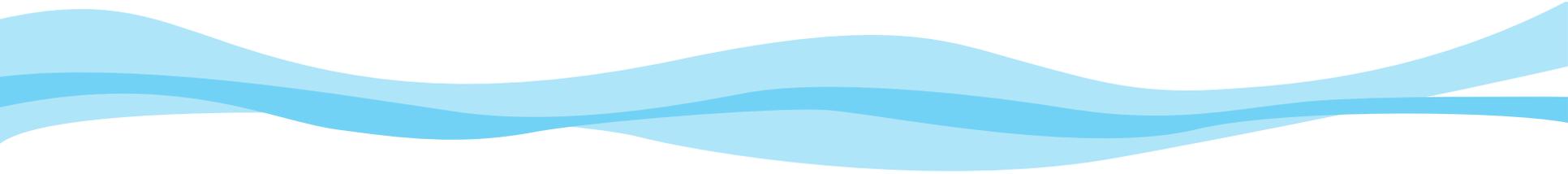


WATER BOND 2014
PROPOSITION 1

A decorative graphic consisting of several overlapping, wavy horizontal bands in various shades of light blue, spanning the width of the slide.

**The Water Quality, Supply and
Infrastructure Improvement Act of 2014**

San Bernardino Countywide Vision

Water Element Group

October 29, 2014

Proposition 1: The 2014 Water Bond

- \$7.5 billion general obligation bond measure set for Nov. 4, 2014, ballot
- Approved by Legislature and signed by Governor Brown on Aug. 13
 - Near unanimous, bi-partisan vote
- Replaces twice-delayed \$11.14 billion bond previously set for ballot

WATER BOND 2014
PROPOSITION 1



How did we get here?

Public concern at an all-time high

- More than 82% of voters say drought / water shortages are most pressing issue facing the state
- Majority support investments in our water system

(FM3 poll – June 2014)

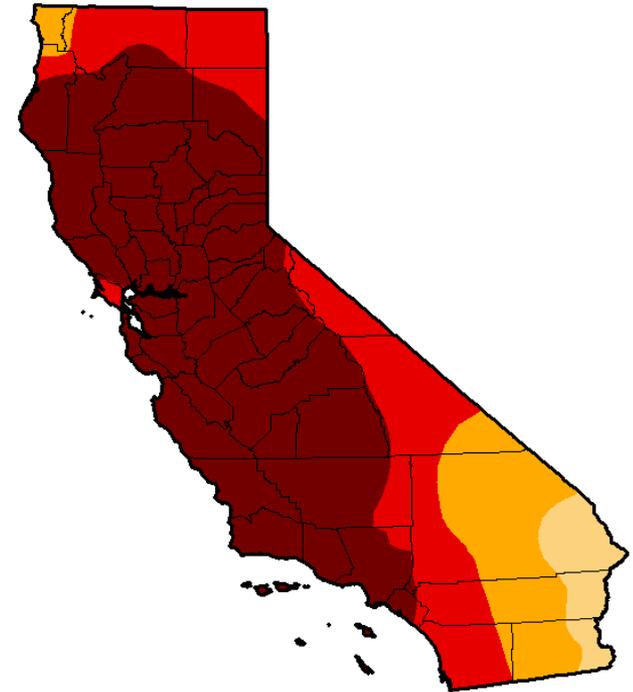
**82% of
voters**

say water
shortages are most
pressing issue



California Water Today

- 95% of state in “severe drought;” 58% in “exceptional drought”
- Key reservoirs at 1/3 capacity
- Groundwater basins overdrafted, ecosystems stressed
- Drinking water shortages, mandatory rationing in some areas
- \$2.2 billion impact on economy this year
- 420,000 acres idled; 17,000 jobs lost (UC Davis study)



Intensity:



