

PROPOSITION 3
2018 November Water Bond Act
Presentation to
North San Diego Business Chamber

Status of Prop. 1 funds

\$2.7 billion in storage funds were allocated by California Water Commission in July.

Of remaining \$4.8 billion, funds will be largely exhausted by 2019.

How is November's Proposition 3 water bond different from Proposition 1 (2014 water bond)?

- No allocation to California Water Commission. No similar convoluted language.
- Direct appropriation to DWR, SWRCB and other state agencies. No legislative appropriation.
- Use of existing guidelines for existing programs. No new regulations required.

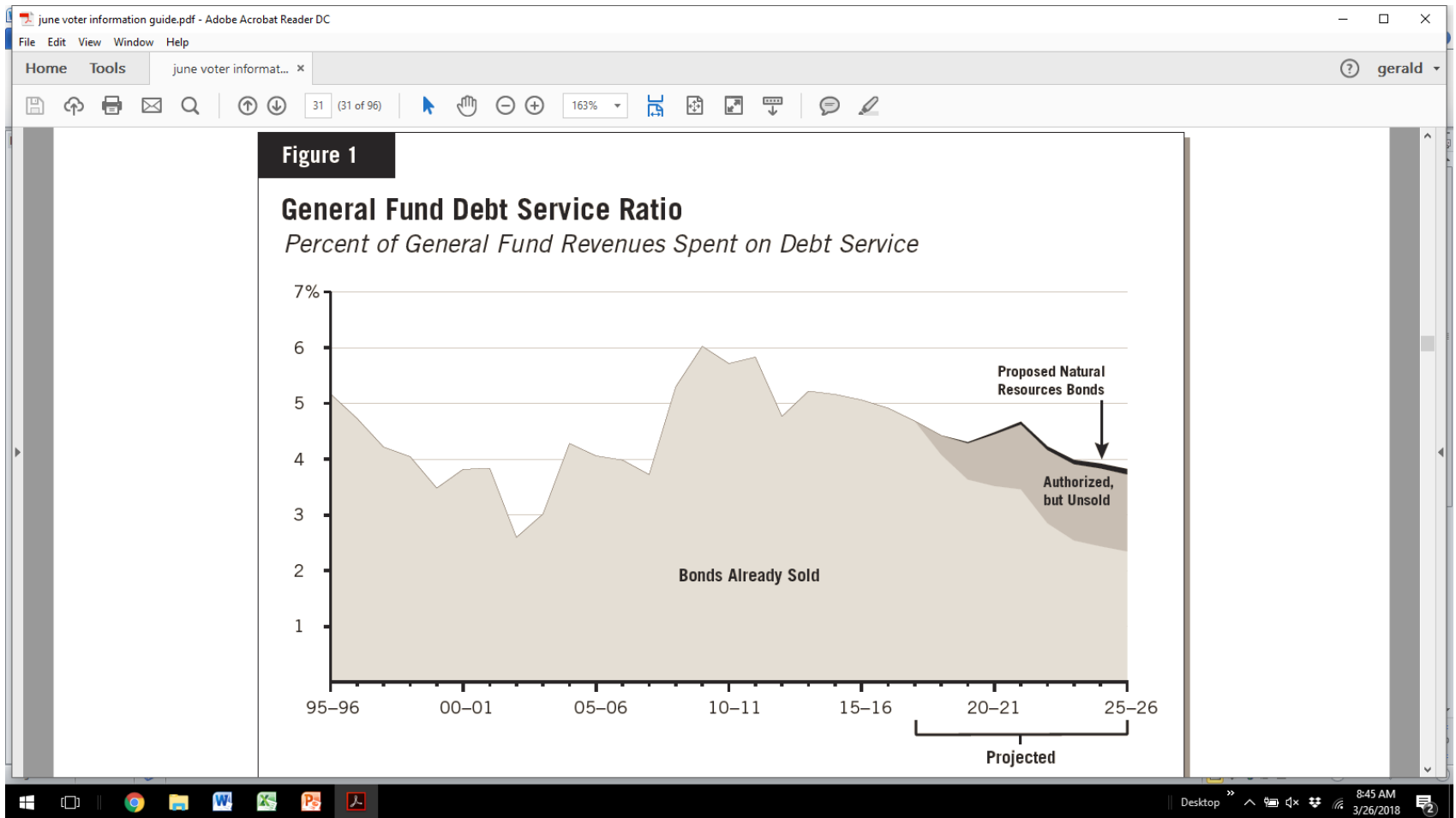
Proposition 68 (June 2018)

