



Water Storage Investment Program: Early Funding Request (action item)

Introduction

Inland Empire Utilities Agency (IEUA) will present its request for early funding under the Water Storage Investment Program (WSIP) for the Chino Basin Program project. The Commission will then decide whether to make an early funding award, which cannot exceed five percent of a project's Maximum Conditional Eligible Determination (MCED). Early funding is a portion of the MCED, not in addition to the MCED. Based on the Chino Basin Program MCED of \$212,072,500, the early funding portion cannot exceed \$10,603,625.

At its August 2020 meeting, the Commission adopted emergency regulations to allow existing applicants that did not apply for early funding in the initial application period another opportunity to apply. On August 31, 2020, the Office of Administrative Law approved the regulations. Early funding allows for reimbursement of funds related to the completion of environmental documentation and permitting for WSIP projects that received an MCED.

Commission Decision

Based on IEUA's presentation at the Commission meeting and public comment received before or at the meeting, the Commission can decide whether or not to award early funding to the project. If the Commission opts not to award early funding, the applicant will not be able to access early funding; the regulations do not allow the project to appeal the decision or reapply for early funding at a later time. If funding is awarded, the Commission must also decide on a funding amount, not to exceed \$10,603,625. If early funding is awarded, staff would then negotiate an early funding agreement that controls the use and disbursement of the funding.

Background

Through the WSIP, the California Water Commission will invest nearly \$2.6 billion in the public benefits of water storage projects, consistent with the requirements of Proposition 1 (the Water Quality, Supply, and Infrastructure Improvement Act of 2014), Chapter 8. In July 2018, the Commission made Maximum Conditional Eligibility Determinations, decisions that set the amount of Proposition 1 funding available to a given project, for eight projects that will create more than four million acre-feet of storage capacity. Since then, one applicant has withdrawn from the program and the Commission adjusted MCEDs by 2.5 percent for inflation. The seven remaining applicants are working to complete the Proposition 1 requirements, which include obtaining permits and environmental documents, contracts for the administration of public

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benefits, and contracts for non-Proposition 1 funding, before returning to the Commission for a final award hearing.

This agenda item implements Goal Four of the Commission's Strategic Plan, which calls on the Commission to carry out its statutory responsibilities for the Proposition 1 Water Storage Investment Program.

Meeting Overview

At this meeting, Amy Young, the Commission's Water Storage Investment Program Manager, will introduce the decision before the Commission. Sylvie Lee, Manager of Strategic Planning and Resources for IEUA, will present the request for early funding.

This is an action item.

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