EXHIBIT 15-A



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WATER BOND 2014

Facts about Proposition 1

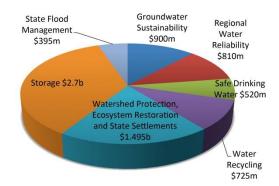
Proposition 1 – the Water Quality, Supply and Infrastructure Improvement Act of 2014 – is a \$7.5 billion general obligation bond measure placed on the November 4 ballot by a near-unanimous, bipartisan vote by the Legislature and the signature of Gov. Jerry Brown. If approved by voters, Proposition 1 would fund investments in water projects and programs as part of a statewide, comprehensive water plan for California.

In addition to funding programs from water conservation to recycling to groundwater cleanup to water storage, Proposition 1 is intended to leverage additional local and regional funds to provide a total investment of \$25 billion to \$30 billion to address California's water needs.

Key Funding Areas

Regional Water Reliability: \$810 million

Proposition 1 funds programs such as water conservation and stormwater capture that increase local and regional water supplies and also serve other purposes, such as creating habitat and flood protection.



Water Storage Capacity: \$2.7 billion

Proposition 1 funds a share of new water storage projects to add flexibility to our water system and create more places to store water in wet times for use later. Funding is not tied to specific projects; 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. Bond funds go to "public benefits" of projects only, such as improved water quality, flood control and habitat restoration.

Water Recycling: \$725 million

Proposition 1 funds water recycling and salt-removal projects to reuse water and maximize supplies. Funds could be used to build new recycled water pipelines, test new treatment technology or build desalination plants.

Groundwater Sustainability: \$900 million

Proposition 1 funds protection and cleanup of groundwater basins, and helps local agencies develop and implement groundwater sustainability plans required under new state legislation.

Safe Drinking Water: \$520 million

Proposition 1 funds safe drinking water and clean water programs, particularly for disadvantaged communities. These funds are designed to leverage additional federal funds and also pay for community wastewater programs and drinking water infrastructure.

Watersheds and Flood Management: \$1.89 billion

Proposition 1 funds habitat and watershed programs, enhancements for rivers and creeks, watersheds in designated areas, state commitments to restoration and statewide flood management.

Source: Analysis of Proposition 1 by State's Legislative Analyst

Background Information

California is in a severe, multi-year drought that continues to stress our reservoirs, groundwater basins and ecosystems. Public concern about water is at an all-time high. Recent polls show that more than 82% of Californians identified drought and water shortages as the state's most pressing issue. California's aging water infrastructure, growing population and unpredictable weather patterns expected from climate change will continue to stress the state's water system.

To address these challenges, Gov. Brown has put forth a statewide, comprehensive water plan that includes investments in increased water storage capacity, conservation, water recycling, stormwater capture, safe drinking water, groundwater cleanup, habitats and watersheds. Proposition 1 is intended to fund many elements included in that plan.

Supporters and Opponents

Proposition 1 has been endorsed by numerous water agencies, business groups, environmental organizations, agricultural interests and labor groups. A list of supporters can be found at www.yesonprops1and2.com. It is opposed by some taxpayer organizations and other groups. A list of opponents can be found at www.noonprop1.com.

What Supporters Say...

- California's severe, multi-year drought has highlighted the need for a comprehensive state water plan that improves and safeguards water supplies.
- Proposition 1 funds a diverse mix of programs strongly supported by the public from water conservation to recycling to groundwater cleanup to water storage as part of a statewide plan.

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- Proposition 1 funds programs to help manage and prepare for drought, ensuring that communities, farms and businesses get reliable water during dry times.
- Proposition 1 provides a cost-share for 21st century water storage projects that create more places to put water in water times for later use in dry times. Projects would be selected through a competitive process.
- Proposition 1 is fiscally prudent; it doesn't raise taxes of fund "pork" projects.
- Proposition 1 invests in programs that support economic growth and jobs.

What Opponents Say...

- Proposition 1 makes the wrong investments and does little to relieve the drought.
- It does not produce new water and fails to achieve long-term regional water self-sufficiency.
- Proposition 1 adds billions of dollars of taxpayer debt and takes funding away from education and public health.
- Proposition 1 subsidizes private interests who want to build expensive dams that will only increase water supply by 1%. The dams would not even be usable for decades.
- Proposition 1 is bad for the environment, our rivers and our salmon.

Resources

For more information visit these resources:

Official Voter Information Guide – Supplemental Ballot: <u>http://www.voterguide.sos.ca.gov/en/pdf/</u>

Yes on Proposition 1 and Proposition 2 campaign website: <u>http://www.yesonprops1and2.com/prop-1</u>

No on Proposition 1 campaign website: http://www.noonprop1.org/