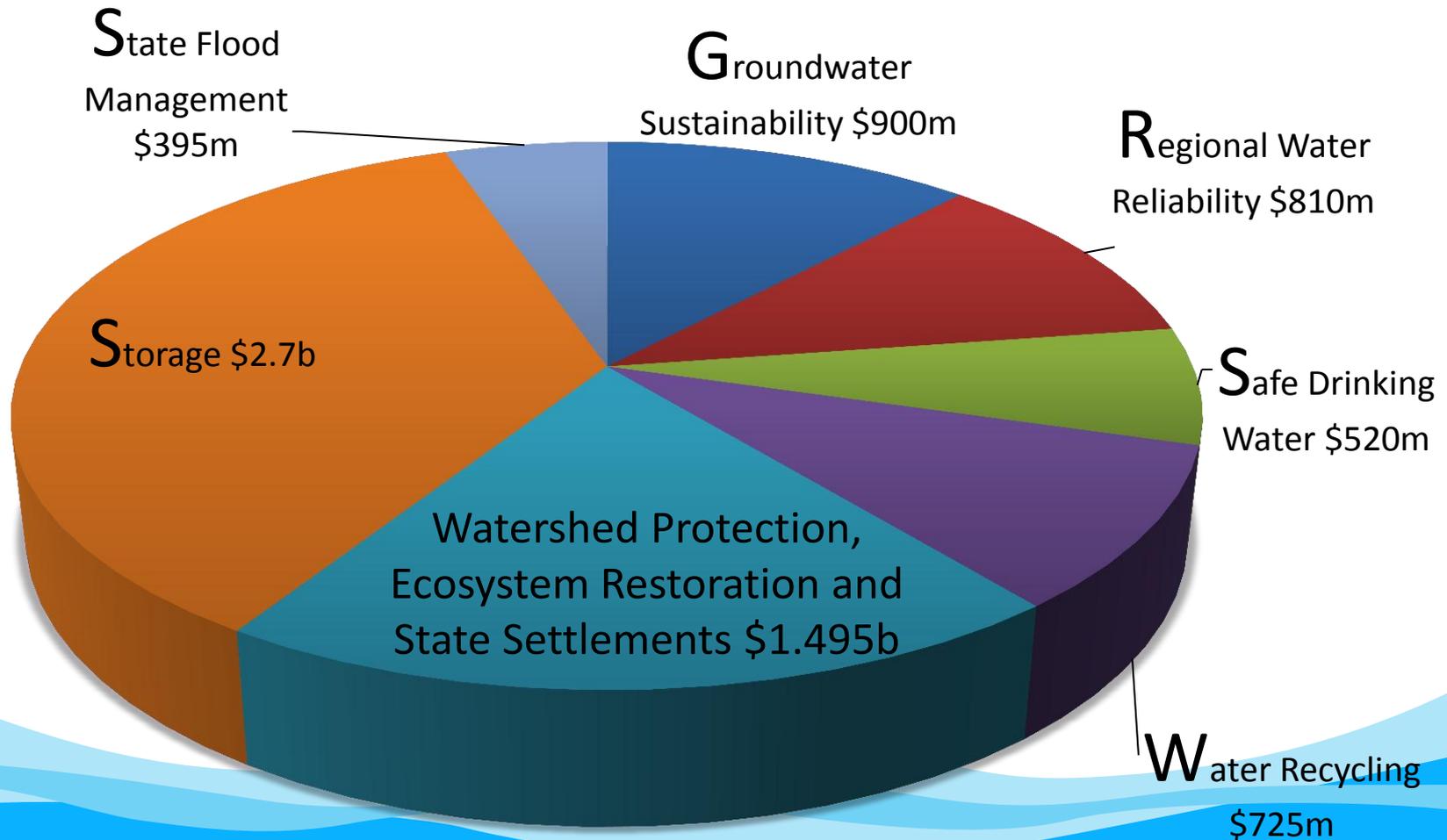
Proposition 1: The 2014 Water Bond

Key Features

- Funds projects / programs as part of a statewide, comprehensive water plan for California
- Competitive process within regions – Best available science
- Requires at least 50% local matching funds for most programs
- Eligible applicants include: public agencies, nonprofits, public utilities, tribes and mutuals
- Eliminates earmarks (pork)
- BDCP “Tunnel” Neutral

Proposition 1 Funding Categories

Total Expenditures = \$7.545 billion



What's In Proposition 1

Water Quality, Supply and Infrastructure Improvement Act of 2014

REGIONAL WATER RELIABILITY: \$810 MILLION

Water conservation, stormwater capture and other programs that increase local and regional water supplies.



1

REGIONAL WATER RELIABILITY

WATER RECYCLING

SAFE DRINKING WATER

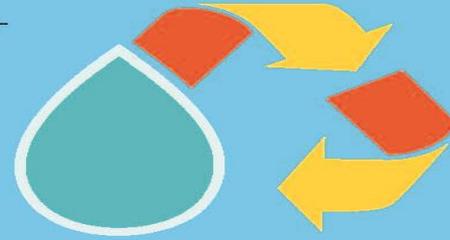
GROUNDWATER SUSTAINABILITY

WATERSHEDS AND FLOOD MANAGEMENT

STORAGE

WATER RECYCLING: \$725 MILLION

Water recycling and salt-removal projects to reuse water and maximize supplies.



2

SAFE DRINKING WATER: \$520 MILLION

Safe drinking water and clean water programs, particularly for disadvantaged communities.



3

GROUNDWATER SUSTAINABILITY: \$900 MILLION

Protection and cleanup of groundwater basins to help achieve sustainability.



