

PROPOSITION 4 EMERGENCY IMPLEMENTATION REGULATIONS

NOTICE OF PROPOSED EMERGENCY RULEMAKING ACTION

REGARDING

CALIFORNIA CODE OF REGULATIONS

TITLE 14. NATURAL RESOURCES

DIVISION 6. RESOURCES AGENCY

CHAPTER 2.

CALIFORNIA NATURAL RESOURCES AGENCY

**PROPOSITION 4 SAFE DRINKING WATER, WILDFIRE PREVENTION, DROUGHT
PREPAREDNESS, AND CLEAN AIR BOND ACT OF 2024**

GRANT AWARDS PROCESS

Notice Published February 5, 2026.

NOTICE IS HEREBY GIVEN that the California Natural Resources Agency (“CNRA”) proposes to adopt emergency regulations necessary to protect public health, safety, and the environment, by ensuring the immediate implementation of Proposition 4’s requirements that CNRA issue grants for the rehabilitation of the Clear Lake watershed. This action is being taken in accordance with Government Code sections 11346.1 and 11349.6 of the California Administrative Procedure Act, and Public Resources Code sections 91032(k) and 90135. It is authorized by Public Resources Code section 90500 and 91032(k).

Government Code section 11346.1, subdivision (a)(2), requires that, at least five working days prior to submission of a proposed emergency action to OAL, the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency action to OAL, OAL shall post the notice of proposed emergency action on its website and allow interested persons five calendar days to submit comments on the proposed emergency regulations, as set forth in Government Code section 11349.6.

PUBLIC COMMENT

If you wish to comment on the proposed emergency action, please submit your comment directly to both OAL and CNRA within five calendar days of OAL’s posting of the proposed

emergency regulations on the OAL website. You may submit comments to OAL and CNRA at the following addresses:

OAL Reference Attorney
300 Capital Mall, Suite 1250
Sacramento, CA 95814
staff@oal.ca.gov

California Natural Resources Agency
715 P Street, 20th Floor
Sacramento, CA 95814
Attn: Bonds & Grants Unit
bondsandgrants@resources.ca.gov

OAL will confirm that CNRA has received each comment before considering it. Pursuant to California Code of Regulations, title 1, section 55, subdivision (b)(1) through (4), the comment must state that it is about an emergency regulation currently under OAL review and include the topic of the emergency.

Adoption of emergency regulations does not require response to submitted comments. Where responses are issued by CNRA they will be submitted to OAL within eight calendar days following the date of submission of the proposed emergency regulations to OAL, unless specific exceptions are applicable.

FINDING OF EMERGENCY

This was deemed an emergency pursuant to Public Resources Code 90135, subdivision (e) which states the following:

(1) A regulation for the purpose of developing and adopting program guidelines and selection criteria needed to effectuate or implement the programs included in Chapter 2 (commencing with [Section 91000](#)) to Chapter 9 (commencing with [Section 94500](#)), inclusive, of this division may be adopted as an emergency regulation in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for purposes of that chapter, including [Section 11349.6](#) of the Government Code, the adoption of regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare, and a state agency is hereby exempted from the requirement that it describe facts showing the need for immediate action.

(2) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, an emergency regulation adopted pursuant to this

subdivision shall be filed with, but not be repealed by, the Office of Administrative Law, and shall remain in effect until repealed or amended by the adopting state agency.

AUTHORITY AND REFERENCE

Authority cited: Section 90135, Public Resources Code. Reference: Sections 90135 and 91032(k) of the Public Resources Code.

INFORMATIVE DIGEST / POLICY STATEMENT

Existing Law

CNRA develops and administers statewide local assistance grant programs. These programs include a Clear Lake Rehabilitation Grant Program that has been previously funded by Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 and the General Fund. Most recently, Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, allocated funds to CNRA for grants to improve the climate resiliency or for the protection of the Clear Lake Watershed.

Objectives and Benefits of the Emergency Regulations

This emergency rulemaking is intended to interpret and make specific certain provisions of Proposition 4 funding in Public Resources Code section 91032(k) so that grants can be issued for projects that improve the climate resilience of or protect the Clear Lake Watershed by providing local assistance to public agencies, local agencies, nonprofit organizations, special districts, joint powers authorities, tribes, public utilities, local publicly owned utilities, or mutual water companies.

Non-Duplication Justification

Some of the proposed regulations duplicate state statutes. Where a state statute is duplicated, the duplication is necessary to satisfy the “clarity” standard of Government Code section 111349.1(a)(3). The duplication will benefit those affected by the regulations by concentrating applicable requirements, such as defined terms and eligibility requirements, in one location—specifically the proposed regulations.

More specifically, the proposed language of the emergency regulations will accomplish the following:

- Proposed section 14210. Applicability and Scope.**

This section identifies that only Proposition 4 grants are encompassed by the emergency regulations.

● **Proposed section 14211. Definitions.**

This section provides definitions for those terms used in Proposition 4 and that were either defined throughout the bond, but difficult to locate. It is necessary to assist applicants in knowing the requirements of the bond and statutes governing the administration of the funding. Below are specific points regarding some of the defined terms.

