

April 15th Meeting

California Water Commission

Issue Working Session

Issue Summary for State Water System

Issue: What does the Proposition 1 legislation mean by, “**the state water system,**” in Chapter 8, 79750 (b)?

Full text, from 79750 (b): “*Notwithstanding Section 13340 of the Government Code, the sum of two billion seven hundred million dollars (\$2,700,000,000) is hereby continuously appropriated from the fund, without regard to fiscal years, to the commission for public benefits associated with water storage projects that improve the operation of **the state water system** (emphasis added), are cost effective, and provide a net improvement in ecosystem and water quality conditions, in accordance with this chapter.*”

Fuller issue description: There are differing opinions of what is included in the term, “state water system.” As described in the legislation, this is a foundational qualifying criterion to be considered for eligibility of WSIP storage projects. Two views of the meaning have emerged:

1. The state water system is all of the state’s water systems collectively, including local, regional, state and federal systems that provide water resources benefits within California.

- This definition would conceptually expand the number of eligible projects since an improvement to any of the state’s local, regional, state or federal systems would thus improve the operation of the “state water system.”
- In combination with 79752, this would qualify a local or regional storage project that improves local or regional operations and also improves Delta or tributary ecosystem conditions.
- Commission Counsel has indicated that 79758, which says projects “may be made a unit of the Central Valley Project,” should be interpreted to mean may be a part of the CVP or SWP. In State law, the SWP is part of the CVP. If writers of this legislation had intended Central Valley Project or State Water Project systems, they could have just said “Central Valley Project” rather than “state water system.” This writing would have been consistent with 79758.
- In 79751, the description of eligible project types, (d) reads, “*Local and regional surface storage projects that improve the operation of water systems in the state and provide public benefits.*” This subsection is consistent with the definition above.
- In the phrase “state water system,” state is not written as a proper noun or possessive.

2. The state water system means the Central Valley Project (CVP) and the State Water Project (SWP).

- Employing this definition may significantly limit, as compared to using definition 2, the number of projects that qualify for funding.

- This CVP/SWP definition is consistent with 79752, which requires, “measurable improvements to the Delta ecosystem or to the tributaries to the Delta.” In other words, an improvement to the Delta or tributary to the Delta would occur in the SWP or CVP operational area footprint.
- Using this definition and the associated criteria may require that a storage project be formally integrated with the SWP and/or CVP systems in order to improve the operation of those systems. Another way of saying this is that while an integrated storage project could increase CVP-SWP flexibility (i.e. improve operation), an independent project would likely diminish (at least to some degree) CVP-SWP flexibility (i.e. worsen operation).
- This definition could ensure greater benefits within the Delta.

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