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Water Storage Investment Program: Willow Springs Water Bank Conjunctive Use Project Progress Update

Agenda Item at a Glance

- The Willow Springs Water Bank Conjunctive Use Project, called "Willow Springs project," is a project that will store groundwater in wet years and then use that water when it is needed at other times. The project is being led by the Southern California Water Bank Authority. The Willow Springs project is eligible for funding through the Water Storage Investment Program, called "WSIP".
- 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. Water storage projects include reservoirs
 and underground water storage.
- This is an informational agenda item, important to anyone interested in WSIP and the Willow Springs project.
- At this meeting, the Commission will hear from the Southern California Water Bank Authority about the Willow Springs project. Commissioners can ask questions of presenters and Commission staff. 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). Currently, six projects, including the Willow Springs Water Bank Conjunctive Use Project (Willow Springs project), have a WSIP maximum conditional eligibility determination (MCED), which is the amount of Proposition 1 funding potentially available to a given project. The Willow Springs project is a conjunctive use project that will store groundwater in exchange for pulse-flow releases from Lake Oroville for ecosystem improvement and emergency response benefits. The project requires a State Water Contractor

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to forego its allocation from Lake Oroville and agree to substitute water from the Willow Springs Water Bank to achieve the public benefits for the WSIP.

Over the past two years, the Commission has requested three project updates from the Willow Springs project proponent, the Southern California Water Bank Authority. During those updates the project proponent provided information related to the progress towards securing a relationship with the State Water Contractor, which is the Antelope Valley-East Kern Water Agency (AVEK). The project proponent provided the most recent update in October 2024. The Commission showed specific interest in the status of the Memorandum of Understanding (MOU) with AVEK. The MOU includes key terms, roles, and responsibilities of each party that will eventually lead to a final agreement. At the October 2024 meeting, the Commission asked the project proponent to return with another project update at the April 2025 meeting.

At this meeting, the Commission will hear from representatives leading the Willow Springs project. This meeting will provide the Commission with information on the project's status, and will help the Commission understand whether the project is making demonstrable progress and has viable public benefits. The information provided at this meeting will help the Commission gather critical information to inform its decision on awarding inflationary adjustments to WSIP projects.

Summary of Issues

The project representatives have been asked to address the following to help the Commission understand the project's status:

- Overview of project
- Overview of public benefits
- Changes to magnitude of public benefits
- How project is funded: Who are the partners? Any funding from federal government?
- Tribal outreach and relationships
- Environmental document status/permitting status
- Timeline to final award and any milestones
- Opportunities to shorten timeline to final award

During this project update, the Commission is interested in hearing about how the Willow Springs project is working to secure partners, what steps will be taken to determine the project features, the sources of water for the project, the size of the project and timeline, how the project will provide public benefits and the types of agreements needed to provide the benefits, and project viability. Specific questions include:

- How do you propose to provide water for a benefit?
- What is the incentive for a contractor to participate?
- Will you be able to provide sufficient water to provide pulse flows?

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Background

Through the WSIP, the Commission will invest \$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 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.

During the March 2025 Commission meeting, the Commission discussed the recent funding that became available through the Los Vaqueros Reservoir Expansion withdrawal as well as the passage of Proposition 4. A decision was made to postpone inflationary adjustments until the Commission heard project updates from all of the projects in the WSIP. In addition to the Willow Springs project update, the Commission will be hearing from the rest of the projects in the coming months.

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 project 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 April meeting, representatives from the Southern California Water Bank Authority will provide an update of the project.

This is an informational item.

Contact

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