



# **EXECUTIVE DIRECTOR'S REPORT**

FEBRUARY 5, 2020  
BOARD OF DIRECTORS MEETING

**THE NATOMAS BASIN CONSERVANCY**

2150 River Plaza Drive, Suite 460, Sacramento, CA 95833

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This is general and informal information for review purposes only.

**Section 1 Monarch Butterfly and Associated Plantings**

Attachment: Article from Western Monarch Count Resource Center

**Section 2 Re-examination of UBIT (Unrelated Business Income Tax) Status on Proceeds from Groundwater Exchange Agreement Participation**

Attachments: Gilbert Associates, Inc. Letter  
NCMWC Annual Shareholders Meeting Agenda

**Section 3 New Laws and Conservancy Compliance**

Attachments: New Legislation Synopses

**Section 4 SB45-Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020**

Attachment: Bill Summary

**Section 5 Popular Birds**

Attachment: Photos of American Kestrel and Burrowing Owl

# Western Monarch Count Resource Center

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## Monarch Butterflies in Western North America in Jeopardy

Posted on January 17, 2019 by  Katie Hietala-Henschell

### *Population of monarchs overwintering in California at lowest level ever recorded*

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PORTLAND, Ore., Thursday, 1/17/19—The population of monarch butterflies overwintering in California has fallen to the lowest level ever recorded. Surveys done by volunteers with the Western Monarch Thanksgiving Count found only 28,429 butterflies, an 85.2% fall from the previous year—and a 99.4% decline from the number of monarchs in the state in the 1980s. The results of the count were released Thursday by the Xerces Society for Invertebrate Conservation, along with a [Western Monarch Call to Action](#).

[Read the full announcement here](#)

search here ...

Go

### Recent Posts

- [Western Monarch Thanksgiving Count Nov. 16 – Dec. 8](#)
- [DeWind Alumnae Publish Three New Research Papers about Monarch Butterflies](#)
- [Science Saturday – Magnificent Monarchs – Pacific Grove Museum of Natural History](#)
- [Western Monarchs Notes from the Field](#)
- [Fourth Annual Monarch Butterflies Walk & Learn – The Presidio](#)

### Archives



August 12, 2015

Board of Directors  
The Natomas Basin Conservancy  
Sacramento, California

You have asked us to consider whether the income from the groundwater exchange program would subject Natomas Basin Conservancy to unrelated trade or business income of a tax-exempt organization. We have evaluated the activity based on the information you have provided and offer the following response.

The facts as provided to us for consideration are as follows:

The federal Bureau of Reclamation and the State of California Department of Water Resources encouraged and/or facilitated certain local water districts and agencies in the Sacramento Valley to participate in a groundwater exchange program this year (2015) in order to allow water to move from places of adequacy to places of severe deficiency. Through this program, the water purveyor that the Natomas Basin Conservancy ("the Conservancy") is affiliated with, the Natomas Central Mutual Water Company (NCMWC), devised a program that complied with the larger regional program, and offered its shareholders (of which the Conservancy is one) an opportunity to use groundwater wells to generate water sufficient so that the NCMWC could contribute to the program. The NCMWC entered into a groundwater exchange agreement with the San Luis and Delta-Mendota Water Authority (SL&DMWA) where SL&DMWA paid NCMWC for its contribution of water into the program. In turn, the NCMWC offered money to reimburse shareholders if they'd contribute to the amount NCMWC tendered in the agreement with SL&DMWA. The Conservancy's Board of Directors was impressed by two elements in making its decision to participate:

- 1) Contributing water to the program helped the federal National Marine Fisheries Service (NMFS), now referred to as NOAA Fisheries. Water that is not diverted from the Sacramento River due to the groundwater exchange program is targeted for a significant state and federal benefit, and that is for so-called "cold water releases" from Shasta Dam. Officials want to retain as much water in Shasta as possible for purposes of keeping the water colder than it would be otherwise. This helps with salmon spawning success. (Warm water essentially destroys the roe, so colder water is desirable.) Therefore, the less water that has to be released from Shasta, the greater likelihood that federal and state officials' desires will be met with respect to salmon population success.
- 2) Releases helped state and federal officials allocate water in the state in a manner that helped the most severe drought-impacted areas.

Importantly, in this severe drought year, having more water into the system is life-saving to the aquatic giant garter snake (GGS), one of the primary species the Conservancy is charged with creating and maintaining habitat for, and the Northwestern pond turtle, which is also, one of the 22 "covered species" the Conservancy is responsible for in the Natomas Basin of California.

