

BALDWIN HILLS CONSERVANCY NOTICE OF PUBLIC MEETING

The meeting of the Baldwin Hills Conservancy (BHC) will be held
Friday, November 2, 2018, 10:00 AM - 12:00 PM
Kenneth Hahn State Recreation Area Community Room
4100 South La Cienega Blvd. Los Angeles, CA 90056
(323) 298-3660

Teleconference Location

Natural Resources Agency
1416 Ninth Street, 13th Floor, Room 1305
Sacramento, California 95814

10:00 AM - CALL TO ORDER – Mrs. Jacquelyn Dupont-Walker, Chair

MEETING AGENDA

PUBLIC COMMENTS ON AGENDA OR NON-AGENDA ITEMS SHOULD BE SUBMITTED BEFORE ROLL CALL

Public Comment and Time Limits: If you wish to speak on an agenda item, please complete a speaking card available near the door to the meeting room. Individuals wishing to comment will be allowed up to three minutes to speak. Speaking times may be reduced depending upon the number of speakers.

1. Roll Call – Avril LaBelle, Executive Secretary
2. Approval of Minutes (September) –Jacquelyn Dupont-Walker, Chair
3. Public Comments –Jacquelyn Dupont-Walker, Chair
4. Presentation on La Cienega Pedestrian Bridge Project Concept and Draft Construction Timeline – Ryan Kristan, Project Manager, Los Angeles County Public Works Department
5. Election of Board Officers Pursuant to Public Resources Code Section 32558 of the Baldwin Hills Conservancy Act – Jacquelyn Dupont-Walker, Chair
6. Discussion and possible action on the Proposed Baldwin Hills Conservancy 2019 Meeting Calendar – David McNeill, Executive Officer
7. Executive Officer Report: Legislative, Project Status, and Fiscal updates – BHC Staff Representatives
8. Board Member Announcements or Proposed Agenda Items for Future Meetings

****Next meeting is tentatively scheduled for January 25, 2019.***

ADJOURNMENT

In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodations to attend or participate in this meeting, including auxiliary aids or services, please call the Conservancy at (323) 290-5270 at least five days prior to the meeting. For more information about the Conservancy, you may visit our website at www.bhc.ca.gov

Be it known pursuant to Government Code Sections 54956.8, 54956.9, the Conservancy may hold a closed session to discuss and take possible action regarding instructions on real estate negotiations, on personnel matters and/or to receive advice of counsel on pending or potential litigation. Confidential memoranda related to these issues may be considered during such closed session discussions.

BALDWIN HILLS CONSERVANCY

5120 West Goldleaf Circle, Suite 290

Los Angeles, CA 90056

**PUBLIC MEETING MINUTES
BALDWIN HILLS CONSERVANCY**

Friday, September 21, 2018

10:05 a.m. Call to Order - A public meeting of the Baldwin Hills Conservancy (BHC) was assembled at 10:00 a.m. on Friday, September 21, 2018, at the Kenneth Hahn State Recreation Area (KHSRA) Community Center located at 4100 South La Cienega Boulevard, Los Angeles, CA 90056.

I. Roll Call – David McNeill, Executive Officer

Members Present: Lloyd Dixon, Jacquelyn Dupont-Walker, Robert Jones, Corey Lakin, Craig Sap, Lacey Johnson, Jason Marshall, Joshua Nelson, Keshia Sexton, Marina Voskanian, Kevin Regan, Jason Marshall, Patricia O'Toole, Anna Straabe.

Staff Present: David McNeill, Executive Officer; Gail Krippner, Grant Program Manager; Daniel Sciolini, Staff Services Analyst.

II. Approval of Minutes (May) – Jacquelyn Dupont-Walker, Chair

There being no objections or questions, the Chair called for a motion to approve. Member Sexton so moved, Member Jones seconded the motion, and the minutes were unanimously approved.

III. Public Comments – Jacquelyn Dupont-Walker, Chair

Public comment was invited. No comments received.

