2018 Water Bond Act Initiative

Benefits for Los Angeles County
Status of Prop. 1 funds

$2.7 billion in storage funds to be allocated by California Water Commission in 2018.

Of remaining $4.8 billion, $1 billion is still to be allocated by legislature.

Prop. 1 funds will be largely exhausted by 2019.
Prop. 68 interaction

- SB 5 (DeLeon)
- June vs November
- Small overlap (18%)
- Voters forget after 5 months
- Need for compatible campaigns
• **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 projected to decline below five percent.
  
  • With $16 billion of new debt in 2018, the debt ratio will climb a bit above 5%, and then gradually decline again.
  
  • A lot depends on the growth of the general fund budget.
Figure 1
General Fund Debt-Service Ratio

Percent of General Fund Revenues Spent on Debt Service

Bonds Already Sold
Authorized, but Unsold
Proposed School Bonds

Projected
HOW WAS THE SIZE OF THE WATER BOND INITIATIVE DETERMINED?

Trend in water bonds:

1996 Prop 204 $995 million
2002 Prop 50 $3.4 billion
2006 Prop 84 $5.4 billion
2014 Prop 1 $7.12 billion
(2016 Prop 51 Schools) $9 billion

Water bond initiative $8.877 billion
WATER SUPPLY BENEFITS OF THE
WATER SUPPLY AND CLEAN WATER BOND INITIATIVE
BASED ON INVESTMENT AND REQUIRED MATCHING FUNDS

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>SUPPLY IN ACRE FEET/YEAR</th>
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<tbody>
<tr>
<td>WASTEWATER RECYCLING</td>
<td>124,000</td>
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<tr>
<td>DESALTING</td>
<td>70,000</td>
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<tr>
<td>STORMWATER CAPTURE</td>
<td>101,000</td>
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<tr>
<td>URBAN WATER CONSERVATION</td>
<td>589,000</td>
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<tr>
<td>WATERSHED MANAGEMENT AND TREATMENT</td>
<td>661,000</td>
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<td>REPAIR OF FLOOD CONTROL DAMS</td>
<td>20,000</td>
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<tr>
<td>REPAIR OF FRIANT KERN CANAL (ESTIMATE)</td>
<td>300,000</td>
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<tr>
<td>TOTAL</td>
<td>1,865,000</td>
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<tr>
<td>Category</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------------</td>
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<tr>
<td>Safe Drinking Water</td>
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<tr>
<td>Wastewater for DACs</td>
<td>$250 million</td>
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<tr>
<td>Urban Water Conservation</td>
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<tr>
<td>Wastewater Recycling</td>
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<tr>
<td>Desalting (inland)</td>
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<td>SGMA Compliance</td>
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<td>Flood Control Reservoir Repairs</td>
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<td>Oroville Dam Repair</td>
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<td>Repair Friant Kern Canal</td>
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<tr>
<td>Salton Sea</td>
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<tr>
<td>Stormwater</td>
<td>$550 million</td>
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<tr>
<td>Fish Habitat &amp; Waterfowl Habitat</td>
<td>$1450 million</td>
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<tr>
<td>Watershed restoration</td>
<td>$2400 million</td>
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History of voting on California Water Bonds

Year | Bond Act
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1970 | recreation at state water project; fish and wildlife enhancement
2nd 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
2nd bond act
1986 | water conservation and water quality bond
2nd bond act
1988 | water conservation bond act
2nd bond act
1990 | water resources bond act
1996 | safe reliable water supply bond act
2000 | parks, water, air, coast bond act
2nd bond act
2002 | parks, water, air, coast bond act
2nd bond act
2006 | water bond act initiative
2014 | Disaster preparedness and flood prevention
2014 | water Quality, Supply, Treatment, Storage
- Prop. 1 water bond statewide  (2014: 67%)
- Measure AA SF Bay Restoration (2016: 70%)
- Governor position; candidates for Governor
- Strong inter-sector support
  - California Building Industry Association, California Chamber of Commerce, Sierra Business Council
  - Ducks Unlimited, California Waterfowl Association, Save the Bay, Ca. Native Plant Society
  - Southern California Water Committee, Association of California Water Agencies, Northern California Water Agency
  - Rice, Fresh Fruit, Pistachio, Dairy, Ag council, Western Growers
Key funders

Friant water users $560,000
Fresh Fruit $100,000
Rice $100,000
Ducks Unlimited $200,000
Northern Ca. Water Association $100,000
California waterfowl $275,000
American Pistachio $60,000
California Wildlife Foundation $150,000
Grasslands $20,000
Borrego Groundwater supporters $92,500
California Citrus Mutual $25,000
California Building Industry Assoc. $25,000
Dairy industry $230,000
Wonderful Company $50,000