



Water Storage Investment Program: Sites Project State Agency Draft Contracts for the Administration of Public Benefits

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 Clean Air Bond Act of 2024 (Proposition 4).

Applicants within the WSIP are advancing their projects to meet Proposition 1 requirements before returning to the Commission for final award hearings. One requirement for final funding is the execution of the Contracts for the Administration of Public Benefits (CAPBs). The WSIP pays for the public benefits, which are governed by the CAPBs. The contracts are negotiated between the WSIP applicant and the administering agency responsible for overseeing the benefits associated with the project: California Department of Fish and Wildlife (CDFW) is responsible for administering ecosystem improvement benefits; State Water Resources Control Board (SWRCB) is responsible for administering water quality improvement benefits; and Department of Water Resources (DWR) is responsible for administering recreation, flood control, and emergency response benefits. The WSIP regulations allow the administering agencies to present a draft of project specific CAPBs at a Commission meeting before the Commission's final award hearing for that project. The administering agencies may consider public comment and Commission comment before they execute the public benefit contracts.

The Sites Project Authority, the project proponent for the Sites Project, is negotiating CAPBs with CDFW for ecosystem benefits and DWR for recreation, flood control and emergency response benefits. At this meeting, CDFW and DWR will provide their draft contracts and discuss the contents of these contracts, including the public benefits they cover, reporting requirements, and adaptive management. The public and Commissioners will have an opportunity to offer comments on the draft CAPBs. CDFW and DWR retain discretion regarding the impact of any comments received.

Background

Through the WSIP, the Commission will invest \$2.65 billion in the public benefits of water storage projects, consistent with the requirements of Proposition 1 and Proposition 4. The Commission made Maximum Conditional Eligibility Determinations in July 2018, which set the amount of Proposition 1 funding potentially available to each project. One project received a

Agenda Item: 10

Meeting Date: June 17, 2026

Page 2

final award at the June 2023 Commission meeting. The four remaining WSIP applicants, including Sites Reservoir, successfully met Proposition 1 interim requirements and were found feasible 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 at which the Commission will decide whether to award final funding.

The Commission's [WSIP regulations](#) allow the Commission to increase the amount of conditional funding committed to a project on a case-by-case basis, to account for inflation and increased public benefits. These conditional funding determinations can be made prior to or after the final funding 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 this meeting, Kristal Davis-Fadtke, Environmental Program Manager from CDFW, will present the draft CAPB for ecosystem benefits. Jessica Boyt, Senior Environmental Scientist, and David Okita, Program Engineer, both from DWR, will present the draft CAPB for recreation, flood control and emergency response.

Following the administering agencies' remarks, the Commission will hear Tribal and public comment on the information presented. Commissioners will then have an opportunity to ask questions and make comments.

This is an informational item.

Contact

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