



**To:** RCRC Board of Directors  
**From:** Mary-Ann Warmerdam, Senior Legislative Advocate  
Paul A. Smith, Vice President Governmental Affairs  
**Date:** April 16, 2019  
**Re:** Senate Bill 45 (Allen) - Wildfire, Drought, and Flood Protection Bond Act of 2020 - **ACTION**

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### **Summary**

This memo provides a summary of Senate Bill 45 (Allen), the Wildfire, Drought, and Flood Protection Bond Act of 2020. This bill would authorize the issuance of \$4.3 billion in general obligation bonds to finance a variety of natural resource investments. If approved by the Legislature and the Governor, the measure could be considered by California voters in 2020. RCRC staff is recommending that the Board of Directors adopt a “Support” position.

### **Background**

California has a long tradition of funding water infrastructure (financing the State Water Project, local/regional water supply and treatment facilities, etc.) through a series of general obligation bonds (which require voter approval) and revenue-use bonds. California has also used bonded indebtedness for “softer” investment needs, such as watershed restoration, over the years. However, even with this legacy of investment, California continues to grapple with long-term changes related to forest health, increased threat of wildfire, wilder swings in precipitation events and water supply reliability.

In 2018, two bond proposals were considered by California voters: Proposition 68, approved by the voters last June, authorized \$4 billion in general obligation bonds for parks, natural resources protection, climate adaptation, water quality and supply, and flood protection. The RCRC Board of Directors considered this proposal at its December 2017 meeting and elected to not take a position on the measure.

The second measure, Proposition 3, would have authorized \$8.877 billion in general obligation bonds for a variety of infrastructure projects, most directly related to increasing water supply or improving water supply reliability and water quality. This measure was on the November ballot, but was not approved by voters. The RCRC Board of Directors considered this proposal at its January 2018 meeting and approved a “support” position on the measure.

## **Issue**

Senate Bill 45, authored by Senator Ben Allen (D-Santa Monica) is designed to provide resiliency in our forested lands as well as the watersheds associated with these forested lands to improve both water supply and quality. In particular, SB 45 is focused on funding to help reduce the severity, frequency, and impacts of natural disasters including fires, drought, flood and mudslides. While still a “work-in-progress”, the bill proposes to the voters a total of \$4.3 billion in bonds for a number of natural resources program areas including the following:

- \$1 billion for reducing wildfire risk; \$100 million for matching grants to local agencies to repair reservoirs that provide flood control;
- \$600 million for creating healthy forests and watersheds, including the Sierra Nevada Conservancy’s Watershed Improvement Program;
- \$600 million for protecting water supply and water quality;
- \$200 million for restoring areas impacted by wildfire, flood, drought, or similar natural disasters related to changes in the climate;
- \$300 million for reducing climate impacts on urban areas and vulnerable populations;
- \$300 million for multi-benefit flood management projects consistent with the Central Valley floodplain restoration plan and to assist in the implementation of approved sustainable groundwater management plans;
- \$300 million for protecting rivers, lakes and streams, including the Salton Sea Management Plan and the Lake Tahoe Improvement Plan;
- \$300 million for protecting fish and wildlife, including related natural resources, from climate impacts;
- \$200 million for improving climate resilience of agricultural lands and programs to eradicate invasive species;
- \$300 million for protecting coastal lands, waters, and natural resources;
- \$150 million for improving regional climate resilience; and,
- \$50 million for workforce development including \$30 million to the California Conservation Corps for prevention and restoration projects in watershed areas.

SB 45 requires a two-thirds vote in the Legislature and the measure is likely to be considered as part of the larger budget discussion later this Spring. With that, however, this is the only vehicle currently under development that anticipates significant additional investments in forested-wildland areas and water infrastructure. SB 45 anticipates fully half of the bond monies (approximately \$2.5 billion) to go directly or indirectly to addressing wildfire risk through fire safe councils, Office of Emergency Services, local agencies, conservancies, resource conservation districts, etc. These proceeds could be used for activities related to a range of projects, such as pre-hazard mitigation, warning systems, restoration and revegetation efforts, and to provide matching funds for federal monies.

SB 45 also provides funding for safe drinking water projects in disadvantaged communities or to upgrade projects in at-risk rural and small community water systems. Specifically called out are projects that provide treatment for nitrate contamination or

other chemicals identified by the State Water Resources Control Board as health hazards.

**Staff Recommendation**

RCRC staff recommends the RCRC Board of Directors adopt a “Support” position on the Wildfire, Drought, and Flood Protection Bond Act of 2020. This measure provides specific allocations to program areas of importance to rural counties and is generally viewed as complementing ongoing efforts to improve/re-invest in needed forested lands as well as water-related infrastructure and projects.

**Attachment**

- Copy of Senate Bill 45 (Allen)