



March 8, 2013

Ms. Shelby Livingston  
Chief, Climate Change Program Planning and Management Branch  
California Air Resources Board  
Sacramento, CA 95814

**RE: Strategic investments in the water sector to help achieve California's climate goals**

Dear Ms. Livingston:

On behalf of the California Water Foundation, I am writing to urge the California Air Resources Board (CARB) and the Brown Administration to support significant investment in strategic, cost-effective, and multi-benefit water sector projects designed to help California achieve substantial reductions in greenhouse gas emissions. Providing clean and abundant water to California's communities, industries, and farms is tremendously energy intensive. As such, the Governor's proposed 2013-2014 State Budget, CARB's 2008 Scoping Plan, and recent legislation (AB 1532) have acknowledged the water sector's unique potential for contributing to the reduction of California's greenhouse gas emissions. Strategic investments in the water sector also have the potential to produce co-benefits such as water-use efficiency and local water supply sustainability.

We suggest that CARB and the Governor's Administration, when developing a comprehensive investment plan for AB 32 auction revenues, dedicate significant funding towards a regional, integrated, and competitive grant program designed both to promote innovative carbon-reducing projects and to spur greater awareness of the carbon implications of water sector management decisions. The California Water Foundation urges your consideration of the following programmatic investment strategy for the water sector:

**Fund existing successful programs** – To ease administrative burdens and ensure that funding investments take effect as quickly as possible, we suggest funding be directed through the Department of Water Resources for equitable regional distribution through the existing and successful Integrated Regional Water Management Program.

**Allow for local flexibility and decision-making** – To maximize local involvement and necessary flexibility, we suggest that eligible projects include local or regional projects that address carbon emissions at any stage within the water management cycle: collection, conveyance, treatment, distribution, end-use, and waste-treatment/recycling.

March 8, 2013

Page 2 of 2

End-use projects include those within the municipal, commercial, industrial, and agricultural sectors, and all projects should be consistent with an adopted IRWM plan.

**Incentivize the best projects to transform the water sector** – To maximize return on investment, we suggest that projects be selected through a competitive process within each existing IRWM funding region, based primarily on expected reductions in carbon emissions with additional consideration for projects that would achieve other state and local water management goals, such as water efficiency, reduced dependence on imported supplies, and integration of flood-control, sanitation, and supply systems.

The California Water Foundation appreciates the dedication of CARB and the Governor's Administration to these issues. Please let me know if we can be of any assistance as you progress towards a comprehensive investment strategy.

Sincerely,

Lester Snow  
Executive Director  
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