



**Water Storage Investment Program: Second Solicitation Considerations and Other Options
(Action Item)**

Introduction

The California Water Commission (Commission) administers the Water Storage Investment Program (WSIP) to fund the public benefits associated with water storage projects using funds from the Proposition 1 Water Quality, Supply, and Infrastructure Improvement Act of 2014. Currently, seven projects have a WSIP maximum conditional eligibility determination (MCED), which is the amount of Proposition 1 funding potentially available to a given project. These projects are actively working to secure a formal WSIP award amount.

In January 2021, the Commission set aside \$63.9 million in funding for a potential second solicitation and opened a screening process to see what additional projects might exist. At the December 2021 Commission meeting, two projects completed the screening process and are now eligible to apply for funding under WSIP if the Commission decides to move forward with a second solicitation.

Commission Decision

The Commission can decide:

- to move forward with a second solicitation now. A second solicitation would first involve drafting and adopting regulations. Once the regulations are finalized and filed with the Secretary of State, the Commission would open a second solicitation and review process;
- to ask staff to return at a subsequent meeting with additional options to apply all of the remaining funds to existing projects; or
- to move forward with drafting regulations pending a future Commission decision to open a second solicitation.

The Commission can decide to pursue one of these options, a combination of these options, or defer its decision to a future meeting.

Background

Through the WSIP, the Commission will invest nearly \$2.6 billion in the public benefits of water storage projects, consistent with the requirements of Proposition 1 (the Water Quality, Supply, and Infrastructure Improvement Act of 2014), Chapter 8. In July 2018, the Commission made MCEDs, decisions that set the amount of Proposition 1 funding potentially available to a given

Agenda Item: 8

Meeting Date: February 16, 2022

Page 2

project. Since then, one applicant withdrew from the program. In early 2021, the Commission decided to adjust two project MCEs to their initially requested amounts. Additionally, the Commission made a 2.5 percent inflation adjustment to all seven project MCEs. The seven remaining applicants are working to complete the Proposition 1 requirements, which include obtaining permits and final environmental documents, contracts for the administration of public benefits, and contracts for non-public benefit cost share before returning to the Commission for a final award hearing.

This agenda item implements Goal Four of the Commission's Strategic Plan, which calls on the Commission to carry out its statutory responsibilities for the Proposition 1 Water Storage Investment Program.

Meeting Overview

At the meeting, Commission staff will brief the Commission on what a second solicitation would entail based on the experience of the first solicitation. Commission staff will also explain other options available to the Commission to inform the Commission's decision making. The Commission will then take public comment and decide whether to pursue a second solicitation at this time.

This is an action item.

Contact

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