



## **Meeting Minutes**

Meeting of the California Water Commission

Wednesday, February 19, 2025

California Natural Resources Building

715 P Street, 1<sup>st</sup> Floor Auditorium

Sacramento, California 95814

Beginning at 9:30 a.m.

### **1. Call to Order**

Vice Chair Fern Steiner called the meeting to order at 9:30 a.m.

### **2. Roll Call**

Commissioners Curtin, Gallagher, Makler, Matsumoto, Solorio, and Steiner were present, constituting a quorum.

### **3. Acknowledgement of California Native American Tribal Governments**

This is an opportunity for elected Tribal leaders and formally designated Tribal representatives to identify themselves and to specify the agenda item(s) on which they will comment, as described in the Commission's California Native American Tribal Leadership Comment Policy. No Tribal leaders or representatives requested to comment.

### **4. Approval of January 15, 2025, Meeting Minutes**

Commissioner Makler motioned to approve the January 15, 2025, meeting minutes.

Commissioner Matsumoto seconded the motion. All Commissioners present voted to approve the minutes.

### **5. Executive Officer's Report**

Executive Officer Laura Jensen reported on the engagement and participation numbers from the January Commission meeting, as well as participation numbers from the Commission's office hours. Executive Officer Jensen also reported that she met with Chair Steiner, Vice Chair Gallagher, and Department of Water Resources (DWR) Director Karla Nemeth to discuss emerging water related issues. She announced that Kate Moulène had resigned from the Commission and thanked her for her service to the Commission and to California.

### **6. Commission Member Report**

There were no Commissioner reports.

## **7. Public Testimony**

Public comment from Ben King, who commended Commission staff on hosting office hours and said he had attended a previous session and would like to attend again in the future. Mr. King said his family has been farming near College City since the 1860s and originally owned a ranch of about 2,000 acres. He noted that 235 of those acres are now permanent wetland easements and he is working with the California Waterfowl Association to reclaim those wetlands. Mr. King said he supports the Sites Reservoir Project but is protesting the water rights application and said he believes it can be done in a way that will respect indigenous communities. He said there are many challenges associated with the change in topography. Mr. King encouraged the Commission to work with Tribes such as the Kletsel Dehe, Yocha Dehe, and Salt Pomo in order to better understand the region's ecology and how the funds for the Sites Project can be used to respect indigenous people and improve the State's scientific knowledge.

## **8. Water Storage Investment Program: Overview of Timeline and Potential Challenges**

Water Storage Investment Program (WSIP) Manager Amy Young provided an update on the progress of projects in the WSIP and provided an overview of current project timelines and potential challenges in an effort to track how projects are demonstrating sufficient progress towards securing WSIP funding.

Public comment from Mike Avina, Soluri Meserve, who said the Pacheco Reservoir Expansion Project does not meet the public benefits criteria required by Proposition 1, relative to the project's high costs. Mr. Avina said the cost information published on a letter sent by the Proposition 1 project proponents was outdated, and at the June 2024 Santa Clara Valley Water District (Valley Water) board meeting the cost was represented as \$5.5 billion. He said the Pacheco project is years away from completing an environmental review and has not started permitting. Furthermore, the project would flood important wildlife habitats. Mr. Avina encouraged the Commission to consider moving forward with option B for the following item, which would make inflationary adjustments to projects that are actually viable. He urged the Commission to fund projects that are viable, like the Harvest Water Program, and not throw money at projects like Pacheco whose project costs will outweigh the benefits.

Public comment from Ron Stork, Friends of the River, who said the original proposal from Valley Water for the Pacheco project did not include placing a reservoir on a section of Henry Coe State Park, and in their interpretation of the Public Resources Code, placing a reservoir within a state park would be prohibited. Mr. Stork added that the State Water Resources Control Board (SWRCB) has told the United States Bureau of Reclamation (USBR) that reclamation permits would need to be extended, and that USBR has adopted the stance that the SWRCB should extend those permits without public hearings. He added that protests have been filed on the permit extensions and the Trump Administration's executive order suggests that the federal government would be willing to violate state law in order to advance their agenda, which could lead to a conflict between the USBR and the SWRCB.

Commissioner Steiner asked if USBR funds had already been awarded to the Chino Basin Program or if those funds are subject to change. Ms. Young said the funds have been awarded, but did not know whether an agreement had been executed.

