



● **Board of Directors**
Communications and Legislation Committee

November 16, 1999 Board Meeting

8-5

Subject

The Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Costa-Machado Water Act of 2000)

Description

On Oct. 7, Gov. Gray Davis signed AB 1584 by Assembly Member Mike Machado (Linden) and Sen. Jim Costa (Fresno), a bill that will place a \$1.97 billion general obligation bond before the voters on the March 2000 ballot. If approved by the voters, bond funds would be made available to finance a variety of projects throughout the state to improve water quality, implement multi-objective watershed plans, protect and restore coastal watersheds and riverine habitat, increase flood protection, enhance groundwater storage opportunities, promote water conservation and recycling, and stabilize core water supplies. Bond funds would also be available for CALFED Stage 1 actions, which would help meet CALFED objectives and reduce demand on imported water supplies and stretch existing supplies. In addition, bond funds could be available for projects in support of the Colorado River Water Use Plan.

A [detailed description](#) of the various program areas and funding levels within the bond is attached.

The bond is the culmination of more than two years' effort by Sen. Jim Costa, Assemblyman Mike Machado and stakeholders from the urban, agricultural, environmental and business communities.

Statewide polling completed in August shows strong support among voters for a water bond. Of all bonds likely to appear on the 2000 ballot, a water bond garners the greatest support. Seventy-two percent of the voters polled stated that "we must approve these measures now to provide future generations with good quality of life."

Proponents believe that the funding in AB 1584 for water reliability programs will reduce the two-decade trend of the shrinking water pie by providing nearly 1 million acre feet of new, dry-year water supply. In addition, recent regulatory restraints have demonstrated that the delta export service areas are vulnerable to water shortages and threats to water quality over the interim before the CALFED program can be implemented. AB 1584 provides funding to help delta export areas get through difficult times until in-delta improvements are implemented.

During the legislative debate on AB 1584, opponents argued that the measure did not do enough to increase water storage in the state. Others argued that alongside a \$2.1 billion parks bond measure, voters are being asked to commit to too much too quickly.

To secure passage among Senate and Assembly Republicans in the Legislature, Gov. Davis agreed to commit \$20 million in next year's budget to continue studying storage options, including surface storage.

Last August the Metropolitan board directed staff to support AB 1584 and seek further amendments to provide funding for projects that desalt groundwater and surface water and for regional brine lines that demonstrate new disinfectant technologies for drinking water supplies. Article 4 of the bond measure could provide such funding to local agencies within delta export service areas.

The Metropolitan board also directed staff to pursue additional funding for water recycling projects and urban water conservation programs. The bond measure, signed by the governor, provides \$40 million in new money for recycled water projects (60 percent of which is to be spent in the six-county area of Southern California), \$30 million for urban water conservation programs and \$60 million in grants and loans for projects in

economically disadvantaged areas for the repair, replacement, restoration or rehabilitation of existing water distribution systems. In addition, the bond measure also authorizes the transfer of unallocated funds from prior bond acts to the new program funding.

Also appearing on the March 2000 ballot will be a \$2.1 billion park bond, \$220 million bond for the construction of forensic crime laboratories, \$50 million bond to design and construct veteran homes and \$350 million bond measure for public libraries.

Policy

Board-adopted positions on AB 1584 adopted in June and August, 1999.

Board Options/Fiscal Impacts

Option #1

Support *The Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Costa-Machado Act of 2000)* on the March 2000 ballot

Option #2

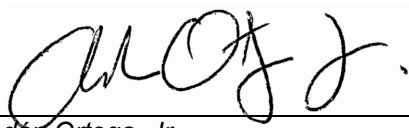
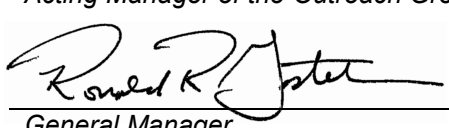
Oppose *The Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Costa-Machado Act of 2000)* on the March 2000 ballot

Option #3

Take no formal position on *The Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Costa-Machado Act of 2000)* on the March 2000 ballot

Staff Recommendation

Option #1

	10/28/99
Adán Ortega, Jr. Acting Manager of the Outreach Group	Date
	11/2/99
Ronald R. Foster General Manager	Date

Attachment 1

Detailed Description of Water Bond Program Areas

WATER QUALITY/WATERSHED BENEFITS

Safe Drinking Water Program **\$ 70 million**

Loans and grants for undertaking infrastructure improvements and related actions to meet safe drinking water standards; leverages five federal dollars for every state dollar.

