

SOUTHERN CALIFORNIA



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GOVERNMENTS**

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MEETING OF THE

ENERGY AND ENVIRONMENT COMMITTEE

PLEASE NOTE TIME
Thursday, March 1, 2012
10:00 a.m. – 10:30 a.m.

SCAG Main Office
818 W. 7th Street, 12th Floor
Policy Committee Room A
Los Angeles, CA 90017
(213) 236-1800

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Deby Salcido at (213) 236-1993 or via email salcido@scag.ca.gov

Agendas & Minutes for the Energy and Environment Committee are also available at: www.scag.ca.gov/committees/eec.htm

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Energy and Environment Committee

Members – March 2012

Members

Representing

Chair*	1. Hon. Margaret Clark	Rosemead	District 32
Vice-Chair*	2. Hon. Cheryl Viegas-Walker	El Centro	District 1
*	3. Hon. Lisa Bartlett	Dana Point	OCCOG
	4. Hon. Denis Bertone	San Dimas	SGVCOG
	5. Hon. Brian Brennan	San Buenaventura	VCOG
*	6. Hon. Mark Calac		Pechanga Band of Luiseño Indians
	7. Hon. Jordan Ehrenkranz	Canyon Hill	WRCOG
*	8. Hon. Mitchell Englander	Los Angeles	District 59
	9. Hon. Larry Forester	Signal Hill	Gateway Cities
*	10. Hon. David Gafin	Downey	District 25
*	11. Hon. Keith Hanks	Azusa	District 33
*	12. Hon. James Johnson	Long Beach	District 30
	13. Hon. Abbe Land	West Hollywood	WSCCOG
	14. Hon. Phil Luebben	Cypress	OCCOG
	15. Hon. Thomas Martin	Maywood	Gateway Cities
	16. Hon. Dan Medina	Gardena	SBCCOG
*	17. Hon. Judy Mitchell	Rolling Hills Estates	District 40
	18. Hon. Sam Pedroza	Claremont	SGVCOG
*	19. Hon. Lupe Ramos-Watson	Indio	District 66
	20. Hon. Edward Scott	Rialto	SANBAG
*	21. Hon. Jack Terrazas		Imperial County
	22. Hon. Sam Toles	Cathedral City	CVAG
	23. Hon. Mark Waldman	La Palma	OCCOG
	24. Hon. Edward Wilson	Signal Hill	Gateway Cities
*	25. Hon. Dennis Zine	Los Angeles	District 50

* Regional Council Member

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ENERGY & ENVIRONMENT COMMITTEE AGENDA

MARCH 1, 2012

The Energy & Environment Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as Information or Action Items.

CALL TO ORDER & PLEDGE OF ALLEGIANCE

(Hon. Margaret Clark, Chair)

PUBLIC COMMENT PERIOD – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a speaker’s card to the Assistant prior to speaking. Comments will be limited to three (3) minutes. The Chair may limit the total time for all comments to twenty (20) minutes.

ELECTION OF CHAIR AND VICE-CHAIR

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Time Page

Approval Item

- | | | |
|---|-------------------|----------|
| 1. <u>Minutes of the February 2, 2012 Meeting</u> | Attachment | 1 |
|---|-------------------|----------|

INFORMATION ITEMS

- | | | | |
|---|--------------------|-----------------|-----------|
| 2. <u>Certification of the Final Program Environmental Impact Report (PEIR) for the 2012-2035 Regional Transportation Plan and Sustainable Communities Strategy (2012-2035 RTP/SCS)</u>
<i>(Jacob Lieb, SCAG Staff and Diana Gould, SCAG Staff)</i> | Attachment | 10 mins. | 7 |
| 3. <u>Future Effective Ozone Budgets for South Coast Air Basin</u>
<i>(Rongsheng Luo, SCAG Staff)</i> | Attachment | 5 mins. | 8 |
| 4. <u>National Environmental Policy Act (NEPA)/California Environmental Quality Act (CEQA) Delegation Provisions of Federal Reauthorization Legislation</u>
<i>(Sharon A. Neely, Deputy Executive Director, Strategy, Policy and Public Affairs)</i> | Oral Update | 5 mins. | |
| 5. <u>Safe, Clean, and Reliable Drinking Water Supply Act of 2012 Bond Proposition</u>
<i>(Sharon Neely, Deputy Executive Director, Strategy, Policy and Public Affairs)</i> | Attachment | 10 mins. | 10 |