With each acre of no water, there is extirpation of the GGS and Northwestern pond turtle. Introducing more water into the system is beneficial for the GGS and Northwestern pond turtle which serves the Conservancy's mission well.

As to the downstream impacts of the program, this works with the upstream impacts as described above. Here is an excerpt from a fact sheet provided by the U.S. Bureau of Reclamation, which operates Shasta Dam:

*Correlations between flows and most biological populations in the Bay and Delta are well documented (Jassby et al. in press). As examples, we know that river flow is a source of organic matter to support biological productivity within the estuary and that transfers of organic matter between different levels of the food web are influenced by fluctuations in freshwater inflow.*

So in effect, as the Bureau retains water in Shasta Reservoir for cold water storage (and later for well-timed releases), less flow would make its way through the Delta to the Bay. The reduction in diversion from the Sacramento River effectuated by the groundwater exchange program makes up for some of that (maybe, at times, all of that). So looking at this from a purely math perspective, if an acre foot of water is NOT diverted from the Sacramento River because its need is met through the groundwater exchange program, that acre foot is available to meet downstream flow objectives promoted by the relevant state and federal environmental and water agencies.

The goals of the federal and state agencies for downstream flows include the matters above, which include the freshwater flows keeping saltwater intrusion back in the Delta thus protecting freshwater species that live in the Delta and the other was freshening up the Delta with nutrients. These goals are aligned with the Conservancy's exempt purpose.

The NCMWC estimates the Conservancy will produce approximately 1,922 acre-feet of water in the program. At \$432.25 per acre foot, this equals \$830,784.50. This is an estimate, and may vary based on groundwater well productivity, mechanical issues, and needs of the downstream counterparty, the SL&DMWA.

So far, groundwater monitoring activity has shown that groundwater levels are quickly recovered after the pumping programs end, so in that case, based upon information from the California Department of Water Resources, the NCMWC and the Conservancy, we do not see the Conservancy's groundwater resources being diminished.

After considering the facts, an analysis for unrelated trade or business income begins with looking at what is an unrelated trade or business. For an activity to be considered unrelated trade or business income the following three conditions must be present:

- 1) The organization conducts a trade or business for the production of income from selling goods or performing services. This includes an activity carried on with a profit motive. To determine if there is the requisite profit motive the relevant factors need to be examined.

- 2) The trade or business is regularly carried on. Business activities are ordinarily regularly carried on if they have a frequency and continuity and are pursued in a manner comparable to similar commercial activities of for profit entities. The frequency necessary for determining whether an activity is regularly carried on varies with the activity involved.
- 3) The activity is not substantially related to the carrying out of the organization's exempt purpose. To be substantially related to an organization's exempt purpose, an activity that generates the income normally must "contribute importantly" and bear a substantial causal relationship to the achievement of those purposes. An activity does not qualify as substantially related solely because its income is needed or used to fund the conduct of the exempt purpose.

Generally, if all three factors are present, the activity is considered an unrelated trade or business and the net income from said activity is subject to taxation.

Based on the information provided regarding the groundwater exchange program, it appears that the income will not be considered unrelated trade or business income as it is substantially related to the organization's exempt purpose and therefore, does not meet at least one of the factors necessary for treatment as unrelated business income.

We look to the most recently filed Form 990 for the Conservancy, which states the organization's mission statement is as follows: "The Natomas Basin Conservancy serves as the plan operator for the Natomas Basin Habitat Conservation Plan. It acquires and manages the habitat land for the benefit of the 22 "special status" species covered under the plan."

Additionally its program service accomplishments include:

"The Natomas Basin Conservancy is a California non-profit public benefit corporation formed in 1994. The Conservancy is responsible for collecting mitigation fees required by the Natomas Basin Habitat Conservation Plan (NBHCP), using these fees to acquire and preserve ecologically significant land in the Natomas Basin in order to create and maintain a sanctuary or preserve for 22 specified threatened or endangered wildlife and plant species. These sanctuaries or preserves are composed of marsh, wetlands, and agricultural habitat types necessary for the preservation and reproduction of the threatened or endangered species covered under the NBHCP.

