



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

D-7

For the meeting of: October 7, 2014

Date: September 18, 2014
To: Board of Supervisors
From: Supervisor Virginia Bass
Subject: Presentation on Proposition 1 – The Water Quality, Supply and Infrastructure Improvement Act of 2014 (Water Bond)

RECOMMENDATION(S): That the Board of Supervisors hear the presentation and take appropriate action, if required.

SOURCE OF FUNDING: N/A

DISCUSSION: Bruce Rupp, Director, Humboldt Bay Municipal Water District will give a presentation to the Board of Supervisors related to Proposition 1 – the Water Quality, Supply and Infrastructure Improvement Act of 2014.

FINANCIAL IMPACT: N/A

OTHER AGENCY INVOLVEMENT: N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS: Board discretion.

ATTACHMENTS: Association of California Water Agencies Proposition 1 Fact Sheet and Humboldt Bay Municipal Water District Resolution

Prepared by Kathy Hayes

Signature Virginia Bass

REVIEW: Auditor County Counsel Personnel Risk Manager Other

TYPE OF ITEM:

- Consent
Departmental
Public Hearing
XX Other Special Presentation (20 minutes)

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Seconded by Supervisor

- Ayes
Nays
Abstain
Absent

PREVIOUS ACTION/REFERRAL:

Board Order No.

Meeting of:

This item was pulled from the agenda and will be heard at the next meeting

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated:

By:

Kathy Hayes, Clerk of the Board



WATER BOND 2014 **THE TIME IS NOW**

Proposition 1 – The Water Quality, Supply and Infrastructure Improvement Act of 2014

Fact Sheet

The Water Quality, Supply and Infrastructure Improvement Act of 2014 is a \$7.545 billion general obligation bond measure set for the November 2014 ballot. If approved by voters, the measure would provide funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities.

Proposition 1 is the product of more than five years of discussions and negotiations among state lawmakers, stakeholders and others to craft a responsible bond measure to fund needed investments as part of a statewide comprehensive water plan for California. The measure was approved by the Legislature and signed by Gov. Jerry Brown on Aug. 13.

Supported by a broad coalition of water, business, conservation, labor and agriculture organizations, the \$7.545 billion bond replaces an \$11.14 billion measure previously slated for the November ballot.

Key Funding Areas

Surface and Groundwater Storage - \$2.7 billion

- Continuous appropriation for above-and below-ground water storage projects.

Regional Water Reliability - \$810 million

- Integrated regional water management: \$510 million.
- Stormwater capture: \$200 million.
- Water conservation: \$100 million.

Safe Drinking Water - \$520 million

- Leverages federal funds for safe drinking water and clean water programs and for disadvantaged communities.
- Small Community Wastewater Program: \$260 million.
- Drinking Water Public Infrastructure: \$260 million.

Water Recycling - \$725 million

Prepared by the Association of California Water Agencies

www.acwa.com

- Statewide water recycling projects and activities.

Groundwater Sustainability - \$900 million

- Prevent and reduce groundwater contaminants: \$800 million.
- Provide sustainable groundwater management planning and implementation: \$100 million.

Watershed Protection, Ecosystem Restoration, State Settlements - \$1.495 billion

- Conservancies: \$327.5 million.
- Wildlife Conservation Board: \$200 million (restoration of flows).
- Department of Fish and Wildlife: \$285 million (out of Delta, no mitigation on BDCP).
- Department of Fish and Wildlife: \$87.5 million (in-Delta with constraints).
- State settlement obligations including CVPIA: \$475 million.
- Rivers and Creeks: \$120 million.

Statewide Flood Management - \$395 million

- Statewide flood management projects and activities: \$100 million.
- For Delta levee subvention programs and Delta flood protection projects: \$295 million.

General Provisions

- Funding eligibility requires urban or agricultural water management plans and compliance with 2009 Water Conservation Act.
- Bay Delta Conservation Plan neutral.
- Protects existing water rights and reaffirms area of origin protections.

