

July 16th Meeting

California Water Commission

Issue Working Session – Use of California Department of Fish and Wildlife (CDFW) and State Water Resources Control Board (State Water Board) Priorities and Relative Environmental Values in WSIP Application Review

Objective

Inform and seek direction from the Commission regarding how CDFW and State Water Board priorities and relative environmental values of ecosystem and water quality benefits will be applied in the application review process.

Introduction

Water Code Section 79754 requires that the WSIP regulations include the priorities and relative environmental values of ecosystem benefits and water quality benefits as determined by the CDFW and State Water Board, respectively. There is no express guidance in the Water Code on how these priorities and relative environmental values should be applied in the Commission's review of the grant applications or its funding decisions.

The draft priorities and relative environmental values have been provided by CDFW and the State Water Board, and were presented to the Stakeholder Advisory Committee on June 3rd and the Commission on July 15th.

Priorities are high level objectives with multiple actions that might achieve or help achieve the benefit in question. For example, one of the CDFW priorities is *"Promote the recovery of endangered, threatened, and other at-risk native fish species and native fish assemblages through water project operations."* CDFW provides 10 actions/strategies that could meet or contribute to meeting this priority.

Relative environmental value is presented as a process of assessment and not an absolute or quantitative value. CDFW proposes to assess the relative environmental value of a project using:

1. The number of ecosystem and water quality priorities addressed.
2. Projects that implement actions in existing recovery plans and strategies, initiatives, and conservation plans.
3. Environmental water use efficiency that achieves multiple ecosystem benefits.
4. Projects that include clear metrics and performance measures.
5. The quantitative value of the ecosystem and water quality benefits, along with the spatial and temporal component of those benefits, based on metrics such as flow, volume of cold water, water temperature, duration of benefits, floodplain inundation acres, and species life stage.
6. Proximity of ecosystem benefits to areas that are already being protected and managed for conservation.

7. The magnitude of ecosystem benefits.
8. The certainty of achieving ecosystem benefits.
9. Immediacy of benefits.
10. The duration or permanence of the benefits.
11. The inclusion and clarity of strategies for climate change adaptation and resilience.

Other characteristics specific to individual proposed projects may also be considered in the determination of relative environmental value during the review of proposals.

Proposed Application of Priorities and Relative Environmental Value

Assess Quantified Benefits

In the application, all public benefits, including ecosystem and water quality, will be described and quantified by applicants based on a comparison with and without project conditions. The WSIP review team (comprised of staff from DWR, CDFW, and the State Water Board) will assess the physical, chemical, and/or biological changes and benefits claimed to ensure they are supported and documented.

Assess Quantified Physical Benefit Against Priorities

In the application, the applicant will be required to discuss how project benefit(s) achieve or help achieve CDFW and SWRCB priorities. The WSIP review team will review the claimed quantified benefits and the discussion regarding meeting priorities. Using the information contained in the application, including the comparison of without and with project conditions, the review team will make an assessment regarding the validity of the applicants' claims.

Application of Relative Environmental Value

It is proposed that as part of the WSIP review team effort (i.e., prior to independent peer review), those projects that are determined to meet all of the minimum eligibility requirements will be further evaluated by the CDFW and the State Water Board. CDFW and the State Water Board will assess the relative environmental value of ecosystem benefits and water quality benefits, respectively. This will allow for a comparison of the relative values of benefits between projects that do not have funding eligibility issues.

If the number of potential projects submitted to CDFW and the State Water Board is unworkable, the WSIP review team, which includes representatives from CDFW and the State Water Board, could conduct an intermediate screening to reduce the number of projects reviewed for relative environmental value. This intermediate screening could include ranking projects based on their overall expected return for public investment and cost effectiveness (ranking would group projects into categories such as high, medium, low or tier 1, 2, or 3). Using this intermediate screening, the WSIP review team could develop a "short-list" of projects. For example, the short-list could be based on limiting the number of projects identified for evaluation of relative environmental value to all the most

cost effective, eligible projects with the highest magnitude of public benefits that in total sum equal two or three times the available funding.

The result of CDFW's assessment would be an evaluation of which projects have higher relative environmental value for ecosystem benefits. Similarly, the State Water Board's assessment would be an evaluation of which projects have higher relative environmental value for water quality.

Output of analyses

Information moving to the independent peer reviewers and the Commission from the WSIP technical review will include, but is not limited to, the following items:

- 1) Identification of the specific priorities that are addressed by each project
- 2) An assessment of the extent priorities are addressed by each project
- 3) The relative values of the ecosystem and water quality benefits

This information is in addition to quantitation of benefits and monetary valuation of the benefits, as well other review information.