The Conservancy achieves its purposes by acquiring land and conservation easements in the Natomas Basin area situated in Northern Sacramento County and Southern Sutter County, California. It acts as plan operator of the NBHCP. Along with the U.S. Fish and Wildlife Service, the California Department of Fish and Wildlife, the County of Sutter, and the City of Sacramento, the Conservancy is a "plan participant" in the NBHCP."

Additionally, as stated on the Conservancy's website,

"The purpose of the NBHCP is to promote biological conservation along with economic development and the continuation of agriculture within the Natomas Basin. The NBHCP establishes a multi-species conservation program to mitigate the expected loss of habitat values and incidental take of protected species that would result from urban development, operation of irrigation and drainage systems, and rice farming. The goal of the NBHCP is to preserve, restore, and enhance habitat values found in the Natomas Basin while allowing urban development to proceed according to local land use plans."

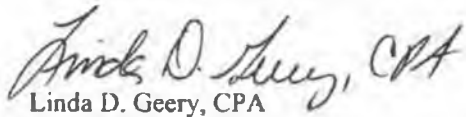
As illustrated by the Conservancy's mission statement and program service accomplishment, the Conservancy's exempt purpose is to preserve ecologically significant land for so-called "special status" wildlife and plant species under the state and federal endangered species acts.

Participating in the groundwater exchange program makes an important contribution to the Conservancy's exempt purpose by way of contributing to the water supply that has beneficial impact both upstream and downstream due to the fluid nature of the water supply. With the importance of water both to the land and species the Conservancy is charged with preserving, water supply management contributes importantly and in a substantial way to the exempt purpose of the Conservancy. As the Conservancy is expanding on its exempt purpose programs, a description of the groundwater exchange programs and the land and species its preserving should be added to the 2015 Form 990.

The analysis and conclusion expressed above is based solely on the facts as provided to us above. Any deviations in facts from the statements provided may result in material modifications to or revocation of, the conclusion expressed herein.

Sincerely,

GILBERT ASSOCIATES, INC.



Linda D. Geery, CPA  
Shareholder

# NATOMAS CENTRAL MUTUAL WATER COMPANY

## ANNUAL MEETING OF SHAREHOLDERS

### AGENDA

Tuesday, February 11th, 2020

10:00 AM

at

**Four Points by Sheraton**

**4900 Duckhorn Drive, Sacramento, California, 95834**

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The Board will discuss all items on this agenda, and may take action on any of those items, including discussion items. The Board may also discuss other items that do not appear on this agenda, but will not act on those items unless action is urgent.

The shareholders shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Shareholder comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker.

#### **I. CALL TO ORDER**

#### **II. ITEMS SCHEDULED FOR DISCUSSION**

- A. ELECTION PROCEDURES (*reference that a final call for proxies will follow shortly*)
- B. UPDATES TO THE PROXY/BALLOTS
- C. CALL FOR FINAL PROXY/BALLOTS
- D. DETERMINATION OF STOCKHOLDER QUORUM

(Please see reverse side for further information)



- E. APPOINTMENT OF COUNTING COMMITTEE
  
- F. REPORT ON DELTA ISSUES/DROUGHT/NORTH STATE WATER ISSUES - *David Guy, NCWA/Kevin O'Brien, Downey Brand*
  
- G. RECLAMATION DISTRICT 1000 - UPDATE ON ACOE LEVEE WORK AND RD1000 ACTIVITIES
  
- H. GROUNDWATER SUSTAINABILITY PLAN - NORTH AMERICAN SUB-BASIN
  
- I. MANAGEMENT REPORT
  
- J. SHAREHOLDER COMMENTS, QUESTIONS AND SUGGESTIONS

**III. ITEMS SCHEDULED FOR ACTION**

- A. APPROVAL OF MINUTES - February 12, 2019 Shareholder Meeting

**IV. RECESS/BOARD VOTE**

**V. ANNOUNCEMENT OF VOTING RESULTS**

**VI. ADJOURNMENT**

## NEW LEGISLATION

### ASSEMBLY BILLS:

#### **ASSEMBLY BILL 5 – USE OF INDEPENDENT CONTRACTORS**

This bill codifies the “ABC Standard” for determining whether a worker is an employee or an independent contractor that was set forth in *Dynamex Operations West, Inc. v. Superior Court* (2018) 4 Cal.5th 903, and expands the application of the test to most positions in California. Under the ABC Standard, the worker is presumed to be an employee. To have the worker classified as an independent contractor, the hiring party must show all three of the following: (A) the worker must be free from the control and direction of the hirer in connection with the performance of the work, both under the contract and in the performance in fact; (B) the worker must perform work that is outside the usual course of the hiring entity’s business; and (C) the worker must customarily be engaged in an independently established trade, occupation, or business of the same nature as the work performed by the hiring entity. There are a number of industries that have carve out exceptions, including physicians, engineers, architects, lawyers, private investigators, and accountants. The new legislation becomes effective January 1, 2020.

