

APRIL 2015

California Water Commission  
**Water Storage Investment Program**  
Stakeholder Advisory Committee  
Meeting

# Welcome and Introductions

# Orientation

- Introductions
- The Bagley-Keene Open Meeting Act
- Today's Agenda
- Stakeholder Advisory Committee Charter

# SAC Meeting Topics

- Program Overview
- Legislation and Document Requirements
- Project Eligibility
- Public Benefits

# Water Storage Investment Program Overview

# Overview Includes

- Introduction to WSIP
- Timeline
- WSIP Goals, Objectives, & Principles
- Communication & Engagement

# Introduction

# Voters pass Prop 1, the water bond

- California voters overwhelming passed water bond by a 2-1 margin
- Bond charges the California Water Commission to allocate \$2.7 billion for water storage

## Proposition 1, a water bond measure, passes



NEWS

### California voters approve \$7.5 billion water bond

By SCOTT SMITH Associated Press 1:04 P.M. NOV. 4, 2014

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LOS ANGELES (AP) — California voters on Tuesday approved spending \$7.5 billion to improve the state's outdated and undersized water storage and delivery system amid a historic drought.

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# Proposition 1

Proposition 1 continuously appropriates \$2.7 billion to the Commission for *“public benefits associated with water storage projects that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions...”*

# Who is the California Water Commission?

- Nine-member Governor-appointed commission
- Broad experience in water, environment, agriculture, and business
- Commission is conducted in public, which allows for broad stakeholder involvement and transparency



# Commission is Committed to

- Developing a program that:
  - Improves the overall health of our water management system
  - Respects the public's trust that this money is spent efficiently
  - Benefits our state, our people, and our environment

# Types of Eligible Storage Projects

- Surface storage
  - CALFED
  - Regional
  - Local
- Groundwater storage
- Groundwater contamination prevention or remediation with storage benefits
- Conjunctive use
- Reservoir reoperation