4

WATERSHEDS AND FLOOD MANAGEMENT: \$1.89 BILLION

Habitat and watershed programs, enhancement for rivers and creeks, watersheds in designated areas, state commitments to restoration and statewide flood management.



5

STORAGE: \$2.7 BILLION

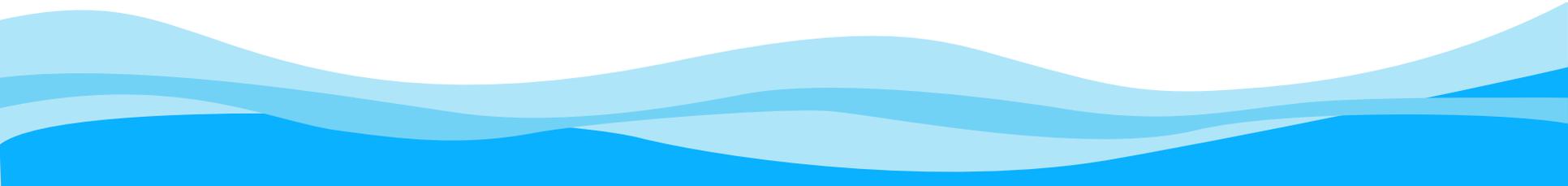
New water storage projects to add flexibility to the system and create more places to store water for use later. Dollars would be allocated on a competitive basis to projects ranging from local and regional surface storage to groundwater storage and cleanup to reservoir reoperation.



6

Proposition 1 Funding Categories

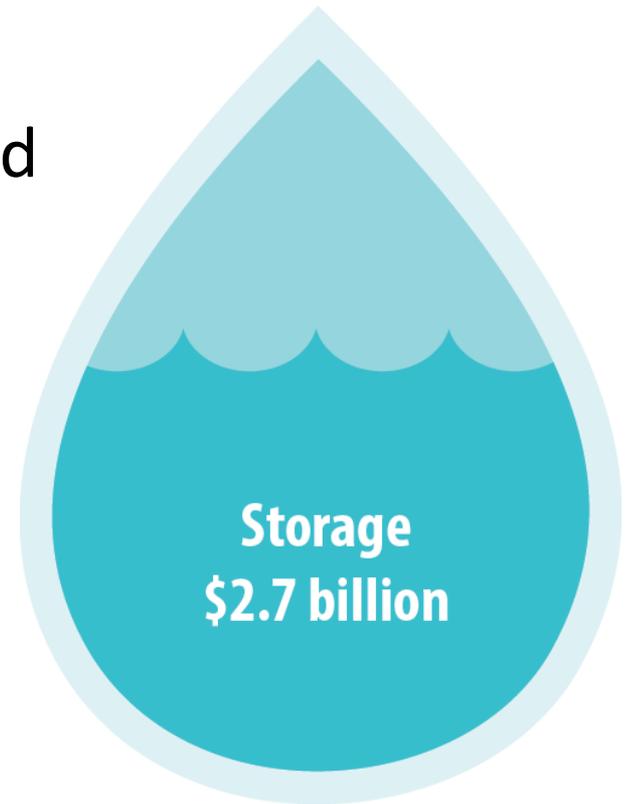
Local Resources Development - \$2.435 billion

- Regional water supply projects \$510 million
 - Stormwater capture \$200 million
 - Conservation \$100 million
 - Recycling / salt removal \$725 million
(including desalination)
 - Groundwater \$900 million
- 

