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## CHAPTER 1446

*An act to amend Section 12.2 of Chapter 138 of the Statutes of 1964, First Extraordinary Session, to amend Section 4 of Chapter 137 of the Statutes of 1966, First Extraordinary Session, to amend Section 230 of, to amend the heading of Chapter 5 (commencing with Section 13100), Division 7 of, to amend Sections 13100 and 13101 of, to amend and renumber Sections 13102, 13103, 13104, and 13105 of, to add Sections 13005.1 and 13020.3 to, to add an article heading immediately before Section 13100 of, to add an article heading immediately before Section 13102 of, to add Sections 13114 and 13115 to, to add Article 3 (commencing with Section 13125) to Chapter 5 of Division 7 of, to add*

*Chapter 6 (commencing with Section 13500) to Division 7 of, the Water Code, relating to water pollution and reclamation, and making an appropriation therefor.*

[Approved by Governor August 25, 1967 Filed with  
Secretary of State August 25, 1967 ]

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

SECTION 1. Section 230 of the Water Code is amended to read:

230. The department, either independently or in cooperation with any person or any county, state, federal, or other agency, or upon the request of the State Water Resources Control Board, to the extent funds are allocated therefor, shall conduct surveys and investigations relating to the reclamation of water from sewage or industrial wastes for beneficial purposes, including but not limited to the determination of quantities of such water presently wasted, and possibilities of use of such water for recharge of underground storage or for agricultural or industrial uses; and shall report to the Legislature and to the appropriate regional water quality control board thereon, annually.

SEC. 2. Section 13005.1 is added to the Water Code, to read:

13005.1. "Reclaimed waste waters" means waters containing sewage or industrial waste which have been treated or otherwise purified so as to enable direct beneficial reuse or to allow reuse that would not otherwise occur.

SEC. 2.5. Section 13020.3 is added to the Water Code, to read:

13020.3. For the purpose of reviewing applications for grants made pursuant to the Federal Water Pollution Control Act, the state board shall give priority to applicants having facilities providing optimum reclamation or reuse of waste waters.

SEC. 3. The heading of Chapter 5 (commencing with Section 13100) of Division 7 of the Water Code is amended to read:

#### CHAPTER 5. STATE FINANCIAL ASSISTANCE FOR WATER POLLUTION CONTROL AND WASTE WATER RECLAMATION

SEC. 4. An article heading is added immediately preceding Section 13100 of the Water Code, to read:

#### Article 1. State Water Quality Control Fund

SEC. 5. Section 13100 of the Water Code is amended to read:

13100. As used in this chapter, unless otherwise apparent from the context:

- (a) "Fund" means the State Water Quality Control Fund.
- (b) "Public agency" means any city, county, district, or other political subdivision of the state.
- (c) "Facilities" means either or both (1) facilities for the collection, treatment, or export of sewage when necessary to prevent water pollution or (2) facilities to reclaim waste waters.

SEC. 6. Section 13101 of the Water Code is amended to read:

13101. The State Water Quality Control Fund is continued in existence. The following moneys in the fund are appropriated, without regard to fiscal years, for expenditure by the state board in making loans to public agencies in accordance with the provisions of this chapter:

- (a) The balance of the original moneys deposited therein.
- (b) Any money repaid thereto
- (c) Any remaining balance of the money in the fund deposited therein after the specific appropriations for loans to the South Tahoe Public Utility District, the North Tahoe Public Utility District, the Tahoe City Public Utility District, the Truckee Sanitary District, and to any other governmental entity in the areas served by such districts have been made.

SEC. 7. An article heading is added immediately preceding Section 13102 of the Water Code, to read:

## Article 2. Loans to Local Agencies

SEC. 8. Section 13102 of the Water Code is amended and renumbered to read:

13110. Applications for construction loans under this chapter shall include:

- (a) A description of the proposed facilities.
- (b) A statement of facts showing the necessity for the proposed facilities and showing that funds of the public agency are not available for financing such facilities and that the sale of revenue or general obligation bonds through private financial institutions is impossible or would impose an unreasonable burden on the public agency.
- (c) A proposed plan for repaying the loan.
- (d) Other information as required by the state board.