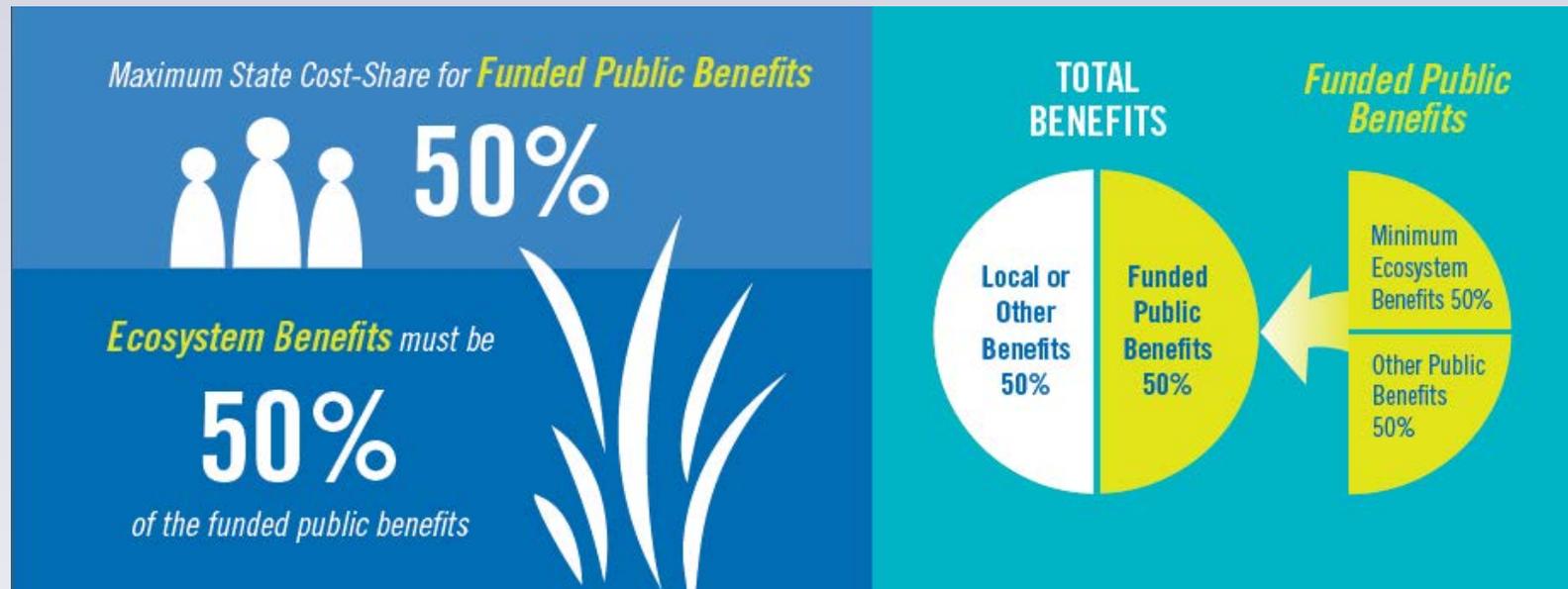
# Public Benefits of Storage

- Ecosystem
- Water quality
- Flood control
- Emergency response
- Recreation



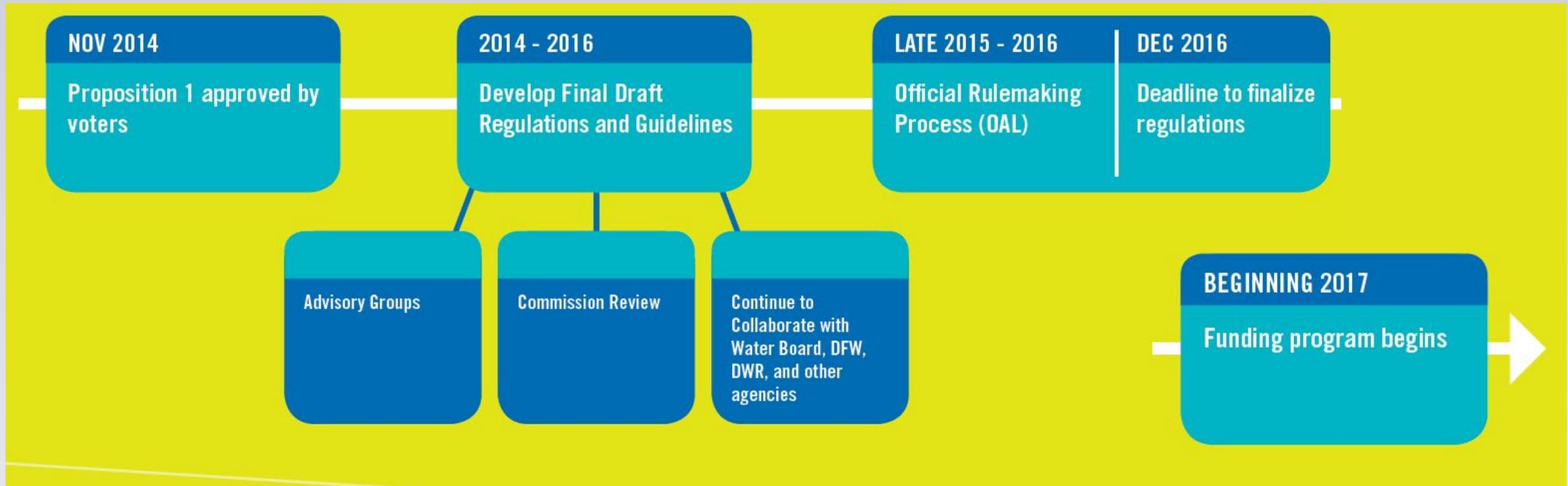
# Funding the Public Benefits of Water Storage

- State will fund the public benefits of a project through this program
- Law requires projects improve water quality, ecosystems, and the Delta



