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AGRICULTURE  
APPROPRIATIONS  
GOVERNMENTAL ORGANIZATION  
JUDICIARY

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# Assembly California Legislature



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April 20, 2016

Joseph Byrne, Chairman  
Members of the Commission  
California Water Commission  
901 P Street, Room 314  
P.O. Box 924836  
Sacramento, CA 94326

Dear Chairman Byrne and Members of the Commission:

I am resubmitting the attached letter that was submitted for public comment on March 14<sup>th</sup> regarding the proposed regulations for application and funding under the Water Storage Investment Program ("WSIP").

Since the original submission by Senator Nielsen, Assemblywoman Olsen, Assemblyman Bigelow, Assemblyman Mathis, and myself, the bipartisan coalition of legislators below has signed on to convey their strong concern with the proposed regulations.

|                              |                                     |                                       |
|------------------------------|-------------------------------------|---------------------------------------|
| Bill Brough (R- Dana Point)  | Shannon Grove (R-Bakersfield)       | Marie Waldron (R- Escondido)          |
| Rudy Salas (D- Bakersfield)  | Jim Patterson (R-Fresno)            | Catharine Baker (R- San Ramon)        |
| Jim Frazier (D- Oakley)      | Bill Dodd (D-Napa)                  | Brian Jones (R- Santee)               |
| Jim Cooper (D- Elk Grove)    | Donald Wagner (R-Irvine)            | Katcho Achadjian (R- San Luis Obispo) |
| Susan Eggman (D- Stockton)   | Scott Wilk (R- Santa Clarita)       | Young Kim (R- Fullerton)              |
| Brian Dahle (R- Bieber)      | Marc Steinorth (R-Rancho Cucamonga) | David Hadley (R- Torrance)            |
| Jay Obernolte (R-Hesperia)   | Rocky Chavez (R- Oceanside)         | Eric Linder (R-Corona)                |
| Chad Mayes (R- Yucca Valley) |                                     |                                       |

Thank you and we look forward to your response.

Sincerely yours,



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James Gallagher  
Assemblyman, 3<sup>rd</sup> District

Assembly  
California Legislature



**JAMES GALLAGHER**  
ASSEMBLYMEMBER, THIRD DISTRICT

**COMMITTEES**  
VICE CHAIR: AGRICULTURE  
APPROPRIATIONS  
ENVIRONMENTAL SAFETY AND  
TOXIC MATERIALS  
JUDICIARY

March 14, 2016

Joseph Byrne, Chairman  
Members of the Commission  
California Water Commission  
901 P Street, Room 314  
P.O. Box 924836  
Sacramento, CA 94326

Sent electronically to [Jennifer.Marr@water.ca.gov](mailto:Jennifer.Marr@water.ca.gov)

Dear Chairman Byrne and Members of the Commission:

We write to convey our strong concern with the proposed regulations for application and funding under the Water Storage Investment Program ("WSIP"). The regulations, as proposed, would cause unnecessary delay and negatively impact the ability to effectively finance the large scale projects anticipated by Chapter 8 of the Water Bond. California needs improved water storage for the benefit of our citizens and the environment and the four-year drought has shown an imperative for you to move forward thoughtfully but expeditiously.

When voters passed Proposition 1 it was their understanding that work would soon begin on vital water storage projects. We are now hearing that the application and funding process may be delayed up to 9 months and perhaps even more under these regulations. This is unacceptable. The Commission must act now to provide a clear and more direct path forward so the state can immediately start investing in the public benefits of water storage in California.

We strongly support the comments of large scale water storage applicants like the Sites Project Authority and urge you to address the specific issues raised by their comments. Specifically we ask that you address the following points:

- Under the proposed regulations, funding will not become available until at least the end of 2018, which is 1-year later than originally planned (See Commission's December 16, 2015 revised schedule). Additionally, projects such as Sites Reservoir may not receive Proposition 1 funding for 5 years as described below. (ISOR page 17, §6003(b) & (c).) This is completely unacceptable and the Commission must act to ensure that funding is provided so projects can begin progress next year.
- This draft of the regulations is only the application process, which is the first set of regulations. Additional regulations are also under development to further prescribe the selection criteria. The second set of regulations is likely to be more difficult since it requires the Commission to agree on a common set of values. This will create further delay. We need a clear process from funding to construction; not moving targets at each new step.
- Linking funding to completion of all environmental documents and receipt of permits prevents funding for preliminary design activities, which typically are concurrent activities for these types of projects. More specifically, the current regulations:
  - did not incorporate §79755(c) in Proposition 1, which allows the Commission discretion to fund completion of an EIR/S that is integral to the project;
  - require that "all permits are secured" before funds become available to the applicant. This is simply not feasible for large-scale water storage projects as different permits must be secured at different stages of the process; holding back funding will create unnecessary cash flow problems for these vital projects.

