



Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
ATT: Leslie Piece
P.O. Box 942836
Sacramento, CA 94236
DWR_IRWM@water.ca.gov

Re: Comments on Draft 2016 Water-Energy Grant Program,

Dear Leslie Pierce,

On behalf of the organizations that are signatories to this correspondence, we thank you for the opportunity to provide feedback on the Draft 2016 Water-Energy Grant Program Guidelines (Draft Guidelines). Our organizations represent communities and residents throughout the state, many of them low income communities in overdrafted groundwater basins. We are writing to express our concern regarding the exclusion of residential projects from this year's call for projects. Accordingly, we request expansion of the program to include residential uses and further recommend that the Department of Water Resources (DWR) set aside at least 50% of funding from this year's call for projects directly benefiting low income households in disadvantaged communities (as defined by CalEnviroScreen) and an additional amount for low income households living outside of disadvantaged communities. If the Draft Guidelines are amended to include project benefits to residential users, we request that eligible project measures be expanded to include measures that were eligible for funding under Round One of the Water Energy Grant Program and household level water efficiency and conservation investments.

Residential water efficiency is critical to water and energy savings

The Water-Energy Grant Program provides a critical opportunity to address water reliability, water affordability and water efficiency while simultaneously furthering California's climate goals through increased energy efficiency. By eliminating residential users from applying, a main water-saving and

GHG emitting source will be eliminated. Although individual water and energy savings are small per household, when combined these savings are significant. A study, commissioned by DWR, highlights the importance of residential water efficiency investments and notes that the heaviest rates of water uses or waste comes from outdated appliances and leaks (18% of water use).

There remains a substantial need for water efficiency investments for residential programs and projects to address water conservation goals and lack of affordability

There persists an extensive need for investment in residential efficiency and conservation programs and there remains countless residential projects that could benefit from a water efficiency program. Though 22 applications for residential water efficiency were funded in round one of this program, there were 73 residential applications that did not receive funding. This, of course, does not include the many communities and jurisdictions that did not even apply for funding during round one. It is evident that there remains a substantial need for water efficiency investments for the benefit of residential communities.

Investment in residential water efficiency programs provide much needed co-benefits

The water efficiency program can provide significant cost-saving opportunities for residents living at or below the poverty level, many of whom are most vulnerable to drought, and will be gone without the residential program remaining intact. These financial savings may be considered small to some, but are important to those Californians living at or below the poverty level. Additionally, strategic energy and water efficiency investments in small water systems can ensure the sustainability and cost-effectiveness of these water systems. As previously noted, we recommend that DWR set aside at least 50% of funding from this year's call for projects directly benefiting low income households in disadvantaged communities (as defined by CalEnviroScreen) and an additional amount for low income households living outside of disadvantaged communities.

Investments in water efficiency in overdrafted water basins can also help address and rectify decreased water resources. Accordingly, we recommend that DWR add points for water/energy conservation project applications that positively impact DACs and have the co-benefit of reducing pumping from critically overdrafted groundwater basins.

Excluding residential projects from consideration may exclude disadvantaged communities from program benefits

It will be difficult to demonstrate a benefit to disadvantaged communities if only commercial and institutional entities are eligible for program grants. Taking away the residential component from this grant program will provide fewer opportunities for DAC investments, and, more to the point, will provide few, if any, investments that result in a direct, assured and meaningful benefit to disadvantaged community residents.

Increase importance of public engagement in determining projects

Finally, we recommend that DWR increase the importance in the program guidelines and the application of community engagement in program identification. Requiring or incentivizing public engagement will encourage applicants to have more inclusive public participation measures and will help ensure that applications claiming disadvantaged community benefits are directly benefiting these communities (i.e.

projects cannot merely be located nearby a disadvantaged community or claim benefits without creating meaningful benefits) is critical.

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DWR's programs will leave out significant energy savings and GHG emission reduction opportunities if residential investments are excluded from participation. Additionally, co-benefits critical to lower income households and disadvantaged communities, especially those reliant on small water systems and living in overdrafted basins, will be eliminated from this program. Instead of eliminating these programs and projects, DWR should prioritize investment in residential projects benefiting lower income households and disadvantaged communities to maximize the impact and benefit of the water efficiency program.

Thank you for your consideration of our comments. Please do not hesitate to contact Paul Boyer at (559)802-1693 or paulb@selfhelpenterprises.org, or Grecia Elenes at (559)369-2790 or gelenes@leadershipcounsel.org with any questions.

Sincerely,

Paul Boyer, Self-Help Enterprises

Grecia Elenes, Leadership Counsel for Justice and Accountability

Deborah Ores, Community Water Center

Sergio Caranza, Pueblo Unido CDC

Stan Keasling, RCAC