



## SAN FRANCISCO PUBLIC UTILITIES COMMISSION

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February 7, 2007

Ms. Tracie Billington  
Department of Water Resources  
Division of Planning and Assistance  
P.O. Box 942836  
Sacramento, CA 94236-0001

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Ms. Shahla Farahnak  
State Water Resources Control Board  
Division of Financial Assistance  
1001 "I" Street, 16<sup>th</sup> Floor  
Sacramento, CA 95814

**Subject:** Comments on Additional Grant Awards for the Integrated Regional Water Management (IRWM) Grant Program

Dear Ms. Billington and Ms. Farahnak:

The San Francisco Public Utilities Commission (SFPUC) strongly supports the proposal to make additional grant awards to existing step 2 applicants of the implementation grants process.

The SFPUC manages a complex water supply system that serves 2.4 million residential, commercial, and industrial customers in the Bay Area, and is a principal member of the Bay Area Clean Water Agencies (BACWA). The SFPUC collaborated with numerous water management agencies and entities around the nine-county Bay Area region and successfully completed the development of an Integrated Regional Water Management (IRWM) Plan. The Bay Area IRWM Plan is unprecedented in its comprehensive scope and coverage of all the water management functions undertaken by agencies around the region.

A number of IRWM Plan participants, including the SFPUC, collaborated on the implementation grant proposal as a way to promote early implementation of multi-purpose projects that provide multiple benefits to constituencies in the Bay Area region. The Bay Area proposal (which was submitted by BACWA) supports the IRWM grant program objectives of protecting communities from drought, protecting and improving water quality, and reducing the dependence on imported water for the region.

The SFPUC agrees with the comments made by BACWA in a letter submitted on January 27, 2007, specifically supporting grant funding of the Bay Area proposal:

- 1) Since "leveraging local resources" was listed as a reason to fund more proposals in the January 23, 2007 presentation the amount of matching should be a consideration. The Bay Area by far has the largest match and reflects the value of the projects to be funded.

- 2) IRWM grants were already awarded in the Sacramento Valley and Central Coast, while the Bay Area has not received an award. The SFPUC agrees with BACWA's recommended approach for allocating the funds (75% of the funds equally divided, plus 25% of the funds allocated by population):

Step 2 Applicant	Grant Request	Proposed Match	Hydrologic Region	Recommended Grant Award
Tahoe Sierra	\$25,514,287	\$6,980,004	Lahotan	\$10,000,000
Upper Feather River	\$9,949,897	\$4,016,689	Sac Valley	\$7,500,000
East Contra Costa	\$25,000,000	\$133,803,353	S.J. Valley	\$12,500,000
Bay Area	\$25,000,000	\$335,500,769	Bay Area	\$20,000,000
Salinas Valley	\$22,832,000	\$56,661,318	Central Coast	\$11,000,000
Sac Valley – Butte Co	\$24,860,250	\$4,957,833	Sac Valley	\$10,000,000
North. Santa Cruz Co.	\$25,000,000	\$68,605,392	Central Coast	\$11,000,000
<b>Total</b>	\$158,156,434	\$610,525,358		\$82,000,000

Additionally, we fully agree that Proposition 50 funding should be invested as quickly as possible by the State to maximize the value of the bond funds in the face of escalating construction costs in California. The same holds true for the Proposition 84 IRWM funding, the State administrative agencies should implement the program in a streamlined manner to realize on the ground benefits quickly and to get the maximum value for the public funds.

The SFPUC appreciates the opportunity to comment on the IRWM grant program. Thank you for your consideration and the hard work of you and your staff in implementing the program.

Sincerely,

Michael Carlin  
 Assistant General Manager, Water Enterprise  
 San Francisco Public Utilities Commission

