



Sustainable Conservation

PROPOSITION 3: THE CALIFORNIA WATER INFRASTRUCTURE AND WATERSHED CONSERVATION BOND INITIATIVE

Sustainable Conservation endorses Proposition 3: The California Water Infrastructure and Watershed Conservation Bond Initiative, and recommends a Yes vote when it comes before the voters in the November 2018 General Election. Proposition 3 will provide \$8.9 billion in bond funds for water-related infrastructure and activities to improve water supply and water quality. Out of that total, \$3.93 billion is designated specifically for environmental benefits. Proposition 3 recognizes and addresses the needs of both the environment and agriculture, and provides funds for projects that help bring those interests into better alignment. This is very much in line with Sustainable Conservation's commitment to bridging the gaps between seemingly disparate interests in California.

We recognize that Prop. 3 comes very close on the heels of Proposition 68 (the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act), which was approved by the voters in the June 2018 primary election. While we supported Proposition 68, and believe it will provide crucial funding for a number of extremely important and beneficial environmental projects, we also believe that Proposition 3 addresses a large number of water-related issues that were not part of Proposition 68, and that the compelling need to address these issues in the face of drought and climate change makes passage of two water-related bonds in a single year not only justifiable but necessary.

Sustainable Conservation finds the following provisions of Proposition 3 to have high potential to significantly improve California's fish and wildlife habitats and water supply and quality:

- \$750 million for safe drinking water and wastewater treatment for disadvantaged communities.
- \$50 million for agricultural water conservation.
- \$200 million for Central Valley flood management, including flood plain restoration.
- \$200 million for San Francisco Bay wetlands and flood improvements.
- \$100 million for land and water management for water supply improvement.
- \$60 million for water data management.
- \$2.355 billion for watershed improvement, including but not limited to:
 - \$300M to the Wildlife Conservation Board (WCB) for, among other things, the acquisition and restoration of riparian habitat, migratory bird habitat, anadromous fisheries, wetland habitat, and other watershed lands.
 - \$10M of the WCB funds are to be made available to assist farmers in integrating agricultural activities with watershed restoration and wildlife protection (with priority given to partnerships with RCDs)
 - \$30M is to be made available for grazing land protection.
 - \$80 million for the removal of Matilija Dam in Ventura County.
- \$400 million for fisheries restoration.
- \$675 million for groundwater sustainability and storage.
- \$500 million for water and specific habitat improvements for fisheries.
- \$100 million for San Joaquin River fisheries restoration.



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- \$280 million for Waterfowl habitat.

Among these provisions, Sustainable Conservation considers the following to have a particularly significant potential impact on accelerating the restoration of fish and wildlife habitat and improving the quantity and quality of California's water supply.

Proposition 3 provides significant funding to DFW for habitat restoration, implementation of the Habitat Restoration and Enhancement (HRE) Act program, and the development of a programmatic permit for projects not covered by the HRE program. It also provides funding to the Central Valley Flood Protection Board for the development of a programmatic permit for multi-benefit restoration projects.

Proposition 3 specifically allows funds to be granted to an applicant for single or multiple small-scale projects. The absence of such a clarification in Prop. 1 became one of the major obstacles to qualifying HRE Act-related projects as eligible for bond funds.

More generally, Proposition 3 requires that funding agencies utilize programmatic authorizations where they are available. Getting agencies and restoration proponents to take full advantage of these authorizations has been challenging. Requiring that agencies do so when possible will help ensure faster implementation of critically needed restoration projects and that more money is used for on-the-ground restoration work instead of permitting costs.

Proposition 3 includes significant funding to provide clean drinking water and improve the use of existing water supplies through recycling, desalinization, and conservation, all of which reduce the pressure exerted by communities and agriculture on existing surface water supplies. Any actions that reduce demand for surface flows improve the chances of maintaining or potentially increasing flows for the environment. We also support the allocation of funding to improve water measurement by the state with research support by academics. We can't manage water use if we can't measure it.

The direct groundwater funding in Proposition 3 and the prioritization of projects that support the use of floodwaters to recharge groundwater basins supports recharge projects and makes them financially even more attractive than new surface storage reservoirs. We are actively working with Groundwater Sustainability Agencies to help them identify the most efficient recharge strategies and this funding will accelerate those projects.

Several provisions of the Act have created some controversy. Of the \$1.3 billion included for water infrastructure projects throughout the state, \$750 million is to go to the Friant Water Authority for repairs and upgrades to the Madera and Friant-Kern Canals. Concern has been expressed that providing these funds to the Friant Water Authority provides public funding for a project that benefits a specific entity and should be paid for by that entity.

While we understand and share the concern that bonds paid for by the state's taxpayers should not be used for private projects, we believe that improving the Friant-Kern Canal's capacity can provide significant public benefits by helping create a more effective, and much less expensive, alternative to new reservoirs. Proposition 3's proposal to provide funding to repair the subsidence-caused capacity constriction of the Friant-Kern Canal will allow for more flexibility



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in transferring peak wet year flows from Millerton Reservoir and the San Joaquin River south for conjunctive use. Restoring this capacity is crucial to maximizing direct groundwater recharge and in-lieu surface water use to reduce overdraft, two of the original goals of the Friant-Kern canal. The more surface water that the Friant contractors can obtain through the canal during wet years for recharge, the lower their demand for expanded surface water storage will be for dry year storage carry over. A replenished groundwater supply is a significant deterrent to investing in more surface storage. Repairing the canal and storing peak flows through recharge provides a much cheaper water supply alternative than building new reservoirs.

In conclusion, given the many urgent fish, wildlife, and water needs that Proposition 68 did not address, and the potential of the Proposition 3 to contribute significantly to the achievement of Sustainable Conservation's program goals, we endorse Proposition 3 and recommend a Yes vote in November.