



Water Blueprint for the San Joaquin Valley



July 19, 2023

Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Honorable Toni Atkins, President pro Tempore
California State Senate
1021 O Street, Suite 8518
Sacramento, CA 95814

Honorable Robert Rivas, Speaker
California State Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

Honorable Ben Allen
California State Senate
1021 O Street, Suite 6610
Sacramento, CA 95814

Honorable Susan Eggman
California State Senate
1021 O Street, Suite 8530
Sacramento, CA 95814

Honorable Eduardo Garcia
California State Assembly
1021 O Street, Suite 8120
Sacramento, CA 95814

Honorable Carlos Villapudua
California State Assembly
1021 O Street, Suite 6340
Sacramento, CA 95814

SUBJECT: Resources and Climate Resilience Bond Priorities

Dear Governor Newsom, President Pro Tempore Atkins, Speaker Rivas, Senators Allen and Eggman, and Assemblymembers Garcia and Villapudua:

The increasing volatility of climate change across California and the Colorado River basin is a warning that the state must act swiftly to protect its residents and businesses from the cyclical threat of droughts and floods. To strengthen California’s resilience to these climate-related challenges, the below signed entities from across the state respectfully request inclusion of \$9.5 billion in water infrastructure investments in any resources and climate resilience bond package that takes shape for the 2024 ballot.

California’s overwhelming dependence on rain and snow-based water systems places the state’s residents, businesses, and ecosystems at heightened risk of catastrophic disruption. Similarly, the state’s overwhelming dependence on outdated infrastructure to transport and store water continues to ignore the near-term needs for climate adaptation. The only way to avoid a calamitous water shortage – or catastrophic flooding events – and subsequent environmental and economic degradation is to improve the adaptive management capacity of our current water system, increase water efficiency, conservation, and storage in the state, and to increase the availability of drought-resilient water resources.

California’s water infrastructure needs cannot be met by ratepayers alone. Necessary maintenance and repair of legacy water systems and rising costs to purchase, treat, and distribute water have, in recent years, increased the cost of water across California. Between 2010 and 2018, water rates in San Diego increased 60 percent, rates in Los Angeles increased 87 percent, in San Jose 93 percent, and in San Francisco 141 percent. The rising costs have left more Californians struggling to keep up. As a resources and climate resilience bond package takes shape, it is imperative that there is robust water-related infrastructure investment to ensure California can continue to strengthen its resilience to drought and floods.

Additionally, we believe it is imperative that water resilience investments be guided by a lens that recognizes the needs of our state’s disadvantaged communities and populations, and that investments be tailored to improve equity and access to resources for communities of color and seek to improve and mitigate the growing affordability gap for millions of Californians.

We respectfully ask for consideration of the following priorities in the development and shaping of a resources and climate resilience bond package for the 2024 ballot:

Investments in Recycled Water Projects: \$1.8 Billion

California’s economy is overly reliant on water from annual precipitation, which is becoming increasingly erratic due to climate change. Today, less than 5% of California’s water supply is manufactured from drought-resilient sources like recycled water. Other similarly arid regions around the world, such as Australia and Israel, recycle

between 30% and 90%. To strengthen California's drought resilience, the State Water Resources Control Board's goal is to increase recycled water from 714,000 acre-feet per year in 2015 to 2.5 million by 2030. However, the Board's Water Recycling Funding Program has a huge backlog of shovel-ready recycled water projects. Substantial state investment is urgently needed to strengthen drought resilience while limiting ratepayer impacts. We request your consideration of a recycled water package that includes funding for small- and medium-scale water recycling projects (\$1 billion), and specifically-identified funding for large-scale regional recycling projects (\$800 million).

While there is a tremendous need for funding assistance for recycled water and potable reuse projects throughout the state, ensuring a dedicated allocation of funding for large-scale regional recycling projects is an important consideration.

Large-scale regional water recycling projects can scale the transition to a drought-resilient future at a lower per-unit cost. Within the Southern California region, the Metropolitan Water District of Southern California is partnering with the Los Angeles County Sanitation Districts in planning to construct a Regional Recycled Water Program that will purify treated wastewater to replenish groundwater basins, supply businesses, and augment Metropolitan's treated supply for Southern California. This new project would provide needed water quality and supply benefits for many underserved communities in Southern California and, at full-scale, could produce enough water to serve 500,000 households. In addition, the City of Los Angeles' Groundwater Replenishment Program is one of the largest recycled water projects in the state, and is expected to produce more than 21,000 acre-feet of water per year – enough drinking water for 250,000 residents. A substantial state investment to support the design and construction of these projects would help to accelerate their advancement. In the Bay Area, the Santa Clara Valley Water District is partnering with local municipalities in planning a state of the art advanced wastewater purification facility, the Purified Water Project, that will be used to replenish Silicon Valley's high priority groundwater basin that is stressed by extended droughts due to climate change and the resulting large reductions in available imported water. A substantial state investment would help support the cost of the Purified Water Project that will provide drinking water and help prevent subsidence in this region of critical economic importance.

