



MEMORANDUM

To: MWDOC Public Affairs and Legislative Committee

From: Christopher Townsend, President
Heather Dion, Senior Director
Casey Elliott, Senior Legislative Associate

Date: January 18, 2010

Subject: Water Bond

State Water Bond Update –

Players and Funding for Yes Campaign

As of today, there is only one committee formed to support the water bond effort, the "Alliance for Clean Water and New Jobs, Major Funding by California Conservative Action Fund and California Alliance for Jobs." This is a Joe Caves formed committee. As of November 2, 2009 this committee had just over \$200,000 cash on hand. Obviously, Joe Caves and his group will have a major role in the water bond initiative. However, he will not have the only committee formed there will be others from a variety of stakeholders interested in the bond's passage. It is quite possible that the Governor will establish his own committee to support the water bond and well as another committee for the Democratic leadership. At this point, it does not appear as though the Governor is going to fundraise for a committee controlled by Democratic political operatives and the same is true of the Democrats for Republican controlled committees.

The amount of funding needed for a successful "Yes" campaign is difficult to gauge, as it will largely depend upon how well the "No" campaign is funded. We can look back to previous bond efforts to get an idea of what was raised:

- Proposition 1a – 2008 – High Speed Rail - \$2.54 million in expenditures in 2008. No opposition committee. (In order to evenly evaluate I am only looking at funds expended in the election year.)
- Proposition 3 – 2008 – Children's Hospital bond - \$6.9 million in expenditures in 2008. No opposition committee.
- Proposition 10 – 2008 – Renewable Vehicles and Energy bond - \$22.9 million in expenditures in 2008. Opposition \$183,000 in expenditures in 2008. **Measure failed**
- Proposition 84 – 2006 – Water Quality bond - \$11.4 million in expenditures (between four support committees) in 2006. No serious opposition.
- Infrastructure bonds – Not included as they were combined campaigns with no opposition. Total combined efforts exceeded \$32 million.

- Proposition 81 – 2006 – Library bond - \$542,000 in expenditures in 2006. No opposition committee. ****Measure failed****
- Proposition 55 – 2004 – Education bond - \$12.9 million between five committees in 2004. No opposition committees.

As you will note, most of these campaigns are putting together \$10 plus million to run a successful statewide campaign. It should also be noted that the bulk of these measures enjoyed wide popularity around the State. The measure which had to fight an uphill battle, Proposition 10, raised nearly \$23 million and still only received 40.5% of the vote. It should be noted that the water bond, which will have negatives going into the election based on some opposition statewide, will need to aim for significantly more than \$10 million to have a good chance at passing.

Lastly, it was asked to be noted that the Southern California Water Committee is preparing a power point presentation, fact sheet and a Q&A sheet on the water bond. These materials will be strictly educational in nature. The materials will be released to members of the organization in mid-January and available via their website in early February.

Outreach and Timing

It is suspected that the Yes campaign will use any and all outreach avenues available to them, including: television, radio, printed mail, and direct human contact. Additionally, TPA is of the belief that this will be a statewide effort, but with a slight emphasis on large urban centers likely to support (Los Angeles, Fresno, Orange County, and San Diego). It would be safe to assume that the Governor will be featured prominently in these outreach efforts unless polling indicates that he has a negative effect on the campaign.

It is very unlikely that there will be a serious outreach effort until after the June 2010 Primary Election as the Yes campaign will not want to compete for air time and ad space for an election that is five to six months away, which would only increase the amount of money needed for the campaign if efforts were to begin so early. The outreach will likely peak in the last month prior to the election as absentee ballots and other election information is sent to voters.

Trailer Bills

It is very unlikely that the Legislature will introduce trailer bills to the water bond in 2010 as this would appear very presumptuous to voters and work against their efforts in a campaign. There may be trailer bills to the water policy measures introduced this year, in which case those bills must be introduced by February 19th. Given that the water package was supported by the Democratic legislative leadership and the Governor, those parties will likely need to be on board with any follow-up legislation in order for it to be successful. However, work will be done quietly and behind-the-scenes on trailer bill language. This will be particularly true for Chapter 11 with \$1 billion at stake and none of the project categories having any specifically allocated funding tied to them.

Governor's Role

The Governor will be a key fundraiser and promoter of the water bond. The water bond is his legacy project and he has the deepest fundraising pool from which to draw. It is likely that the Governor's political advisors will play a lead role in the campaign and fundraising efforts. The Governor will likely be featured prominently in the advertising and marketing of the water bond unless internal polling shows that he negatively affects people's feelings about the bond.