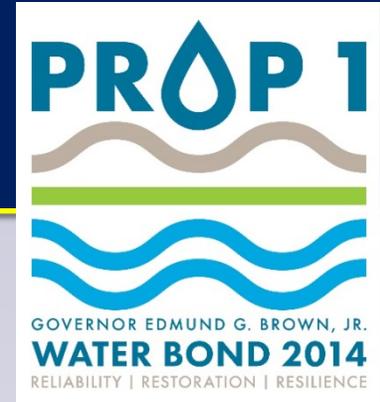


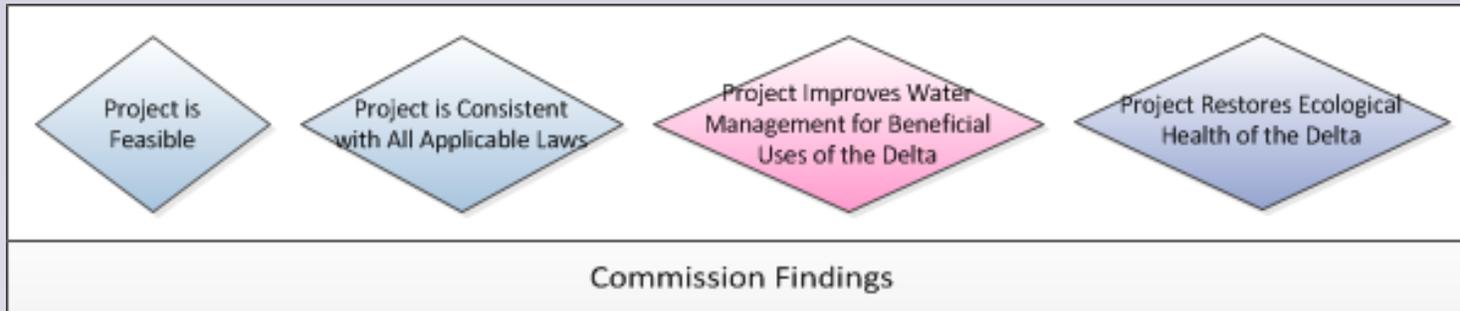
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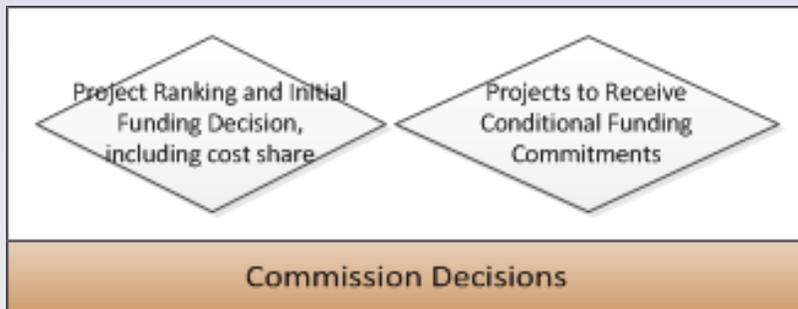
California Water Commission Water Storage Investment Program Concepts for Developing the Evaluation and Selection Regulations

Commission Findings and Decisions

- Commission Findings (Statute)



- Commission Decisions (Regulations)



Important Considerations for the Evaluation and Selection Process

- Requirements in statute
- Commission member goals, priorities and program preferences
- Timing – getting projects implemented to realize public benefits
- Stakeholder input – what's realistic? what's doable?
- What is required in regulation?

Draft Framework for Evaluation and Selection

The draft framework for evaluating, scoring, and selecting projects is:

1. Project is determined to be eligible. (Described in the Quantification Regulations)
2. Project is evaluated using defined criteria and metrics.
3. Project is given a composite “score” by applying weights to the criteria.
4. Project is evaluated for quality of the analysis.
5. Commission is provided project dashboards for decision-making.
6. Commission identifies projects for funding.
7. Commission determines the funding amount.

Step 2. Project is evaluated using defined criteria and metrics.

- This will be described in the Evaluation Regulations.
- Criteria and Metrics will be developed and used for different purposes:
 1. Detailed metrics to be used during the technical review to develop necessary information to support the Commission's decision-making (under development)
 2. High-level metrics for Commission decision-making

Draft Decision Criteria and Metrics

Decision Criteria	Metric(s)	Statutory Requirement	Stated Goal or Objective	Staff Proposal
Public Benefits	Return on Investment	X	X	
Relative Environmental Value	Ecosystem REV Water Quality REV	X		
Water System Improvements	Water supply reliability	X	X	
Delta Benefits	Restoration of Ecological Health Water Management Improvements	X	X	
Resiliency	Change in Benefits under Different Conditions		X	
Implementation Complexity	Environmental Compliance Requirements Permitting Requirements Water Rights/Contract Requirements Institutional Requirements Land Acquisition Requirements Timeframe for Implementation Acceptability			X

For Commission Consideration:

- Statute requires ecosystem improvements to the Delta or tributaries for a project to be eligible. This could be a yes/no question. Staff recommends including a measure of magnitude of Delta benefits in the Commission's decision criteria.

