



Date: September 17, 2014
To: Mayor and Members of the City Council
From: Patrick H. West, City Manager *[Signature]*
Subject: State Water Bond on the November 2014 Ballot

Introduction

Attached is a fact sheet that outlines AB 1471 (Rendon). This is the proposed State water bond for 2014. This memo provides details on the water bond, specific to Long Beach.

Overview

Gov. Jerry Brown signed legislation on August 13 to put a \$7.5 billion State water bond before voters this November. The State bond, which will appear as Proposition 1 on the November ballot, replaces another water measure that would have asked voters to approve an \$11.1 billion. The Legislature had approved the larger bond in 2010, but due to the struggling economy, voted to delay the vote several times, and finally replaced it with a smaller bond measure for November 2014.

Assembly Bill 1471 (Rendon) places on the November ballot, a State water bond that funds water use efficiency and recycling, groundwater cleanup and management and for additional water storage. It invests in safe drinking water, particularly in disadvantaged communities, and provides for watershed restoration and increased flows in some of California's most important rivers and streams.

Background

The Legislature previously placed an \$11.1 billion water bond ballot measure in 2009 after a compromise with then-Governor Schwarzenegger. This controversial measure included \$1.5 billion to start two water diversion tunnels. The Legislature delayed the ballot measure several times under the belief that voters would not approve the water bond given its enormous costs.

With the increasing severity of the drought, interest in a more viable water bond reignited discussions. The final product, AB 1471 (Rendon) removed funding for the diversion tunnels, increased funding to surface water storage, and provides funding for other water infrastructure if the bond passes.

Successes for Long Beach

The City did not take a position on the water bond during legislative hearings. However, the City worked closely with lawmakers to ensure that benefits from the water bond would extend to Long Beach if voters enact the bond in November.

In working with the City's State Legislative delegation, the City secured direct funding for the San Gabriel Rivers and Mountains Conservancy, of which Long Beach is a member. The City successfully garnered \$35 million for the San Gabriel River and Mountain Conservancy (RMC), equal to the Santa Monica River and Mountain Conservancy, which includes the City of Los Angeles. The RMC is one of ten conservancies within the California Resources Agency that serves to preserve open space and habitat in order to provide for low-impact recreation and educational uses, wildlife habitat restoration and protection, and watershed improvements within our jurisdiction. RMC funding has been crucial to a number of wetlands restoration projects in Long Beach, including the development of a Los Cerritos Wetlands Conceptual Restoration Plan and rehabilitation of the Colorado Lagoon.

The City was also successful in securing dedicated funding for stormwater management projects. If the State water bond is approved, \$200 million in funding will be available for stormwater projects through State grant funding to Integrated Regional Water Management Plans. Long Beach, through the Gateway Water Management Authority, will be eligible to apply for funding. Projects can include, but are not limited to, green infrastructure, rainwater and stormwater capture projects and stormwater treatment facilities. Previous iterations of the water bond proposed only to fund water capture and re-use projects. This language would have preempted the City from applying for stormwater funding. Due to our proximity to the water table, capture and re-use stormwater projects are very difficult to do in Long Beach.

The City Council may wish to take a position on the water bond by adopting a resolution stating the Council's position. Ultimately, California's voters will decide whether or not to approve the state water bond.

Groundwater Management

In addition to the Water Bond, the Legislature also took action to address groundwater use during the 2014 Legislative Session. Existing law does not regulate groundwater usage (when the groundwater is not a part of a stream). While surface water from reservoirs, rivers, and streams face tight scrutiny, percolated groundwater lacks such oversight. Senate Bill 1168 (Pavley) requires the California Department of Water Resources to determine the priority level of each groundwater basin, authorizes a local agency to manage the basin, and requires the local agency to draft a groundwater sustainability plan. A companion measure, Assembly Bill 1739 (Dickinson), authorizes groundwater sustainability agencies to install meters and charge fees to monitor groundwater usage.

The City currently draws 60 percent of its drinking water supply from local groundwater from 28 active groundwater wells. The City actively takes conservation steps, leading the nation in its conservation efforts. The Long Beach Water Department would potentially be the local agency to manage the basin, and develop and manage the groundwater sustainability plan.

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Additional Information

The attached document shows an outline of how the water bond will be allocated.

For more information on the water bond please contact Diana Tang, Manager of Government Affairs, at 570-6506.

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Attachment
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STATE WATER BOND 2014

WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT September 2014

Introduction

The \$7.5 billion state water bond will go to voters for approval on November 4, 2014. This state water bond protects existing water rights and reaffirms area of origin protections. The state bond specifies that projects must meet eligibility under urban or agricultural water management plans compliant with the 2009 Water Conservation Act. The bond assumes repurposing of \$105 million from Proposition 84, \$95 million from Proposition 50, \$86 million from Proposition 13, \$25.5 million from Proposition 204, \$13.5 million from Proposition 44, \$100 million from Proposition 1E and \$7.120 billion of new debt.

Where the Money Will Flow

Regional Water Reliability - \$810 million

- Integrated regional water management \$510 million.
- Stormwater capture \$200 million.
- Water conservation \$100 million.

Safe Drinking Water - \$520 million

- Provide clean, safe and reliable drinking water to all Californians. With minimum to leverage federal funds for safe drinking water and clean water programs and for disadvantaged communities.
- Small Community Wastewater Program \$260 million.
- Drinking water public infrastructure \$260 million.

Water Recycling - \$725 million

- Statewide water recycling projects and activities.

Groundwater Sustainability - \$900 million

- Prevent and reduce groundwater contaminants \$800 million.
- Provide sustainable groundwater management planning and implementation \$100 million.

Watershed Protection, Watershed Ecosystem Restoration, State Settlements - \$1.495B

- Conservancies \$327.5 million.
- Wildlife Conservation Board \$200 million (restoration of flows.)
- Department of Fish and Wildlife \$285 million (out of delta, no mitigation on Bay Delta Conservation Plan.)
- Department of Fish and Wildlife \$87.5 million (in delta with constraints.)
- State settlement obligations including CVPIA \$475 million.
- Rivers and creeks \$120 million.

Storage - \$2.7 billion

- Continuous appropriation for water storage projects.

Statewide Flood Management - \$395 million

- Statewide flood management projects and activities \$100 million.
- Delta levee subvention programs and delta flood protection projects \$295 million.