#### **ASSEMBLY BILL 9 – INCREASES THE STATUTE OF LIMITATIONS ON FEHA CLAIMS**

The time period for filing a discrimination charge under the *Fair Employment and Housing Act* (FEHA) is extended from one to three years from the date of violation. Once the Department of Fair Employment and Housing issues a right to sue, however, the plaintiff still has one year to file a lawsuit. Employers should be cognizant of the longer statute of limitations and maintain employment records accordingly. While AB9 will not revive claims that otherwise already lapsed under the current one-year rule, claims that were set to expire in coming months will likely have an extended life. Charges filed under the Unruh, Ralph, or Bane Acts will remain subject to a one-year filing period. The new legislation becomes effective January 1, 2020.

#### **ASSEMBLY BILL 25 – AMENDMENT TO THE CALIFORNIA CONSUMER PRIVACY ACT (CCPA)**

The CCPA (AB 20375 (2018)), which becomes effective on January 1, 2020, “grants consumers various rights with regard to their personal information held by businesses, including the right to know, access and request deletion of their data.” AB 25 clarifies that the CCPA gives rights to all individuals that a business collect personal information from including applicant, current and former employees, contractors, emergency contacts, and dependents/spouses. Accordingly, any personal information a business maintains that can identify these individual is subject to CCPA. AB25 exempts, until January 1, 2021, from all provision of the act, except the private civil action provision and the obligation to inform the consumer as to the categories of personal information to be collected.

#### **ASSEMBLY BILL 51 – PROHIBITION AGAINST MANDATORY ARBITRATION AGREEMENTS**

AB51 prohibits employers from requiring that employees and applicants waive any right, forum, or procedure for a violation of the California Fair Employment and Housing Act or the Labor Code as a condition of employment. It also prohibits employers from threatening, retaliation, or discriminating against, or terminating employees or applicants because they refused to waive any such right, forum, or procedure. Thus, mandatory employment-based arbitration agreements are prohibited. AB 51 also prohibits arbitration agreements that require employees to opt out of a waiver “or take any affirmative action in order to preserve their rights.” The express language of AB51 does not invalidate any agreement governed by the *Federal Arbitration Act* (FAA). To the extent an arbitration agreement or class action or jury trial waiver is not governed by the FAA, an employer may only enter into such an arbitration agreement or class action or jury trial waiver with a California employee if that employee voluntarily and affirmatively choose to enter into such an agreement or waiver. The new legislation becomes effective January 1, 2020.

#### **ASSEMBLY BILL 547 – HARASSMENT PREVENTION TRAINING IN THE JANITORIAL INDUSTRY**

Existing law establishes certain protections for janitorial workers, including a requirement that the Division of Labor Standards Enforcement (DLSE) establish a biennial in-person sexual violence and harassment training requirement. The law requires the convening of a training advisory committee to identify qualified organizations that janitorial employers must use for in-person training on sexual violence and harassment prevention for janitorial employees. AB547 would require those qualified training organizations to provide specified information to the DLSE for inclusion on its website by January 1, 2021.

#### **ASSEMBLY BILL 673 – WAGE-AND-HOUR PENALTIES**

AB673 expands an employee’s right to collect penalties for an employer’s failure to timely pay wages. AB 673 allows aggrieved employees to recover penalties under Section 210 of the Labor Code at a Labor Commissioner hearing or via a *Private Attorney General Act* (PAGA) claim, but not both. It also adds a penalty for violating the state’s Equal Pay Act. The new legislation becomes effective January 1, 2020.

#### **ASSEMBLY BILL 749 – BANS “NO REHIRE” CLAUSES IN SETTLEMENT AGREEMENTS**

Historically, employment-related settlement and severance agreements have included “no rehire” provisions, designed to preclude an aggrieved employee from attempt to regain employment from the same employer. Signed into law by Governor Newsom on October 12, 2019. AB749 prohibits and invalidates all provisions in such agreements that prevent workers from obtaining employment with the settling employer or its affiliated companies. Through a newly created Code of Civil Procedure Section 1002.5, it makes such provisions in agreements entered into on or after January 1, 2020 void as a matter of law and against public policy.

