



March 11, 2022

Teresa Alvarado, Chair
California Water Commission
P.O. Box 942836
Sacramento, CA 94236-0001

Sent via email: Teresa.Alvarado@cwca.gov

Subject: Agenda Item #9 Water Storage Investment Program (WSIP) Funding

Dear Chair Alvarado and Members of the Commission:

The purpose of this letter is regarding the use of the remaining \$63.9 million in WSIP funding. All the WSIP storage projects are important to the State's long term water resiliency, and we have been working diligently to implement the Kern Fan Groundwater Storage Project.

Staff's analysis shows that there has been a 25 percent increase in inflation between 2015 and 2021. In January 2021, the Commission provided a small inflationary adjustment of 2.5 percent to all projects, but the projects will bear most of the increased cost burden. Inflationary pressures continue to multiply and create risks to the financial viability of all projects. Given that the State will share in the public benefits generated by these projects, the State should also share in the additional cost burdens imposed by inflation. Therefore, we request that the Commission use the remaining funding to provide further inflationary adjustments to all the projects.

Thank you for your consideration of this request. Our shared interest is in getting these projects built and equitably providing the public benefits to the State of California. We remain committed to achieving this goal. Should you have any questions, please do not hesitate to contact me at (661) 589-6045 or Project Manager, Fiona Sanchez at (949) 453-5325.

Sincerely,

Dan Bartel
Authority General Manager

cc:

Joe Yun, CWC
Amy Young, CWC
Fiona Sanchez, IRWD
Paul Weghorst, IRWD