**What will California’s Proposition 1, the 2014 water bond, pay for?**

This document, originally prepared by Friends of Five Creeks President Susan Schwartz for the informal Shoreline Advocates group, is a best try at an unbiased outline of Proposition 1, the water bond on the November 2014 California ballot. Comments welcome at f5creeks@gmail.com.

Some large organizations, including the League of Women Voters, have remained neutral on Prop 1. Others take stands but provide few details. The proposition itself, available [**here**](http://www.sos.ca.gov/elections/ballot-measures/pdf/ab-1471-chapter-188.pdf), is hard to read -- it's a mashup of strikeouts and changes from proposed Prop 43, which was larger and filled with specific

The aim here is to give enough information to make informed decisions. Friends of Five Creeks has not taken a position on Proposition 1.

**Past bond issues**

California has been financing water-related projects with voter-approved bond issues since 1960. These have gradually grown in size and scope. In the last 20 years, voters have approved almost $16 billion in six bond measures for water-related projects (not counting two mainly for parks and open space). Prop 1 is the largest to date, although it is smaller than proposed Prop 43, which it replaced.

**What Prop 1 says**

Overall, Prop 1 allows California to sell $7.5 billion in bonds for water-related projects: $7.12 billion in new bonds and $425 million in unsold bonds from older water-related propositions back to 1996.

***Oversight:*** Prop 1 has statements regarding audits, public information, CEQA compliance, competition for grants, etc. Prop 1’s rules differ from earlier bond issues, and are worth examining, but that’s not done here.

 ***General aims:*** Prop 1 states its overall aims more specifically than past propositions did. For example, public benefits must “address the most critical statewide needs and priorities for public funding.”  Projects must match the purposes stated in the specific chapter of the law under which the project is authorized. Priority is given to projects that leverage other funds. New or innovative technology should get special consideration.  Decision makers are to use the best available science, and projects should be reviewed by professionals in the relevant field. Where possible, working agricultural and forested landscapes should be preserved, and watershed objectives should be achieved by conservation easements and voluntary landowner participation. It is hard to know how all this may affect results.

***Tunnels:*** Prop 1 does not allow money to be spent on tunnels under the Delta or similar “conveyance” (Section 79710). Like previous bond measures, Prop 1 overall bars using bond for mitigation required due to environmental harm. This is the basis for statements that Prop 1 is “neutral” on the controversial Delta tunnels proposed by Governor Jerry Brown. But Prop 1 specifies one exception:  Bond money could be spent to buy water replacing, or mitigating environmental harm from, water pumped through the controversial tunnels (Section 79709c).  This is the basis for claims that Prop 1 promotes building the tunnels.

**Dams and other storage (Chapter 8)**:  More than a third of the total, $2.7 billion, must be spent on water storage. Unlike other Prop 1 funds, this $2.7 million does not have to be approved by the Legislature. Projects are to be selected by the politically appointed California Water Commission, though with a public hearing and based on “quantified public benefits.” At least 50% of those benefits must be to the ecosystem, but this could include, for example, benefits to fish of releasing cold water from behind a dam in summer.  Storage can be either surface (dams and reservoirs) or as groundwater (which environmentalists favor).  Bond money can pay for only half the cost of new dams or groundwater storage.

This controversial provision is the main reason that groups including the **League of Women Voters** and **Sierra Club** have remained neutral on Prop 1. They are betting that politics means the money will help pay for two Central Valley dam-and-reservoir projects.

**Infrastructure projects with 50% match, help for poor communities:**Another $3.3 billion in funds from Prop 1 is to be spent on grants for a wide variety of infrastructure projects for local communities and agencies. These require a 50% match. That is, half the cost must come from somewhere other than state government.The match is reduced or waived for disadvantaged or economically distressed communities. In addition, nearly all programs reserve at least 10% of funding for these communities, and some programs favor poor communities in further ways.

Supporters and opponents agree that this money will not alleviate the current drought. But supporters argue that it promises much-needed benefits that include increased water supplies. As an example, F5C's August and Sept. e-news discussed how purified wastewater goes unused for lack of pipelines to carry it, and water-main leaks waste almost 10% of EB MUD water. Upgrades of either kind would make more water available.