Would Commission members like to include Delta benefits as a separate decision criteria? If so, Delta ecosystem benefits will be counted under multiple categories (ROI, REV, and Delta-specific) and would strongly influence composite scores.

For Commission Consideration:

- Consideration of resiliency is not required by statute, but is important to the Commission's decision-making, as indicated by the Program goals. The Program goal is specific to the resiliency of the public benefits. **Would the Commission members like to consider the resiliency of all benefit types in its decision criteria?**

For Commission Consideration:

- Consideration of implementation complexity has not previously been identified by the Commission as a program goal or objective. Staff propose including a measure of implementation complexity in the Commission's decision-making. **Would Commission members like to include implementation complexity in its decision criteria?**

Step 3. Project is given a composite “score” by applying weights to the criteria.

- This step will be included in the Evaluation Regulations and will describe how weights will be applied to the decision criteria and metrics.
- The weights will be tied to statutory requirements and program preferences and desired program outcomes identified by the Commission.

Weighted Composite Score

Decision Criteria	Metric(s)	Raw Score	Weight	Weighted Score
Public Benefits	Return on Investment	Ex. 1 to 3 (H/M/L)	Ex. 30% of total	
Relative Environmental Value	Ecosystem REV Water Quality REV			
Water System Improvements	Water supply reliability			
Delta Benefits	Restoration of Ecological Health Water Management Improvements			
Public Benefit Resiliency	Change in Public Benefits			
Implementation Complexity	Environmental Compliance Requirements Permitting Requirements Water Rights/Contract Requirements Institutional Requirements Land Acquisition Requirements Timeframe for Implementation Acceptability			

Weighted Composite Score

Step 4. Project is evaluated for quality of the analysis.

- This evaluation will be described in the Evaluation Regulations.
- Staff must consider how well an applicant conducted their analysis, including:
 - Use of best available science, or data sufficient for the level of analysis
 - Use of generally accepted methodologies
 - Provision of adequate documentation and justification for analysis
 - Others

Quality of Analysis

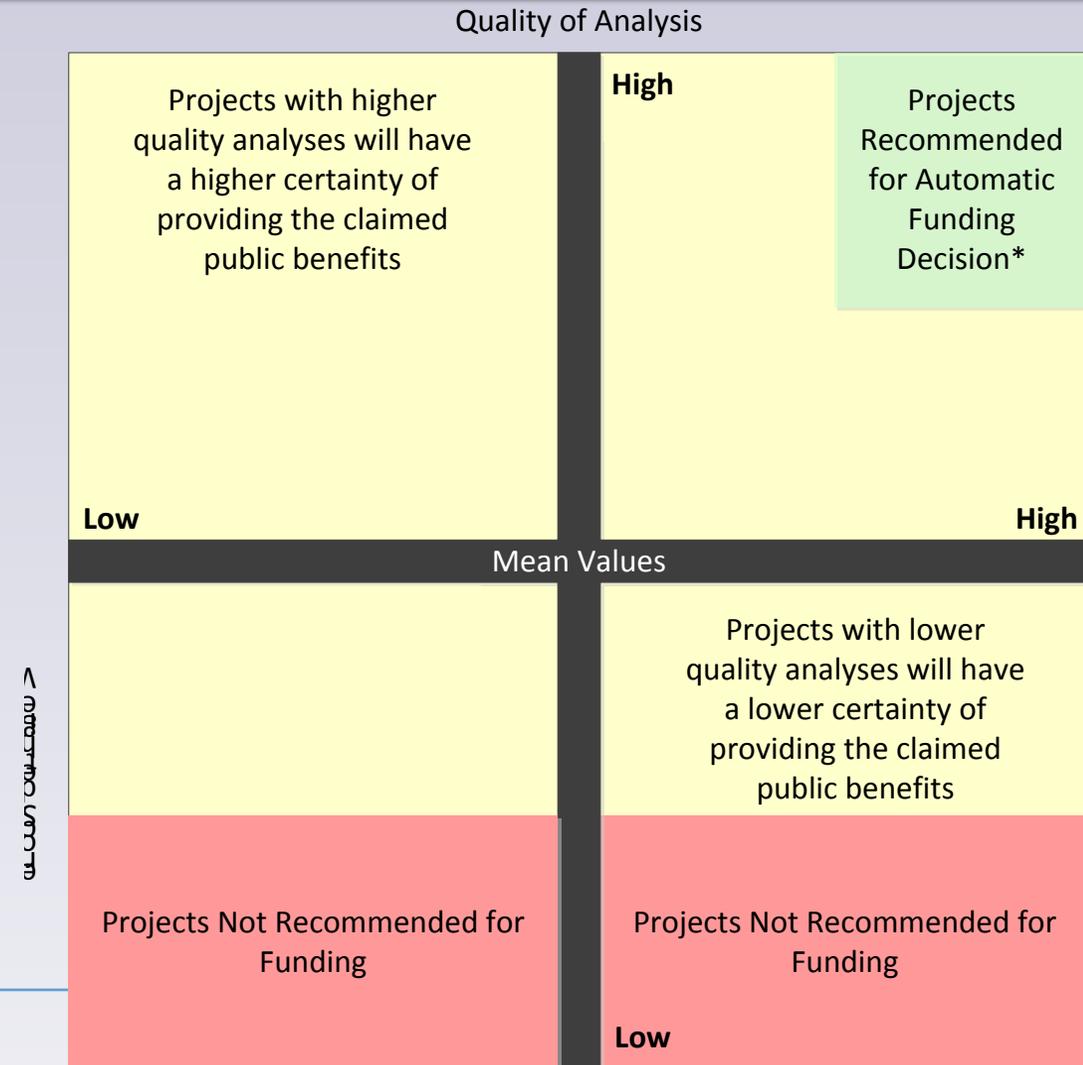
Decision Criteria	Metric(s)	Raw Score	Weight	Weighted Score	Quality of Analysis
Public Benefits	Return on Investment	Ex. 1 to 3 (H/M/L)	Ex. 40% of total		Ex. 1 to 3 (H/M/L)
Relative Environmental Value	Ecosystem REV Water Quality REV				
Water System Improvements	Water supply reliability				
Delta Benefits	Restoration of Ecological Health Water Management Improvements				
Public Benefit Resiliency	Change in Public Benefits				
Implementation Complexity	Environmental Compliance Requirements Permitting Requirements Water Rights/Contract Requirements Institutional Requirements Land Acquisition Requirements Timeframe for Implementation Acceptability				
Weighted Composite Score					

