



# Water Storage Investment Program

(Proposition 1 Water Bond, Chapter 8)

## Program Implementation Plan

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# Water Storage Investment Program

In November 2014, California voters overwhelmingly approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 reaffirming the need for a safe and reliable supply of water to support the state's economy, environment, and quality of life.

The bond includes \$2.7 billion for public benefits of water storage projects that provide measurable benefits to the Delta ecosystem or its tributaries. The Water Storage Investment Program will fund the public benefits, which are defined as ecosystem improvements, water quality improvements, flood control benefits, emergency response, or recreational purposes that result from eligible water storage projects.

The program will support the California Water Action Plan and help ensure the reliability, resilience, and restoration of California's water supplies. It will also build on existing investments by federal, state and local agencies, and will support projects that provide the maximum return on investment.

Over the next two years, the California Water Commission will work with stakeholders including water agencies, conservation organizations, public agencies, technical experts, economists, and communities through the state to develop the regulations and guidelines that will shape the Water Storage Investment Program and make these important investments in California's water future. The Commission will also work with California Native American tribes during the development and implementation of the program.

There are many ways for the public and stakeholders to participate. All of the Commission's meetings are open to the public and most are webcast. The Commission will convene stakeholder advisory groups to review existing work products and make recommendations. All materials and documents will be available on the website and upon request.

The Water Storage Investment Program represents an important opportunity to invest in water projects that will produce real and measurable public benefits, and help address the long term water needs for California families, farms, communities, and natural resources. The California Water Commission is committed to developing and implementing a program that will be open, transparent, fair, cost-efficient, and maximize the sound and responsible investment of public dollars.

# Implementation Plan

This document presents a framework to guide the California Water Commission as it develops and implements a program to invest in the public benefits of water storage projects. It is intended to provide an overview of the Commission's decision-making process to determine the best criteria and methodology to evaluate proposed water storage projects, and select those projects that will provide the greatest improvement to the operation of the statewide water system, are cost effective, and support the co-equal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem.

## Guiding Principles

The following are principles outlined in statute, policy, and the Commission's strategic plan that express the values of the Commission and will be used to implement the Water Storage Investment Program.

- The program will be developed and implemented in accordance with all **statutory requirements** associated with the bond, as well as all requirements for **sound fiscal management** and **accountability**, **environmental** review requirements, and the Administrative Procedures Act.
- The program will support and implement the objectives of the **California Water Action Plan** for sustainable management of California's water resources.
- The Commission intends to engage the public, stakeholders, state, federal, and local agencies in an **open and transparent public process** as it develops and implements the program. A stakeholder workgroup will review materials, make recommendations, and provide technical expertise. Commission meetings are open to the public and all materials and work products are available online and upon request.
- The Commission will consult with **California Native American tribes** during the development and implementation of the program.
- The Commission's actions will consider the **Human Right to Water** law which declares that every human has the right to clean, affordable, and accessible water.
- The program will use **sound science and established economic principles** to evaluate the public benefits of projects.
- Consideration will be given to projects that provide the **greatest statewide benefit**, provide multiple benefits, and that **leverage other public and private investments**.
- The regulations, project solicitation and evaluation guidelines, applications, and other program materials will be developed with the intent to **provide clear information and guidance** and supported with a commitment to providing the necessary technical and program assistance to participating agencies and project applicants.

## Key Activities and Milestones

**Regulations:** By December 15, 2016, the Commission will develop and adopt regulations, through the Administrative Procedures Act, for the quantification and management of the public benefits of water storage projects.

**Project Solicitation and Evaluation Guidelines:** The Commission will prepare project solicitation and evaluation guidelines for the Water Storage Investment Program and conduct required hearings to consider public comments before finalizing the guidelines.

**Interagency Coordination:** The regulations, guidelines, and project solicitation and selection criteria will be developed in consultation with the Department of Fish and Wildlife, State Water Resources Control Board, DWR, other state, federal and local agencies, and technical and economic consultants.

**Stakeholder Process:** In addition to public participation at the Commission meetings and other public comment opportunities, a Stakeholder Advisory Committee will be convened in early 2015 representing a broad variety of backgrounds and interests. Stakeholders will provide valuable technical and program expertise to the Commission for consideration in developing the regulations, guidelines, project solicitation, and program activities.

