



TRANSPORTATION, COMMUNICATIONS, AND PUBLIC WORKS POLICY COMMITTEE
Friday, March 17, 2023
10:00 a.m. – 2:00 p.m.

Join the Meeting: <https://us06web.zoom.us/j/83553651571>

AGENDA

I. Welcome and Introductions

*Speakers: Chair Priya Bhat-Patel, Council Member, City of Carlsbad
Vice Chair Colleen Wallace, Mayor pro Tem, City of Banning
Cal Cities President Ali Sajjad Taj, Council Member, Artesia
Cal Cities Executive Director and CEO Carolyn Coleman*

II. Public Comment

III. General Briefing

IV. Rail Safety Update

Informational

Speaker: Nate Kaplan, California State Director, GORAIL

V. Community Water Projects

Informational

*Speakers: Jennifer Burke, Director, Santa Rosa Water, City of Santa Rosa
Brian Sanders, Policy & Legislative Specialist, City of Sacramento
Alexandra Berenter, Senior Manager, External Affairs & Water Policy,
City of San Diego Public Utilities
Joshua Haggmark, Water Resources Manager, City of Santa Barbara*

VI. Legislative Update (Attachment A)

Action

Speaker: Damon Conklin, Legislative Representative, League of California Cities

- [SB 638 \(Eggman\)](#) Climate Resiliency and Flood Protection Bond Act of 2024.
- [AB 1567 \(Garcia\)](#) Safe Drinking Water Bond Act.
- [SB 867 \(Allen\)](#) Drought and Resiliency Bond Act.

VII. Adjourn

Next Meeting: Friday, June 23, 10:00 a.m. – 2:00 p.m., Pomona

Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:

1) Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (Note: If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote); or

2) A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.

A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at League meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.

**Transportation, Communications, and Public Works Policy Committee
Legislative Agenda
March, 2023**

Staff: Damon Conklin, Legislative Representative

1. [SB 638 \(Eggman\): Climate Resiliency and Flood Protection Bond Act of 2024.](#)

Bill Summary:

This bill would enact the Climate Resiliency and Flood Protection Bond Act of 2024, which, if approved by the voters, would authorize the sale of \$4.5 billion in general obligation bonds. This bill would submit the bond for a vote during the November 5, 2024, statewide general election.

Bill Description:

Specifically, this measure would:

- Require the Department of Water Resources (DWR) to develop project solicitation and evaluation guidelines, which could include a limitation on the size of the grants to be awarded.
- Allocate up to 5 percent of funds allocated for a program may be used to pay the administrative costs of that program.
- Allocate up to 10 percent of funds allocated for a program could be allocated for planning and monitoring.
- Advance payments to grant recipients of up to 25 percent of a grant award would be allowed for projects that restore habitat for threatened or endangered species or improve flood protection.

Additionally, this measure would allocate \$4.5 billion for climate resiliency and flood protection to be categorized into four areas:

- \$2.5 billion to the DWR evaluate, repair, rehabilitate, reconstruct, expand, or replace levees, weirs, bypasses, and facilities of the State Plan of Flood Control, including improving or adding facilities to the State Plan of Flood Control, not to exceed \$100 million on a single project; \$200 million for levees that protect nonurbanized areas and undeveloped areas, and \$200 million for levees of the San Joaquin River and its tributaries.
- \$1 billion for payment for the State's share of the nonfederal costs, and related costs, of specified flood protection and climate resiliency projects.
- \$500 million for Delta flood protection and climate resilience.
- \$500 million for multi-benefit flood management projects, including \$100 million for multi-benefit flood management projects in urban coastal watersheds.

Background:

Several climate resilience bonds have been introduced in past years, including AB 2387 (E. Garcia, 2022), AB 1500 (E. Garcia, 2021), SB 45 (Portantino, 2021), AB 352 (E. Garcia, 2019), AB 1298 (Mullin, 2019), and SB 45 (Allen, 2018). These proposals were put on hold

during the COVID-19 pandemic. The last water related bond that passed was Proposition 68, a \$4 billion parks and water bond, passed in June of 2018 with 57 percent of the statewide vote. Proposition 3, an \$8.877 billion water bond on the 2018 general election ballot in November, was narrowly defeated.

In 2021, with a historic budget surplus, the Governor and Legislature passed a General Fund package totaling \$5.2 billion for drought response and water resiliency spread over three years. In 2023, the Governor has proposed an additional investment of \$750 million for drought response and water resilience.