Watershed Protection Program (statewide) **90 million**

Grants (subject to appropriation by the Legislature) to assist local agencies in implementing multi-objective watershed plans that help restore fragile ecosystems by controlling or eliminating pollution, reducing flooding, controlling erosion, improving water quality; 60% of funds to be spent in six-county area of Southern California; earmarks \$35 million for grants to small communities; transfers \$2 million to Pajaro River Watershed Flood Prevention Authority, \$5 million to Clover Creek Flood Protection and Environmental Enhancement Project, \$2 million for Clear Lake watershed and \$1 million for Russian River watershed.

Non-Point Source Pollution Control Program **100 million**

Grants (subject to appropriation by the Legislature) for local projects that protect the beneficial uses of water through the control of non-point source pollution; 60% of funds to be spent in six-county area of Southern California; transfers \$10 million for research and mitigation to protect water quality from pesticides; \$5 million can be used for loans to finance construction of projects designed to manage animal nutrients from animal feeding operations.

Clean Water Program **100 million**

Grants and low-interest loans to aid in construction or implementation of projects under the Clean Water Act including \$30.5 million for loans pursuant to Clean Water Act, \$34 million for grants for construction of water treatment works in small communities, \$35.5 million (subject to appropriation by the Legislature) for treatment works in Manteca, Stockton, Tracy and Orange Cove and \$7 million to local agencies for groundwater remediation projects.

Coastal Non-Point Source Pollution Control **90 million**

Grants and low-interest loans (subject to appropriation by the Legislature) to aid in construction or implementation of projects to improve water quality at public beaches; 60% of funds to be spent in six-county area of Southern California; earmarks \$4 million (subject to appropriation of the Legislature) to City of Huntington Beach to study biological contaminants in tidal and coastal marshes and \$3 million (subject to appropriation of the Legislature) for environmental and engineering studies for the San Diego Regional Conveyance Facility by the San Diego County Water Authority.

Seawater Intrusion Control **25 million**

Provides loans (subject to appropriation by the Legislature) to control seawater intrusion; transfers unallocated funds from Proposition 204.

River Protection Program**\$95 million**

Provides funding (subject to appropriation by the Legislature) for the acquisition and restoration of riparian habitat, riverine aquatic habitat and other lands in close proximity to rivers and streams; requires that 60% of funds be used for projects near metropolitan areas; earmarks \$10 million for the San Joaquin River Parkway Conservancy and \$2.5 million for the Kern River Parkway Project.

Coastal Watershed Salmon Habitat Program**25 million**

Provides funding (subject to appropriation by the Legislature) to protect, restore, acquire and enhance habitat for salmon; may be used to leverage funds, when available.

Water and Watershed Education Program**8 million**

Provides funding (subject to appropriation by the Legislature) for various watershed education programs including the San Joaquin Valley Water Institute at California State University at Fresno (\$3 million), Delta Science Center (\$2 million) and Watershed Science Laboratory in the North Delta (\$3 million).

WATER SUPPLY BENEFITS**Groundwater Storage****\$200 million**

Grants (subject to appropriation by the Legislature) for feasibility studies, project design or construction of facilities for groundwater storage projects; caps feasibility studies at \$200,000 and construction projects at \$50 million; priority given to projects with available third-party funds (excluding CVP Restoration Fund); no less than 40% of funds in subaccount to be expended for studies, projects and facilities within watersheds of Central Valley.

Bay/Delta Multi-Purpose Water Mgmt. Program**250 million**

Provides funding (subject to appropriation by the Legislature) for projects identified in the CALFED EIR/EIS as a Stage 1 Action: \$17 million for treatment facilities or to relocate discharge facilities for agricultural drainage, \$40 million to control waste discharges contributing to low dissolved oxygen, \$120 million for fish screens in the Delta, \$40 million for permanent barriers in the Delta, \$17 million for controlling abandoned mine drainage and \$16 million for permanent barrier at Grantline Canal.

