



October 14, 2015

Mr. Joseph Byrne, Chair  
California Water Commission  
P.O. Box 942836  
Sacramento, CA 94236-0001  
Submitted via e-mail: [cwc@water.ca.gov](mailto:cwc@water.ca.gov)

**Subject: Comments on Water Storage Investment Program Draft Regulations**

Dear Chair Byrne and Commission Members:

On behalf of the Groundwater Resources Association of California (GRA), we write to applaud your efforts to develop regulations and supporting material for the Water Storage Investment Program (WSIP). We appreciate the opportunity to have participated in the Stakeholder Advisory Committee (SAC) and provide input to your California Water Commission (Commission) staff and consulting team from April through October of this year.

GRA membership includes over 1,400 professionals located throughout California with technical and legal expertise in groundwater. GRA has helped formulate statewide policy on the development, management, and protection of the state's groundwater resources. We have been an advocate for increased management and funding for groundwater for the past 15 years.

As you know, GRA was a strong supporter of Sustainable Groundwater Management Act (SGMA) last year and we believe that increasing conjunctive use to include expansion of groundwater storage is absolutely necessary for sustainable groundwater basin management in many if not all of the medium priority, high priority and critically overdrafted basins affected by SGMA. Chapter 8 of Proposition 1 is an excellent opportunity for local groundwater agencies to access meaningful funding assistance from the State of California as they work to put projects in place to protect their groundwater basins against the damaging effects of overdraft (subsidence, seawater intrusion, wells going dry, etc.) that plague many of our groundwater basins after four consecutive years of drought. While chapter 10 of Proposition 1 provides a small amount of funding for the development of groundwater sustainability plans, Chapter 8 holds the most potential to significantly advance conjunctive use including groundwater storage expansion in California.

The legislative intent of Proposition 1 was to provide funding for both surface and groundwater storage. "Sustainable water management in California depends upon reducing and reversing overdraft and water quality impairment of groundwater basins. Investments to expand groundwater storage and reduce and reverse overdraft and water quality impairment of groundwater basins provide extraordinary public benefit and are in the public interest" (Chapter 2, Section 79701 (h)). Unfortunately, we believe that the regulations as currently written create a substantial hardship for small surface and

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groundwater storage projects to meet funding criteria, and in fact favor only a few large surface storage reservoirs.

We request that you consider the following comments as you work to finalize the draft guidelines for this important program:

- 1) The feedback we have been receiving from groundwater storage and conjunctive use project proponents is that the quantification and valuation of physical benefit requirements outlined in the draft regulations will be very cumbersome and in some cases impossible to comply with. For example, in Section (4) vi. on page 13, applicants must monetize benefits for each year of their project's planning horizon. For a multi-benefit groundwater project, the quantification of all aspects would be very burdensome and complex to repeat for each year of the planning horizon. In some cases, it may not be possible to accurately predict what the benefits will be, given that California's water system is dynamic and subject to a variety of natural conditions (drought, flooding, climate change, etc.) that cannot always be anticipated. GRA believes that this situation will cause significant financial hardship for small project proponents. By contrast, many of the large surface storage projects have been in the planning phase for the past 10-15 years and have likely already completed many if not all of the analyses described in the draft regulations. GRA is interested in working with the Commission staff on devising quantification methodology that is equitable for groundwater storage/conjunctive use projects, and that does not favor certain types of projects at the expense of others. To that end, we offer the following suggestions for your consideration:
  - a) Commission staff working with their technical consultant(s) could provide increased technical assistance to groundwater storage proponents by quantifying water available for groundwater replenishment through the development of new surface storage, reoperation or forecast informed operation of existing surface reservoirs. Another form of local assistance could be to formulate a baseline of quantified physical benefits for each of the 9 hydrologic regions in California. This baseline would address all the physical benefit categories referenced in the draft regulations, would be provided by the state (perhaps in the technical appendix accompanying the final regulation and project solicitation package), and would be supported by robust technical analysis completed by Commission staff and their technical consultants using best available tools and technologies. Small (i.e. groundwater storage/conjunctive use) project proponents could then reference these baseline benefits relevant for their projects. This benefit baseline might include, for example, acre-feet of flow or temperature degree-days at specified points and time periods. Projects could then compete to provide these benefits at the lowest cost or with the highest reliability. A third form of technical assistance to locals could be to provide a blueprint for integration of conjunctive use and surface storage to help the small local groundwater managers better understand how and where they might integrate with surface storage to realize greater public benefits. A favorable outcome would be the coalescing of many new groundwater storage projects with new or expanded surface storage reservoirs through conjunctive use operations. This approach of offering focused and meaningful technical assistance to local agencies has the following benefits from GRA's perspective:



- i) Level Playing Field: Creates uniformity in the quantification and valuation of physical benefits, as opposed to each and every project proponent approaching quantification individually, using different methods, tools and assumptions. This uniformity will also reduce the burden on Commission staff in reviewing the grant applications shifting the focus of the evaluation more to the number and type of benefits rather than on how these benefits were derived.
  - ii) Cost Savings: Greatly reduces the cost to identify and quantify benefits by small project proponents, thus encouraging more robust competition to supply these benefits. This also should reduce the cost for DWR staff and their technical consultants in reviewing grant applications.
  - iii) Strong Foundation: The benefits baseline would provide a uniform base as described above. We recognize that many of the state and federal storage proponents have already completed very robust analyses in support of their project planning. Our suggestion should in no way undermine that previous work. Each proponent could choose to use the benefits baseline or complete their own independent analysis.
- b) **Create Separate Funding for Shovel Ready Projects**: Many groundwater storage and conjunctive use project proponents will be seeking funds to expand existing facilities. Many other groundwater proponents will have completed feasibility studies and related planning documents by the time WSIP are made available in 2017. We believe that a portion of the \$2.7B in the WSIP program, say 25%, could be directed to groundwater storage projects that could immediately begin construction and be fully operational within 24 months (shovel ready) following receipt of award. We also believe that many groundwater projects could be completed in this timeframe resulting in some early wins for the Commission and the people of the state by reducing or reversing overdraft.
- 2) **Definitions of Groundwater Storage and Conjunctive Use**: At the request of Commission staff, GRA has suggested text edits to earlier versions of these definitions. However, upon further consideration, we find that there is no technical basis for a distinction between these two terms and instead recommend combining the two terms in the WSIP regulations. Because the legislative intent cited above finds extraordinary public benefit by reducing and reversing overdraft, GRA recommends combining groundwater storage with conjunctive use in the WSIP regulations. It is noted that the current version of the conjunctive use definition favors large surface water storage projects. It is also our observation that attempting to create a distinction through the WSIP has taken significant staff time and continues to be a source of confusion by multiple members of the SAC. We believe if the Commission finalizes the regulations with the current definitions of these two terms, there will continue to be confusion and frustration by the public, since these terms are used interchangeably in the industry. GRA is available to assist Commission staff with the development of a combined definition.



Although the Stakeholder Advisory Committee has disbanded, GRA continues to stand ready to assist you and your staff in finalizing and implementing the WSIP. Thank you for all your work on this and other important groundwater regulations currently under development.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christian E. Petersen".

Christian E. Petersen, PG, CHG  
GRA Vice-President

A handwritten signature in blue ink, appearing to read "Timothy K. Parker".

Timothy K. Parker, PG, CEG, CHG  
GRA Legislative Committee Chairman

cc: Members, California Water Commission  
The Honorable Kevin de Leon, Senate President pro Tem  
The Honorable Toni Atkins, Assembly Speaker  
The Honorable Anthony Rendon  
The Honorable Fran Pavley, Chair, Senate Natural Resources and Water Committee  
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The Honorable Marc Levine, Chair, Assembly Water, Parks and Wildlife Committee  
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