

Meeting Minutes DRAFT

Meeting of the California Water Commission

Wednesday, November 15, 2017

State of California, Resources Building

1416 Ninth Street, First Floor Auditorium

Sacramento, CA 95814

Beginning at 9:30 a.m.

1. Call to Order

Chairman Quintero called the meeting to order at 9:40 a.m. Prior to roll call Chairman Quintero described several new protocols that he will be using to conduct Commission meetings in a more formal manner.

2. Roll Call

Executive Officer Joe Yun called roll. Commission members Carol Baker, Andy Ball, Joe Byrne, Joe Del Bosque, Maria Herrera, Cathy Keig, Dave Orth and Armando Quintero were present, constituting a quorum. Commission member Danny Curtin was absent. Commissioner Byrne left during Agenda Item 9.

3. Approval of October 2017 Meeting Minutes

Commissioner Herrera moved to approve the October 18, 2017 meeting minutes. All members present voted to approve the minutes, except Commissioner Orth who abstained.

4. Executive Officer's Report

Mr. Yun reported that Commission hired Kimberly Muljat as the Executive Secretary for the Commission. He also pointed out a new brochure describing the process and timeline for the Water Storage Investment Program. The brochure is available on the Commission's website on the Water Storage Program Summary page.

5. Commission Member Reports

Commissioner Baker reported that she attended a Public Policy Institute of California seminar on priorities for California's water.

6. Public Testimony

Bart Broome, representing Santa Clara Valley Water District and speaking on behalf of Assembly Member Kansen Chu, expressed support of the Pacheco Reservoir Expansion Project. Dianna Suarez, resident of Colfax along the Bear River, expressed opposition to Centennial Reservoir. Monica Miller, speaking on behalf of Eric Harris with the San Jose Silicon Valley Branch of the NAACP, expressed support of the Pacheco Reservoir

Expansion Project. Jeremy Smith, on behalf of the State Building and Construction Trades Council of Santa Clara and San Benito Counties, expressed support for the Pacheco Reservoir Expansion Project. Peter Ansel, on behalf of Assemblymember Anna Caballero, expressed support for the Pacheco Reservoir Expansion Project.

7. Commission Preparatory Briefing: Water Storage Investment Program (WSIP) Scoring and Determinations

Hoa Ly, WSIP Program Manager, briefed the Commission on the WSIP scoring and determinations process. The Commission will deliberate on project scores in May 2018. Each total Expected Return for Public Investment Score will include four component scores: Public Benefit Ratio and Non-Monetized Public Benefits, Relative Environmental Value, Resiliency, and Implementation Risk. Staff will post each project's recommended component scores and related staff report on the WSIP Project Review Portal. The staff reports will provide explanation for each component score. The Commission will also receive a dashboard for each eligible application, which will include summaries of the applicant's score, public benefits, and determinations. After staff provides the component scores the Commission may direct staff to re-evaluate applications or adjust scores.

In May 2018, the Commission will also make required determinations for each project. These determinations must be made before the Commission can make a final award for a project. The Commission will receive a staff recommendation for each project; the Commission may accept the staff recommendation or exercise discretion to make a different determination.

8. Action Item: Disposition of Additional Information Submitted by San Joaquin Valley Water Infrastructure Authority

Executive Officer Yun provided background information on the item. At the October Commission meeting the Commission determined that the San Joaquin Valley Water Infrastructure Authority (SJVWIA) application for the Temperance Flat Reservoir Project meets the WSIP regulations' requirements for a complete application and basic eligibility. However, in response to Commission staff's letter of August 31, requesting additional completeness and basic eligibility items, the SJVWIA also submitted an executive summary and uncertainty analysis. These two documents were required by the August 14 application deadline, but the regulations did not allow for those documents to be requested during the completeness and basic eligibility review. Today the Commission will vote either to allow the additional information to be included in the SJVWIA application or to exclude the information because the regulations do not provide an opportunity for applicants to submit information that was not requested. To ensure fairness and minimize possible regulatory challenges, staff recommends excluding the additional materials. Mr. Yun also summarized correspondence received regarding this item.