- Legislative bond: SB 5 (DeLeon)
- Primarily urban park bond
- June vs November
- Small overlap between measures (18%)
- Voters forget after 5 months

- HOW MUCH WATER AND FLOOD CONTROL INVESTMENT DOES CALIFORNIA NEED?
- San Francisco Baylands flood protection. \$1.43 billion
- Flood Control in Central Valley \$17 billion
- State Flood control: \$50 billion
- Wastewater recycling: \$15 billion
- Water conservation: 2,000,000 AF: \$800 million
- Salton Sea stabilization: Up to \$3 billion
- Safe Drinking Water: \$45 million per year for many years
- Stormwater: \$20 billion in Los Angeles Region alone
- Stormwater, safe drinking water, flood management, water for endangered species, and integrated water management: \$2-3 billion per year for foreseeable future

- **IMPACT ON STATE DEBT**

- Bond debt service should not substantially exceed six percent of general fund.
- Present ratio is below four percent.
- With \$14 billion of new debt in November, 2018, the debt ratio will still stay below 5%, and then gradually decline again.
- Very strong state income and low previous bond issuance mean very high bond rating.



MAIN SAN DIEGO BENEFITS

• Urban Water Conservation	\$300 million
• Wastewater Recycling	\$400 million
• SGMA Compliance	\$675 million
• Oroville Dam Repair	\$200 million
• Salton Sea	\$200 million
• Stormwater (\$40 million minimum)	\$550 million
• Fish Habitat & Waterfowl Habitat	\$1450 million
• Watershed restoration	\$2400 million
• San Diego River Conservancy	\$40 million
• San Diego Bay Restoration	\$15 million
• Borrego Valley Groundwater	\$35 million
• Tijuana River	\$10 million

OTHER KEY FUNDING CATEGORIES

- **Safe Drinking Water** **\$500 million**
- **Wastewater for DACs** **\$250 million**
- **Agricultural Water Conservation** **\$50 million**
- **Desalting (inland)** **\$400 million**
- **Flood Management** **\$500 million**
- **Repair Friant Kern Canal** **\$750 million**

**WATER SUPPLY BENEFITS OF Proposition 3, THE
WATER SUPPLY AND CLEAN WATER BOND INITIATIVE
BASED ON INVESTMENT AND REQUIRED MATCHING FUNDS
DROUGHT YEAR SUPPLIES**

SOURCE	SUPPLY IN ACRE FEET/YEAR
WASTEWATER RECYCLING	124,000
DESALTING	70,000
STORMWATER CAPTURE	101,000
URBAN WATER CONSERVATION	589,000
WATERSHED MANAGEMENT AND TREATMENT	661,000
REPAIR OF FLOOD CONTROL DAMS	20,000
REPAIR OF FRIANT KERN CANAL	200,000
TOTAL	1,765,000

An urban family in California uses .5 acrefeet per year.

Year

1960 burns porter act. Bond. Established state water project.

