

CALIFORNIA CHAMBER of COMMERCE

ALLAN ZAREMBERG
President and Chief Executive Officer



September 29, 2016

Joseph Byrne, Chairman
Members of the Commission
California Water Commission
P.O. Box 924836
Sacramento, CA 94326

Sent electronically to: WSIPComments@cwcc.ca.gov

Dear Chairman Byrne and Members of the Commission:

The California Chamber of Commerce supported Proposition 1 on the 2014 ballot. Our support was in large part based on the firm belief that California needs to increase its storage capacity in order to ensure an adequate water supply into the future. The California Water Commission (Commission) has done an admirable job of drafting the regulations in an open and transparent manner engaging all stakeholders in the process. Our focus remains increasing water storage in the most expedient manner possible.

The California Chamber of Commerce provides these comments on the proposed regulations (September 2, 2016) for Proposition 1, Chapter 8 (The Water Storage Investment Program or "Storage Program").

We appreciate that the Commission has made some significant improvements to the regulations since the January 2016 version, for which we did provide comments. There remain, however, several important issues that need to be addressed by the Commission to maximize the water assets advanced with assistance from Chapter 8 funding. Most importantly, we urge the Commission to realign its regulations as soon as possible with the specific language in Proposition 1 and the clear intent of both the Legislature and the Governor.

Funding under Chapter 8 provides an opportunity for California to prepare for the future. The Commission has a similar opportunity through this process to empower and provide important tools for local and regional agencies to creatively develop "public benefits" through a state investment in large and innovative water assets such as the proposed Sites Reservoir. To carry this out, we encourage the Commission to realign its regulations without further delay to provide regulations that will help expedite the process.

We offer the following general comments to assist the Commission in realigning the regulations with Proposition 1:

The Commission should acknowledge net public benefits contributed by projects.

The January version of the regulations recognized the importance of net contributions towards public benefits, yet they now seem to be missing from the current version of the regulations. The current draft introduces a new concept to differentiate "existing" from "new" environmental mitigation and compliance obligations, which is inconsistent with Proposition 1. Instead, Proposition 1 calls for projects that "provide a net improvement in ecosystem and water quality conditions, in accordance with this chapter." We encourage the Commission to reinstate this important provision in Water Code Section 79753(b) to advance public benefits in a rational manner consistent with Proposition 1.

The draft regulations unnecessarily increase the costs to prepare the applications.

The requirements in the draft regulations and the Technical Reference Document include application requirements that: (1) appear to be overly prescriptive; (2) add cost to prepare the application; and/or (3) require extensive supporting documentation in topic areas that are not a part of the primary evaluation criteria.

We encourage the Commission to aggressively pursue its schedule going forward to approve projects in an expeditious manner.

We appreciate the actions taken by the Water Commission to expedite the schedule to approve projects under Chapter 8. The time savings coupled with the shortened evaluation period will enable selected projects to become operational sooner and, therefore, enable the expected benefits to be realized sooner, which is important for the State of California.

The California Chamber of Commerce encourages the Commission to move quickly to realign the current regulations with Proposition 1 and refocus on a clear and more direct path forward for the state to immediately start investing in the “public benefits” of water storage in California.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allan Zaremberg', with a large, stylized flourish extending to the right.

Allan Zaremberg
President and Chief Executive Officer

cc: Rachel Ballanti, Executive Officer

AZ:VN:ms