



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

2/9/2010 Board Meeting

8-4

Subject

Express support for November 2010 Water Bond

Description

In November 2009, a sweeping package of water reform legislation was passed by the California Legislature and signed into law by Governor Schwarzenegger. This far-reaching bipartisan overhaul of the state's water system reflects an unparalleled effort to move California into a new era of water reliability that is designed to benefit the state's residents and economy for generations to come.

The package included four policy bills that established and set forth in statute new state policy to restore both the Bay-Delta's deteriorating, fragile ecosystem and California's water supply reliability. These coequal goals are intended to be achieved in a manner that protects the unique cultural, recreational, natural resources and agricultural values of the Delta. Metropolitan was an early supporter of the legislative package.

The package also included SBX7 2 by Senator Dave Cogdill (R-Modesto), The Safe, Clean and Reliable Drinking Water Act of 2010, an \$11.14-billion general obligation bond proposal that will appear on the November 2, 2010 ballot. If passed by the voters, the proposed bond would provide funding for California's aging water infrastructure and for projects and programs to address ecosystem and water supply issues in California. The bond is comprised of seven categories including drought relief, water supply reliability, Delta sustainability, statewide water system operational improvement, conservation and watershed protection, groundwater protection and water quality, and water recycling and water conservation. Proposed funding by category is summarized below:

- Delta Sustainability: \$2.25 billion would be available to fund the state's share of Delta restoration including ecosystem and projects within Delta counties and cities.
- Statewide Water System Operational Improvements: \$3 billion would be available to fund the development of surface and groundwater storage which, when combined with other water management and flood system improvement investments, can increase reliability and offset the climate change impacts of reduced snow pack and higher flood flows.
- Water Recycling and Water Conservation: \$1.25 billion would be available to fund new and existing recycling projects and water efficiency and conservation projects.
- Water Supply Reliability: \$1.4 billion would be available to fund local and regional projects including water recycling, local conveyance and desalination projects. Of this amount, \$413 million would be available for Los Angeles/Ventura, Santa Ana River and South Orange County and San Diego subregions.
- Groundwater Protection: \$1 billion would be available to fund projects that protect groundwater basins from foreign chemicals and mineral intrusion.

- Drought Relief: \$455 million would be available to fund projects that reduce drought impacts including reduced Delta exports, emergency water storage projects as well as projects in economically disadvantaged communities.
- Conservation and Watershed Protection: \$1.785 billion would be available to fund local and regional restoration, watershed protection and storm water management projects. Of this amount, a minimum of \$315 million would specifically be available for projects within Metropolitan’s service area.

Policy

Supports and is consistent with Metropolitan’s mission and board-approved Policy Principle on Statewide Water Infrastructure Financing (M.I. 45390-June 2003) and Delta Action Plan (June 2007)

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves board support for proposed water bond (Section 15378(b)(3) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA per Sections 15378(b)(3) and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and authorize the General Manager to express Metropolitan’s support for The Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

Fiscal Impact: None

Option #2

Do not authorize the General Manager to express Metropolitan’s support for The Safe, Clean, and Reliable Drinking Water Supply Act of 2010.

Fiscal Impact: None

Staff Recommendation

Option #1


 Linda Waade 1/28/2010
 Deputy General Manager, External Affairs Date


 Jeffrey Rightlinger 1/28/2010
 General Manager Date