



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA



Office of the General Manager

Via electronic mail: commentletters@waterboards.ca.gov

October 18, 2018

Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Re: Comment Letter – November 27, 2018 Board Meeting – CWSRF Policy Amendment

The Metropolitan Water District of Southern California (Metropolitan) is pleased to submit comments on the State Water Resources Control Board's (Board) proposed amendments to the Policy for Implementing the Clean Water State Revolving Fund (CWSRF). The primary purpose of the CWSRF Program is to provide financing for eligible projects to restore and maintain water quality in the state. The policy is also designed to support multiple objectives where economically and technically feasible. As a regional water wholesaler, Metropolitan is dedicated to providing clean and reliable drinking water to its 26 public member agencies – cities and water districts. Metropolitan's member agencies or their sub-agencies serve approximately 19 million people in Southern California. Metropolitan's service area covers portions of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura counties. To fulfill our mission, Metropolitan owns and operates the Colorado River Aqueduct, major distribution and storage infrastructure, and five large drinking water treatment plants ranging in size from 220 to 750 million gallons per day in rated capacity.

After reviewing the proposed policy amendments to the CWSRF Policy (Proposed Amendments), Metropolitan submits the following comments which are supportive of Metropolitan's desire to apply for CWSRF funds in the future; however, certain provisions in CWSRF, as amended, may limit Metropolitan's ability to do so.

Comments


1. Entities with high credit ratings (AA or better) should be relieved of the limitations in the CWSRF Policy, inclusive of Appendix N, with regard to lien parity, limitations on future bond issuances, and mandatory bond reserve funds, without having the approval of the Deputy Director.
2. If approval of the Deputy Director continues to be a requirement, the policy needs to lay out a process to directly access the Deputy Director for such consideration.

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3. As part of the application, the requirement to submit copies of each material debt document and credit instrument, inclusive of the Official Statements for all outstanding bond issues, is a highly burdensome requirement. We would propose that, for entities with high credit ratings, the application requirement include the most recent Official Statement and material debt documents, with the balance to be provided upon request, once the application is approved for financing.

Metropolitan appreciates this opportunity to provide input toward finalizing your Board's Proposed Amendments. We support the Board's goals of protecting public health and looking for ways to increase funding to water utilities throughout the state, as well as within our service area. If you have any questions, please contact me at 213-217-6216.

Sincerely yours,

A handwritten signature in blue ink, consisting of a large loop on the left and a long horizontal stroke extending to the right.

June M. Skillman
Interim Assistant General Manager/
Chief Financial Officer