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ITEM V E

July 23, 2014

Dear Valley Members of the California Senate and Assembly:

California is in crisis. From one end of the state to the other and for a variety of reasons, Californians are running low on water, or out of it. For years, water supplies have been steadily declining. Now, in too many places as record drought conditions deepen and potentially threaten to extend into a fourth straight year, supplies are vanishing.

This continuing and worsening crisis commands actions and solutions that will help California resolve problems through investments in a wide array of new infrastructure. The funding mechanism must be a far-reaching, comprehensive water bond, one that benefits all Californians while providing long-term solutions to our state's crippling water crisis.

As you are well aware, after years of bipartisan struggle, the California Legislature in 2009 approved and Governor Schwarzenegger signed into law a historical water package that included four policy bills as well as a \$11.14 billion comprehensive water bond proposal. This measure, originally scheduled to go before voters in November 2010, has been twice delayed in subsequent legislative action and is currently scheduled to be on the November 2014 general election ballot. Official positions supporting it were taken by cities, counties and other agencies as well as by a wide variety of business and civic organizations and individuals. Those positions have not changed. The original bond's proposed benefits are even more important now, given the current historical drought, than they were then.

We recognize that there is interest within the Legislature and by Governor Brown to modify the existing measure. There is an objective of scaling down the overall bond authorization in order to reduce the future total debt obligation that the state would incur if the bonds were to be approved. Further, there is concurrence that such a "bottom line" reduction would make a water bond more palatable to voters. (It is important to note that although the bond issue's bottom line is large, bonds would be offered and sold over time, thus phasing in repayment obligations.)

The undersigned agree with these broad concepts. In supporting revision of the 2009 statute, however, we insist that its overriding statewide spirit must be adhered to and retained. Funding of the most crucially-needed and expansively-beneficial Central Valley and statewide projects must remain consistent with what is already on the books. It has to be kept adequate to genuinely meet current and future needs. These projects were considered critical in getting the current water bond enacted. They must be preserved.

What was proposed five years ago represented a collaborative effort involving representatives and interests from all portions of California. They identified regional needs and made certain those proposals were incorporated into necessary bond provisions, in the process gaining bipartisan and multi-regional support vital to enacting the Legislative package. That same determination must be retained. All parts of California must continue to receive adequate proposed bond funding, coupled with what will be necessarily be a parallel huge investment of matching funds by local public and private interests, to be effectively used in gaining regional water sustainability. That includes the most basic of every Californian's personal needs – protecting and providing water supplies necessary to support and sustain the human condition.

Please recall that the existing bond components propose funding for a comprehensive range of projects and activities, most of which are also identified in Governor Brown's California Water Action Plan.

They include:

- Drought relief.
- Water supply reliability.
- Delta sustainability.
- Statewide water system.
- Watersheds.
- Groundwater quality.
- Recycling and conservation.

It is our belief and desire that the following projects and activities identified in the existing bond must be retained and funded fully within a modified 2014 bond proposal. On a similar track, it is equally vital that original policy provisions and specific language related to these issues also be retained.

These include:

- \$3 billion for new surface water development. As the current drought has demonstrated dramatically, new surface storage is California's greatest long-term water infrastructure need in order to capture much more water in wet years for use during times of drought. Thus, the bond must continue to contain a full \$3 billion for surface storage development, with continuous appropriation for those purposes. All of the original bond's related policy provisions must be retained.
- \$300 million for local/regional conveyance projects and groundwater recharge. These funds are critically linked to storage development in order to maximize regional and statewide water supply enhancement and benefits.
- \$2.25 billion for Delta sustainability. With the Sacramento-San Joaquin Delta's fragile environment and water infrastructure continuing to threaten and curtail water supplies relied upon by 26 million California residents and those who farm or work on well over 3 million acres of irrigated agricultural lands, the full \$2.25 billion within the current bond must be retained.
- \$1 billion in Integrated Regional Water Management (IRWM) grants. These funds would continue and further expand effective work already being cooperatively undertaken by counties, cities, special districts, water agencies and many other interested parties.

- \$400 million for safe drinking water, including water quality funds for use by disadvantaged communities as well as specific language directed at aiding rural residential homeowners and tenants.

In reducing the size of the current bond, projects that are non-competitive, represent earmarks or would fail to produce water should be among the first considered for elimination. However, environmental projects and benefits that would result in improved water supply availability and reliability must continue to be funded.

Finally, California cannot afford to again defer voter action on a comprehensive water bond proposal. Extreme drought conditions now gripping every square inch of California have made it clear that the Central Valley and state can't simply rely upon water infrastructure investments made decades ago. We recognize that should a fourth consecutive critically dry year occur in 2014-15, extraordinary emergency actions such as that taken July 15 by the State Water Resources Control Board to curb urban water waste will be just the beginning of harsh realities all Californians will experience as statewide water supplies give out.

Time is too short to do much about such immediate circumstances except learn from them. Their crucial lesson is that a well crafted and fully adequate water bond is an absolute necessity to provide long-term water supply reliability, here in the Central Valley and across the state. It must protect the health, welfare and economic and social well-being of every California resident.

[Please see signature and address pages that follow]