



## **Meeting Minutes**

Meeting of the California Water Commission

Wednesday, October 21, 2020

Remote Meeting

Beginning at 9:30 a.m.

In order to establish a quorum, Executive Secretary Kimberly Muljat called the roll. Commission members Teresa Alvarado, Samantha Arthur, Daniel Curtin, Alex Makler, and Matt Swanson were present, constituting a quorum.

Executive Officer Joe Yun entertained a motion to elect a temporary Chairperson. Commissioner Swanson nominated Commissioner Alvarado. All Commission members present voted in favor.

### **1. Call to Order**

Chairperson Alvarado called the meeting to order at 9:32 a.m.

### **2. Closed Session**

The Commission did not hold a closed session.

### **3. Approval of August 19, 2020 Meeting Minutes**

Commissioner Swanson moved to approve the August 19, 2020 meeting minutes.

Commissioner Curtin seconded the motion. All Commission members present voted in favor.

### **4. Executive Officer's Report**

Executive Officer Joe Yun welcomed Commissioner Arthur and Commissioner Makler. He reported that he attended the Inland Empire Utilities Agency (IEUA) Board meeting to talk about the Chino Basin Conjunctive Use Environmental Water Storage/Exchange Program, which is participating in the Water Storage Investment Program (WSIP). IEUA will likely be requesting early funding at a future Commission meeting.

### **5. Commission Member Reports**

There were no reports.

### **6. Public Testimony**

There was no public testimony.

### **7. Water Storage Investment Program: Early Funding Request (Action Item)**

Amy Young, Program Manager for WSIP, provided a brief background to the Commission to prepare them to consider an early funding request by the Willow Springs Water Bank Conjunctive Use Project, noting that, if the Commission approves early funding, staff will work with the Southern California Water Bank Authority, the applicant for this project, to execute a funding agreement.

Mark Buehler, General Manager of the Willow Springs Water Bank, provided a brief presentation on the Willow Springs Water Bank Conjunctive Use Project's request for early funding, which Mr. Buehler stated is needed to meet statutory requirements and maintain the project's implementation schedule. Impacts of COVID-19 have reduced the ability of the applicant to secure funding, which will make it hard to meet the WSIP deadlines. Mr. Buehler requested \$4,770,300 in early funding for the project.

Commissioner Swanson asked if the project will be able to meet the WSIP January 2022 statutory deadline. Mr. Buehler stated the applicant is working with a great team and hopes to meet the deadline. Commissioner Makler inquired about the applicant's coordination with agencies regarding agreements necessary to complete the project. Mr. Buehler stated the most critical is working on a contract with Antelope Valley-East Kern Water Agency, which is needed to be able to move the water through the State Water Project. The applicant is also working with the Department of Water Resources (DWR) and California Department of Fish and Wildlife (CDFW) to secure contracts for the administration of public benefits. Commissioner Arthur asked if the implementation risk has changed since it was determined during the technical review of the original proposal in 2018. Mr. Buehler stated that they are still on track. Commissioner Curtin discussed with Mr. Buehler why the applicant is unable to use non-WSIP funding at this time. Mr. Buehler stated financing is limited due to private funding sources running out of money.

Commissioner Alvarado entertained a motion to approve early funding for Willow Springs Water Bank. Commissioner Curtin moved that the Commission award the full amount of early funding requested and Commissioner Makler seconded the motion. All Commission members present voted in favor.

#### **8. Water Storage Investment Program: Temperance Flat Reservoir Project Status Update**

Bill Swanson, a consultant to the Temperance Flat Reservoir Authority (TFRA) who is with Stantec, presented an overview and update of the Temperance Flat Reservoir Project and the challenges it is facing to meet eligibility deadlines. Mr. Swanson shared that the Temperance Flat Reservoir Project currently lacks sufficient funding to advance towards construction and that TFRA, the project applicant, has requested that the United States Bureau of Reclamation place its feasibility study on deferral status, which will put the project on hold for an indeterminate period of time. Mr. Swanson noted that after its Board meeting on October 28, 2020, TFRA will likely notify the Commission via Board action of an intent to decline WSIP funds. If the Board does return the funds, TFRA requested that the Commission apply funds to projects in the Central Valley that meet the WSIP requirements.

Commissioner Alvarado asked if there are other projects in the Central Valley that could meet WSIP deadlines. Mr. Fukuda, General Manager of Tulare Irrigation District, responded yes, but did not name a specific project. Commissioner Makler asked what TFRA's next steps might be. Mr. Fukuda stated the TFRA would like to work with Commission staff to develop next steps. Commissioner Curtin shared his thoughts on efficiency within the state.

