



April 24, 2015

Mr. Dan Newton
Division of Financial Assistance
Water Recycling Funding Program
State Water Resources Control Board
P.O. Box 944212
Sacramento, CA 94244-2120

Dear Mr. Newton:

Thank you for this opportunity to provide comments on the State Water Resources Control Board's (SWRCB) draft Water Recycling Funding Program Guidelines.

Founded in 2008, the Water Reliability Coalition (WRC) is comprised of 28 members including environmental, consumer, business, labor, ratepayer and technical organizations that work together to advance potable water reuse as a strategy to develop a safe, reliable, sustainable and cost-effective local water supply for the San Diego region.

The City of San Diego's Pure Water program, which includes three large-scale potable reuse projects, will provide San Diegans with 83 million gallons per day of new drinkable water. This new sustainable water supply will account for approximately one third of the City's future water demands by 2035.

San Diego has worked closely with the SWRCB (and formerly, the Department of Public Health) since 2004 to develop consistent standards for permitting indirect potable reuse projects with reservoir augmentation (IPR/RA). The City has established Pure Water as a viable project while also assisting with developing the State's evolving framework for the regulation of IPR/RA projects.

Similarly, Padre Dam Municipal Water District's Advanced Water Purification Program is an exciting water reuse opportunity that will diversify East San Diego County's water supply and reduce dependency on imported water. Padre Dam's program has garnered supports and partnership from the County of San Diego, City of El Cajon and Helix Water District. This program could provide up to 20 percent of the potable water supply in East San Diego County through combination of groundwater recharge and surface water augmentation opportunities.

Shovel Ready Concerns

Despite making great strides forward and being a mature project that is deserving of the opportunity to compete for Proposition 1 recycled water grant funding, San Diego's Pure Water program and Padre Dam's Advanced Water Purification



program is ineligible for funding, as the guidelines are currently drafted, due to “shovel ready” requirements. We understand and appreciate the State Board’s need to demonstrate compliance with the California Environmental Quality Act (CEQA) determination standards, but we are also fully aware that the regulatory framework for permitting IPR/RA projects does not yet exist. While this makes being “shovel ready” impossible for San Diego’s two major potable reuse projects, we believe that the State has the ability to provide a discretionary award that is conditional on the project gaining CEQA compliance within three years of the funding award. To ensure sufficient project planning maturity and that a funding award would result in new water supplies for the San Diego region, we propose that the following funding eligibility criteria for IPR/RA and Direct Potable Reuse (DPR) projects be established:

- Initiation of CEQA analysis which could be verified by providing a CEQA Notice of Preparation (NOP);
- Direction from the applicant’s governing body to proceed with planning and design efforts in support of full-scale construction;
- Funding for environmental review (CEQA) is included in the applicant’s authorized budget for expenditure within three years after funding award; and
- Completed hiring of a project consultant to manage the program.

Ineligible Project Cost Categories Concerns

Current eligibility requirements identify Pre-design, final design and land acquisition costs as being ineligible for funding in the draft Water Recycling Funding Program Guidelines. IPR/RA and DPR projects are disadvantaged by the ineligibility of these pre-CEQA program costs as, once again, the lack of a regulatory framework in California for these projects until 2016 inhibits the ability to properly fund local potable reuse projects.

We request that the costs for Pre-design, final design and land acquisition be made eligible for grant funding or financing for IPR/RA and DPR projects, as well as allowing for deferred CEQA completion within a period of three years from a funding award.

Conclusions

The Water Reliability Coalition is proud of San Diego’s progress and leadership on potable water reuse as a region. We sincerely hope that the SWRCB will recognize potable reuse projects as the top priorities for statewide grant funding, and urge the Board to make certain allowances for IPR/RA and DPR projects in this and subsequent grant funding cycles.



If you have any questions, please do not hesitate to contact our chief consultant, Lani Lutar at 619-838-9065 or lanilutar@gmail.com

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Karafin".

Sean Karafin
San Diego Regional Chamber of Commerce
WRC Co-Chair

A handwritten signature in blue ink, appearing to read "M. O'Malley".

Matt O'Malley
San Diego Coastkeeper
WRC Co-Chair



WATER RELIABILITY COALITION MEMBERS

(partial list)

