Proposition 1
Water Bond Update

Construction Management Association of America
October 30, 2014
Nathan Purkiss, Legislative Services Manager, MWD
2014 Drought Impacts
State Water Project

Lake Oroville – July 20, 2011

Lake Oroville – Jan 16, 2014
Metropolitan Water District

- Regional water wholesaler
- 26 Member Agencies
- 6 counties
- Serving approximately 19 million residents
- 5,200 square mile service area
- $1 trillion economy
Metropolitan’s Service Area Diverse Water Supplies

- Southern California Water Portfolio
  - 25% Colorado River
  - 30% State Water Project (through the Delta)
  - 45% Local Supplies
    - Los Angeles Aqueduct
    - Conservation
    - Groundwater
    - Recycling
    - Desalination
MWD Water Supply Strategy
Average Year Water Supply – 1990 vs. 2035

1990 – 41% Local
Heavy dependence on imported supplies

2035 – 64% Local
Emphasis on conservation, recycling, & local supplies
History of Proposition 1 - Water Bond

- $11.14 billion general obligation bond authorized as part of 2009 Delta Reform Act comprehensive package for placement on 2010 ballot
- Rescheduled to 2012 ballot by Legislature, due to general economic conditions
- Moved to 2014 by Legislature due to competing measures and continued concerns with CA economy
Proposition 1
Water Quality, Supply and Infrastructure Improvement Act of 2014

• AB 1471 (Rendon): Vote in Assembly 77-2 and in Senate 37-0

• Repeals existing $11.14 billion bond

• Authorizes $7.120 billion in new debt

• Repurposes $425 million from prior bonds

Governor Brown signing AB 1471 on August 13, 2014
Proposition 1 General Provisions

- No earmarks
- Competitive process
- Projects that leverage non-state funds given priority
- BDCP neutral
  - Prohibits expenditures for Delta conveyance
- Eligible applicants include: public agencies, nonprofits, public utilities, tribes and mutual water companies
Proposition 1 - Water Quality, Supply and Infrastructure Improvement Act of 2014
$7.545 billion

- Storage $2.7B
- Regional Water Reliability $810M
- Watershed Protection, Ecosystem Restoration and State Settlements $1.495B
- Water Recycling $725M
- Safe Drinking Water $520M
- Groundwater Sustainability $900M
- Statewide Flood Management $395M
Storage: $2.7B

State Water System Operational Improvements

• Continuous appropriation

• CA Water Commission to develop public benefit criteria

• Eligible projects: surface storage, groundwater storage and remediation, conjunctive use, reservoir reoperation, local and regional surface storage

• Delta: Projects must demonstrate measurable improvement to Delta ecosystem or tributaries
Watershed Protection, Ecosystem Restoration & State Settlements $1.495B

- $285 million for restoration outside Delta
- $87.5 million for restoration within Delta
- $200 million for restoration of flows
- $475 million for state settlements
- $120 million for rivers and creeks
- $327.5 million for state conservancies
Groundwater $900M

• Prevention or cleanup of groundwater basins

• Project priorities include Superfund designated sites

• Cannot be used to recover costs from responsible parties

• $100 million for grants to develop and implement groundwater management plans
Regional Water Reliability $810M

- $510M Integrated Regional Water Management (IRWM)
- $200M Stormwater capture
- $100M Water conservation
- Not less than 10% allocated statewide to projects that benefit disadvantaged communities (DACs)
Water Recycling $725M

Funding available for:

- Potable and nonpotable recycling
- Salt removal projects, including seawater desalination
- 50% local match; waiver for DACs
Clean, Safe and Reliable Drinking Water $520M

- $260 million for drinking water public infrastructure
- $260 million for small community wastewater projects
- At least 10% of funds to severely disadvantaged communities
- At least 20% allocated for DAC technical assistance
Flood Management $395M

• Must fund multi-benefit projects to achieve public safety and fish and wildlife habitat enhancement

• $100 million for statewide flood management projects

• $295 million to:
  – Delta Levee Subvention Program
  – Special Flood Protection Projects
  – To improve resiliency of Delta levees
  – Emergency response and repair
Proposition 1 Supporters
(Partial List)