#### **ASSEMBLY BILL 1223 – EXPANDS PAID LEAVE FOR ORGAN DONORS**

Currently, state law mandates that private employers with 15 or more employees provide up to 30 days of paid leave in any one-year period when an employee is an organ donor. AB1223 amends the existing organ donation leave law set out in Labor Code Section 1510. In addition to

the previous paid 30-day leave, the new law adds 30 days of unpaid leave in a one-year period. The

#### **ASSEMBLY BILL 1554 – NOTICE OF DEPENDENT CARE LEAVE**

AB1554 impacts health care, dependent care, and adoption assistance flexible spending accounts (FSAs). The law requires employers to notify FSA participants of the deadline to submit claims for reimbursement before any amounts are forfeited from their FSA accounts. This bill adds Section 2810.7 to the Labor Code and requires employer to notify employees in two different ways of any deadline to withdraw funds from Flexible Spending/ Dependent Care Accounts. One of the two ways may be electronic. The new legislation becomes effective January 1, 2020.

#### **ASSEMBLY BILL 1805 – OSHA REPORTING**

This bill modifies the definition of “serious injury or illness” and “serious exposure” that trigger employers obligations to report the illness, injury, or exposure to CalOSHA. Pursuant to Labor Code Section 6409.1(b) every case involving a work-related death or a serious injury or illness requires an employer to “immediately” make a report to CalOSHA. Reporting such incidents almost always leads to site inspection by CalOSHA, which often results in citations classified as “Serious” by CalOSHA. Employers may be cited and subject to penalties for failure to make such a report. The long-standing test for serious injury or illness” has been any of the following (1) hospitalization for twenty four hours or more; or (2) suffering a loss of any member of the body; or (3) suffering any serious degree of permanent disfigurement. The new standard eliminates the old 24-hour minimum hospitalization requirement but clarifies that hospitalization must be for something “other than medical observation or diagnostic testing.” Further, the new standard replaces the phrase “loss of a member” with the term “amputation” and expressly includes loss of an eye as reportable. Finally, exclusions for auto accidents are narrowed such that accidents occurring in a construction zone are now reportable. The new legislation becomes effective January 1, 2020.

#### **SENATE BILL 30 – DOMESTIC PARTNERSHIP EXPANSION**

SB30 revises the “Domestic Partner” law by removing the requirement that the partnership be between a same-sex couple, or that the partners have to be over 62 in the case of opposite sex couples. The law still requires, among other things, that neither member of the couple be already married or in a domestic partnership, be blood related to the other, etc. This revision will affect rights under policies, benefits, and other employment matters that are not preempted by federal law. The new legislation becomes effective January 1, 2020.

#### **SENATE BILL 142 – EXPANSION OF LACTATION ACCOMMODATION REQUIREMENTS**

Lactation accommodation has been an area of Legislative attention the last couple of years. Current law requires employers to provide employees with a reasonable amount of break time to express breast milk for an infant child, unless doing so would seriously disrupt business operations. Employees may use their existing break for this purpose without loss of pay, and they may take reasonable unpaid breaks. Employers must also “make reasonable efforts” to provide employees with a private location – other than a toilet or bathroom – near their work area for

lactation purposes, unless doing so would create an undue hardship. Employers that violate these requirements are subject to a civil penalty of \$100 per violation. SB142 amends building codes to require new commercial buildings, as well as those undergoing significant tenant improvements, to design and include “lactation spaces” for employees. SB142 sets out parameters for acceptable spaces: (1) shielded from view; (2) free from intrusion; (3) close to work area; (4) safe, clean and free from hazmat; (5) place to sit and surface for a pump; (6) access to electricity; and (7) sink and refrigerator or cooler near. Further, SB142 would also require employers to develop and implement a lactation accommodation policy including specific provisions relating to (1) an employee’s right to request lactation accommodation; (2) the process for requesting lactation accommodation; (3) the employer’s obligation to respond adequately; and (4) an employee’s right to file a complaint with the Labor Commissioner for any violation. The new legislation becomes effective January 1, 2020.

