



March 17, 2020

Senate President pro Tempore Toni Atkins
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

Assembly Speaker Anthony Rendon
California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

Senator Shannon Grove
Senate Minority Leader
State Capitol, Room 305
Sacramento, CA 95814

Assembly Member Marie Waldron
Assembly Minority Leader
State Capitol, Room 3014
Sacramento, CA 95814

Re: Governor’s Proposed Safe Drinking Water, Wildfire Prevention and Natural Resources Protection Bond Act of 2020 (as posted to DOF website on 1/31/20)
SUPPORT IF AMENDED

SB 45 (Allen, Portantino, Stern) – Wildfire Prevention, Safe Drinking Water, Drought Preparation and Flood Protection Bond Act of 2020
SUPPORT IF AMENDED

AB 3256 (E. Garcia) – Climate Risks: Bond Measure
PROPOSED AMENDMENTS

Dear Pro Tem Atkins, Speaker Rendon, Senator Grove and Assembly Member Waldron:

Thank you for the opportunity to identify funding gaps and critical elements for consideration and inclusion in any proposed Climate Resilience Bond for the November 2020 ballot. It is imperative that the state invest now to help mitigate and prepare for the effects of climate change and risks from drought, fire, extreme heat and sea level rise.

We are also encouraged by the potential opportunities for funding as outlined in both the Newsom Administration’s trailer bill and SB 45 (Allen, Portantino and Stern). We look forward

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to engaging with Assembly Member Eduardo Garcia and members of the Assembly, as details of AB 3256 unfold.

The State Water Contractors (SWC) is an organization representing 27 of the 29 public water entities that hold contracts with the California Department of Water Resources (DWR) for the delivery of State Water Project (SWP) water.¹ Collectively, the SWC members provide a portion of the water supply delivered to approximately 27 million Californians, roughly two-thirds of the state's population, and to over 750,000 acres of irrigated agriculture. Water supply delivered to the Bay Area, San Joaquin Valley, central coast and southern California from the SWP is diverted from the Sacramento-San Joaquin River Delta.

Through charges for participation in the SWP, SWC's members have funded and continue to fund operations and maintenance of the SWP, and extensive ecosystem restoration required as mitigation in SWP permits. We also directly fund substantial research each year related to the Delta.

To make progress at addressing climate impacts at a statewide, regional and local level, there must be additional financial resources available for making critical investments quickly and efficiently. Therefore, the SWC respectfully request that you consider and incorporate the following priorities in any Climate Resilience Bond that moves forward in 2020:

Ecosystem Restoration: The SWC has long supported a holistic, science-based approach to ecosystem restoration, and have invested hundreds of millions in such actions since the 1994 Bay-Delta Accord, including restored access to salmon spawning grounds, seasonal flood plain habitat and tidal marsh. But as the Delta Plan, EcoRestore and the draft Water Resilience Portfolio recognizes, more restoration is necessary.

The loss of floodplains and other habitats throughout the Central Valley have been a major reason for loss of ecosystem functions that salmon and other species rely upon. As such, SWC supports a robust state investment in restoration that focuses on ecosystem functions including floodplain, tidal, side-channel restoration and access, and spawning ground improvements. Many of these projects can also provide other benefits including climate change and sea level rise accommodation and reduced flood risk.

Implementation of the Sustainable Groundwater Management Act of 2014 (SGMA): Land subsidence is a gradual settling or sudden sinking of the land surface from changes that take place underground. Several locations within the San Joaquin Valley have experienced nearly 30 feet of subsidence (between 1926 and 1970) with as much as 20 feet along the alignment of the State Water Project's (SWP) California Aqueduct (CA) prior to its construction. At certain

¹ The SWC members are: Alameda County Flood Control & Water Conservation District, Zone 7; Alameda County Water District; Antelope Valley East Kern Water Agency; Central Coast Water Authority; City of Yuba City; Coachella Valley Water District; County of Kings; Crestline-Lake Arrowhead Water Agency; Desert Water Agency; Dudley Ridge Water District; Empire-West Side Irrigation District; Kern County Water Agency; Littlerock Creek Irrigation District; Metropolitan Water District of Southern California; Mojave Water Agency; Napa County Flood Control & Water Conservation District; Oak Flat Water District; Palmdale Water District; San Bernardino Valley Municipal Water District; San Gabriel Valley Municipal Water District; San Geronimo Pass Water Agency; San Luis Obispo County Flood Control & Water Conservation District; Santa Clara Valley Water District; Santa Clarita Valley Water Agency; Solano County Water Agency; Tulare Lake Basin Water Storage District; and, Ventura County Watershed Protection District.

locations, over six feet of additional subsidence has occurred since the construction of the CA. It is important to note that those responsible for the overdraft of groundwater basins are not necessarily those who rely on the CA, and the resolution of responsibility is uncertain. While SGMA is intended to stop future overdraft and therefore slow subsidence, it does not address past damages, which are causing substantial impacts now.

