

1. NRDC is encouraged by the size and structure of the bond Framework. We believe that the majority of state funding in a water bond should go to:
 - a. Providing safe drinking water for disadvantaged communities.
 - b. Creating cost-sharing incentives for water agency investments in local water supply development (including conservation, recycling, stormwater capture, groundwater cleanup and conjunctive use). In order to carry out state policy of reducing reliance on the Delta, we encourage the Assembly to either establish a dedicated funding allocation or establish a funding priority for projects that will reduce water diversions from the Delta as a result of new local supply development. NRDC has prepared the attached analysis (“Portfolio Based BDCP Conceptual Alternative – Appendices”), which estimates that investing \$5B in water recycling and urban water conservation and efficiency projects could create approximately 1 million acre feet of new water every year. The attached analysis by the Economic Roundtable shows that these types of projects typically create more jobs per \$1M spent than reservoir construction projects, and create those jobs in local communities.
 - c. Ecosystem restoration, in the Delta and in other rivers and watersheds in California. These investments create habitat restoration jobs, can help protect water supplies and fishing jobs that depend on healthy aquatic ecosystems, and improve water quality. We have an attached report from the Fresno Regional Foundation emphasizing the employment benefits of restoring the San Joaquin River. We would be happy to provide additional reports on the employment and economic benefits of habitat restoration, including a recent study by the University of Oregon, if that would be helpful.
2. We strongly urge the Assembly not to terminate authorization for existing bond funds that have not yet been appropriated as proposed in Chapter IV(c) of the Framework, particularly with respect to ecosystem restoration funds. Instead, to the extent that there are existing, unappropriated bond monies that were dedicated to projects that are no longer feasible or desirable, the Assembly should consider identifying new uses for these monies in these bonds.
3. In Chapter VI of the Framework, we recommend that the Bond include funding for ecosystem restoration projects of statewide significance that the state has committed funding for, including the San Joaquin River Restoration Settlement and the Salton Sea.
4. Chapter IV(B) of the bond should include assurances (a savings clause) regarding sections 85089 and 85320 of the Water Code.
5. All monies provided by the bond, including in Chapter IX (storage) of the Framework, should be subject to legislative oversight to ensure accountability.
6. Any funding for new or expanded surface storage in Chapter IX should be limited to the public share of ecosystem benefits (e.g., beyond mitigation requirements). In addition, the bond should prohibit funding for any project to increase surface storage at Shasta Dam.

7. All funding from the bond should be consistent with existing statutory requirements regarding preparation and implementation of agricultural and urban water management plans and water use efficiency measures, including sections 10631.5 and 10608.56 of the Water Code. The requirements referenced in Chapter VII of the Framework should apply to all chapters of the bond.

Feel free to contact us if you have any questions. We look forward to continuing to work with you.

Sincerely,
Kate

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