

Legislation and Communications Committee

Express support for Proposition 4, The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024



Item 7-6

September 9, 2024

2024 Climate Bond

Subject

Express support for Proposition 4, The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

Purpose

Seek Board direction on Proposition 4, on the November 2024 Statewide Ballot.

2024 Climate Bond

History

SB 867 (Allen, D – Santa Monica) Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.

Introduced: February 17, 2023

Final Language: June 29, 2024

Signed: July 3, 2024

Ballot Measure: Proposition 4 - November 5, 2024

Current Metropolitan Position: Support if Amended

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Permissible Uses

- 40% for vulnerable populations or disadvantaged communities
- At least 10% for severely disadvantaged communities
- Administrative cap at 7% of allocation or \$20 M, whichever is lower
- Funds cannot be used for environmental mitigation requirements

Legislative Bond Priorities

Category	Requested	Actual
Recycling and Desalination: ***	\$1 B	\$386.25 M
Water Quality and Safe Drinking Water:	\$500 M	\$610 M
Conservation and Water Use Efficiency: ***	\$400 M	\$75 M
Dam Safety: ***	\$700 M	\$480 M
Groundwater Management:	\$750 M	\$386.25 M
Surface Storage:	\$550 M	\$75 M
Regional Conveyance: ***	\$600 M	\$75 M
Flood Protection and Reactivation ***	\$950 M	\$550 M
State Water Project Public Benefits:	\$500 M	\$0
Regional and Coastal Watershed Resilience:	\$700 M	\$100 M
Total	\$6.65 B	\$2.74 B

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Beyond Water Infrastructure

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Final Bond Chapter Allocations

- Safe Drinking Water, Drought, Flood, Water Resilience: \$3.8 B
- Wildfire and Forest Resilience: \$1.5 B
- Sea Level Rise and Coastal Resilience: \$1.2 B
- Protect Biodiversity and Nature-Based Solutions: \$1.2 B
- Extreme Heat Mitigation: \$450 M
- Park Creation and Outdoor Access: \$700 M
- Climate Smart, Sustainable, and Resilient Farms: \$300 M
- Clean Air: \$850 M

Total: \$10 Billion

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Water Quality and Restoration

- Safe Drinking Water: \$610 M
- Salton Sea Management Plan: \$170 M

Wildfire and Forest Resilience

- Regional Wildfire Prevention Strategies: \$170 M
- CAL FIRE Long-Term Forest Health Projects: \$175 M
- CNRA Forest Health/Watershed Restoration: \$200 M
- Electric Transmission for Wildfire Prevention: \$35 M

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Sea Level Rise and Coastal Resilience

- Coastal Flood/Sea Level Rise: \$85 M
- Sea Level Rise Adaptation/Mitigation: \$75 M
- Hatcheries – Salmon Restoration: \$25 M
- Dam Removal: \$75 M

Protect Biodiversity and Accelerating Nature-Based Climate Solutions

- 30 X 30 California: \$870 M
- Conservancies: \$320 M

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Farms, Ranches and Working Lands

- Healthy Soils: \$65 M
- SWEEP/Sustainable, Climate-Smart Water Use/Efficiency: \$40 M
- Invasive Species: \$20M
- Protection and Enhancement of Ag Lands (DOC): \$15 M

Park Creation and Outdoor Access

- Parks Restoration/Enhancement & Access: \$200 M
- Expanded Trail Access: \$100 M

Clean Air

- Battery Energy Storage: \$50 M

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Support

San Diego County Water Authority

West Basin MWD

California Firefighters (CalFire Local 2881)

Clean Water Action

The National Wildlife Federation

The Nature Conservancy

Excerpts from Ballot Arguments

“California faces increasing threats from wildfires, water pollution, and extreme heat.”

“Our state and communities will save billions more by avoiding and reducing damage from wildfires, droughts, and floods.”

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Opposition

Howard Jarvis Taxpayers Association
Senate Minority Leader Brian Jones
Assemblymember Jim Patterson

Excerpts from Ballot Arguments

“Bonds are the most expensive way for the government to pay for things. Proposition 4 would add a whopping *\$10 billion* of debt to the taxpayers—PLUS an estimated *\$9.3 billion* in interest to pay for climate-related programs.”

“Bonds should be reserved for financing essential projects that will build infrastructure lasting beyond the 30-year payoff period.”

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Benefits

All Metropolitan priority categories included:

- Recycled Water (including large-scale projects): \$386.25 M
- Regional Conveyance: \$75 M
- Conservation: \$75 M
- Dam Safety: \$480 M
- Delta Levees: \$150 M (plus funding for flood protection)

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Benefits

Funding for operational costs and initiatives

- Watershed health (mitigate downstream impacts)
- Habitat restoration
- Climate action - renewable energy development
- Salton Sea

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Concerns

- Climate change significantly impacts water, but less than 1/3 of bond funding addresses water priorities
- Limited opportunity to receive funds
- General obligation bonds should fund infrastructure that lasts the term of the bond

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Options

Option #1

- Express support for Proposition 4, The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024

Option #2

- Take no action

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Staff Recommendation

Option #1