To address groundwater overdraft, regions across the state rely on the CA to move surface water to groundwater basins during wet years thereby recharging groundwater basins and assisting in overdraft correction, including compliance with SGMA. However, subsidence along the CA has reduced the aqueduct's ability to carry water resulting in less water available for groundwater recharge, higher operational power costs, increased outages and major repair costs. As pointed out in the Governor's January 2020 Draft Water Resilience Portfolio "*California's variable precipitation makes water storage crucial. Aquifers and off-stream reservoirs are the most feasible places to store additional water in the future, given the costs and environmental consequences of building new dams across streams. [pg.12]*"

The present and future loss of capacity of the CA due to subsidence impacts erodes the ability for regions across the state to optimize banking/conjunctive use programs and to fully adapt to the flashy hydrology of climate change. Over \$260 million in rehabilitation projects to address the impacts of subsidence have already been completed or are in the planning and design phases. In addition, the planning and assessment of long-term subsidence recovery projects is advancing and cost estimates for these more extensive efforts exceed \$1.35 billion.

The total estimated cost to address San Joaquin Valley subsidence on conveyance facilities is \$2.5 billion. A pending federal bill, if passed, would provide \$800 million towards this cost. New state funding, which would match the local and federal cost shares, is necessary to address subsidence impacts that have substantially reduced the carrying capacity of the water delivery system and to increase resiliency during droughts.

The SWC also support the inclusion of grants for groundwater storage projects that help meet the groundwater sustainability goals as defined in SGMA and the objectives of the Governor's 2020 Draft Water Resiliency Portfolio. These include conjunctive use projects (regional and inter-regional groundwater banks) that are elements of an adaptation strategy to climate change, drought resilience, environmental stewardship and flood protection.

Oroville Reservoir Comprehensive Needs Assessment: Following the Oroville Dam spillway incident in 2017, DWR made a commitment to the California Division of Safety of Dams and the Federal Energy Regulatory Commission to identify measures to bolster the safety and reliability of Oroville Dam and the appurtenant structures. The Comprehensive Needs Assessment (CNA) was initiated by DWR to identify and prioritize dam safety enhancements for the future. The CNA process was overseen by an Independent Review Board. The results of the CNA are expected to be available in 2020 and will consist of alternative plans which contain viable measures to address one or more dam safety issues or opportunities. Some of these measures may not be directly tied to the dam's SWP water supply function and therefore will require non-SWP funding to implement. We recommend that the state set aside funding that can be used to fill these needs that may include recreational or flood control aspects that are highly important to the state and the public that rely on these facilities for those purposes.

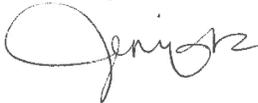
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21st Century Reservoir Operation: As the climate changes and weather extremes become more common, it will be increasingly important to manage reservoir operations more precisely to better balance flood control, water supply, drought, and environmental needs. Adequate state grant funding is critical for shoring up the safety of existing dams and for making seismic retrofits to help ensure sufficient storage is available for withstanding drought. Grants for existing dam and reservoir improvements can also facilitate the implementation of Forecast Informed Reservoir Operations (FIRO). FIRO can enable more efficient operations at existing dams to protect public safety and maximize water supplies for multiple benefits while improving resilience of the state's water infrastructure and management system.

We look forward to working with you to shape a funding package that recognizes the importance of building a water supply that is more sustainable and more resilient to the increasing impacts of climate change. If you have any questions or wish additional information, please do not hesitate to contact me at (916) 447-7357 or by email at jpierre@swc.org.

Sincerely,



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State Water Contractors

Jeffrey Kightlinger, General Manager
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Solano County Water Agency

Kathy Cortner, Interim General Manager
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cc: Assembly Member Rob Bonta

Members and Consultants to Senate Budget and Fiscal Review Subcommittee No. 2
Members and Consultants to Senate Natural Resources and Water Committee
Members and Consultants to Senate Environmental Quality Committee
Members and Consultants to Assembly Budget Subcommittee No. 3

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Members and Consultants to Assembly Water, Parks and Wildlife Committee
Members and Consultants to Assembly Natural Resources Committee

Director Kate Gordon, Office of Planning and Research
Rachel Machi Wagoner, Deputy Legislative Secretary, Office of the Governor