

AUGUST 2015

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

# Opening

- Welcome
- Introductions
- Today's Agenda

# SAC Meeting Topics

- Draft Evaluation Criteria
- Common Assumptions for Project Analysis
- Net Improvements to Water Quality and Ecosystem Benefits
- Public Comment 1
- Regulation Package
- Commission Meeting Update
- Update on Definitions
- Introduction to Monitoring and Management of Public Benefits
- Next Steps and Action Items
- Public Comment 2

# Draft Evaluation Criteria

## Introduction and Discussion

# Two-Step Evaluation Process

1. Completeness and Eligibility Review
  - Applicant eligibility
  - Project eligibility
  - Measurable improvement to the ecosystem of the Delta or tributaries
  - Project documentation
  - Non-public benefit cost share

# Two-Step Evaluation Process (cont'd)

## 2. Technical Review

- Magnitude of public benefits
- Cost and cost share
- Return on investment
- Cost effectiveness
- Improvements to the operation of the water system
- Project feasibility
- Monitoring and management of public benefits
- Additional considerations
- Project integration
- Quality of analysis

# Common Assumptions for Project Analysis Discussion

# Overview of Documents

- Working drafts documenting staff's current thinking
- Content will be used to provide technical guidance to applicants
- "Requirements" will go into the Regulations
- "Recommendations" and general information will go into application package guidance

# Discussion for SAC Meeting

- How flexible or prescriptive should requirements for Common Assumptions be?
- What should requirements include?
- What other information should be provided to applicants?

# Discussion of Physical Common Assumptions Working Document

- See handout

# Discussion of Economic Common Assumptions Working Document

- See handout

Break

# Net Improvements to Water Quality and Ecosystem Benefits Discussion

# Facilitated Discussion

- Should compliance obligations be considered differently depending on how they are imposed (i.e., legal mandates from regulatory agencies versus general standards or objectives)?
- Is the suggested guidance (see handout) on WSIP funding eligibility for meeting existing compliance guidance appropriate?
- How should the baseline for existing compliance obligations be determined?

# Public Comment

# Lunch Break

# Regulation Package

## Introduction and Discussion

# Background

- Per §79754:
  - The Commission shall develop and adopt, by regulation, methods for quantification and management of public benefits
  - The regulations shall also include the priorities and relative environmental values

# Rulemaking Process

- Will follow the regular rulemaking procedures in the Administrative Procedure Act (APA)
- The regular rulemaking process requires that a state agency meet certain notice and public comment requirements and upon request, provide a public hearing.
- APA requirements are designed to provide:
  - notice to the regulated community
  - meaningful opportunity for public participation
- Regulations will be reviewed/ approved by the Office of Administrative Law (OAL)

# Regulations Package

- Four documents will be developed for the draft regulations package:
  1. Proposed text
  2. Initial Statement of Reasons
  3. STD Form 399 Economic and Fiscal Impact Statement
  4. Notice of Proposed Regulatory Action (notice)
- Once the notice is published in the California Regulatory Notice Register, the APA rulemaking process is officially started
- The Commission has one year to complete the rulemaking and submit the final rulemaking package to OAL

# Comment Opportunities

- The APA requires, at a minimum, a 45 day opportunity for public comment following the Notice of Proposed Rulemaking
- The Commission will schedule a hearing no later than 15 days after the close of the public comment period
- After the 45-day public comment period, the Commission may decide to change the initial proposal. Changes may be (1) nonsubstantial; (2) substantial and sufficiently related; or (3) substantial and not sufficiently related.
- Depending on the scope of the proposed changes, the Commission will make each change to the draft regulations available for public comment for between 15-45 days before adopting such a change

# Questions?

---

# Ecosystem Priorities Update

# Questions?

---

# Commission Meeting Update Presentation

# Commission Meeting Update

- Heard draft priorities from CDFW and State Water Board
- Provided approval to use staff draft definitions of public benefit categories
- Confirmed approval of staff draft definition of tributaries to the Delta
- Approved Final Goals, Objectives, and Principles Document
- Asked staff to use the request for qualifications process to identify potential independent technical reviewers
- Asked for SAC input on quantifying recreation benefits

# Discussion

- How should applicants be required to quantify recreation benefits?
- Is monetized value per user day appropriate? What are other methods?
- Are there recreation benefits that can not be monetized? How should the Commission consider them?

Break

# Definitions Update

# Commission Input

- Emergency response water (i.e., water from dedicated emergency storage) supplied to customers for human health and safety during a declared emergency may be considered a public benefit.
- Request guidance from SAC on difference between groundwater storage projects and conjunctive use projects

# Discussion

- See handout on groundwater storage projects and conjunctive use projects definitions

# Monitoring and Management of Public Benefits Introduction

# Regulations

§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...

# To Receive Funding...

§79755(a)(3)

The applicant has entered into a contract with [CDFW, the State Water Board, and DWR]...to ensure that the public contribution of funds pursuant to this chapter achieves the public benefits identified by the project.

# Potential Applications Requirements

- Application
  - Draft Operations Plan (or Feasibility Study documentation describing operations)
  - Draft Monitoring, Assurances, and Reporting Plan
- Post-Soft Commitment
  - Agency Contracts
  - Final Operations Plan
  - Final Monitoring, Assurances, and Reporting Plan

# Comments on Draft Regulations Text

- See handout

# Water Storage Investment Program SAC Next Steps and Action Items

# Public Comment