Resolution 2014-10

Resolution of the Humboldt Bay Municipal Water District Board of Directors In Support of Proposition 1 – The Water Quality, Supply and Infrastructure Improvement Act of 2014

WHEREAS, California is in a severe, multi-year drought and faces a growing list of challenges associated with aging infrastructure, climate change, population growth and other factors; and

WHEREAS, water managers and top leaders including Governor Jerry Brown agree that we need a comprehensive, statewide water plan to create a more resilient water system and meet the coequal goals of improved water supply reliability and ecosystem health; and

WHEREAS, the Legislature has approved and Governor Brown has signed the Water Quality, Supply and Infrastructure Improvement Act of 2014, which will appear as Proposition 1 on the November 4 ballot and provide much-needed funding to advance a statewide comprehensive water plan to secure our water future; and

WHEREAS, if approved by voters, the measure would provide \$7.545 billion in bond funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities, and other programs the Association of California Water Agencies and its members have long advocated as part of a statewide comprehensive plan; and

WHEREAS, local and regional water suppliers across California face significant financial challenges to replace aging water infrastructure, meet increasingly difficult regulatory compliance standards, adapt to climate change, increase water reuse and improve groundwater management; and

WHEREAS, ACWA's Region 1 members and many North Coast agencies are supportive of the Integrated Regional Water Management Program (IRWMP) as the most effective means to address local and regional needs and;

WHEREAS, since its creation in 2004, the North Coast IRWMP (also known as the North Coast Resource Partnership) has been successful in securing more than \$41 million in water and energy-related grant funding to the North Coast, while matching over \$90 million in local funds; and

WHEREAS, the North Coast IRWMP has identified \$435 million in funding needs for capital projects that will improve water supply reliability, protect and improve water quality, increase water use efficiency and reuse, and protect and restore threatened and endangered aquatic species; and

WHEREAS, the North Coast IRWMP will receive \$26.5 million under this bond; and

WHEREAS, This is the only source of funding that can continue our collective efforts to provide critical infrastructure and water resource projects to our communities; and

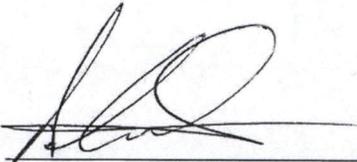
WHEREAS, ACWA's Board of Directors voted unanimously to formally support Proposition 1 in a special meeting on August 19, 2014; and

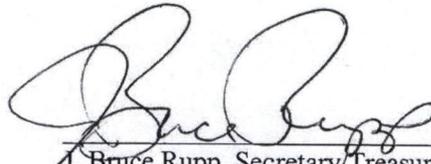
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Humboldt Bay Municipal Water District hereby formally supports the Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act of 2014 on the November ballot.

Adopted and approved this 11th day of September 2014 by the following roll call votes:

AYES:	Directors Hecathorn, Laird, Rupp, Sopoci-Belknap and Woo
NOES:	None
ABSTAIN:	None
ABSENT:	None

ATTEST:



Aldaron Laird, President

J. Bruce Rupp, Secretary/Treasurer

PROPOSITION 1: THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014

(State agency disbursing funds, if identified in the Act, is indicated in parentheses)

Clean, Safe and Reliable Drinking Water (\$520 Million)

- \$260 Million – Small community wastewater treatment (State Water Board Special Fund)
 - *priority for disadvantaged communities and public health hazards*
- \$260 Million – Safe & affordable drinking water (State Water Board)
 - *priority for disadvantaged communities*
 - \$25 million for technical assistance program
 - \$2.5 million for disadvantaged community matching funds
- Other specific provisions to aid disadvantaged and severely disadvantaged communities
 - *cost sharing requirement (generally 50%) may be reduced or waived*
 - *minimum 10% for severely disadvantaged communities*
 - *15% of funding allowed for technical assistance*
 - *technical assistance proportion may exceed 15% of grant*