IV. Consideration of a Resolution Adopting the Baldwin Hills Conservancy Proposition 68 Grant Guidelines – David McNeill, Executive Officer

Mr. McNeill presented a power point reviewing the draft guidelines including statutory requirements, scoring criteria and overall required content for grant proposals to be considered. Comment period was open from August 13th through September 14th and a public meeting was held on September 11th at the Baldwin Hills Scenic Overlook to receive and review comments. Written comments were received from the California Conservation Corps and the California Association of Local Conservation Corps. All recommendations received were addressed in the revised draft. Member Sexton recommended making scoring for community outreach to disadvantage communities prominent on the applications so non-profits recognize the opportunity for funding projects in underserved areas. The Chair commented on project values as represented in the scoring table for clarification, she also offered to provide staff with additional community organization contacts that might be suitable partners for reaching disadvantaged communities. Member Straabe asked about the meaning of the asterisks on sections of the scoring tables. Staff explained they should be noted as meaning "only as applicable" for criteria and points.

After the discussion, the Chair called for a motion to approve. Member Jones so moved, Member Sap seconded the motion, Resolution 18-03, adopting the BHC Prop 68 Guidelines, was unanimously approved with 8 votes.

V. Executive Officer Report, Legislative, Project Status, and Fiscal updates – BHC Staff Representatives

Project Status Report – David McNeill

Executive Officer reported on ministerial authorized budget line item shifts to the Baldwin Hills Conservation Program at WLA College. A written request from the Grantee, LA Audubon Society, was received. The budget was revised to reflect a reallocation of funds from professional mapping consulting to summer intern staff as well as the addition of professional volunteer hours. There was no increase in costs for the amendment.

Propositions 40 / 84 / 1

See the project update sheet in board package.

Fiscal and Legislative Update – David McNeill

See expenditure report information item in board package. A 2018-19 appropriation for a new position to assist with Prop 68 has been approved. Advertising and interviews will likely take place during the fourth quarter.

VI. Board Member Announcements or Proposed Agenda Items for Future Meetings

Members took the opportunity to individually recognize David McNeill for his 17 years of service as the Executive Officer of the Conservancy.

- *The next board meeting is tentatively scheduled for **November 2, 2018.***

ADJOURNMENT

There being no more business brought before the board, the meeting was adjourned at approximately **11:40 p.m.**

Approved:

Jacquelyn Dupont-Walker, Chair

Date:

BALDWIN HILLS CONSERVANCY

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Phone: (323) 290-5270
www.bhc.ca.gov

Memorandum

To: Governing Board

From: Gail Krippner, Grant Program Manager

Date: November 2, 2018

Re: Item 4: Presentation on La Cienega Pedestrian Bridge Project Concept and Draft Construction Timeline – Ryan Kristan, Project Manager, Los Angeles County Public Works Department

Recommendation: *PowerPoint Presentation to be provided at the meeting.*

Background: The BHC granted \$3.9 million in Proposition 40 funds to Los Angeles County Department of Parks and Recreation for the Park to Playa Pedestrian Bridge Project through BHC Resolution # 16-11 as amended on June 22, 2018.

The total project budget is \$10,817,000 which includes \$600,000 in County Prop A funds, \$5.5 million in Measure M funds and \$817,000 in other County funds.

The project includes a bridge that utilizes three spans totaling 440-linear feet to cross all six lanes of La Cienega Blvd. The project will complete the final segment connecting Kenneth Hahn State Recreation Area and the Stoneview Nature Center. Natural features along the bridge will provide safe passage for wildlife while maintaining the continuity of pedestrian and bicycle access along the 13-mile Park to Playa Trail.

The presentation will be an update on the proposed construction schedule and activities.

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Memorandum

To: Governing Board

Fr: Jaquelyn Dupont-Walker, Chairman

Date: November 2, 2018

Re: Item 5: Election of Board Officers pursuant to Public Resources Code Section 32558 of the Baldwin Hills Conservancy Act

Recommendation: Pursuant to the Ad Hoc Nomination Committee's recommendation, Member Keshia Sexton is hereby presented for election to the position of Vice Chair of the Conservancy for 2019. Member Sexton has been a designee for the Governor's office since 2016. Over the past two years, Ms. Sexton has served on multiple BHC local assistance grant review committees and provided guidance to staff regarding updates to grant guidelines and applications. Ms. Sexton's professional work is rooted in community organizing and social equity, which will allow her to serve as an officer distinctively focused on the needs and desires of underserved communities.

Background: The BHC statute calls for the annual election of officers by the Governing Board (see attachment #1). Officers must receive a majority vote from a quorum of the sitting members. Under the guidelines adopted by the Conservancy in 2004, the Nomination Committee provides a recommendation to the Board in advance of the election. The committee's recommendation does not preclude other eligible candidates from being nominated from the floor at the time of the election.

