

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
CALIFORNIA WATER COMMISSION

RESOLUTION NUMBER: 2019-02

RESOLUTION REGARDING AVAILABILITY OF ADDITIONAL FUNDS IN
THE WATER STORAGE INVESTMENT PROGRAM

WHEREAS, on November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 ("Proposition 1");

WHEREAS, Proposition 1 contained Chapter 8, "Statewide Water System Operational Improvement and Drought Preparedness," ("Chapter 8") which appropriates \$2.7 billion to the California Water Commission ("Commission") to invest in public benefits associated with water storage projects "that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions" (Water Code section 79750);

WHEREAS, on December 14, 2016, the Commission adopted regulations governing the quantification and management of public benefits associated with water storage projects that meet the criteria established for public investment (the Water Storage Investment Program ("WSIP"));

WHEREAS, the regulations were approved by the Office of Administrative Law on March 7, 2017, and appear in the California Code of Regulations, title 23, section 6000 *et seq.* ("regulations");

WHEREAS, the Commission, pursuant to the terms of the regulations, began the application period for funds from the WSIP on March 15, 2017;

WHEREAS, the Commission closed the application period for funds from the WSIP on August 14, 2017;

WHEREAS, the Commission, at meetings on May 3-5, 2018, determined each project's public benefit ratio;

WHEREAS, the Commission, at meetings on June 28, 2018, made the

determinations necessary pursuant to regulations section 6011(c) for eight projects that applied for funding from the WSIP;

WHEREAS, the Commission, at meetings on July 24-25, 2018, determined Maximum Conditional Eligibility Amounts for the eight projects that were eligible to receive funds from the WSIP;

WHEREAS, the Commission made Maximum Conditional Eligibility Amount determinations that total the amount of funds available in the WSIP;

WHEREAS, at its meeting on September 19, 2018, the Commission discussed how to address the potential issue of additional funding becoming available through the WSIP in the future because a project may not be able to move forward;

WHEREAS, the regulations do not address what the Commission should do if funds become available;

WHEREAS, the Commission expressed a desire to adopt a resolution with potential considerations for the disbursement of funds that may become available for future Commissions;

NOW, THEREFORE, BE IT RESOLVED that the California Water Commission hereby recommends the following preferences be considered if additional funds become available:

- Adjust the Maximum Conditional Eligibility Determination for Rank 3 projects to the Applicant Request from May 2018 (Table 1)

Table 1. Rank 3 Project Summary

| Project | Score | Applicant Request (May 2018) | Commission MCED (July 2018) | Difference between MCED and Request |
|--|--------------|---|--|--|
| Sites Project | 61 | \$916,620,000 | \$816,377,686 | \$100,242,314 |
| Kern Fan | 54 | \$85,700,000 | \$67,537,315 | \$18,122,685* |
| Willow Springs | 53 | \$123,290,000 | \$95,405,999 | \$27,884,001 |
| Total | | | | \$146,249,000 |
| *Requested amount exceeds eligible amount. Eligible amount of \$85,660,000 used. | | | | |

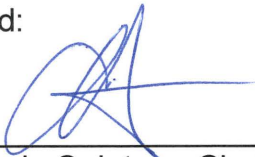
- Query applicants who requested less than their Commission approved eligible amount from May 2018 to see if additional funding could be utilized and adjust those MCEDs accordingly (Table 2)

Table 2. WSIP Projects Requesting Less than the Eligible Amount

| Project | Rank | Commission-Approved Eligible Amount (May 2018) | Applicant Request (May 2018) | Commission MCED (July 2018) | Difference between Applicant Request and Eligible Amount |
|-------------------------|------|--|------------------------------|-----------------------------|--|
| South County Ag Program | 2 | \$280,530,000 | \$280,500,000 | \$280,500,000 | \$30,000 |
| Sites Project | 3 | \$1,008,280,000 | \$916,620,000 | \$816,377,686 | \$91,660,000 |
| Total | | | | | \$91,690,000 |

- If, after consideration of the above, funds remain in the WSIP, consider needed changes in the regulations to perform an expedited solicitation to fund additional projects.

Signed:



Armando Quintero, Chair
California Water Commission

3/20/2019
Date

Attest:



Joseph R. Yun, Executive Officer
California Water Commission

3/20/2019
Date