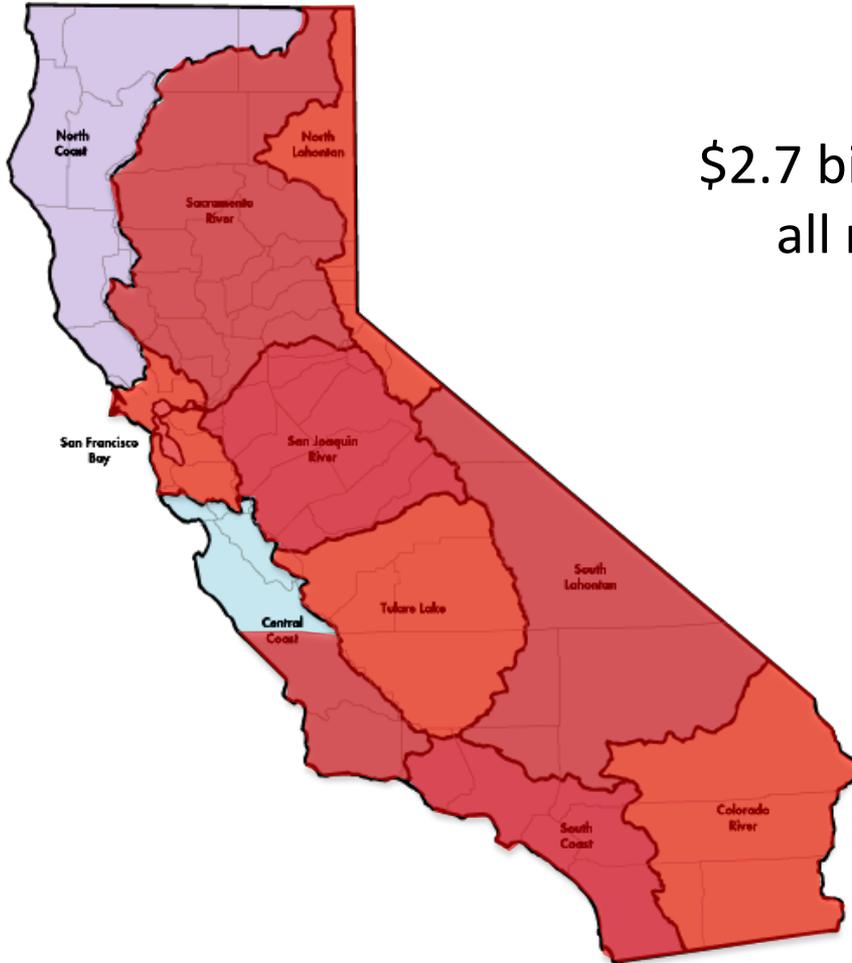
Proposition 1 Funding Categories

Water storage - \$2.7 billion

- Funding for 21st century above- and below-ground water storage projects
- Continuously appropriated to California Water Commission
- Projects selected through competitive process



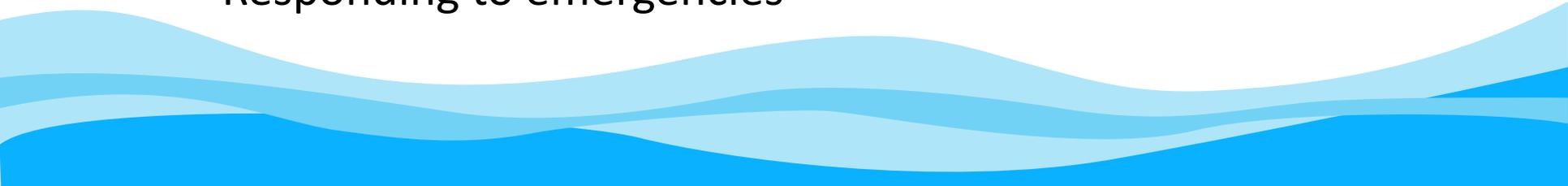
Proposition 1 Storage Funding



\$2.7 billion potentially available to all regions connected to the Bay-Delta watershed

Proposition 1 Funding Categories

Water storage - \$2.7 billion (cont'd)

- Eligible projects: surface storage, groundwater storage and remediation, conjunctive use, reservoir reoperation, local and regional surface storage
 - Funding for “public benefits” of projects only; local agencies / users pay for actual water supply
 - “Public benefits” include:
 - Restoring habitats
 - Improving water quality
 - Reducing damage from floods
 - Improving recreation
 - Responding to emergencies
- 

Proposition 1 Funding Categories

Watersheds / flood management – \$1.89 billion

- Habitat / watershed programs \$305 million
- Watersheds in designated regions \$515 million
- State commitments to restoration \$475 million
- Enhancements for rivers / creeks \$200 million
- Statewide flood management \$395 million



Proposition 1 Funding Categories

Safe Drinking Water - \$520 million

- Intended to leverage federal funds for safe drinking water and clean water programs
- Funding for safe drinking water for disadvantaged communities
- Small community wastewater program – \$260 million
- Drinking water public infrastructure – \$260 million