BALDWIN HILLS CONSERVANCY NOMINATION PROCESS

1. The Nominating Committee shall be an ad hoc committee.
2. The outgoing BHC Board Chair shall become the Chair of the Nominating Committee. Two other members shall be volunteers.
3. The Board Vice Chair shall rotate as the next Board Chair.
4. Nominees for office shall be selected for diversity of background and experience different than previous Chairs, and for having served successfully as a committee chair previously (effective 2004).
5. The Nominating Committee will recommend one or two candidates for Chair; voting Board members may nominate others at the time of election. The candidate with the highest number of votes shall be declared the winner.
6. A member shall hold each of the two offices for no more than one year; re-election may occur beginning the third year out of office.
7. Term of office shall be January to December.

CHAIR AND VICE CHAIR ANNUAL ELECTIONS

Process

1. Vice Chair rotates to Chair; Chair becomes Past Chair.
2. New Vice Chair elected.
3. Current Chair, Vice Chair and Past Chair are committee to nominate next Vice Chair.
 - a. Vice Chair selection should recognize diversity and expertise.
 - b. Selection made to achieve a different perspective/representation than previously.

Rationale

1. Compatible with Publication 32558, the Resources Code.
2. Adds structure and forethought to current process.
3. Allows members to express their interest in being Vice Chair prior to the actual vote.
4. Allows committee to survey eligible members for interest and expertise and recommend candidates for whom Board considers.
5. Gives Vice Chair experience prior to elevation to Chair.

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Memorandum

To: Governing Board

Fr: Executive Officer, David McNeill

Date: November 2, 2018

Re: Item 6: Discussion and Possible Action on Proposed 2019 Meeting Schedule

Recommendation: Review and adopt the calendar of proposed meeting dates for 2019 (attachment #1)

2019 BHC Meeting Schedule

January 2019							February 2019							March 2019						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5						1	2						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28			24	25	26	27	28	29	30
														31						
April 2019							May 2019							June 2019						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6				1	2	3	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						
July 2019							August 2019							September 2019						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6					1	2	3	1	2	3	4	5	6	7
7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
28	29	30	31				25	26	27	28	29	30	31	29	30					
October 2019							November 2019							December 2019						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5						1	2	1	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

USA HOLIDAYS /OBSERVANCES /MEETINGS					
January 1	New Year's Day	January 25	BHC Board Meeting	January 21	ML King Day
February 14	Valentine's Day	February 18	Presidents' Day	March 15	BHC Board Meeting
March 31	Cesar Chavez Day	April 19	Good Friday	April 21	Easter Sunday
May 3	BHC Board Meeting	May 12	Mother's Day	May 27	Memorial Day
June 28	BHC Board Meeting	June 16	Father's Day	July 4	Independence Day
August 2	BHC Board Meeting	September 2	Labor Day	October 4	BHC Board Meeting
October 14	Columbus Day	October 31	Halloween	November 11	Veterans Day
November 28	Thanksgiving Day	December 6	BHC Board Meeting	December 25	Christmas

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Memorandum

To: Governing Board
From: David McNeill, Executive Officer
Date: November 2, 2018
Re: Item 7: Executive Officer Report

Projects Status Report

Please see Attachment #1 for the updated Baldwin Hills Conservancy (BHC) Local Assistance/Capital Outlay Projects Status Report.

Fiscal Update

Please see Attachment #2 - BHC Summary Expenditure Sheet by Fund, and Attachment #3 - BHC Prop 40 & Prop 84 Bond Cash Funds. The reports correspond with the end of month one (1) for the 2018-2019 Fiscal Year.

Legislative Update

Please see Attachment #4 for information on Proposition 3, California Water, Infrastructure and Watershed Conservation Bond Initiative. November 6th Statewide Ballot.