# Project Timeline

# 2015/2016 Anticipated Timeline



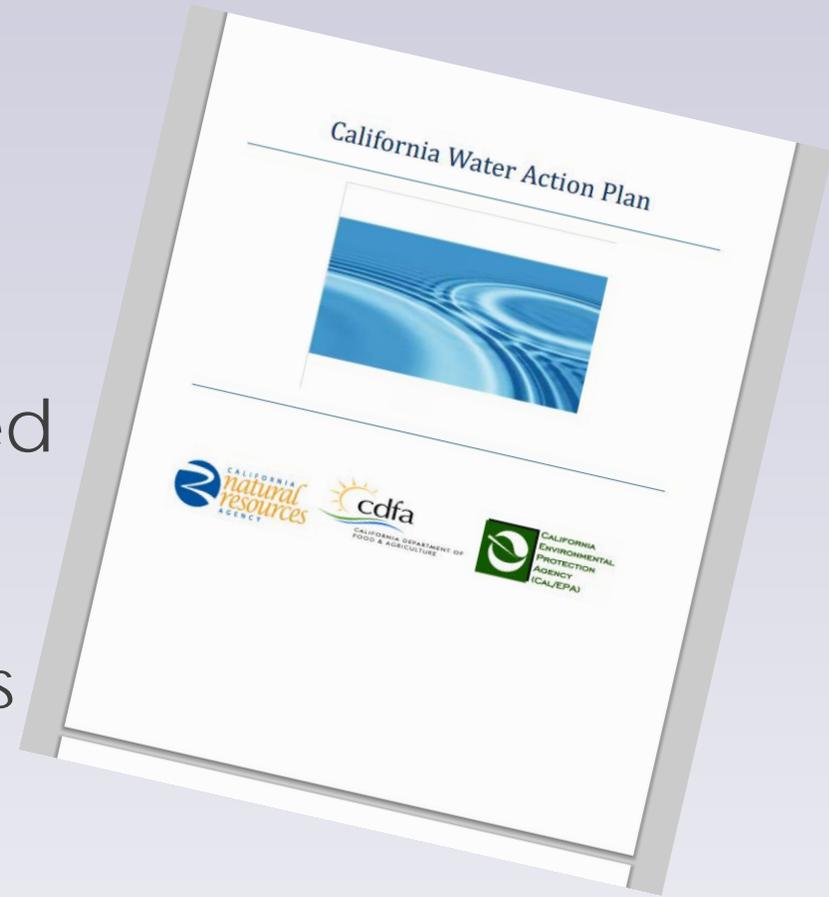
# Goals, Objectives, & Principles

# Draft Program Vision

*After March 2017 and before January 2022, the California Water Commission will commit the \$2.7 billion in Proposition 1 Water Storage Investment Program funds to qualified water storage projects that will provide public benefits to California, improve the operation of the state water system, are cost effective, and provide measurable improvements to the Sacramento-San Joaquin Delta or the tributaries to the Delta.*

# California Water Action Plan

- Program will help achieve the desired outcomes of the Water Action Plan
- Plan lays foundation for improved water management:
  - More reliable water supplies
  - Restoration of important species and habitat
  - More resilient, sustainably managed water resources system



# Draft Goals, Objectives, & Principles

- See Draft Goals, Objectives, & Principles Document

# Communications & Engagement

# Public and Stakeholder Participation is Key

- Commission Meetings
- Public Meetings
- Stakeholder Advisory Committee Meetings
- Commission's Website and Listserve
- Water Project Scoping Survey

# C&E Timeline

- See Handout in Packet
- SAC Meetings – 1<sup>st</sup> Wednesday
- Commission Meetings – 3<sup>rd</sup> Wednesday
- Public Meetings in April and July/August

# Scoping Survey

- Survey was first step in outreach process
- Purpose – to gauge the level of interest from potential applicants and their understanding of the legislation and process for funding water storage projects

# Scoping Survey Overview

- Released on February 24
- Sent to:
  - CWC listserve
  - 22 other organizations and listserves

