



**Water Storage Investment Program: Harvest Water Program Final Award Hearing (Action Item)**

**Introduction**

The California Water Commission (Commission) is administering 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 (Proposition 1). Currently, seven projects have a WSIP maximum conditional eligibility determination (MCED), which is the amount of Proposition 1 funding available to a given project. Each project must complete the Proposition 1 requirements before returning to the Commission for a final funding award.

Water Code section 79755(a) requires the applicant to complete the following before receiving a final funding award from the Commission (WSIP requirements):

- Contracts for the non-public benefit cost share
- Contracts for the administration of public benefits (CAPBs)
- Completed environmental documentation for the project
- Required State, Federal and local approvals, certifications and agreements

The Sacramento Regional County Sanitation District (Regional San) is developing the Harvest Water Program in southern Sacramento County, has been working to complete WSIP requirements, and is requesting a final funding award for its project. The Harvest Water Program is a conjunctive use project to store and manage groundwater while improving stream flow, enhancing groundwater-dependent ecosystems, sustaining agricultural lands, and improving regional water supply reliability.

The Commission, as a responsible agency under the California Environmental Quality Act (CEQA), is responsible for mitigating or avoiding only the direct or indirect environmental effects of those parts of the project which it decides to carry out, finance, or approve (CEQA Guidelines Section 15096(g); Public Resources Code Section 21002.1(d)). Here, the Commission's action is limited to the approval of funding for the Harvest Water Program, and the Commission's jurisdiction is limited to imposing conditions to mitigate or avoid impacts to the environment under its authority, specifically, implementing the WSIP and selecting water storage projects to fund, pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1), based on the expected return for public investment

determined by the magnitude of public benefits provided. The Commission is also required to make findings for each significant effect of the project.

**Meeting Overview**

At the June meeting, Regional San will present its request for final funding and provide a summary of documentation submitted to the Commission. Commission staff will present its recommendations regarding Harvest Water Program’s final funding documentation and a summary of documents received that are responsive to the statutory requirements. The Commission will decide whether to make a final funding award and the amount of that award, up to the MCED amount, as well as whether to adopt findings and a Notice of Determination under CEQA. The Commission will have the opportunity to ask questions of applicants, administering agencies, and staff, and to hear public comment before making a final decision.

**Staff Recommendation**

Based on documentation received from Regional San, the Harvest Water Program meets the statutory requirements of WSIP and the value of public benefits exceed the current MCED amount.

Staff recommends:

1. The Commission award \$291,841,209, which represents the amount already disbursed for early funding and the remaining \$277,475,337 of the MCED amount.
2. The Commission adopt responsible agency findings under CEQA.
3. The Commission direct the Executive Officer file a Notice of Determination with the State Clearinghouse.

**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, Chapter 8. In July 2018, the Commission made a MCED for the Harvest Water Program in the amount of \$280,500,000 and awarded early funding to Regional San for the completion of environmental documentation and permitting in the amount of \$14,375,625. In 2020 and 2021, the Commission adjusted MCEDs to projects in the WSIP by 1.5% and 2.5%, respectively. Including the inflationary adjustments, the current MCED for the Harvest Water Project is \$291,841,209.

Original MCED	2021 MCED with Inflation Adjustment (1.5%)	2022 MCED with Inflation Adjustment (2.5%)
\$280,500,000	\$287,512,500	\$291,841,209

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.

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Meeting Date: June 21, 2023

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