The Governor and Legislature have shifted their attention to federal funding opportunities and statewide bond proposals to fund ambitious infrastructure projects and climate change programs.

Fiscal Impact:

While the cost to pay off the principal payments would be equal to the size of the bond – \$4.5 billion – the total cost to the state would depend on 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.

In 2018, when analyzing Proposition 3, the Legislative Analyst's Office (LAO) estimated that interest costs over the life of the bonds will add \$8.4 billion over the next 40 years to the \$8.9 billion principal of Proposition 3, resulting in a total of \$17.3 billion. This calculation added an average annual cost of \$430 million to the state budget, or roughly .03 percent of the current general fund budget.

A \$4.5 billion bond, as proposed by SB 638, would have a mixed effect on local governments' fiscal outlook. In cases where state funds replace money that local governments would have spent on projects anyway; SB 638 could reduce local spending. But in other cases, SB 638 could increase local spending as local governments build more or bigger projects than they would if state funds were not available, which often require local matching funds. Ultimately, the LAO estimated that on balance, Proposition 3 would result in savings to local governments averaging around a couple hundred million dollars annually for the next few decades.

Relevant Existing Cal Cities Policy: Summary of Existing Policy and Guiding Principles (Environmental Quality, 2022):

Flood management

- Cal Cities believes that our citizens have a reasonable expectation that their federal, state and local governments will work to protect them from flooding.
- Cal Cities believes that flood protection and management is a statewide issue, involving flood infrastructure issues related to levees, urban/suburban/rural creeks, streams and rivers, and alluvial fans.
- Cal Cities believes that it is important to recognize that levee failures in the Sacramento-San Joaquin River Delta have water quality, water supply and economic impacts that may have statewide effects beyond the local or regional levee break situation.

- Flood control issues require cooperative planning, evaluation and solutions that utilize a regional and statewide perspective, such as the state IRWMP process.
- In assessing problems and proposing solutions, it is important to consider the differences between infill development and new, greenfield development.
- The public safety and health of California citizens and the economic health of California communities and our state depend upon good flood protection. This includes the potentially devastating impacts of floods on homes and businesses.
- Cal Cities supports efforts to improve communication, cooperation and better coordinated planning between different government agencies involved in flood management. Cal Cities believes that there must be a genuine partnership between state and local agencies in addressing flood control issues.
- Cal Cities believes cities must ask the right questions and have the means to obtain accurate information prior to approving development in floodplains. This involves educating elected officials and staff about whether their city is located in a floodplain, the local flood control infrastructure, the agencies that are responsible for providing flood protection, the status of levees and other structures that provide flood protection, emergency response and evacuation protocols, and how their city would be impacted by flooding.
- Cal Cities believes that city officials should understand that a 100-year flood zone does not mean a low, once-in-100-years risk of flooding. The designation actually means that there is a 1 percent chance of flooding in any given year. This translates to a 26 percent chance of flooding over the life of a typical 30-year mortgage.
- Cal Cities supports a 200-year flood standard for cities in the Sacramento-San Joaquin and Central Valleys.
- Cal Cities generally endorses the recommendations of the State's Flood Control Task Force, especially those recommendations involved in updating the CEQA Checklist and General Plan Guidelines and building codes.
- The State, Army Corps of Engineers (ACOE) and Federal Emergency Management Agency (FEMA) should work collaboratively with state and local governments regarding flood issues.

Water Storage

- Cal Cities believes that California needs to develop additional water storage and therefore believes that the construction and retention of economically feasible and environmentally sound flood control, storage and multi-use projects that will meet present and future needs should be supported.
- The development of additional surface facilities and use of groundwater basins to store surface water that is surplus to that needed to maintain State Water Resource Control Board (SWRCB) Bay-Delta estuary water quality standards should be supported.
- Cal Cities encourages project developers to mitigate the negative impacts of water storage projects on fishery and wildlife resources, adjacent lands, water quality and recreation.

Conveyance Systems

- Conveyance facilities including, but not limited to, the Sacramento River, whether man-made or natural, should be constructed and/or operated to

minimize seepage and erosion problems and, where practicable, to restore or maintain river functions and to protect previously existing riparian habitats. They should be constructed to mitigate these problems and other adverse impacts on adjacent lands.

