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October 14, 2015

The Honorable Joseph Byrne, Chair
California Water Commission
P.O. Box 942836
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Submitted via e-mail: cwc@water.ca.gov

Subject: Comments on Water Storage Investment Program Draft Regulations Text

Dear Chair Byrne and Commission Members:

The Sacramento Regional County Sanitation District (Regional San) appreciates the opportunity to comment on the October 6, 2015 draft regulations for the Proposition 1 Water Storage Investment Program (WSIP). Regional San provides wastewater treatment for over 1.4 million residents and businesses in and around the Sacramento region, treating on average, around 150 million gallons per day of wastewater. With the future completion of Regional San's wastewater treatment plant upgrades – known as the “EchoWater Project” – all of the Plant's approximately 167,000 acre feet per year of treated water would meet water recycling standards and could be available for additional water recycling and groundwater storage and enhancement opportunities. We are dedicated to protecting, conserving, and restoring water resources in California, and know that WSIP offers an excellent opportunity to help fund projects that will enhance the resiliency of our water system.

Our specific comments on the draft regulations are outlined below.

Article 1. Definitions

Section 6000 Definitions

- General Comment: Regional San recommends that the definitions be reviewed to ensure that they are consistent with, and not in conflict with other water related statutes or regulations promulgated by state agencies or departments such as the State and Regional Water Boards or Delta Stewardship Council.
- “Groundwater dependent ecosystem”: We suggest that the words “or on groundwater being near the ground surface” be added to definition (II) in recognition of the fact that groundwater does not have to emerge in order to be accessible to, and support, groundwater dependent habitats. We recommend the following change to the definition:
(II) “Groundwater dependent ecosystem: means communities of plants and animals dependent on groundwater emerging from aquifers and water tables **or dependent on groundwater being near the ground surface.**”

- “Conjunctive Use”: The definition of “conjunctive use” should be clarified to ensure that both recycled water and in-lieu recharge are considered. We recommend the following changes to the definition:

“Conjunctive use project” means the coordinated and planned management of existing surface water ~~reservoirs~~ **supplies**, and groundwater ~~resources~~ **supplies, and other supplies including recycled water** in order to maximize the efficient use of both resources **and/or to support other beneficial uses of water**. Conjunctive use projects may include development of new operational agreements and construction of appurtenant infrastructure. To be considered for a maximum project cost share exception, per Water Code Section 79756(a), these projects shall utilize existing facilities and resources to the maximum extent practicable.

- “Groundwater Storage Project”: We appreciate the revised definition of groundwater storage, and have two suggestions to further improve the definition. First adding **supporting groundwater dependent systems** to the definition, and second add a definition of “groundwater recharge.” We suggest the following language:

“Groundwater storage project” means engineered projects that capture, infiltrate, inject or recharge water supplies, including but not limited to floodwaters, stormwater, contract water, and recycled water, into a groundwater basin for later use, **supporting groundwater dependent ecosystems**, and/or to avoid or address undesirable groundwater results such as chronic lowering of groundwater levels, reduction of groundwater storage, land subsidence, depletion of interconnected surface water, and water quality degradation.

“Groundwater recharge” means water added to an aquifer or the process of adding water to an aquifer. Groundwater recharge can be naturally occurring or managed by deliberate human actions. Managed recharge includes the addition of water to a groundwater reservoir through direct recharge, such as; through constructed spreading basins, wells, or otherwise, and/or in-lieu recharge, which is storing water by providing other water supplies to groundwater users “in-lieu” of their pumping groundwater.

Article 2. Guidelines

Section 6002. General Selection Process

- Regional San recommends that the Commission consider issuing two solicitations for the WSIP so that both near term and long-term projects can compete for funding. Only issuing one solicitation will bias the program towards projects that are already, or nearly shovel ready. In some cases, applicants will need a significant amount of time to prepare the required analysis and documentation by the proposed 2017 solicitation date. This is particularly applicable to proposals for conjunctive use and groundwater storage projects.

These types of projects can offer multiple benefits often with greater environmental and economic value. However, the relatively short time between the finalization of the regulations and the release of the solicitation means that proponents who are not currently developing their projects or who have not been able to develop the metrics to quantify project benefits will not have time to do so. As a result, meritorious projects that have multiple benefits may go unfunded.

Additionally, holding two solicitations will give Commission staff an opportunity to learn and further refine the solicitation process. Another factor to consider, is the fact that an additional solicitation could promote more opportunities for collaboration among applicants, for example if a groundwater storage project is funded in the first round, that funding could encourage other applicants to develop conjunctive use projects in the same water management area and apply for funding from the second solicitation.