Safe Drinking Water
\$520 million

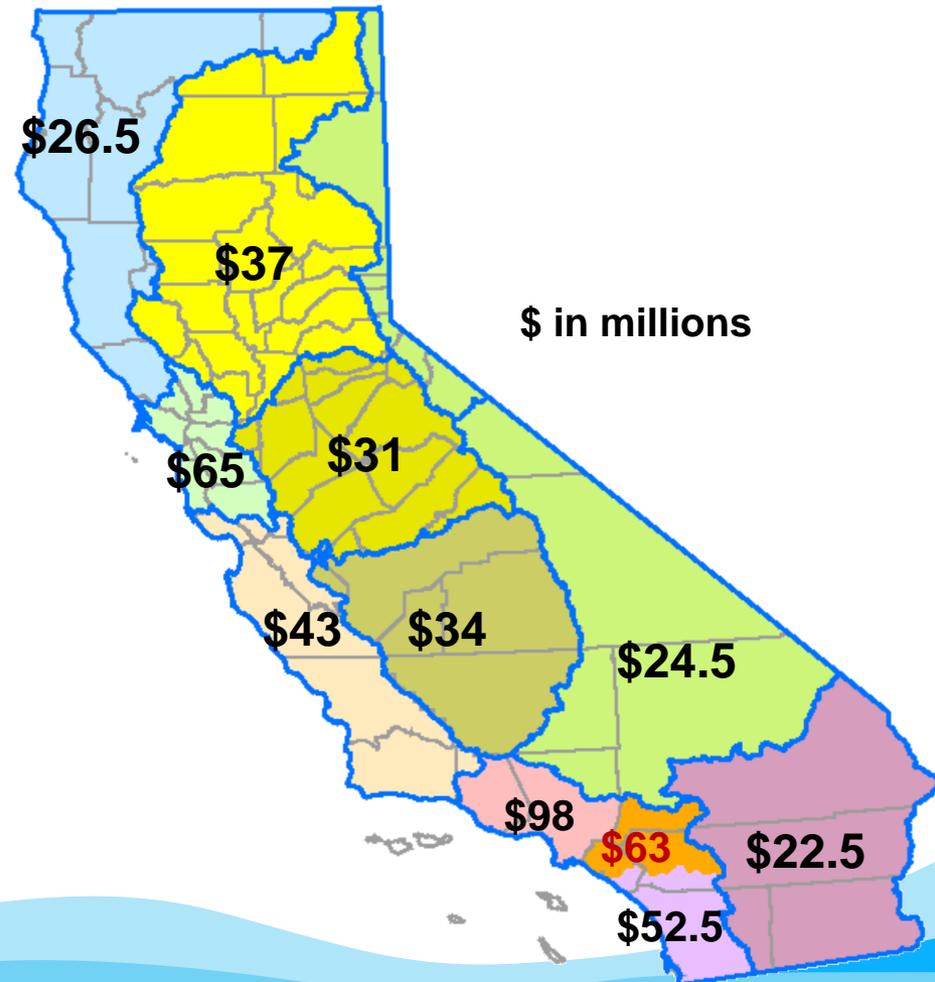
Chapter 7. Regional Water Security, Climate, and Drought Preparedness

Integrated Regional Water Management

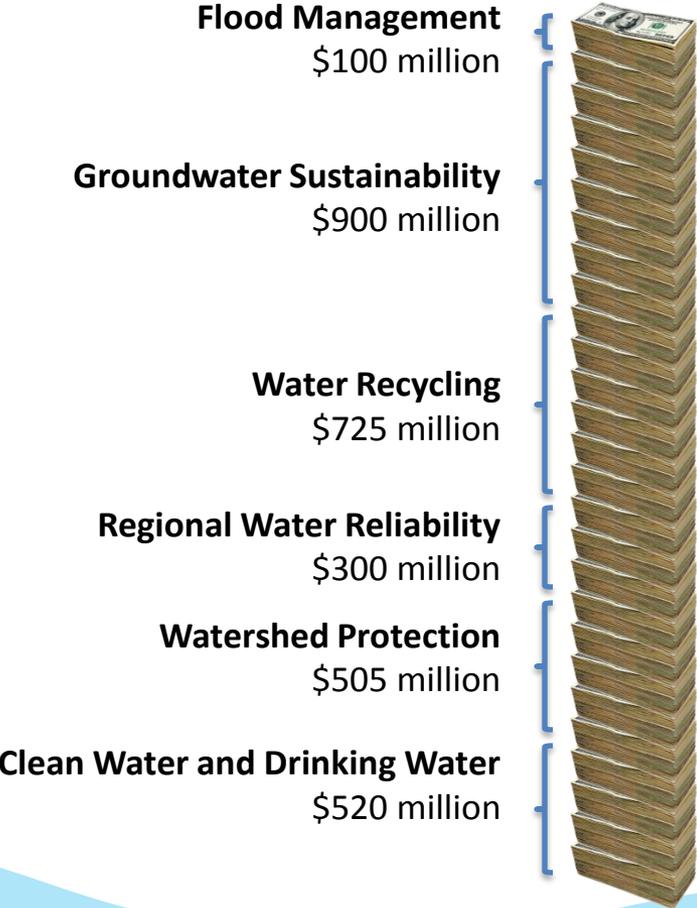
IRWM Funding Areas - \$510 million:

