
File No.: 18-0930

Agenda Date: 2/26/2019

Item No.: 7.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Recommended Positions on State Legislation: Senate Bill (SB) 19 (Dodd) Water Resources: Stream Gages; Assembly Constitutional Amendment (ACA) 1 (Aguilar-Curry) Local Government Financing of Affordable Housing and Public Infrastructure: Voter Approval; and Other Legislation Which May Require Urgent Consideration for a Position by the Board.

RECOMMENDATION:

- A. Adopt a position of "Support" on: SB 19 (Dodd) Water Resources: Stream Gages; and
- B. Adopt a position of "Support" on: ACA 1 (Aguilar-Curry) Local Government Financing of Affordable Housing and Public Infrastructure: Voter Approval.

SUMMARY:

SB 19 (Dodd) Water Resources: Stream Gages (I-12/03/18)

Position Recommendation: Support

Priority Recommendation: 3

SB 19 would require the Department of Water Resources (DWR) to develop a plan to deploy a network of stream gages that includes a determination of funding needs and opportunities for reactivating existing gages. The bill would require DWR, in consultation with the State Water Resources Control Board, the California Department of Fish and Wildlife, the Central Valley Flood Protection Board, interested stakeholders, and local agencies, to prioritize the deployment of stream gages based upon gaps in the existing system of gages. SB 19 is authored by Senator Bill Dodd of Napa and is sponsored by The Nature Conservancy.

Stream gages measure the volume of water moving through a channel or stream. The data collected informs water management decision making, particularly in understanding highly variable flows over time to better predict the flow of water in the future. Stream gage data received in real-time can be used to detect when a levee has breached or a channel is approaching or exceeding flood stage, enabling officials to initiate emergency response. Gage data also are used to study the relationship between stream flows and ecosystem response, including impacts to fish species.

DWR manages state-owned water infrastructure, maintains monitoring programs used to collect data on water resources from local, state, federal, and academic sources, and makes that data available

for public purposes. The Open and Transparent Water Data Act of 2016 requires DWR, in conjunction with other natural resources agencies, to develop a Water Data Platform that will integrate local, state, and federal water data, and make it available for water management and research purposes. However, for many significant watersheds, California's stream gage network is disorganized, poorly funded, and deficient in its current state. There are more than 3,600 locations in California where stream gages were once active, but no longer function, and many others fail to report key data points such as flow, temperature, and drainage.

SB 19 would direct DWR, upon appropriation by the Legislature, to develop a plan for the deployment of a statewide network of stream gages, assess where there are data gaps or deficiencies, estimate the costs to deploy needed gages, and identify opportunities for reactivating existing gages. The bill does not authorize the deployment of stream gages or identify a funding source. However, understanding what is needed across the state and the potential costs of deployment may inform future actions by the Legislature and the Governor.

Importance to the District

The District has an extensive local network of more than 140 stream and rain gages, with an annual budget of approximately \$1.8 million. In addition, the District monitors stream gages operated by the U.S. Geological Survey (USGS), which historically has been the single largest funder of stream gages across California. However, local agencies like the District, in cooperation with the federal government, collectively funded 48 percent of the cost of USGS gages in California in fiscal year 2017; and local agencies are expected to continue to be a primary source of stream gage funding.

SB 19 may set the stage for future legislation that provides more state funding for stream gages. If that potential funding were directed to streams in our region, the District could benefit from additional data to further assess flood risk. More stream gage data may better inform decisions regarding water for both environmental and human needs.

Given that the District's stream gage network is well-developed, potential future funding may be directed to other jurisdictions; however, the District may still benefit. For example, more accurate measurement of key data points in Delta tributaries and across the state could assist in the recovery of threatened or endangered fish species. Imported water operations also may benefit from real-time measurements that inform the management of the Central Valley Project and the State Water Project to minimize ecosystem impacts and take advantage of periods of higher flows resulting from a warming climate and increased storm intensity.

After the SB 19 plan for a statewide stream gage network is developed and costs are estimated, it is possible that the state would seek further funding from local agencies or mandate stream gage improvements to address the deficiencies identified in the plan. However, the state cannot begin to assess how to pay for a statewide stream gage network without first understanding what the needs are and how to prioritize state investments. The SB 19 plan would be a first step toward improving stream gage infrastructure and data collection, and would provide that local agencies and other stakeholders be consulted in setting the

criteria for prioritizing stream gage deployment.

Staff recommends that the District take a position of “Support” for SB 19.