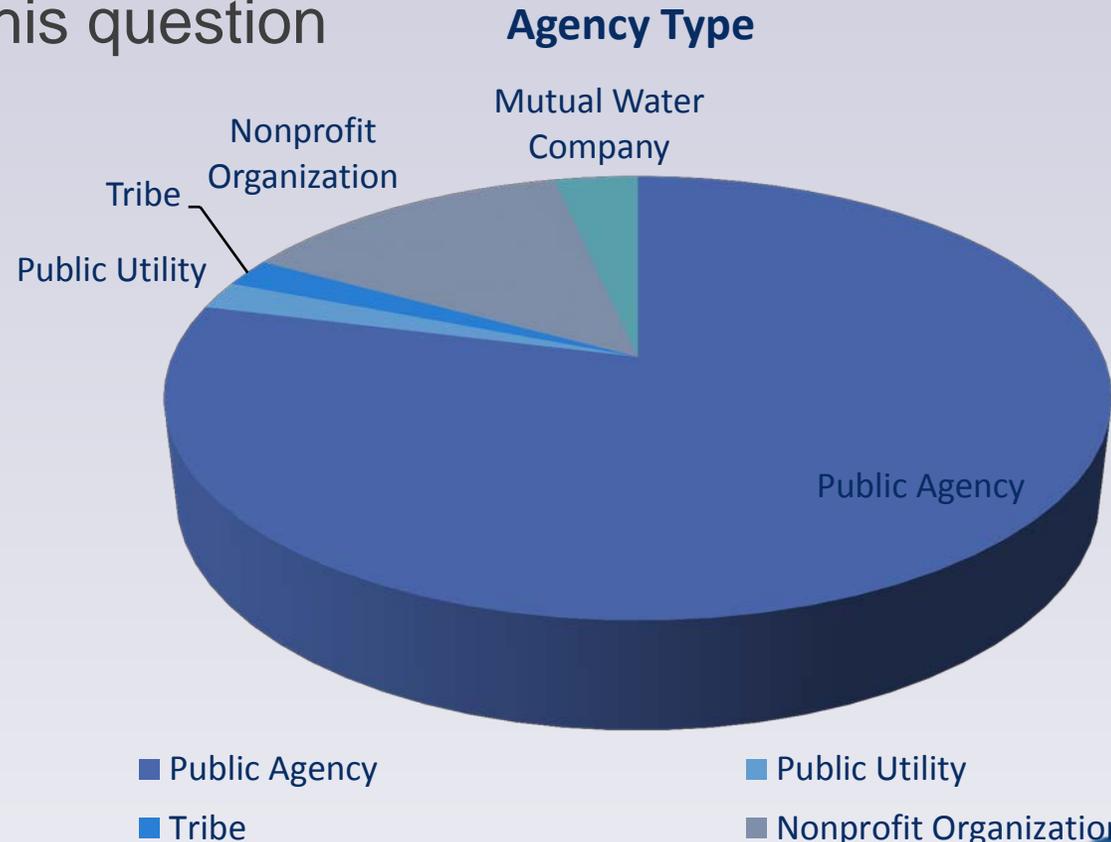
# Preliminary Survey Results

- 162 Responses received as of March 11
- 8 Responses eliminated (mostly “test” answers)
- 7 Responses deleted due to duplicate projects
- Statistics based on 147 responses

# Agency Types

- 147 (100%) respondents answered this question

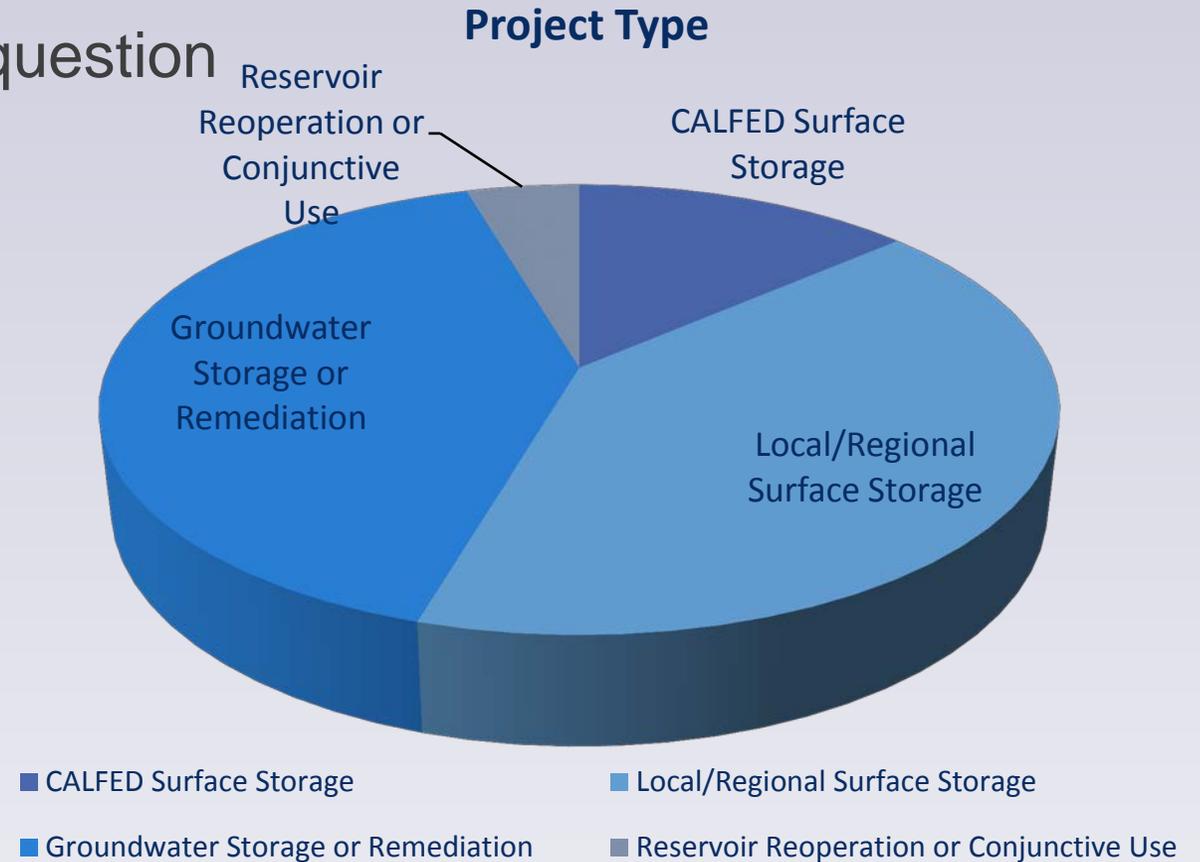
Agency Type	Reponses	Percent
Public Agency	116	79%
Public Utility	3	2%
Tribe	3	2%
Nonprofit Organization	20	14%
Mutual Water Company	5	3%