1970 recreation at state water project; fish and wildlife enhancement

clean water bond act

1974 clean water bond act

1976 safe drinking water bond act

1978 clean water and water conservation bond

1980 amend safe drinking water bond act of 1976

1984 safe drinking water bond act

clean water bond act

1986 water conservation and water quality bond

safe drinking water bond act

1988 water conservation bond act

clean water and water reclamation bond act

safe drinking water bond act

1990 water resources bond act

1996 safe reliable water supply bond act

2000 parks, water, air coast bond act

water bond act

2002 parks, water, air, coast bond act

water quality supply safe drinking water initiative

2006 water bond act initiative

Disaster preparedness and flood prevention

2014 water Quality, Supply, Treatment, Storage

2018 parks, water, climate change

- **Prop. 1 water bond statewide (2014: 67%)**
- **Measure AA SF Bay Restoration (2016: 70%)**
- **John Cox; Sen. Feinstein**
- **Strong inter-sector support**
 - **California Building Industry Association, California Chamber of Commerce, California Business Properties**
 - **Wildcoast, Anza Borrego Fndn, Ducks Unlimited, California Waterfowl Association, Save the Bay, National Wildlife Federation, Sustainable Conservation, Climate Resolve, Planning and Conservation League**
 - **Association of California Water Agencies, No. Calif. Water Assoc., So. Cal. Water Coalition**
 - **Rice, Fresh Fruit, Cotton, Pistachio, Dairy, Ag Council, Farm Bureau, Western Growers**
 - **EJ: Community Water Center, Leadership Counsel for Justice and Accountability**

Key funders as of February 16

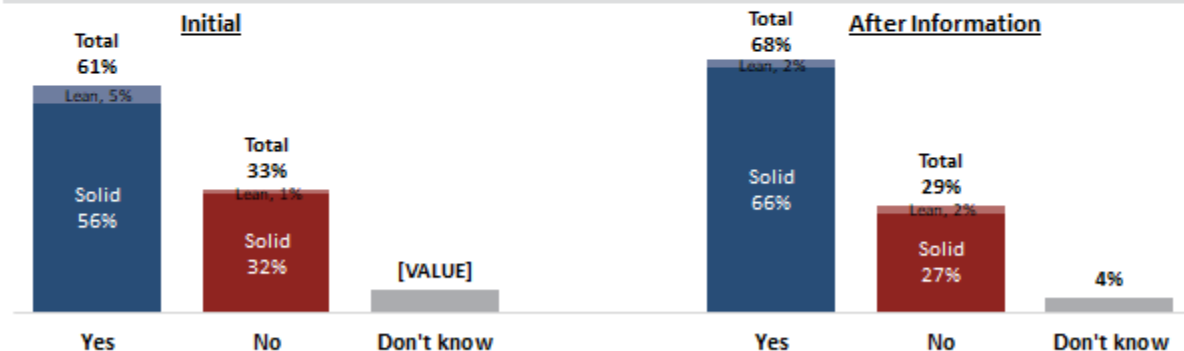
Friant	\$637,000
Fresh Fruit	\$105,000
Rice	\$100,000
Western Growers	\$75,000
Ducks Unlimited	\$200,000
Northern Ca. Water Association	\$100,000
California waterfowl	\$275,000
American Pistachio Growers	\$60,000
California Wildlife Foundation	\$150,000
Grasslands	\$20,000
Borrego Groundwater supporters	\$92,500
California Citrus Mutual	\$25,000
California Waterfowl Assoc.	\$275,000
California Building Industry Assoc.	\$25,000
Dairy industry	\$230,000
Engineering/consulting/ACEC	\$69,000

California Water Bond of 2018



AUTHORIZES BONDS TO FUND PROJECTS FOR WATER SUPPLY AND QUALITY, WATERSHED, FISH, WILDLIFE, WATER CONVEYANCE, AND GROUNDWATER SUSTAINABILITY AND STORAGE. INITIATIVE STATUTE. Authorizes \$8.877 billion in general obligation bonds for: safe drinking water, watershed and fisheries improvements, improved water conveyance, groundwater sustainability/storage, surface water storage/dam repairs. Fiscal Impact: Increased state bond repayment costs averaging \$444 million annually over 40 years. Local government savings for natural resources-related projects, likely averaging tens of millions of dollars annually over the next few decades.

If the election were held today, would you vote yes to approve or no to reject this measure?



Telephone/Web hybrid survey of likely November 2018 voters in California conducted March 21-29th, 2018.
600 interviews conducted with a margin of error of ± 4.0 percentage points.

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