

Water Storage Investment Program Commission Determinations and Additional Eligibility Requirement

South Sacramento County Agriculture and Habitat Lands Recycled Water, Groundwater Storage, and Conjunctive Use Program

Sacramento Regional County Sanitation District

The Sacramento Regional County Sanitation District (Regional San) is proposing a conjunctive use project, the South Sacramento County Agriculture and Habitat Lands Recycled Water, Groundwater Storage, and Conjunctive Use Program (South County Ag Program), to store and manage groundwater while improving stream flow, enhancing groundwater-dependent riparian habitats, sustaining prime agricultural lands, and improving regional water supply reliability. Sources of water would be up to 50 thousand acre-feet (TAF) per year of Title 22 tertiary-treated recycled water produced by Regional San. Water produced from the South County Ag Program would be used to irrigate up to 16,000 acres of agriculture and habitat lands in Sacramento County near the lower Cosumnes River and Stone Lakes National Wildlife Refuge.

The California Water Commission (Commission) accepted the following monetized public benefits for this project:

- Ecosystem Improvement—Fall-run Chinook flows
- Ecosystem Improvement—Wetland habitat
- Ecosystem Improvement—Riparian habitat
- Ecosystem Improvement—Greater sandhill crane habitat
- Ecosystem Improvement—Vernal pool habitat
- Water Quality Improvement—Reduced salinity load

Non-monetized benefits were not considered for this project.

Introduction

This document addresses the following components of the Commission's Water Storage Investment Program (WSIP) project evaluation process:

- **Determinations:** The Commission must make nine (9) determinations before assigning a maximum conditional eligibility amount.
- **Additional Eligibility Requirement:** The Commission must consider the eligibility requirement related to wild and scenic rivers.

Part 1: Discussion of Commission Determinations

Regulation section 6011(c) states that before the Commission assigns a maximum conditional eligibility amount to a project, the Commission shall make all nine determinations based on the technical review and appeal information. The determinations are the following items:

- The proposed project is cost effective;

- The proposed project improves the operations of the State water system;
- The proposed project provides a net improvement in ecosystem and water quality conditions;
- The proposed project provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta;
- The Program cost share is less than or equal to 50 percent of the proposed project’s total capital costs, with the exception of conjunctive use projects and reservoir reoperation projects;
- The Program funded ecosystem improvement benefits make up at least 50 percent of the total public benefits funded by the Program;
- The proposed project appears to be feasible;
- The proposed project will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta; and
- The proposed project is consistent with all applicable laws and regulations.

If, for a project, the Commission cannot make any single determination then a maximum conditional eligibility determination (MCED) cannot be made for that project.

[Relationship Between Determinations and Eligibility](#)

These determinations are made before projects have completed all project formulation efforts. Regulations section 6013(c) states that additional requirements (such as completed feasibility studies, final environmental documents, contracts for the non-WSIP cost share, contracts for administration of public benefits, and permits) must be obtained by applicants after the MCEDs are made, but before the Commission makes a final award to the project. Those additional requirements may result in changes to the project that was proposed to the Commission in the August 2017 Application. Such changes may positively or negatively affect project eligibility and in turn one or more of the Commission’s determinations. The Commission will consider such changes in determining a project’s final award (section 6013(f)(3-5)). Additionally, regulations section 6013(f)(2) sets January 1, 2022, as the deadline for completing feasibility documents.

Table 1 presents Staff’s assessment of whether each of the nine determinations conditions has been met. This assessment is based on the technical review and the appeal.

Table 1 - Staff Recommendations – Commission Determinations	
1. The proposed project is cost effective.	--
<p>The quantified costs and benefits may have changed since the submission of the application in August 2017 and the February 2018 appeal. Staff recommends the Commission discuss with the applicant, consistent with the requirements of the Bagley-Keene Act, any changes that relate to cost effectiveness. The Commission may determine the project to be cost-effective based on the following factors:</p> <ul style="list-style-type: none"> • Monetized and non-monetized benefits and costs as described in the application • A discussion with the applicant, consistent with the requirements of the Bagley-Keene Act, about any changes in benefits and costs related to cost effectiveness (Regulations section 6004(a)(4)(E)) that may have arisen since the submission of the application <p>Any changes that arise from such a discussion would need to be documented and supported as part of the ongoing WSIP regulatory process.</p>	

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2. The proposed project improves the operations of the state water system.	YES
<p>The applicant described how the project would be integrated into the local, regional, state, or federal systems that provide water resources benefits within California. Such integration would improve the operations of the state water system. The proposed South County Ag Program would be integrated with regional and local water agencies and would add greater flexibility to the conjunctive use of local groundwater and surface water resources to improve the management of water resources at the regional and state level. The improved groundwater and surface water conditions resulting from the South County Ag Program can help the region mitigate the negative effects of droughts and recover from impacts sooner. During dry and critical dry years, the extraction of banked water can provide supplies to a variety of users and allow surface water diversions to be reduced, benefiting the state water system, specifically the Sacramento region and Delta.</p>	
3. The proposed project provides a net improvement in ecosystem and water quality conditions.	YES
<p>The ecosystem public benefits accepted by the Commission for this project are:</p> <ul style="list-style-type: none"> • Ecosystem Improvement—Fall-run Chinook flows • Ecosystem Improvement—Wetland habitat • Ecosystem Improvement—Riparian habitat • Ecosystem Improvement—Greater sandhill crane habitat • Ecosystem Improvement—Vernal pool habitat <p>The California Department of Fish and Wildlife (CDFW) found that the monetized ecosystem benefits, as described in the application, meet the requirements of Chapter 8, as related to matters within its purview.</p> <p>Staff concludes that the proposed project appears to contribute to the restoration of aquatic ecosystems and native fish and wildlife, including those ecosystems and fish and wildlife in the Delta (Water Code section 79753(a)(1)). This project also appears to contribute to ecosystem-related water quality improvements by providing additional base flows and enhancing wetland habitat.</p> <p>The water quality public benefit accepted by the Commission for this project is:</p> <ul style="list-style-type: none"> • Water Quality Improvement—Reduced salinity load <p>The State Water Board found that the project meets the requirements of Chapter 8, as related to matters within its purview. The water quality improvements appear to provide water quality improvements that clean up or restore groundwater resources (Water Code section 79753(a)(2)).</p>	
4. The proposed project provides measurable improvement to the Delta ecosystem or to the tributaries to the Delta.	YES