Investments in Regional Water Resilience: \$2.25 Billion

State assistance is needed to help local water managers meet the "Conservation as a Way of Life" objectives without disproportionately impacting under-resourced customers and exacerbating water affordability challenges. Investments in conservation, efficiency, interconnectivity, conjunctive use, groundwater storage, and additional local water supply development, including stormwater management and ocean and brackish water desalination, will also help advance the "All of the Above" concept of providing necessary tools and mechanisms for water managers to protect their communities and economies from future drought.

Throughout Southern and Central California alone, there are more than \$20 billion in shovel-ready infrastructure projects that have been identified by water suppliers. In the San Joaquin Valley, the Water Blueprint for the San Joaquin Valley is developing a solution to improve the regional resilience of the San Joaquin Valley and address the

imbalance between water supply and demand, which will only grow in the future without significant action. This solution involves a combination of improved utilization of local San Joaquin Valley water supplies, increased reliability of surplus Delta water when available, and demand reduction through land repurposing and agricultural efficiency improvements and conservation.

We request your consideration of a regional water resilience package that includes funding in the following categories:

- Groundwater storage: \$250 million
- Water use efficiency: \$500 million (split 50/50 for urban and agricultural WUE)
- Desalination: \$500 million
- Stormwater capture and management: \$500 million
- Regional and interregional conveyance: \$500 million

Investments in Dam Safety and Reservoir Operations: \$850 Million

According to DWR's Division of Safety of Dams, 102 California dams are rated less-than-satisfactory. Of those, 84 dams have hazard classifications of significant or above, indicating risk to life or property should the dams fail. However, dam repair and rehabilitation are not an eligible use of State Revolving Funds or Proposition 1 dollars. Eligible grant projects should include, but not be limited to: dam safety projects at high hazard dams; new spillways and repairs at existing dams to facilitate implementation of Forecast Informed Reservoir Operations; and reservoir seismic retrofit projects.

Investments in Surface Water Storage Inflation Adjustments: \$500 Million

Nearly a decade has passed since California voters approved \$2.7 billion to support the Water Storage Investment Program as part of Proposition 1. However, due to inflation, the Proposition 1 grant awards no longer cover the full value of the public benefits these projects provide. An adjustment to the grant awards is needed to cover public benefits as originally intended by Proposition 1.

Investments in State Water Project Public Benefits: \$1.5 Billion

As California strives to boost the resilience of its water supply in the face of climate change impacts, we must adapt existing infrastructure to capture and convey as much water as possible during less frequent, more intense weather patterns. Investment in the State Water Project system advances a number of important water- and climate-resilience public benefits for California. Investments are necessary to improve existing SWP infrastructure and system operations to facilitate water supply storage and delivery capability improvements, including:

- Supporting SWP and Central Valley Project (CVP) conveyance canal subsidence repair costs
- Developing new system or off-aqueduct surface or ground water storage capacity to improve operations and efficiencies of the SWP and to facilitate the timing of storm and wet-weather flow capture for the benefit of water resilience improvements, groundwater recharge, and innovative arrangements to assist in the provision of safe drinking water for disadvantaged communities,

environmental water, or other public benefits

- Improve and facilitate recreational opportunities at SWP facilities that provide public recreation.

Additionally, capital investments in the SWP are necessary to facilitate achievement of the state's goals for the SWP's energy use to be 100 percent renewable or zero-carbon emission resources, and to provide for operational efficiencies of the SWP's operations to provide statewide electricity grid reliability benefits.

Investments in Clean Water and Contaminant Prevention: \$500 Million

An estimated 7.5 million Californians rely on drinking water contaminated by Per- and Polyfluoroalkyl Substances (PFAS), a grouping of more than 4,500 chemicals that resist heat, oils, and water. Current scientific research suggests that exposure to high levels of certain PFAS may lead to adverse health outcomes. In 2019, the State Water Board developed a phased investigation action plan requiring testing of drinking water systems and site investigations at high-risk locations for PFAS. Regional water agencies and water suppliers need state assistance to identify and remove PFAS and other contaminants of emerging concern and to provide drinking water to small systems across the state.

Investments in Urban Flood Resilience: \$1 Billion

Over the past two decades, state bond measures have provided significant flood protection funding to the Central Valley through the Urban Flood Risk Reduction Program and then allocated much smaller sums for statewide purposes. While we recognize the unique challenges in the Central Valley, the result is a decades-long underfunding of flood protection for cities in other areas of the state where most Californians live and work. The state can no longer ignore the intensifying storms and increased runoff that threaten life, property, and key components of the California economy located in our coastal watersheds, which are all likely to become more severe under climate change conditions. Every region of the state is impacted by changing hydrologic conditions due to climate change.

