



## Water Storage Investment Program: Los Vaqueros Reservoir Expansion Project Update

### Agenda Item at a Glance

- The Contra Costa Water District, called "CCWD," applied for funding through the [Water Storage Investment Program](#), called "WSIP," for the Los Vaqueros Reservoir Expansion project, called "LVE Project." The CCWD Board voted at its November 6, 2024, meeting to end its participation in the LVE Project and withdraw its application from WSIP.
- During this agenda item, Commission staff will provide a timeline of events preceding CCWD's withdrawal from the project, and representatives from CCWD will provide an explanation for the reasons behind the decision to end participation in the LVE Project.
- This is an informational agenda item, important to anyone interested in the WSIP and specifically the LVE Project.
- At this meeting, the Commission will receive information about the LVE Project and will have the opportunity to ask questions of CCWD. Tribes and the public will have an opportunity to provide comments to the Commission before the Commission discusses this agenda item.

### Introduction

The California Water Commission (Commission) administers the 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). The LVE Project is a WSIP-eligible surface storage project that would enlarge the existing Los Vaqueros reservoir, an off stream reservoir located in southeastern Contra Costa County, to provide an additional 115 thousand acre-feet of water to agencies within CCWD's service area, the Bay Area, the Delta, neighboring regions, and the south-of-Delta wildlife refuges. CCWD has withdrawn from the LVE Project and, at this meeting, will complete the withdrawal of the project from WSIP.

The LVE Project became WSIP-eligible in 2018, when the Commission made a maximum conditional eligibility determination (MCED) for the LVE Project of \$477,558,343. The MCED is the maximum amount the project could receive from the Commission, and was based on the public benefits that project would provide: water for wildlife refuges, emergency water supply, and additional recreational opportunities. The Commission awarded early funding of \$23,877,917 to the LVE Project. Early funding is a portion of the total MCED that can be awarded before an applicant has met final funding requirements. It can be used for planning-

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related activities and is capped at 5% of the total MCED. CCWD expended the entirety of their early funding award. As required of all WSIP-eligible projects, CCWD provided quarterly status reports to the Commission about the progress of the LVE Project. These reports, through July 2024, indicated that the LVE Project proponents were working toward meeting the WSIP final funding requirements and planned to seek a final funding decision from the Commission in mid-2025.

In a CCWD Board meeting in September 2024, the Board directed its general manager to develop an exit strategy for CCWD from the LVE Project. At the CCWD Board meeting on November 6, 2024, the Board voted to end its involvement in the project and formally withdraw the LVE project from WSIP. On November 12, 2024, the Commission received a letter from CCWD indicating their withdrawal from WSIP.

At this meeting, Commission staff will provide a timeline of events leading up to CCWD's withdrawal from the LVE Project and describe resulting implications to statewide water storage capabilities. CCWD representatives will detail how WSIP early funding was used and the underlying factors for the CCWD Board's decision to end the project. The Commission will consider how it might apply any lessons learned when monitoring the remaining WSIP projects' efforts to better identify potential fatal issues.

### **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. The Commission made Maximum Conditional Eligibility Determinations (MCEDs) in July 2018, which set the amount of Proposition 1 funding potentially available to each project. One project received a final award at the June 2023 Commission meeting. The six remaining WSIP applicants successfully met Proposition 1 interim requirements by the deadline of January 1, 2022. Five projects are working to complete the remaining statutory requirements. These include obtaining permits and completed environmental documents, executing contracts for the administration of public benefits, and completing contracts for non-public benefit cost share. Once these requirements are complete, each remaining WSIP applicant will return to the Commission for a final award hearing.

This agenda item is related to Goal One of the [Commission's Strategic Plan](#), which calls on the Commission to implement the WSIP to achieve public benefits.

### **Meeting Overview**

At the January meeting, Commission staff will introduce this agenda item and representatives from Contra Costa Water District will provide information related to their decision to withdraw the LVE Project from the WSIP. As a voluntary withdrawal by the applicant, there is no decision needed by the Commission.

This is an informational item.

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