As a result, the applicant must either delay the project until Proposition 1 funds are awarded or finance (at greater cost) this expensive work themselves with a hope of funding coming later.

Finally, the regulations have also become unduly prescriptive requiring complex analysis of public benefit management and environmental conditions that are difficult if not impossible to provide at this preliminary stage. As an example, the draft regulations require "stress testing" each project for resilience to climate change. The proposed 'inputs' (e.g., reduced precipitation, increased temperature, and sea level rise) may be too severe for any project to demonstrate public benefits can still be provided to meet the return on investment criteria. Further, management of public benefits may change from year to year to address unique conditions that may arise. For instance, in one year management for cold water flows may be needed for salmonids; whereas in another

year management for flood control is needed and cold water may not be the issue. Ironically, placing this unwieldy analysis on the front end, prior to receiving any funding for the project, will delay and may even thwart important projects that have the best ability to provide the public benefits with which we are concerned.

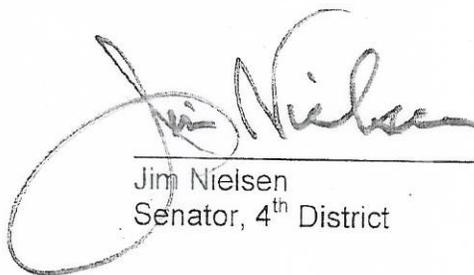
We strongly encourage you to simplify and re-work the current proposed regulations in a way that provides a clear path forward to advance water storage projects under Chapter 8 of Proposition 1, as intended by the authors and the voters.

Thank you for the opportunity to provide our perspective on the proposed regulations. If you have any questions, please call.

Sincerely yours,



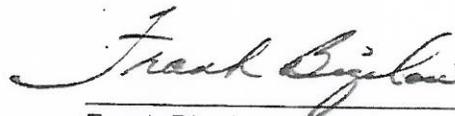
James Gallagher  
Assemblyman, 3<sup>rd</sup> District



Jim Nielsen  
Senator, 4<sup>th</sup> District



Kristin Olsen  
Assemblywoman, 12<sup>th</sup> District



Frank Bigelow  
Assemblyman, 5<sup>th</sup> District



Devon Mathis  
Assemblyman, 26<sup>th</sup> District

cc: Governor Brown  
Secretary Laird  
Director Cowin  
Paula Landis

Bill Brough (AD 73)

Bill Brough

Assemblymember, 73<sup>rd</sup> District

Shannon Grove AD 34

Shannon Grove

Assemblymember, 34<sup>th</sup> District

Rudy Salas AD 32

Rudy Salas

Assemblymember, 32<sup>nd</sup> District

Jim Patterson AD 23

Jim Patterson

Assemblymember, 23<sup>rd</sup> District

Jim Frazier AD 11

Jim Frazier

Assemblymember, 11<sup>th</sup> District

Bill Dodd AD-04

Bill Dodd

Assemblymember, 4<sup>th</sup> District

Jim Cooper AD 9

Jim Cooper

Assemblymember, 9<sup>th</sup> District

Donald P. Wagner AD 68

Donald P. Wagner

Assemblymember, 68<sup>th</sup> District

Susan Eggman AD 13

Susan Eggman

Assemblymember, 13<sup>th</sup> District

Scott Wilk AD 38

Scott Wilk

Assemblymember, 38<sup>th</sup> District

Brian Dahle AD 2

Brian Dahle

Assemblymember, 1<sup>st</sup> District

Marc Steinorth AD 40

Marc Steinorth

Assemblymember, 40<sup>th</sup> District

Jay Obermiller  
Jay Obermiller AD33  
Assemblymember, 33<sup>rd</sup> District

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Marie Waldron AD75  
Assemblymember, 75<sup>th</sup> District

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Katcho Achadjian AD35  
Assemblymember, 35<sup>th</sup> District

Young Kim  
Young Kim AD65  
Assemblymember, 65<sup>th</sup> District

Eric Linder  
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Assemblymember, 60<sup>th</sup> District

Chad Mayer  
Chad Mayer AD42  
Assemblymember, 42<sup>nd</sup> District

Rocky Chavez  
Rocky Chavez AD76  
Assemblymember, 76<sup>th</sup> District

Catherine Baker  
Catherine Baker AD16  
Assemblymember, 16<sup>th</sup> District

Brian Jones  
Brian Jones AD71  
Assemblymember, 71<sup>st</sup> District

David Hadley  
David Hadley AD68  
Assemblymember, 68<sup>th</sup> District