

California Legislature

February 20, 2018

Armando Quintero, Chair
California Water Commission
P.O. Box 942836
Sacramento, California 94236-0001

Sacramento, CA 95814

RE: Commission Implementation of 2014 Water Bond Funding for Water Storage

Dear Chair Quintero:

During the 2013-14 legislative session, we worked closely with Governor Brown and our colleagues in both houses to enact AB 1471 (Rendon/Chapter 188, Statutes of 2014), which the Legislature approved with broad, bipartisan support. AB 1471 later became Proposition 1 on the November 2014 ballot, which the voters approved overwhelmingly.

Since that time, the 2014 Water Bond has provided significant state funding for tens of millions of Californians for projects to provide safe drinking water, water recycling, groundwater cleanup, ecosystem restoration, and water supply reliability. Consistent with its terms, it has promoted greater environmental justice for communities across the state that suffer from an inadequate water supply. All of us – taxpayers, the Legislature and the Administration – have a shared interest in ensuring that these funds continue to be well and properly spent consistent with the terms of the bond that the voters approved.

Chapter 8 (commencing with Water Code Section 79750) of the 2014 Water Bond continuously appropriates \$2.7 billion for “Statewide Water System Operational Improvement and Drought Preparedness.” The chapter did not appropriate funds for any particular type of water project or any specific project. In fact, the Legislature rejected earlier proposals to fund specific projects. Instead, Chapter 8 established a technical process where water storage projects would compete on a level playing field for public funds. Water storage funds were intentionally appropriated continuously to ensure the decisions of the Water Commission were as free from undue outside interference or pressure as possible. The Commission’s decisions are technical, not political.



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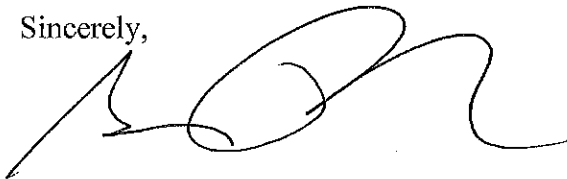
As the 2014 Voter's Guide made clear, Chapter 8 requires (a) that water storage projects provide significant public benefits, (b) that project proponents pay their fair share of project costs, and (c) that bond funds be used only to fund specific public benefits such as ecosystem improvements, water quality improvements, flood control, emergency response, and recreation. It barred spending on water storage projects "unless it provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta." The advocates for Chapter 8 insisted that the Legislature adopt the same language from the 2009 water bond that never went to voters, with only minimal changes to deadlines.

Most importantly, Chapter 8 requires that at least half the cost of any new water supply from a water storage project would be paid by the water districts, cities, and farms that benefit from the new water supply. The bond measure would pay only for the enumerated public benefits. A project is not eligible for funding unless the Department of Water Resources receives commitments of not less than 75% of funding for "the nonpublic benefit cost share" by 2022.

We applaud the Water Commission's work to date. Its commitment to transparency in implementing Proposition 1 through an open, public and competitive process, consistent with the plain language of Proposition 1, will help ensure that the public gets the greatest returns on these investments. Its technical analysis of any claimed "public benefit," which is a new concept in water law, will remain a complicated assessment for the Water Commission.

We have become increasingly concerned, however, that external pressure is being brought to tilt the scales in favor of one project or another. We will continue to watch closely the Commission's next steps on Chapter 8 implementation. We expect that it will continue to adhere to the requirements of the 2014 Water Bond, even where outside pressure may be brought for reasons other than the public benefits specified in law.

Sincerely,



ANTHONY RENDON
Speaker of the Assembly



KEVIN DE LEÓN
President Pro Tempore of the Senate

cc: California Water Commission