(a) The money generated from the imposition of liability and cost recovery pursuant to Section 13399.33 shall be deposited, and separately accounted for, in the Waste Discharge Permit Fund.

(b) The money described in subdivision (a) shall be available, upon appropriation by the Legislature, to the regional boards from which the revenues were generated for the purpose of carrying out storm water programs under this division.

(Added by Stats. 1998, Ch. 998, Sec. 3. Effective January 1, 1999.)

§ 13399.41. [Agency cooperation]
Notwithstanding any other provision of law, appropriate state agencies, as requested by the executive director of the state board, shall provide the state board with the names, addresses, and standard industrial classifications or types of business facilities that are subject to storm water programs under this division. The information obtained pursuant to this section shall be used by the state board solely to regulate the discharge of storm water associated with industrial activity under this division. The state shall reimburse state agencies for all reasonable expenses incurred in connection with complying with this section.

(Added by Stats. 1998, Ch. 998, Sec. 3. Effective January 1, 1999.)

§ 13399.43. [Definition]
For the purposes of this chapter, “NPDES permit” means a permit issued under the national pollutant discharge elimination system program in accordance with the Clean Water Act (33 U.S.C.A. Sec. 1251 et seq.).

(Added by Stats. 1998, Ch. 998, Sec. 3. Effective January 1, 1999.)

CHAPTER 6. STATE FINANCIAL ASSISTANCE [13400. - 13443.]
(Chapter 6 added by Stats. 1969, Ch. 482.)

Article 1. State Water Quality Control Fund [13400. - 13401.]
(Article 1 added by Stats. 1969, Ch. 482.)

§ 13400. [Definitions]
As used in this chapter, unless otherwise apparent from the context:

(a) “Facilities” means any of the following:

(1) Facilities for the collection, treatment, or export of waste when necessary to prevent water pollution.

(2) Facilities to recycle wastewater and to convey recycled water.

(3) Facilities or devices to conserve water.

(4) Any combination of the facilities described in paragraph (1), (2), or (3).

(b) “Fund” means the State Water Quality Control Fund.

(c) “Not-for-profit organization” means an organization operated on a not-for-profit basis, including, but not limited to, an association, cooperative, or
private corporation that is a public water system, as defined in Section 116275 of the Health and Safety Code, that meets technical, managerial, and financial capacity criteria specified by the state board for public water systems, or that is subject to regulatory authority pursuant to this division. “Not-for-profit organization” includes only an organization that is either controlled by a local public body or bodies or has a broadly based ownership by, or membership of, people of the local community.

(d) “Public agency” means any city, county, city and county, district, or other political subdivision of the state.

(Amended by Stats. 2015, Ch. 673, Sec. 33. Effective January 1, 2016.)

§ 13401. [The State Water Quality Control Fund]

(a) 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 this chapter:

1. The balance of the original moneys deposited in the fund.
2. Any money repaid to the fund.
3. 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.

(b) Notwithstanding subdivision (a), upon the order of the state board, the money in the State Water Quality Control Fund shall be transferred to the State Water Pollution Control Revolving Fund.

(Amended by Stats. 1993, Ch. 775, Sec. 1. Effective January 1, 1994.)

Article 2. Loans to Local Agencies [13410. - 13418.]

(Article 2 added by Stats. 1969, Ch. 482.)

§ 13410. [Construction loans]

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.

(Added by Stats. 1969, Ch. 482.)

§ 13411. [Conditions]
Upon a determination by the state board, after consultation with the State Department of 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 13400(c)(1) that such facilities are necessary to prevent water pollution, (f) in the case of facilities proposed under Section 13400(c)(2) that such facilities will produce recycled water and that the public agency has adopted a feasible program for use thereof, and (g) in the case of facilities proposed under Section 13400(c)(3) that such facilities are a cost effective means of conserving water, 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.

(Amended by Stats. 1995, Ch. 28, Sec. 23. Effective January 1, 1996.)

§ 13412. [Repayment]
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 at 50 percent of the average interest rate paid by the state on general obligation bonds sold in the calendar year immediately preceding the year in which the loan agreement is executed.

(Amended by Stats. 1986, Ch. 978, Sec. 1.)

§ 13413. [Special consideration]
It is the policy of this state that, in making construction loans under this article, the state board should give special consideration to facilities proposed to be constructed by public agencies in areas in which further construction of buildings has been halted by order of the State Department of Health or a local health department, or both, or notice has been given that such an order is being considered; provided, however, that the public agencies designated in this section shall otherwise comply with and meet all requirements of other provisions of this chapter.

