



August 21, 2013

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The Honorable Anthony Rendon
Chair, Assembly Water, Parks and Wildlife
1020 N Street, Room 160
Sacramento, CA 95814

Submitted via E-mail to Tina Cannon Leahy at Tina.Leahy@asm.ca.gov.

SUBJECT: EMWD Comments on the 2013 Water Bond Framework - Public Review Draft Released August 14, 2013

Dear Chairman Rendon:

Eastern Municipal Water District (EMWD) would again like to express its appreciation to you and the members of the Water Bond Working Group for committing to a public and transparent process for the development of the *2013 Water Bond Framework (Framework)*. The Framework, as released for public comment on August 14, 2013 provided a useful platform for discussions on re-crafting the 2014 water bond.

EMWD would respectfully like to submit the following recommendations for inclusion in any revisions to the *2013 Water Bond Framework* and for inclusion in a bill designed to advance changes to the existing 2014 water bond.

Sacramento-San Joaquin Delta Sustainability

The existing 2014 Water Bond includes \$2.25 billion for the Delta, which as noted in the *Background - Principles of Developing a Water Bond* (July 2, 2013), \$1.5 billion of which has been identified for Delta ecosystem. Public benefits designed to support the coequal goals of water supply reliability and Delta ecosystem restoration should be prioritized as the highest goals in-terms of any future general obligation water bond. The \$1 billion included in the Framework would not adequately address the need that exists within the Delta, nor would it allow for the original policy decisions to be upheld, which is a stated goal outlined in the Framework. Prioritizing allocation of additional funds for Delta ecosystem sustainability and reliability would produce the greatest public benefit. As such, EMWD would like to request that funding within Section VIII should be increased from the currently identified amount of \$1 billion to the originally designated \$2.25 billion.

Storage for Climate Change

EMWD requests the inclusion of a continuous appropriation for funding of surface and groundwater storage within the *2013 Water Bond Framework*. The expansion of surface and groundwater storage is a critical investment that is needed to address both

periods of drought and long-term changes associated with Climate Change. Expansion of storage opportunities will also be critical to advancing long-term state-wide supply sustainability and in addressing water quality issues. In recognition of the long-term benefits that storage will have on regional self-reliance, water quality, and resiliency to climate change, as well on public safety due to the inclusion of restoration of storage capacity for existing dams (such as the Lake Perris Dam in western Riverside County), the expansion of funding in Section IX would clearly have long lasting state-wide benefits.

Climate Change Preparedness and Regional Self-Reliance for Water

Southern California has made significant strides to advance regional self-reliance initiatives; however more can be accomplished especially in-terms water recycling projects. The \$1 billion included in the Framework for Integrated Regional Water Management Plan (IRWMP) grant funding is quite insufficient to address not only water recycling, but stormwater capture, water use efficiency, and groundwater clean-up desalination projects. These project categories are underfunded compared to the existing bond and should have separate competitive funding categories.

Recycled water projects and groundwater desalination advancements are the future of regional self-reliance and Section VII of the Framework should be revised to recognize the environmental, water supply, and reduced Delta reliance benefits that increased state partnerships in local recycling and groundwater desalination projects have to offer.

Recycled water projects in particular can be developed quickly and efficiently to address water that may become unavailable due to climate change or regulatory restrictions. Currently, more than 3.5 million acre-feet of recyclable water is discharged to the ocean each year. Not only can this resource be recovered and reused to reduce pressure on imported water supplies within the next five-years, it is important to note that unlike water that is discharged into a stream and potentially used by another downstream user, water discharged into the ocean is considered “irrecoverable” and thus constitutes the only “new” supply in the state.

Funding levels for a Water Recycling Program category within the Framework should be, at the very minimum \$500 million and allocated competitively through the existing Water Recycling Funding Program (WRFP) at the State Water Resources Control Board (State Board). As far back as 2005, the WRFP “Competitive Project List” (CPL) included 87 projects located in 15 counties awaiting funding. These project sponsors applied for past bond funds and were evaluated and prioritized by the State Board. Some of those projects have since been funded and many other agencies now have recycling projects in various planning stages that would greatly benefit from funding assistance to make viable these critical projects that can demonstrably advance regional self-reliance goals.

Termination of Water Bond Funds that have not Been Appropriated

Careful consideration should be given to the recommendation in item IV. General Provisions, Section C, where the *Framework* recommends: “Terminating authorization for water bond funds that have not been appropriated.” Further scrutiny should be given as to why specific funds have yet to be allocated instead of implementing a wholesale termination of access to these funds. In the committee background analysis for the joint hearing of the Senate Committees on Governance and Finance on February 26, 2013, entitled *Overview of California’s Debt Condition: Priming the Pump for a Water Bond*, the document outlines Bond Financing Principles which note that “Bonds should be flexible to evolving policy”, and bond funds should “Establish state resources goals and remove impediments to achieving those goals.” This analysis further establishes the case that some state financing barriers exist that have failed to allow for access to certain outstanding funds for a variety of infrastructure categories. Additionally, some funding

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allocations are awaiting the development of regulations and/or funding criteria. These unencumbered bond funds should not arbitrarily be eliminated, they should be redirected and repurposed, when appropriate, to complement the 2014 water bond. These funds will continue to support the voter approved purpose of supporting California's water infrastructure needs, while embracing the recommendation of flexibility to evolving policy identified in the previously mentioned committee analysis as a critical component of bond funding. Moreover, these existing voter approved funds provide additional resources to offset the likely reduction in the size of the proposed bond be contemplated by the legislature.

EMWD would again like to thank you for the opportunity to provide feedback on the *2013 Water Bond Framework*. We look forward to participating in the continued efforts to develop a bond that benefits all Californians and improves the state's water infrastructure and reliability needs. If you have any questions regarding this correspondence please feel free to contact me at (951) 928-6130 or by e-mail at jonesp@emwd.org or EMWD's Sacramento representative Ron Davis at (916) 492-6082 or at rdavis1228@gmail.com.

Sincerely,

A handwritten signature in cursive script that reads "Paul D. Jones II".

Paul D. Jones II, P.E.
General Manager