Of the funding in this section, we recommend \$300 million for the State Flood Subvention Program, which reimburses local agencies for the state's cost share in high-risk flood zones for projects authorized and approved by the U.S. Army Corps of Engineers. The voters have not approved bond funding for this program since Proposition 84 and 1E in 2006. With much of the remaining funding barely covering the existing state's cost share, the program is projected to run out of funds soon.

Investments in Coastal Resilience: \$1 Billion

The Ocean Protection Council estimates sea levels will likely (67% probability) increase by over one foot by 2050. The San Francisco Bay Area, which comprises about half of California's total shoreline, is particularly vulnerable given its low, highly developed shoreline. An upcoming report from the Metropolitan Transportation Commission estimates the region could need as much as \$110 billion in flood protection infrastructure improvements by 2050 to avoid catastrophic damages from a 100-year storm event under a severe sea level rise scenario. Nature-based, multi-benefit solutions

should be implemented wherever possible, yet some shoreline resilience projects will require grey or grey-ish infrastructure solutions. Of the funding allocated in this section, we recommend \$500 million be earmarked for the San Francisco Bay Area broken into the following buckets: \$250 million for the State Coastal Conservancy for restoration projects consistent with the San Francisco Bay Restoration Authority, and \$250 million for the Department of Water Resources Coastal Watershed Program for flood protection projects in the San Francisco Bay that may not be eligible for either Coastal Conservancy or SFBRA support.

Investments in Multi-Benefit Land Repurposing: \$100 Million

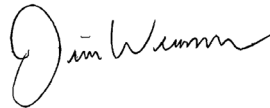
Implementation of California’s Sustainable Groundwater Management Act in critically overdrafted groundwater basins in the San Joaquin Valley is anticipated to result in the loss of a minimum of 500,000 acres of productive farmland. This funding would increase regional capacity to repurpose irrigated agricultural land to reduce reliance on groundwater while providing community health, economic well-being, water supply, habitat, renewable energy, and climate benefit.

Thank you for your leadership and considering our views. We look forward to actively engaging in the process of shaping and finalizing a resources and climate resilience bond package for the 2024 ballot.

Sincerely,



Charles Wilson, Executive Director
Southern California Water Coalition



Jim Wunderman, President & CEO
Bay Area Council



Austin Ewell, Voluntary Executive Director
Water Blueprint for the San Joaquin Valley



Jon Switalski, Executive Director
Rebuild SoCal Partnership



Matthew Stone, General Manager
Santa Clarita Valley Water Agency



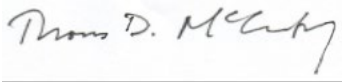
Adel Hagekhalil, General Manager
Metropolitan Water District of
Southern California



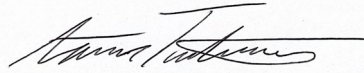
Adnan Anabtawi, General Manager
Mojave Water Agency



Heather Dyer, Chief Executive Officer
San Bernardino Valley Municipal Water
District



Thomas McCarthy, General Manager
Kern County Water Agency



Aaron Tartakovsky, Founder & CEO
Epic Cleantec



Melanie Richardson, P.E.
Santa Clara Valley Water District



Cynthia Murray, President & CEO
North Bay Leadership Council



Rachel Murphy, General Manager
Contra Costa Water District



Mark Northcross, Principal
NHA Advisors



Richard Lambros, Executive Director
Secure Water Alliance



Mike Roos, President
Southern California Leadership Council



Anselmo G. Collins, Sr. Assistant GM
Los Angeles Dept. of Water & Power



Jack Monger, CEO
Industrial Environmental Association



Robert Sausedo, President/CEO
Community Build, Inc.



Maria S. Salinas, President & CEO
LA Area Chamber of Commerce



Martin Ludlow, President
Groundswell



Luis Portillo, President & CEO
San Gabriel Valley Econ. Partnership



Paul Granillo, President and CEO
Inland Empire Economic Partnership

cc:

Senator Dave Min, Chair – Senate Natural Resources and Water Committee
Senator Anna Caballero, Chair – Senate Governance and Finance Committee
Assemblymember Rebecca Bauer-Kahan, Chair – Assm. Water, Parks, and Wildlife Ctte.
Assemblymember Luz Rivas, Chair – Assembly Natural Resources Committee
California Natural Resources Secretary Wade Crowfoot
Department of Water Resources Director Karla Nemeth
SWRCB Chair Joaquin Esquivel