**BHC Project Status Report
for 11/2/18**

Project Title	Grantee	Contract ID	Fund Source	Funds Allocated	Agreement Expiration	PROJECT STATUS
La Cienega Pedestrian Bridge Project	Los Angeles County Department of Parks and Recreation	BHC17003	Prop 40	\$3,900,000	1/30/2020	First design meeting held October 2018; Second design meeting scheduled for mid-November; Estimated project completion in December 2020.
Baldwin Hills Parklands Conservation Project	Los Angeles Audubon Society (LAAS)	BHC15004	Prop 84	\$124,536	8/31/2019	Following 20 in-class presentations at West LA College to recruit participants for the Fall 2018 BHP Certification Program, info for 150 interested students was collected; 10 new students and 10 previously-engaged students registered for the Program that was launched on 8/14/18; Summer 2018 interns developed a draft Trail Closure Report/Plan for KHSRA which is being presented to the County staff this month; Project completion Summer 2019.
Park to Playa Trail - Ballona Creek Connection	Culver City	BHC15002	Prop 84	\$379,808	6/30/2019	Construction of the ADA path is 90% complete; improvements to the existing park trail and remaining Ballona Creek Connection are 90% complete; boardwalk improvements are 95% complete; inspections and resolution of punchlist items in-progress; Project completion expected June 2019.

**BHC Project Status Report
for 11/2/18**

Project Title	Grantee	Contract ID	Fund Source	Funds Allocated	Agreement Expiration	PROJECT STATUS
Baldwin Hills Scenic Overlook Trail and Stormwater Improvement Project	Los Angeles Conservation Corps (LACC)	BHC1708	Prop 84	\$830,684	6/30/2020	All irrigation installation along stairs is complete; habitat restoration areas identified; Section 1 has been planted by Audubon; Trail work on Sect. 1 is 90% complete; Sect. 3 stair improvements while extensive is complete; post/cable fencing 25% complete throughout Project; Project completion expected Summer 2020.
Waste Transfer Station Stormwater Diversion and Rain Garden Project	Culver City	BHC16001	Prop 1	\$606,000	7/31/2018	Storm Water Quality Project Monitoring Plan received early October 2018; report of matching funds expended and final project close-out expected this month.
Milton Green Street Project	Mountains Recreation and Conservation Authority (MRCA)	BHC16002	Prop 1	\$745,000	8/31/2018	Final reimbursement request and reports expected October; Complete project close-out expected November 2018.
Lower Ballona Creek Feasibility Study Project	California Greenworks Inc.	BHC17002	Prop 1	\$258,000	12/31/2018	Hydrology Analysis Map and Geotechnical Investigation/Final Report anticipated November 2018; 3rd Stakeholder meeting expected mid-December; In September 2018 Grantee requested a term extension, amendment pending.

**BHC Project Status Report
for 11/2/18**

Project Title	Grantee	Contract ID	Fund Source	Funds Allocated	Agreement Expiration	PROJECT STATUS
Water Capture Project for Yvonne B. Burke Sports Complex	California Conservation Corps Foundation (CCCF)	BHC1800	Prop 1	\$1,500,000	3/31/2020	Grant Agreement executed; Project starts November 1, 2018; Project kick-off meeting scheduled for 2nd week in November; Project Completion expected Spring 2020.

Baldwin Hills
2018/19 Summary Sheet by Fund

<u>As of 7/31/2018</u>	<u>PCA #</u>	<u>Original</u> <u>Appropriation</u>	<u>Remaining</u> <u>Appropriation</u>	<u>EXP + ENC</u>	<u>BALANCE</u>	<u>Encumber</u> <u>by</u>	<u>Liquidate</u> <u>by</u>
<u>ELPF - #0140, Support</u>							
2016 Budget Act Item 3835-001-0140	10001	\$ 365,000.00	\$ 365,000.00	\$ 20,834.66	\$ 344,165.34	06/30/19	06/30/21
<u>Prop 40 - #6029, Support</u>							
2016 Budget Act Item 3835-001-6029	10005	\$ 129,000.00	\$ 129,000.00	\$ 8,848.23	\$ 120,151.77	06/30/19	06/30/21
<u>Prop 84 - #6051, Support</u>							
2016 Budget Act Item 3835-001-6051	10009	\$ 104,000.00	\$ 104,000.00	\$ 4,811.71	\$ 99,188.29	06/30/19	06/30/21
<u>Prop 1 - #6083, Support</u>							
2016 Budget Act Item 3835-001-6083	10006	\$ 107,000.00	\$ 107,000.00	\$ 6,799.10	\$ 100,200.90	06/30/19	06/30/21
Total Support Balance:					\$ 663,706.30		
<u>Prop 1 - #6083, Local Assistance/ Capital Outlay</u>							
2018 Budget Act Item 3835-101-6083	20009	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	\$ 2,000,000.00	06/30/21	06/30/23
2017 Budget Act Item 3835-101-6083	20008	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	\$ 2,000,000.00	06/30/20	06/30/22
2016 Budget Act Item 3835-101-6083	20006	\$ 2,000,000.00	\$ 2,000,000.00	\$ -	\$ 2,000,000.00	06/30/19	06/30/21
2015 Budget Act Item 3835-101-6083	20004	\$ 2,000,000.00	\$ 949,937.00	\$ 558,937.00	\$ 391,000.00	06/30/20	06/30/22
Total Prop 1 Balance:					\$ 6,391,000.00		
<u>Prop 40 - #6029, Local Assistance/Capital Outlay</u>							
2016 Budget Act Item 3835-101-6029	20007	\$ 6,025,000.00	\$ 6,025,000.00	\$ -	\$ 6,025,000.00	06/30/19	06/30/21
2015 Budget Act Item 3835-301-6029	20005	\$ 11,604,000.00	\$ 6,655,750.00	\$ 3,726,045.00	\$ 2,929,705.00	06/30/20	06/30/22
Total Prop 40 Balance:					\$ 8,954,705.00		
<u>Prop 84 - #6051, Capital Outlay</u>							
2015 Budget Act Item 3835-301-6051	30004	\$ 2,118,000.00	\$ 1,992,047.28	\$ 832,013.09	\$ 1,160,034.19	06/30/20	06/30/22
2014 Budget Act Item 3835-301-6051	30003	\$ 3,120,000.00	\$ 795,438.00	\$ 381,853.26	\$ 413,584.74	06/30/20	06/30/22
Total Prop 84 Balance					\$ 1,573,618.93		