(Amended by Stats. 1971, Ch. 1593.)

§ 13414. [Payments]
All money received in repayment of loans under this chapter shall be paid to the State Treasurer and credited to the fund.

(Added by Stats. 1969, Ch. 482.)

§ 13415. [Studies and investigations]
(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 13412. (Added by Stats. 1969, Ch. 482.)

§ 13416. [Election requirement]
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. (Added by Stats. 1969, Ch. 482.)

§ 13417. [Election procedure]
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.
(Added by Stats. 1969, Ch. 482.)

§ 13418. [Tahoe moratorium]
Notwithstanding any provision of this chapter or any other provision of law,
including, but not limited to, the provisions of Chapter 47 and 137 of the
Statutes of 1966, First Extraordinary Session, Chapter 1679 of the Statutes of
1967, Chapter 1356 of the Statutes of 1969, and Chapter 920 of the Statutes of
1970, or the provisions of any existing loan contract entered into pursuant to
this chapter or any other such provision of law, there shall be a two-year
moratorium following the effective date of this section on that portion of the
principal and interest payments otherwise required in repayment of funds
heretofore loaned to the North Tahoe Public Utility District, the Tahoe City
Public Utility District, the South Tahoe Public Utility District, the Truckee Sanitary
District, the Squaw Valley County Water District, and the Alpine Springs County
Water District pursuant to this chapter or any act of the Legislature authorizing a
state loan for the purpose of permitting any such agency to construct necessary
sewage and storm drainage facilities to prevent and control water pollution in
the area served by such agency, equal in percentage, as determined by the
Department of Finance, to the percentage of property tax revenues lost to the
agency by reason of the adoption of Article XIII A of the California Constitution,
unless moneys are otherwise available for such repayment from state
allocations or the sale of bonds authorized on or before July 1, 1978, but
unissued. The provisions of this section do not apply to any sums which are
required to be repaid immediately or in accordance with an accelerated time
schedule pursuant to a duly entered stipulated judgment between the State of
California and the Tahoe City Public Utility District. Interest on loans shall accrue
during the moratorium period and be repaid by the recipients of the loans, in
addition to the normal principal and interest payments.
(Added by Stats. 1979, Ch. 528.)

Article 2.5. Guarantees for Local Agency Bonds [13425. - 13433.]
(Article 2.5 added by Stats. 1988, Ch. 47, Sec. 1.)

§ 13425. [Applications]
Applications for guarantees for local agency bonds under this chapter shall
include:
(a) A description of the proposed facilities.
(b) A financing plan for the proposed facilities, including the amount of debt and maximum term to maturity of the proposed local agency bond issue and identification of sources of revenue that will be dedicated to payment of principal and interest on the bonds.

(c) Other information as required by the state board.

The state board may provide that the application may be combined with applications for any other source of funds administered by the state board.

(Added by Stats. 1988, Ch. 47, Sec. 1. Effective March 18, 1988.)

§ 13426. [Determinations]
The state board, subject to approval by the Director of Finance, may agree to provide a guarantee pursuant to this article for all or a specified part of the proposed local agency bond issue upon making all of the following determinations:

(a) The facilities proposed by an applicant are necessary to the health or welfare of the inhabitants of the state and are consistent with water quality control plans adopted by regional boards.

(b) The proposed facilities meet the needs of the applicant.

(c) The proposed bond issue and plan repayment are sound and feasible.

(d) In the case of facilities proposed under paragraph (2) of subdivision (a) of Section 13400, the facilities will produce recycled water and the applicant has adopted a feasible program for the use of the facilities. The state board may adopt criteria for ranking and setting priorities among applicants for those guarantees.

(Amended by Stats. 2015, Ch. 673, Sec. 34. Effective January 1, 2016.)

§ 13427. [Required agreement]
No guarantee shall be extended to any applicant unless it executes an agreement with the state board under which the applicant agrees to the following provisions:

(a) To proceed expeditiously with, and complete, the proposed project.

(b) To commence operation of the project on completion, and to properly operate and maintain the work in accordance with applicable provisions of law.

(c) To issue bonds and to levy fines, charges, assessments, or taxes to pay the principal of, and interest on, the bonds as described in the application.

(d) To diligently and expeditiously collect those levies, including timely exercise of available legal remedies in the event of delinquency or default.

(e) To act in accordance with such other provisions as the state board may require.

(Added by Stats. 1988, Ch. 47, Sec. 1. Effective March 18, 1988.)

§ 13428. [Continuous appropriation]
Notwithstanding Section 13340 of the Government Code, the money in the Clean Water Bond Guarantee Fund, which is hereby created, is continuously appropriated to the state board without regard to fiscal years for the purposes of this chapter.