Commissioner Curtin asked for clarification on the Pacheco project's schedule. Ms. Young said litigation and additional environmental documentation has resulted in the project's schedule getting pushed out an additional 18 months. Commissioner Curtin asked Ms. Young to add numbers regarding the amount of water to the presentation slides at future meetings. Ms. Young confirmed she would do so. Commissioner Curtin also asked if any of the four groundwater storage projects are located in extremely over-drafted groundwater areas. Ms. Young said she would find out and follow up with him.

Commissioner Solorio asked for clarification on a reference that the Pacheco project would not be included in the capital improvement program. Ms. Young said the Valley Water Board of Directors looks at different scenarios in which they can provide water to their rate payers, and the Pacheco project was listed in two of the three scenarios. She offered to look into the reason why the Pacheco project was not listed in the third scenario and would follow up with him. Commissioner Solorio also asked if the notations in the WSIP project's quarterly reports are made primarily by staff or by the project proponent staff. Ms. Young said those notations are made by both Commission staff and the project proponent staff. Commissioner Solorio asked for clarification on the Sites project, and the use of the term "fiscal cliff". Ms. Young said the Sites project proponent does ask for funds from project partners and have received funds from the state and the federal government, but the current projection is that the project will run out of funds by mid-2026. Commissioner Solorio asked if they will have enough money to finish the project. Ms. Young said the project is hoping to receive a final award from the state as well as other funds from the federal government and project partners, but those funds will not be available until 2026.

Executive Officer Jensen added that the fiscal cliff terminology was used by the project proponent and that they are working diligently to meet the current timeframe so the project can move forward.

Commissioner Makler asked for clarification on the timing of Valley Water's deliberations regarding alternative plans in which the Pacheco project may not move forward. Ms. Young said Valley Water's next decision point would be when the Environmental Impact Report (EIR) comes back to them in a couple of years. Commissioner Makler asked if they are looking at whether there would be additional funds for the project given the withdrawal of the Los Vaqueros project from the WSIP. Ms. Young said they are looking at the Sisk Dam Raise and Reservoir Expansion Project, as well as the Delta Conveyance Project and other projects simply to determine which projects are likely to move forward and will make a decision at some point in the future. Commissioner Makler reiterated his request from a previous Commission meeting for more information regarding the overall context of the WSIP projects and current planning practices, noting that the project proponents have needs, the WSIP has needs in the context of supporting the co-benefits agreements, and the state has interest in terms of the amount of

acre-feet of water storage that is available. Commissioner Makler said he would like to know when the Willow Springs project's scope will be settled and plans to ask them for information on that when they appear at the Commission meeting in April.

Commissioner Matsumoto said there is a lot of uncertainty around the reliability of federal agencies who are losing staff and federal funding and asked if there are any WSIP projects that are not dependent on federal money or federal permits. Ms. Young said all projects need some federal permits and are looking at securing federal funding. Commissioner Matsumoto asked for clarification on the Sites project regarding the fiscal cliff and said her understanding was that the project's construction financing won't be available until after the project has secured the necessary permitting. Ms. Young confirmed that was correct. Commissioner Matsumoto asked what the additional sources of funds for planning are for the Sites project. Ms. Young said she did not know whether Sites was looking into securing additional federal funds for planning, but funds could become available if inflationary adjustments were made.

Commissioner Gallagher asked if it was a fair assessment to say a project that has not asked for an early funding award has not done so because the project is not far along in the process. She also asked if bigger projects require more early funding to make sufficient progress. Ms. Young said only one WSIP project has not yet asked for early funding, but did indicate that they would be doing so soon. Ms. Young added that early funding has helped the other projects move along, and the only project that has not spent all of the early funding award is the Willow Springs project, and that is due to the details of the project still being worked on. Ms. Young said some bigger projects had 50 percent cost shares and have certainly spent more than the amount provided by the early funding award.

#### **9. Water Storage Investment Program: Options for Utilizing Funding**

WSIP Program Manager Amy Young provided information on the Commission's options for utilizing available funding from the withdrawal of the Los Vaqueros Reservoir Expansion Project and from funds available from Proposition 4.

