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Division of Financial Assistance

California State Water Board  
Sacramento, CA 95814

*Via email:* [gwquality.funding@waterboards.ca.gov](mailto:gwquality.funding@waterboards.ca.gov)

**Re: Scoping Comments for Proposition 1 Groundwater Quality Guidelines**

Dear Joe,

On behalf of the above-listed organizations, including members of the California Water Partnership, Leadership Counsel for Justice and Accountability, and California Rural Legal Assistance Foundation, we are writing to provide input into the development of State Water Board guidelines for groundwater quality funding allocated in Chapter 10 of Proposition 1. We as organizations and as members of the California Water Partnership are dedicated to securing a sustainable and equitable water future for California. We advocate for adoption and implementation of the principles and practices of integrated water management, and our work ensures that water management practices benefit our public health, our environment, and all Californians.

Our input is intended to ensure the incorporation of the following issues into the draft guidelines:

- State priorities, including the California Water Action Plan, the Safe Drinking Water Act, the Porter Cologne Water Quality Act, and the Human Right to Water;
- The identification and evaluation of projects providing multiple benefits;
- Specific measures to address the water-related needs of disadvantaged communities;
- Integrated funding approach.

We believe that the clear intent of this chapter is to protect and restore groundwater as a source of drinking water. Projects should be prioritized according to their ability to provide lasting improvements to groundwater throughout the state.

Addressing state priorities

Four actions in the California Water Action Plan apply to this funding:

2. Increase regional self-reliance and integrated water management across all levels of government
5. Manage and prepare for dry periods
6. Expand water storage capacity and improve groundwater management
7. Provide safe water for all communities

It was clearly stated in the intent of Prop 1 that implementing projects that address drinking water contamination is an over-riding priority. Section 79773 of the Prop 1 Water Bond, in listing a variety of contaminants, expands those protections to contaminants for which a drinking water standard has not yet been established (1,2,3 Trichloropropane) as well as secondary contaminants (iron, manganese).

The Porter-Cologne Water Quality Act is the foundational document of California's water protections. Local basin plans should provide guidance on local priorities that should be addressed by projects funded through this chapter.

### Integrated funding approach

Neither the scoping questions nor the scoping meetings provided information or questions about how this project might be integrated with other funding programs, particularly other Proposition 1 programs. While we appreciate the pairing of this program with the Site Cleanup Subaccount, we are interested in more substantive program integration, including:

- Drinking Water State Revolving Fund (DWSRF) and Chapter 5, Water Quality. There is certainly some overlap in the potentially eligible projects in Chapter 5 and Chapter 10. In addition, the DWSRF can be used to provide loans to supplement Chapter 10 grants, in much the same way that the Clean Water SRF support can be paired with Chapter 9 recycled water grants.
- Chapter 7, Integrated Water Management and Stormwater funding. Funding for this program is relatively limited, so the ability to pair Chapter 10 funding could provide the funding needed to develop stormwater recharge projects that improve water quality.
- Chapter 8, Water Storage projects. Groundwater cleanup that improves the ability for local water storage and reduces reliance on the Delta is clearly eligible for funding from both Chapter 8 and Chapter 10
- Chapter 9, Recycled water. To the extent that recycled water is used to improve groundwater quality – for example, by diluting contamination or repelling saltwater intrusion – it should be eligible for funding from both chapters 9 and 10.

The Board should consider encouraging multiple benefit projects by allowing such projects to access multiple funding sources. The Water Board is already doing this to some extent with programs under its jurisdiction; we recommend that a similarly coordinated process be developed with the Resource Agency programs tasked with administering Proposition 1 funding.

### Scoping Questions

1. What types of projects should be eligible or given higher priority?

We think that projects that provide measurable and lasting improvement to all or part of a groundwater basin as well as those that protect public health should be prioritized. This could include projects that recharge groundwater with cleaner source water and projects that pump and treat contaminated water – including projects to reduce nitrate contamination through “pump and fertilize” projects. Particular efforts should be made to fund pilot or demonstration projects that recharge groundwater near wells contaminated with nitrates in disadvantaged communities. Such projects have the potential to provide short-term and long-term relief to communities that would otherwise bear the costs of treating well water for decades, as well as long-term remediation of the aquifer.

2. Should some funds be used for loans? If so, how much?

We think that funds should be used for grants, but should also be paired with funding from either the Clean Water or Safe Drinking Water State Revolving Loan Funds. This would extend the use of the funds while also allowing projects to receive low-interest loans for the balance of the cost.

3. How much funding should be set aside for technical assistance to disadvantaged communities? What kind of technical assistance is needed?

Chapter 5 of Proposition 1 sets aside up to 15% of the funds for technical assistance for disadvantaged communities. Chapter 10 requires that at least 10% of the funds, or \$80 million, be set aside for projects serving *severely* disadvantaged communities. We would argue that an additional \$12 million be set aside to provide technical assistance. This should include planning, design, and engineering assistance, as well as needed legal, fiscal, technical, organizing and other assistance to help communities identify and execute eligible projects.