(Added by Stats. 1988, Ch. 47, Sec. 1. Effective March 18, 1988.)

§ 13429. [Investment]
Money in the Clean Water Bond Guarantee Fund not needed for making payments on guaranteed bonds pursuant to this chapter shall be invested pursuant to law. All proceeds of the investment shall be deposited in that fund to the extent permitted by federal law.

(Added by Stats. 1988, Ch. 47, Sec. 1. Effective March 18, 1988.)

§ 13430. [Limitation]
The state board’s authorization to guarantee bonds under this article shall be limited to bonds with a total principal amount of not more than 10 times the amount in the Clean Water Bond Guarantee Fund at the time the state board determines to extend each guarantee pursuant to Section 13426.

(Added by Stats. 1988, Ch. 47, Sec. 1. Effective March 18, 1988.)

§ 13431. [Limitation on amount available]
Under no circumstances shall the amount paid out as a result of bond guarantees extended pursuant to this article exceed the amount in the Clean Water Bond Guarantee Fund. This article does not express or imply any commitment by the state board or any other agency of the state to pay any money or levy any charge or tax or otherwise exercise its faith and credit on behalf of any local agency or bondholder beyond the funds in the Clean Water Bond Guarantee Fund.

(Added by Stats. 1988, Ch. 47, Sec. 1. Effective March 18, 1988.)

§ 13432. [Fee]
The state board may charge an annual fee not to exceed one-tenth of 1 percent of the principal amount of each bond issue that it guarantees for guarantee coverage. The state board may charge a lesser amount. The proceeds of any fee shall be paid into the Clean Water Bond Guarantee Fund.

(Added by Stats. 1988, Ch. 47, Sec. 1. Effective March 18, 1988.)

§ 13433. [Rules and procedures]
The state board shall, by regulation, prescribe rules and procedures for all of the following:

(a) To pay money from the Clean Water Bond Guarantee Fund to an insured local agency or bondholder in the event that the amount in the local agency’s bond reserve fund falls below a minimum amount, or in the event of failure by the local agency to pay the principal of, or interest on, an insured bond issue on time, as the state board may require.
(b) To require, by court action if necessary, a local agency to raise sewer service charges, levy additional assessments, collect charges or assessments, or foreclose or otherwise sell property as needed to prevent a reduction in the local agency’s bond reserve fund, or to prevent default, or to collect funds to repay to the fund any payments made pursuant to subdivision (a).

(Added by Stats. 1988, Ch. 47, Sec. 1. Effective March 18, 1988.)

**Article 3. State Water Pollution Cleanup and Abatement Account**

[13440. - 13443.]

(Article 3 added by Stats. 1969, Ch. 482.)

§ 13440. **[The account]**

There is in the State Water Quality Control Fund the State Water Pollution Cleanup and Abatement Account (hereinafter called the “account”), to be administered by the state board.

(Added by Stats. 1969, Ch. 482.)

§ 13441. **[Fund sources]**

There is to be paid into the account all moneys from the following sources:

(a) All moneys appropriated by the Legislature for the account.

(b) All moneys contributed to the account by any person and accepted by the state board.

(c) One-half of all moneys collected by way of criminal penalty and all moneys collected civilly under any proceeding brought pursuant to any provision of this division.

(d) All moneys collected by the state board for the account under Section 13304.

The first unencumbered five hundred thousand dollars ($500,000) paid into the account in any given fiscal year is available without regard to fiscal years, for expenditure by the state board in accordance with the provisions of this article. The next unencumbered five hundred thousand dollars ($500,000), or any portion thereof, deposited in any given fiscal year, is available for expenditure by the state board for the purposes of this article, subject to the provisions set forth in Section 28 of the Budget Act of 1984 (Chapter 258 of the Statutes of 1984). The next unencumbered one million dollars ($1,000,000) deposited in the account in any given fiscal year is available for expenditure by the state board for the purposes of Section 13443. The remaining unencumbered funds deposited in the account in any given fiscal year is available without regard to fiscal years to the state board for expenditure for the purposes set forth in Section 13442.

(Amended by Stats. 1984, Ch. 1535, Sec. 2.)

§ 13441.5. **[Transfers]**
The State Treasurer, when requested by the state board and approved by the Director of Finance, shall transfer moneys in the nature of a loan from the State Water Quality Control Fund to the account created pursuant to Section 13440, which shall be repayable from the account to such fund; provided, that the moneys transferred from the fund to the account shall not exceed the sum of twenty-five thousand dollars ($25,000) at any one time.  
(Added by Stats. 1970, Ch. 918.)