### **SENATE BILL 188 – PROHIBITING DISCRIMINATION BASED ON ONE’S NATURAL HAIR**

Governor Newsom signed SB188, also known as the *CROWN Act* (Create a Respectful and Open Workplace for Natural Hair), on July 3, 2019. The bill notes that “hair remains a rampant source of racial discrimination with serious economic and health consequences, especially for Black individuals.” “[W]orkplace dress code and grooming policies that prohibit natural hair, including afros, braids, twists, and locks, have a disparate impact on Black individuals as these policies are more likely to deter Black applicants and burden or punish Black employees than any other group.” SB188 protects employees from discrimination on the basis of natural hair and hairstyles associated with race. SB188 expands the definition of “race” in the *Fair Employment and Housing Act* to include “traits historically associated with race, including, but not limited to, hair texture and protective hairstyles.” Protective hairstyles include but are not limited to hairstyles such as braids, locks, and twists. The new legislation becomes effective January 1, 2020.

### **SENATE BILL 688 – UNPAID WAGES**

SB688 expands the enforcement ability of the Labor Commissioner. Previously, the Labor Commissioner could only enforce actions for violations alleging unpaid minimum wages. This bill amends Labor Code section 1197.1, which currently permits the Labor Commissioner to issue a citation where an employer has failed to pay at least the minimum wage. The law expands the power to issue a citation to instances where the employer has contractually promised to pay more than the minimum wage but has failed to pay the promised wage. The new legislation becomes effective January 1, 2020.

### **SENATE BILL 778 – EXTENDS EMPLOYERS’ DEADLINE FOR ANTI-HARASSMENT TRAINING**

Recall that under Section 12950.1, employers with five or more employees must provide at least two hours of training to supervisors and at least one hour of training to nonsupervisory employees within six months of hire or before January 1, 2020. This bill amends Section 12950.1 of the California Government Code to extend the deadline to comply with the new sexual harassment training requirements outlined in Government Code Section 12950.1 from January 1, 2020 to January 1, 2021. The bill further clarifies that an employer who has provided training in

2019 is compliant with the training requirements and is not required to provide it again until two years thereafter.

### **PRE-EMPLOYMENT INQUIRY REGULATIONS PENDING BEFORE THE FEHC**

Pending before the Fair Employment and Housing Council are a series of regulations that will affect advertising and pre-employment inquiries. Clarifications and exemplars are provided prohibiting advertisements that deter older workers, including but not limited to use of terms such as “young, college student, recent college graduate, boy, girl, or other terms that imply a preference for employees under the age of 40.” Similarly, pre-employment inquiries may not be designed to directly or indirectly divulge age. Examples include “requests for age, date of birth, or graduation dates, excepting where age is bona fide occupational qualification.” Similarly, the new regulations will now make it clear that pre-employment inquiries, including but not limited to electronic or web-based applications, may not exclude candidates on blanket assessments of schedule availability without regard to the need or accommodation on the basis of religion, disability or medical condition. These Regulations are still pending but are expected to be approved in early 2020.

**WAGE & HOUR 2020**

**SENATE BILL 3: 2020-2023 CALIFORNIA MINIMUM WAGE PHASE-IN**

<b>Date</b>	<b>Employers with 25 Employees or Less</b>	<b>Employers with 26 Employees or More</b>
January 1, 2020	\$12.00/hour	\$13.00/hour
January 1, 2021	\$13.00/hour	\$14.00/hour
January 1, 2022	\$14.00/hour	\$15.00/hour
January 1, 2023	\$15.00/hour	\$15.00/hour
January 1, 2024	Indexed	Indexed

California exempt salary threshold for overtime pay will rise in tandem with state minimum wage:

<b>Date</b>	<b>Employers with 25 Employees or Less</b>	
January 1, 2020	\$4,160/mo	\$49,920/yr
January 1, 2021	\$4,506.67/mo	\$54,080/yr
January 1, 2022	\$4,853.33/mo	\$58,240/yr
January 1, 2023	\$5,200/mo	\$62,400/yr

<b>Date</b>	<b>Employers with 26 Employees or More</b>	
January 1, 2020	\$4,506.67/mo	\$54,080/yr

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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair  
2019 - 2020 Regular Session

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### SB 45 (Allen) - Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020

**Version:** September 10, 2019

**Policy Vote:** N.R. & W. 7 - 1, E.Q. 5 - 1,  
GOV. & F. 5 - 2

**Urgency:** Yes

**Mandate:** No

**Hearing Date:** January 23, 2020

**Consultant:** Ashley Ames

**Bill Summary:** SB 45 would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which authorizes the sale of \$5.51 billion in general obligation bonds, upon approval by voters at the November 3, 2020 statewide general election. Bond funds would be used for projects related to wildfire prevention, safe drinking water, drought preparation, and flood protection.

