



**Water Storage Investment Program: Willow Springs Water Bank Conjunctive Use Project
Progress Update (Action Item)**

Introduction

The California Water Commission (Commission) administers the Water Storage Investment Program (WSIP) to fund the public benefits associated with water storage projects using funds from the Proposition 1 Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1). Currently, six projects, including the Willow Springs Water Bank Conjunctive Use Project (Project), have a WSIP maximum conditional eligibility determination (MCED), which is the amount of Proposition 1 funding potentially available to a given project. The Project is a conjunctive use project that will store groundwater in exchange for pulse-flow releases from Lake Oroville for ecosystem improvement and emergency response benefits. The Project requires a State Water Contractor to forego its allocation from Lake Oroville and agree to substitute water from the Project for the Project to achieve the public benefits for the WSIP. The only State Water Contractor partner positioned to support the Project is Antelope Valley - East Kern Water Agency (AVEK).

Over the past two years the Commission requested four project updates from the Project proponents. The most recent project update took place at the January 2024 meeting. The Commission is particularly interested in the Project's progress toward securing a partnership with AVEK. The Project agreed to return to the Commission with an update regarding the status of an Agreement in Principle (AIP) with AVEK, which the project proponents indicate will be finalized in time for an update at the October 2024 Commission meeting.

The Commission retains the discretion to determine if an applicant is not making sufficient progress toward completing the statutory requirements of the Program and is no longer eligible for WSIP funding. (Cal. Code Regs., tit. 23, §6013, subd. (f)(1).) Depending on the outcome of negotiations with AVEK and the information provided in this update, the Commission may choose to take action on the project, if so desired.

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, Chapter 8. One project received a final funding award. The six remaining WSIP applicants have successfully met the Proposition 1, Chapter 8 interim requirements and are working to complete the remaining statutory requirements, which include obtaining permits and completing environmental documents, and executing contracts for the administration of public benefits and contracts for

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non-public benefit cost share. Once these requirements are complete, each WSIP applicant will return 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 WSIP.

Meeting Overview

At the October meeting, representatives from the Southern California Water Bank Authority will provide a status of the project. If the Commission finds that sufficient progress has not been made, the Commission may choose to take action, such as rescinding the MCED for the project.

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