The Commission took public comment. Ron Stork, Friends of the River, noted that the Temperance Flat Reservoir project is controversial because of its impacts on a designated Wild and Scenic river. Mark Smith, citizen, shared his thoughts on wildlife refuge water benefits and delivering reliable water to wildlife refuges. Katherine Fowler, citizen, expressed opposition to funding this project.

### **9. Assessing a State Role in Financing Conveyance Projects**

Laura Jensen, Assistant Executive Officer with the California Water Commission, presented an overview of a background policy brief that informs the Commission's work on resilient conveyance. The policy brief contains guiding questions to help frame the recommendations that the Commission will make on this subject. Ms. Jensen highlighted the definition of resilience and talked about conveyance in the context of climate change and a resilient water system. The Commission will consider criteria for assessing resilience, public benefits associated with conveyance projects, and financing mechanisms for funding conveyance.

Lisa Buetler, Executive Facilitator with Stantec, provided a presentation on the stakeholder interviews conducted during the first phase of the Commission's work on conveyance. The purpose of the interviews was to gather information from stakeholders on conveyance financing, needs, and challenges, and to discuss characteristics of a resilient water system and public benefits associated with conveyance projects. Stantec conducted background research, developed concept testing, then held the small-group stakeholder interviews with groups representing regions across the state and many different sectors, including academia, agriculture, environment, under-represented communities, and small and large water districts. Ms. Butler talked about differences in responses based on geographic location and about financing opportunities and challenges.

Ellen Hanak, Vice President of the Public Policy Institute of California, presented to the Commission on financing climate-resilient conveyance. Ms. Hanak talked about key points for conveyance upgrades, including adapting to changing water storage and flood risk realities, increasing flexibility to manage drought risk, and addressing inequities in drinking water access. Ms. Hanak discussed "fiscal orphans," which are water solutions that lack reliable funding: providing water for poor rural communities, providing flood protection, providing water for ecosystems, and incentivizing collaborative management. Ms. Hanak noted that water users need to be the main funders for smart water grids, and that the state can help by supporting analysis, using grants to fill gaps for fiscal orphans, and offering low-cost borrowing.

John Andrew, Assistant Deputy Director with DWR, presented his thoughts on resilience in theory and in practice, drawing attention to the need for resilience to promote transformation. Mr. Andrew noted the ways in which DWR has incorporated resilience into its practices and the ways it is encouraging grantees to do the same.

Kamyar Guivetchi, Manager with DWR's Division of Planning, updated the Commission on Water Resilience Portfolio action 19.3, which directs DWR to "conduct a feasibility analysis for improved and expanded capacity of federal, state, and local conveyance facilities to enhance

water transfers and water markets” that incorporates climate change projections of hydrologic conditions. Mr. Guivetchi talked about doing a conceptual study to make sure the right information is gathered and the ways in which this work will be aligned with the Commission’s conveyance work.

Joe Yun, the Commission’s Executive Officer, summarized the key points of the presentations, encouraging Commissioners to consider the questions from the presentations regarding future funding sources and ways to be innovative.

Commissioner Swanson asked Ms. Buetler how people can get involved in the Commission’s ongoing conveyance work. Ms. Buetler encouraged participation in the regional workshops that the Commission will hold in the coming months. Commissioner Arthur suggested that the Commission and DWR’s team that is advancing action 19.3 work together to promote cross-learning and efficiency. Ms. Jensen and Mr. Guivetchi concurred that this should be done where possible. Commissioner Makler asked about quantifying the need for additional storage and conveyance. Mr. Guivetchi responded that the concept of storage is being transformed to include surface and groundwater storage. Commissioner Makler asked Ms. Hanak about opportunities for federal funding. Ms. Hanak said that there is not much for water. Commissioner Alvarado asked Ms. Hanak about her thoughts on governance and collaboration. Ms. Hanak feels the state can provide useful incentives through grants and regulatory relief.