- Environmentally-sound methods of erosion-control should be encouraged along river banks to protect adjacent lands from flood or other erosive flows provided any adverse impacts on fish and wildlife habitat are mitigated.
- Local distribution systems should be interconnected with regional systems, where feasible, to assist in maximizing the use of local ground and surface waters during droughts and emergencies.
- Solving the water quality, levee stability and fishery problems in the Sacramento-San Joaquin Delta is a primary step in developing any plan to meet the state's water needs.
- Cal Cities acknowledges that the use of the Sacramento River as a conveyance system presents problems of erosion and seepage which must be addressed in the operation of existing projects and the design of future projects.

Comments:

California's ongoing atmospheric river events in 2023, have resulted in significant flooding throughout Southern, Central, and Northern California. At least 200,000 homes and businesses lost power due to the series of storms and 6,000 individuals were ordered to evacuate certain parts of the state. As a result of the impacts of climate change, long periods of drought followed by significant periods of rain and snow, are projected to become more common. SB 638 seeks to partially address this issue by directing additional funding to the facilities identified in the State Plan of Flood Control, delta levees, and multi-benefit flood protection projects.

This bond proposal would potentially provide much needed funding to California's aging infrastructure, with funding for flood protection and management projects, including the replacement and restoration of levees and bypasses.

With multiple water and resource bond proposals introduced this legislative session, Cal Cities may wish to consider favoring and supporting efforts where possible. If multiple proposals continue to move forward through the legislative session the legislature may be forced to resolve these proposals into one broader legislative bond effort.

Support and Opposition:

Support

California Central Valley Flood Control Association (sponsor)

Staff Recommendation:

Staff recommends the committee discuss and identify bond funding priorities, and make a recommendation to the Board.

Committee Recommendation:

Board Action:

2. **AB 1567 (Eduardo Garcia): Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act.**

Bill Summary:

This bill would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act. If approved by the voters at the November 5, 2024, statewide general election, this bill would authorize the sale of \$15.105 billion in general obligation bonds.

Bill Description:

Specifically, this measure would currently allocate roughly \$8 billion to:

Funding Framework

- At least 35 percent would be set aside for projects that provide meaningful and direct benefits to vulnerable populations, under-resourced communities, or disadvantaged communities.
- Up to 10 percent could be allocated for technical assistance and capacity building.
- Up to 5 percent of funds allocated for a program may be used to pay the administrative costs of that program.
- Up to 5 percent could be allocated for ongoing monitoring and scientific review.
- Advanced payments to grant recipients of up to 25 percent of a grant award would be allowed.

Wildfire Prevention, Climate Risk Reduction, and Protection Against Power Shutoffs

(\$1.3 billion of \$2.3 billion allocated)

- \$350 million to cities, counties, districts, and regional park entities for projects that reduce the risk of fire, flood, or drought, enhance outdoor water conservation and efficiency, or promote access for individuals with disabilities
- \$300 million for pre-hazard mitigation program
- \$500 million for forest resilience and wildfire risk reduction
 - \$150 million for Department of Conservation's Regional Forest and Fire Capacity Program
 - \$150 million for long-term forest health
 - \$150 million for watershed improvements that use prescribed fire and improve water supply or quality
 - \$50 million to Sierra Nevada Conservancy
- \$70 million to reduce fire risk to state parks
- \$50 million for workforce development programs that improve climate resilience
- \$30 million for development of alternative uses of forest products

Protecting Coastal Lands, Bays, and Oceans from Sea Level Rise and Other Climate Risks

(\$1.16 billion of \$2.16 billion allocated)

- \$960 million for coastal protection, restoration, and resilience to State Coastal Conservancy

- \$300 million for San Francisco Bay Restoration Authority Act
- \$100 million to San Francisco Bay Area Conservancy Program
- \$100 million for natural infrastructure projects
- \$65 million for the removal of outdated or obsolete dams and to upgrade associated downstream infrastructure
- \$100 million for California Ocean Protection Trust Fund to California Ocean Protection Council
- \$50 million to reduce risks from sea-level rise in state parks
- \$30 million for coastal adaptation planning to California Coastal Commission
- \$20 million for coastal adaptation planning to the San Francisco Bay Conservation and Development Commission

Ensuring Safe Drinking Water, Drought Preparation, and Enhancing the State's Flood Protection

(\$2.11 billion of \$3.11 billion allocated)

