

## Ballot measure threatens California water tunnels plan

By David Siders and Ryan Sabalow  
dsiders@sacbee.com

Amid long-standing controversy surrounding Gov. Jerry Brown's plan to build two tunnels to divert water around the Sacramento-San Joaquin Delta to the south, one advantage the project appeared to hold was that Brown could forge ahead without a public vote.

As envisioned by the fourth-term governor, state and federal officials would permit the \$15 billion conveyance, and water users would pay for it.

To his detractors, Brown could simply say, as he [playfully did in May](#), "shut up."

But in recent months, signature gatherers paid by Dean Cortopassi, a wealthy Stockton-area farmer and food processor, have started circulating an initiative to force large public works projects – Brown's tunnels included – to go before voters for approval.

The measure is expected to qualify for the November 2016 ballot, and proponents of the tunnels project are reacting with alarm.

"He has money," said Robin Swanson, a consultant working with Californians for Water Security, which supports the tunnels project. "And he has his own political agenda."

Californians for Water Security, a group of labor, business and agricultural interests with its own money and political agenda, holds a significant stake in the outcome of the ballot initiative.

Cortopassi's measure could make it harder to secure lucrative public works contracts and, in the case of the tunnels project, water deliveries. The group began airing pro-tunnels advertisements in April and started attacking Cortopassi online. The state building trades and other tunnel proponents are preparing for a campaign opposing the measure.

"He has money ... And he has his own political agenda"

Robin Swanson, a consultant working with Californians for Water Security

The Cortopassi initiative stands to complicate Brown's tunnels plan just as [Brown works to revive it](#). After federal agencies balked at a 50-year permit for the project – a length of time attractive to water users because it assured them water deliveries could not easily be changed – Brown announced in April that he would seek a shorter permit and dramatically reduce the amount of habitat restoration originally proposed.

The project has labored under heavy criticism from Delta landowners and Northern Californians resentful of the water demands of Southern California's population centers. The Brown administration on Thursday released hundreds of pages of environmental impact review documents on the latest revisions to the plan.

Downstream water agencies that have spent about \$235 million to get the tunnels proposals this far – and who for years have championed some sort of Delta water conveyance to supply a reliable stream of water to crops and cities – have reacted cautiously to the design change.

Jason Peltier, deputy general manager for Westlands Water District, a major water buyer, said "there's a lot of profound disappointment" that water agencies' spending "did not result in a viable project."

"Getting more money to do more work that may or may not lead to a viable project is going to be very difficult," he

said. “So that’s on one hand. On the other hand, there’s a very simple reality that people know that these problems are not going to fix themselves.”

Brown has said the project is needed to stabilize water deliveries relied upon by millions of Californians and to restore the Delta’s fragile ecosystem.

Cortopassi, who calls his measure the “No Blank Checks Initiative,” was a major donor to Republican Gov. Arnold Schwarzenegger before splitting with the Republican Party over Schwarzenegger’s advocacy for a Delta conveyance in 2008.

That year, he registered as an independent, bought full-page advertisements in The Sacramento Bee and The Record of Stockton criticizing the conveyance, and he ran ads on KCRA-TV in Sacramento.

“I have served as a catalyst to get this thing where it should be in the public eye,” Cortopassi said in 2008. “I will fight to the death to protect the Delta, because I love it.”

Last year, Cortopassi once again bought space in major newspapers around the state, this time with a broader complaint about government spending. Beneath bold type reading, “Liar, liar,” Cortopassi accused Brown and lawmakers of “profligate spending” while failing to address long-term debt.

Cortopassi’s ballot measure would require voter approval before the state could issue revenue bonds for any project costing more than \$2 billion. Cortopassi and his wife, Joan, have poured \$3 million into the effort so far.

His advisers declined to make him available for comment. Tom Ross, a consultant working on the initiative, said Cortopassi is focused on controlling state debt, not on any specific public works proposal.

“It really is, ‘Hey, if we’re going to do major, major things in the state, and incur debt for the state, there ought to be a public discussion around it,” Ross said.

While the ballot measure does not explicitly mention Brown’s tunnels project, Cortopassi is acutely interested in the matter. In addition to his ad campaign in 2008, Cortopassi has helped raise money for Restore the Delta, an anti-tunnels group. He sat on the organization’s board of directors before leaving the group at the end of 2013, said Barbara Barrigan-Parrilla, the group’s executive director.

Now, she said, “We aren’t always in regular contact with him, so we really don’t know a lot about (the initiative), surprisingly.”

California currently requires voter approval before issuing general obligation bonds, as voters did in 2008 for Brown’s other major infrastructure project, high-speed rail. Cortopassi’s measure would require approval for large revenue bonds, a different kind of financing mechanism in which bonds are typically repaid using revenue from projects they finance.

According to an [analysis by the nonpartisan Legislative Analyst’s Office](#), the number of projects the Cortopassi measure might affect is uncertain, depending on how broadly or narrowly the term “project” is construed by government agencies or courts.

Allan Zaremborg, president and CEO of the California Chamber of Commerce, said the measure could apply to a range of projects, including reservoirs and university campuses. He accused Cortopassi of “trying to hide the ball from the public” by leaving out of his ballot measure any mention of the tunnels project.

“I just think there are so many faults with it,” he said. “I don’t think there’s any question that it’s worded this way because I think somebody did some research to show the public likes to vote on debt.”

In addition to the tunnels plan, California’s \$68 billion high-speed rail project could be affected. Though the rail project

has secured initial funding, the Brown administration is considering leveraging revenue from California's cap-and-trade program, money industries pay to offset carbon emissions, to secure private investment in the project. If those investments take the form of revenue bonds, Ross said, the initiative would apply.

Jon Coupal, president of the Howard Jarvis Taxpayers Association, said he has spoken with Cortopassi about the measure and that it is "consistent with our philosophy." He said his organization has not yet thoroughly reviewed the proposal, however.

Brown was governor before when his first Delta conveyance plan, a peripheral canal, was defeated in a referendum in 1982.

Jerry Meral, who served as the chief steward of the tunnels project while deputy secretary of the state's Natural Resources Agency, said that if Cortopassi's initiative passes and requires a vote on the current conveyance plan, the project would be "very much in danger of failing."

But proponents of the project, in addition to criticizing Cortopassi, are considering possible ways to arrange financing so that they can argue it does not fall under provisions of Cortopassi's measure.

Meral, who retired from the state in 2013 and now works for an environmental group supporting the tunnels plan, said it is possible a joint powers authority of water contractors could fund and operate the project separate from the state.

"In the end, you know, while the initiative may pass, I think there is a way around it," Meral said. "I don't know whether the contractors have really sat down with their lawyers and figured out all the details, but I think they understand what has to be done to avoid a public vote."

David Siders: [916-321-1215](tel:916-321-1215), [@davidsiders](https://twitter.com/davidsiders)