- North Coast hydrologic region
 - San Francisco Bay hydrologic region
 - Central Coast hydrologic region
 - Los Angeles sub-region
 - Santa Ana sub-region
 - San Diego sub-region
 - Sacramento River hydrologic region
 - San Joaquin River hydrologic region
 - Tulare/Kern hydrologic region
 - North/South Lahontan hydrologic region
 - Colorado River Basin hydrologic region
 - Mountain Counties Overlay
-
- Stormwater capture: **\$200 million.**
 - Water conservation: **\$100 million.**

Total: \$810 million

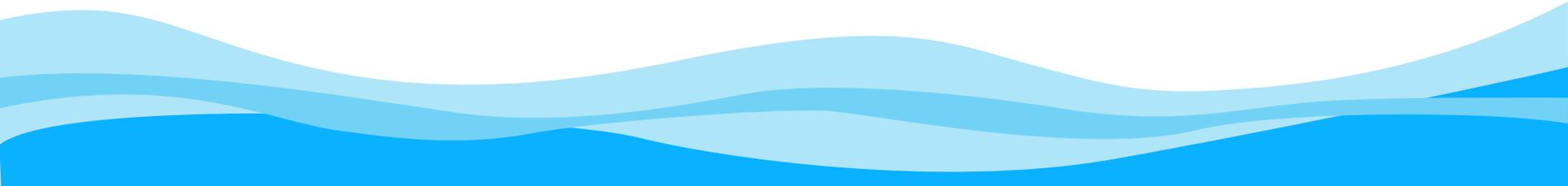


Proposition 1 Regional Benefits



Proposition 1: The 2014 Water Bond

About General Obligation Bonds

- GO bonds are used to fund infrastructure projects that benefit taxpayers.
 - Once authorized by voters, bonds are sold to investors and the proceeds are used to fund projects.
 - State makes annual payments from the General Fund until bonds are repaid with interest.
 - Each year, General Fund revenues must be set aside for debt-service payments on bonds.
 - Portion of revenues required to be set aside is known as debt-service ratio.
- 

Proposition 1: The 2014 Water Bond

Effects of Proposition 1 on Debt

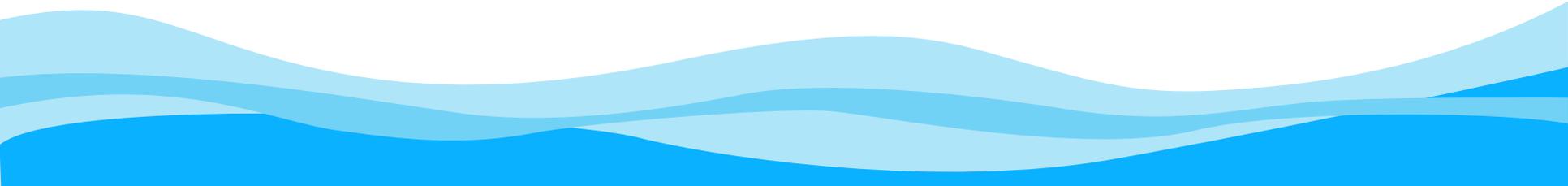
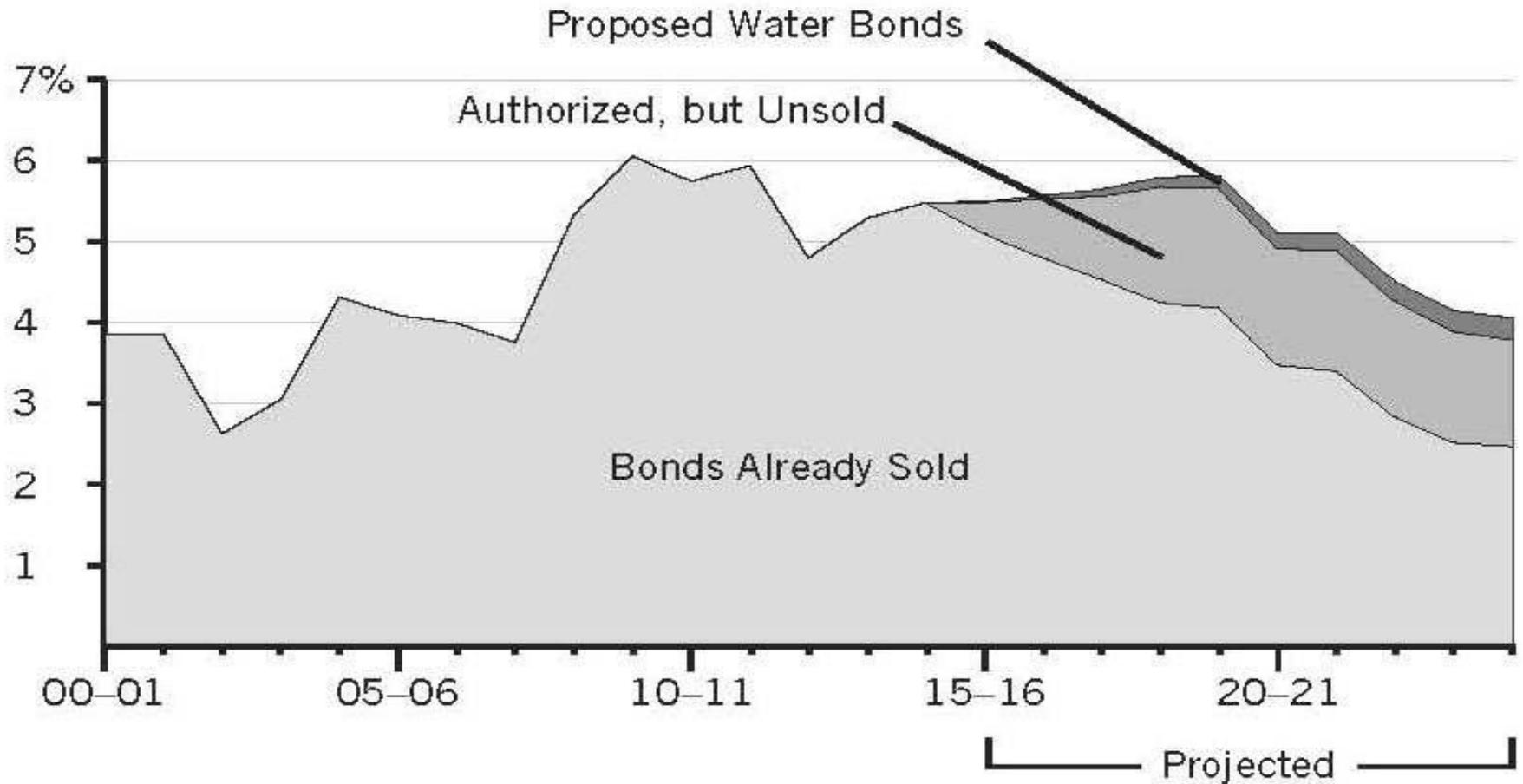
- Proposition 1 would cost the state \$360 million annually over 40 years.
 - State's current debt-service ratio is 5% of general fund revenues. It is expected to peak at just under 6% in 2018-19.
 - If Proposition 1 is approved by voters, debt-service ratio would increase by less than 0.3%
- 

