



**OFFICE OF MAYOR JERRY SANDERS**

**M E M O R A N D U M**

**DATE:** November 7, 2007

**TO:** Tim Bertch, Director of Wastewater

**FROM:** Job Nelson, Director of Intergovernmental Relations 

**RE:** Assesment of State Bond Money for Point Loma Secondary Treatment

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Per your request, in consultation with our state lobbyists Sloat, Higgins, Jensen and Associates, I have evaluated the likelihood of significant state bond money to help defray the capital costs of moving to secondary treatment at the Point Loma Wastewater Treatment Plant (PLWTP). As we have discussed, the state is facing a large deficit and therefore the possibility of large appropriations is very unlikely. Which means the only potential major source of state revenue would be an existing state water bond or potential state water bond. At this point it appears highly unlikely that there are significant subsidies for PLWTP in present or future bond funding.

Proposition 50- The state is currently in cycle 2 for local water project funding. The region is eligible for cycle 2 funds through the San Diego Integrated Regional Water Management Plan (IRWMP) and could receive up to \$25 million. Unfortunately, those subventions are to be designated for IRWMP eligible projects and the PLWTP is not an eligible project at this time.

Proposition 84- As with Prop 50, there are competitive grant funds for Integrated Water Management projects within Prop 84. Even if secondary treatment could be classified as an IRWMP project, the City would receive only negligible financial assistance (under \$10 million) compared to the overall cost of the project. There are no other eligible funds within Prop 84 for secondary treatment at PLWTP.

Proposition 1E- There are no eligible funds within Prop 1E.

Future Water Bonds- While both the Governor and Senate President Perata have both supported a potential water bond in 2008, neither have supported the inclusion of earmarks for this type of project. In fact the only projects that have been proposed as earmark projects are large surface water storage projects which can be shown to provide water supplies statewide. No wastewater project funds have been proposed.