Pros:

- SB 19 would direct the state to develop a plan, in consultation with local agencies and other stakeholders, for a statewide stream gage network and would estimate costs of deployment.
- An enhanced local stream gage network, if funded by future legislative action, could better inform local flood risk reduction efforts and decisions regarding water for both environmental and human needs.
- A statewide stream gage network, if funded by future legislative action, could better inform statewide flood risk reduction priorities, assist in the recovery of threatened or endangered species, and provide real-time measurements that may improve operation of the Central Valley Project and the State Water Project.

Cons:

- To the extent that stream gage data may indicate a need for increased environmental flows for fisheries, the District’s access to water sources could be negatively impacted.
- DWR may determine that stream gage needs are greater in other jurisdictions that have not invested in stream gages at a level similar to the District’s program.
- Future legislation may assign costs to the District or seek to mandate improvements to the District’s extensive local stream gage network.

ACA 1 (Aguiar-Curry) Local Government Financing of Affordable Housing and Public Infrastructure: Vote Threshold (I-12/03/18)
Position Recommendation: Support
Priority: 2

Assembly Constitutional Amendment 1 (ACA 1) was introduced by Assembly Member Cecilia M. Aguiar-Curry for the 2019-2020 Session of the California Legislature. ACA 1, if passed by a two-thirds vote of both houses of the Legislature and approved by a majority of the voters in a statewide election, would lower the necessary voter threshold from a two-thirds supermajority to 55 percent to approve local general obligation (GO) bonds and special taxes for affordable housing and public infrastructure projects.

Specifically, this resolution would propose to California voters at the next statewide election an amendment to the Constitution of the State that would revise Sections 1 and 4 of Article XIII A, amend Section 2 and add Section 2.5 to Article XIII C, amend Section 3 of Article XIII D, and amend

Section 18 of Article XVI, all relating to local government finance. Generally, these existing constitutional provisions require a two-thirds vote of the people for both GO bonds and special taxes proposed by a city, county, or special district.

If approved by the voters, ACA 1 would enable GO bonds and special taxes, used for affordable housing and public infrastructure, to be enacted with a 55 percent vote threshold. "Public infrastructure" would be defined to include, but is not limited to, projects that provide any of the following:

- (1) Water or protect water quality;
- (2) Sanitary sewer;
- (3) Treatment of wastewater or reduction of pollution from stormwater runoff;
- (4) Protection of property from impacts of sea level rise;
- (5) Parks;
- (6) Open space and recreation facilities;
- (7) Improvements to transit and streets and highways;
- (8) Flood control;
- (9) Broadband Internet access service expansion in underserved areas; and
- (10) Local hospital construction.

"Affordable housing" would be defined to include housing developments, or portions of housing developments, that provide workforce housing affordable to households earning up to 150 percent of countywide median income, and housing developments, or portions of housing developments, that provide housing affordable to lower, low-, or very low income households, as those terms are defined by the Legislature through state law.

Importance to the District

If enacted by the voters, ACA 1 would enhance the ability for local governments, including the District, to raise revenue. This would likely result in more public investments at the local level to address water supply, flood protection, water quality, and climate change impacts.

The District is facing increasing costs as existing water supply and flood protection infrastructure needs retrofit and repair, as the costs of imported water and the development of new local supplies increase, and as the impacts of a changing climate take their toll with intensified storm events, reduced Sierra snowpack, and sea level rise. A 55 percent vote threshold on GO bonds and on special taxes would enable the District and our other local government partners to better meet these growing challenges, and would still require strong voter support for these funding measures to be approved.

The 2019 Legislative Guiding Principles adopted by the Board on October 23, 2019, include Guiding Principle #4: Protect revenues, enhance revenues, and contain costs. The goals enumerated under that principle include #8: Support reducing the voting requirement for special taxes. ACA 1 would do exactly that. Consequently, staff recommends that the Board adopt a position of "Support" on ACA 1.

Pros

- Lowers the necessary voter threshold from a two-thirds supermajority to 55 percent to approve local general obligation bonds and special taxes for affordable housing and public infrastructure projects.
- Enables the District and our other local government partners to better meet the growing challenges in housing, water supply, flood protection, and climate change response.
- Requires strong voter support (55 percent) for enactment of financing measures.
- Is consistent with the District's 2019 Legislative Guiding Principles.

Cons

- More special taxes and public indebtedness may increase the cost of home ownership in Santa Clara County.
- If not used judiciously, the voters and taxpayers may grow weary of measures to fund affordable housing and public infrastructure.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Rachael Gibson, 408-630-2884

THIS PAGE INTENTIONALLY LEFT BLANK