- \$450 million for restoration of rivers, lakes, streams to improve climate resilience, water quality, or water supply
 - \$240 million for Salton Sea
 - \$50 million for Tijuana River Border Pollution Control Project
 - \$25 million for Los Angeles River
 - \$25 million for Los Angeles River
 - \$15 million for Lower American River – Wildlife Conservation Board (WCB)
 - \$15 million for Clear Lake
- \$400 million for safe drinking water
 - \$30 million for drought contingency plans
- \$300 million for water recycling projects
- \$250 million for implementation of the Sustainable Groundwater Management Act
- \$200 million for regional water management planning
- \$200 million for multi-benefit flood protection projects
 - \$50 million for coastal urban watersheds
 - \$50 million for Delta levees
- \$100 million for public agencies or public-private partnerships to clean up contaminated groundwater or surface water supplies that are drinking water sources and improve access to wastewater infrastructure
- \$100 million for projects that prevent, reduce, or treat contaminated groundwater that serve as a major source of drinking water for a community – State Water Board
- \$50 million for New River Water Quality, Public Health, and River Parkway Development Program
- \$35 million for the development of the State Plan of Flood Control to Central Valley Flood Protection Board

Protecting Fish, Wildlife, and Natural Areas from Climate Risks (\$940 million of \$1.94 billion allocated)

- \$500 million for fish and wildlife restoration and stewardship projects
- \$340 million for climate risk reduction projects
 - \$10 million for Baldwin Hills Conservancy

- \$50 million for State Coastal Conservancy
- \$30 million for Tahoe Conservancy
- \$20 million for Coachella Mountains Conservancy
- \$30 million for Sacramento-San Joaquin Delta Conservancy
- \$40 million for San Diego River Conservancy
- \$50 million for San Gabriel and Lower Los Angeles River Conservancy
- \$10 million for San Joaquin River Conservancy
- \$50 million for Santa Monica Mountains Conservancy
- \$50 million for Sierra Nevada Conservancy
- \$50 million for groundwater projects that provide wildlife habitat
- \$50 million for climate resilience of fish and wildlife habitat

Protecting Farms, Ranches, and Working Lands from the Impacts of Climate Change

(\$320 million of \$1.32 billion allocated)

- \$160 million for climate resilience of agriculture land
- \$100 million to benefit disadvantaged farmers and small and medium-sized farmers and increase the sustainability of agricultural infrastructure and facilities
- \$50 million for climate practices on farms and ranches, including those that promote soil health, carbon sequestration, air/water quality, groundwater recharge/surface water, or fish/wildlife habitat
- \$50 million for protection, restoration, and enhancement of farmland and rangeland
- \$40 million for on-farm water efficiency
- \$40 million for methane emissions reductions from dairy and livestock operations and to improve water quality through manure management
- \$20 million for invasive species control
- \$10 million for monarch butterflies and other pollinators

Responding to Extreme Heat, Community Enhancement, and Resilience

(\$1.165 billion of \$2.165 billion allocated)

- \$800 million for parks in park-poor neighborhoods
 - \$150 million for communities with 130 percent of the state median income average
 - \$50 million for local park creation and improvement in park deficient communities
- \$100 million for urban greening that benefits vulnerable populations
- \$100 million to reduce urban heat island effect and other extreme heat impacts
 - \$75 million for urban forestry to mitigate the urban heat island effect and extreme heat impacts
- \$50 million for low-income weatherization
- \$40 million to the Recreational Trails and Greenways Grant Program for fuel breaks, risk reduction buffers, and recreational corridors

Strengthening California's Regional Climate Resilience (\$1.11 billion of \$2.11 billion allocated)

- \$850 million for climate resilience and climate risk reduction for communities
- \$100 million for Transformative Climate Communities program

- \$60 million for modifications or upgrades of fairgrounds for disaster staging/evacuation centers \$50 million for sea-level rise and extreme storms multijurisdictional projects led by countywide special districts
- \$50 million for community resilience centers

\$7 Billion Unallocated for Additional/Increased Priorities

AB 1567 currently has \$7 billion unallocated. It is critical that Cal Cities priorities be identified and elevated to support working with the author to include in the final proposal.

Areas that committee members may consider elevating for consideration include:

- Solid waste and recycling infrastructure (inclusive of funding to support compliance with organic and plastic waste diversion mandates)
- Building electrification
- Vehicle electrification
- Local and regional water conveyance projects, including those to address subsidence impacts
- Groundwater recharge
- Surface water storage
- Water recycling and reuse
- Dam and reservoir safety
- Watershed management
- Local water conservation programs
- Sea level rise adaptation planning
- Extreme heat and cold shelter programs
- Undergrounding of utility power lines

Background:

Several climate resilience bonds have been introduced in past years, including AB 2387 (E. Garcia, 2022), AB 1500 (E. Garcia, 2021), SB 45 (Portantino, 2021), AB 352 (E. Garcia, 2019), AB 1298 (Mullin, 2019), and SB 45 (Allen, 2018). These proposals were primarily put on hold during the COVID-19 pandemic. The last water-related bond that passed was Proposition 68, a \$4 billion parks and water bond, passed in June 2018 with 57 percent of the statewide vote. Proposition 3, an \$8.877 billion water bond on the 2018 general election ballot in November, was narrowly defeated.