# Project Types

- 123 (84%) respondents answered this question

Project Type	Reponses	Percent
CALFED Surface Storage	3	2%
Local/Regional Surface Storage	47	38%
Groundwater Storage and Remediation	61	50%
System Reoperation or Conjunctive Use	12	10%



# Project Timelines

- 101 (69%) respondents answered this question

Time to Complete Feasibility Studies	Reponses	Percent
Complete	11	11%
Within 2 years	45	45%
Within 3-5 years	29	29%
Within 6-10 years	10	10%
Over 10 years	6	6%

- 79 (54%) respondents answered this question

Time to Complete Environmental Documentation	Reponses	Percent
Complete	18	23%
Within 2 years	40	51%
Within 3-5 years	17	22%
Within 6-10 years	4	5%
Over 10 years	0	0%

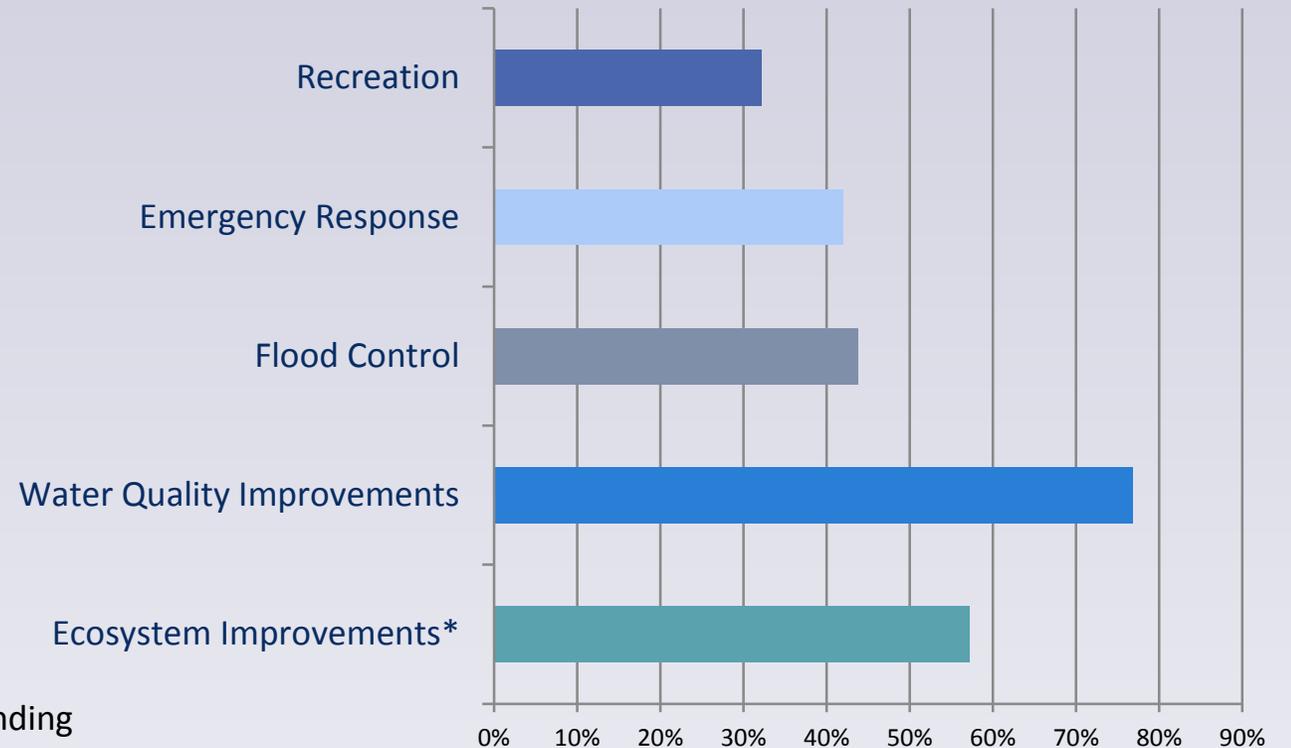
# Public Benefits

- 112 (76%) respondents answered this question

Public Benefits	Reponses	Percent
Ecosystem Improvements*	64	57%
Water Quality Improvements	86	77%
Flood Control	49	44%
Emergency Response	47	42%
Recreation	36	32%

\* Projects must have ecosystem improvements benefits to be eligible for funding

Percent of Projects Claiming Public Benefits



# Additional Considerations

- 34 (23%) respondents answered this question

Additional Considerations	Reponses	Percent
Ecosystem Improvements – Delta or Tributaries	34	23%

*Section 79752. A project shall not be funded pursuant to this chapter unless it provides measureable improvements to the Delta ecosystem or to the tributaries to the Delta.*