The Commission took public comments. Steven Worthley, President of SJVWIA, stated the information was submitted by the deadline for the completeness and basic eligibility

response and that the SJVWIA was under the impression that the uncertainty analysis was included in the requested analytical methods and results used to quantify public benefits, as defined in section 6004 of the WSIP regulations. Chris White, technical lead for the SJVWIA, reiterated that the SJVWIA believed they would be in compliance with the WSIP regulations by submitting the uncertainty analysis. Bill Swanson, a consultant for the SJVWIA, reinforced the previous statements. Kyle Jones, with Sierra Club of California, asked the Commission to reject the two documents to maintain fairness and integrity of the WSIP process. Doug Obegi, with Natural Resources Defense Council, supported the staff recommendation to exclude the information.

Commissioner Orth asked whether there were deficiencies identified related to the analytical methods and results used to quantify public benefits, and if so, what staff requested from SJVWIA. Sean Sou, Department of Water Resources (DWR) staff member assigned to the WSIP technical team, replied that the staff asked SJVWIA to provide several models that SJVWIA referred to in their application, and that SJVWIA included the uncertainty analysis as a separate attachment to the models.

Commissioner Quintero asked whether staff can assess the project based on the information currently in the application. Executive Office Yun stated that the models and information in the application address the quantification of public benefits but not uncertainty.

Commissioner Keig moved to accept the staff recommendation to not include the uncertainty analysis and executive summary in the SJVWIA application. There was no second.

Commissioner Del Bosque moved to allow the additional information to be included in the application. There was no second.

The Commission continued to discuss the options available.

Commissioner Orth moved to exclude the executive summary but accept the uncertainty analysis with the understanding that it is responsive to item 12 of WSIP regulation section 6006 (c)(3)(A). Commissioner Herrera seconded the motion. Commissioners Ball, Byrne, Del Bosque, Herrera, and Orth voted in favor of the motion. Commissioner Keig voted against the motion. Commissioners Baker and Quintero abstained. The motion passed.

9. Update on State Water Project

Joel Ledesma, DWR Deputy Director for the State Water Project (SWP), updated the Commission on the Oroville Dam spillway recovery and construction efforts. DWR completed Phase 1 of the recovery effort on November 2017. Phase 1 involved repairing and rebuilding the main Oroville Dam spillway for the upcoming rainy season. The spillway can handle 100,000 cubic feet per second of outflow. Phase 2 of construction will involve rebuilding certain sections of the main spillway with structural concrete.

Phase 2 of construction will continue in 2018. Mr. Ledesma provided a comparison of the original and rebuilt spillways. He also provided an overview of the planned additional construction.

Don Walker, Supervising Engineer with DWR's Division of Operations and Maintenance, briefed the Commission on DWR's California Aqueduct Subsidence Study. The study was conducted to assess subsidence impacts to the SWP and identify solutions. Subsidence has caused structural movement and decreased capacity in portions of the California Aqueduct on the west side of the San Joaquin Valley. DWR will use the study to assess the impacts of subsidence, review and monitor the California Aqueduct operational limits, and mitigate impacts. DWR's short-term actions will provide for safer operation; medium-term actions will provide for safer operations and restore some lost capacity.

Andrew Schwarz, Senior Engineer with DWR's Climate Adaptation Office, discussed DWR's progress on achieving greenhouse gas emissions reduction goals. DWR adopted a Greenhouse Gas Emissions Reduction Plan in 2012. The comprehensive plan covers all of DWR's operations, is more aggressive than statewide emissions reduction goals, and includes eleven emissions reductions strategies. DWR is currently exceeding its greenhouse gas emissions reduction goals and is on track to meet its goal for 2050.

Ghassan Al Qaser, Chief of the SWP Power and Risk Office, briefed the Commission on DWR's power portfolio and renewable energy procurement. The SWP's power generating facilities meet approximately 50% of SWP energy needs. DWR expects SWP hydropower to continue supplying approximate 50% of the power portfolio. Long-term contracts for renewable resources and SWP small hydropower currently supply approximately 15% of SWP power needs and are expected to expand to 46% of needs by 2050. By 2050, DWR expects to no longer make market purchases for power. He also anticipates that 96% of power for the SWP will come from emissions-free resources by 2050.

10. Consideration of Items for Next California Water Commission Meeting

The next California Water Commission will be held on Wednesday, December 13 and Thursday, December 14. Agenda items will include overview presentations by WSIP applicants, an update on Sustainable Groundwater Management Act implementation, a WSIP update, and a briefing on WSIP Maximum Conditional Eligibility Determinations.

11. Adjourn

The meeting was adjourned at 1:46 p.m.