STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0115

California Legislature

January 30, 2018

California Water Commission
Mr. Armando Quintero, Chair
P.O. Box 942836
Sacramento, California 94236-0001

Dear Mr. Quintero and Commission Members:

For the past several months, we have closely observed the California Water Commission's (Water Commission) adopted process for review and consideration of applications by local and regional agencies for state Proposition 1 Water Bond funding under the Water Supply Investment Program (WSIP). All Californians will benefit from the water storage projects that this money will fund. That is particularly true for our constituents, who have just experienced one of California's worst droughts on record. We are pleased to see that 11 projects have been submitted to the Commission for WSIP funding. These important applications/projects will be presented to you for consideration, and California's future depends on the Water Commission moving these projects forward for implementation.

California Proposition 1, the Water Bond (Assembly Bill 1471), was on the November 4, 2014 ballot in California as a legislatively-referred bond, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Proposition 1 authorized $7.12 billion in general obligation bonds for state water supply infrastructure projects. A total of $2.7 billion was specifically made available to help develop surface storage projects identified in the CALFED Bay-Delta Program Record of Decision, dated August 28, 2000.

It is important to remember that this water bond received 4,771,350 yes votes, a 67% favorable majority. In these often polarized political times, such a margin is extraordinary. In large part, Californians acted to authorize Proposition 1 out of the realization that our state's water system and supply deficiencies must be modernized to meet existing and future water supply needs. Development of new water storage and related infrastructure were and remain the major objectives and intended results of the voters' actions. The electorate expects those of us in state government to advance the will of the people.

This intent is crucial. It must be respected and followed by all. The Legislature—in enacting the water bond measure—intended for the Water Commission and its staff to be collaborators and facilitators for the bond award and funding processes to provide critically important public benefits for the State.

Instead, as recent events demonstrate, your staff appears to have adopted a position that is contrary to the intent of developing water supply storage projects as specified in Chapter 8 of the Water Bond. All 11 remaining WSIP funding application public benefit ratios have been found by your staff to be extraordinarily low. Each is far less than the applicants themselves predicted. Five applications now rate below 1. Six other project public benefit ratios stand at 0.

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It is our understanding that such findings were made largely due to the staff's lack of comprehension of information presented in response to the Commission's exceptionally complex criteria for consideration. WSIP applicant representatives, like your staff, are highly professional and are accustomed to working closely with state water agency staff members when complex projects and issues are involved. We strongly urge your immediate direction to clarify and modify, as needed, the public benefits ratio scoring process.

To reach a successful conclusion, the Water Commission's remaining process must include enough opportunity and adequate time for all information to be submitted and for Water Commission staff and members to evaluate it. We are not convinced that the current process provides for such possibilities. It is our understanding that all 11 applicants were informed they would have only one opportunity to provide written responses to Commission staff statements of disagreement or misunderstanding. We further understand that your staff is not permitted to communicate with applicants until the Water Commission's May meeting.

As a result, applicants find themselves in a difficult position without the ability to work with the Commission staff to correct, clarify and rectify information on their applications. We are requesting that the Water Commission direct staff to hold clarification meetings BEFORE the PBR notifications are issued on February 1, allowing staff to make informed evaluations before issuing PBR notifications. We are also requesting that your staff be allowed to communicate directly with the applicants during the appeals process, which starts once the notifications are sent out and ends on February 23. These communications will ensure that applicants can successfully provide staff with the specific PBR information they are seeking. We believe this request would not conflict with existing regulations.

The WSIP is a first-of-its kind investment program that can provide much needed benefits to Californians. Local participants in project areas are lining up to invest in their respective projects. The Commissioners and staff must recognize that the State of California is also an investor and work more collaboratively with applicants to better understand the opportunities provided by the proposed projects Californians have directed us to develop.

Sincerely,

Rudy Salas
Assemblymember, 32nd District

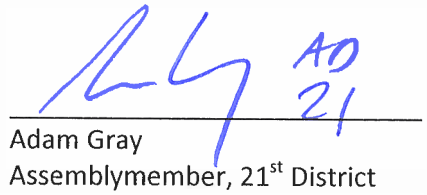
Joaquin Arambula
Assemblymember, 31st District

Jim Patterson
Assemblymember, 23rd District

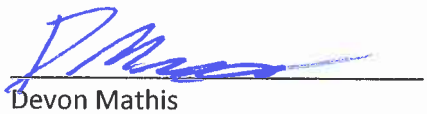
Jim Nielsen
Senator, 4th District

Frank Bigelow
Assemblymember, 5th District

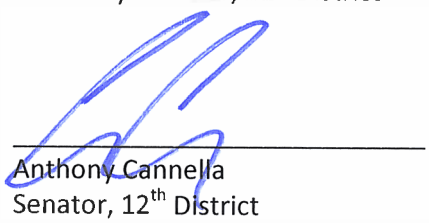
Andy Vidak
Senator, 14th District



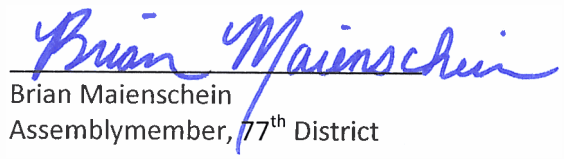
Adam Gray
Assembymember, 21st District



Devon Mathis
Assembymember, 26th District



Anthony Cannella
Senator, 12th District



Brian Maienschein
Assembymember, 77th District



Vince Fong
Assembymember, 34th District



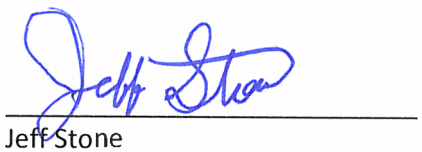
Ted Gaines
Senator, 1st District



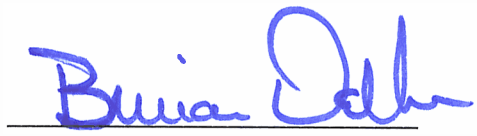
Heath Flora
Assembymember, 12th District



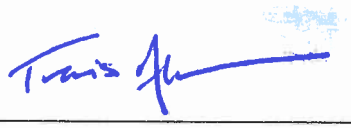
Randy Voepel
Assembymember, 71st District



Jeff Stone
Senator, 28th District



Brian Dahle
Assembymember, 1st District



Travis Allen
Assembymember, 72nd District