BOND CASH FUNDS
(as of 7/31/18)

2015 COMMERCIAL PAPER TE		CASH ALLOCATED	EXPENDITURES	BALANCE
	PROP 84:	\$3,277,819.00	3,078,922.25	\$198,896.75
	PROP 40:	\$6,674,161.89	4,953,906.17	\$1,720,255.72
	PROP 1:	\$1,518,114.54	1,196,030.06	\$322,084.48

COMMERCIAL PAPER TAX		CASH ALLOCATED	EXPENDITURES	BALANCE
	PROP 1:	\$603,000.00	41,878.34	\$561,121.66

PROPOSITION

3

AUTHORIZES BONDS TO FUND PROJECTS FOR WATER SUPPLY AND QUALITY, WATERSHED, FISH, WILDLIFE, WATER CONVEYANCE, AND GROUNDWATER SUSTAINABILITY AND STORAGE. INITIATIVE STATUTE.**OFFICIAL TITLE AND SUMMARY**

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Authorizes \$8.877 billion in state general obligation bonds for various infrastructure projects: \$3.03 billion for safe drinking water and water quality, \$2.895 billion for watershed and fisheries improvements, \$940 million for habitat protection, \$855 million for improved water conveyance, \$685 million for groundwater sustainability/storage, and \$472 million for surface water storage/dam repairs.
- Appropriates money from General Fund to pay off bonds.
- Requires certain projects to provide matching funds from non-state sources; gives priority to disadvantaged communities.

SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:

- Increased state costs to repay bonds averaging about \$430 million per year over the next 40 years.
- Savings to local governments, likely averaging a couple hundred million dollars annually over the next few decades.

State Bond Cost Estimates

Authorized new borrowing	\$8.9 billion
Average annual cost to pay off bonds	\$430 million
Likely repayment period	40 years
Source of repayment	General Fund tax revenues

ANALYSIS BY THE LEGISLATIVE ANALYST**BACKGROUND**

Californians Get Water From Several Sources. Most of the water used for drinking and farming in California comes from rain and melted snow. Rain and snow flow into streams and rivers, many of which start in the mountains. The areas where these streams and rivers begin are referred to as "watersheds." California has built dams, reservoirs, and canals to store water and deliver it around the state. Water is also pumped from underground (referred to as "groundwater"), especially during dry years when not as much rain and snow falls. A small share of the state's water comes from other sources, such as cleaning and reusing the wastewater that households and businesses send into sewers (referred to as "water recycling").

Most Spending on Water Is by Local Governments. Local government agencies—usually water districts, cities, and counties—fund most of the projects that provide clean water for people to drink, supply water for farming, and protect

communities from floods. These agencies spend about \$25 billion each year on these types of water-related activities. Residents pay for the majority of this spending when they pay their water and sewer bills.