§ 13442. [Grants to public agencies and tribal governments]

[For a similar section that will become operative on July 1, 2018, see below]

(a) Upon application by an eligible entity, as described in subdivision (b), the state board may approve the payment of moneys from the account to that entity to assist in cleaning up a waste, abating the effects of a waste on waters of the state, or addressing an urgent drinking water need without regard to whether the need for drinking water is a result of the discharge of waste.

(b) An entity is eligible to apply for funding pursuant to this section if that entity has authority to undertake the activity for which it seeks moneys and the entity is any of the following:

1. A public agency.
2. A tribal government that is on the California Tribal Consultation List maintained by the Native American Heritage Commission and is a disadvantaged community, as defined in Section 79505.5, that agrees to waive tribal sovereign immunity for the explicit purpose of regulation by the state board pursuant to this division.
3. A not-for-profit organization serving a disadvantaged community, as defined in Section 79505.5.
4. A community water system, as defined in Section 116275 of the Health and Safety Code, that serves a disadvantaged community, as defined in Section 79505.5.

(c) An eligible entity shall not become liable to the state board for repayment of moneys paid to the entity under this section and expended in accordance with the state board’s approval of payment, but this shall not be a defense to an action brought pursuant to subdivision (c) of Section 13304 for the recovery of moneys paid under this section.

(d) Projects using moneys that are paid to an eligible entity pursuant to this section shall be exempt from state contracting and procurement requirements set forth in the Government Code and the Public Contract Code to the extent necessary to take immediate action to protect public health and safety.

(e) The state board may adopt guidelines for the allocation and administration of these moneys that shall not be subject to Chapter 3.5
§ 13442. [Grants to public agencies and tribal governments]

[Currently operative section is above; this section does not become operative until July 1, 2018]

(a) Upon application by a public agency, a tribal government that is on the California Tribal Consultation List maintained by the Native American Heritage Commission and is a disadvantaged community, as defined in Section 79505.5, that agrees to waive tribal sovereign immunity for the explicit purpose of regulation by the state board pursuant to this division, or a not-for-profit organization serving a disadvantaged community, as defined in Section 79505.5, with authority to clean up a waste or abate the effects of a waste, the state board may order moneys to be paid from the account to the agency, tribal government, or organization to assist it in cleaning up the waste or abating its effects on waters of the state.

(b) The agency, a tribal government that is on the California Tribal Consultation List maintained by the Native American Heritage Commission and is a disadvantaged community, as defined in Section 79505.5, that agrees to waive tribal sovereign immunity for the explicit purpose of regulation by the state board pursuant to this division, or a not-for-profit organization serving a disadvantaged community, as defined in Section 79505.5, shall not become liable to the state board for repayment of moneys paid under this section, but this shall not be a defense to an action brought pursuant to subdivision (c) of Section 13304 for the recovery of moneys paid under this section.

(c) This section shall become operative on July 1, 2018.

(Repealed (in Sec. 7) and added by Stats. 2015, Ch. 2, Sec. 8. Effective March 27, 2015. Section operative July 1, 2018, by its own provisions.)

§ 13443. [Grants to regional boards]

Upon application by a regional board that is attempting to remedy a significant unforeseen water pollution problem, posing an actual or potential public health threat, or is overseeing and tracking the implementation of a supplemental environmental project required as a condition of an order imposing administrative civil liability, and for which the regional board does not have
adequate resources budgeted, the state board may order moneys to be paid from the account to the regional board to assist it in responding to the problem. 
(Amended by Stats. 2001, Ch. 869, Sec. 9. Effective January 1, 2002.)

CHAPTER 6.1. WATER CONSERVATION AND WATER QUALITY BOND LAW OF 1986
[13450. - 13469.]
(Chapter 6.1 added by Stats. 1986, Ch. 6, Sec. 1.)

Chapter 6.1, which contains the Water Conservation and Water Quality Bond Law of 1986 as approved by the voters in Proposition 44, is omitted from this version of the Porter-Cologne Act.

CHAPTER 6.5. STATE WATER POLLUTION CONTROL REVOLVING FUND [13475. - 13485.]
(Chapter 6.5 added by Stats. 1987, Ch. 1313, Sec. 1.)

§ 13475. [Legislative findings]
(a) The Legislature hereby finds and declares that since the federal Clean Water Act (33 U.S.C. Sec. 1251 et seq.) provides for establishment of a perpetual water pollution control revolving loan fund, which will be partially capitalized by federal contributions, it is in the interest of people of the state, in order to ensure full participation by the state under the federal Clean Water Act, to enact this chapter to authorize the state to establish and implement a state/federal water pollution control revolving fund in accordance with federal provisions, requirements, and limitations.

