

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
CALIFORNIA WATER COMMISSION

RESOLUTION NUMBER: 2021-04

RESOLUTION MAKING AN EARLY FUNDING AWARD RELATED TO THE CHINO
BASIN CONJUNCTIVE USE ENVIRONMENTAL WATER STORAGE/EXCHANGE
PROGRAM

WHEREAS, on November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 ("Proposition 1");

WHEREAS, Proposition 1 contained Chapter 8, "Statewide Water System Operational Improvement and Drought Preparedness," ("Chapter 8") which appropriates \$2.7 billion to the California Water Commission ("Commission") to invest in public benefits associated with water storage projects "that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions" (Water Code section 79750);

WHEREAS, on December 14, 2016, the Commission adopted regulations governing the quantification and management of public benefits associated with water storage projects that meet the criteria established for public investment (the Water Storage Investment Program ("WSIP"));

WHEREAS, the regulations were approved by the Office of Administrative Law on March 7, 2017, and appear in the California Code of Regulations, title 23, section 6000 *et seq.* ("regulations");

WHEREAS, the Commission, pursuant to the terms of the regulations, began the application period for funds from the WSIP on March 15, 2017;

WHEREAS, on July 24, 2018, the Commission considered the funding amount requested by the Applicant, and determined a Maximum Conditional Eligibility Amount for the Project of \$206,900,000;

WHEREAS, the Applicant did not apply for an early funding award pursuant to WSIP Regulations section 6010 in its application submitted in 2017;

WHEREAS, on August 17, 2020, the Commission adopted emergency regulations to provide for an additional funding opportunity for WSIP applicants to obtain funding for the completion of environmental documentation and permitting required to complete the project, pursuant to Water Code section 79755(c), based on the ongoing emergency produced by the COVID-19 pandemic;

WHEREAS, the emergency regulations were approved by the Office of Administrative Law on August 31, 2020, and were added to the California Code of Regulations, title 23, section 6010;

WHEREAS, on January 20, 2021, the Commission voted to increase all current WSIP projects' Maximum Conditional Eligibility Determinations for inflation at a rate of 2.5%;

WHEREAS, the Maximum Conditional Eligibility Determination for the Project is now \$212,072,500;

WHEREAS, on April 29, 2021, the Applicant notified Commission staff of its intent to request early funding for environmental documentation and permits;

WHEREAS, at the publicly noticed May 19, 2021 Commission meeting, the Applicant presented a request for \$8,919,000 to complete its environmental documentation and permitting required to complete the project, pursuant to Water Code section 79755(c);

WHEREAS, on May 19, 2021, the Commission considered the early funding amount requested by the Applicant in conjunction with the requirements of WSIP regulations section 6010(f); and

WHEREAS, no comments were received by the Commission in opposition to the award of early funding to the Applicant either before or at the May 19, 2021 Commission meeting.

NOW, THEREFORE, BE IT RESOLVED that the California Water Commission hereby awards \$8,919,000 to the Applicant for early funding, pursuant to California Water Code section 79755(c) and WSIP Regulations section 6010;

BE IT FURTHER RESOLVED that the Commission directs Applicant and the Executive Officer work to execute an early funding agreement, a template of which has been available on the Commission's website; and

BE IT FURTHER RESOLVED that the Applicant continue to provide quarterly updates, about the project to the Commission regarding the Applicant's progress in completing the purposes for which funding was requested.

Signed:

Teresa Alvarado

Teresa Alvarado, Chair

California Water Commission

5/20/2021

Date

Attest:

Joseph Yun

Joseph R. Yun, Executive Officer
California Water Commission

5/21/2021

Date