Public comment from Chris White, Executive Director of the San Joaquin River Exchange Contractors Water Authority, who noted his organization's involvement with the Del Puerto Canyon Reservoir Project and encouraged the Commission to open a process that would allow an investment in the Del Puerto project. Mr. White said the Del Puerto project will support small communities south of the Delta and provide public benefits to local refuges in terms of water storage and water supply. The project would also have flood benefits for the city of Patterson and as part of the initial agreement the project would refashion flood flows that come down Del Puerto Creek so they can be used as recharge for the city. Mr. White said this project is very important for small communities and will provide water supply benefits to communities and refuges in the region.

Public comment from Ben King, who said California will need the water supplied by the Sites project but it is important to understand where the financing is coming from. Mr. King said that a lot of the financing is coming from about 70 local landowners who have entered into

contracts, which is making the costs to use water for agricultural purposes increase. He said last year Colusa County had a \$3 million deficit and it would be good to look at the concentration of funding that is impacting the Sites project's fiscal cliff. Mr. King said the idea for the Sites project stems from the 1970s, but after the Colusa Trough was downsized, the idea shifted to taking water from the trough down through pipelines to Dunnigan, circumventing southern Colusa County. He said the conveyance that will take place will go through the worst subsidence in the Sacramento Valley by circumventing part of Colusa County and pumping it into the Yolo Bypass, where it will be exposed to contaminants such as mercury and excess salt. Mr. King encouraged the Commission to look closely at the original configuration of the Sites project in order to ensure that the Colusa subbasin will be sustainable in the future and utilize the Proposition 4 money responsibly.

Commissioner Steiner asked staff to confirm that Proposition 4 money can only be used for existing projects. Ms. Young confirmed that was correct.

Commissioner Solorio said it may be beneficial to have a second group of projects that could be funded if projects from the original group were to drop out of the WSIP. He also said due to some projects having greater challenges than others, the Commission should consider giving inflationary adjustments only to projects that have reached major milestones. Additionally, there were concerns about the amount of time it took to award Proposition 1 money and he said the Commission should look at what happened and learn from it to award Proposition 4 monies on a faster timeline. He also suggested the Commission could take more time to decide how to award the available funding and potentially award it incrementally.

Commissioner Gallagher asked staff whether the inflationary adjustments would automatically increase a project's early funding award. Ms. Young said it would not, a project would still have to come to the Commission and request early funding even if inflationary adjustments are made.

Commissioner Matsumoto asked if it is possible to get a better assessment on where each project is in the process and noted her concern about project viability, specifically related to the Pacheco project. She also asked if the inflationary adjustments have to be distributed evenly or if the Commission has the discretion to distribute them on a case-by-case basis. Commission Legal Counsel Holly Stout said it would depend. She said the Commission could potentially give an inflationary adjustment to a project and request the project meet certain requirements. Ms. Stout said the Commission would have trouble attempting to give some projects inflationary adjustments and not others. Doing so would require implementing more regulations. Commissioner Matsumoto asked for clarification. Ms. Stout clarified that making uniform inflationary adjustments for all projects would not involve Commission discretion, whereas if the Commission were to exercise discretion in making those inflationary adjustments, that would require a regulatory process so that project applicants could understand the decision-making process. Commissioner Matsumoto asked if the inflationary adjustments have to be given out to all projects. Ms. Stout said that she would need to think about it.

Commissioner Makler asked if the value of the project benefits have increased concomitantly with the increase in inflation and project costs. Ms. Young said generally yes, the value of the project benefits have also increased. She said depending on how the benefits were valued would determine what the actual increase would be, and that will be looked at closely when a project requests a final award hearing. Commissioner Makler said the Commission may want to have a policy discussion regarding opening up the WSIP to allow for additional projects and figure out if the Commission is properly staffed and what impact that action may have on the existing projects. He asked if that policy decision is beyond the Commission's scope. Executive Officer Jensen asked if Commissioner Makler meant opening up the WSIP to the two projects that had previously been screened and found to be feasible or other projects that had not yet been screened. Commissioner Makler said he was referring to the two projects that had already been screened. Commissioner Steiner said the two projects that were already screened would still need to complete all the Proposition 1 requirements and additional regulations would not be needed. She asked if the Commission would then have to put aside funds for those projects, funds that would not be dedicated to inflationary adjustments. Executive Officer Jensen answered that funds would not have to be set aside for the two projects although there may not be an incentive to go through a solicitation process unless funding was available. She added that funding could become available in the future. Ms. Stout added that opening a second solicitation would require regulatory changes. Commissioner Steiner asked if it would change the process of applying to the WSIP. Ms. Stout said the scope of the regulatory changes could be minimized if the intention is to open a second solicitation. She clarified that the only projects that can currently receive Proposition 1 money are the six current projects and the two screened projects due to a deadline that passed in 2021.

