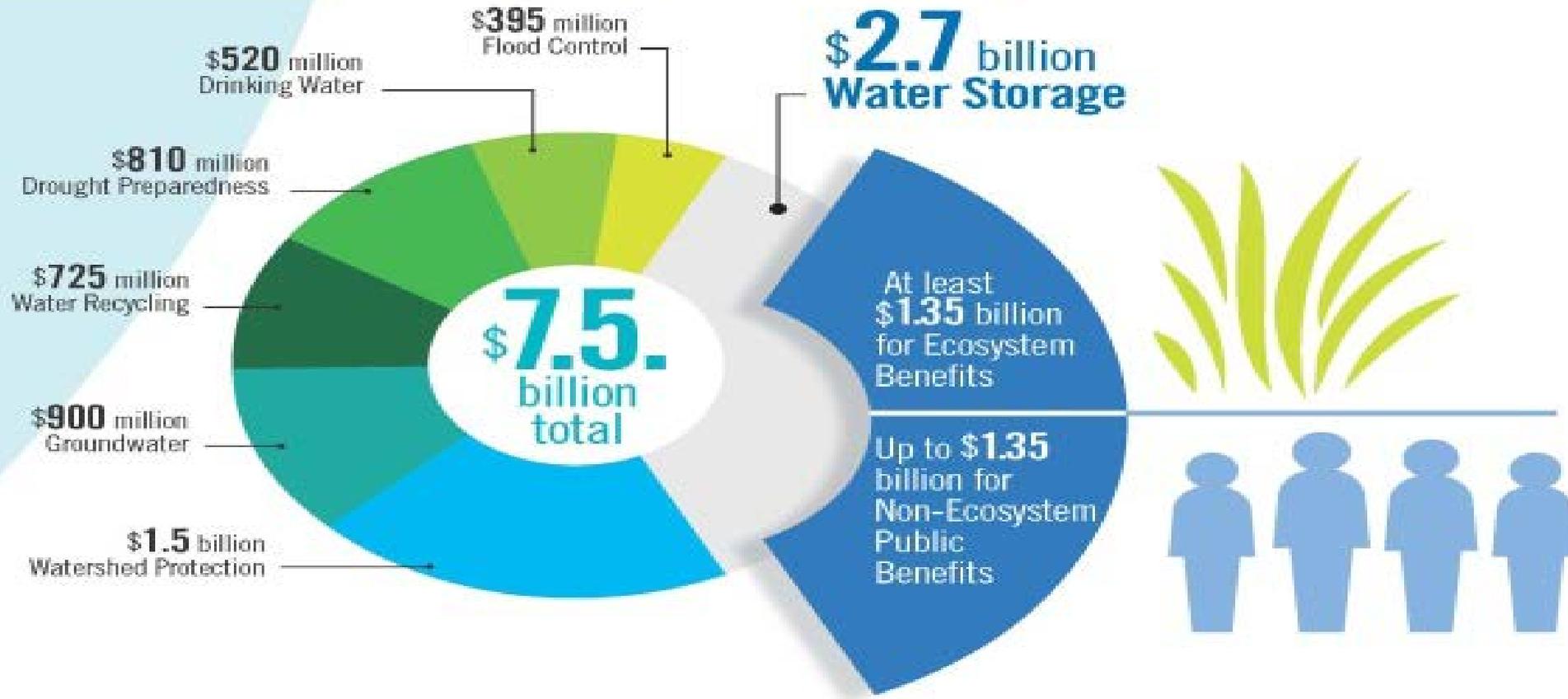


# Water Storage Investment Program

## Agenda Item #8 WSIP Overview

# Proposition 1



# Proposition 1 Chapter 8

Proposition 1 continuously appropriates \$2.7 billion to the Commission for “**public benefits** associated with water storage projects that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions...”

# Public Benefits of Storage

- Ecosystem
- Water quality
- Flood control
- Emergency response
- Recreation



# Eligible Storage Projects

- Surface storage projects identified in the CALFED ROD
- Groundwater storage projects
- Groundwater contamination prevention or remediation projects with storage benefits
- Conjunctive use projects
- Reservoir reoperation projects
- Local surface storage projects
- Regional surface storage projects

# Eligible Applicants

- Public agency
- Nonprofit organization
- Public utility
- Federally recognized Indian tribe
- State Indian tribe listed on the Native American Heritage Commission's California Tribal Consultation List
- Mutual water company

# Measurable Improvements to Delta

§79752

A project shall not be funded pursuant to this chapter unless it provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta.

