



August 12, 2015

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The Honorable Joseph Byrne, Chair
California Water Commission
P.O. Box 942836
Sacramento, CA 94236-0001

Subject: Comments on Stakeholder Advisory Committee Materials

Dear Chair Byrne:

Contra Costa Water District (CCWD) appreciates the opportunity to participate on the Stakeholder Advisory Committee (SAC) and provide feedback. Some of the materials presented at the August 5th SAC meeting were incomplete, so the comments provided below are based only on materials received to date. We look forward to reviewing additional materials, such as the updated fisheries and water quality priorities and complete common assumptions materials.

Working Paper for Common Assumptions – Physical Changes

The common assumptions appear to be based on the CalSim modeling platform, which is used to model operations of the Central Valley Project and State Water Project and may not be well suited to evaluating groundwater and other types of projects. While CCWD's Los Vaqueros Reservoir is included in CalSim, many other smaller projects and groundwater banks are not. Providing common assumptions best tailored to a specific modeling platform that is not well suited for all applicants may discourage or disqualify projects not already included in CalSim. Flexibility should be provided as much as possible to encourage a diverse applicant pool.

On page 17 of the Working Paper under section 4.3.1 the requirements state, "*Applicants are required to provide all applicable results of methods and models for with project and without project conditions so that metrics of physical changes can be determined for the standard set of parameter definitions, reporting units and locations. Applicants are required to provide results including time series data (model results, spreadsheets, calculations, etc.) for parameters and locations that are important for describing the metrics of physical changes unique to their proposed project description and operations, monitoring and assurance plans submitted with the application.*"

This amount of technical information requested from applicants will be challenging for reviewers to receive and evaluate. In addition to modeling output required to calculate with project and without project metrics, several quantitative sensitivity runs are recommended (Attachment A-2). Model input and output files for analysis that was run over a long period of record are large in size and difficult to understand if the reviewer does not have expertise with a specific model or is

unfamiliar the project facilities and operations. While modeling information should be made available upon request, the Commission should carefully consider if it will be valuable to receive all relevant output from multiple modeling scenarios for each application when it will not necessarily provide insight or help reviewers to evaluate projects. Rather, the Commission should develop examples of tables or plots that clearly summarize results that applicants can populate which can then be compared across projects.

Review of Applications/Project Application Evaluation Criteria

The review process for applications is extensive and will require expertise that will be difficult to find. Previous experience with scientific experts tasked with evaluating major Delta projects or policies has shown that it is difficult to find independent individuals who understand the issues well enough to provide meaningful insight. For example, if the CALFED storage projects use the CalSim model to evaluate benefits, it may be difficult to find independent experts because expertise on such a specific model is not widespread and most experts are already working for project proponents. The Commission should start outreach early to find qualified individuals who are truly independent. It may also be desirable to have public and stakeholder feedback on the development of the independent review panel to ensure that the evaluation process is as transparent and fair as possible.

The current schedule may need to be reexamined with input from stakeholders and other agencies to ensure that adequate review of project applications is balanced with sufficient time to complete all funding requirements. Streamlining the review process to the extent possible would increase the amount of time that project proponents would have to complete the required tasks necessary to receive a “hard funding commitment”. The review process could be streamlined by reducing the number of criteria by which projects are evaluated and conducting the integration study after the initial review of applications is completed.

Project evaluation criterion nine (Project Integration, Program Goal 79707(b)) raises important questions about how individual projects could be integrated with other projects to maximize benefits and reduce conflicts. A project integration study could be structured to answer these questions and streamline the review process. For example, an integration study undertaken after applications are submitted and before soft commitments are made would be time consuming and error prone, especially if done without input from the project proponents. We suggest that information submitted through the planned 2016 survey of potential projects be used to identify potential synergies and conflicts between projects, and that the project proponents can then modify their projects as needed before submitting their applications in 2017. If desired, a more extensive integration study could be developed by the Commission with input from project proponents and the public after soft commitments have been awarded. This would simplify the review process, provide the opportunity to resolve potential conflicts among projects, and ensure greater transparency.

Project evaluation criterion ten (Quality of Analysis) could also be structured to streamline the review process and include consideration of the scale of the project. Ascribing points to the quality of analysis will depend on the judgment of individual reviewers and may be difficult to

justify. The components of applications will be reviewed by different individuals or teams that could have different standards by which quality is judged. Given the effort to provide common assumptions for applicants in an attempt to standardize the applications, little has been developed for reviewers to standardize how applications will be evaluated. Ascribing points for the quality of analysis will likely favor large projects with significant funding at the expense of smaller local projects that may not have as many resources. While the quality of analysis will be important in evaluating applications, it does not need to be a separate evaluation criterion and could be incorporated into criterion eight (Additional Considerations).

Process Between Soft Funding Commitment and Hard Funding Commitment

Given the hurdles that need to be cleared to receive a hard funding commitment, there will most likely be projects that receive a soft funding commitment but fail to receive a hard commitment. With input from stakeholders and the public, the Commission should develop a response and a course of action if projects fail to advance from a soft commitment to a hard commitment within a reasonable amount of time. Responses could include a re-evaluation of applications that did not receive a soft commitment initially or an additional round of application solicitation.

One of the greatest challenges for a project that receives a soft funding commitment will be acquiring final permits. The Commission should engage both state and federal permitting agencies as early as possible to develop a strategy that provides for adequate time and resources to permit storage projects. Beginning a dialogue with permitting agencies early in the process provides the opportunity to inform the permitting agencies of the Commission's schedule and discuss the potential projects applying for funding. Budgetary planning and coordination will help ensure that permitting agencies are prepared to develop permits for a multitude of storage projects within a relatively short period of time.

Management and Monitoring of Public Benefits

Before funds are allocated, each project applicant must enter into a contract with the Department of Fish and Wildlife, the Department of Water Resources, and the State Water Resources Control Board to ensure that the public contribution of funds achieves the public benefits identified (§79755 (3)). Given that this is a new process and requirement, every effort should be made to begin developing the template language for these contracts as soon as possible. The Commission should strive to make use of permit reporting requirements wherever possible to minimize overlap and avoid potential contradicting requirements. Monitoring and reporting of many, but not all, of the public benefits will be required as part of project permits. To the extent possible, permit reporting requirements should be incorporated by reference into the contract for monitoring public benefits.

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Your consideration of our comments is greatly appreciated. If you would like to discuss our comments or have any questions, please do not hesitate to call me at (925) 688-8018 or Maureen Martin at (925) 688-8323.

Sincerely,



Marguerite Patil

Special Assistant to the General Manager

MP/MM/prs

cc: Vice-Chair Joe Del Bosque
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