Section 6002. General Selection Process (c) (3) Eligibility and Completeness Review

- Item iii.: The draft regulations propose a 14-day period for applicants to submit any eligibility or completeness deficiencies when they are identified by staff. Given the magnitude of these projects and the technical information that will be involved, this seems like a very short turnaround for this information. After all of the time and work that will go into preparing these applications, it would be very unfortunate to have an application disqualified because an applicant cannot, for example, complete new modeling work within 14 days. We suggest that language be added to the regulations to clarify that the Commission will allow for extensions where there is good cause.
- We also recommend that a section be added to the draft regulations which states the following:

“Documentation that the project is included in an Integrated Regional Water Management Plan (IRWMP).”

Section 6002. General Selection Process (c) (4) Technical Review

- Item v.: We appreciate that the Commission lengthened the window of time for providing requested information from 30 to 60 days. We believe that a 60-day time period will give applicants sufficient time to provide information requested by the Commission. However, in some rare circumstances 60 days may still not be enough time, so we encourage the Commission to allow for extensions beyond the 60-day window when there is good cause.

Section 6002. General Selection Process (c) (5) Independent Peer Review

- Regarding the independent peer reviewers, Regional San believes it is important to have a group that is both as diverse and objective as possible. Given the variety of project types that will be evaluated by Commissioners and the technical review team, it is very important to have peer reviewers who not only have expertise in a variety of disciplines, but also have expertise in different types of storage projects, including conjunctive use, groundwater storage, and surface storage, and water supplies, including recycled water.

Section 6003. Funding Commitments (a) Conditional Funding Commitment

- Section (a)(2) indicates that the Commission will be able to either substantially reduce the original funding commitment or pull funding from a project at any given time. Given the likely high cost of these projects, and the significant amount of time and resources required to plan and implement them, this is a particularly troublesome concept. We suggest that the draft regulations include some additional clarity about what type of circumstances would cause funding to be reduced or withdrawn.

Article 3. Quantification and Management of Benefits

Section 6004. Quantification of Benefits

- It seems that the quantification of benefits requirements outlined in the draft regulations would be very cumbersome and in some cases impossible to comply with. For example, in Section (5) “Estimate the Project Costs”, 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 cumbersome 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 our water system is dynamic and subject to a variety of natural conditions (drought, flooding, climate change, etc.) that cannot always be anticipated.
- Regional San is interested in working with the Commission staff more on devising quantification methodology that is equitable for groundwater, conjunctive use and multi-benefit projects, and that does not favor certain types of projects at the expense of others. We recommend that the Commission work with stakeholders in an open and transparent process to develop the methodology that will be used to quantify environmental benefits.

Section 6005 Priorities: (a) California Department of Fish and Wildlife ecosystem priorities

- (1) Flow and Water Quality
We are pleased to see this important function of groundwater storage included:
viii. Maintain groundwater and surface water interconnections to support instream benefits and groundwater dependent ecosystems.
- (2) Physical Processes and Habitat
We suggest that the words “or groundwater conditions” be added to priority i.
Groundwater conditions can have a significant impact on the quality and quantity of available habitat, and this should be recognized in this section of the regulations.
Suggested language change:
i. Enhance flow regimes **or groundwater conditions** to improve the quantity and quality of riparian and floodplain habitats for aquatic and terrestrial species.

Section 6005 Priorities: (b) State Water Resources Control Board water quality priorities

- We are supportive of the addition of the words “or restore” to subsection (6): “Protect, clean up, **or restore** groundwater resources in CASGEM high- and medium-priority basins.”

Section 6006 Relative Environmental Value: (a) California Department of Fish and Wildlife

In sub-section (8), “Location of ecosystem improvements and connectivity to areas already being protected or managed for conservation values,” we are pleased to see that enhancement of seasonal and permanent wetlands and riparian habitat are included as a priority in the DFW document. We are also pleased to see the added emphasis on enhancement of existing protected lands.

At the Stakeholder Advisory Committee meeting on October 7th, we were pleased to learn that staff from the Department of Fish and Wildlife and State Water Resources Control Board will be involved in the technical review process of determining relative environmental value.

We would like to reiterate our appreciation for the opportunity to give our feedback on the development of the WSIP, a program that will have an important impact on our water supply system. If you have any questions regarding our comments or if we can be of any assistance, please call contact me at 916-876-6092 or at mitchellt@sacsewer.com.

Sincerely,



Terrie L. Mitchell
Manager, Legislative and Regulatory Affairs
Sacramento Regional County Sanitation District

CC: The Honorable Members of the California Water Commission
Prabhakar Somavarapu, District Engineer – Regional San
Christoph Dobson, Director of Policy & Planning – Regional San