



Water Storage Investment Program: Eligibility Requirements

Introduction

Water Code §79757 states that a project is not eligible for Water Storage Investment Program (WSIP) funding unless project proponents and the Commission complete several statutory requirements by January 1, 2022. The statutory requirements are:

1. All feasibility studies are complete and draft environmental documentation is available for public review;
2. The Commission makes a finding that the project is feasible, and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta; and
3. The Director of the Department of Water Resources receives commitments for not less than 75 percent of the non-public benefit cost shares of the project.

In 2018, the Commission found the seven existing WSIP projects would advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta. The Commission also found that each project “appeared” feasible. Each project has until the end of 2021 to complete its feasibility study and submit it to the Water Commission. The Commission must find the project feasible for the project to continue in the WSIP.

Additional potential funding became available when the Temperance Flat project withdrew from the WSIP in October 2020. The Commission reserved approximately \$64 million in funding, at its January 2021 meeting, for potential new projects. The Commission directed staff to begin a project screening process at the same meeting. For any new screening projects to be eligible for WSIP funds, the Commission must find the project is feasible and find that the project will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.

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. Since then, one

Agenda Item: 8

Meeting Date: July 21, 2021

Page 2

applicant has withdrawn from the program; the seven remaining applicants are working to complete the Proposition 1 requirements, which include obtaining permits and environmental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 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

In preparation for projects completing the statutory requirements and the Commission making feasibility findings later this year, Program Manager Amy Young will provide a process overview of how this information will be submitted, reviewed, and presented to enable Commission action regarding project feasibility.

This is an informational item.

Contact

Amy Young

Program Manager

California Water Commission

(916) 651-2477