Table 1 - Staff Recommendations – Commission Determinations	
<p>The ecosystem public benefits accepted by the Commission for this project are:</p> <ul style="list-style-type: none"> • Ecosystem Improvement—Fall-run Chinook flows • Ecosystem Improvement—Wetland habitat • Ecosystem Improvement—Riparian habitat • Ecosystem Improvement—Greater sandhill crane habitat • Ecosystem Improvement—Vernal pool habitat <p>Based on CDFW’s findings that the ecosystem public benefits resulting from the project meet the requirements of Chapter 8, Staff conclude that the project will provide measurable improvements to the Delta ecosystem or to the tributaries to the Delta.</p> <p>These ecosystem public benefits will likely provide changes in the physical, chemical, or biological conditions that provide public benefits which can be quantified at a specific location and time (Water Code section 79752; Regulations section 6001(a)(48)).</p>	
<p>5. The proposed project’s program cost share is less than or equal to 50 percent of the proposed project’s total capital costs, with the exception of conjunctive use projects and reservoir reoperation projects.</p>	<p>YES</p>
<p>The project is a conjunctive use project and is eligible for more than 50 percent of the project’s total capital cost. The maximum eligibility amount for this project is \$280.53 million and the project’s total capital cost is \$280.53 million.</p>	
<p>6. The proposed project’s program-funded ecosystem improvement benefits make up at least 50 percent of the total public benefits funded by WSIP.</p>	<p>YES</p>
<p>The Commission’s decision on May 3, 2018 determined the public benefit amount for each project, which necessarily included consideration and determination of the project’s ecosystem benefits. Based on that decision, the project’s public benefits consist of at least 50 percent ecosystem improvements, as required by Water Code section 79756(b).</p>	
<p>7. The proposed project appears to be feasible.</p>	<p>YES</p>
<p>Notwithstanding the implementation risks documented in the Technical Review, on whole the project appears to be feasible. The applicant demonstrated that the project can be constructed with existing technology and available construction materials, work force, and equipment. The applicant also demonstrated that the project is technically feasible consistent with the preliminary operations plan.</p>	
<p>8. The proposed project will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.</p>	<p>YES</p>

Table 1 - Staff Recommendations – Commission Determinations	
<p>Section 6001(a)(7) of the Regulations defines “beneficial uses of the Delta” as those:</p> <p style="text-align: center;"><i>“...identified in the State Water Board’s ‘Water Quality Control Plan for the San Francisco/Sacramento-San Joaquin Delta Estuary’ (December 2006).”</i></p> <p>The South County Ag Program proposes improvements to groundwater and surface water connectivity, increasing the reliability of surface water flows, which would promote the vitality of the local ecosystem including improvements to: fall run Chinook flows, wetland habitat, riparian habitat, greater sandhill crane habitat, and vernal pool habitat. CDFW found that the project meets the requirements of Chapter 8, as related to matters within its purview. CDFW found that the project’s public benefits are substantiated ecosystem benefits that constitute ecosystem improvements.</p> <p>These identified public benefits appear to advance ecological beneficial uses of the Delta, including: Cold Freshwater Habitat; Migration of Aquatic Organisms; Spawning, Reproduction, and/or Early Development; Wildlife Habitat; and, Rare, Threatened, or Endangered Species. The advancement of beneficial uses resulting from the project would aid in restoring healthy wildlife corridors, and migratory species habitats that support the Delta ecosystem complex.</p>	
9. The proposed project is consistent with all applicable laws and regulations.	YES
<p>The applicant stated in the application that the project will comply with all applicable laws and regulations. Such compliance is a requirement for WSIP funding.</p>	

Part 2: Additional Eligibility Requirement

Wild and Scenic Rivers

Regulations section 6006(c)(2) identifies six additional eligibility items that require the Commission’s consideration as part of the technical review. Five of the additional eligibility items are included in the determinations discussed above. One additional eligibility item (Wild and Scenic Rivers) is not included in the determinations. Water Code sections 79711(e) and 79751(a) prohibit the use of WSIP funds by any project that could have an adverse effect on the values upon which a Wild and Scenic River or any other river is afforded protections pursuant to the California Wild and Scenic Rivers Act or the federal Wild and Scenic Rivers Act.

The South County Ag Program is unlikely to adversely affect a Wild and Scenic River, including its free-flowing character. The American River, which is located over 15 miles north of the proposed program area, is the nearest designated Wild and Scenic River, and this river segment is located upstream of proposed project activities. The proposed project includes groundwater storage and water treatment for recycled water use, which would not rely on a new hydrologic connection to upstream features. The project also proposes water releases to Snodgrass Slough and the Cosumnes River watershed. There are currently no designated Wild and Scenic Rivers in this watershed.