Protecting Rivers, Lakes, Coastal Waters and Watersheds (\$1.495 Billion)

- \$327.5 Million – Multibenefit watershed projects (State Conservancies)
- \$200 Million – Projects to enhance stream flows (Wildlife Conservation Board)
- \$100 Million – Urban creek restoration, including the Los Angeles River
- \$20 Million – Multibenefit watershed projects (Natural Resources Agency)
- \$475 Million – State obligations in water-related settlements (Natural Resources Agency)
- \$285 Million – Statewide watershed restoration projects (Dept. of Fish & Wildlife)
- \$87.5 Million – Delta water quality & ecosystem restoration (Dept. of Fish & Wildlife)

Regional Water Security, Climate, and Drought Preparedness (\$810 Million)

- \$510 Million – By California Water Plan hydrologic regions (Dept. of Water Resources)
- \$100 Million – Urban and agricultural water conservation
- \$200 Million – Stormwater management

Statewide Water Storage (\$2.7 Billion) (California Water Commission)

- *Continuous Appropriation*
- *Funds public benefits of surface water reservoirs and groundwater aquifers*
- *Requires 50% non-State cost-share*
- *Requires ecosystem improvements for Delta or Delta tributaries*

Water Recycling (\$725 Million)

- *Broad range of potential projects – including desalination and water quality*
- *Requires 50% non-State cost-share (less for disadvantaged communities)*

Groundwater Sustainability & Cleanup (\$900 Million)

- \$100 Million – Groundwater sustainability planning & projects
- \$80 Million – Groundwater cleanup for drinking water sources
- Requires 50% non-State cost-share (less for disadvantaged communities)

Statewide Flood Management (\$395 Million) (Dept. of Water Resources/Central Valley Flood Protection Board)

- \$295 Million – Delta levee maintenance and improvements
- \$100 Million – Multibenefit projects to achieve public safety and enhance fish/wildlife

BENEFITS OF THE 2014 WATER BOND

\$7.545 Billion for Next-Generation Water Infrastructure

Invests in the Next Generation of Water Infrastructure

- Promotes New Technology – priority for “new or innovative technology”
- Funds Projects for the Future – water conservation, recycling, desalination
- Addresses Emerging Water Challenges – stormwater, groundwater cleanup
- Increases Regional Self-Reliance for Water Supply
- Encourages Cross-Agency Collaboration to Set Top Investment Priorities

Improves Drinking Water Quality Statewide

- Commits More than \$1 BILLION to Improving Water Quality
- Restores Source Water Quality in Upstream Watersheds
- Allows Water Quality Projects in Several Categories
 - Safe Drinking Water
 - Recycled Water
 - Regional Water Security
 - Protecting Rivers
 - Groundwater
 - Sustainability

Protects California’s Water Environment

- Restores Watersheds That Provide California’s Water Supply
- Allocates \$1.495 Billion to Protect Rivers, Coast and Watersheds
- Funds Ecosystem Restoration Projects – The Delta, Watersheds, The Coast

Eliminates “Pork” Projects from Bond Funding – Reduces Bond \$3.5+ Billion

- Deleted Project-Specific Allocations from Previous Water Bond
- Limits Allocations to Specific Agencies with Defined Water Purposes
- Prohibits Legislature from Appropriating Money to Pet Projects
- Reduced Water Bond By 1/3 – \$11.14 billion to \$7.545 billion

Protects Disadvantaged Communities Most at Risk

- Allows Smaller Local Contributions for Water Quality Projects
- Creates Technical Assistance Program for Disadvantaged Communities
- Prioritizes State Funding on Needs of Disadvantaged Communities

Ensures Accountability of State Expenditures

- Requires Audits and Public Reporting of Water Bond Expenditures
- Establishes Competitive Grant Programs – with public guidelines
- Requires Formal and Public Process for Water Transfers



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 SEVENTH STREET, PO BOX 95 • EUREKA, CALIFORNIA 95502-0095

