

Quantification of Public Benefits Items for Discussion Regarding Selection Process

SB X7-2 Chapter 8 (the Act), codified as Water Code §79744, requires that “projects shall be selected by the commission through a competitive public process that ranks potential projects. . .” The following issues regarding the competitive public process have been identified by staff and others before and during the Commission’s discussion of the Act.

This memo deals with issues that should be resolved to ensure an efficient and fair competitive process. It is anticipated that this process will be explained in Guidelines that will be provided to potential applicants before project applications are solicited. It is the intent of the Commission that these discussions will spur collaboration with and inform this and other efforts to address public benefits and water project financing.

The Act states

79740(c) Projects shall be selected by the commission through a competitive public process that ranks potential projects based on the expected return for public investment as measured by the magnitude of the public benefits provided, pursuant to criteria established under this chapter.

Related issues that have been identified are

1. Should funding be apportioned over time to provide opportunity for projects that are under development to compete?
2. How will the Commission consider non-monetized benefits in its assessment of “expected return for public investment”?
3. How will the Commission consider “priorities and relative environmental values” relative to “expected return for public investment”?
4. How might conflicts between ecosystem and water quality priorities be resolved?
5. What should be the role of federal funding in the ranking of applications? How should the application process encourage project plans that promise a substantial federal contribution?
6. How should the overall ranking, scoring, and decision process be structured? For example, should there be an overall scoring system that would combine into a single score: monetized benefits, non-monetized benefits, environmental priorities and relative values, and overall return for public investment?
7. Staff has proposed that an expert proposal review panel be utilized to investigate the technical quality of applications. Should the draft regulation specify more detail on the structure, functioning, and protocols for the proposal review panel?