In 2022, with a historic \$100 billion budget surplus, the Governor and Legislature passed a climate change budget package totaling \$54 billion over five years. Following projections of state budget deficit of at least \$22 billion in 2023, the Governor has proposed [slashing \\$6 billion from the package](#) with heavy hits to vehicle electrification and coastal programs.

The Governor and Legislature have shifted their attention to federal funding opportunities and statewide bond proposals to fund ambitious infrastructure projects and climate change programs. Cities should position their priorities early in the bond discussion as state budget funds for these programs are expected to remain stagnant or decline in coming years.

Fiscal Impact:

In 2018 when analyzing Proposition 3, the Legislative Analyst's Office (LAO) estimated that interest costs over the life of the bonds will add \$8.4 billion over the next 40 years to the \$8.9 billion principal of Proposition 3, resulting in a total of \$17.3 billion. This calculation added an average annual cost of \$430 million to the state budget, or roughly .03 percent of the current general fund budget.

A \$15.1 billion bond, as proposed by AB 1567, would have a mixed effect on local governments' fiscal outlook. In cases where state funds replace money that local governments would have spent on projects regardless, AB 1567 could reduce local spending. But in other cases, AB 1567 could increase local spending, as local governments build more or bigger projects than they would if state funds were not available, which often require local matching funds. Ultimately, the LAO estimated that on balance, Proposition 3 would result in savings to local governments, averaging around a couple \$100 million dollars annually for the next few decades.

Existing Cal Cities Policy:

Water Infrastructure Funding

Cal Cities supports the development of additional groundwater and surface water storage, including proposed surface storage projects now under study if they are determined to be feasible, including but not limited to: environmentally, economically, and geographically relating to point of origin. Appropriate funding sources could include, but are not limited to user fees, bonds and federal funding.

Park Bond Funds

Cal Cities believes that any statewide park bond measure should include a component that provides per capita grants to cities and counties. Cal Cities opposes tying local eligibility for grant funds to non-park related issues, such as rent control or housing element status.

Support and Opposition:

None on file as of March 9.

Staff Recommendation:

Staff recommends the committee discuss and identify bond funding priorities, and make a recommendation to the Board.

Committee Recommendation:

Board Action:

3. **[SB 867 \(Allen\): Drought and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, and Park Creation and Outdoor Access Bond Act of 2023.](#)**

Bill Summary:

This bill would enact the Drought and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, and Park Creation and Outdoor Access Bond Act of 2023. This bill would authorize the sale of an unspecified amount in general obligation bonds. The bill does not specify in which statewide election this initiative would be included.

This bill proposes seven broad categories of funding and does not specify funding allocations. The categories and subcategories are listed below:

- **Drought and Water Resilience**
 - Protection of California's water supply and water quality
 - Reduce flood risk and improve stormwater management
 - Improve watershed resilience and to protect and restore rivers, lakes, and streams
 - Establish a water trust
- **Wildfire and Forest Resilience**
 - Reducing community wildfire risk and restoring the health and resilience of forests
- **Coastal Resilience**
 - Protection of coastal lands, waters, communities, natural resources, and urban waterfronts from climate impacts
- **Extreme Heat Mitigation**
 - Address extreme heat in communities
- **Protect Biodiversity and Accelerating Nature-Based Climate Solutions**
 - Protection of California's biodiversity and to protect nature and restore landscape health
- **Climate Smart Agriculture for Sustainability and Resiliency**
 - Improving climate resilience of agricultural lands
- **Park Creation and Outdoor Access**
 - Creation and protection of parks, outdoor access, and educational institutions

Background:

See background provided above on AB 1567 (Garcia).

Comments:

SB 867 will be the Senate's broader proposal for a general obligation water and resources bond for the 2024 ballot.

Support and Opposition:

None on file as of March 9.

Staff Recommendation:

Staff recommends the committee discuss and identify bond funding priorities, and make a recommendation to the Board.

Committee Recommendation:

Board Action: