



January 26, 2022

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Toni Atkins
Pro Tempore, California State Senate
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker, California State Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

The Honorable Nancy Skinner
Chair, Senate Budget Committee
1020 N Street, Suite 502
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: Request \$750 million for Recycled Water and Revise Budget Language

Dear Governor Newsom, Pro Tem Atkins and Speaker Rendon, Chair Skinner and Chair Ting:

As the Legislature considers the 2022-2023 budget, WaterReuse California respectfully **requests the inclusion of \$750 million in grant funds for recycled water** as part of the Drought Resilience and Response package. Recycled water is a sustainable, local source of water that is nearly drought proof. With our state still experiencing serious drought conditions, and the impacts of climate change worsening, now is the time to make a major investment in recycled water. CalEPA Secretary Jared Blumenfeld noted in his on January 12 "Proposed Water Investments in State Budget" briefing that "every ounce of water we can recycle and come up with a new use, obviously takes enormous pressure off the natural systems."

Need for Additional State Investment

The 2021 federal Infrastructure Investment and Jobs Act made \$1 billion available to recycling projects in **all Western States** over five years (approximately \$200 million a year). Yet this will not come close to meeting the funding demands for all the Western States, especially California. As Secretary Blumenfeld again noted on January 12, "**the needs for recycled water exceed \$10 billion**, in fact the needs for the LA Basin itself exceed \$12 billion."

Every region of the state has many planned water recycling projects in need of funding that can vastly stretch our traditional water supplies and prepare our state for the worsening impacts of climate change. These include projects for potable reuse, including groundwater recharge, reservoir augmentation and direct potable reuse (DPR). The Water Board is currently

developing statewide regulations for DPR which will greatly expand the use of recycled water for drinking water purposes. Other planned projects include expanding agricultural reuse to protect the environment and limited groundwater supplies; industrial reuse; landscape irrigation and more.

Three-Year Drought Package Contains Only Small Statewide Investment in Recycled Water

The total three-year drought package passed last year only contains \$350 million in statewide funding for recycled water split over three years with groundwater cleanup. It is very likely the Water Board will split the funds 50-50 and water recycling will receive just **\$175 million total over the next three years**- \$75M in 2021-22; \$50M in 2022-23; and \$50M in 2023-24.

Budget Language Needs Revision

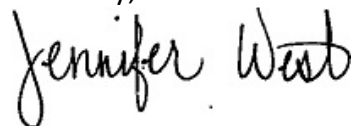
Recycled water investments in the current and future budgets should be clearly specified by the California Legislature and decoupled from groundwater cleanup funding.

Further, if the Legislature agrees that recycled water funding should be vastly increased in the Drought Resilience and Response Package, we recommend the creation of a “large project” funding category, similar to the structure of the Infrastructure Investment and Jobs Act. This will allow smaller recycled water projects to receive funding without being in funding competition with the larger multi-billion-dollar projects that are currently planned in the state.

Conclusion

While there are other worthy water supply projects that should be part of the Drought Resilience and Response Package, we hope you will agree with us that funding for **recycled water deserves to be at the forefront of the state’s three-year drought response with a \$750 million state investment**. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer West".

Jennifer West
Managing Director
WateReuse California