



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

AB-277 Water and Wastewater Loan and Grant Program. (2017-2018)

SHARE THIS:  

Date Published: 10/04/2017 02:00 PM

Assembly Bill No. 277

CHAPTER 438

An act to add Chapter 6.6 (commencing with Section 13486) to Division 7 of the Water Code, relating to water.

[Approved by Governor October 03, 2017. Filed with Secretary of State October 03, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

AB 277, Mathis. Water and Wastewater Loan and Grant Program.

Existing law, the Safe Drinking Water State Revolving Fund Law of 1997, establishes the Safe Drinking Water State Revolving Fund to provide grants or revolving fund loans for the design and construction of projects for public water systems that will enable those systems to meet safe drinking water standards.

This bill would, to the extent funding is made available, authorize the State Water Resources Control Board to establish the Water and Wastewater Loan and Grant Program to provide funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment. This bill would authorize a county or qualified nonprofit organization to apply to the board for a grant to award loans or grants, or both, to an eligible applicant. The bill would authorize the board to use a funding source that is authorized for and consistent with the purposes of the program.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 6.6 (commencing with Section 13486) is added to Division 7 of the Water Code, to read:

CHAPTER 6.6. Water and Wastewater Loan and Grant Program

13486. (a) To the extent that funding is made available, the state board may establish a program in accordance with this chapter to provide funding as described in subdivision (a) of Section 13487.5 to eligible applicants for any of the following purposes:

- (1) Extending or connecting service lines from a water or wastewater system to the point of entry into a residential structure.
- (2) Paying reasonable charges or fees for connecting to a water or wastewater system.
- (3) Paying costs to properly abandon or destroy septic tanks and water wells, as necessary, to protect health and safety as required by local or state law.
- (4) Improving, rehabilitating, replacing, or repairing existing water wells, including associated equipment.

(5) Installing a water treatment system if the groundwater exceeds a primary or secondary drinking water standard, as defined in Section 116275 of the Health and Safety Code.

(b) The state board may adopt any guidelines it determines are necessary to carry out the purposes of this chapter. A guideline adopted pursuant to this subdivision shall not be subject to the rulemaking requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

13486.5. (a) As used in this chapter:

(1) "Qualified nonprofit organization" means an organization with experience in providing financial and technical assistance to disadvantaged communities that is qualified to operate in California and qualified for exempt status under Section 501(c)(3) of the Internal Revenue Code.

(2) "Small water system" means a system for the provision of piped water to the public for human consumption that serves at least two, but not more than 14, service connections and is not a public water system as defined in Section 116275 of the Health and Safety Code.

13487. (a) To fund the program authorized in this chapter, the state board may use a funding source that is authorized for and consistent with the purposes of this chapter.

(b) The state board shall use reasonable and feasible efforts to secure local matching funds for the purposes of funding projects pursuant to this chapter.

13487.5. (a) A county or qualified nonprofit organization may apply to the state board for a grant to award loans or grants, or both, to eligible applicants in the county in accordance with this chapter. The state board may award a grant to a qualified nonprofit organization only for a county that has not been awarded a grant pursuant to this subdivision.

(b) A county or qualified nonprofit organization that receives funding pursuant to this chapter shall annually provide the following information to the state board:

- (1) The number of loans and grants awarded.
- (2) The types of projects funded.
- (3) Project costs.
- (4) Whether there is demand for additional funding.

(c) The state board may advance funds pursuant to an agreement with a county or qualified nonprofit organization in accordance with this chapter. Section 11019 of the Government Code does not apply to an advance made pursuant to this subdivision.

13488. (a) An eligible applicant for a loan shall meet all of the following criteria:

- (1) Have a household income at or below 120 percent of the statewide median household income or, for a small water system, serve households with a median household income at or below 120 percent of the statewide median household income.
- (2) Have an ownership interest in the residence or small water system.
- (3) Be unable to obtain financial assistance at reasonable terms and conditions from private lenders and lack the resources to undertake these improvements.
- (4) Demonstrate an ability to repay the loan. This requirement may be satisfied by having another party join the application as a cosigner.

(b) Any loan provided shall be secured by appropriate collateral, which may include a mortgage on the residence and shall be repaid within 10 to 30 years in accordance with terms established by the state board. The interest rate on the loan shall not exceed 3 percent. Throughout the useful life of the improvement, a loan recipient shall furnish evidence of and continually maintain homeowner's insurance on the security residence to protect the state's interest in the residence.

(c) The county may enter into a contract with a private financial institution to provide loans consistent with the purposes of this chapter.

13489. (a) An eligible applicant for a grant shall meet all of the following criteria:

(1) Have a household income at or below 120 percent of the statewide median household income or, for a small water system, serve households with a median household income at or below 120 percent of the statewide median household income.

(2) Have an ownership interest in the residence or small water system.

(3) Be unable to obtain financial assistance at reasonable terms and conditions from private lenders and lack the resources to undertake these improvements.

(b) A grant recipient shall repay to the county or qualified nonprofit organization the grant amount in full if that recipient sells or transfers ownership of the residence or small water system less than five years from the date that the grant agreement was signed.