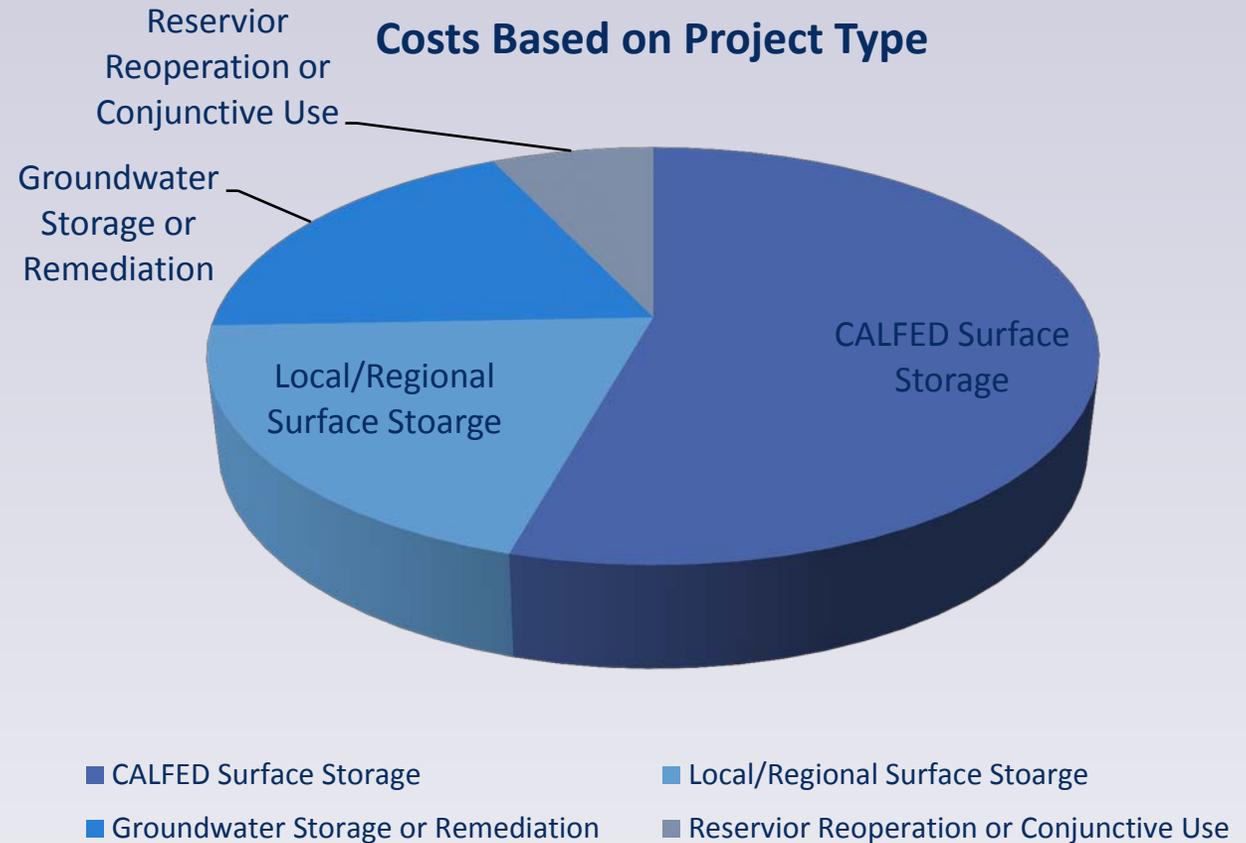
# Project Costs

- 99 (67%) respondents answered this question

Category	Approx. Cost
Total Project Costs – All	\$12,749M
Maximum Possible Cost Share (50% of Total)	\$6,375M

# Project Costs Based on Project Type

Project Type	Costs	Percent
CALFED Surface Storage	\$7,016M	54%
Local/Regional Surface Storage	\$2,585M	20%
Groundwater Storage and Remediation	\$2,401M	19%
System Reoperation or Conjunctive Use	\$907M	7%



# Preliminary Findings

- More information and education is needed
- Project applicants need support to determine project eligibility
- Project “readiness” for most respondents coincides with preliminary WSIP schedule

# Questions?

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# Water Storage Investment Program Legislation, Regulations, Guidelines, & Proposal Solicitation Package

# Questions?

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# Public Comment