ENERGY & ENVIRONMENT COMMITTEE AGENDA

MARCH 1, 2012

CHAIR'S REPORT

(Hon. Margaret Clark, Chair)

STAFF REPORT

(Jacob Lieb, SCAG Staff)

FUTURE AGENDA ITEMS

Any Committee member or staff desiring to place items on a future agenda may make such a request.

ANNOUNCEMENTS

ADJOURNMENT

The next meeting will be a Joint Regional Council and Policy Committees Meeting to be held on Wednesday, March 21, 2012 at the SCAG Los Angeles Office.

The 2012 Regional Council and General Assembly will be held on April 4-5, 2012 at the Bonaventure Hotel in Downtown Los Angeles.

Energy and Environment Committee
of the
Southern California Association of Governments
February 2, 2012

Minutes

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE ENERGY AND ENVIRONMENT COMMITTEE. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Energy and Environment Committee held its meeting at the SCAG office, in Los Angeles. The meeting was called to order by the Hon. Margaret Clark, Chair. There was a quorum.

Members Present

Hon. Lisa Bartlett, Dana Point	TCA
Hon. Denis Bertone, San Dimas	SGVCOG
Hon. Margaret Clark, Rosemead	District 32
Hon. Larry Forester, Signal Hill	GCCOG
Hon. David Gafin, Downey	District 25
Hon. Keith Hanks, Azusa	District 33
Hon. James Johnson, Long Beach	District 30
Hon. Abbe Land, West Hollywood	WSCCOG
Hon. Phil Luebben, Cypress	OCCOG
Hon. Thomas Martin, Maywood	GCCOG
Hon. Judy Mitchell, Rolling Hills Estates	SBCCOG
Hon. Sam Pedroza, Claremont	SGVCOG
Hon. Lupe Ramos Watson, Indio	CVAG
Hon. Cheryl Viegas Walker, El Centro	District 1
Hon. Mark Waldman, La Palma	OCCOG
Hon. Dennis Zine, City of Los Angeles	District 50

Members Not Present

Hon. Brian Brennan, San Buenaventura	VCOG
Hon. Mark Calac	Pechanga Band of Luiseno Indians
Hon. Jordan Ehrenkranz, Canyon Lake	WRCOG
Hon. Dan Medina, Gardena	SBCCOG
Hon. Ed Scott, Rialto	SANBAG
Hon. Jack Terrazas	Imperial County
Hon. Sam Toles, Cathedral City	CVAG
Hon. Edward Wilson, Signal Hill	Gateway Cities

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Hon. Margaret Clark, Chair, called the meeting to order at 10:08 a.m.

PUBLIC COMMENT PERIOD

NOMINATIONS FOR CHAIR AND VICE-CHAIR

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Approval Items

1. Minutes of November 16, 2011 Special Meeting

A motion was made (Forester) to approve the Consent Calendar. The motion was seconded (Land) and unanimously approved.

INFORMATION ITEMS

2. Status Report on the Draft Program Environmental Impact Report (PEIR) for the 2012-2035 Regional Transportation Plan and Sustainable Communities Strategy (2012-2035 RTP/SCS)

Jacob Lieb, SCAG Staff, reported that the public comment period for the Draft Program Environmental Impact Report (PEIR) for the 2012-2035 Regional Transportation Plan and Sustainable Communities Strategy (2012-2035 RTP/SCS) will end on February 14, 2012. Once the public comment closes, SCAG will schedule a workshop on February 21, 2012. The purpose of the workshop is to give the region's elected officials a sense of what issues have been raised and what issues staff needs to address in terms of revisions or adjustments to what is included in the PEIR before we release a final draft. The final draft needs to be released ten (10) days in advance of the anticipated certification of the PEIR which is March 26, 2012, with an anticipated adoption of the RTP and certification of the PEIR on April 5, 2012. Staff has prepared a question and answer sheet for members in case questions are brought to Committee Members by colleagues and community.

