



October 3, 2016

Joseph Byrne, Chairman
 Members of the Commission
 California Water Commission
 P.O. Box 924836
 Sacramento, CA 94326
 Sent electronically to WSIPComments@cwca.gov

RE: Comments on the California Water Commission Draft Water Storage Investment Program (WSIP) Quantification Regulations dated September 2, 2016

Dear Chairman Byrne and Members of the California Water Commission:

The undersigned organizations provide the following comments to the California Water Commission's ("Commission") proposed regulations (September 2, 2016) for Proposition 1, Chapter 8 ("The Water Storage Investment Program" or "Chapter 8").

We appreciate the improvements the Commission has made to the regulations since the January 2016 version. However, there remains several important issues that must be addressed to

maximize the public benefits that can be achieved through the state's investment in large and innovative water projects from Chapter 8 funding.

As organizations on the front line of this effort which began years ago, we want to ensure that critical understandings along the way are not lost in the fog of the governmental process that too often engulfs and misapplies statutes and their underlying intent. Proposition 1 is designed to knit together water infrastructure needs in California that will enhance quality of life through a reliable water supply and protect the public and the environment from damages associated with floods and droughts. Chapter 8 of Proposition 1 was carefully and intentionally drafted with large, surface water storage projects in mind to provide California with the greatest magnitude of public benefits. These large surface water storage projects are an integral piece of the success of Proposition 1 as they will provide a new and reliable surface water supply that will be used to enhance environmental habitat, promote watershed health and restoration, improve regional self-reliance, and enable communities to bring their groundwater basins into balance under the Sustainable Groundwater Management Act.

We urge the Commission to re-align its regulations as soon as possible with the specific language in Chapter 8 and the clear intent of both the Legislature and the Governor.

We offer the following general comments to assist the Commission in re-aligning the regulations with Chapter 8:

The Commission should acknowledge net public benefits contributed by projects.

The January version of the draft regulations recognized the importance of net contributions towards public benefits, yet section 6004(a)(7)(4) found of page 22 of the current draft introduces a new concept which differentiates "existing" from "new" environmental mitigation and compliance obligations. This is inconsistent with the plain language of Chapter 8.

Water Code section 79753(b) states "funds shall not be expended pursuant to this chapter for the costs of environmental mitigation measures or compliance obligations *except for those associated with providing the public benefits as described in this section.*" (*Emphasis added.*) Under Chapter 8, funds may be expended for the costs of environmental mitigation measures or compliance obligations, both existing and new, associated with the public benefits identified in Chapter 8, specifically Water Code section 79753(a). We urge the Commission to mirror the important provision in Water Code section 79753(b) to advance public benefits in a rational manner consistent with Chapter 8.

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; (3) may invalidate already completed technical studies; and/or (4) require extensive supporting documentation in topic areas that are not a part of the primary evaluation criteria.

The State of California has invested millions of dollars over the past several years to determine the technical, environmental, economic, and financial feasibility of major storage projects identified in the 2000 CALFED Record of Decision (ROD). At that time Proposition 1 was drafted, the California Department of Water Resources and the U.S. Bureau of Reclamation had established a set of assumptions and methods to evaluate project feasibility, including the quantification of public benefits. The results from those processes should be directly applicable

to the evaluation of projects under Chapter 8, thereby minimizing the financial burden that would be placed on project sponsors to prepare applications.

We are concerned the processes defined in the draft regulations will prevent the Commission from making use of information already developed for the CALFED storage projects and instead will require new work or otherwise invalidate the information already developed through significant public investment. This departure will place significant financial burdens on local applicants that could be avoided by properly utilizing the information already provided through the CALFED planning process.

We urge the Commission to review these application requirements to ensure project applicants are not overly burdened and valuable completed work is not invalidated for arbitrary reasons.

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

We appreciate the actions taken by the Commission to expedite the schedule to approve projects under Chapter 8. The time savings will enable selected projects to be operational sooner, allowing the benefits of the project to be realized on a more expedited timeline.

In sum, there is widespread and strong support for the funding of public benefits associated with water storage in California and we urge the Commission to re-align the regulations with the plain language and Legislative intent of Chapter 8. There are two proposed large surface water storage projects that will provide more detailed comments, which we urge you to take very seriously as you review the draft regulations.

Sincerely,



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California Citrus Mutual



Renee Pinel, President/CEO
Western Plant Health Association



Chris Zanobini, President
California Association of Nurseries and
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Darrin Monteiro
Director of Member Relations
California Dairies, Inc.

cc: Rachel Ballanti, Executive Officer