We strongly recommend that this funding be integrated with the technical assistance funding being made available in other chapters of Proposition 1 and that it be administered through the Office of Sustainable Water Solutions.

4. What kind of limits should there be on grant funding amounts?

This program provides a considerable amount of funding, and potential projects can vary widely in size and scope. We think the Board should consider two tiers of funding, reserving up to \$200 million for small projects of less than \$10 million that may require additional time or assistance or that have limited ability to leverage funding. The Board should also consider providing planning assistance in the form of grants or loans to these projects. However, we know that many large, well-planned, and shovel ready projects also need this funding, and support high funding limits of up to \$50 million for these projects, with priority given to those projects that leverage matching funds or that provide multiple benefits, such as groundwater recharge projects that also provide open space or habitat benefits, or job training opportunities in disadvantaged communities.

5. What factors should we consider in determining cost share? How should leveraging of private, federal, and local funds be considered in project selection?

Projects that leverage multiple sources of funding deliver the greatest benefit for state investment. We believe that bond funding should also be reserved for projects that could not otherwise be built due to funding barriers. We also strongly believe that cost share should be based on related impacts on affordability.

6. What kind of project benefits should we look for or focus on?

Projects should provide lasting improvement as well as short-term relief to the water quality of a groundwater basin. Improving short and long term access to safe drinking water, as noted above, must be a priority. The Board should also look for co-benefits, including open space or habitat value, job creation, or the mitigation of multiple groundwater issues (seawater intrusion, overdraft, subsidence, etc.) in addition to water quality.

7. How should the timing of project completion and timeline for project benefits to be realized be considered in project selection?

The difficulty with setting a specific timeline is that many basins have insufficient information to accurately predict the time needed to improve groundwater quality. To qualify for a higher tier of funding, project proponents should be able to provide specifics on how and when project benefits will be realized. For smaller projects in basins that are less well understood, the Board should include monitoring and reporting as part of project funding.

As to timing of project completion, we think the Board will have opportunities to expend much of this funding in a short time period to well-organized agencies that already have projects in the pipeline. For smaller remediation and pilot projects, the Board should consider allowing a longer timeline for completion in order to better understand how a project can benefit the water quality in a basin.

8. How should we assess a community's ability to pay for operations and maintenance of a facility funded by Proposition 1 funds?

Because Chapter 10 of Proposition 1 funding cannot be used to pay for operations and maintenance, the ability of a project proponent to operate a system must be considered. However, one option in funding technical assistance or pilot projects is to identify multiple project beneficiaries that can share the cost of operations and maintenance, and help develop governance structures to ensure the sustainability of the project.

However, we also think that it is imperative that the Board take a leadership role in identifying responsible parties to fund operations and maintenance costs for the remediation of groundwater for disadvantaged communities. In many cases, the responsible party is the agriculture industry, which is responsible for much of the nitrate contamination of groundwater that is impacting the access and affordability of water supplies for thousands of California residents. It would be irresponsible if the Board were to fail to hold these responsible parties accountable, then denied funding for a DAC project based on high operations and maintenance costs.

9. What would constitute a reasonable effort to identify responsible parties and recover costs by parties receiving funding?

The state already has policies and practices for recovering costs. We urge that these be continued, as these funds can be returned to the Board to fund new projects. We know that this has been an issue in past bond measures; perhaps the Board can agree to allow local agencies to retain a portion (up to 25%) of recovered funds. This would encourage continued pursuit for repayment while also giving the State a better chance of recouping taxpayer funds.

10. How should responsible parties' unwillingness or inability to pay for the total cost of cleanup be evaluated?

The State should use the resources and authorities it has to enforce groundwater protection and remediation actions. Under no circumstances should communities dependent on a water supply be punished for the failure to pursue or obtain funding from a responsible party.

11. When considering a potential project funded under this program should any of the contaminants listed in Proposition 1 or other contaminants not listed be given higher priority?

Priorities should be based on the threat to public health and the potential for remediating that threat. We believe that acute contaminants - such as nitrate - should be prioritized, as well as contaminants that can reasonably be reduced or removed from the basin.

12. What areas of the Groundwater Sustainability section of Proposition 1 should be further defined or clarified in the guidelines?

We think this chapter is intended to improve source water quality. Clarification of that goal in the Board's guidelines would be helpful.

Section 79772 seems redundant to the prioritization criteria in the chapter, so clarification of this would be helpful.

The Bond identifies “Economically distressed areas” as eligible for funding, but little clarification is provided about what funding these communities would be eligible for or what incentives would be provided. We are concerned that this category would be allowed to compete for DAC funds, increasing competition and reducing needed funding for the lowest income communities.

Public information – The guidelines should clarify that information developed using this funding will be publicly available.

Public participation – Project proponents with a strong public engagement program – for example, one that complies with the requirements of the Sustainable Groundwater Management Act – should be given additional priority.

Thank you for providing us with an early opportunity to provide input into the development of these guidelines. We look forward to working with staff on this important program.

Sincerely,



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on behalf of the California Water  
Partnership

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