



Willow Springs Water Bank

December 16, 2020

California Water Commission

P.O. Box 942836

Sacramento, California 94236-0001

VIA EMAIL: cwc@water.ca.gov

SUBJECT: Water Storage Investment Program – Options for Available Funding

Dear Commissioners:

On November 18th, 2020 the California Water Commission (CWC) was informed that the Temperance Flat Reservoir Authority was formally withdrawing from the California Proposition 1 Water Storage Investment Program (WSIP). This makes an additional \$171M in funding available for distribution through the WSIP. At the November 18th meeting a variety of potential options was discussed on how to distribute these funds. We write this letter to you in support of the staff recommendation to adjust the Maximum Conditional Eligible Determination (MCED) to the originally requested amount for both the Willow Springs Water Bank Conjunctive Use Project (WSWB) and the Kern Fan Groundwater Storage Project. We would like the CWC to consider a couple of items with regards to WSWB when deliberating on this topic: 1.) Potential impacts to public benefits and 2.) Potential impacts of funding uncertainties on the planning process and project schedules.

WSWB has been determined to be eligible for \$123.3M in funding from the WSIP and can provide public benefits that justify this amount. These are benefits that have been previously recognized, valued and vetted through the WSIP application process for ecosystem and emergency response. However, based upon application scoring WSWB was ranked as a Tier 3 project and is currently slated to receive an award of \$95.4M. As such, WSWB is in the position of having to potentially reduce the amount of public benefits it provides to proportionally match the amount of funds received. This could be accomplished in a variety of ways and some potential options are provided below.

Proportional Public Benefits from Willow Springs to Match MCED Award Scenarios

Option	Ecosystem	Emergency Response	Total Benefit	Benefit Adjustment*
1. Base case: Receive full Eligible Amount of the MCED	79.1	44.2	\$123.3 M	28,000 AF in dry and critical year pulse flows for fish, 215,000 AF for emergency response
2. Proportionate reductions in both public benefits	61.2	34.2	\$95.4 M	$95.4/123.3 = 77.4\%$ of benefits, reduce both proportionately
3. Reduce ecosystem benefit only	51.2	44.2	\$95.4 M	$51.2/79.1 = 65\%$ of 28,000 AF or 18,200 AF for fish in D, C years
4. Reduce emergency response benefit only	79.1	16.3	\$95.4 M	$16.3/44.2 = 36.9\%$ of 215,000 AF or 79,000 AF in emergency

*Willow Springs is a public/private partnership. It is operated by a private company. It does not have a public agency backstop. If the WSIP funding is reduced, the public benefits provided must be reduced.

WSWB is concerned that delaying decision making on the methodology for disbursement of funds will introduce a level of uncertainty that will further complicate and prolong the planning process. The shortfall in potential funding represents roughly 22% (\$28M) of our previously determined total eligible amount. We believe that it is important to reduce any delays in this decision-making process in order to maximize certainty for project planning and reduce alternatives.

It is the goal of WSWB to deliver the maximum amount of public benefits the project can produce and to receive the maximum eligible amount of WSIP funds. WSWB supports the staff recommendation as proposed on the agenda for the December 16, 2020 CWC meeting. We look forward to continued collaborations with CWC, staff, and administering agencies to provide California with an innovative and environmentally friendly water storage and energy project.

Sincerely,

Willow Springs Water Bank



Mark Beuhler, P.E.
General Manager