Commissioner Curtin said although he would like to hear more about the projects that were screened, the more certainty the Commission can provide to the existing WSIP projects, the more likely it is those projects will succeed. He encouraged the Commission not to hold out on awarding funds to existing projects and in the event a project drops out of the WSIP, the Commission should re-award those funds among the existing projects.

Commissioner Matsumoto said it would help to get a better understanding of how realistic it would be to get additional staffing. Executive Officer Jensen said that originally DWR provided staff and it is unclear how easy it would be to procure staff from DWR again. She added that for the Commission to staff up would be a long process.

Commissioner Steiner clarified that the Commission could take action related to the funds available from Proposition 4, and that could be done separately from the action related to the withdrawal of the Los Vaqueros project.

Commissioner Makler asked that staff add information to the presentation regarding additional data that would show a project's available funds during the development period, prior to making a request for early funding. He also asked for more information on the sources and uses of a project's funding in terms of hitting deliverables such as permits, options for land acquisitions, and engineering.

Executive Officer Jensen said staff will bring more information to the Commission at the next meeting to further inform the Commission's decision and asked if the Commission had an interest in doing a straw poll to determine which options the Commission is currently considering. The Commission agreed to conduct a straw poll.

Commissioner Curtin said the Commission should give inflationary adjustments to all projects right now. Commissioner Gallagher agreed and expressed her interest in option A. Commissioner Makler said he agreed with Commissioner Curtin and added that the Commission has a limited mandate, which is to see the current WSIP projects move forward. Commissioner Matsumoto expressed her interest in option B and said the Commission ought to wait to gather more information on the projects. Commissioner Solorio said he liked the idea of awarding half of the money now and half of the money at a later date. He expressed interest in options B and C. Commissioner Steiner said she did not want to wait two or three years to award any of the additional funding and expressed interest in options A and B.

#### **10. Water Storage Investment Program: Harvest Water Program Update**

SacSewer's Manager of Legislative and Regulatory Affairs Jofil Borja provided an update on the Harvest Water Program, including updates on construction, outreach efforts, and reporting. Mr. Borja also provided a look ahead to what actions the Harvest Water Program expects to take in 2025 and beyond.

Commissioner Gallagher asked how the funding process went. Mr. Borja said the funding process went well and they do not anticipate any challenges regarding invoicing. He added that SacSewer participates in a monthly meeting with the other WSIP projects and have been able to provide the other projects with information regarding invoicing and the funding process.

The Commission took a one-hour lunch break.

#### **11. State Water Project Briefing: Optimizing Operations in a Changing Climate**

DWR Deputy Director for the State Water Project (SWP) John Yarbrough provided a high-level overview of the SWP's Strategic Plan and a summary of briefing topics that the Commission will hear in 2025.

Division of Operations and Maintenance Manager Behzad Soltanzadeh provided an update on the safety metrics and the data used to identify trends and reduce injuries, illnesses, and unsafe conditions. He also highlighted the enhancements and improvements made over the past 15 years that showcase the SWP's commitment to enhancing safety culture among its employees.

SWP Environmental Director Doctor Lenny Grimaldo provided an update on the long-term operations permit and highlighted how the new State requirements have allowed the SWP operators to respond more nimbly to real-time conditions.

SWP Water Operations Manager Tracy Hinojosa provided an update on current year operations, including the current water-year allocation, planning decisions made to date, hydrology to date, and considerations for the rest of the year.

Public comment from Manny Bahia, State Water Contractors, who said that DWR's achievements regarding the long-term operations permit will significantly help manage the SWP while also protecting the environment. Mr. Bahia said the storm flex allowed 16,000 acre-feet of water to be exported and although the climate is changing, more still needs to be done to prepare for drier years. Had the tunnel project been in place it would have yielded 75,000 acre-feet of water and the San Luis Reservoir would have been full. Mr. Bahia said there is more work to be done to address climate change and emphasized the need to build more critical water infrastructure projects.

