

BOARD OF PUBLIC WORKS  
MEMBERS

—  
KEVIN JAMES  
PRESIDENT

MONICA RODRIGUEZ  
VICE PRESIDENT

MATT SZABO  
PRESIDENT PRO TEMPORE

MICHAEL R. DAVIS  
COMMISSIONER

BARBARA ROMERO  
COMMISSIONER

CITY OF LOS ANGELES  
CALIFORNIA



ERIC GARCETTI  
MAYOR

BUREAU OF SANITATION

—  
ENRIQUE C. ZALDIVAR  
DIRECTOR

TRACI J. MINAMIDE  
CHIEF OPERATING OFFICER

VAROUJ S. ABKIAN  
ADEL H. HAGEKHALIL  
ALEXANDER E. HELOU  
ASSISTANT DIRECTORS

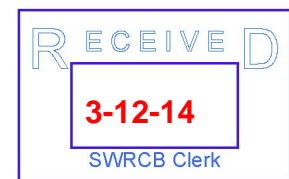
VACANT  
CHIEF FINANCIAL OFFICER

FINANCIAL MANAGEMENT DIVISION  
1149 SOUTH BROADWAY, SUITE 900  
LOS ANGELES, CA 90015  
1 800 540-0952 / 213 473-4181  
FAX: (213) 485-4269 • TTY: (213) 473-4112  
WWW.LACITYSAN.ORG

March 12, 2014

3/18/14 Board Meeting Item 3  
Near-Term Recycled Water Projects  
Deadline: 3/13/14 by 12:00 noon

Felicia Marcus, Chair and Members  
State Water Resources Control Board  
1001 I Street  
Sacramento, CA 95814



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

**SUBJECT: RESOLUTION TO PROVIDE FINANCIAL INCENTIVES IN RESPONSE TO THE GOVERNOR'S DROUGHT PROCLAMATION FOR NEAR-TERM RECYCLED WATER PROJECTS—AGENDA ITEM #3, BOARD MEETING OF MARCH 18, 2014**

Chair Marcus and Members:

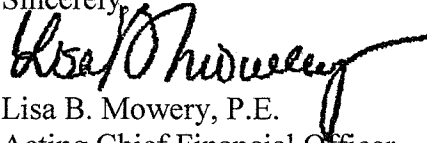
The City of Los Angeles, Bureau of Sanitation (Sanitation) is pleased to provide comments on the proposed resolution to provide funding incentives for the Clean Water State Revolving Fund (CWSRF) program directed to incentivize near term recycled water projects. Sanitation is developing a recycled water project that would benefit from the proposed terms. The City is in the process of designing and obtaining permits for the construction of the ultimate expansion of the Advanced Water Purification Facility (AWPF) at the Terminal Island Water Reclamation Plant (TIWRP) from the existing six (6) Million Gallons per day (MGD) to Twelve (12) MGD by 2017. The Advanced Water Purification Facility's expansion will enable the City to provide up to 8 MGD of highly purified water for the Harbor Water Recycling project into Dominguez Gap seawater intrusion barrier, and the remainder for non-potable applications, such as industrial boiler and cooling tower use and, potentially, for the Machado Lake restoration project.

We support adoption of the proposed resolution, which will assist in moving recycled water projects forward more quickly to provide much needed water supply benefits. In addition to the financing terms, we ask the Board to exercise flexibility to address other loan terms and conditions that may constitute barriers to project applicants. For instance, the requirement that future debt issued by agencies cannot be senior to the CWSRF debt prevents Sanitation from participating in the CWSRF due to restrictions in our bond covenants. The CWSRF program could be equally well protected by considering the overall credit-worthiness of a given agency and their history of CWSRF repayments rather than a strict standard that new CWSRF loans be senior to future agency debt.



We appreciate the State Water Board moving forward to incentivize new recycled water projects that will provide reliable, sustainable and drought proof water supplies for our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa B. Mowery", with a long horizontal flourish extending to the right.

Lisa B. Mowery, P.E.  
Acting Chief Financial Officer

C: Traci J. Minamide  
Omar Moghaddam  
James Marchese  
Dale Burgoyne