

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

September 11, 2015

Chairman Joseph Byrne and Commissioners
California Water Commission
P.O. Box 942836
Sacramento, CA 94236-0001

Dear Chairman Byrne and Commissioners:

We, the undersigned members of the California Legislature, appreciate the opportunity to provide the California Water Commission with the following comments in relation to the Water Storage Investment Program and the important tasks of project selection and review of water storage projects eligible for Chapter 8 funding.

Our constituents are encouraged by the recent projections of an upcoming wet winter. This year, the drought has already cost nearly \$2 billion in economic losses and more than 10,000 seasonal jobs in the agricultural industry alone. Above average rainfall and a plentiful snowpack will begin to ease the pain of this drought. However, even if predictions become reality, one wet winter will do little to address the long-term structural problem of inadequate water supplies in our state. Regardless of El Nino conditions, California leaders must remain vigilant and work to ensure the timely construction of Chapter 8 water storage projects.

We thank you for your hard work and encourage the Commission to expeditiously develop and adopt, by regulation, methods for quantification and management of public benefits in advance of the December 15, 2016 deadline. It is imperative that the Commission continues its work to fulfill the expectations of California voters, who overwhelmingly supported Proposition 1, and to ensure that the Commission is able to commit funding for qualified water storage projects as early as March 2017.

We also wish to offer comments in regards to Water Code Section 79753(b). This section reads:

Funds shall not be expended pursuant to this chapter for the costs of environmental mitigation measures or compliance obligations except for those associated with providing the public benefits as described in this section.

We strongly support the following CWC staff interpretation of Water Code Section 79753(b) as we believe it to be consistent with the language and intent of Chapter 8:

Unlike in Chapters 4 and 6, the language in Chapter 8 contains neither requirement that the improvement exceed the existing regulatory baseline, nor temporal references limiting funding to measures/obligations that come into existence after the date of funding. Rather it states a broad exception allowing for the funding of such measures and obligations if they are related to providing any of the public benefits enumerated in Chapter 8, which included ecosystem improvements and water quality improvements. This exception is important because it may give the Commission flexibility to consider projects for funding that make ecosystem and water quality improvements that assist in environmental compliance, but that do not necessarily exceed existing regulatory requirements.

We also encourage you to begin to meet with potential project proponents to better understand how regulatory assurances will be provided. Project proponents will be spending considerable funds to complete feasibility studies and environmental documents. There remains uncertainty of how contracts for the public benefits will work when these contracts will involve the Department of Fish and Wildlife and State Water Resources Control Board which also have regulatory authority over permit issuance for both the project's long-term operation as well as for construction.

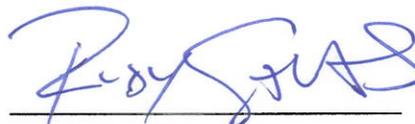
Your consideration of our comments is appreciated, both by us and the constituents that we are elected to serve.

The Commission and its staff's efforts to educate communities and seek public input on the Water Storage Investment Program are commendable and greatly appreciated. We applaud your endeavor to conduct the implementation plan in an open, transparent and fair manner, and to incorporate public feedback as the regulatory process continues.

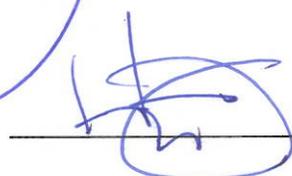
We look forward to working with the Commission and its staff in the coming year to implement the program to ensure the resilience and restoration of California's water supplies.

Sincerely,


James Gallagher


AD 32


Jim Nielsen


AD 31

Jim Codd AD9

John AD11

Devon Morris AD26

Lu Ly AD21

Lesly Chang 76th

Brian Doherty AD1

Frank Bigelow AD-05

Burt AD71

Wm P. R. AD73

Scott Hill AD38

Gene Codd AD04

Chaz AD40

John AD23

Kristen AD12

Yho AD65

Thomas Jordan AD36

CC: Governor Edmund G. Brown, Jr.
Charlton H. Bonham, Director, Department of Fish and Wildlife

~~Robert~~ 35

Colin B. B. AD 16

Patent Bates SD 36

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