Commissioner Makler asked if DWR is considering incorporating near miss reporting into their management practices. Mr. Soltanzadeh said they do record near misses, and plan to launch a dashboard to report near misses in 2026. Commissioner Makler asked for clarification on the 2.5 million labor hours. Mr. Soltanzadeh said that figure represents just employees in the division of operation and maintenance and does not include hours worked by contractors. Commissioner Makler asked how many labor hours were worked by contractors. Mr. Soltanzadeh said he would estimate between 500,000 and 750,000 hours and offered to integrate that number into next year's report. Commissioner Makler asked how frontline managers are being evaluated and compensated in terms of group safety metrics. Mr. Soltanzadeh said although DWR does not currently reward managers monetarily specifically for their work regarding group safety, the division does host quarterly celebrations to recognize employees, managers, and important accomplishments regarding safety.

Commissioner Matsumoto asked if DWR is using adaptive management practices to improve conditions for fish. Dr. Grimaldo confirmed DWR does use adaptive management practices, particularly by analyzing the lifecycle models of fish species and combining that with advanced statistics to generate outcomes which will then be tested in the field. Commissioner Matsumoto asked what the threshold is for decision-making when facing competing needs for water supply and protection of fish species. Dr. Grimaldo said that leaning into DWR's science programs to manage what is certain, despite growing uncertainties, is what helps DWR make those decisions. Commissioner Matsumoto asked about DWR's approach to analyzing trends amongst fish species. Dr. Grimaldo said overall fish species have been declining, however longfin smelt have the third highest abundance since 1990. He said DWR's rule sets are less prescriptive than they used to be and rely less on real time assessments and the number of fish collected at pumps has decreased over time. Dr. Grimaldo said the SWP has not contributed to the decline of fish species over time, and that other factors are driving those trends.

Commissioner Curtin asked whether there were contradictory approaches in SWP's priorities regarding groundwater and capturing flows for environmental needs. Mr. Yarbrough said the work being done regarding the incidental take permits is about fine-tuning the existing infrastructure in order to get better outcomes for the environment and for fish species. In



addition to that, had there been Delta conveyance, the San Luis Reservoir would have been full in December 2024, meaning that additional conveyance would have been available and could have been used for groundwater storage. Mr. Yarbrough emphasized the need to continue making improvements to existing infrastructure as well as investing in new infrastructure projects. Commissioner Curtin asked if DWR is getting close to creating an infrastructure plan for groundwater recharge. Mr. Yarbrough said they are working on it and are looking at what the potential challenges could be for a larger scale groundwater project.

Commissioner Matsumoto asked how water operations are going with respect to working with DWR's federal partners. Mr. Yarbrough said that state and federal partners continue to communicate with each other and while the new federal administration is engaging in new practices, DWR is still committed to working with its federal partners however they can.

### **12. Update on Engagement Numbers, Near-Term Actions, and Planning**

Public Information Officer Paul Cambra provided an update on the work Commission staff has done to increase and track engagement with the Commission's work, the metrics being used to measure its success, and what targets and goals staff hope to achieve in the next five years.

Commissioner Matsumoto asked what the reason was for the high number of written comments in 2020. Mr. Cambra said it was a result of the work the Commission was engaging in at the time, particularly on WSIP. Commissioner Matsumoto asked for clarification on the webcast. Mr. Cambra said that the webcast is offered for people who want to watch the meeting, but do not wish to comment, and a recording of the webcast is available online even after the conclusion of the Commission meeting. Executive Officer Jensen clarified that the data presented to the Commission represents how many people were participating during the meeting and does not represent how many total people viewed the webcast.

Commissioner Solorio suggested that staff survey frequent participants of Commission meetings to learn more about what interested parties want to hear from the Commission. Mr. Cambra said that staff did conduct a survey in the summer of 2024 and were able to gather valuable information from interested parties regarding the Commission's work.

### **13. Consideration of Items for the Next California Water Commission Meeting**

This item was not heard.

### **14. Adjourn**

The Commission adjourned at 2:33 p.m.