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MEMBER AGENCY OF THE  
METROPOLITAN WATER  
DISTRICT  
OF SOUTHERN CALIFORNIA

**Glen D. Peterson**

MWD Representative

July 15, 2024

Chair E. Joaquin Esquivel and Members of the Board  
c/o Courtney Tyler, Clerk to the Board  
State Water Resources Control Board  
1001 I Street, 24th Floor  
Sacramento, CA 95814

Via electronic mail: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

**RE: Comment Letter – FY 2024-25 Clean Water State Revolving Fund (SRF)  
Intended Use Plan (IUP)**

Dear Chair Esquivel and Members of the Board:

Las Virgenes Municipal Water District appreciates the opportunity to provide comments on the Federal Fiscal Year 2024-25 Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP). The District has actively participated in discussions and workshops with Water Board staff over the past several years and appreciates that staff continues to engage with stakeholders in support of the program.

LVMWD would also like to recognize the effort of staff in the review of our application for SRF funding for our indirect potable reuse project, Pure Water Las Virgenes – Triunfo (Pure Water). The recommendation to fund the project with an SRF loan, a water recycling loan, and a water recycling grant is critical to ensure successful completion of this project that will provide up to 2,500-acre feet of local water supply upon completion. In addition to providing a local water supply, the project will allow the Las Virgenes – Triunfo Joint Powers Authority to meet regulatory requirements related to discharge to Malibu creek.

**SRF Loan Scenarios**

**Las Virgenes Municipal Water District (LVMWD) supports the staff recommendation of funding scenario D**, with a cutoff score of 12 and a \$50 million cap per project. LVMWD has previously supported the \$50 million loan cap as a means to provide critical funding to a greater number of projects. Maintaining the \$50 million cap and funding each year, maintains the consistency and predictability of potential SRF financing for agencies throughout the State. Scenario D accomplishes and supports the goals of consistency and predictability.

### **Water Recycling Grants**

**LVMWD supports funding scenario A for the additional \$74.5 million in funding to the water recycling grant program.** We appreciate and recognizes the quick response of staff to present various scenarios related to the additional funding to the water recycling grant program and the challenges that Board staff had to develop recommendations for the additional funding and recognize how critical this funding is for all fourteen eligible projects. Funding scenario A, an even split of the additional funding to all eligible projects is consistent with the Board's actions to cap SRF funding in order to provide more funding to more agencies to complete critical water recycling projects. We are adamantly opposed to scenario C, as presented on July 2, as this option provides no additional funding to eight (8) critical projects throughout the State.

### **Equivalency for Build America, Buy America (BABA)**

We appreciate the new effort to assign specific projects portions of the federal capitalization grant and that if a project is already required to comply with Build America Buy America provisions, they should also count towards CWSRF equivalency. We understand that our Pure Water projects is considered to be an equivalency project for the SRF program's compliance with BABA requirements. Our Pure Water project, which is in the process of closing a WIFIA loan, has a confirmed BABA waiver from WIFIA that must be honored by the State in consideration of the SRF funding. The State's failure to honor the existing BABA waiver would add cost and time to the project that will threaten the District's ability to meet regulatory discharge requirements the project is addressing as well as threaten the viability of the project due to escalating project costs from constraints that BABA would impose on our project which will significantly impact rates to our customers.

### **CWSRF Performance Metrics: Increase Accountability & Transparency**

LVMWD continues to support the development of the CWSRF Performance Metrics. However, these Performance Metrics are meaningless without the Board presenting annual and historical measurements related to the metrics on an annual basis as part of each fiscal year's IUP. We continue to encourage staff and the Board to increase transparency of the program by this addition to the IUP. This will not only inform the Board and stakeholders on the success of the program, but will allow your stakeholders to better understand challenges your staff and the Board have in meeting the goals of the program.

### **Conclusion**

The CWSRF program is a powerful tool to assist the State in meeting its clean water goals, produce jobs, and economic stimulus. We appreciate the effort of staff in working with us on our funding application for the Pure Water Project – Las Virgenes Triunfo. Staff's recommendations for funding this year are consistent with the Board's efforts to increase predictability of funding capacity. The District looks forward to continuing to engage with Water Board staff in support of efforts to continuously improve the CWSRF program.

Sincerely,



Donald Patterson  
Director of Finance & Administration