

**STATEMENT TO BE READ BY THOMAS B. FRANCIS
ON BEHALF OF EAST BAY MUNICIPAL UTILITY DISTRICT**

I am commenting on behalf of the East Bay Municipal Utility District (EBMUD) to strongly encourage the Department of Water Resources (DWR) to reverse its incorrect draft IRWM funding recommendation disqualifying the Dublin San Ramon Services District / EBMUD (DEWRA) Recycled Water Authority Phase 3 Recycled Water Expansion Project due to noncompliance with the California Statewide Groundwater Elevation Monitoring (CASGEM) Program.

The DERWA project was included in the Association of Bay Area Governments' application for the San Francisco Bay Area, and asks for \$4 M to implement the Phase 3 recycled water expansion project.

EBMUD will be supplying DWR with a detailed reply documenting this matter, including minutes from a meeting held on August 22, 2014 with DWR senior staff at which time the topic of how DWR would evaluate CASGEM compliance in the context of drought round grant funding was extensively vetted. DWR stated that projects located in CASGEM complaint basins would be eligible for drought funding, such as the DERWA project, whose entire project area is located within a CASGEM compliant basin. If EBMUD had been informed by DWR at that time that the DERWA project would not be eligible for funding due to CASGEM noncompliance outside of the project area, EBMUD could have pursued other options to ensure the project's eligibility.

We trust that following a review of the documentation, DWR will reverse its draft decision and fully fund the DERWA project.

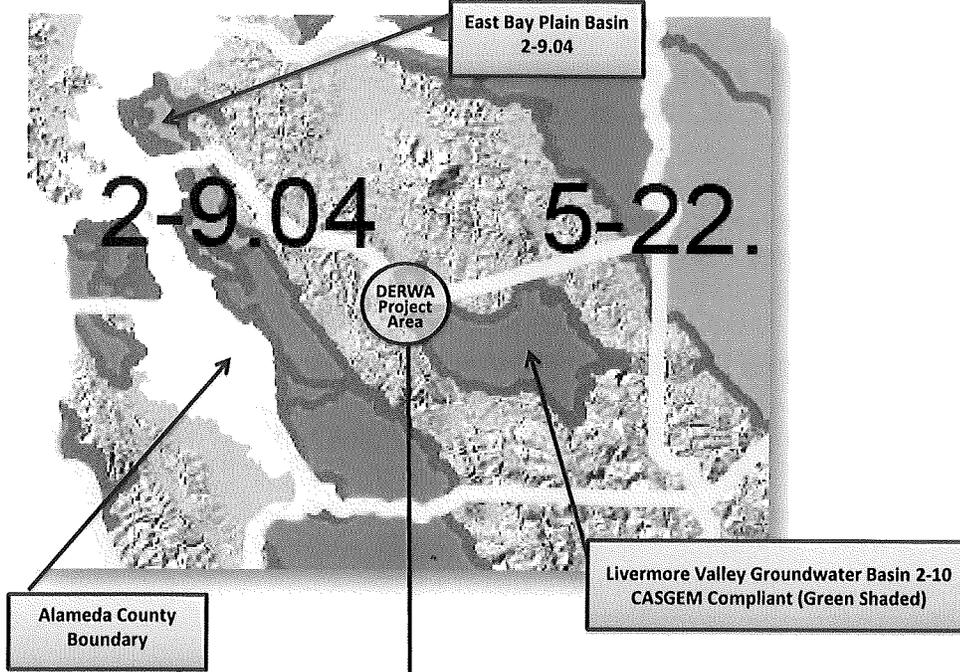
Figure 1 (Attached to this Statement) illustrates the DEWRA Phase 3 Recycled Water Expansion Project Area

EBMUD does do (have/execute) PLA's

FIGURE 1

This attachment illustrates the location of the DERWA Phase 3 Recycled Water Project Area relative to the CASGEM Compliant Livermore Valley Groundwater Basin (Basin Number 2-10) and the East Bay Plain Basin (Basin Number 2-9.04).

CASGEM COMPLIANCE (Ref. = DWR)



DETAILED PROJECT MAP (As included in grant application)

