

**STATEMENT TO BE READ BY DIRECTOR FRANK MELLON  
ON BEHALF OF DERWA  
September 30, 2014**

I am Frank Mellon, chair of the DERWA board of directors. DERWA is the DSRSD-EBMUD Recycled Water Authority, a joint powers authority formed to manage and implement the San Ramon Valley Recycled Water Program. It is a separate entity from EBMUD.

DERWA strongly encourages the Department of Water Resources (DWR) to reverse its incorrect draft IRWM funding recommendation disqualifying the DERWA 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.

DERWA's regional service area in the Tri Valley overlies a groundwater basin, the Livermore Valley Groundwater Basin monitored by Zone 7 Water Agency, that is in compliance with the CASGEM program. DERWA's project is not located anywhere near the north subbasin of the East Bay Plain Basin nor is it linked to groundwater management in EBMUD's service area.

DERWA is a regional partnership with the goal of maximizing recycled water deliveries in its project service area to offset the use of potable water, which is especially critical in this current drought and future droughts. This is exactly the type of project suitable for funding under DWR's 2014 drought relief round.

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