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Water Storage Investment Program: Overview of Timelines and Potential Obstacles

Agenda Item at a Glance

- The <u>Water Storage Investment Program</u>, called "WSIP," funds the public benefits of water storage projects funded by Proposition 1, passed by voters in 2014, and Proposition 4, passed by voters in 2024. "Public benefits" are the ways in which water storage projects provide benefits to Californians broadly, such as cleaner water, new recreational opportunities, and improvements to the land and water fish and wildlife need to survive. For WSIP, public benefits are defined by Proposition 1. Water storage projects include dams and underground water storage.
- Commission staff will provide the most recent information about the six projects that are
 part of WSIP, including the timeline for constructing the projects, the next steps that
 projects need to take, and any obstacles they face. Background information about the
 projects that are part of the WSIP is available <u>at this link</u>, on the right side of the webpage.
- This is an informational agenda item, important to anyone interested in the progress of the six WSIP projects.
- At this meeting, the Commission staff will present information to the Commission. Commissioners can ask questions of Commission staff, and they can direct staff to bring more information to the Commission at a future meeting. Tribes and the public will have an opportunity to make a comment to the Commission before the Commission discusses this agenda 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 (Proposition 1), codified at Water Code section 79750 *et seq*, and supplemented by funds from Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clear Air Bond Act of 2024 (Proposition 4). One project has received final funding and is currently under construction. The remaining WSIP applicants are advancing their projects to meet Proposition 1 requirements before returning to the Commission for final funding hearings. The projects are on different timelines: potential final funding dates range from 2026 to 2029. Commission staff update the Commission at each meeting about the progress of the WSIP projects to provide transparency around each project's status and to help Commissioners Agenda Item: 8 Meeting Date: February 19, 2025 Page 2

understand project progress toward a final funding hearing. In 2025, the Commission aims to clearly understand each project's timeframe. This update is intended to identify project timelines and potential impediments. The Commission retains the discretion to determine if an applicant is not making sufficient progress toward completing final award requirements and is no longer eligible for WSIP funding. (Cal. Code Regs., tit. 23, §6013, subd. (f)(1).)

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 Maximum Conditional Eligibility Determinations (MCEDs), 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 five remaining WSIP applicants successfully met Proposition 1 interim requirements by the deadline of January 1, 2022, and are working to complete the remaining statutory requirements. These include obtaining permits and completing environmental documents, executing contracts for the administration of public benefits, and completing contracts for non-public benefit cost share. When the applicant completes these requirements, the applicant will return to the Commission for a final award hearing.

This agenda item is related to Goal One of the <u>Commission's Strategic Plan</u>, which calls on the Commission to implement the WSIP to achieve public benefits. Information provided in regular updates assists the Commission's ability to articulate clear timeframes for the projects seeking WSIP funding by the end of 2025.

Meeting Overview

At the February meeting, staff will provide an update on projects in the WSIP so the Commission can hear public comment on WSIP projects, assess progress, ask questions, direct staff, or invite applicants to supply specific information to the Commission for its consideration at a later meeting.

This is an informational item.

Contact

Amy Young Program Manager California Water Commission (916) 882-2399