#### \*\*\*\*\* ANALYSIS ADDENDUM – SUSPENSE FILE \*\*\*\*\*

The following information is revised to reflect amendments  
adopted by the committee on January 23, 2020

#### **Fiscal Impact:**

- **Bond costs:** Total principal and interest costs of approximately \$8.99 billion to pay off the bonds (\$5.51 billion in principal and \$3.48 billion in interest), with average annual debt service payments of \$300 million (General Fund), when all bonds are sold, and assuming a 30-year maturity and an interest rate of 3.5% (the rate secured by the Treasurer for new 30-year bonds at the most recent sale). If interest rates increase to 5% in the near future, annual debt service would be approximately \$358 million (General Fund) and total principal and interest costs over the repayment period would be approximately \$10.75 billion.
- **Administrative costs:** The bill would allow for up to 5 percent of the bond allocation to any entity to be used for administrative costs, except when necessary in specified situations related to disadvantaged communities, where up to 10 percent could be used. Over the lifetime of the bond and contingent upon future appropriations in the budget, roughly \$250 million of the bond funds could be used for administration.
- **Ballot costs:** One-time costs in the range of \$414,000 to \$552,000 to the Secretary of State (SOS) for printing and mailing costs to place the measure on the ballot in the November 2020 statewide election. (General Fund).

**Author Amendments:** If approved, the amended measure would direct bond proceeds in the following ways:

- \$2.2 billion for wildfire prevention and community resilience from climate impacts:
  - \$175 million for OES, in conjunction with CalFire, for a pre-hazard mitigation grant program.



## SB 45 (Allen)

Page 2 of 3

- \$280 million for CNRA and its departments, boards, and conservancies for projects to reduce the risk of wildfire spreading into populated areas from wildlands and to improve forest health and fire resiliency.
- \$75 million for CalFire to enhance California's fire prevention, fuel management, and fire response.
- \$300 million for CNRA for implementation of the Regional Fire and Forest Capacity Program to find coordinated and integrated regional approaches to the restoration of watersheds, reduction in the conditions that lead to catastrophic wildfire, and the protection of natural resources throughout California.
- \$225 million to CNRA and its departments, boards, and conservancies for the restoration and improvement of forest health.
- \$50 million for C DPR to plan for and implement projects to reduce the risks of fire, flood, inundation, sea level rise, and other risks associated with climate change.
- \$460 million for various conservancies for climate resilience, wildfire prevention, and natural resource protection.
- \$395 million for improving climate resilience of urban areas and vulnerable populations.
- \$240 million for the Strategic Growth Council for regional climate planning and implementation.
- \$1.47 billion for the protection of California's water supply and water quality.
  - \$190 million for grants to provide safe drinking water.
  - \$200 million for the Wildlife Conservation Board for groundwater sustainability projects that provide wildlife habitat and support implementation of the Sustainable Groundwater Management Act (SGMA).
  - \$130 million for the Department of Water Resources for implementation of SGMA.
  - \$250 million for the protection and restoration of rivers, lakes, and streams.
  - \$240 million for urban streams and river parkways.
  - \$140 million for flood management projects.
  - \$100 million for recycled water projects.
  - \$90 million for water data collection and monitoring.
  - \$100 million for CNRA for implementation of the settlement agreement to restore the San Joaquin River.
  - \$30 million for water infrastructure upgrades.
- \$620 million for protecting fish and wildlife from climate risks:
  - \$600 million for the WCB for the protection of California's fish and wildlife resources in response to changing climate conditions.
  - \$20 million for DFW to improve climate resilience of fish and wildlife habitat.
- \$190 million for protecting agricultural land from climate risks:
  - \$100 million for CDFA to improve climate resilience on agricultural lands and ecosystem health.
  - \$90 million for DOC for protection and restoration of farmlands and rangelands.





**The Natomas Basin Conservancy**



Published by Hootsuite [?] · December 17, 2019 · 🌐

Little perches make perfect rest stops!

#kestrel #wildlife #nature #wildlifepreserve



**537**

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When you realize Christmas is less than a week away and you haven't gotten any shopping done at all!

#burrowingowl #coveredspecies #wildlifesanctuary



**508**

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