Our obligation under California Environmental Quality Act (CEQA) is to include all feasible mitigation measures and to mitigate whatever impacts we identify as a part of the analysis of the Plan. Mitigation measures that are included in the Draft Plan are extensive. There are 550 measures. The measures include activities that SCAG is going to undertake and they also include activities that are suggested for other entities including local government. SCAG has no authority, no interest, no ability, and no need to impose any activities, policies, cost, or anything else associated with implementing mitigation measures on any other entities. SCAG is obligated to carry out the measures that we identify for ourselves, but no one is obligated to carry out any activity if they are identified as other parties to this mitigation program. This intent may not be completely clear in the document SCAG released. Staff is considering adjustments and revisions to the document to make sure this is clear so SCAG will not put any one in a difficult position at the sub-regional or local level once the document is certified and finalized.

SCAG is anticipating a number of comments and concerns to be raised as SCAG moves through the comment period. Staff is not able to commit to any particular direction or changes to the document until the comment period closes on February 14, 2012. Staff will work with SCAG elected officials, to make sure that issues are resolved appropriately when we finalize the PEIR for certification which is anticipated for April 5, 2012.

Hon. Lisa Bartlett, Dana Point, Transportation Corridor Agency (TCA), stated on behalf of TCA she wanted to raise a couple of points:

- Fix maps to show correct constrained transportation network. For example, add SR241 TO 2020 AND 2035 Land Use Growth Pattern maps in the RTP/SCS. Insure that all technical reports and PEIR maps show SR 241 IN 2020 AND 2035, consistent with the RTP project list.
- With regard to the defined Vehicle Miles Travelled (VMT) proposed, the TCA feels that in light of the toll road and also with respect to High Occupancy Toll (HOT) lane and Express Lanes there is a double fee that is being charged. We need to clarify the return-to-source commitment. This is a Federal program and when talking about funding on a regional basis and implementing a program, in the budget SCAG has included the income from this regional program but it is not something that will take place until it is implemented at the Federal level. It appears that some clarification language is needed in this section.
- Mitigation Measure “Toolbox” - need to provide some clarifying language that states that the lead agency should select those Mitigation Measures that are relevant and applicable to a specific project.
- Clean Up Mitigation Measure List that is represented in the PEIR - remove the inappropriate mitigation measures. There is roughly 20 mitigation measures recommended for local agencies that have “the shall and will” language in them. SCAG should reconsider more than 35 of the mitigation measures that are proposed. The TCA feels that the Measures that are represented recommend new fees, subsidies, incentives and taxes on top of the cost of the RTP itself.
- PEIR alternatives that are consistent with Sub-regional SCS Programs - needs consistency. For example the Orange County Council Of Governments (OCCOG) item with regard to PEIR alternative, there are inconsistencies between the two. PEIR alternatives should be consistent with the Orange County SCS and what is represented in the PEIR.
- There needs to be clarification of the proposed Open Space Conservation Policy. Orange County already has in place a significant Open Space Conservation Program. The document needs to make clear that each County should tailor its own program for its own specific needs for consistency.
- Response to the Attorney General (AG) Lawsuit - address the points in the Attorney General’s and Center for Biological Diversity’s lawsuit against the SANDAG RTP/SCS. SCAG needs to address the allegation regarding congestion relief and clarify the area with respect to “incentivizing vehicle travel through the temporary alleviation of traffic congestion” with regard to air pollution and greenhouse gas emission growth. Orange County and the toll roads in particular, have a valid strategy in this area.

TCA would like work with SCAG Staff in clarifying and correcting these items in the PEIR. TCA will follow up with SCAG and provide written comments and details.

Staff stated that they were aware of these issues, that they appeared resolvable, and Staff is committed to work with the TCA to address the issues.