OFFICE 707-443-5018 ESSEX 707-822-2918

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COM

BOARD OF DIRECTORS

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SHERI WOO, DIRECTOR

GENERAL MANAGER

CAROL RISCHE

To: Kathy Hayes, Clerk of the Board
Humboldt County Board of Supervisors

From: J. Bruce Rupp

RE: 10-7-17 Board of Supervisors Meeting

October 6, 2014

Hello Kathy,

Per the request of Supervisor Bass, I will be joining the meeting tomorrow to provide an overview on Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act of 2014, commonly referred to as the Water Bond.

Attached are the following documents

1. Facts about Proposition 1
2. Regional Funding Allocations
3. Frequently Asked Questions
4. District Resolution 2014-10 In Support of Proposition 1
5. District Letter to ACWA Region 1 Members seeking support for Proposition 1 and requesting education of community and stakeholders regarding Proposition 1.

I would appreciate it if you would distribute the documents to the Board of Supervisors in whatever manner is customary. Also included is a flash drive with a PowerPoint presentation for tomorrow. Please pass the flash drive along to the person who will load the presentation for the meeting.

I appreciate the opportunity to provide information and speak with the Board of Supervisors.

Thank you for your assistance.

cc: Phil Smith-Hanes



WATER BOND 2014 PROPOSITION 1

Facts about Proposition 1

Proposition 1 – the Water Quality, Supply and Infrastructure Improvement Act of 2014 – is a \$7.5 billion general obligation bond measure placed on the November 4 ballot by a near-unanimous, bipartisan vote by the Legislature and the signature of Gov. Jerry Brown. If approved by voters, Proposition 1 would fund investments in water projects and programs as part of a statewide, comprehensive water plan for California.

In addition to funding programs from water conservation to recycling to groundwater cleanup to water storage, Proposition 1 is intended to leverage additional local and regional funds to provide a total investment of \$25 billion to \$30 billion to address California’s water needs.

Key Funding Areas

Regional Water Reliability: \$810 million

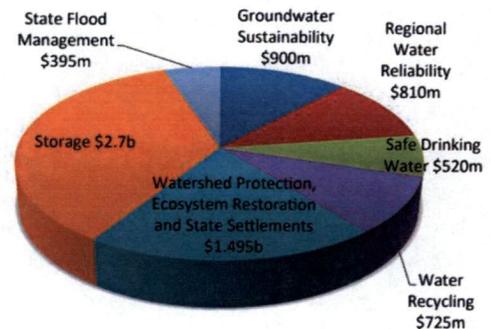
Proposition 1 funds programs such as water conservation and stormwater capture that increase local and regional water supplies and also serve other purposes, such as creating habitat and flood protection.

Water Storage Capacity: \$2.7 billion

Proposition 1 funds a share of new water storage projects to add flexibility to our water system and create more places to store water in wet times for use later. Funding is not tied to specific projects; dollars would be allocated on a competitive basis to projects ranging from local and regional surface storage to groundwater storage and cleanup to reservoir reoperation. Bond funds go to “public benefits” of projects only, such as improved water quality, flood control and habitat restoration.

Water Recycling: \$725 million

Proposition 1 funds water recycling and salt-removal projects to reuse water and maximize supplies. Funds could be used to build new recycled water pipelines, test new treatment technology or build desalination plants.



Groundwater Sustainability: \$900 million

Proposition 1 funds protection and cleanup of groundwater basins, and helps local agencies develop and implement groundwater sustainability plans required under new state legislation.

Safe Drinking Water: \$520 million

Proposition 1 funds safe drinking water and clean water programs, particularly for disadvantaged communities. These funds are designed to leverage additional federal funds and also pay for community wastewater programs and drinking water infrastructure.

Watersheds and Flood Management: \$1.89 billion

Proposition 1 funds habitat and watershed programs, enhancements for rivers and creeks, watersheds in designated areas, state commitments to restoration and statewide flood management.