# Public Benefit Cost Share Requirements



# Competitive Process

§79750(c)

Projects shall be selected by the commission through a **competitive public process** that ranks potential projects based on the expected return for public investment as measured by the **magnitude of the public benefits provided**, pursuant to criteria established under this chapter.

# Water Storage Investment Program

- The Commission is implementing the requirements of Proposition 1 through the Water Storage Investment Program
- The program will help achieve the desired outcomes of the Water Action Plan
- Program implementation is guided by a Goals, Objectives, and Principles document
- The Commission will adopt program regulations by December 15, 2016

# Regulations

§79754

In consultation with the Department of Fish and Wildlife, the State Board, and the Department of Water Resources, the commission shall develop and adopt, by regulation, methods for quantification and management of public benefits...The regulations shall include the priorities and relative environmental value of ecosystem benefits provided by DFW.... Water quality benefits by the State Board

# Proposed Quantification Regulations

- Section 6000 – Definitions
- Section 6001 – General Provisions
- Section 6002 – General Selection Process
- Section 6003 – Funding Commitments
- Section 6004 – Quantification of Benefits
- Section 6005 – Priorities
- Section 6006 – Relative Environmental Value
- Section 6007 – Managing Public Benefits

# Comments on Draft Regulations

- Comments received today will be formally responded to in the Final Statement of Reasons
- Changes made to the proposed regulations will be made available for comment during a 15-day public comment period, which will be noticed on the Commission website and through the list serve

# Ground Rules for Today's Hearing

- Please wait for your name and number to be called
- Silence all electronics
- Be mindful of time limits

# Water Storage Investment Program

## Agenda Item #8 Staff Recommendations for the Quantification Regulations

# Summary of External Comments Received

- 5,786 form letters regarding climate change analysis and resiliency
- 41 non-form letters, with some common themes:
  - Application requirements
  - Length of technical/peer review process
  - Climate change and sea level rise analysis
  - Inclusion of early funding for environmental documentation

# Staff Recommended Changes

- In response to comments received and through separate staff review, staff have recommended changes to the proposed regulations
- Recommendations categorized as:
  1. Relatively minor or clarifying changes – to be summarized today
  2. More substantial changes – to be discussed during upcoming workshop
- Comments received on March 14 have not yet been reviewed, so further staff recommendations may be made

# Summary of Minor Changes

- Staff recommended changes to Section 6002 General Selection Process:
  - Require applicant to summarize potential project impacts to existing facilities and its operations and environmental and cultural resources in the pre-application and application
  - Require applicant to describe and document coordination and/or consultation on impacts (related to above bullet) in the application and conditional funding commitment
  - Require applicant to submit executive summary (4-page maximum) with their application

# Summary of Minor Changes

- Staff recommended changes to Section 6003 Funding Commitments:
  - Require applicant to provide, prior to the execution of a funding agreement, documentation of bilateral communications between the applicant and any owners and operators of facilities that may be impacted by the proposed project
  - Clarify that all federal, state, and local approvals, certifications, and agreements required to begin construction and operation of the proposed project must be obtained prior to the execution of a funding agreement
  - Clarify that limited waiver of sovereign immunity is required prior to the execution of the funding agreement
  - Clarify that limited waiver of sovereign immunity applies only to operations and management of the proposed project and its public benefits and must remain in effect until the end of the project's planning horizon

# Summary of Minor Changes

- Staff recommended changes to Section 6004 Requirements for the Quantification of Benefits:
  - Minor text modifications to improve clarity, example “quantify the physical and economic magnitude of public and non-public benefits”
  - Addition of qualitative descriptions of uncertainty or impacts to benefits related to wettest and driest hydrologic conditions (i.e., how does the project perform under extremes)
  - Addition of qualitative description of alternative operational strategies or adaptations that the proposed project could employ to provide benefits if future conditions differ from the analyzed with-project future condition (i.e., project flexibility and adaptive management strategies)

# Summary of Minor Changes

- As of today, staff do not recommend any modifications to:
  - Section 6005 Priorities
  - Section 6006 Relative Environmental Value
  - Section 6007 Managing Public Benefits

# Potential Workshop Topics

- Definition of “Existing environmental mitigation or compliance obligations” (Section 6001)
- Potential modifications to general selection process (Section 6002)
- Early funding for completion of environmental documentation
- Inclusion of 2015 current conditions analysis
- Climate change and sea level rise analysis requirements