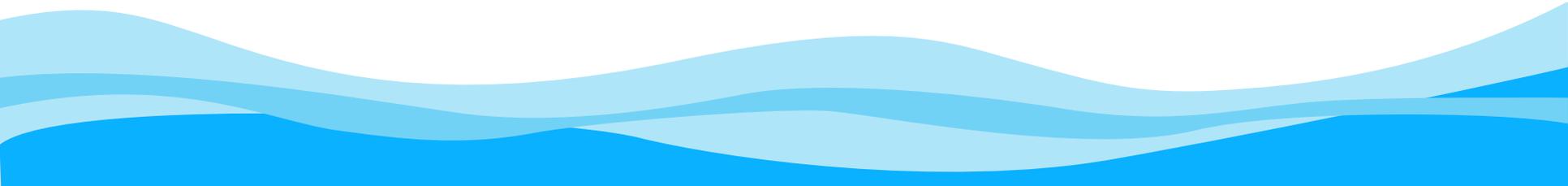
Figure 1

General Fund Debt-Service Ratio

Percent of General Fund Revenues Spent on Debt Service



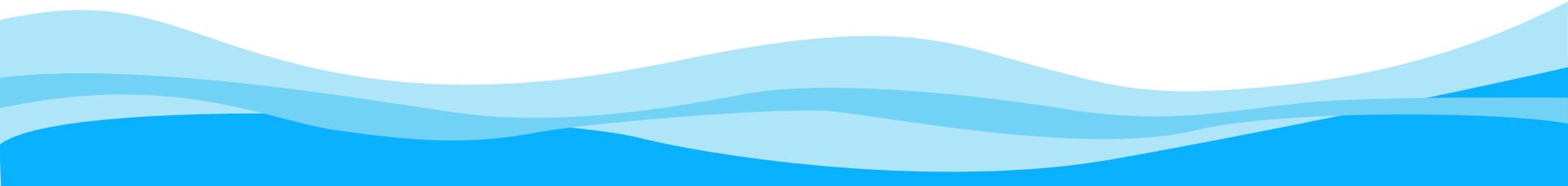
What Supporters Say about Prop. 1...