(b) The primary purpose of this chapter is to enact a statute consistent with the provisions and requirements of the federal Clean Water Act, as those provisions, requirements, and limitations relate to establishment, management, and operation of a state/federal water pollution control revolving fund. It is the intent of the Legislature that the terms of this chapter shall be liberally construed to achieve this purpose.
(Added by Stats. 1987, Ch. 1313, Sec. 1. Effective September 28, 1987.)

§ 13476. [Definitions]
Unless the context otherwise requires, the following definitions govern the construction of this chapter:
(a) “Administration fund” means the State Water Pollution Control Revolving Fund Administration Fund.
(b) “Board” means the State Water Resources Control Board.
(c) “Federal Clean Water Act” or “federal act” means the Clean Water Act (33 U.S.C. Sec. 1251 et seq.) and acts amendatory thereof or supplemental thereto.
(d) (1) “Financial assistance” means assistance authorized under Section 13480. Financial assistance includes loans, refinancing, installment sales agreements, purchase of debt, and loan guarantees for municipal revolving funds, but excludes grants.

(2) Notwithstanding paragraph (1), financial assistance may include grants or other assistance directed by a federal grant deposited in the fund to the extent authorized and funded by that grant.

(e) “Fund” means the State Water Pollution Control Revolving Fund.

(f) “Grant fund” means the State Water Pollution Control Revolving Fund Small Community Grant Fund.

(g) “Matching funds” means money that equals that percentage of federal contributions required by the federal act to be matched with state funds.

(h) “Municipality” has the same meaning and construction as in the federal act and also includes all state, interstate, and intermunicipal agencies.

(i) “Publicly owned” means owned by a municipality.

(j) “Severely disadvantaged community” means a community with a median household income of less than 60 percent of the statewide median household income.

(Added by Stats. 2015, Ch. 673, Sec. 35. Effective January 1, 2016.)

§ 13477. [Creation and continuation of the revolving fund]
The State Water Pollution Control Revolving Fund is hereby created in the State Treasury, and, notwithstanding Section 13340 of the Government Code, all moneys in the fund are continuously appropriated without regard to fiscal years to the board for expenditure in accordance with this chapter. The board is the state agency responsible for administering the fund. In order to facilitate compliance with the federal Tax Reform Act of 1986 (Public Law 99-514), there is hereby established in the fund a Federal Revolving Loan Fund Account and a State Revolving Loan Fund Account. From time-to-time thereafter, the board may modify existing accounts in the fund and may establish other accounts in the fund, and in all other funds administered by the board, which the board deems appropriate or necessary for proper administration.

(Added by Stats. 1987, Ch. 1313, Sec. 1. Effective September 28, 1987.)

§ 13477.5. [Water Pollution Control Revolving Fund Administration Fund]
(a) The State Water Pollution Control Revolving Fund Administration Fund is hereby created in the State Treasury.

(b) The following moneys shall be deposited in the administration fund:

(1) Moneys transferred to the administration fund to pay the costs incurred by the board in connection with the administration of this chapter.

(2) The amounts collected for financial assistance services pursuant to subdivision (c).
(3) Notwithstanding Section 16475 of the Government Code, any interest earned upon the moneys deposited in the administration fund.

(c) (1) For any financial assistance made pursuant to Section 13480, the board may assess an annual charge for financial assistance services with regard to the financial assistance, not to exceed 1 percent of the financial assistance balance computed according to the true interest cost method.

(2) Any amounts collected under this subdivision shall be deposited in the administration fund.

(3) The financial assistance service rate authorized by this subdivision may be applied at any time during the term of the financial assistance, and once applied, shall remain unchanged for the duration of the financial assistance and shall not increase the financial assistance repayment amount as set forth in the terms and conditions imposed pursuant to this chapter.

(d) Moneys in the administration fund, upon appropriation by the Legislature to the board, may be expended for payment of the reasonable costs of administering the fund.

(e) The board shall set the total amount of revenue collected each year through the charges authorized by subdivision (c) at an amount that is as equal as practicable to the revenue levels set forth in the annual Budget Act for this activity. At least once each fiscal year, the board shall adjust the financial assistance service rate imposed pursuant to subdivision (c) to conform with the revenue levels set forth in the annual Budget Act.

(Amended by Stats. 2008, Ch. 609, Sec. 4. Effective January 1, 2009.)