# Lunch Break

# Water Storage Investment Program Project Eligibility

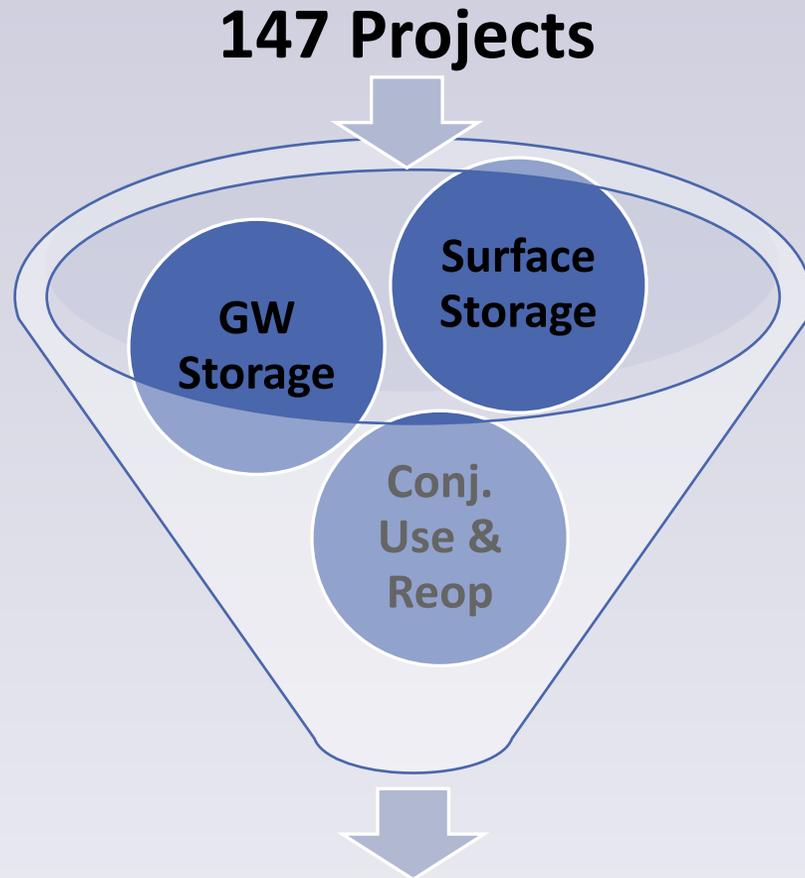
# Survey Preliminary Findings Recap

- Stakeholders and potential applicants needs more information on the Water Storage Investment Program
- **Applicants need information on project eligibility requirements of Proposition 1**

# Types of Eligible Storage Projects

- Surface storage
  - CALFED
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- Conjunctive use
- Reservoir reoperation

# Eligible Storage Projects in Survey



**79 (54%) Storage Projects, Only 27 (18%) with Eco and Delta Benefits**

Water Storage Investment Program

# Questions?

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# Water Storage Investment Program

## Public Benefits

# Public Benefit Categories

- Ecosystem improvements
- Water quality improvements
- Flood control benefits
- Emergency response
- Recreational purposes

