REPORT

DATE: February 7, 2008

TO: Executive Committee
Regional Council
Energy and Environment Committee

FROM: Jeffrey S. Dunn, Government Affairs Analyst, (213)-236-1880, dunn@scag.ca.gov

SUBJECT: Water Bond Planning Funds: Implementing Legislation

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:

Authorize legislative efforts to seek water bond planning funds.

BACKGROUND:

The Energy and Environment Committee (EEC), at its January 3, 2008, meeting directed Government Affairs staff to ascertain potential legislative opportunities to secure water planning monies from the recently passed water bonds, where such funding exists and is available for integrated water planning.

Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, passed by the voters on November 7, 2006, provides a total allocation of bond funds in the amount of $5.38B to preserve, protect and enhance California's water resources in the following areas: overall water quality; preservation of rivers, lakes, & streams; flood control; sustainable communities and climate change reduction; protection of beaches, bays and coastal waters; parks and natural education facilities; forest and wildlife conservation; and statewide water planning. Of the total $5.38 billion, there is available an amount of $65M statewide for planning future water needs, water conveyance systems, and flood control projects.

Implementing Legislation: Senate Bill (SB) 1XX - (Perata)

The implementing legislation for allocating Prop 84 bond funds in 2008 likely will be SB 1XX, introduced by Senate President Pro tem Don Perata (D – East Bay) in the second extraordinary session of the legislature addressing water policy on September 14, 2007.

As introduced, SB 1XX provides a total appropriation of $610.9M of bond funds from Propositions 1E and 84, passed by voters in 2006, and Proposition 50, passed by voters in 2002. Of this amount, the total appropriation of Prop 84 bond funds is $407.4M, and of that amount, $47M (of a total available of $65M) for statewide water planning by SB 1XX. The appropriations are as follows:

- $50M to Department of Public Health (DPH) for small drinking water system improvements;
- $50.4M to DPH to reduce/prevent groundwater contamination affecting drinking water;
- $40M to California Department of Water Resources (DWR) for planning grants and local groundwater assistance;
- $50M to DWR to projects relocating existing Delta water intake facilities meeting specified criteria;
- $160M to DWR to increase ability to respond to levee breaches and to preserve and protect the Sacramento-San Joaquin Delta islands;
- $10M to Santa Ana River Parkway projects;

- $47M (of the total $65M of Prop 84 water planning funds) to DWR as follows:
    - $12M to complete CalFed surface storage studies;
    - $15M for planning/feasibility studies to optimize use of existing facilities and groundwater storage capacity;
    - $10M to update the California Water Plan;
    - $10M for planning/feasibility studies for projects to reduce ecosystem conflicts in the Delta.

Planning funds sought from this legislation would be used to support the kinds of comprehensive planning envisioned by the regional Blueprint Planning initiative promoted by the Department of Business, Transportation, and Housing and by Caltrans. SCAG's Blueprint planning tool is the Regional Comprehensive Plan, an ongoing effort that links mobility and infrastructure concerns with future growth impacts and related environmental sustainability and resource challenges. SCAG's blueprint process will foster greater integration of the planning now done in separate disciplines and jurisdictions throughout the region, eliminating costly duplications of effort. With this kind of planning integration, it is expected that the region and its project implementers will have greater leverage on future public investments (bonds and otherwise), and will attract higher levels of private partnership investments. Another result will be the delivery of projects with higher performance outcomes and with a wider array of public benefits, including improved regional mobility and livability. The planning funds sought from Prop 84 are extremely important in achieving these objectives.

FISCAL IMPACT:

All work related to this item is contained within the adopted FY 07/08 budget, WBS# 08-810.SCGS1.

Reviewed by: *Division Manager*

Reviewed by: *Department Director*

Reviewed by: *Chief Financial Officer*