§ 13477.6. [State Water Pollution Control Revolving Fund Small Community Grant Fund]

(a) The State Water Pollution Control Revolving Fund Small Community Grant Fund is hereby created in the State Treasury.

(b) The following moneys shall be deposited in the grant fund:

(1) Moneys transferred to the grant fund pursuant to subdivision (c).

(2) Notwithstanding Section 16475 of the Government Code, any interest earned upon the moneys deposited in the grant fund.

(3) Any moneys deposited pursuant to Section 79723.

(c) (1) For any financing made pursuant to Section 13480, the board may assess an annual charge to be deposited in the grant fund in lieu of interest that would otherwise be charged.

(2) The charge authorized by this subdivision may be applied at any time during the term of the financing, and, once applied, shall remain unchanged unless the board determines that the application of the charge is any of the following:

(A) No longer consistent with federal requirements regarding the fund.

(B) No longer necessary.
(C) Negatively affecting the board’s ability to fund projects that support its water quality goals.

(3) The charge shall not increase the financing repayment amount as set forth in the terms and conditions imposed pursuant to this chapter.

(4) If the board ceases collecting the charge before the financing repayment is complete, the board shall replace the charge with an identical interest rate.

(d) (1) Moneys in the grant fund, upon appropriation by the Legislature to the board, may be expended, in accordance with this chapter, for grants for wastewater projects described in subdivision (c) of Section 1383 of Title 33 of the United States Code that serve small communities as defined in subdivision (a) of Section 30925 of the Public Resources Code. The board shall expend moneys appropriated from the grant fund within four years from the date of encumbrance.

(2) For the purpose of approving grants, the board shall give priority to projects that serve severely disadvantaged communities.

(3) In addition to the uses set forth in paragraph (1), moneys deposited in the grant fund pursuant to Section 79723, upon appropriation by the Legislature to the board, may be expended for technical assistance as authorized by Section 79725.

(Amended by Stats. 2015, Ch. 673, Sec. 36. Effective January 1, 2016.)

§ 13478. [Board authority]

(a) The board may undertake any of the following:

(1) Enter into agreements with the federal government for federal contributions to the fund.

(2) Accept federal contributions to the fund.

(3) Enter into an agreement with, and accept matching funds from, a municipality. A municipality that seeks to enter into an agreement with the board and provide matching funds pursuant to this subdivision shall provide to the board evidence of the availability of those funds in the form of a written resolution adopted by the governing body of the municipality before it requests a preliminary financial assistance commitment.

(4) Use moneys in the fund for the purposes permitted by the federal act.

(5) Provide for the deposit of matching funds and any other available and necessary moneys into the fund.

(6) Make requests on behalf of the state for deposit into the fund of available federal moneys under the federal act and determine on behalf of the state appropriate maintenance of progress toward compliance with the enforceable deadlines, goals, and requirements of the federal act.
(7) Determine on behalf of the state that publicly owned treatment works that receive financial assistance from the fund will meet the requirements of, and otherwise be treated as required by, the federal act.

(8) Provide for appropriate audit, accounting, and fiscal management services, plans, and reports relative to the fund.

(9) Take additional incidental action as appropriate for the adequate administration and operation of the fund.

(10) Charge municipalities that elect to provide matching funds a fee to cover the actual cost of obtaining the federal funds pursuant to Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7)) and processing the financial assistance application. The fee shall be waived by the board if sufficient funds to cover those costs are available from other sources.

(11) Use money returned to the fund under clause (ii) of subparagraph (D) of paragraph (1) of subdivision (b) of Section 13480, and any other source of matching funds, if not prohibited by statute, as matching funds for the federal administrative allowance under Section 603(d)(7) of the federal act (33 U.S.C. Sec. 1383(d)(7)).

(12) Expend money repaid by financial assistance recipients for financial assistance service under clauses (i) and (ii) of subparagraph (D) of paragraph (1) of subdivision (b) of Section 13480 to pay administrative costs incurred by the board under this chapter.

(13) Engage in the transfer of capitalization grant funds, as authorized by Section 35.3530(c) of Title 40 of the Code of Federal Regulations and reauthorized by Public Law 109-54, to the extent set forth in an Intended Use Plan, that shall be subject to approval by the board.

(14) Cross-collateralize revenue bonds with the Safe Drinking Water State Revolving Fund created pursuant to Section 116760.30 of the Health and Safety Code, as authorized by Section 35.3530(d) of Title 40 of the Code of Federal Regulations.

(b) This section shall become operative on July 1, 2014.
(Repealed (in Sec. 187) and added by Stats. 2014, Ch. 35, Sec. 188. Effective June 20, 2014. Section operative July 1, 2014, by its own provisions.)

