

AB-1597 (Alvarez) Water quality: CA-MX cross-border rivers, NADBank

Bill Summary

This bill would make funds available, upon appropriation by the Legislature in the annual Budget Act or another statute, to the NADBank for loans, grants, and direct expenditures to address water quality problems arising in the California-Mexico cross-border rivers.

Existing Law

Existing law establishes the California Border Environmental and Public Health Protection Fund in the State Treasury to receive funds appropriated in the annual Budget Act, including, but not limited to, proceeds of bonds sold as specified, and other sources, such as from the North American Development Bank (NADBank), and makes money in the fund available, upon appropriation, to the California-Mexico Border Relations Council, a state entity. Money in the fund is used to assist local governments in implementation of projects to identify and resolve environmental and public health problems that directly threaten the health or environmental quality of California residents or sensitive natural resources of the California border region, among other purposes.

Background

NADBank is a financial institution jointly created by the United States and Mexican federal governments in 1994 as part of the North American Trade Agreement. Their mission is to finance environmental infrastructure projects along the US-MX border through public and private capital contributions.

Due to various reasons, including significant population growth and lack of adequate sewage infrastructure, both the Tijuana River and New River which flow into the United States receives billions of gallons of untreated wastewater every year. In 2022, the

US-MX transboundary flow points measured approximately 22 billion gallons of untreated wastewater flowing across the border.

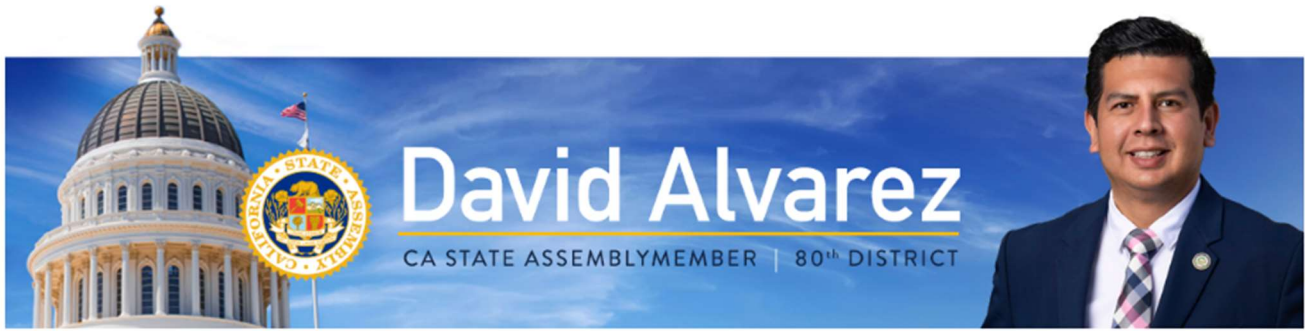
SB-507 (Hueso, 2018) created a list of projects to help mitigate cross-border pollution. In subsequent actions by the US & MX federal governments, and other stakeholders, these projects have been calculated to cost over \$700M in capital expenditures, to which approximately \$477M have been allocated by the U.S. and MX federal governments through the United States-Mexico-Canada Agreement (USMCA) and the Minute 328 treaty established by the International Boundary and Water Commission.

Since its inception in 1994, NADBank has received \$405 million from both federal governments to leverage investments totaling over \$9.5 billion: **a 1:23 investment ratio**, towards the development of 193 sustainable infrastructure projects in the border region.

Details of the Bill

AB-1597 will allocate funds, upon appropriation by the Legislature in the annual Budget Act or another statute, to the North American Development Bank. Up to 10% of the amount can be used for administrative costs (5% to NADBank, 5% to State Water Resources Control Board). All funded projects must have a documented water quality benefits to California.

NADBank must consult with applicable stakeholders and jurisdictional agencies in deciding which projects to implement and prioritization should be given to projects that have funding committed by governments on both sides of the international border. Recipients of any grant funding will also be required to submit progress reports and maintain the funded projects for its useful life.



Co-Authors

- Assemblymember Boerner
- Assemblymember Garcia
- Assemblymember Ward
- Assemblymember Weber
- Assemblymember Waldron
- Senator Brian Jones
- Senator Steve Padilla

Support

- League of Cities
- CA State Association of Counties (CSAC)
- Rural County Reps of CA (RCRC)
- San Diego Regional Chamber of Commerce
- CalChamber
- Wildcoast
- Surfrider Foundation
- Port of San Diego
- City of Coronado
- City of Imperial Beach
- City of San Diego
- County of San Diego

Opposition

- None as of 05/31/23

For More Information

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