The Commission took public comments. Geoff Vanden Heuvel, representative of the dairy industry, shared his thoughts on conveyance as a linchpin for helping with implementation of the Sustainable Groundwater Management Act by moving flood flows to places of storage. Ron Stork, Friends of the River, shared his thoughts on the negative physical effects of conveyance that would be reliant on the Delta. Doug Obegi, Natural Resources Defense Council, encouraged the Commission to only invest public dollars in public benefits such as those areas with limited funding – such as the Human Right to Water, flood protection, and ecosystems – and requiring those who benefit to pay for other aspects of projects. Justin Fredrickson, California Farm Bureau, expressed a need to quantify the need for conveyance and using public funds to benefit local communities; he encouraged incorporating technology-based and regulatory approaches into conveyance solutions and feels funding for climate vulnerability assessments is important. Soren Nelson, Association of California Water Agencies, expressed support for the work on regional conveyance. Scott Hamilton, Chairman of the Water Blueprint for the San Joaquin Valley, shared thoughts on the importance of investment in conveyance. Osha Meserve, Local Agencies of the North Delta, expressed concerns about solutions for the south San Joaquin Valley that take more water from the Delta.

#### **10. Briefing on Merced River Watershed Management**

Kamyar Guivetchi, Manager of DWR’s Division of Planning, and David Arrate, Senior Water Resources Engineer with DWR, presented on the Merced River Basin Flood-Managed Aquifer Recharge (Flood-MAR) reconnaissance study to assess watershed-scale climate vulnerability and to explore the intersection of water supply, flood protection, and environmental water

adaptation strategies in the Merced River watershed. Mr. Guivetchi explained that integrated watershed management requires multi-sector collaboration, multi-discipline planning, multi-benefit projects and multi-fund investments, and noted that the State of California has recommended Flood-MAR as a way to promote integrated watershed management. Mr. Arrate talked about using planning, modeling and analysis to examine Flood-MAR projects at a large scale, using the Merced River watershed study to create a template for future studies and projects. Mr. Arrate noted that he was surprised by the amount of water that stays in the groundwater basin.

Commissioner Arthur asked for clarification regarding the Merced study's connection to Groundwater Sustainability Plans (GSPs) and in-stream flows needed for ecosystems. Mr. Guivetchi answered that in-stream flow requirements are used as a constraint on the model and that GSPs are not currently incorporated into the study, but that the Merced study is a step toward providing better information for GSPs. Commissioner Makler asked for clarification on pilot projects. Mr. Guivetchi said the Merced Irrigation District is lining up pilot projects in their service area. Commissioner Swanson expressed his thoughts that data is essential to the solution of these problems and that it is important to look for the nexus between water and agriculture.

The Commission took public comment. Ron Stork, Friends of the River, shared his thoughts on the negative effects of water diversions on salmon. Justin Fredrickson, California Farm Bureau, shared his thoughts on the need to incorporate the Sustainable Groundwater and unimpaired flow requirements into these considerations.

#### **11. State Water Project Briefing: Delta Restoration**

Catherine McCalvin, Chief of DWR's Office of Environmental Compliance, presented the status of projects DWR's restoration efforts to mitigate the effects of the long-term operations of the State Water Project (SWP) on numerous federal and state protected fish species in compliance with the state and federal Endangered Species Acts. Ms. McCalvin noted that California Department of Fish and Wildlife issued an Incidental Take Permit (ITP) in March of 2020 for the operation of the SWP. She discussed tidal restoration projects and fish passage projects within the Yolo Bypass, explaining that current compliance efforts are nearing their acreage targets as required by the ITP and biological opinion.

#### **12. State Water Project: Emissions Reduction and Power Generation**

Ghasan AlQaser, Chief of DWR's Power and Risk Office, provided a presentation on the SWP power portfolio resource mix and its evolution toward adding renewables and reducing greenhouse gas emissions. Approval of Senate Bill 100 in September of 2018 put California on the path to 100 percent zero emission electricity by 2045. Mr. AlQaser explained that DWR is leading a Flexible Resources Study to assess the SWP's potential to support the state's clean energy policy, as required by Senate Bill 49, Energy: appliance standards and State Water Project assessment, which was approved in October of 2019. It is the intent of DWR to

summarize the findings of the first phase of the Flexible Resources Study in a report that would be submitted to the legislature by January 2022.

Commissioner Makler asked about the magnitude of flexibility the SWP might offer during extreme events with additional investment in the system. Mr. AlQaser stated that, if reconciled with the SWP's primary goal of water supply reliability, the potential is unlimited but would require a huge investment.

**13. Consideration of Items for Next California Water Commission Meeting**

The next meeting of the Commission is scheduled for November 18, 2020. Agenda items will include an update on the Commission's work on resilient conveyance, at least one State Water Project briefing, and consideration of any Water Storage Investment Program early funding requests received by the Commission.

**14. Adjourn**

The Commission adjourned at 4:58 p.m.