

THE BOND BUYER

California commission awards \$2.7 billion for water projects

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A Santa Clara Valley water district's planned new dam is among eight projects that have been awarded a combined \$2.7 billion in California water bond money.

The California Water Commission Tuesday also approved funding for dam and reservoir projects in Contra Costa, Colusa, Fresno, Sacramento, Kern, San Bernardino and Los Angeles counties.

The decision followed a lengthy process in which a dozen agencies sought a combined \$5.8 billion – more than twice the amount available through 2014's Proposition 1.

The \$7.5 billion voter-approved Proposition 1 water bond set aside \$2.7 billion for water storage – one of seven categories of projects in the measure.

“This decision puts California on the road to add more than four million acre-feet of new storage capacity to the state water supply system,” said Timothy Quinn, executive director of the Association of California Water Agencies, whose 430 member water agencies deliver 90% of the water sent to the state's cities, farms and businesses. “The majority of these funds, about 75%, will go to new surface storage capacity, with the remainder expanding groundwater storage.”

Some projects won the full amount requested while others only got a portion. Water agencies – who could have received grants for up to half of their project costs – are expected to come up with the rest.

Three projects will also receive a portion of their grant award in early funding to help with the permitting and environmental review process. Those selected were the Pacheco Reservoir expansion in Santa Clara County, the Los Vaqueros Reservoir expansion in Contra Costa County and the Sites Reservoir in Colusa County.

The commission had set a July deadline for awarding the funds. In January, it frustrated several agencies when it sought more information from applicants on how their projects would meet Proposition 1's public benefit rules.

Projects were evaluated and ranked based on a scoring system in which they could earn up to 100 points for how they met the eligibility requirements. Applicants were required to show how 50% of the money would be used on ecosystems that benefit the public.

The Santa Clara Valley Water District won the full \$485 million it requested for its Pacheco Reservoir Expansion which district officials say will increase emergency water supplies, improve water quality and benefit the region and the Sacramento-San Joaquin Delta ecosystem. It was the highest scoring project with 82 points.

"This reservoir would serve as an insurance investment to support a secure water supply for our future," said Richard Santos, chairman of the water district's board of directors, in a press release. "Today's good news portends well for Pacheco's delivery of investment value to the public and environment."

The district plans to seek federal funds and use local water rates to pay for the remaining cost of the \$969 million project.

The Contra Costa Water District also won the full \$459 million it requested for a project to expand the 160,000-acre-foot Los Vaqueros Reservoir by up to 275,000 acre-feet, build a pipeline and improve pump stations. The project is supported by 15 agencies that would benefit from the expansion, according to the district.

The commission approved \$814 million for the Sites Reservoir; \$206.9 million for the Inland Empire Utilities District; \$280.5 million for the Sacramento Regional County Sanitation District; and \$171.3 million for the San Joaquin Valley Water Infrastructure Authority.