**Program Development:** Commission and staff will review the existing quantification and methodology work, draft regulations, guidelines, and other work products previously prepared for the Commission. Commission will determine what additional technical and economic analysis work is needed, including but not limited to any new models for quantifying and evaluating public benefits of eligible water storage projects. The Commission will also direct all other program development activities including an initial scoping survey, the project solicitation and evaluation process, the role of an expert panel to review proposed water storage projects, additional public hearings, and coordination and notification to state agencies and the Legislature as required by policy and statute.

**Project Selection and Funding:** The Commission will select projects through a competitive public process than ranks proposed projects based on expected return of public investment as measured by the magnitude of public benefits provided. The format and timing of project applications solicitation and selection will be determined by the Commission with input from staff and stakeholders.

# Project Management Team

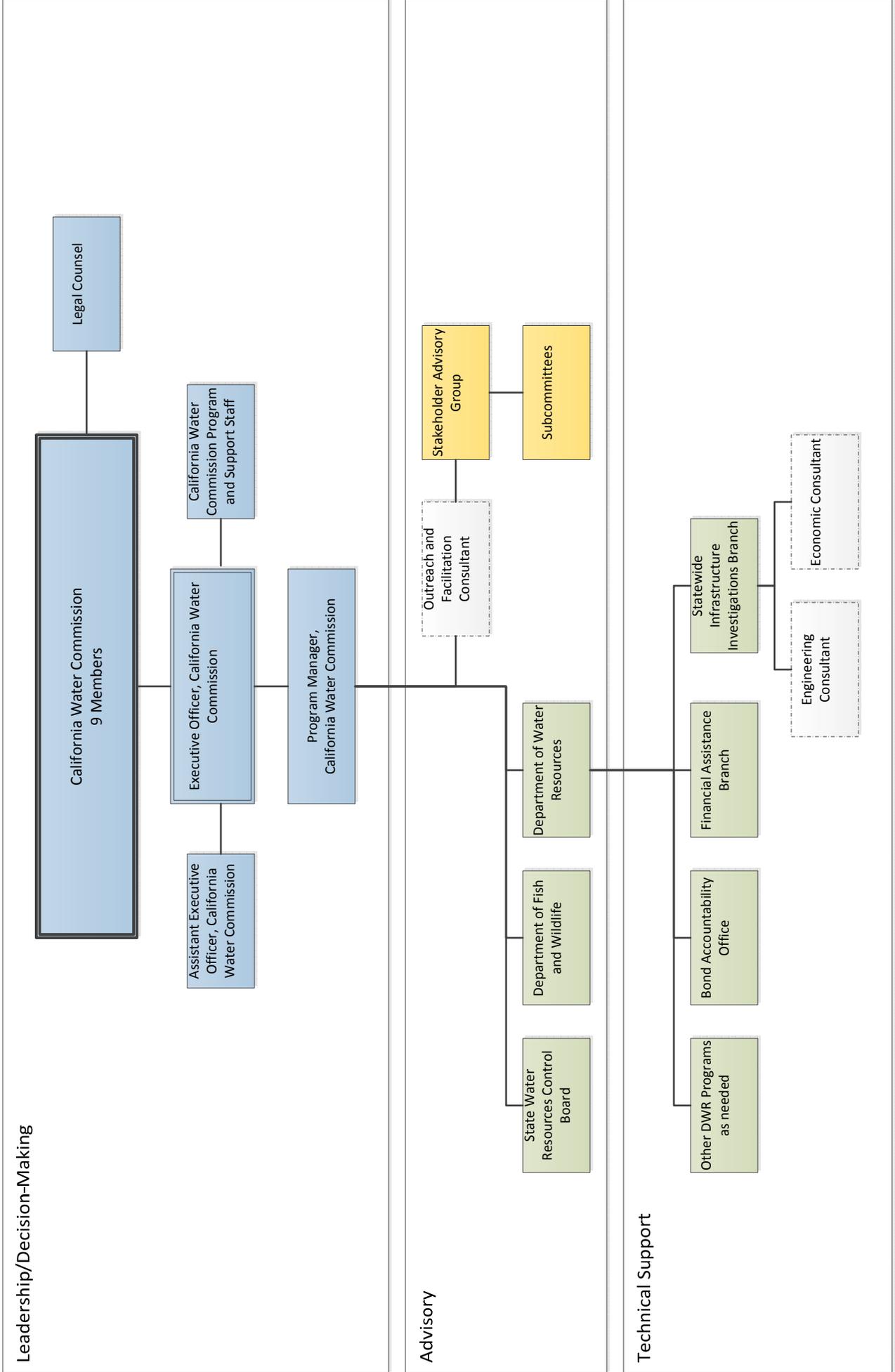
The project will be managed by the Commission, including the Executive Officer, legal counsel, program manager, program analysts, and support staff who will work at the direction of the Commission to develop, research, analyze information and public input, prepare work products, make recommendations, and implement the program objectives.

