

## Background

The Safe, Clean, and Reliable Drinking Water Supply Act of 2012 (the Act) requires:

*In consultation with the Department of Fish and Game, the State Water Resources Control Board, and the department, the [California Water] commission shall develop and adopt, by regulation, methods for quantification and management of public benefits described in Section 79743 by December 15, 2012. (Water Code 79744)*

In March 2011, the Water Commission directed DWR to prepare work products on quantification and management of public benefits. This work included a survey of economic tools and methods to quantify the public benefits of water projects, and working drafts of potential language for inclusion in regulations and guidelines that the Commission must develop if funding is approved by voters. The postponement of the water bond to the 2012 and subsequently 2014 ballot has provided an opportunity for the Commission to look more broadly at the issue of public benefits and consider other ways in which quantifying public benefits could help advance state water policies. It is the intention of the Commission to work with other state and public agencies to advance the development of state policies on public benefits and public financing of water projects that could be relevant to a future water bond or other planning and resource management activities. From its initial work, the Commission developed a [list of questions](#) which will be the subject of deliberations and summarized in this series of Draft Concept Papers. This paper discusses the definition and scope of Recreation Benefits as discussed at the Commission's January 16, 2013 meeting.

The goal of this paper is to summarize the Commission's initial discussions, and generate public comment to inform future decisions.  
It does not represent a decision by the Commission.

## Question

Exactly what recreation benefits should qualify as public benefits, as the State considers public funding for water supply projects?

See [Issue Paper 3. CWC Public Benefits Discussion: Recreation Benefits](#)

## Discussion

The Act defines recreation benefits as, *"recreational purposes, including, but not limited to, those recreational pursuits generally associated with the outdoors."*

The main issue for recreation is how to interpret the phrase "but not limited to." Staff provided two definitions of "Recreation Benefits" and reviewed how these different interpretations of the Act would apply to example water storage projects.

Under the first, more narrow option, only water-based recreation benefits that occur on or adjacent to the proposed project, or that result from stream flow or reservoir surface area improvements caused by the project's operation, would be eligible to be counted as public benefits. Common examples include fishing, boating, or swimming, and campgrounds on or directly surrounding the water project. Additionally, if the new storage created by the project increases average water storage and associated recreation at other, existing facilities, this could also be a public recreation benefit attributed to the project.

Under the second, expanded option, recreation benefits that result from improved urban water supply reliability for public facilities such as city parks and swimming pools could also qualify as public benefits associated with the water supply project. The rationale for option 2 is that recreation benefits provided by improved urban park resources will reach an urban population who may not be able to benefit from outdoor recreation at or near the project site. Recreation benefits occurring at private parks or swimming pools could not be counted as public benefits.

The Commission clarified that they are not discussing public funding for construction or operations of parks, swimming pools, or any other public recreation facilities. The benefits for public facilities would need to be supported by a showing that increased water supply for the public facilities would increase the amount or quality of recreation.

Some members expressed general support for staff's proposed option 1, stating that that recreation from improved urban water supply (option 2) is not a valid public benefit. Members also noted that quantifying and assuring the direct link between new storage and increased recreation at urban parks may not be feasible.

Others noted that it is important to consider recreation benefits that result from ecosystem benefits in wildlife refuges. Benefits from increased water supply for wildlife refuges might be counted as water supply, ecosystem, recreation, or some combination of these. The decision about what recreation is "not limited to" cannot be made in isolation about the scope of water supply or ecosystem benefits.

Members also discussed the importance of looking at the valuing system as whole. Some members supported project review based not only on whether or not they provide the public benefits as defined in the Act, but also based on their impact to the State's water system as a whole. Others emphasized the importance of the Commission providing clear and specific directions to project proponents including the specific benefits that may count and the acceptable methods and tools for quantifying those benefits. In general, members supported a clear, simple valuation system that retained a certain amount of flexibility for the Commission to make holistic decisions.

## **Attachments**

[Issue Paper 3. CWC Public Benefits Discussion: Recreation Benefits](#)

[Items for Follow-up Discussion: Policy Questions](#)