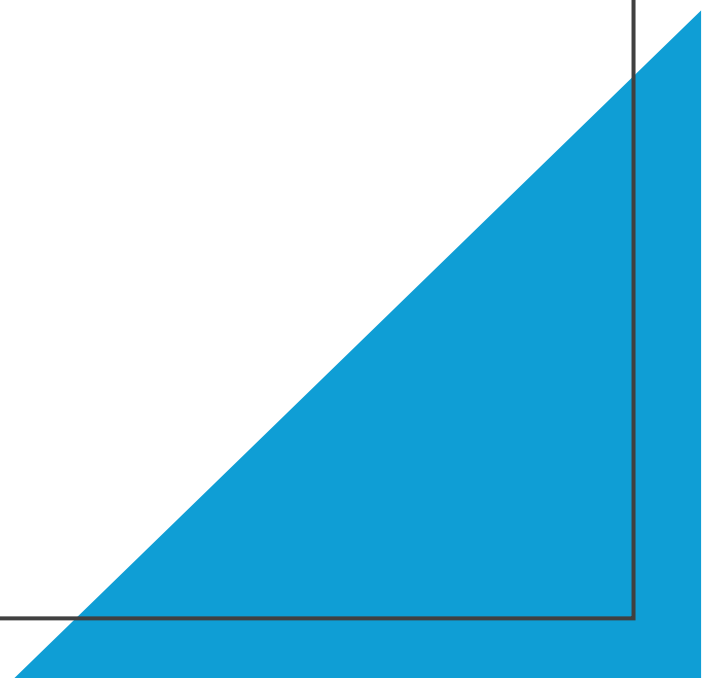


Proposition 4 Overview

Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024

February 12, 2025



Prop 4 At a Glance

Authorizes \$10 billion in State general obligation bonds for various projects to reduce climate risks and impacts

Increased State costs of about \$400 million annually for 40 years to repay the bond

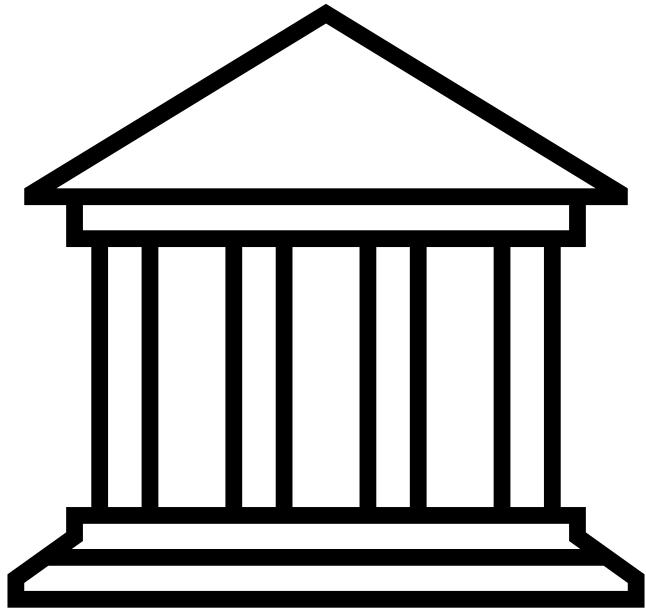
Figure 1

Key Goals of Proposition 4 Bond Funds

(In Millions)

Category	Key Goals	Amount
Drought, Flood, and Water Supply	Increase the amount and quality of water available for people to use and reduce the risk of flooding.	\$3,800
Forest Health and Wildfire Prevention	Improve the health of forests and protect communities from wildfires.	1,500
Sea-Level Rise and Coastal Areas	Reduce the risks from sea-level rise, restore coastal areas, and protect fish.	1,200
Land Conservation and Habitat Restoration	Protect and restore natural areas.	1,200
Energy Infrastructure	Support the state's shift to more renewable sources of energy, such as offshore wind.	850
Parks	Expand, renovate, and repair local and state parks.	700
Extreme Heat	Reduce the effects of extreme heat on communities.	450
Farms and Agriculture	Help farms respond to the effects of climate change and become more sustainable.	300
Total		\$10,000

Overall Bond Authorities




- Set Aside: At least 40 percent of the total funds for vulnerable populations or disadvantaged communities. At least 10 percent of the total funds to severely disadvantaged communities.
- Allows for 25% Advanced Payment for timely project initiation (no max project cost)
- Allows for reimbursement of indirect costs
- Key Priorities/Preferences:
 - Priority to projects that leverage private, federal & local funding to produce greatest public benefit
 - Preference for projects that utilize California Conservation Corps (90150)
- No cost share/match requirements in the bond

How can we use the money?

7% for DWR Admin costs,
or \$20M, whichever is
less (90600a)

Up to 10% for technical
assistance for DAC,
SDAC, and vulnerable
populations*, and may be
increased if there is
need (90600b(1)(2))

*May provide workforce training and education, jobs for vulnerable populations



Prop 4 Issues

- **Office of Administrative Law Exemption* is Missing**
 - This exemption would allow us to develop grant program guidelines, rather than 2-year process to develop regulations
 - A trailer bill has been introduced to correct this problem
 - **Multitude of different terms used for DAC, etc.**
 - *DAC and SDAC based on MHI; EDA; socially disadvantaged farmer/rancher; vulnerable populations; critical community infrastructure*
 - CNRA plans to develop consistent definitions for use across all agencies
-

DWR's Portion of the Bond (*about \$2B*)

Funding	Amount
Sustainable Groundwater (91012) - Brackish Desalinization (91016)	\$386.25M (<i>\$25M for CA Tribes</i>)
Stream Gages (91017)	\$62.5M
Conveyance (91018)	\$15M (<i>DWR and SWRCB</i>)
Ag/Urban Water Conservation (91019)	\$75M
IRWM/Watershed Climate Resilience (91031)	\$75M
Riverine Stewardship (91032 c)	\$100M
Urban Streams (91032 e)	\$50M
	\$25M

DWR will also deliver funding for Flood Mgmt, Dam Safety/Reservoir Ops, Salton Sea, etc. that is not explicitly listed under DWR in Prop 4

What's Next?



Submitted Spring Finance Letters for incorporation into FY25-26 Budget



In July, agencies will start receiving Prop 4 funding and work will get started on program Guidelines



Working groups are being set up to address overarching issues like defining vulnerable communities



Programs will start building out plans and sharing with staff