

Senate Governance & Finance Committee 2015 Oversight Summaries

Storm water management. California's drought has highlighted the need to explore ways to recycle storm water to recharge ground water basins. In addition, local governments throughout California confront increasingly high costs associated with federal and state storm water permit requirements. To comply with storm water permits, cities and counties need to fund projects that may cost billions of dollars over the next decade. The California Constitution imposes approval requirements on local fees for storm water projects that don't apply to many similar types of local government fees, making it uniquely difficult for local agencies to pay for storm water management. In a joint hearing with the Senate Natural Resources and Water Committee on February 25th, the Senate Governance & Finance Committee considered strategies and innovations in financing local storm water and dry season runoff improvements. Specifically, the hearing:

- Established a common understanding of the legal and fiscal challenges to the reuse of storm water to recharge groundwater basins, including problems confronted by storm water agencies, and the need for innovative policy approaches.
- Discussed novel storm water management initiatives including the Open Charter Magnet Elementary School project, the Elmer Avenue neighborhood retrofit project, and the Hall House project.
- Identified areas in which the state and local agencies can do more to implement new strategies and methods for overcoming storm water challenges.

The committee's briefing paper and other materials relating to the February 25th hearing are available on the SGF Committee's website: <http://sgf.senate.ca.gov/content/2015-hearings>

Conduit Finance. At the request of State Treasurer John Chiang and State Senate President pro Tempore Kevin de León, the SGF Committee researched and published an oversight report to consider issues related to the alleged embezzlement of more than \$1 million from the Association of Bay Area Governments' conduit financing authority. Specifically, the committee's oversight report:

- Describes how San Francisco used bonds issued by ABAG's finance authority to finance the costs of mitigation projects associated with the One Rincon Hill development.
- Explains the series of events that led to the alleged embezzlement of some proceeds from the bonds issued by ABAG's finance authority.
- Considers policy questions that the Senate Governance & Finance Committee and the Treasurer's Office may wish to pursue as part of their oversight efforts to ensure that municipal bond proceeds are managed in a safe and transparent manner.

The oversight report is available on the SGF Committee's website:

http://sgf.senate.ca.gov/sites/sgf.senate.ca.gov/files/1584-s_governance_and_finance.pdf