- Makes critical investments as part of comprehensive state plan.
 - Funds programs Californians strongly support – from water conservation to recycling to groundwater cleanup to safe drinking water.
 - Invests in 21st century water storage projects to better manage system for the environment and the economy and to store water in wet periods for use in dry years.
 - Fiscally responsible: doesn't raise taxes or fund "pork" projects.
 - Supported by Republicans, Democrats, local water agencies, farmers, conservation groups, and business organizations.
 - Supports economic growth and jobs.
- 

What Opponents Say about Prop. 1...

- Makes the wrong investments and does little to relieve the drought.
 - Does not produce new water and fails to reduce strain on the Delta ecosystem.
 - Wrongly focuses on building more dams and does nothing to achieve long-term regional water self-sufficiency.
 - Adds billions of dollars of taxpayer debt and takes funding away from education and public health.
 - Subsidizes private interests who want to build expensive dams that will only increase water supply by 1%.
- 

You can tell a lot about a Proposition by looking at who its friends/enemies are?

- **Pro Proposition 1 Argument**
 - Governor Brown
 - President of California Farm Bureau
 - Director of The Nature Conservancy
 - **Against Proposition 1 Argument**
 - Chairman, Assembly Natural Resources
 - Director, Food & Water Watch
 - Director Pacific Coast Federation of Fishermen's Associations
- 

Broad Support For Proposition 1

Partial list as of Oct. 7, 2014

Business Interests

Bay Area Council
Bay Planning Coalition
California Chamber of Commerce
Coachella Valley Economic Partnership
Delta Counties Coalition
East Bay Leadership Council
Fullerton Chamber of Commerce
Los Angeles County Business Federation
Orange County Business Council
San Diego Regional Chamber of Commerce
Silicon Valley Leadership Group
Simi Valley Chamber
South Bay Association of Chambers of Commerce
Southwest California Legislative Council
Torrance Area Chamber of Commerce
Valley Industry and Commerce Association

Agricultural Interests

California Citrus Mutual
California Farm Bureau Federation
California Rice Commission
Sierra Orchards
Western Growers Association

Statewide Groups

California State Association of Counties
California Democratic Party
California Republican Party
League of California Cities
Rural County Representatives of California

Environmental Organizations

Audubon Society
California League of Conservation Voters
California Trout
Clean Water Action
Community Water Center
Defenders of Wildlife
Ducks Unlimited
Environ International Corporation
Heal the Bay
Natural Resources Defense Council
The Nature Conservancy
Trout Unlimited

Labor

California Alliance for Jobs
California Conference of Carpenters
California Labor Federation
California State Council of Laborers
California-Nevada Conference of Operating Engineers
California State Building and Construction Trades Council

WATER BOND 2014
PROPOSITION 1

Broad Support For Proposition 1

Partial list as of Oct. 7, 2014

Water Agencies

Association of California Water Agencies	Metropolitan Water District of Southern CA	Santa Margarita Water District
Bella Vista Water District	Mojave Water District	Solano County Water District
Calaveras County Water District	Monte Vista Water District	Sonoma County Water Agency
California Association of Sanitation Agencies	Newhall County Water District	South Coast Water District
Calleguas Municipal Water District	North State Water Alliance	Tehama-Colusa Canal Authority
Castaic Lake Water District	Northern California Water Association	Three Valleys Municipal Water District
Coachella Valley Water District	Olivenhain Municipal Water District	Triunfo Sanitation District
Contra Costa Water District	Orange County Water District	Tulare Irrigation District
Cucamonga Valley Water District	Orland-Artois Water District	Turlock Irrigation District
Dublin San Ramon Services District	Padre Dam Municipal Water District	Upper San Gabriel Valley Municipal Water District
East Bay Municipal Utility District	Pajaro Valley Water Management Agency	Valley Center Municipal Water District
Eastern Municipal Water District	Puente Basin Water Agency	WaterReuse California
El Toro Water District	Regional Water Authority	West Basin Municipal Water District
Friant Water Authority	Rincon del Diablo Municipal Water District	Western Municipal Water District
Helix Water District	Rio Alto Water District	West Valley Water District
Humboldt Bay Municipal Water District	Rio Linda Elverta Community Water District	Yuba County Water Agency
Indian Wells Valley Water District	San Diego County Water Authority	Zone 7 Water Agency
Inland Empire Utilities Agency	San Gabriel County Water District	
Irvine Ranch Water District	San Gabriel Valley Municipal Water District	
Kinneloa Irrigation District	San Geronio Pass Water Agency	
La Puente Valley County Water District	San Juan Water District	
Las Virgenes Municipal Water District	Santa Clara Valley Water District	

WATER BOND 2014
PROPOSITION 1

Is California Ready?

- **“During the dry years, the people forgot about the rich years, and when the wet years returned, they lost all memory of the dry years. It was always that way.”**
- — [John Steinbeck](#), [*East of Eden*](#)