



March 14, 2016

The Honorable Joseph Byrne, Chair
California Water Commission
1416 9th Street
Sacramento, CA 95814

RE: Comments on the Draft Water Storage Investment Program Regulations

Dear Commissioner Byrne:

The California Chamber of Commerce is the largest broad-based business advocate to government in California. Membership represents one-quarter of the private sector jobs in California and includes firms of all sizes and companies from every industry with the state. Nearly three-fourths of CalChamber members are companies with 100 or fewer employees.

The CalChamber supported Proposition 1 on the 2014 ballot. Our support was in large part based on a firm belief that California needs to increase its storage capacity in order to ensure an adequate water supply into the future. The CalChamber believes that this additional capacity comes in the form of multiple projects, below and above ground. An example of one of those important projects is Sites Reservoir, which we believe is a critical component to satisfy the State's need to develop water.

The Water Commission has done an admirable job of drafting the regulations in an open and transparent manner, engaging all stakeholders in the process. We appreciate the courtesy. Our focus remains increasing water storage in the most cost-effective and expedient manner while maximizing the return on investment for both the water supply and public benefits.

The CalChamber associates itself with the comments submitted by the Sites JPA. We believe that the draft regulations increase project costs due in part to the Commission electing to not fund the state's share of cost to complete the environmental documentation, the delay from when the state's cost-share becomes available, which increases the finance costs and the length of time the Commission will spend in reviewing projects before rendering a decision. Those key issues lead to a greater cost than what is assumed and reduces the return on investment. Please see the Sites JPA comments for more details.

Sincerely,

Valerie Nera
Policy Advocate

cc: Paula Landis, Executive Officer
Members, California Water Commission
Joe Del Bosque, Vice Chair
Andrew Ball
Daniel Curtin
Paula Daniels
Maria Herrera
David Orth
Armando Quintero

1215 K Street, Suite 1400
Sacramento, CA 95814
916 444 6670
www.calchamber.com