EXHIBIT 30-C

NO ON THE WATER BOND

Why Flush the Water Bond?

A bond proposal to raise $11.14 Billion for water-related projects has been placed on the November 2010 statewide ballot by Governor Schwarzenegger and the State Legislature.

This Sacramento solution was larded up with extras during wild, behind-the-scenes deal-making, eventually making it the largest water bond ever placed on the ballot, at a time when our state is facing historic, crushing budget deficits.

This package does little to address our immediate water needs or to create a more sustainable water future. Polling shows that just 34 percent of voters approve of it.

Let's reject this unfortunate proposal and instead begin a more open, honest, and constructive process that truly addresses California's water needs for the future.

Say NO to the wasteful water bond!

Bad Fiscal Policy

Budget hit hard. At a time of deep deficits and crushing cuts to education, healthcare, and public safety, this water bond would add about $22 billion to California's debt. The annual cost to the state general fund would be $800 million per year for 30 years, which would only mean greater cuts to vital services in the future. State Treasurer Bill Lockyer warned the Legislature before this bond measure passed that state indebtedness was already at unsustainable levels, but the bond package ignores this advice and adds to the future debt burden on the state General Fund.

The public pays, but big business benefits. This water bond package is a giveaway of taxpayer funds to a wide range of private industries. The long-held principle that the "beneficiary pays" for water projects was abandoned in Sacramento when this package was created. Though Governor Schwarzenegger initially proposed revenue bonds that would help pay for themselves, the final package leaves the taxpayers on the hook. Agriculture generates $36 billion in annual receipts and uses 80% of California's water supplies, but the water bond asks all taxpayers to pay the cost of billions of dollars in new subsidies to the industry.

Previous water bond funds not yet exhausted. California voters have generously approved $18.1 billion in water-related bonds in recent years. But more than a third of that money has not yet been spent. Public audits have not yet made it clear whether all the public funds were used properly. The voters can't be expected to keep writing blank checks while waiting to see if our money is being spent as promised.

Bad Water Policy

$3 billion set aside for dams. Dams are the most expensive and least efficient means of managing water supplies. But the water bond sets aside $3 billion for dams, a public policy choice that runs counter to expert opinion. Under this proposal, new dams could even be owned or controlled by private companies, despite the fact that public funds have made the dams possible. Dams *are* good at one thing: harming rivers and downstream ecosystems, an impact that would be guaranteed if voters approve the water bond in November.

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No real incentives for conservation by biggest water users. The bond does little to promote conservation or efficient uses of water, particularly by agriculture. Only 2.25% of this bond would fund conservation programs, which are the largest and most cost-effective means of enhancing water supply. Private industry *would* actually make conservation improvements if public policy put a premium on preserving water supplies, but the Legislature sidestepped real solutions with this bond. The result is a promise of decades more of the same, instead of any real requirement for change.

Another attempt at a peripheral canal. An additional package of bills passed in the State Legislature creates a clear path to the construction of a long-debated peripheral canal if the water bond is approved by voters. And $1.5 billion in the bond itself goes to Delta "restoration" projects linked directly to a peripheral canal. There can be no mistaking it: Passage of the water bond moves a peripheral canal one step closer to becoming a reality.

Bad Public Policy

Public policy, hidden process. The $11.1 billion water bond and a package of related legislation were all negotiated behind closed doors. Had the details been subject to public hearings, some of the most egregious elements might have been caught before being made a permanent part of the bond package voters are now being asked to approve.

Political pork & outrageous giveaways. The cost of the bond measure grew daily as it neared a vote. This was not because California's water needs changed; it was that the need for votes for the measure that grew more desperate. Legislators and potential beneficiaries of water bond projects got their own items inserted into the bill at the last minute. Some language created unprecedented private benefits, such as the right of private corporations to profit from the sale of public water resources. The messy process guarantees that Californians will have to pay extra for those water projects which they arguably need, because political pork was poured into the bill to get it passed.

False promise of jobs. Passing the bond does not guarantee that adequate funding will be available for the promised projects, and any jobs claimed to be generated by the water bond could be many years away. The state's fiscal condition is just one limiting factor – some previously funded water projects are on hold now. In December of 2008, nearly 4,000 water-related projects funded by earlier bond monies were frozen due to inadequate cash flow. For months, projects were shut down, bills were unpaid, and project jobs were lost. Most projects have yet to restart.