§ 13479. [Federal contributions]

(a) The board may enter into an agreement with the federal government for federal contributions to the fund only if both of the following conditions have been met:

(1) The state has identified any required matching funds.

(2) The board is prepared to commit to the expenditure of any minimum amount in the fund in the manner required by the federal act.

(b) Any agreement between the board and the federal government shall contain those provisions, terms, and conditions required by the federal act, and
any implementing federal rules, regulations, guidelines, and policies, including, but not limited to, agreement to the following:

(1) Moneys in the fund shall be expended in an expeditious and timely manner.

(2) All moneys in the fund as a result of federal capitalization grants shall be used to assure maintenance of progress toward compliance with the enforceable deadlines, goals, and requirements of the federal act, including any applicable municipal compliance deadlines.

(Amended by Stats. 1995, Ch. 370, Sec. 3. Effective August 4, 1995.)

§ 13480. [Authorized uses]

(a) Moneys in the fund shall be used only for the permissible purposes allowed by the federal act or a federal grant deposited in the fund, to the extent authorized and funded by that grant.

(b) Consistent with expenditure for authorized purposes, moneys in the fund may be used for the following purposes:

(1) Loans that meet all of the following requirements:
   (A) Are made at or below market interest rates.
   (B) Require annual payments of principal and any interest, with repayment commencing not later than one year after completion of the project for which the loan is made and full amortization not later than 30 years after project completion unless otherwise authorized by a federal grant deposited in the fund to the extent authorized and funded by that grant. Loan forgiveness is permissible to the extent authorized by a federal grant deposited in the fund to the extent authorized and funded by that grant.
   (C) Require the loan recipient to establish an acceptable dedicated source of revenue for repayment of a loan.
   (D) (i) Contain other terms and conditions required by the board or the federal act or applicable rules, regulations, guidelines, and policies. To the extent permitted by federal law, the combined interest and loan service rate shall be set at a rate that does not exceed 50 percent of the interest rate paid by the state on the most recent sale of state general obligation bonds and the combined interest and loan service rate shall be computed according to the true interest cost method. If the combined interest and loan service rate so determined is not a multiple of one-tenth of 1 percent, the combined interest and loan service rate shall be set at the multiple of one-tenth of 1 percent next above the combined interest and loan service rate so determined. A loan from the fund used to finance costs of facilities planning, or the preparation of plans, specifications, or estimates for construction of publicly owned treatment works shall comply with Section 603(e) of the federal act (33 U.S.C. Sec. 1383(e)).
   (ii) Notwithstanding clause (i), if the loan applicant is a municipality, an applicant for a loan for the implementation of a management program pursuant
to Section 319 of the federal act (33 U.S.C. Sec. 1329), or an applicant for a loan for nonpoint source or estuary enhancement pursuant to Section 320 of the federal act (33 U.S.C. Sec. 1330), and the applicant provides matching funds, the combined interest and loan service rate on the loan shall be 0 percent. A loan recipient that returns to the fund an amount of money equal to 20 percent of the remaining unpaid federal balance of an existing loan shall have the remaining unpaid loan balance refinanced at a combined interest and loan service rate of 0 percent over the time remaining in the original loan contract.

(2) To buy or refinance the debt obligations of municipalities within the state at or below market rates if those debt obligations were incurred after March 7, 1985.

(3) To guarantee, or purchase insurance for, local obligations where that action would improve credit market access or reduce interest rates.

(4) As a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the state, if the proceeds of the sale of those bonds will be deposited in the fund.

(5) To establish loan guarantees for similar revolving funds established by municipalities.

(6) To earn interest.

(7) For payment of the reasonable costs of administering the fund and conducting activities under Subchapter VI (commencing with Section 601) of the federal act (33 U.S.C. Sec. 1381 et seq.). Those costs shall not exceed 4 percent of all federal contributions to the fund, four hundred thousand dollars ($400,000) per year, or one-fifth of 1 percent per year of the current valuation of the fund, whichever amount is greatest, plus the amount of any fees collected by the state for this purpose regardless of the source.

(8) For financial assistance toward the nonfederal share of the costs of grant-funded treatment works projects, to the extent permitted by the federal act.

(9) Grants, principal forgiveness, negative interest rates, and any other type of, or variation on the above types of, assistance authorized by a federal grant deposited in the fund, to the extent authorized and funded by that grant.

(Amended by Stats. 2015, Ch. 673, Sec. 37. Effective January 1, 2016.)

