



Water Storage Investment Program: Road to Final Funding (Informational Item)

Introduction

Applicants within the Water Storage Investment Program (WSIP) are advancing their projects to meet Proposition 1 requirements before returning to the Commission for final award hearings. Applicants are responsible for moving their projects toward construction, and each project is on its own timeline. This item is the first of several briefings the Commission will receive on the WSIP process culminating in a final award hearing. Commission staff will provide an overview on the remaining process, Commission interactions with applicants' projects, and project schedules. During the development of the regulations, Commissioners expressed the need for site visits before final funding decisions. Staff is seeking Commission input on potential site visits as those logistics and timing may impact the Commission schedule. Future briefings will focus on contracts for the administration of public benefits (September 2022), site visits (as needed), and the specifics of the final award hearings.

Background

Through the WSIP, the 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 MCEDs, decisions that set the amount of Proposition 1 funding potentially available to a given project. Since then, one applicant withdrew from the program, making its MCED available for potential use elsewhere. From January 2021 through March 2022, the Commission considered options and made several decisions to redistribute the returned MCED amount. The Commission decided to not pursue a second solicitation, and used the returned MCED amount for a series of inflationary adjustments and adjustments to MCEDs for three projects that were shorted in 2018 because total project requests exceeded available funding. The seven remaining applicants are working to complete the Proposition 1 requirements, which include obtaining permits and completed environmental documents, contracts for the administration of public benefits, and contracts for non-public benefit cost share, 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.

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Meeting Overview

At the July meeting, staff will give the Commission an update on project timelines and an overview of the WSIP process through the final award hearing, including opportunities for Commission interaction with applicants, and remaining Commission discretion and decisions. Staff is seeking input from the Commission regarding the need and modality of visiting project locations so staff can better manage the remaining process.

This is an informational item.

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