State Also Spends Money on Water, as Well as Environmental Projects. The state gives grants and loans to local government agencies to help pay part of the costs of some of their water projects. The state also spends money on projects to improve the natural environment, including protecting habitats that are home to fish, birds, and other wildlife. In many cases, the state—rather than local governments—provides most of the funding for these environmental projects. Sometimes state departments carry out environmental projects themselves, and sometimes they give grants to local governments, nonprofit organizations, and other organizations for these projects. In recent years, the state has spent about \$4 billion per year to support water and environmental projects.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

Voter-Approved Bonds Are a Common Source of State Funding for These Projects. The state mainly uses general obligation (GO) bonds and the state’s General Fund to pay for water and environmental projects. GO bonds are a way to borrow money. Voters give the state permission to sell bonds to investors, and the state uses that money as “up-front” funding for projects. The state then repays the investors over time, with interest, from the General Fund—the state’s main operating account, which also pays for education, prisons, health care, and other services. (For more information on the state’s use of bonds, see “Overview of State Bond Debt” later in this guide.)

Since 2000, voters have approved about \$31 billion in GO bonds in statewide elections to pay for different types of water and environmental projects. Of this amount, roughly one-third was still available to pay for new projects as of June 2018. This includes \$4 billion that was approved by voters through Proposition 68 in June 2018.

- ***Watershed Lands (\$2.5 Billion).*** This category funds projects to improve the conditions of watershed lands, which include forests, meadows, wetlands, and areas near rivers. Funded projects must protect or improve the supply and quality of the water that comes from these lands. Many of these projects would also have environmental benefits, such as improving habitat for fish and wildlife or reducing the risk of forest fires. This funding category includes about 50 subcategories with special requirements, including that certain amounts be spent in specific areas of the state. For example, the proposition provides \$250 million for the forests in the Sierra Nevada Mountains and \$200 million for the Salton Sea in Southern California.
- ***Water Supply (\$2.1 Billion).*** This funding is for projects that will increase the amount of water available for people to use. This includes money for collecting and cleaning up rainwater (\$550 million), cleaning up

PROPOSAL

\$8.9 Billion Bond for Water and Environmental Projects. This proposition allows the state to sell \$8.9 billion in new GO bonds for various water and environmental projects. These funds fall into six broad categories, as summarized in Figure 1.

Within these broad categories, the proposition includes around 100 subcategories for how certain amounts must be spent, including for particular regions of the state or on specific projects. The proposition’s broad spending categories include the following:

Figure 1		
Uses of Proposition 3 Bond Funds (In Millions)		
Category	Primary Activities	Amount
Watershed lands	Protect, restore, and improve the health of watershed lands in specified areas of the state to increase the amount and quality of water.	\$2,495
Water supply	Improve and increase: drinking water and wastewater treatment, water recycling, collection and clean-up of rainwater, and water conservation.	2,130
Fish and wildlife habitat	Improve habitats for fish and wildlife, including by restoring streams and wetlands to more natural conditions.	1,440
Water facility upgrades	Make connections and repairs to existing dams, canals, and reservoirs.	1,227
Groundwater	Clean up, recharge, and manage groundwater.	1,085
Flood protection	Reduce flood risk, including by expanding floodplains and repairing reservoirs.	500
Total		\$8,877

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

drinking water (\$500 million), and recycling wastewater (\$400 million). The proposition also provides funding for water conservation activities that decrease how much water people use (\$300 million). This could include paying some of the costs for people to install low-flow toilets or replace their lawns with plants that use less water.

- **Fish and Wildlife Habitat (\$1.4 Billion).** This category funds projects to improve fish and wildlife habitat. The types of projects could include increasing the amount of water that flows to a wetland or river, as well as buying undeveloped land to keep it in a natural state. The proposition targets some of the funding for projects to help certain species, including native fish in the Central Valley (\$400 million), salmon and steelhead trout (\$300 million), and migratory birds (\$280 million).
- **Water Facility Upgrades (\$1.2 Billion).** This funding is for four specific projects to improve the availability of water in certain areas of the state. These projects include: (1) repairing the federally owned Madera and Friant-Kern canals in the Central Valley (\$750 million), (2) building canals and other types of projects that connect local reservoirs and communities in the San Francisco Bay region (\$250 million), (3) repairing the state-owned Oroville Dam in Butte County (\$200 million), and (4) planning changes for the North Bay Aqueduct that serves Solano and Napa Counties (\$5 million).
- **Groundwater (\$1.1 Billion).** This category funds projects related to groundwater storage to make sure groundwater will be available in future years. This includes activities to clean up groundwater by removing salts to make it more usable (\$400 million). Funding will also be used for projects that help water to soak back into the ground so that it can be used in the future (known as “groundwater recharge”).

