



# Water Storage Investment Program

Options for Available Funding

California  
WATER COMMISSION

December 2020

# Options for using TFRA MCED

- Main ways to utilize funds
  - Adjust MCEDs to existing projects that were in rank 3 or requested less than eligible amount
  - Provide inflation adjustment to all existing projects
  - Explore new projects (3-step process)
    - Screening
    - Regulation
    - Solicitation

# Staff Recommendation

- Combination of options
  - Adjust two of the rank 3 projects – Kern Fan Groundwater Storage Project and Willow Springs Water Bank Conjunctive Use Project
    - Total of \$46 million
  - Adjust MCEDs to existing projects for inflation
    - Costs in application were in 2015 dollars; inflation has increased since then
    - Staff recommends 2.5% increase
    - Total of \$61 million
  - Begin screening process for new projects (3-step process)
    - Total of \$64 million

# Staff Recommendation

Option	Project Impact	Funds
Increase rank 3 MCED to Applicant's Request	Kern Fan	\$18,122,685
	Willow Springs Water Bank	\$27,884,001
	<b>Total</b>	<b>\$46,006,686</b>
Inflation Adjustment – 2.5%	Sites Project	\$20,409,442
	Chino Basin Conjunctive Use Program	\$5,172,500
	Harvest Water Program	\$7,012,500
	Kern Fan	\$2,141,500
	Los Vaqueros Reservoir Expansion Project	\$11,475,000
	Pacheco Reservoir Expansion Project	\$12,113,750
	Willow Springs	\$3,082,250
	<b>Total</b>	<b>\$61,406,942</b>
Consider New Projects	<b>Total</b>	<b>\$63,916,372</b>
	Total funds	\$171,330,000

# Existing Projects

- Benefits for adjusting Willow Springs and Kern Fan MCEDs
  - Certainty for groundwater projects with shorter timelines; closer to final award hearing and construction
  - Help guarantee achieving public benefits proposed in application
- Benefits for inflation increase
  - Helps all existing projects equally
  - Provides further certainty to State supported projects

# Screening Process for New Projects

- Statutory deadline precludes new projects after January 1, 2022, that have not been found feasible by Commission
- If screening moves forward, should open early in 2021
- May be few projects that can meet WSIP requirements
- End of 2021 Commission discretion to:
  - Make decision on regulations changes that could lead to second solicitation
  - Additional inflation adjustments to MCEDs to existing projects
  - Adjust Sites Project MCED if benefits still exist with smaller reservoir

# 3-Step process

## Step 1: Screening

- January 2021 to Fall 2021
- Commission Feasible Finding
- Project pool
- Commission decision to stop or proceed to rulemaking.

## Step 2: Rulemaking

- January 2022 to Fall 2022
- Develop Regulations that govern second solicitation

## Step 3: Second Solicitation

- January 2023 to December 2023
- Application preparation, receipt
- Review and Commission MCED

# Commission Decision

- Accept staff recommendation
- Modify staff recommendation
- Defer decisions
  
- Considerations
  - Certainty for existing projects
  - Retaining some funds an incentive for potential new projects
  - Pool of potential projects that would have met statutory requirements
  - Uncertainty with new projects
  - Any one of the options could utilize all available funding