703)
- Up to 10% of the allocated funds may be used for planning and monitoring (of design, selection and implementation) of funded projects --79704
- Guidelines may limit the dollar amount of grants and loans --79706(a)
- The Department of Finance (DOF) will conduct an independent audit of expenditures --79708(a)
- State agencies shall require adequate reporting of the expenditures of funding from grants --79708(c)

Transparency Requirements

- State agencies shall conduct 3 public meetings prior to finalizing guidelines --79706(b)
- Draft guidelines must be published on website 30 days before public meetings --79706(b)
- DOF will conduct an independent audit of expenditures --79708(a)
- The secretary will publish a list of all expenditures at least annually on the CNRA website --79708(a)
- State agencies shall publish metrics for success, the status of projects, and the uses of funding on the state's bond accountability website --79716

Public Benefits

- Water quality data shall be reported to the State Board --79704
- Watershed monitoring data shall be reported to the Department of Conservation --79704
- Eligible public benefits are:

- Ecosystem Improvements
- Water Quality Improvements
- Flood Control Benefits
- Emergency Response
- Recreation --79753(a)

Delta

- Projects funded must provide measureable improvements to the Delta ecosystem or tributaries --79752
- The Commission must determine that funded projects will advance the long term objective of restoring ecological health and improving water management for beneficial uses of the Delta -- 79755(a), 79757(a)

Agency Collaboration

- The Commission shall develop regulations in consultation DWR, DFW, and the State Board -- 79754
- Surface storage projects may be made a unit of the Central Valley Project --79758
- Funds for CALFED surface storage projects may be provided to JPAs --79759(a)
- Those JPAs may not include any for-profit corporation or mutual water company whose shareholders include a for profit corporation --79759(b)

Key Dates

- 30 days before first public meeting on guidelines: Post guidelines on website --79706(b)
- December 15, 2016: Deadline for adoption of public benefits regulations --79754
- December 15, 2016: First date funds may be allocated --79755(a)
- January 1, 2022: Project must meet certain eligibility criteria (this date can be postponed if criteria are not met due to litigation or failure of the Commission to adopt regulations) --79757