- **Flood Protection (\$500 Million).** This funding is for projects that reduce the risk from floods. These projects could include expanding floodplains (which provide areas where floodwaters can spread without causing much harm) and repairing reservoirs. Some of these projects would provide other benefits, such as improving fish and wildlife habitat, increasing water supplies, and improving recreation opportunities. Some of this funding is for projects in specific areas of the state, including the Central Valley (\$200 million) and the San Francisco Bay Area (\$200 million).

Distributes Most Funding Through Grants. The proposition provides funding to more than a dozen different state departments. The proposition continuously appropriates the bond funds to these departments, which is different from most water and environmental bonds. This means that the Legislature would not spend the funds in the annual state budget. Instead, departments would automatically receive funding when they are ready to spend it. Departments would spend some of the funds to carry out projects themselves. However, almost all of the funds would be given as grants to local government agencies, Indian tribes, nonprofit organizations, and private water companies for specific projects. For some funding subcategories—particularly those related to increasing or protecting water supply—grant recipients would have to provide at least \$1 in local funds for each \$1 of grant funding they receive.

Provides Funding for “Disadvantaged Communities.” The proposition has several requirements to help disadvantaged communities (those with lower average incomes). For a few spending subcategories, the proposition requires that funding be spent on projects that benefit these communities. Also, in many cases disadvantaged communities that receive grants would not have to pay the local share of costs discussed above.

ANALYSIS BY THE LEGISLATIVE ANALYST

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Provides Greenhouse Gas (GHG) Funds for Water Projects. Separate from the \$8.9 billion bond, this proposition also changes how the state must spend some existing funding related to GHGs. The state has passed laws to reduce global warming by limiting the amount of GHGs that are released in California. These efforts include the “cap-and-trade” program, which requires some companies and government agencies to buy permits from the state to release GHGs. The program causes some water agencies to have higher electricity costs to operate parts of their water delivery systems, such as pumps and water treatment plants. This proposition requires that a portion of the funding the state receives from the sale of permits be provided to four water agencies—the state Department of Water Resources, the Metropolitan Water District of Southern California, the Contra Costa Water District, and the San Luis and Delta Mendota Water Authority. The amount of funding would be equal to each agency’s additional electricity costs associated with state programs to reduce GHGs. We estimate these costs could total tens of millions of dollars annually. (In the most recent year, the state has received \$3 billion from the sale of permits.) The agencies would be required to spend the funds they receive on such activities as water conservation programs. As such, these funds would no longer be available for the state to spend on other activities.

FISCAL EFFECTS

State Bond Costs. This proposition would allow the state to borrow \$8.9 billion by selling additional GO bonds to investors. These investors would be repaid with interest using the state’s General Fund tax revenues. The cost of these bonds would depend on various factors—such as the interest rates in effect at the time they are sold, the timing of bond sales, and the time period over which they are repaid. We estimate that the cost to state taxpayers to repay this bond would total \$17.3 billion to pay off both principal

(\$8.9 billion) and interest (\$8.4 billion). This would result in average costs of **about \$430 million annually over the next 40 years.** This amount is about one-third of 1 percent of the state’s current General Fund budget.

Local Costs and Savings to Complete Projects.

Much of the bond funding would be used for local government projects. Providing state funds for local projects would affect how much of their own funds these local governments spend on these projects. In many cases, state bonds would reduce local spending. For example, this would occur in cases where the state bond funds replaced monies that local governments would have spent on projects anyway.

In some cases, however, state funds could increase total spending on projects by local governments. For example, some local governments might choose to build additional or substantially larger projects than they would if state funds were not available. For some of these projects—such as when the bond requires a local cost share—local governments would bear some of the additional costs.

On balance, we estimate that this proposition would result in savings to local governments to complete the projects funded by this bond. These savings could average a couple hundred million dollars annually over the next few decades. The exact amount would depend on which specific projects local governments choose and their share of the total project costs.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee’s top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email vigfeedback@sos.ca.gov and a copy will be mailed at no cost to you.