- CA Governor Jerry Brown
- US Senators Dianne Feinstein and Barbara Boxer
- Association of California Water Agencies (ACWA)
- The Metropolitan Water District of So. California
- California Chamber of Commerce
- Natural Resources Defense Council
- LA Area Chamber of Commerce
- The Nature Conservancy
- Delta Counties Coalition
- State Building and Construction Trades Council
- California Farm Bureau Federation
- Western Growers
Proposition 1
Arguments in Support

- Ensures reliable water supply during severe drought – protecting both the economy and environment
- Fiscally responsible
- Grows California’s economy
- Safeguards our existing water supplies
- Stores water when we have it
- Protects the environment
- Contains strict accountability requirements
Proposition 1 Opponents
(partial list)

- Center for Biological Diversity
- Central Delta Water Agency
- Food and Water Watch
- Friends of the River
- Pacific Coast Federation of Fishermen’s Associations
- Restore the Delta
- Southern California Watershed Alliance
- South Delta Water Agency
- Winnemem Wintu Tribe
Proposition 1
Arguments in Opposition

- Ushers in new era of big dams
- Undermines “beneficiary pays” principle
- Provides little cost-effective near-term drought relief
- Sabotages efforts to meaningfully resolve CA’s continuing water crisis
- Crowds out other critical investments
- Fiscally irresponsible
- Holds few worthy projects hostage to fiscally irresponsible and environmental damaging projects
Backup Slides
Bay-Delta Conservation Plan

**CONVEYANCE**
- Three intakes/pumping plants
- State-of-the-art fish screens
- Forebay temporarily stores water pumped from river
- Two gravity flow tunnels (30 miles long; 9,000 cfs)

**ECOSYSTEM RESTORATION**
- 56 species
- ~150,000 acres

**CONSERVATION MEASURES**
- 22 Conservation measures

**REDUCING ENVIRONMENTAL STRESSORS**
- Toxic pollutants
- Invasive species
- Predator control
- Illegal poaching
- Hatchery practices
# Bay Delta Conservation Plan

<table>
<thead>
<tr>
<th>Improvements</th>
<th>Capital (Total 50 Years)</th>
<th>O&amp;M (Total 50 Years)</th>
<th>Funding Source</th>
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<tbody>
<tr>
<td>Conveyance</td>
<td>$14.57 billion</td>
<td>$1.46 billion</td>
<td>Water Contractors</td>
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<tr>
<td>Eco-Restoration &amp; Other Stressors</td>
<td>$5.28 billion</td>
<td>$3.44 billion</td>
<td>Fed/State/Water Contractors/Other</td>
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<tr>
<td>TOTAL Capital/O&amp;M</td>
<td>$19.85 billion</td>
<td>$4.9 billion</td>
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<tr>
<td>TOTAL BDCF</td>
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<td>$24.75 billion</td>
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- Users pay for new conveyance facility & mitigation
- Beneficiaries pay for habitat conservation & statewide benefits
- **$5 - 6/month per household for Southern Californians**

*Metropolitan’s share is approximately 25 percent
Estimated costs from BDCP Public Draft Chapter 8 (Dec 2013) in undiscounted 2012 dollars.*
# Water Investment Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
<th>Population Served</th>
<th>Per capita cost</th>
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</thead>
<tbody>
<tr>
<td>SFPUC’s Hetch Hetchy Project</td>
<td>$4,600,000,000</td>
<td>2,600,000</td>
<td>$1,769</td>
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<tr>
<td>SWP Coastal Aqueduct and CCWA Project</td>
<td>$575,000,000</td>
<td>430,000</td>
<td>$1,337</td>
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<td>CCWD Los Vaqueros Project</td>
<td>$570,000,000</td>
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<td>$1,036</td>
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<td>BDCP Conveyance Tunnels (BDCP Admin Draft May 2012)</td>
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<td>SDCWA Emergency Storage Project</td>
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<td>2,800,000</td>
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<td>EBMUD Freeport Project</td>
<td>$517,000,000</td>
<td>1,300,000</td>
<td>$398</td>
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*BDCP Economic Benefits and Financial Strategies, SCWC/The PFM Group, February 2012*