

**MONDAY MORNING GROUP  
OF  
WESTERN RIVERSIDE COUNTY**

**ANNUAL ADVOCACY TRIP – SACRAMENTO, CA  
JANUARY 29 – 31, 2012**

**WATER INFRASTRUCTURE FINANCING**

**ISSUE:** The Safe, Clean, and Reliable Drinking Water Supply Act of 2012, an \$11.14 billion general obligation bond and a potential public goods charge on water.

**ACTION:** The Monday Morning Group strongly urges the state Legislature to protect the language of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 and oppose proposals to implement a public goods charge on water.

**BACKGROUND:** The California State Legislature passed and the Governor signed the legislative water package in November 2009 after many months of debate. The package includes an \$11.14 billion water bond that was scheduled to go before California voters in November 2010, but was deferred to 2012 because of the down economy. The bond measure will help fund Delta ecosystem restoration and improve water supply reliability, in support of the co-equal goals.

The Legislature, when voting for the legislative water package, recognized the pressing need to address the crisis in the Sacramento-San Joaquin Delta and to improve statewide water management in a manner that was sensitive to the state's immediate economic situation. The bond provides a reasonable schedule for the debt service impact to the state budget by allowing only half of the bond to be sold in 2015. The entire \$11.14 billion is critical to achieve the goals of restoring habitat and increasing water reliability.

Despite some media accounts alleging “pork,” a fair review of this Act will reveal a carefully crafted bond with funding categories that respect needs throughout the state, a competitive process to receive much of the funds, and a requirement for local and regional agencies to match any state assistance. The \$2.25 billion in bond funds for Delta sustainability, for example, will likely be dwarfed by more than \$10 billion in funds from water districts, including those from Southern California, to help restore the Delta ecosystem and improve the Delta conveyance system.

This bond reflects a fair and reasonable compromise under extremely challenging political circumstances that are only becoming more difficult. The institutional energy that was necessary to pass the entire legislative water package including the bond may not be within the Legislature's grasp in the future. The Monday Morning Group encourages legislative leaders to support the bond in its current form and resist any effort to reopen or reduce the bond, absent clear and decisive polling data.

The Monday Morning Group also urges legislators to oppose efforts to implement a public goods charge on water that would place fees on ratepayers without a nexus of benefit or assurances that funds will advance the co-equal goals of water supply reliability and Delta restoration.