Step 5. Commission is provided project dashboards for decision-making.

- To support Commission decision making, staff will provide the Commission members dashboards to illustrate their evaluations for all of the projects combined and individually.

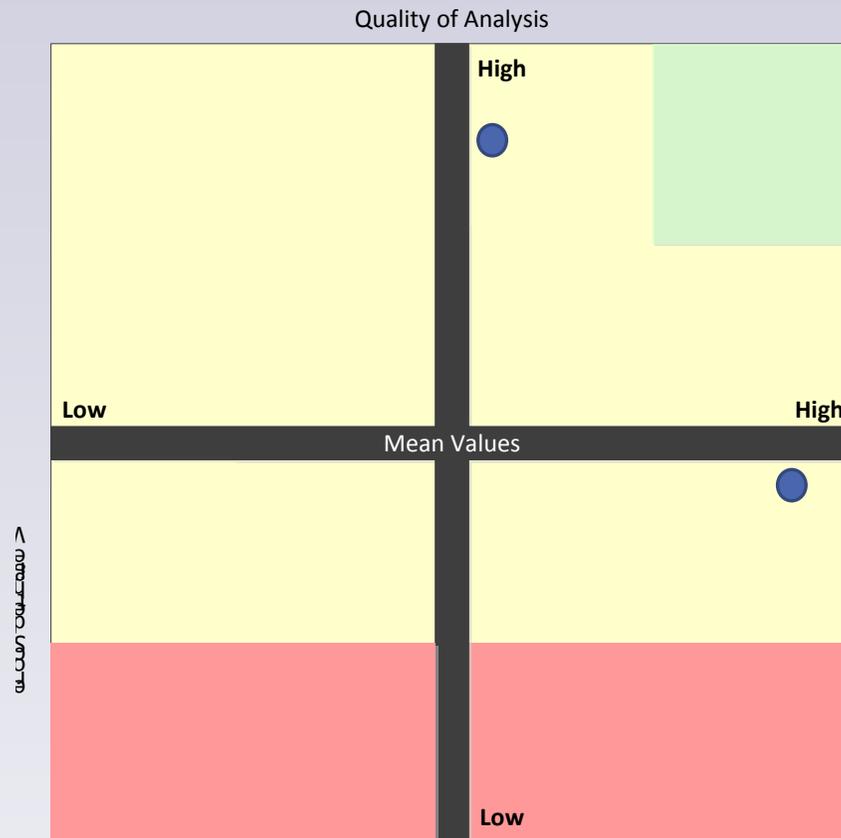
Example/Draft Combined Dashboard

- Projects are plotted by weighted score versus quality of analysis
- Commission will need to consider tradeoffs for projects in the yellow areas
- All projects plotted would be eligible and have a BCR > 1
- *Funding decision pending a conflict analysis



Example of a tradeoff analysis

- Which project would the Commission prefer to fund?



