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## Water Storage Investment Program: Kern Fan Groundwater Storage Project Update

### Agenda Item at a Glance

- The Kern Fan Groundwater Storage Project, called "Kern Fan Project," will store water underground in wet years and then use that water when it is needed at other times. The project is being led by the Groundwater Banking Joint Powers Authority or "GWJPA."
- The Kern Fan Project is eligible for funding through the Water Storage Investment Program, called "WSIP." WSIP funds the public benefits of water storage projects. "Public benefits" are the ways in which water storage projects provide benefits to Californians broadly, such as cleaner water, new recreational opportunities, and improvements to the land and water fish and wildlife need to survive.
- This is an informational agenda item, important to anyone interested in WSIP and the Kern Fan Project.
- At this meeting, the Commission will hear from the GWJPA about the Kern Fan Project. Commissioners can ask questions of presenters and Commission staff. Tribes and the public will have an opportunity to make a comment to the Commission before the Commission discusses this agenda 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), codified at Water Code section 79750 *et seq*, and supplemented by funds from Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clear Air Bond Act of 2024 (Proposition 4). One of the WSIP projects, the Kern Fan Project is a groundwater storage project and will be operated to provide emergency water supply benefits and ecosystem benefits, including storing water for pulse flows on the Feather River as well as temporary wetland habitat onsite. The project is located in Kern County, west of Bakersfield. The investment of WSIP funds in this project is based on the value of the ecosystem and emergency response benefits provided by the project.

At this meeting, the Commission will hear from representatives leading the Kern Fan Project. This meeting will provide the Commission with information on the project's status and will help the Commission understand whether the project is making demonstrable progress and has viable public benefits. The information provided at this meeting will help the Commission Agenda Item: 13 Meeting Date: July 16, 2025 Page 2

gather critical information to inform its decision on awarding inflationary adjustments to WSIP projects.

# Summary of Issues

The project representatives have been asked to address the following to help the Commission understand the project's status:

- Overview of project
- Overview of public benefits
- Changes to magnitude of public benefits
- How is the project funded: Who are the partners? Any funding from federal government?
- Tribal outreach and relationships
- Environmental document status/permitting status
- Timeline to final award and any milestones
- Opportunities to shorten timeline to final award

During this project update, the Commission is interested in hearing about the status of the turnout location on the California Aqueduct and the status of the coordination with Kern County Water Agency, with whom the GWJPA needs approval from to move forward with the aqueduct turnout.

### Background

Through the WSIP, the Commission will invest \$2.6 billion in the public benefits of water storage projects, consistent with the requirements of Proposition 1, Chapter 8. The Commission made Maximum Conditional Eligibility Determinations in July 2018, which set the amount of Proposition 1 funding potentially available to each project. One project received a final award at the June 2023 Commission meeting. The five remaining WSIP applicants successfully met Proposition 1 interim requirements by the deadline of January 1, 2022, and are working to complete the remaining statutory requirements. These include obtaining permits and completing environmental documents, executing contracts for the administration of public benefits, and completing contracts for non-public benefit cost share. When the applicant completes these requirements, the applicant will return to the Commission for a final award hearing, at which the Commission will decide whether to award final funding.

During the March 2025 Commission meeting, the Commission discussed the recent funding that became available through the Los Vaqueros Reservoir Expansion withdrawal as well as the passage of Proposition 4. The Commission decided to postpone inflationary adjustments until the Commission heard project updates from all of the projects in the WSIP. The Commission has heard from three of the five remaining projects in the WSIP. The remaining two projects will provide updates in this month's Commission meeting.

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This agenda item is related to Goal One of the <u>Commission's Strategic Plan</u>, which calls on the Commission to implement the WSIP to achieve public benefits. Information provided in project updates assists the Commission's ability to articulate clear timeframes for the projects seeking WSIP funding by the end of 2025.

### **Meeting Overview**

At the July meeting, Fiona Nye, GWJPA Project Manager, will provide an update on the Kern Fan Project.

This is an informational item.

**Contact** Amy Young Program Manager California Water Commission (916) 882-2399