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August 21, 2013

The Honorable Anthony Rendon
Chair, Water, Parks and Wildlife Committee
California State Assembly
State Capitol, Room 2136
Sacramento, CA 95814

SUBJECT: Water Bond Working Group 2013 Water Bond Framework

Dear Chair Rendon:

The Glenn-Colusa Irrigation District (GCID) appreciates this opportunity to provide comments on the Water Bond Working Group's "2013 Water Bond Framework," and attached as reference is our August 1 letter on the Proposed Principles. GCID concurs with the Working Group Framework and has provided additional comments and relevant information to specific sections as detailed below.

Section IV(B)(1) - Water Rights and Area-of-Origin Protections

We agree that the protection of water rights and Area of Origin provisions should be retained and is critical in providing more stability to the water system in the state. These protections create the certainty necessary for water managers to work collaboratively on water management actions to address challenges in the Delta during the time that long-term solutions are being developed. It is also important to recognize that in the context of long-term assurances being developed for the Delta, these protections may need to be evaluated and potentially enhanced to provide equal assurances to upstream water users.

Section VI - Protecting Rivers, Lakes, Streams and Watersheds

We agree that the protection of rivers, lakes, streams and watersheds is critical to help recovery species, which will also result in operational flexibility to the state's water system including the delta. GCID is actively engaged in actions to help recover salmon on the mainstem of the Sacramento River, including system reoperation and habitat restoration. We are also coordinating with fish and wildlife agencies and organizations to protect and enhance habitat for the Pacific Flyway.

Section VII - Regional Self Reliance

Addressing water reliability challenges through increased regional self-reliance is an important new policy for the state of California. This principle recognizes what we consider to be one of the important distinctions for water management in regards to the Delta: a water user's relationship to the Delta will determine how it should address

problems contained in the Delta. Water Code Sec. 85021, which was established with the passage of SB X7 1 in 2009, recognized a critical difference between water users in the Delta watershed and those reliant upon the Delta, stating that, "The policy of the State of California is to reduce reliance on the Delta in meeting California's future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency. Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts." [emphasis added] Water users like GCID, in the regions upstream from the Delta, are not reliant upon the Delta for their water supplies and therefore cannot reduce their reliance upon the Delta. However, we continue to deliver water more efficiently while trying to manage and balance the various water needs in our region including agriculture, in-stream species, terrestrial species and our migratory waterfowl.

Section IX- Storage

New water storage like Sites Reservoir in northern California will play a critical role in adapting to climate change and provide new supplies for water supply and ecosystem needs to meet the needs of in-stream and Delta fisheries.

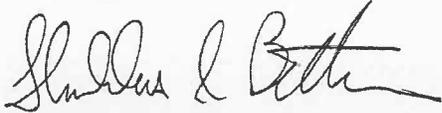
GCID supports and encourages the legislature to retain the language establishing criteria for funding storage projects that is contained in Chapter 8 of SB X7 2, which was passed in 2009. This language allowed for a competitive process to fund the varied types of storage projects that would provide the greatest "return for public investment as measured by the magnitude of the public benefits provided..." This language ensures that public funding will only be directed to the public benefits a project would provide, up to 50 percent of the total project cost, thereby ensuring that the public funding will generate statewide public benefits. Section 79740 (b) calls for the continuous appropriation of the funds for the public benefits associated with storage projects. The continuous appropriation of these funds is the only way to provide the certainty of their availability that will allow funding partners to commit to the sizable cost-shares necessary to construct the water storage projects. Additionally, local agencies developing new storage projects have been using the financial assumptions in Chapter 8 to develop a financing and affordability plan. If this language is changed, many projects will need to be reformulated, which costs additional time and funding and could delay moving forward with viable projects. GCID encourages the Working Group to include all of the water storage language contained in SB X7 2 as part of the principles for the development of a new bond.

Additionally, since large storage projects will include significant private investments, including long term project financing, it is imperative that the continuous appropriations language remain in any revised bond. This commitment will ensure that the private investment partners are assured that the project costs for public benefits will be paid for by the bond via the Water Commission.

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Thank you for considering our comments. GCID looks forward to working with you on this in the upcoming months. If I can provide any additional information, please call me at (530) 934-8881.

Sincerely,

A handwritten signature in black ink, appearing to read "Thaddeus L. Bettner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Thaddeus L. Bettner
General Manager

cc: Alf Brandt
Enclosure