SEC. 9. Section 13103 of the Water Code is amended and renumbered to read:

13111. Upon a determination by the state board, after consultation with the State Board of Public Health, that (a) the facilities proposed by an applicant are necessary to the health or welfare of the inhabitants of the state, (b) that the proposed facilities meet the needs of the applicant, (c) that funds of the public agency are not available for financing such facilities and that the sale of revenue or general obligation bonds through private financial institutions is impossible or would impose an unreasonable burden on the public agency, (d) that the proposed plan for repayment is feasible, (e) in the case

of facilities proposed under Section 13100(c)(1) that such facilities are necessary to prevent water pollution, and (f) in the case of facilities proposed under Section 13100(c)(2) that such facilities will produce water suitable for beneficial reuse and that the public agency has adopted a feasible program for such reuse, the state board, subject to approval by the Director of Finance, may loan to the applicant such sum as it determines is not otherwise available to the public agency to construct the proposed facilities.

SEC. 10. Section 13104 of the Water Code is amended and renumbered to read:

13112. No loan shall be made to a public agency unless it executes an agreement with the state board under which it agrees to repay the amount of the loan, with interest, within 25 years following, at the election of the state board and with the concurrence of the Director of Finance, a 10-year moratorium on principal and interest payments. Except as otherwise provided in this section, the interest shall be at a rate equal to the average, as determined by the state board, of the net interest costs to the state on the sales of general obligation bonds of the state that occurred during the calendar year immediately preceding the calendar year in which the interest falls due. The interest falling due after the moratorium shall be payable at the last rate applied during the moratorium. However, when the applicable average of the net interest costs to the state is not a multiple of one-tenth of 1 percent, the interest rate shall be at the multiple of one-tenth of 1 percent next above the applicable average of the net interest costs.

The interest rate applicable to any loan made pursuant to this chapter for which an application was filed prior to January 1, 1967, shall be at the rate of 2 percent.

SEC. 11. Section 13105 of the Water Code is amended and renumbered to read:

13113. All money received in repayment of loans under this chapter shall be paid to the State Treasurer and credited to the fund.

SEC. 11.5. Section 13114 is added to the Water Code, to read:

13114. (a) Loans may be made by the state board to public agencies to pay not more than one-half of the cost of studies and investigations made by such public agencies in connection with waste water reclamation.

(b) Not more than a total of two hundred thousand dollars (\$200,000) shall be loaned pursuant to this section in any fiscal year, and not more than fifty thousand dollars (\$50,000) shall be loaned to any public agency in any fiscal year pursuant to this section. In the event that less than two million dollars (\$2,000,000) is available in any fiscal year for loans under this article, then not more than 10 percent of the available amount shall be available for loans for studies and investigations pursuant to this section.

(c) Applications for such loans shall be made in such form, and shall contain such information, as may be required by the state board.

(d) Such loans shall be repaid within a period not to exceed 10 years, with interest at a rate established in the manner provided in Section 13112.

SEC. 12. Section 13115 is added to the Water Code, to read:

13115. The state board may, from time to time, make such rules and regulations which are consistent with this chapter as may be necessary to carry out this chapter.

SEC. 13. Article 3 (commencing with Section 13125) is added to Chapter 5 of Division 7 of the Water Code, to read:

### Article 3. Public Agency Election

13125. Before a public agency may enter into a contract with the state board for a construction loan under this chapter, the public agency shall hold an election on the proposition of whether or not the public agency shall enter into the proposed contract and more than 50 percent of the votes cast at such election must be in favor of such proposition.

13126. The election shall be held in accordance with the following provisions.

(a) The procedure for holding an election on the incurring of bonded indebtedness by such public agency shall be utilized for an election of the proposed contract as nearly as the same may be applicable. Where the law applicable to such agency does not contain such bond election procedure, the procedure set forth in the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) Part 1, Division 2, Title 5 of the Government Code), as it may now or hereafter be amended, shall be utilized as nearly as the same may be applicable.

(b) No particular form of ballot is required.

(c) The notice of the election shall include a statement of the time and place of the election, the purpose of the election, the general purpose of the contract, and the maximum amount of money to be borrowed from the state under the contract.

(d) The ballots for the election shall contain a brief statement of the general purpose of the contract substantially as stated in the notice of the election, shall state the maximum amount of money to be borrowed from the state under the contract, and shall contain the words "Execution of contract—Yes" and "Execution of contract—No."