Interim Reliable Water Supply and Water Quality Infrastructure and Management Program**180 million**

Loans and grants (subject to appropriation by the Legislature) for programs or projects located outside the Delta including: new or expansion of existing groundwater storage and recovery projects, for acquiring rights to use storage in existing reservoirs, for facilitating improved water treatment, water transfers and exchanges for water supply and quality improvements and for state-of-the-art agricultural water conservation programs; priority given to projects that: can be completed prior to March 8, 2009, provide near-term benefits, improves water quality and protects water levels at San Luis Reservoir, includes public-private partnerships and are sponsored by a public agency with water supplies that are being or would be impacted by Delta-related shortages and water quality degradation.

Southern California Integrated Watershed Program (SAWPA) \$235 million

Provides funds (subject to appropriation by the Legislature) for improving and rehabilitating the Santa Ana River Watershed through water treatment, conservation, flood protection and water management programs.

Lake Elsinore and San Jacinto Watershed Program 15 million

Provides funds (subject to appropriation by the Legislature) for improving and rehabilitating the Lake Elsinore and San Jacinto Watersheds and the water quality of Lake Elsinore.

Water Recycling Program 40 million

Provides grants (subject to appropriation by the Legislature) and loans for public agencies to build facilities to produce and deliver recycled water; transfers unallocated funds from prior bond acts (approximately \$70 million) into new program; 60% of funds to be spent in six-county area of Southern California; contains language to encourage the SWRCB to expedite the review and processing of agreements to carry out purposes of program and provides for progress report to Legislature.

Water Conservation Program 155 million

Provides grants and loans (subject to appropriation by the Legislature) to build and/or improve infrastructure to conserve water used for both urban (\$30 million) and agricultural purposes (\$35 million) and groundwater recharge facilities (\$30 million); provides grants for projects in economically-disadvantaged areas for the repair, replacement, restoration or rehabilitation of existing water distribution systems (\$60 million); transfers unallocated funds from Proposition 204.

FLOOD PROTECTION BENEFITS**Floodplain Mapping Program \$ 5 million**

Provides funds (subject to appropriation by the Legislature) to assist local land use planning to avoid or reduce future flood risks by mapping newly identified floodplains and revising outdated maps.

Flood Protection Corridor Program 70 million

Provides grants to local agencies (subject to appropriation by the Legislature) for the acquisition, restoration, enhancement and protection of real property for flood protection, agricultural land preservation and wildlife habitat protection; earmarks \$1 million for technical assistance to cities and counties; earmarks \$5 million for the City of Santee for flood protection projects.

Delta Levee Rehabilitation Program 30 million

Funds the Delta Levee Maintenance Subvention Program (\$15 million) and special flood protection projects on specified Delta islands (\$15 million).

Flood Control Subventions**\$45 million**

Funds state's share of the nonfederal costs of local flood protection projects authorized as of January 1, 2000, in specified counties; also contains language indicating that the state's share of nonfederal costs of projects adopted and authorized after January 1, 2001, shall not exceed that portion of nonfederal costs authorized pursuant to specified provisions in Water Code.

Urban Streams Restoration**25 million**

Grants (subject to appropriation by the Legislature) for small flood protection and erosion control projects that typically include work by community conservation corps.

Capital Area Flood Protection**20 million**

Partially funds state's share of the costs of federally-authorized flood management projects in Sacramento County (subject to appropriation by the Legislature).

San Lorenzo River Flood Control**2 million**

Funds state's share of the costs of federally-authorized flood management projects in the Santa Cruz region (subject to appropriation by the Legislature).

Yuba Feather Flood Protection Program**90 million**

Provides funds (subject to appropriation by the Legislature) for flood protection projects (\$70 million) and fish and wildlife enhancements (\$20 million) along the Yuba and Feather Rivers and the Colusa Drain; allocates \$2.6 million to pay for state's share of levee repairs in Sutter County.

Arroyo Pasajero Watershed Program**5 million**

Funds (subject to appropriation by Legislature) flood control projects protecting the California Aqueduct in the area of the Arroyo Pasajero Crossing.