Source: Analysis of Proposition 1 by State's Legislative Analyst

Background Information

California is in a severe, multi-year drought that continues to stress our reservoirs, groundwater basins and ecosystems. Public concern about water is at an all-time high. Recent polls show that more than 82% of Californians identified drought and water shortages as the state's most pressing issue.

California's aging water infrastructure, growing population and unpredictable weather patterns expected from climate change will continue to stress the state's water system.

To address these challenges, Gov. Brown has put forth a statewide, comprehensive water plan that includes investments in increased water storage capacity, conservation, water recycling, stormwater capture, safe drinking water, groundwater cleanup, habitats and watersheds. Proposition 1 is intended to fund many elements included in that plan.

Supporters and Opponents

Proposition 1 has been endorsed by numerous water agencies, business groups, environmental organizations, agricultural interests and labor groups. A list of supporters can be found at www.yesonprops1and2.com. It is opposed by some taxpayer organizations and other groups. A list of opponents can be found at www.noonprop1.com.

What Supporters Say...

- California's severe, multi-year drought has highlighted the need for a comprehensive state water plan that improves and safeguards water supplies.
- Proposition 1 funds a diverse mix of programs strongly supported by the public – from water conservation to recycling to groundwater cleanup to water storage – as part of a statewide plan.

Facts about Proposition 1

- Proposition 1 funds programs to help manage and prepare for drought, ensuring that communities, farms and businesses get reliable water during dry times.
- Proposition 1 provides a cost-share for 21st century water storage projects that create more places to put water in water times for later use in dry times. Projects would be selected through a competitive process.
- Proposition 1 is fiscally prudent; it doesn't raise taxes of fund "pork" projects.
- Proposition 1 invests in programs that support economic growth and jobs.

What Opponents Say...

- Proposition 1 makes the wrong investments and does little to relieve the drought.
- It does not produce new water and fails to achieve long-term regional water self-sufficiency.
- Proposition 1 adds billions of dollars of taxpayer debt and takes funding away from education and public health.
- Proposition 1 subsidizes private interests who want to build expensive dams that will only increase water supply by 1%. The dams would not even be usable for decades.
- Proposition 1 is bad for the environment, our rivers and our salmon.

Resources

For more information visit these resources:

Official Voter Information Guide – Supplemental Ballot: <http://www.voterguide.sos.ca.gov/en/pdf/>

Yes on Proposition 1 and Proposition 2 campaign website: <http://www.yesonprops1and2.com/prop-1>

No on Proposition 1 campaign website: <http://www.noonprop1.org/>



WATER BOND 2014

PROPOSITION 1

Regional Funding Allocations

In addition to providing funds for statewide loans, grants, and/or programs, a portion of Proposition 1 funding is dedicated to each hydrologic region in California. Here are preliminary estimates of regional funding by the California Department of Water Resources.

North Coast Hydrologic Region

- Allocated \$26.5 million in Regional Water Reliability funds
- Eligible for a share of \$605.5 million in Watershed Protection funding

San Francisco Bay Hydrologic Region

- Allocated \$65 million in Regional Water Reliability funds
- Eligible for a share of \$268 million in Watershed Protection funding
- Eligible for a share of \$295 million dedicated to reducing risk of levee failure and flood in the Delta

Central Coast Hydrologic Region

- Allocated \$43 million in Regional Water Reliability funds
- Eligible for a share of \$130.5 million in Watershed Protection funding

South Coast Hydrologic Region

- Allocated \$213.5 million in Regional Water Reliability funds, subdivided by 3 sub-regions as follows:
 - \$98 million: Los Angeles sub-region (including Ventura County)
 - \$63 million: Santa Ana Watershed
 - \$52.5 million: San Diego sub-region (including southern portion of Orange County)
- Eligible for \$187 million and a share of an additional \$130.5 million in Watershed Protection funding