Project Name	Big River Water Storage Project
Applicant	Big River Water Group
Agency	
Amount Requested	\$50,000,000
Non-Public Cost Share	\$50,000,000
Total Project Cost	\$100,000,000
Project Type	Conjunctive Use

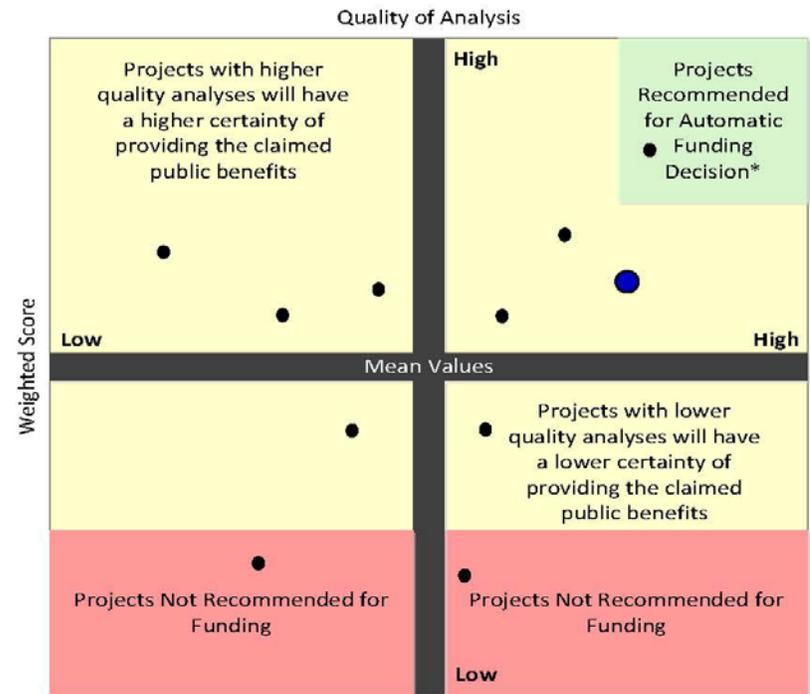
Project Abstract

The hypothetical project could include some new storage which will provide for an additional 500 acre feet of water per year to a nearby area and will provide cold water flows for salmonid habitat. The project could also include groundwater recharge that will provide 500 acre feet of water per year and will provide flexibility to the water operations for the local water district. The new storage could provide flood storage during wet years and so much of that water will be available for emergency situations should they occur. The project could provide needed municipal water supply to a nearby population and could integrate with the State Water Project. The project could provide measurable benefits to the Delta at such and such location during a specific time of the year. Local cost share beneficiaries include such and such agencies and Federal funds are committed from such agency.



Commission Decision Criteria	Score (3 to 1)	Weight	Weighted Score	Quality (4 to 1)
Benefits				
Return on Public Investment	3	4	12	2
Resilience				
Resilience to uncertain future scenarios	3	4	12	4
Relative Environmental Value				
Ecosystem	2	3	6	3
Water Quality	2	3	6	3
Water System Improvements				
CVP/SWP	3	2	6	4
Regional/Local	2	2	4	3
Small Water System (possible 1 additional point)	0	2	0	0
Implementation Complexity				
Simple to Complex	2	2	4	4
Delta Findings				
Advances objectives of restoring ecological health	2	1	2	3
Improves water management for beneficial uses of the Delta	3	1	3	4
Totals			55	30

Projects Plotted by Weighted Score versus Quality of Analysis, Commission will Consider Tradeoffs on Projects in the Yellow Zone



Notes:
 * Decision pending a conflict analysis
 All plotted projects will be eligible and have BCR > 1

Technical review of the project resulted in the following observations:

- Supporting information for benefit and cost is lacking.
- Project showed great ability to withstand an uncertain future and specifically certain items of note included such and such.
- Some information related to Delta findings.
- Ecosystem and water quality benefits were less certain but promised a large benefit as evidenced by a large benefit/cost ratio.
- Etc.
- Etc.

Step 6. Commission identifies projects for funding.

- This process is generally described in the Quantification Regulations. However, a description of how the Commission will use the dashboards and a clear deliberation process will need to be included in the Evaluation Regulations, or an update to the Quantification Regulations.

Step 7. Commission determines the funding amount.

- This process must be described in the regulations
- A methodology must be developed to determine the amount of funding the Commission will allocate to a project
- A draft methodology will depend on input received on the previous steps

Questions?

Discussion

Draft Decision Criteria and Metrics

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