- The definition of “CNRA” is derived from Government Code Section 12800.
- The definition of “Committee” is derived from Public Resources Code section 22086.
- The definition of “Disadvantaged Community” is derived from Public Resources Code section 90100(d).
- The definition of “environmental justice” is derived from Government Code 65040.12 and Public Resources Code Section 71110.
- The definition of “Grant” derived from the State Contracting Manual section 4.06.
- The definition of "Grant Agreement" is derived from the State Contracting Manual section 4.06.
- The definition of “Grantee” is derived from the State Contracting Manual section 4.06.
- The definition of "Joint Powers Authority" is derived from Government Code section 6500 et seq..
- The definition of "Nonprofit Organization" is derived from Public Resources Code section 90100.
- The definition of "Secretary" is derived from Government Code sections 21800 and 12802.
- The definition of “Severely Disadvantaged Community” is derived from Public Resources Code section 90100.
- The definition of "Tribe" is derived from Public Resources Code section 90100.
- The definition of “Vulnerable Population” is derived from Public Resources Code section 90100.

● **Proposed Section 14212. Applicant Eligibility.**

This section identifies the statutory requirements for applicant eligibility and is derived from Public Resources Code section 90110. It is necessary to assist potential applicants with understanding the statutory limitations relative to which entities are able to apply.

● **Proposed section 14213. Project Eligibility.**

This section identifies what projects may be funded with Prop 4 dollars by CNRA and are based on the permissible use of funding in Public Resources Code section 91032(k).

● **Proposed section 14214. Concept Proposals and Request for Full Proposals.**

This section specifies that CNRA will ask for short Concept Proposals so that it can provide an administrative review for project and applicant eligibility before it requests longer, more expensive requests for proposals. It is necessary to help applicants avoid the cost and administrative burden of submitting full applications on projects that may not be eligible for available funding. Concept Proposals will undergo an administrative review to determine whether the applicant and project eligibility requirements are met to ensure that applicants or projects that are not legally eligible do not waste time applying on full submittals.

The phrase “at a minimum” in the provision permits applicants to supplement their materials with additional information beyond what is required in subsections (1)-(11) in subsection (a). The minimum information required is necessary to allow CNRA to ascertain applicant and project eligibility, communicate with the applicant, and gain essential information about each applicant and the proposed project.

● **Proposed section 14215. Applications and Proposals.**

This section specifies how CNRA will accept applications and the minimum information it will need in each proposal to be able to evaluate an application. The phrase “at a minimum” in this section permits an applicant to supplement their proposal with additional information beyond what is required in paragraphs (1)-(12) of subdivision (a).

It is necessary to assist applicants to identify those universal information requirements CNRA and its staff need to administer the program effectively, and consistently with the statutory requirements. The information required in subsections (1)-(12) of subsection (a) is necessary for CNRA to evaluate each proposal, communicate with the applicant, and gain additional information about each applicant and proposed project beyond the basic information in 14214(a). This information is essential to the review committee’s evaluation of each proposal pursuant to 14216(b).

● **Proposed section 14216. Evaluation of Proposals.**

Pursuant to subsection (a) all proposals shall be reviewed by the Blue Ribbon Committee for the Rehabilitation of Clear Lake, whose members are identified in Public Resources Code section 22089 and consist of public agencies, Tribes, and experts in local economic development, agriculture, environment, and the local water supply. Subsection (a)(1) is

necessary to prevent self-dealing and ensure the awards are made on a fair and equal basis.

This section identifies what factors CNRA via the Blue Ribbon Committee for the Rehabilitation of Clear Lake will use to evaluate proposals. These factors are based on statutory requirements and program priorities, including alignment with Proposition 4 priorities to provide direct and meaningful benefits for Vulnerable Populations, alignment to meet program priorities consistent with the funding source, and technical factors that demonstrate project readiness. It is necessary to help applicants understand how CNRA will set funding priorities, and to ensure that applicants know the statutory preferences CNRA is obligated to consider.

● Proposed section 14217. Grant Awards.

Proposition 4 authorizes the award of grants. Grants of the type being issued by CNRA are not subject to the State Contracting process, and as such CNRA must independently develop a process for its award. (See the State Contracting Manual section 4.06.)

This section also explains how CNRA will review and make award recommendations for the selection of grants funded by Proposition 4. This section also specifies how CNRA's decision will be based on the information provided and the record before it.

● Proposed section 14218. Grant Agreements.

This section identifies those required terms and conditions all grants awarded by CNRA shall contain regardless of project type or applicant and makes it clear that terms that protect CNRA's fiduciary and legal obligations to the State will be included in those grants as necessary based on the unique projects before it. Because every project is different, this provision is necessary to allow CNRA to craft agreements that allow disbursement of the funding while protecting the State bond funds at issue here.

Lastly, the phrase "but is not limited to" is included in the provision because each grant agreement will likely contain project-specific terms and conditions beyond what is listed in paragraphs (1)-(7) of subsection (a).

Evaluation of Inconsistency and Incompatibility

CNRA has determined that these regulations are not inconsistent or incompatible with existing state or federal regulations. After conducting a review for any regulations that relate to or affect the area, CNRA has concluded that these are the only regulations in California concerning the issues presented. No comparable federal regulations exist.

Other Findings

- **Mandate on Local Agencies or School Districts:** None
- **Documents Relied Upon:** [State Contracting Manual, Volume 1, Chapter 4, Section 4.06, June 2025 Edition](#).
- **Cost or Savings to Any State Agency:** None
- **Reimbursable Cost to Any Local Agency or School District:** None
- **Other Nondiscretionary Cost or Savings Imposed on Local Agencies:** None
- **Cost or Savings in Federal Funding to the State:** None