



FACT SHEET:
Proposition 68 (SB 5)
Parks, Environment, and Water Bond
June 2018 Ballot

Prepared by MWD
External Affairs Office
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Summary of Metropolitan Action

- On March 13, 2018, Metropolitan’s Board of Directors voted to support the “California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018” on the June 2018 statewide ballot.
- If passed, Proposition 68 would authorize \$4 billion in general obligation bonds and reallocate \$100 million of unissued bonds, previously approved by voters, for state and local parks, environmental protection and restoration, and water infrastructure flood protection projects.
- Metropolitan and its member agencies would be eligible to compete for water project funding under a number of provisions authorized by Proposition 68.
- In addition, the initiative authorizes funding for projects that may indirectly benefit Metropolitan by enhancing watershed functions, improving water quality, and increasing reliability in the areas from which Metropolitan imports water supplies.

Background

- In October 2017, the California Legislature passed, and Governor Edmund G. Brown, Jr. signed into law, Senate Bill 5 by Senator Kevin de León (D-Los Angeles). This \$4 billion general obligation bond measure will appear as Proposition 68 on the June 2018 statewide ballot.
- The measure requires that between 15 and 20 percent of the bond’s funds, depending on the type of project, be dedicated to projects in communities with median household incomes less than 60 percent of the statewide average or approximately \$40,000.
- The bond would also provide \$1.27 billion for projects to prevent groundwater contamination, promote groundwater sustainability, provide greater flood protection, and advance water recycling and treatment technologies.

- The largest share of bond revenue - \$767 million - would provide funding for state conservancies and other conservation restoration activities, including funding for Salton Sea air quality and habitat improvements that support state efforts and help reduce potential impacts to Colorado River water users. Of these funds, \$725 million would be used to create and rehabilitate neighborhood parks in disadvantaged neighborhoods in accordance with the Statewide Park Development and Community Revitalization Act of 2008 competitive grant program.
- Assuming a 3.5 percent interest rate over a 30-year period, the bond issue would generate \$2.53 billion in interest, bringing the total repayment cost to \$6.53 billion.

Proponents:

- Proposition 68 is supported by Governor Brown and a broad range of conservation organizations, community advocacy groups, business and trade organizations, and government agencies including:
 - California Chamber of Commerce, Silicon Valley Leadership Group, Association of California Water Agencies, Heal the Bay, Trust for Public Land, The Nature Conservancy, Sierra Club California, State Building and Construction Trades Council of California, and the League of California Cities
- Six committees are registered in support of Proposition 68: 1) Conservation Action Fund for Clean Water and Parks Sponsored by Environmental Organizations, 2) Committee for Clean Water Natural Resources and Parks, 3) California Park & Recreation Society Inc. Supporting Clean Water, Natural Resources & Parks, 4) Californians for Clean Water and Safe Parks, Sponsored by Conservation Groups, 5) Fund for a Better Future, Committee for 2018 Clean Water and Safe Parks Bond, and 6) Los Angeles Waterkeeper (Nonprofit 501(C)(3)) - Yes on Prop 68.
- Media editorials in support of the measure, as of April 2018, include the San Francisco Chronicle, Sacramento Bee, Mercury News and Monterey County Herald.

Opponents:

- The Howard Jarvis Taxpayers Association and the Central Coast Taxpayers Association oppose Proposition 68 based on its position that the state should use the General Fund, not bonds, to maintain parks. Representatives from those organizations and State Senator John Moorlach (R-Costa Mesa) authored the ballot argument against the measure.
- There are no media editorials opposing the measure as of April 2018.