Sacramento River Hydrologic Region

- Allocated \$37 million in Regional Water Reliability funds and a portion of \$13 million allocated to the Mountain Counties Overlay area
- Eligible for a share of \$637.5 million in Watershed Protection funding
- Eligible for a share of \$295 million dedicated to reducing risk of levee failure and flood in the Delta

San Joaquin River Hydrologic Region

- Allocated \$31 million in Regional Water Reliability funds and a portion of \$13 million allocated to the Mountain Counties Overlay area
- Would receive \$10 million for Watershed Protection located within the San Joaquin River Conservancy area and eligible for a share of an additional \$637.5 million for Watershed Protection
- Eligible for a share of \$295 million dedicated to reducing risk of levee failure and flood in the Delta

Tulare Lake Hydrologic Region

- Allocated \$34 million in Regional Water Reliability funds
- Eligible for a share of \$25 million in Watershed Protection funding

North Lahontan Hydrologic Region

- Would receive a portion of \$24.5 million allocated to North and South Lahontan Regions in Regional Water Reliability funds
- Would receive \$15 million for multi-benefit water quality, water supply, and watershed protection and restoration projects in the Tahoe Conservancy area
- Eligible for a share of \$500 million for other Watershed Protection

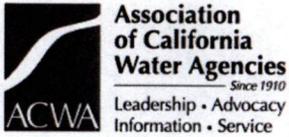
South Lahontan Hydrologic Region

- Would receive a portion of \$24.5 million allocated to North and South Lahontan Regions in Regional Water Reliability funds
- Eligible for a share of \$25 million in Watershed Protection funding

Colorado River Hydrologic Region

- Allocated \$22.5 million in Regional Water Reliability funds
- Eligible for \$10 million for Watershed Protection in the Coachella Valley Mountains Conservancy area and a share for \$475 million for projects that fulfill State obligation for the Salton Sea

Source: California Department of Water Resources



WATER BOND 2014 PROPOSITION 1

Frequently Asked Questions

Q: What is Proposition 1 – the Water Quality, Supply and Infrastructure Improvement Act of 2014?

A: Proposition 1 is a \$7.5 billion general obligation bond set for the November ballot. If approved by voters, the bond would provide funding for improvements in California’s aging water infrastructure as well as money for conservation, recycling, groundwater and other programs as part of a comprehensive, statewide water plan for California.

The bond was placed on the ballot by a near-unanimous, bi-partisan vote of the Legislature and the signature of Gov. Jerry Brown.

Q: What kind of projects would the bond measure fund?

The bond would provide funding for a wide variety of local, regional and statewide projects and strategies and to combat drought and improve the **resilience of the state’s water system**. It funds programs such as: water conservation, increased water storage capacity, water recycling, groundwater cleanup, safe drinking water programs and healthy habitats and watersheds.

Q: Why is a water bond being discussed now?

A: California is in a severe, multi-year drought that continues to stress our reservoirs, groundwater basins and ecosystems. Public concern about water is at an all-time high. Recent polls show that more than 82% of Californians identified drought and water shortages as the state’s most pressing issue. **California’s aging water infrastructure, growing population and unpredictable weather patterns expected from climate change will continue to stress the state’s already fragile water system.**

To address these challenges, Gov. Brown has put forth a statewide, comprehensive water plan that includes investments in increased water storage capacity, conservation, water recycling, stormwater capture, safe drinking water, groundwater cleanup, habitats and watersheds. Proposition 1 is intended to fund many elements included in that plan.

Q: How would the bond address the state’s water problems?

A: Proposition 1 would fund a diverse suite of programs as part of a statewide, comprehensive water plan for California. The bond includes: \$810 million for regional water reliability strategies such as water conservation and stormwater capture; \$725 million for water recycling and salt-removal projects; \$2.7 billion for local and regional water storage capacity, both above- and below- ground; \$900 million for

Frequently Asked Questions

the protection and cleanup of groundwater basins; \$520 million for safe drinking water and clean drinking water programs, particularly for disadvantaged communities and \$1.89 billion for watershed management and flood protection.

