

March 14, 2016

The Honorable Joseph Byrne, Chair
California Water Commission
1416 9th Street
Sacramento, CA 95814

SUBJECT: Water Storage Investment Program Quantification Regulations Dated
January 11, 2016

Dear Chair Byrne:

The Santa Clara Valley Water District (District) manages an integrated water resources system that includes the supply of clean, safe water, flood protection, and stewardship of streams on behalf of Santa Clara County's nearly 1.9 million residents. The District effectively manages 10 dams and surface water reservoirs, 3 water treatment plants, an advanced recycled water purification center, a state-of-the-art water quality laboratory, nearly 400 acres of groundwater recharge ponds, and more than 275 miles of streams. We provide wholesale water and groundwater management services to local municipalities and private water retailers who deliver drinking water directly to homes and businesses in Santa Clara County. Our mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.

The District has a strong interest in the California Water Commission's (CWC) efforts on the Water Storage Investment Program (WSIP) created by the passage of Proposition 1. The District was supportive of the \$2.7 billion that was ultimately included to fund the public benefits of water storage projects. Increasing all types of water storage throughout the state is an integral component to a comprehensive solution to our statewide water needs.

We write in order to provide some suggestions on the Proposition 1 WSIP Quantification Regulations. We believe that as the CWC moves toward timely adoption of all required WSIP regulations, it should focus on twin objectives of ensuring compliance with the requirements of Chapter 8 and providing a workable framework for project proponents to utilize when presenting the public benefits of their projects for potential WSIP funding.

We would like to make the following suggestions for your consideration:

COMMENT 1: Section 6002 General Selection Process—This section of the regulations is overly prescriptive and would likely result in applicants being disqualified.

Section 6002 (c)(3)(C) requires applicants to respond to any completeness or basic eligibility deficiencies within a 14-day period or find themselves ineligible for funding.

While we understand the need to move prudently through the application process, this requirement seems overly prescriptive and punitive. The 14-day window requirement for a response could be missed for a variety of issues. The information that's required of the applicants is very complex and may not be available on such a short timeline. We believe this

timeline is excessively narrow and should be extended to at least 30 days, with an allowance for delayed submission allowed by notifying CWC staff of any difficulties the agency may be having in complying.

COMMENT 2: Section 6002 (c)(4)(A)(3) requires applicants to secure “commitments from the authorized representatives of non-public benefit cost-share partners.”

While we understand the need to secure funding from the applicant partners for the non-public benefit cost share of the project, we are concerned that public agencies may not be able to commit to a binding agreement for the cost share at the time of the application. The ultimate decision whether to move forward with a project partnership may hinge on the decision of the CWC to authorize funding for the public cost share of a project. If there is a potential for the CWC to deny an application, the publicly elected board of an agency may not be able or willing to commit funds to the extent that such commitment may damage the bond purchasing ability of the agency. Furthermore, this section is unnecessary as the regulation includes language later in the final funding section 6003(b)(1), which addresses this very issue.

In addition to the comments above from the District, we support the Association of California Water Agencies’ comments and suggested amendments provided in their comment letter to the CWC on the Quantification Regulations as they would help advance these objectives.

We thank you for the opportunity to comment on the WSIP Quantification Regulations. We understand all of the hard work and effort that the CWC and staff have poured into this body of work. We look forward to the WSIP program to produce much needed water storage as part of a comprehensive water management solution to California’s needs. We welcome any questions you or your staff may have on our suggestions. For further information or questions, please contact Antonio Alfaro, Government Relations Advocate, at (916) 448-8497 or via e-mail at aalfaro@valleywater.org.

Sincerely,



Norma J. Camacho
Interim Chief Executive Officer

cc: The Honorable Joe Del Bosque, Vice Chair
The Honorable Andrew Ball, Commissioner
The Honorable Daniel Curtin, Commissioner
The Honorable Paula Daniels, Commissioner
The Honorable Maria Herrera, Commissioner
The Honorable David Orth, Commissioner
The Honorable Armando Quintero, Commissioner
Ms. Paula Landis, Executive Officer
Ms. Rachel Ballanti, Assistant Executive Officer
Ms. Jennifer Marr, Supervising Engineer

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