



CITY HALL
LOS ANGELES, CALIFORNIA 90012

October 21, 2016

Felicia Marcus, Chair
California State Water Resources Control Board
1001 I Street
Sacramento, CA 95814

Mark Cowin, Director
California Department of Water Resources
P.O. Box 942836, Room 1115-1
Sacramento, CA 94236-0001

RE: Request to Limit Funding Caps in State Water Resources Grant and Loan Program

Dear Ms. Marcus and Mr. Cowin,

Thank you for your leadership on water conservation statewide and for helping California navigate one of the most severe droughts in recent history. California has made great strides in changing our relationship to water over the last several years. Today, we request your support of Los Angeles' efforts to reduce its impact on the State's precious water resources by limiting the use of funding caps in State grant and loan programs where projects of scale provide a statewide benefit.

Over the past couple of years, Los Angeles has developed an actionable vision for increasing local water supply at a scale that will impact water management statewide. In addition to our success on water conservation, we aim to increase our self-reliance and build the critical infrastructure that will ultimately allow us to source the majority of our water locally:

- By 2017, we will reduce water use by 20%, 22.5% by 2025 and 25% by 2035;

- By 2025, we will reduce our purchase of imported water (including the State Water Project and the Colorado River) by at least 50%; and
- By 2035, we will obtain at least 50% of our water supply from local sources.

We will meet our water goals by diversifying our water portfolio. We plan to remove large plumes of contamination in the San Fernando Groundwater Basin, increase our treatment and reuse of recycled water, and capture stormwater to augment our groundwater aquifers. There is also the potential to transform the Hyperion Treatment Plant, the largest wastewater treatment plant on the west coast, into one of the largest water recycling plants in the nation.

To accomplish a transformation of this scale, significant capital investments are needed to construct advanced water purification facilities and associated distribution, modify existing spreading grounds, and build additional stormwater capture projects across the city. Proposition 1 is a substantial statewide investment to improve water infrastructure and increase local water reliability, and Los Angeles is well-positioned to maximize the State's return on this investment. But funding caps, such as the \$15 million cap in the State Water Board's Recycled Water Grant Program, do not match the scale of our efforts and effectively penalize big projects that can be transformational for the State water system.

To support the City of Los Angeles' 4 million residents and its diverse economy, we must think big in our water infrastructure improvements. On the heels of an audit by the City Controller that outlines the need to recycle more wastewater, we are asking for the State's support in this ambitious plan. In addition to providing Angelenos with a safe and reliable supply of water, our approach will offset the City's purchase of imported water thereby benefitting the State and reducing our impact on the Bay-Delta and Colorado River ecosystems. This benefit should be an important consideration when developing funding guidelines for State grant and loan programs.

As an example, the City of Los Angeles requested Proposition 1 funding for the Recycled Water and Groundwater Replenishment Project at the Donald C. Tillman Facility under the Recycled Water Grant Program. This project, with an estimated cost of \$435 million, will bring 30,000 acre-feet annually of advanced treated recycled water from the Tillman Water Reclamation Plant in Van Nuys to the Hansen and Pacoima Spreading Grounds in the eastern San Fernando Valley. The amount of water captured in this process is enough to supply 90,000 single family homes in Los Angeles for a year. A \$15 million cap severely limits incentives for Los Angeles to develop truly transformational projects like this that will benefit the entire state.

While we understand that many of the Proposition 1 Guidelines have already been developed, we recognize that additional State funds for water projects may become available. Thus, we request that you limit the use of funding caps in future funding guidelines where applicants can demonstrate a statewide benefit in their local project. This approach will yield a positive impact on efforts to maximize local resources and will support the kind of transformational change required to meet our statewide water supply needs.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Garcetti', with a stylized flourish at the end.

ERIC GARCETTI
Mayor

A handwritten signature in black ink, appearing to read 'Ron Galperin', with a stylized flourish at the end.

RON GALPERIN
Controller

Cc:

Senate Pro Tem Kevin de Leon
Assembly Speaker Anthony Rendon