The Commission will identify and utilize necessary additional staffing resources at DWR and other agencies to support the project. These may include:

- Technical, engineering, economic analysis, bond accountability and financial management work from DWR
- Support from Department of Fish and Wildlife to ensure regulations and proposed projects include the priorities and relative environmental values of ecosystem benefits (interagency agreement)
- Support from State Water Resources Control Board to ensure regulations and proposed projects include the priorities and relative environmental values of water quality benefits (interagency agreement)
- Specialized technical and outreach assistance from contractors, as needed.
- Additional legal support, as needed.

# California Water Commission

## Water Storage Investment Program



# Timeline

The following is a listing of some of the key milestones and project activities as of January 2015. A more detailed timeline is contained in the Commission's Project Management Plan. Updates will be posted on the Commission's website and work products.

January 2015	Commission meeting on Water Storage Investment Program including presentations on proposed workplan, schedule and deliverables, stakeholder process, financial and policy issues.
January 2015- August 2015	<p>Review existing regulations and guidelines. Direct scoping survey to identify proposed and planned water storage projects statewide.</p> <p>Identify and direct additional staff and consultant work, as necessary, on additional economic analysis, technical issues, and operational and program issues to support development and approval of regulations, guidelines, project solicitation and evaluation processes, and other policy decisions. On an ongoing basis, evaluate recommendations from staff, state agencies, and the public.</p> <p>Consultation with the Department of Fish and Wildlife and State Water Resources Control Board on priorities and relative environmental values of ecosystem benefits and water quality benefits.</p>
Beginning in February 2015	<p>Establish stakeholder advisory committee, set schedule for reporting to Commission, and identify key issues for consideration. The Stakeholder Advisory Committee will provide recommendations to Commission on the regulations, project solicitation and evaluation guidelines, and other program components.</p> <p>Coordination and consultation with tribal governments, disadvantaged communities, and in support of Human Right to Water requirements.</p>
September 2015	Approve draft regulations and submit to the Office of Administrative Law (OAL)
October 2015	Begin OAL official rulemaking process. Hold public comment periods and hearings. OAL allows up to one year for approval of final regulations.
2015-2016	Continue with development of regulations, guidelines, project solicitation process, outreach and public information activities, expert review panel, project evaluation criteria, funding schedule, benefits monitoring program, and fiscal management and transparency process
December 15, 2016	Statutory deadline for approval of regulations. First day funds may be allocated.
Beginning in 2016/17	<p>Expert panel reviews project applications and makes recommendations</p> <p>Commission reviews and ranks applications, using information provided by expert panel. Funding recommendations made by Commission.</p> <p>Public hearings to receive comments on draft findings and funding recommendations. Final findings and recommendations provided to Legislature.</p> <p>Enter into contracts with selected project proponents. Funds committed and distributed.</p> <p>Public benefits monitoring activities</p>

## Contact Information

Additional information on the Water Storage Investment Program is available on the Commission website, or contact the Commission.

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California Water Commission

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The Commission typically holds its public meetings on the third Wednesday of each month at the following location:

California Natural Resources Agency Headquarters

1416 Ninth Street, First Floor Auditorium

Sacramento, California 95814

Meetings held at this location are also webcast live and archived for later viewing.

To confirm the meeting dates and agendas, check the Commission website. To be added to the Commission's listserv for notification of meeting and other Commission information, please contact staff by email or phone.