Hon. James Johnson, Long Beach, asked if the separate document on Goods Movement with regard to the zero-emissions discussion if any of that was included in terms of mitigation, or is it separate from the mitigations in the PEIR? Staff responded that these issues regarding Goods Movement are included as an appendix to the RTP/SCS, which includes all of the measures and strategies. There is a distinction to be made between what is part of the Plan as a strategy versus what is part of the environmental document as mitigation. Because of this, the PEIR does not discuss many a lot of zero-emissions restrictions on the East West Corridor or the Goods Movement infrastructure because staff considers that part of the Plan. Staff will make it clear to the public and stakeholders, as we

make revisions in the document, that zero-emissions and air quality is an important part of the Goods Movement strategy that SCAG is considering.

3. SCAG Clean Cities Coalition Update

Matthew Horton, SCAG Staff, informed the EEC that the Clean Cities Coalition program was designated to SCAG in 2010 by the U.S. Department of Energy (DOE). SCAG has undertaken a number of projects, most of which are American Recovery and Reinvestment Act (ARRA) related, as well as carrying out other (DOE) responsibilities. The coalition itself, encompasses the portion of the SCAG region that does not currently have a separate Clean Cities coalition. Currently coalitions exist in parts of Los Angeles County including Long Beach, and the City of Los Angeles. There are also coalitions in Riverside, Coachella Valley, and Western Riverside Council of Governments (WRCOG).

SCAG conducts an annual survey which is the one of the focuses of the DOE program. In 2010/11, staff was able to quantify approximately 41 million Gasoline Gallon Equivalents (GGE) displaced, making it one of the highest in the Nation.

Current projects and activities include:

- San Bernardino Associated Governments (SANBAG), Ryder, Inc., CNG Truck replacement
- Drayage truck replacement at the ports, with South Coast Air Quality Management District (AQMD) as partner
- LNG Corridor expansion, with South Coast Air Quality Management District (AQMD) or partner

The next project with AQMD as partner, has to do with SCAG's Electric Vehicle Readiness Initiative which is a dual effort with DOE funds in conjunction with a project with the California Energy Commission.

SCAG's goals are to institute:

- A "Clean Corridors" interactive web tool
- In conjunction with the California Air Quality Management District (AQMD), SCAG hopes to institute a Public Service Announcement (PSA) campaign with videos demonstrating the benefits of natural gas and conversion technology.

Attached to this item's agenda report is a letter to SCAG from the DOE detailing the re-designation of the SCAG Clean Cities Coalition. There are a number of recommendations that SCAG will pursue. Staff will continue to seek EEC guidance and direction.

CHAIR'S REPORT - None

STAFF REPORT – The Draft PEIR for the RTP/SCS - RC/Joint Policy workshop to be held on February 21, 11:30 a.m. – 1:30 p.m., at the SCAG office in downtown Los Angeles.

FUTURE AGENDA ITEMS –

- California Water Bond Update
- Review of the current status on peak oil and gas
- Fracking/drilling standards and relationship to pollutants included in the process

- Standards for drilling for shale oil and shale gas and relationship to water supplies getting contaminated
- Benefits the SCAG region could gain in the CEQA NEPA delegation issue

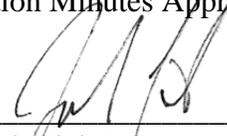
ANNOUNCEMENTS - None

ADJOURNMENT

Hon. Margaret Clark adjourned the meeting at 10:37 a.m.

The next meeting of the Energy & Environment Committee will be held on Thursday, March 1, 2012 at the SCAG Los Angeles Office.

Action Minutes Approved by:



Jacob Lieb, Manager
Environmental and Assessment
Services

Energy and Environment Committee Attendance Report

2012

Member (including Ex-Officio) LastName, FirstName	Date Appointed if after 1/1/12	Representing	X = County Represented						X = Attended Black Shading = Dark NM = New Member												Total Mtgs Attended
			Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Bartlett, Lisa*		OCCOG			X				X	X											2
Bertone, Denis		SGVCOG		X					X	X		G									2
Brennan, Brian		VCOG						X	X			E									1
Calac, Mark*		Pechanga				X						N									
Clark, Margaret*		Rosemead		X					X	X		E									2
Ehrenkranz, Jordan		WRCOG				X			X			R									1
Englander, Mitchell*		Los Angeles		X								A									
Forester, Larry		Gateway Cities		X					X	X		L									2
Gafin, David*		Downey		X					X	X											2
Hanks, Keith		Azusa		X						X		A									1
Johnson James		Long Beach		X					X	X		S									2
Land, Abbe		Westside Cities		X						X		S									1
Luebben, Phil		Cypress			X				X	X		E									2
Martin, Thomas		GCCOG		X					X	X		M									2
Medina, Dan		SBCCOG		X					X			B									1
Mitchell, Judy*		SBCCOG		X					X	X		L									2
Pedroza, Sam		SGVCOG		X					X	X		Y									2
Ramos Watson, Lupe		CVAG				X				X											1
Scott, Edward		SANBAG						X													
Terrazas, Jack		Imperial County	X						X												1
Toles, Sam		CVAG				X															
Viegas Walker, Cheryl*		El Centro	X						X	X											2
Waldman, Mark		La Palma		X					X	X											2
Wilson, Edward		Signal Hill		X					X												1
Zine, Dennis*		Los Angeles		X					X	X											2
TOTALS			2	15	2	4	1	1													

DATE: March 1, 2012

TO: Energy and Environment Committee (EEC)

FROM: Jacob Lieb, Manager of Environmental and Assessment Services, 213-236-1931, lieb@scag.ca.gov; Diana S. Gould, Sr. Regional Planner, 213-236-1997, gould@scag.ca.gov

SUBJECT: Certification of the Final Program Environmental Impact Report (PEIR) for the 2012-2035 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS)

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:
For Information Only - No Action Required.

EXECUTIVE SUMMARY:
As previously indicated, staff agreed to provide periodic reports discussing progress of the Program Environmental Impact Report (PEIR). This report has been prepared to inform the EEC about the schedule for completion of the Final PEIR, including its required certification prior to adoption of the 2012-2035 RTP/SCS.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal 1 – Improve Regional Decision-Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective A: Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:
On December 30, 2011 the Draft PEIR was released for a 45-day public comment period, which concluded on February 14, 2012. Numerous comments have been received on the Draft PEIR and at the time of this writing, staff is preparing responses to these comments. At the February 21, 2012 Joint Policy Committee Workshop, staff sought policy guidance and direction, in order to ensure that comments are being addressed appropriately.

It is anticipated that the process will be completed timely and the Final PEIR will be available for publication on March 15, 2012. This coincides with the requirement that the Final PEIR be published 10 days prior to the proposed certification date, which is April 5, 2012. In order for the 2012-2035 RTP/SCS to be adopted, the Final PEIR must first be certified by the Regional Council (RC). At this meeting, Staff will present a verbal update of the status of the PEIR and the certification process.

FISCAL IMPACT:
The consultant work is budgeted in the FY10-11 OWP under 11-020.SCG00161.04 and in the FY11-12 OWP under 12-020.SCG00161.04.

ATTACHMENT:
None

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DATE: March 1, 2012
TO: Energy and Environment Committee (EEC)
FROM: Rongsheng Luo, Program Manager, (213) 236-1994, luo@scag.ca.gov
SUBJECT: Future Effective Ozone Budgets for South Coast Air Basin

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION:

For Information Only - No Action Required.

EXECUTIVE SUMMARY:

The U.S. Environmental Protection Agency (EPA) is expected to publish in the Federal Register, a final approval of the 2007 Ozone State Implementation Plan revision including new ozone conformity budgets for the South Coast Air Basin. The new ozone budgets will become effective after scheduled Regional Council adoption of the final 2012 Regional Transportation Plan (RTP) but may be prior to US Department of Transportation (DOT) conformity determination. The draft 2012 RTP meets the new ozone budgets. The Final 2012 RTP will document for informational purposes that the 2012 RTP meets both the current and the future effective South Coast ozone conformity budgets.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a) Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:

After release of the Draft 2012 RTP, the U.S. EPA has indicated it will approve State Implementation Plan (SIP) revisions submitted by California to provide for attainment of the 1997 8-hour ozone national ambient air quality standards in the Los Angeles-South Coast area (South Coast). These SIP revisions are the South Coast 2007 Air Quality Management Plan (South Coast 2007 AQMP) (revised 2011) and South Coast-related portions of the 2007 State Strategy (revised 2009 and 2011). One component of the SIP revision is updated transportation conformity motor vehicle emissions budgets for milestone years and the attainment year. The Final Rule has not yet been published in the Federal Register and will become effective 60 days after publication. SCAG and US DOT will be required to use these budgets for South Coast ozone conformity determinations once they become effective.