Q: Why do we need additional water storage? Aren't conservation and water recycling a more effective and less expensive way to meet our water needs?

A: Conservation and water recycling are critical elements of a comprehensive statewide water plan, but experts agree that additional water storage capacity – above- and below-ground – also is needed to increase water system flexibility. We also need more places to put water when it's available during wet periods for later use in dry times. Climate change, which is expected to bring more severe, prolonged droughts and higher peak flood flows, makes it even more important to expand our water storage capacity. Below-ground water storage projects also serve the dual purpose of storing water *and* replenishing aquifers.

The kinds of projects eligible for partial funding under Proposition 1 are different from the traditional dams of the past. They would be designed for the 21st century to add greater flexibility to the state's water management system to meet the state's needs.

Q: How would the storage funds be allocated?

A: The bond measure would appropriate \$2.7 billion to the California Water Commission, which would select projects through a competitive process. Projects such as local and regional surface storage, groundwater storage and cleanup, and reservoir reoperation would be eligible for partial funding for the "public benefits" associated with the projects, such as improved water quality, flood control and habitat restoration. Matching funding from local proponents / water users would be required to finance the remainder of project costs, including water supply benefits.

Q: Is the bond intended to fund three specific big dams?

A: No. The bond funding is not tied to any specific projects. As stated above, dollars would be allocated through a competitive process that evaluates projects according to public benefits they would provide.

Q: Will the bond pay for the Governor's tunnel project?

A: No. There is no money in Proposition 1 for any part of the proposed Bay Delta Conservation Plan.

Q: How would the bond benefit the environment?

A: The bond includes funding for a wide variety of programs and projects that are intended to protect and restore the environment. It would invest in habitat restoration, watershed protection and the cleanup of groundwater basins.

Q: How will the bond benefit the state's economy?

A: The bond is intended to increase water reliability throughout the state. Without reliable water, virtually all sectors of our economy suffer – from agriculture to high tech, to the service and recreation industries. California already has experienced job losses due to the ongoing drought, according to a study by UC Davis. Experts agree that reliable water is a vital component to a strong economy.

Q: How would the general obligation bonds be issued and repaid?

A: GO bonds are used to fund infrastructure projects that benefit taxpayers. Once authorized by voters, bonds are sold to investors and the proceeds are used to fund projects. The state makes annual payments from the General Fund until bonds are repaid with interest.

Each year, General Fund revenues must be set aside for debt-service payments on bonds. The percentage of revenues required to be set aside is known as debt-service ratio.

According to the Legislative Analyst's Office (LAO), California's current debt-service ratio is 5%. It is expected to peak at just under 6% in 2018-19. If Proposition 1 is approved by voters, the debt-service ratio would increase by less than one-third of a percentage point to 6.3%.

Proposition 1 would cost the state \$360 million annually over 40 years, according to the LAO.

Q: What other funding would be leveraged if the bond is approved by voters?

A: The bond is intended to leverage additional local / regional funds for a total investment of approximately \$25 billion to \$30 billion to address California's water needs.

Q: How can I find out more about Proposition 1?

A: For more information visit these resources:

Official Voter Information Guide – Supplemental Ballot: <http://www.voterguide.sos.ca.gov/en/pdf/>

Yes on Proposition 1 and Proposition 2 campaign website: <http://www.yesonprops1and2.com/prop-1>

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Resolution 2014-10

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In Support of Proposition 1 – The Water Quality, Supply and Infrastructure
Improvement Act of 2014**

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WHEREAS, water managers and top leaders including Governor Jerry Brown agree that we need a comprehensive, statewide water plan to create a more resilient water system and meet the coequal goals of improved water supply reliability and ecosystem health; and

WHEREAS, the Legislature has approved and Governor Brown has signed the Water Quality, Supply and Infrastructure Improvement Act of 2014, which will appear as Proposition 1 on the November 4 ballot and provide much-needed funding to advance a statewide comprehensive water plan to secure our water future; and