§ 13481. [Limitations on use]

The fund shall be used to provide financial assistance only for projects which are (a) consistent with plans, if any, developed under Sections 205(j), 208, 303(e), 319, and 320 of the federal act, and (b) on the approved state priority list adopted under Section 216 of the federal act.

(Added by Stats. 1987, Ch. 1313, Sec. 1. Effective September 28, 1987.)

§ 13481.5. [Projects that receive favorable consideration]
The board, for the purposes of administering the fund, shall give favorable consideration to the following types of eligible projects: projects that address public health problems or the pollution of impaired water bodies, projects necessary to comply with regulatory requirements, water recycling projects, projects undertaken to prevent or minimize water quality degradation, and projects undertaken in response to an administrative enforcement order.

(Added by Stats. 2004, Ch. 559, Sec. 1. Effective January 1, 2005.)

§ 13481.7. [Municipal indebtedness]
Subject to all applicable constitutional restrictions, a municipality may borrow money and incur indebtedness pursuant to this chapter.

(Added by Stats. 2011, Ch. 513, Sec. 8. Effective January 1, 2012.)

§ 13482. [Transfer of funds]
(a) In accordance with the Clean Water Bond Law of 1984 (Chapter 13 (commencing with Section 13999)), the board, with the approval of the Clean Water Finance Committee, may transfer funds from the Clean Water Construction Grant Account to the fund for the purpose of meeting federal requirements for matching moneys in the fund.

(b) Any repayment of fund moneys, including interest payments, and all interest earned on, or accruing to, any moneys in the fund, shall be deposited in the fund and shall be available, in perpetuity, for expenditure for the purposes and uses authorized by the federal act.

(c) A municipality that elects to provide matching funds shall do all of the following:

(1) Establish an account or other funding mechanism permitted by law for the deposit and use of those funds.

(2) Pay the state’s share of the amount of money owed to any contractor for services rendered to that municipality and transmit evidence of payment to that contractor to the board before the federal matching funds become available pursuant to the federal act.

(3) Grant to the state access to the financial records of the account or other funding mechanism established pursuant to paragraph (1).

(Amended by Stats. 1995, Ch. 370, Sec. 5. Effective August 4, 1995.)

§ 13483. [Rebate to federal government]
(a) To the extent permitted by federal and state law, moneys in the fund may be used to rebate to the federal government all arbitrage profits required by the federal Tax Reform Act of 1986 (Public Law 99-514), or any amendment thereof or supplement thereto. To the extent that this use of the moneys in the fund is prohibited by federal or state law, any rebates required by federal law shall be paid from the General Fund or other sources, upon appropriation by the Legislature.
(b) Notwithstanding any other provision of law or regulation, the board may enter into contracts, or may procure those services and equipment, which may be necessary to ensure prompt and complete compliance with any provisions relating to the fund imposed by either the federal Tax Reform Act of 1986 (Public Law 99-514) or the federal Clean Water Act. (Added by Stats. 1987, Ch. 1313, Sec. 1. Effective September 28, 1987.)

§ 13485. [Regulations]
(a) The board may adopt rules and regulations necessary or convenient to implement this chapter and to meet federal requirements pursuant to the federal act.
(b) The board may implement this chapter through a policy handbook that shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of the Government Code.
(c) This section shall become operative on July 1, 2014. (Repealed (in Sec. 189) and added by Stats. 2014, Ch. 35, Sec. 190. Effective June 20, 2014. Section operative July 1, 2014, by its own provisions.)

CHAPTER 7. WATER RECLAMATION [13500. - 13557.]
(Chapter 7 added by Stats. 1969, Ch. 482.)

Article 1. Short Title [13500. - 13500.]
(Article 1 added by Stats. 1969, Ch. 482.)

§ 13500. [Citation]
This chapter shall be known as and may be cited as the Water Recycling Law. (Amended by Stats. 1995, Ch. 28, Sec. 25. Effective January 1, 1996.)

Article 2. Declaration of Policy [13510. - 13512.]
(Article 2 added by Stats. 1969, Ch. 482.)

§ 13510. [Legislative declaration]
It is hereby declared that the people of the state have a primary interest in the development of facilities to recycle water containing waste to supplement existing surface and underground water supplies and to assist in meeting the future water requirements of the state. (Amended by Stats. 1995, Ch. 28, Sec. 26. Effective January 1, 1996.)

§ 13511. [Legislative findings]
The Legislature finds and declares that a substantial portion of the future water requirements of this state may be economically met by beneficial use of recycled water.

The Legislature further finds and declares that the utilization of recycled water 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. Use of recycled water constitutes the