# Ecosystem Improvements

Ecosystem improvements, including:

- Changing the timing of water diversions
- Improvement of flow conditions, temperature, or other benefits that contribute to the restoration of aquatic ecosystems and native fish and wildlife

# Water Quality Improvements

Water quality improvements, including:

- Water quality improvements that provide significant public trust resources in the Delta
- Water quality improvements that provide significant public trust resources in other river systems
- Water quality improvements that clean up and restore groundwater resources

# Flood Control Benefits

Flood control benefits, including, but not limited to:

- Increases in flood reservation space in existing reservoirs by exchange for existing or increased water storage capacity in response to the effects of changing hydrology and decreasing snow pack on California's water and flood management system

# Emergency Response

Emergency response, including, but not limited to:

- Securing emergency water supplies and flows for dilution and salinity repulsion following a natural disaster or act of terrorism

# Recreational Purposes

Recreational purposes, including, but not limited to:

- Recreational pursuits generally associated with the outdoors

# Public Benefit Categories

- Ecosystem improvements
- Water quality improvements
- Flood control benefits
- Emergency response
- Recreational purposes

# Questions?

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# Water Storage Investment Program

## Quantifying Public Benefits

# Cost-Effectiveness

§79750(b)

... the sum of two billion seven hundred million dollars (\$2,700,000,000) ... appropriated ... for public benefits associated with water storage projects that improve the operation of the state water system, are **cost effective**, and provide a net improvement in ecosystem and water quality conditions, in accordance with this chapter. ...

# Competitive Process

§79750(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.

# Measurable Improvements to Delta

§79752

A project shall not be funded pursuant to this chapter unless it provides **measurable** improvements to the Delta ecosystem or to the tributaries to the Delta.

# Methods for Quantification

§79754

In consultation with the Department of Fish and Wildlife, the state board, and the Department of Water Resources, the commission shall develop and adopt, by regulation, [methods for quantification](#) and management of public benefits described in ...

# Feasibility Study - Requirement

§79755 (a)(5)

All of the following additional conditions are met:

- (A) **Feasibility** studies have been completed.
- (B) The commission has found and determined that the project is feasible, ...
- (C) All environmental documentation associated with the project has been completed...

# Public Benefit Cost Share

## §79756

(a) The public benefit cost share of a project funded pursuant to this chapter, other than a project described in subdivision (c) of Section 79751, shall not exceed **50 percent** of the total costs of any project funded under this chapter.

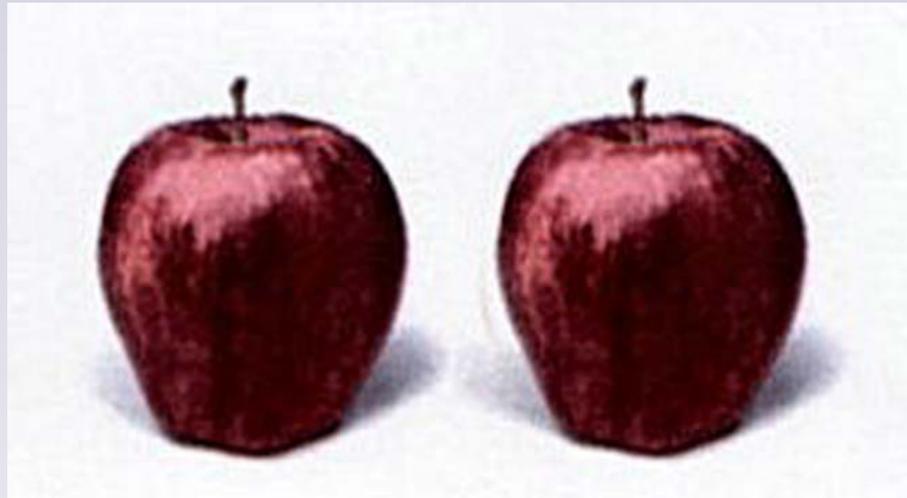
(b) No project may be funded unless it provides ecosystem improvements .... that are at least **50 percent** of total public benefits of the project funded under this chapter.

# Next Steps...

- Quantification and Valuation of Benefits
- Project Costs
- Cost Allocation

# To Ensure Fair Competition

- Develop a process to support fair competition



# Questions?

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# Public Comment

# Water Storage Investment Program SAC Next Steps and Action Items