



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

PRESS RELEASE

Gov. Schwarzenegger Signs Legislation to Improve Water Supply Reliability and Conservation

Governor Reiterates Urgent Need for Comprehensive Water Plan

Governor Arnold Schwarzenegger has signed SBx2 1 by Senator Pro Tempore Don Perata (D-San Francisco), which appropriates \$842 million in funding from two initiatives passed by voters in 2006 - Proposition 84 and Proposition 1E. While these funds will help water agencies address the current statewide drought and provide a first step toward investing in water supply reliability, a much more comprehensive plan is needed in order to update California's water system, which urgently needs increased storage, improved conveyance, a restored and better protected Delta ecosystem and greater water conservation. The Governor also signed four additional bills that will help address our state's water crisis and further increase water conservation.

"This funding is a band-aid measure that will help water agencies improve their conservation efforts in the face of the state's current drought but will not solve our long-term water supply problems, which require a more comprehensive solution to ensure that California has the water it needs to keep our environment and economy healthy," Governor Schwarzenegger said. "I encourage each and every Californian to look at ways to reduce their water usage whenever possible, and this package of legislation will further aid in those conservation efforts which are so critical to California's water supply right now."

SBx2 1 also includes \$200 million to help stabilize the Sacramento-San Joaquin Bay Delta, help prevent catastrophic failure of the Delta's levees and accommodate pumping restrictions mandated by a federal court ruling. Additionally, the legislation provides \$100 million to help clean up ground water basins in Southern California.

In a signing message on the bill, the Governor expressed disappointment that it provides \$200 million less than his proposed January 2008 budget, and because more than \$580 million in funding was taken out of his budget and placed into a special session bill, money that would have been available immediately will not be available until March 2009.

In addition to SBx2 1, the Governor has also signed the following bills:

AB 2882 by Assemblymember Lois Wolk (D-Davis) encouraging public water agencies throughout the state to adopt conservation rate structures that reward consumers who conserve water. Current state law authorizes water agencies to promote conservation using rate structures; however, some agencies are concerned that such structures may not meet the requirements of Proposition 218, a state law enacted by voters in 1996 to restrict the use of revenue tools such as water rates to finance local services. This legislation clarifies the allocation-based rate structures and establishes standards that protect consumers by ensuring a lower base rate for those who conserve water and requiring that higher rates for use in excess of the base rate do not exceed the reasonable cost of providing the water service.

AB 3030 by Assemblymember Julia Brownley (D-Santa Monica) clarifies the procedures a local public water district is able to employ when faced with an increase in wholesale water rates. Ultimately, the bill will allow these agencies to respond to rate increases more quickly and efficiently by allowing for automatic adjustments corresponding to changes in the wholesale cost of water.

AB 2356 by Assemblyman Juan Arambula (D-Fresno) will help low-income rural communities avoid a cash-flow crisis by giving the State Water Resources Control Board the authority to disburse up to twenty-five percent of a wastewater infrastructure grant to a disadvantaged community in advance of costs incurred to help them pay their contractors.

SB 27 by Senator Joe Simitian (D-Palo Alto) requires the Office of Emergency Services to establish an interagency "Multi-Hazard Coordination Task Force" to develop an emergency response strategy for the Sacramento-San Joaquin Delta.

While these bills signed by the Governor will help further the state's conservation efforts and make some incremental improvements to the Sacramento-San Joaquin Delta, they represent only one component of the comprehensive package that is needed to upgrade California's water infrastructure. The Governor continues to urge legislators to pass a comprehensive water plan that can go before California voters.

In July, he and Senator Dianne Feinstein proposed a compromise plan to the legislature to update California's water system and put the state on the path toward restoring the Sacramento-San Joaquin Delta, expanding water supplies and promoting conservation efforts

The \$9.3 billion bond proposal that the Governor and Senator Feinstein have proposed includes the following elements from all stakeholders and is a compromise approach that will move California toward a reliable water future:

- Increased water storage to ensure our water supply is more reliable year-to-year and we're able to capture excess water in wet years to use in dry years
- Improved water conveyance to reduce water shortages
- Restored Delta ecosystem to allow California to take control of its own water systems
- Increased conservation and tools to use water more efficiently