



To: The Assembly Democratic Caucus Water Bond Working Group; Assembly Water Parks and Wildlife Committee

RE: *2013 Water Bond Framework*

Wednesday, August 21, 2013

Dear Assemblyman Rendon:

We are writing to applaud the water bond working group's efforts to set the tone for future water bond discussions with the 2013 Water Bond Framework. The Sierra Business Council (SBC) is a network of more than 4,000 small- and medium-sized businesses, community organizations, local governments, and individuals committed to advancing the prosperity of the Sierra Nevada. Your thoughtful consideration of the many complex issues surrounding California's water future is greatly appreciated by SBC and its supporters.

We understand that addressing water storage and Delta conveyance issues is critical to any long-term water solution for the state. However, we believe an equally critical piece of California's water infrastructure is not being adequately addressed in today's Delta and water bond discussions — and that is the forests, meadows, lakes and streams of the Sierra Nevada, southern Cascade, Coastal ranges and other source water areas, without which there is no secure, sustainable water system for California.

These source areas collectively comprise the State's "free reservoir" — where precipitation is stored in snowpack and groundwater and released naturally over time. In combination with hard infrastructure, this free reservoir is critical to providing the water that will meet the state's long-term goals of water supply reliability and ecosystem restoration. To be successful, therefore, we need to look at the system as a whole — where the free reservoir combines with the hard infrastructure to create a resilient, adaptable system, like a "smart water grid." Just like an electrical grid, successful functioning of our water system depends on all parts of the system, both natural and man-made, working in concert.

With that in mind, in reviewing the 2013 Water Bond Framework we feel that there are some modifications necessary to ensure that discussions around California's water future look at the whole picture:

- We support the working group's recommendation that a water bond restore the health of California's watersheds, to protect our important coastal and inland waterways, especially for salmon that depend on both. **However, we feel the language needs to include a specific reference to restoring the health of watersheds that are key sources of California's water, including those in the Sierra Nevada region and the Southern Cascade. This can be accomplished by acknowledging the source watersheds as areas of statewide importance and prioritizing funding for work in these areas, as well.** Prioritizing could be based on annual mean runoff, percentage contribution to the State and federal water projects, or some other measure of "ecosystem service" or downstream benefit; and funds could be distributed through state conservancies to support projects that improve overall water quality and maximize the free reservoir capacity by improving soil absorption, restoring streams and wet meadows, improving the ability of forests to capture, hold and slowly release water over time, etc.
- We support the working group's recommendation that protection of the Sacramento-San Joaquin Delta remain a high priority. **We do encourage you, however, to treat the system as whole by also allocating a proportional amount of funding to protect and restore the source of fresh water that flows into the Delta. We also support the framework's stated intent to decouple funding for Delta protection from the Bay Delta Conservation Plan by prohibiting Delta conveyance funding as part of the bond.**
- We support the working group's recommendation that projects that produce the greatest public benefit should be prioritized. **We also encourage you to ensure that public benefit for the purposes of this legislation be defined as simultaneously providing environmental, economic and social benefit for the entire system, including the**

source water areas such as the Sierra and Southern Cascade, and that actions geared toward meeting or achieving the State’s goals of water sustainability and resiliency be considered public benefit actions.

- We strongly support the working group’s recommendation that directs funding to benefit disadvantaged communities. **We also encourage you to ensure that the definition of disadvantaged communities for purposes of this legislation be balanced to consider the demographics of the regions that are the sources of California’s water. Rural communities across the Sierra, southern Cascade, North Coast and other source areas have median household incomes well below the statewide average and experience severe and costly health impacts from ground and surface water contamination, air pollutants and other sources.**
- And, while we support the idea of leveraging bond funding with other sources, **we respectfully request that the working group delete the concept of terminating authorization for water bond funds not yet appropriated. Pulling this funding would cause undue confusion for agencies, grantees and contractors and would likely have negative consequences on existing planning, contracts, promised jobs, and infrastructure and ecosystem outcomes that are necessary to continue improving the function of the state’s water system.**

To achieve the state’s goals for a more resilient and secure water supply, we need a whole-system approach. Up to half of the fresh water that flows into the Delta starts its journey in the Sierra. This “free reservoir” is particularly important to helping the State adapt to the impacts of climate change, predicted to change precipitation patterns and timing that will affect the co-equal goals of providing adequate water supply with the need for restoration and protection of the ecosystem – from source to sea.

A safe, secure and reliable supply of high quality water is fundamental to California’s economic, social and environmental future. Fixing the State’s water system will take decades, but we have real and documented need right now.

Investing in the “free reservoir” storage at the source is the first step in a series of linked actions needed over the next 10-20 years to effectively address the state’s water needs. Without an investment in the Sierra Nevada, a significant element of a comprehensive fix to California’s water issues and important opportunities to adapt to climate change will be lost, with significant downstream impacts and costs. Please feel free to call on us for more information on this matter.

Sincerely,



Steven R. Frisch
Sierra Business Council, President