

## MEETING SUMMARY

### Federal/State Agency Coordination Meeting

Water Storage Investment Program (WSIP)

California Water Commission (Commission)

July 23, 2015

*Prepared by the Sacramento State, Center for Collaborative Policy (CCP)*

### Introduction

On July 23, 2015, Commission staff, with assistance from CCP, held an informational meeting for federal and state agencies about the WSIP. The meeting was held at CCP and via a webinar. Fourteen agency representatives attended the meeting with half attending in person and half through the webinar. The goal of the meeting was to provide federal and state agencies with information about the WSIP, including timeline and steps to develop regulations, applicant guidance, and the priorities of the California Department of Fish and Wildlife and State Water Resources Control Board (State Water Board) related to ecosystem and water quality benefits. Attendees were also provided with information on ways their agencies can be involved in the process.

### Opening and Welcome

Paula Landis, Executive Officer for the Commission, began the meeting by welcoming participants and explaining the goals for the meeting. She indicated that a goal of the meeting was to provide federal and state agencies with information about the WSIP, including timeline and steps to develop regulations and provide them information on ways to participate. After her opening comments, she invited all attendees to provide brief introductions. After introductions, Ms. Landis introduced Jennifer Marr, Project Manager for the WSIP.

### WSIP Overview

#### Proposition 1, Chapter 8 requirements

Ms. Marr briefly reviewed Chapter 8 of Proposition 1 and outlined the Commission's requirements for these sections. Specifically, the Commission is allocated \$2.7 billion 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. Public benefits include ecosystem, water quality, flood control, emergency response, and recreation. While projects may accomplish any of these public benefits, they all must provide ecosystem improvements and a direct benefit to the ecosystem of the Delta or its tributaries. Tributaries are defined as the hydrologic basins of the San Joaquin and Sacramento rivers and Suisun Marsh. Ms. Marr explained that projects would be evaluated based on their expected return for public investments as measured by the magnitude of the public benefits provided.

For more information on the WSIP, please visit <https://cwc.ca.gov/Pages/PublicBenefits1.aspx>

### Timeline

Ms. Marr also reviewed the timeline for the WSIP program.

- 2015—Develop context, develop content, and circulate drafts
  - This process is supported by input from Stakeholder Advisory Committees and public meetings

- The Commission approves the draft regulations package and submits a Notice of Proposed Rulemaking to the Office of Administrative Law (OAL) in November
- 2016—Conduct formal rulemaking process
  - This process can take up to a year and is supported by a public hearings and public comment periods
  - The final regulations package is submitted to OAL in November
- 2017—Proposal solicitation
  - Early 2017—The Commission will hold public meetings on the proposal solicitation process and the final applicant guidance document is approved
  - Fall 2017—The tentative application deadline

### **Eligibility**

Ms. Marr reviewed project eligibility requirements for the WSIP. Eligible project applicants must be a public agency, non-profit organization, public utility, federally recognized Indian tribe, State listed Indian tribe, or a mutual water company. Project applicants will be required to submit to the Commission final feasibility study documentation including a cost estimate and allocation, economic analysis, and engineering analysis, as well as a draft California Environmental Quality Act (CEQA) document that is available for public review.

### **Application Process**

Ms. Marr also provided attendees with current information on the proposed application process. The process will include a pre-application process that allows project proponents and the public to have a first-look at the types of projects applying for funding. This will also allow for potential collaboration between projects. Pre-applicants will be assigned a caseworker who will assist projects with completing their applications.

Once applications are complete and pass the initial eligibility stage, a technical team will review them. Findings from the team and independent technical reviewers will be available for public review and comment. The information generated from these reviews will be provided to the Commission to help them make an informed decision. Once the Commission selects a project, it will make a soft funding commitment until the project proponent has completed all final environmental documents, permitting, and approvals.

More details of application process are available at <https://cwc.ca.gov/Pages/PublicBenefits1.aspx>

### **Quantification of Public Benefits**

Ms. Marr explained that project proponents must provide an analysis of with and without project conditions. She also stated that Proposition 1 requires the Commission to determine the return of investment based on the magnitude of public benefits. Thus, all applicants will be asked to monetize public benefits so they can be measured in the same unit for direct comparison.

