

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 9, 2010  
POSITION: Oppose

BILL NUMBER: AB 2202  
AUTHOR: M. Perez  
RELATED BILLS: AB 1079 - Perez (2009), X7 SB 2 (2009)

**BILL SUMMARY: New River Improvement Project: Strategic Plan**

Contingent upon passage of The Safe, Clean, and Reliable Drinking Water Supply Act of 2010 (Bond Act), this bill would require that any funds appropriated pursuant to the Bond Act for New River water quality projects be consistent with the strategic plan currently being developed by the California-Mexico Border Relations Council. The bill would declare legislative intent that such funds not be appropriated until the completion of the strategic plan or until January 1, 2013, whichever occurs first.

The bill also would require the Secretary for Environmental Protection (Secretary) to oversee the expenditure of bond funds appropriated for water quality and public health projects on the New River.

**FISCAL SUMMARY**

Voters will decide on the Bond Act during the November 2, 2010 statewide general election. If approved, the Bond Act would authorize the issuance of \$11.14 billion in state general obligation (GO) bonds to finance a safe drinking water and water supply reliability program. The Bond Act authorizes \$20 million specifically for New River water quality and public health projects.

The Office of the Secretary estimates the need for \$180,000 annually and two positions to oversee New River project funding. However, Finance believes that workload may be accommodated with existing positions at either the Department of Public Health or the State Water Resources Control Board (Water Board); funding for these positions would be made available through the Bond Act, if authorized. The Bond Act authorizes up to \$3 million total over the life of the New River project(s) for oversight (5 percent), and planning and monitoring (10 percent).

Any request for additional staff or funding resources would be reviewed by the Department of Finance based on workload justification during the annual budget development process.

**COMMENTS**

The Department of Finance is opposed to this bill as it is unnecessary and could potentially delay New River project clean-up efforts by tasking bond oversight to CalEPA. Bond oversight would be more appropriately placed with the Water Board which has experience overseeing bond funds for water quality efforts and has existing staff coordinating water quality projects funded by other bonds previously authorized by California voters.

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Analyst/Principal (0623) K. DaRosa	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

M. Perez

June 9, 2010

AB 2202

**COMMENTS, (continued)**

The bill is intended to ensure that if the Bond Act passes in November 2010, the \$20 million in funding for New River cleanup efforts included in the Bond Act will be appropriated in a manner consistent with the vision and intent of the Council's strategic plan. This strategic plan, currently under development by the CalEPA California Mexico Border Relations Council (Council), is estimated to be completed December 2011, and will guide implementation of New River cleanup efforts. The strategic plan is being developed with previously authorized special funds.

The New River originates in Mexicali, Baja California and flows north across the California-Mexico border into California, through the City of Calexico and Imperial County before emptying into the Salton Sea. It is approximately 60 miles long, with two-thirds of its length in California. The New River is recognized as a significant pollution problem, primarily because of its high concentration of fecal coliform bacteria and other pollutants, including pesticide runoff, at its entry point into California in Calexico and along its length.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	
0555/Environ Prot	SO	No		--		--	C	\$180	6080
<u>Fund Code</u>	<u>Title</u>								
6080	Safe, Clean, Reliable Drinking Water Sup								