(e) The election shall be held in the entire public agency except where the public agency proposes to contract with the state board on behalf of a specified portion, or of specified portions, of the public agency, in which case the election shall be held in such portion or portions of the public agency only.

SEC. 14. Chapter 6 (commencing with Section 13500) is added to Division 7 of the Water Code, to read:

## CHAPTER 6. WASTE WATER RECLAMATION AND REUSE

## Article 1. Short Title

13500. This chapter shall be known as and may be cited as the Waste Water Reclamation and Reuse Law.

## Article 2. Declaration of Policy

13510. It is hereby declared that the people of the state have a primary interest in the development of facilities to reclaim waters containing sewage or industrial waste to supplement existing surface and underground water supplies and to assist in meeting the future water requirements of the state.

13511. The Legislature finds and declares that a substantial portion of the future water requirements of this state may be economically met by beneficial reuse of waste waters that have been reclaimed.

The Legislature further finds and declares that the utilization of reclaimed waste waters by local communities for domestic, agricultural, industrial, recreational, and fish and wildlife purposes will contribute to the peace, health, safety and welfare of the people of the state. Reuse of reclaimed waste waters constitutes the development of "new basic water supplies" as that term is used in Chapter 5 (commencing with Section 12880) of Part 6 of Division 6.

13512. It is the intention of the Legislature that the state undertake all possible steps to encourage development of waste water reclamation facilities so that reclaimed waste water may be made available to help meet the growing water requirements of the state.

## Article 3. State Assistance

13515. In order to implement the policy declarations of this chapter, the state board is authorized to provide loans for the development of waste water reclamation facilities, or for studies and investigations in connection with waste water reclamation, pursuant to the provisions of Chapter 5 (commencing with Section 13100) of this division.

## Article 4. Regulation of Reuse

13520. As used in this article "contamination standards" means the levels of constituents of water, which will be safe for any direct reuse purpose.

13521. The State Department of Public Health shall establish statewide contamination standards for each varying type of direct use of reclaimed waste waters where such use involves the protection of public health.

13522. Whenever the State Department of Public Health finds that a contamination exists as a result of direct use of

reclaimed waste waters, the department shall order the contamination abated in accordance with the procedure provided for in Chapter 6 (commencing with Section 5400), Part 3, Division 5 of the Health and Safety Code.

13523. Each regional board, pursuant to Chapter 4 (commencing with Section 13040) of this division, after consulting with and receiving the recommendations of the State Department of Public Health, and if it determines such action to be necessary to protect the public health, safety, or welfare, shall establish waste discharge requirements for users of water which is used or will be used directly as reclaimed waste water. Such requirements shall conform to the statewide contamination standards established pursuant to this article.

13524. In administering any statewide program of financial assistance for water pollution or water quality control which may be delegated to it pursuant to Section 13023, the state board shall give priority to water pollution control facilities providing optimum reclamation and reuse of waste waters.

Nothing in this chapter prevents the appropriate regional board from establishing requirements if a discharge is involved.

13525. No provision of this chapter shall be construed as affecting the existing powers of the State Department of Public Health.

#### Article 5. Surveys and Investigations

13530. The department, either independently or in cooperation with any person or any county, state, federal, or other agency, or on request of the state board, to the extent funds are allocated therefor, shall conduct surveys and investigations relating to the reclamation of water from sewage or industrial wastes pursuant to Section 230.

SEC. 15. Section 12.2 of Chapter 138, Statutes of 1964, First Extraordinary Session, is amended to read:

Sec. 12.2. During the fiscal years 1967-1968 to 1971-1972, inclusive, two million dollars (\$2,000,000) of the oil revenue and dry gas revenue payable to the State of California under this act each year shall be deposited in the State Water Quality Control Fund, after the amount provided for in Section 12 is deposited in the California Water Fund and the amount provided for in Section 12.1 is deposited in the Central Valley Water Project Construction Fund, and shall be available for expenditure pursuant to Chapter 5 (commencing with Section 13100) of Division 7 of the Water Code.

SEC. 16. Section 4 of Chapter 137, Statutes of 1966, First Extraordinary Session, is amended to read:

Sec. 4. All money received in repayment of loans under this act shall be paid to the State Treasurer and credited to the State Water Quality Control Fund, to be available for the purposes of Chapter 5 (commencing with Section 13100) of Division 7 of the Water Code.