## **Ecosystem and Water Quality Priorities**

### **CDFW Ecosystem Priorities**

Following Ms. Marr's presentation, Scott Cantrell, Water Branch Chief with CDFW presented the agency's ecosystem priorities. Mr. Cantrell explained that the Commission, in consultation with CDFW and the State Water Resources Control Board (State Water Board), must develop regulations that

include priorities and relative environmental values of ecosystem and water quality benefits. Mr. Cantrell then outlined CDFW's draft priorities, relative environmental values, and next steps. The draft priorities include:

- Promote the recovery of endangered, threatened, and other at-risk native fish species
- Restore physical processes and flow regimes to improve native habitats and natural communities to promote recovery of endangered, threatened, and at-risk species
- Enhance commercial and recreational opportunities
- Reduce the negative impacts of non-native species and natural communities
- Prevent or reduce negative impacts from in-river structures on anadromous fishes
- Increase quality and quantity of aquatic and riparian habitat and managed and unmanaged wetlands

Ecosystem relative environmental values will be based on the following:

- Number of ecosystem priorities addressed
- Amount of consistency with existing conservation/recovery plans
- Water use efficiency
- Use of measurable rather than descriptive benefits
- Proximity to existing resources
- Clear performance measures
- Amount of certainty of achieving the benefits
- Immediacy of benefits provided
- Duration or permanence of the benefits
- Climate change adaptability and resilience

Each project will be given a relative score based on the measurable benefits to the environment. Priority will be given to those that receive the highest relative environmental value.

CDFW next steps include:

- Refine ecosystem priorities
- Develop an approach to consider the relative environmental values of ecosystem public benefits
- Prepare draft regulation and guidelines language by August 2015

### **State Water Board Water Quality Priorities**

Dorena Goding, Senior Environmental Scientist from the State Water Board, explained that Board places water quality as its highest priority. She explained that the SWCRB has developed eight draft water quality priorities. These priorities are:

1. Improve water temperature conditions in water bodies on California's Clean Water Act (CWA) Section 303(d) list that are impaired for temperature.
2. Improve dissolved oxygen conditions in water bodies on California's CWA 303(d) list that are impaired for dissolved oxygen.
3. Improve nutrient conditions in water bodies on California's CWA 303(d) list that are impaired for nutrients.
4. Improve mercury conditions in water bodies on California's CWA 303(d) list that are impaired for mercury.

5. Improve salinity conditions in water bodies on California's CWA 303(d) list that are impaired for sodium, total dissolved solids, chloride, or specific conductance/electrical conductivity.
6. Protect and/or clean up groundwater in DWR's CASGEM high- and medium-priority basins.
  
7. Achieve Delta tributary stream flows that resemble natural hydrograph patterns or other flow regimes that have been demonstrated to improve conditions for aquatic life.
8. Reduce current or future water demand on the Delta watershed by developing local water supplies.

## Federal and State Agency Participation

Following Ms. Goding, Ms. Marr explained how federal and state agencies could participate in the WSIP. She acknowledged that the Commission's interests overlap with the missions of other State and Federal agencies. She identified the following as ways for agencies to participate:

- At the project level
  - Project applicants or partners
  - Project operations
  - Regulators/permitting
- During CEQA/NEPA process
  - Lead or responsible agency
  - Reviewing agency
  - Permitting agency
- During application review
  - Part of agency review team
  - Provide comment/feedback to Commission
  - Independent peer reviewer

Ms. Marr added that some agencies would be involved in all of the above ways while others may not. If an agency was not involved in one of these levels, they would have the ability to provide comments at Commission meetings, WSIP public meetings, and Stakeholder Advisory Committee Meetings as well as on the Commission's website. For more information, individuals may also sign up for the Commission's list-serve. Ms. Marr also encouraged agencies to participate in the next project information survey in early 2016. She emphasized that the Commission's goal is to improve communication and provide opportunities to coordinate.

## Facilitated Discussion

### Questions

Q: Who are the independent peer reviewers?

A: Ms. Marr explained that the independent reviewers had not yet been identified. She explained that reviewers would be selected through a Request for Qualifications process and act as consultants to the Commission.

Q: Have there been discussions of integrating all the Proposition 1 processes instead of having separate processes?

A: Ms. Marr explained that programs are all on different times and a WSIP project could potentially change during the application process. She added that Commission's goal is to provide an iterative process.

Q: Whom does the Commission envision to be federal leads for the National Environmental Policy Act process (NEPA)?

A: Ms. Marr explained that this would be up to the project partners and be based on the impacted facilities.

Q: How will the Commission consider projects that have been determined unfeasible by other feasibility studies?

A: Ms. Marr explained that this would be considered as part of the Commission's feasibility determination.

### **Recommendations**

- One attendee recommended the Commission include ranking criteria related to the avoidance of harmful impacts in addition to relative environmental values.

### **Adjourn**

Ms. Landis thanked attendees and adjourned the meeting.