



**Dublin San Ramon
Services District**

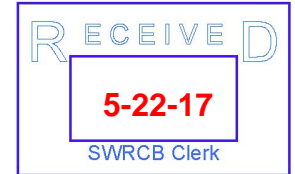
Water, wastewater, recycled water

7051 Dublin Boulevard
Dublin, CA 94568-3018

(6/20/17) Board Meeting
FFY 2017 CWSRF IUP
Deadline: 5/22/17 by 12 noon

phone (925) 828-0515
fax (925) 829-1180
www.dsrdsd.com

May 19, 2017



Sent via Email to commentletters@waterboards.ca.gov

Felicia Marcus, Chair
Members of the State Water Resources Control Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814
Attn: Jeanine Townsend, Clerk to the Board

SUBJECT: COMMENT LETTER – JUNE 20, 2017 BOARD MEETING – FFY 2017 CWSRF IUP

Dear Chair Marcus and Members of the Board:

Dublin San Ramon Services District (DSRSD) appreciates the opportunity to comment on the Fiscal Year 2017 Clean Water State Revolving Fund Intended Use Plan (IUP) and Revised Guidelines for Proposition 1. DSRSD provides potable water, recycled water, and wastewater services to Dublin and portions of San Ramon and wastewater treatment to the City of Pleasanton. DSRSD currently serves more than 300 recycled water use sites and distributes more than 2,500 acre-feet of recycled water a year, which conserves potable water and fulfills approximately 24 percent of DSRSD's total water demands. The recent drought highlighted the value of recycled water in the communities DSRSD serves. In a region where more than 80 percent of the potable water supply is imported from the State Water Project, recycled water is a reliable, local alternative. Because of increasing demand for recycled water, DSRSD needs to expand its treatment facilities and is seeking funding assistance.

We congratulate the State Water Resources Control Board (SWRCB) for maintaining the highly successful Clean Water State Revolving Fund Program (CWSRF.) Water recycling addresses many of the SWRCB's strategic goals. The CWSRF program is highly effective in moving important water recycling projects from concept to implementation throughout the state. We are aware of the tremendous workload for the Division of Financial Assistance staff, due to the program's favorable financing terms and popularity. We encourage you to continue to maximize financing efforts for ready-to-proceed CWSRF projects. This may include adding staff and authorizing the sale of bonds to help meet the financing needs.

Staffing and Capital Resources

The IUP and past annual reports seem to show that much of the annual CWSRF administrative allowance has been set aside for a potential future use. With such high application demand that exceeds staffing resources, now would be the ideal time to tap those funds and add temporary, contract, or permanent staff to process applications.

We also greatly appreciate how the SWRCB has authorized the sale of bonds to increase funds for the program. This decision provided financing for projects large and small. With no increases in federal funding to date, the state's supplement to the federal capitalization grant has been, and likely will remain, a critical source for financing public recycled water and clean water infrastructure projects. We support the SWRCB seeking additional authority to add funds to the program through bond sales, as infrastructure funding needs are only increasing.

Prioritization of Group 3 Projects

DSRSD understands that SWRCB may soon consider how to prioritize Group 3 projects as a result of seeking additional funding and staffing. We recommend the following with regard to water recycling projects:

1. Prioritize multi-benefit projects that reduce the demand on potable water supplies, assist communities in meeting new requirements for urban water conservation, assist local agencies in meeting new requirements under SGMA, improve water quality and enhance local surface water and groundwater supplies, reduce greenhouse gas emissions, provide environmental enhancement, and other beneficial uses.
2. Prioritize projects that are ready to proceed (i.e., those with completed plans, specifications, and environmental documentation), to achieve the state's water recycling goals sooner.
3. To encourage more recycled water production throughout the state and to keep advancing towards the state's water recycling goals, we recommend that the state recognize each project for the benefits it provides in its region, not its overall size. Please do not use project yield to prioritize projects. Medium to small projects, in which communities are willing to invest, can yield big benefits to their local communities and these local communities have greater need of funding assistance due to challenges of economy of scale.

Future Funding Allocations

As the Board addresses future project financing needs, DSRSD would like the Board to consider equity for projects across the state. One option is maintaining the geographic distribution split in the June 2015 Water Recycling Funding Program (WRFPP) Guidelines as follows:

- A minimum of 40 percent of the funds to projects within Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura Counties.
- A minimum of 40 percent of the funds distributed to projects in the remaining counties.
- The remaining funds (20 percent or less) distributed to projects in any California county.

Conclusion

DSRSD, like many agencies throughout the state, recognizes that the SWRCB has lead the way in getting important water recycling projects built through grants and loans to eligible recipients. We encourage you to continue to maximize funding for CWSRF projects.

The communities we serve see water recycling as an important resource for sustainability, as do many other communities. Many water recycling projects will not move forward without funding assistance. DSRSD recommends that the Board issue new bonds sufficient to fund all Category 1, 2, and 3 recycled water projects in the near term. Many of these projects address urgent needs in communities throughout the state. Many of them are ready to proceed. Delaying these projects also delays the regional and statewide benefits they could deliver.

Please do not hesitate to contact Rhodora Biagtan at biagtan@dsrsd.com or (925) 875-2255, if you would like to discuss these comments further.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel McIntyre". The signature is fluid and cursive, written in a professional style.

Daniel McIntyre
General Manager

cc: Rhodora Biagtan

H:\ENGDEPT\Recycled Water\DSRSD Comment 17-18 IUP CWSRF.docx