

M E M O R A N D U M

Proposal for Discussion: Composition of Public Benefits Evaluation Panel

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During its March 19 public meeting, the Commission requested that staff develop suggestions for the composition and expertise of an evaluation panel that would advise the Commission on the merits of applications for funding of storage projects' public benefits.

Expertise represented on the evaluation panel

Staff has identified three general categories of expertise that would be useful for such an evaluation panel:

1. Technical knowledge of the hydrologic, operational, biological, and economic issues relevant to the proposed projects and the benefits being evaluated for funding.
 - a. At minimum, it is likely that the panel would need to include expertise in
 - hydrology
 - system operations
 - biology, and
 - economics.

However, simply being trained as, say, a biologist or economist would not be sufficient. Panel members must demonstrate experience and knowledge about the specific benefits being claimed. For example, an economist must have expertise in benefit-cost analysis and benefit estimation associated with water resources. Also, the biologist would need to have experience in the effects of storage projects and flow changes on natural ecosystems and populations.

- b. Additional expertise may be required for projects claiming certain kinds of benefits. For example, not all projects may claim groundwater storage or water quality benefits, but for those that do, an expert in that field should be on the evaluation panel. Expertise in the following is likely to be needed for some proposed projects
 - groundwater hydrology,
 - water quality, and
 - flood damage assessment.

2. Representatives from agencies having specific roles and responsibilities for monitoring and management of public benefits. These would probably include CDFW, State Water Boards, and DWR, but could also include other agencies. One role of CDFW and the Water Board could include their assessment of a project's consistency with priorities and relative environmental values. Alternatively, CDFW and the Water Boards may wish to provide their consistency review separately from the evaluation panel. Nevertheless, staff from either or both of the two agencies could serve on the evaluation panel too.
3. Individuals with understanding of (and experience in) project evaluation and feasibility assessment. Such individuals may be some of the same experts as in categories 1 And 2, but this category is a different kind of experience. It requires an understanding of general project planning principals such as identifying reasonable and feasible alternatives, using an appropriate planning horizon, and defining a defensible without-project condition.

It is recommended that panel members satisfy more than one of the expertise categories above, to the extent possible, so that the size of the panel remains manageable.

Identifying candidates for the evaluation panel

Experts can be drawn from public agencies, academic institutions, or the private sector. Impartial, professional analysis and advice are essential to provide useful advice to the Commission. The Commission may find that many of the experts it would like to appoint are or have been associated with one of the possible applicants or projects. Experts may be employees of or consultants to agencies that are sponsoring one or more proposed project. Excluding all such experts may not be entirely practical, but disclosure of any such affiliation should be required. Therefore, the working draft regulation provides some suggested language for conflict of interest disclosure.

The exact process of selecting the members has not been discussed at length. Following are some initial ideas. First, the Commission could start by developing a list of possible candidates. Names could be solicited from public agencies, academic departments and institutes, and NGOs. Second, staff would contact candidates to assess level of interest. This could include an initial contact (call or email), followed by information on the regulation and guidelines, and on the panel's role and level of effort. Staff would also request a disclosure of potential conflict. Third, staff would prepare a shorter list of candidates for discussion and selection by the Commission.