WHEREAS, if approved by voters, the measure would provide \$7.545 billion in bond funding for new surface and groundwater storage projects, regional water reliability, sustainable groundwater management and cleanup, water recycling, water conservation, watershed protection and safe drinking water, particularly for disadvantaged communities, and other programs the Association of California Water Agencies and its members have long advocated as part of a statewide comprehensive plan; and

WHEREAS, local and regional water suppliers across California face significant financial challenges to replace aging water infrastructure, meet increasingly difficult regulatory compliance standards, adapt to climate change, increase water reuse and improve groundwater management; and

WHEREAS, ACWA's Region 1 members and many North Coast agencies are supportive of the Integrated Regional Water Management Program (IRWMP) as the most effective means to address local and regional needs and;

WHEREAS, since its creation in 2004, the North Coast IRWMP (also known as the North Coast Resource Partnership) has been successful in securing more than \$41 million in water and energy-related grant funding to the North Coast, while matching over \$90 million in local funds; and

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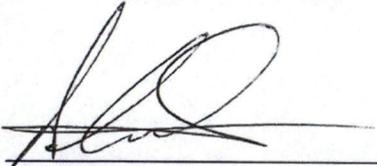
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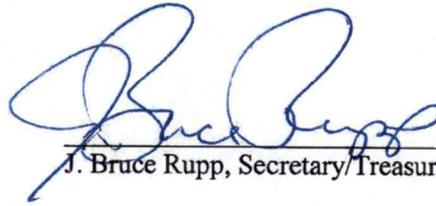
Adopted and approved this 11th day of September 2014 by the following roll call votes:

AYES: Directors Hecathorn, Laird, Rupp, Sopoci-Belknap and Woo
NOES: None
ABSTAIN: None
ABSENT: None

ATTEST:



Aldaron Laird, President



J. Bruce Rupp, Secretary/Treasurer



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 SEVENTH STREET, PO BOX 95 • EUREKA, CALIFORNIA 95502-0095

OFFICE 707-443-5018 ESSEX 707-822-2918

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EMAIL OFFICE@HBMWD.COM

BOARD OF DIRECTORS

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August 28, 2014

Dear ACWA Region 1 Members:

I am writing to you on behalf of the ACWA Region 1 Board to seek your organization's support for the recently approved water bond, "The Water Quality, Supply, and Infrastructure Improvement Act." Securing the votes for the passage of this bond on November 4 is critical to our region for many reasons; but none as important as the key fact that this bond will enable the North Coast Resource Partnership to continue implementation of water quality and water security projects throughout the region. The North Coast Integrated Regional Water Management Program (AKA North Coast Resource Partnership) would receive \$26.5 million under this bond. This is the only source of state funding that can continue our collective efforts to provide critical infrastructure and water resource projects to our communities. We cannot afford to lose this funding. The bond also contains critically important funding for watershed restoration, water reuse and groundwater management.

ACWA as a whole is supporting the new bond. It is now up to our region to support the new bond and educate our communities about its positive impacts to local and regional water resource projects. We have worked together as a region to accomplish amazing results in the IRWMP. The water bond funding is essential for this to continue.

The Region 1 Board requests that you:

- Adopt a Board resolution supporting the new bond, highlighting local impacts, and
- Educate your community and stakeholders

Please contact me or Grant Davis (Sonoma County Water Agency) with any questions you have on the bond. We want to ensure all questions are answered so we can clearly communicate this tremendous funding opportunity for our region.

Thank you,

A handwritten signature in black ink, appearing to be "ALDARON LAIRD".

Aldaron Laird
Chair, Region 1, ACWA
President, Humboldt Bay Municipal Water District

Encl: Bond Summary

Template for North Coast region Resolution Supporting the Water Bond

cc: Region 1 Board

Tim Quinn, Jennifer Persike, ACWA