

Submitted by Arriaga
at 7/10/13 Committee
meeting.
Item 3

2014 Water Bond



ACWA is supporting modifications to the current 2014 water bond to protect key priority areas and aid its passage next year.

At its March 29 meeting, ACWA's Board of Directors approved guidelines for the modifications and directed staff to support reductions to the bond while prioritizing funding for elements that have statewide significance.

The guidelines stem from a statewide California Water Finance Task Force convened by ACWA this year to explore options for improving the bond's viability in 2014. The task force which includes Board members from all 10 ACWA regions and is supported by a diverse working group of member agency experts, worked through a deliberative process to formulate its recommendations to the ACWA Board.

Based on the Board's action and further discussion by the task force, ACWA's go-forward direction includes:

- Avoiding "earmarks" that allocate funds for specific projects without a competitive process;
- Rejecting statewide fees on water to pay for statewide public benefits;
- Protecting current bond funding levels for the public benefits of water storage projects, Delta ecosystem restoration, and assistance for disadvantaged communities;
- Supporting substantial funding for local resources development projects, including Integrated Regional Water Management programs in both urban and rural areas, water recycling / conservation, and groundwater cleanup; and;
- Providing additional funding at the local / regional level for local projects by looking at new tools and approaches that work for local water agencies.

For further details on ACWA's direction on the water bond, read a [Frequently Asked Questions document here](#).

Background on the 2014 Water Bond

The 2014 water bond is the product of a comprehensive legislative package crafted in 2009 by Governor Schwarzenegger and state lawmakers to meet California's growing water challenges. This package represented a major step toward ensuring a reliable water supply for future generations, as well as restoring the Sacramento-San Joaquin Delta and other ecologically sensitive areas. The package was composed of four policy bills and an \$11.14 billion bond. The

water bond measure was originally set to be on the state's 2010 ballot and was later moved to the 2012 ballot. The California State Legislature, on July 5, 2012, approved a bill to take the measure off the 2012 ballot and put it on the 2014 ballot to provide a public cost share for elements of the package that benefit the public.

The Safe, Clean and Reliable Drinking Water Supply Act of 2014 is an \$11.14 billion general obligation bond proposal that would provide funding for California's aging water infrastructure and for projects and programs to address the ecosystem and water supply issues in California.

The Need for the Water Bond

Virtually every aspect of California's economy depends on water. Yet investments in the statewide water system have not kept pace with a growing population and changing needs. Large-scale investments are needed in areas such as water storage capacity, recycling facilities, levee improvements, flood control facilities, and water treatment plants. Substantial investments in ecosystem restoration and habitat improvements are also needed if we are to meet the coequal goals of improved water supply reliability and ecosystem health.

How the Funds Would be Allocated

In its current form, the bond would allocate roughly \$4 billion for local resources development, \$4 billion for ecosystem restoration and \$3 billion for the public benefits associated with new surface and groundwater storage projects. Every \$1 authorized as part of the bond would leverage \$3 to \$4 in other funds, for a total of up to \$40 billion for needed investments.

The vast majority of public funds allocated by the bond would go through a rigorous competitive process to ensure dollars go to a public benefit. There would also be careful review of dollars targeted for ecosystem restoration and a competitive process to determine the highest value investments.