Pursuant to EPA's Transportation Conformity Regulation, SCAG performed the transportation conformity analysis for the 2012 RTP based on the current EPA approved emission budgets. Since EPA has not yet published approval of the revised South Coast Ozone SIP and the effective date is 60 days after publication, the new ozone budgets contained therein will become effective after the SCAG Regional Council takes action on the 2012 RTP (i.e., April 4, 2012). Depending on when EPA publishes the approval, it is possible that the budgets will become effective prior to US DOT (i.e., FHWA and FTA) conformity determination for the 2012 RTP. Consequently, the Final 2012 RTP will document for informational purposes that the 2012 RTP meets both the current South Coast ozone budgets as well as the future effective ozone budgets.

REPORT

As shown in Table 1 below, the draft 2012 RTP meets the future effective ozone budgets for the South Coast Air Basin.

Table 1 Draft 2012 RTP Emissions Analysis - South Coast Air Basin 8-Hour Ozone (Summer Planning Emissions [Tons/Day])

Pollutant	2014	2017	2020	2023	2030	2035
ROG Draft 2012 RTP	141.5	125.4	109.3	99.0	81.9	73.8
Future Effective Baseline Adjustments	-14.8	-12.4	-9.6	-7.7	n/a	n/a
Total Emissions	126.7	113.0	99.7	91.3	81.9	73.8
Future Effective Emission Budgets	136	119	108	99	99	99
Budget – Emissions	9.3	6.0	8.3	7.7	17.2	25.2

NOx Draft 2012 RTP	281.7	231.4	181.1	158.3	124.9	119.6
Future Effective Baseline Adjustments	-23.7	-19.8	-15.7	-32.0	n/a	n/a
Total Emissions	258.0	211.6	165.4	126.3	124.9	119.6
Future Effective Emission Budgets	277	224	185	140	140	140
Budget – Emissions	19.0	12.4	19.6	13.8	15.1	20.4

FISCAL IMPACT:

Work associated with this item is included in the current FY10-11 Overall Work Program (11-025.SCG0164.01: Air Quality Planning and Conformity).

ATTACHMENT:

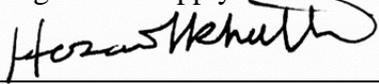
None.

DATE: March 1, 2012

TO: Energy and Environment Committee (EEC)
Regional Council (RC)

FROM: Sharon A. Neely, Deputy Executive Director, Strategy, Policy & Public Affairs,
neely@scag.ca.gov, (213)-236-1992

SUBJECT: Safe, Clean, and Reliable Drinking Water Supply Act of 2012 Bond Proposition

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDATION:
For Information Only; No Action Required.

EXECUTIVE SUMMARY:
Status update to Safe, Clean, and Reliable Drinking Water Supply Act of 2012, approved for the November 6, 2012 ballot which, if approved by voters, would authorize \$11.14 billion to finance a safe drinking water and water supply reliability program.

STRATEGIC PLAN:
This item supports SCAG's Strategic Plan Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies.

BACKGROUND:
Originally passed in 2010 for the November 2, 2010 ballot, the bond proposition (SB 2 X7, 2010 Legislative Session) would have enacted the Safe, Clean, and Reliable Drinking Water Supply Act of 2010, which, if approved by the voters, would have authorized the issuance of bonds in the amount of \$11.14 billion pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. The bill provided for the submission of the bond act to the voters at the November 2, 2010 statewide general election. Former Governor Arnold Schwarzenegger requested that the bond proposition be postponed, and on August 10, 2010, Governor Schwarzenegger signed the California State Legislature's postponement of the vote (AB 1265, 2010 Legislative Session), which moved the bond proposition to the November 6, 2012 statewide general election.