This "infrastructure" category provides the following:

* **$900 million to prevent or clean up contaminated groundwater (Chapter 10),** including $100 million to develop or carry out groundwater plans. Loans or grants are to be selected competitively, with priorities such as threats to drinking water, potential  for spread of contamination, maximizing recharge of high-use basins, and help where the contaminators can't be forced to pay.
* **$725 million for competitive grants for water recycling and advanced treatment**, including desalination (Chapter 9).
* **$520 million to be split 50:50 between grants for safe or affordable drinking water, especially for small and disadvantage communities, and grants of under $5 million for sewage treatment,** with priority for disadvantaged communities and public-health hazards (Chapter 5).
* **$395 million for flood management** (Chapter 11). Of this, $295 million is to lessen flood risk in the Delta, including strengthening levies.  Money may go to projects that also benefit wildlife and habitat -- but not recreation.
* **$810 million for a wide range of projects furthering “Regional Water Security, Climate, and Drought Preparedness”** (Chapter 7). This broad range overlaps the previous categories and also includes managing agricultural or urban runoff, reducing wildfire risk, integrating separate systems, protecting or restoring watersheds, conservation, green infrastructure, rainwater capture, and conservation. **Emphasis is on carrying out** [**Integrated Regional Water Management (IRWM) plans.**](http://www.water.ca.gov/irwm/) About $1.5 billion in bond money has been spent on and through these regional plans since they were begun in 2002. **Most of this category -- $510 million – is allocated by specific hydrologic regions** (map [**here**](http://www.waterplan.water.ca.gov/docs/maps/hr-web.pdf)) in amounts that will send **more than three-quarters of the $510 million to water-short Southern California.**

**Nature-related projects (Chapter 6):** Finally, Prop 1 would allocate almost $1.5 billion, 20% of the total bond funds, for “multibenefit ecosystem and watershed protection and restoration projects.” Basically, this is nature-related work, with some recreation and economic development thrown in. This is divided as follows:

* **$475 million to the Natural Resources Agency** for major previous commitments: water supplies on Central Valley bird refuges, restoring salmon in the San Joaquin, endangered species and habitat of statewide significance, interstate compacts, and the like.
* **$200 million, administered by Wildlife Conservation Board, for projects that “result in enhanced stream flows.”** This rather vague phrasing could include buying water rights to keep water in streams.
* **$372.5 million, administered by the Department of Fish and Wildlife, for watershed restoration projects,** $87.5 million in the Delta and $285 million for projects of statewide importance outside of the Delta.
* **$327.5 million to state-created Conservancies.** These state agencies, most of them in heavily populated Southern California,give grants for a wide range of efforts: property acquisition and restoration, habitat improvement, recreation including trails and greenways, economic development, reducing wildfire risk, managing stormwater, managing greenhouse gases, and more. The division is as follows:
* $100.5 million: [**State Coastal Conservancy**](http://scc.ca.gov/about/accomplishments/), including the Bay Area Conservancy
* $50 million: Sacramento-San Joaquin Delta Conservancy
* $30 million: [**Ocean Protection Council**](http://www.opc.ca.gov/), which funds a variety of projects heavy on research, including climate change and adaptation, fisheries and aquaculture, Marine Protected Areas, aquatic invasive species, marine debris, ocean research and mapping, sea-level rise adaptation, ocean and coastal water quality, and oyster and eelgrass restoration
* $30 million: Santa Monica Mountains Conservancy
* $30 million: San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy
* $25 million: Sierra Nevada Conservancy
* $17 million: San Diego River Conservancy
* $15 million: California Tahoe Conservancy
* $10 million: Coachella Valley Mountains Conservancy
* $10 million: Baldwin Hills Conservancy (Los Angeles area)
* $10 million: San Joaquin River Conservancy
* **$20 million to fund competitive grants for urban watershed projects.** The Conservancies can and do pay for these, but urban creeks score high in polls. This relatively small earmark bears uniquely detailed conditions:  a new plan must be developed, at least 25% must go to disadvantaged communities, projects must “increase regional and local water self-sufficiency,” and more.
* **$100 million -- the same amount as for the entire Coastal Conservancy -- may be appropriated by the Legislature for projects to protect and enhance ONE urban creek and its tributaries**. No competitive process is required. This is the most specific “pork” remaining in Prop 1, after the many bits of bacon earmarked in its Prop 43 predecessor were lumped into broader categories. No one seems willing to name the lucky creek, but it seems unlikely to be in Northern California.