Specifics of the Bill
The bill (SB 2 X7, by way of AB 1265) authorizes a \$11.14 billion water infrastructure bond for the November 2012 ballot. The Legislative Analyst's Office estimates annual debt service on the water bond to range from \$724.7 million to \$809.3 million. The water bond, if approved by voters, would allocate the funds as follows:

CHAPTER 5 - Drought Relief	\$455,000,000
- Drought Relief Projects	\$190,000,000
- Economic impact from drought	\$90,000,000
- Small Community wastewater	\$75,000,000
- Safe Drinking Water Revolving Loan	\$80,000,000
- New River	\$20,000,000

REPORT

CHAPTER 6 - Regional Supply	\$1,400,000,000
- IRWMP - allocated	\$1,000,000,000
- (Unallocated/Interregional)	\$50,000,000
- Local Conveyance	\$350,000,000
CHAPTER 7 - Delta	\$2,250,000,000
- Projects, including	\$750,000,000
- Ag economy (out of projects pot)	[\$250,000,000]
- Ecosystem/BDCP	\$1,500,000,000
CHAPTER 8 - Statewide Water System Operational Improvement (Water Storage)	\$3,000,000,000
CHAPTER 9 - Conservation and Watershed Protection	\$1,785,000,000
CHAPTER 10 - Groundwater Protection and Water Quality	\$1,000,000,000
CHAPTER 11 - Recycling	\$1,250,000,000
- Recycling	\$1,000,000,000
- Conservation	\$250,000,000
TOTAL	\$11,140,000,000

Out of the \$11.14 billion, there are nearly \$2 billion in earmarks that were included in order to win the votes necessary to get the bill to the Governor’s desk. Chapter 9 contains the following earmarks:

Chapter 9 - Conservation and Watershed Protection	
State Coastal Conservancy	\$255,000,000
WCB – Water Rights	\$100,000,000
WCB – Watershed	\$215,000,000
Los Angeles & San Gabriel Rivers	\$75,000,000
Santa Monica Mountains Conservancy	\$75,000,000
Baldwin Hills	\$20,000,000
Santa Monica Bay – SMMC	\$25,000,000
Coastal Salmon	\$50,000,000
Lake Tahoe	\$100,000,000
Farmland Conservation/Watershed Coordinator	\$20,000,000
River Parkways	\$50,000,000
Sierra Nevada	\$75,000,000
Salton Sea	\$100,000,000
Climate Change Planning	\$10,000,000
Watershed Education Centers	\$30,000,000
Waterfowl	\$10,000,000
CDF	\$100,000,000
Klamath	\$250,000,000
Siskiyou County	\$20,000,000
CSU Fresno/Cal Poly	\$50,000,000
Ocean Protection	\$50,000,000
CVP – Salmonid	\$60,000,000
Public Infrastructure Mitigation	\$50,000,000
TOTAL	\$1,785,000,000

The fears that led to the postponement of the bond proposition to the 2012 ballot are still relevant and there has been discussion in Sacramento over reducing the size of the proposition. Assemblyman Kevin Jeffries has proposed cutting the funding of each project in the proposition by 25%. State Senate Pro Tempore Darrell Steinberg purportedly is not opposed to trimming funding. The Jeffries proposal was killed in an Assembly subcommittee, but Senator Steinberg may revive it and try to find support for a bond calling for \$7–\$8 billion in new debt (instead of the \$11.14 billion currently proposed).

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Modifying the bond proposition, however, could be a difficult task. Even when taking into consideration potential opposition from the public over the size of the bond, or how the money will be spent (i.e., earmarks), a change in the proposition would require a two-thirds vote of the Legislature. The crafting of this legislation was the result of extensive, broad-based bipartisan negotiation by leadership of both parties, and thus, changing its substantive provisions by two-thirds vote likely will be a very challenging task. There are currently no legislative vehicles proposing to amend the water bond appearing on the November ballot.

Finally, there is also discussion that Governor Jerry Brown might prefer to postpone the water bond proposition again (to the November 2014 ballot) because of another tax increase initiative that will also likely be on the November 6, 2012 ballot.

ATTACHMENT:

None