

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
CALIFORNIA WATER COMMISSION

RESOLUTION NUMBER: 2025-05

RESOLUTION TO ADJUST MAXIMUM CONDITIONAL ELIGIBILITY DETERMINATION
FOR SITES RESERVOIR PROJECT

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 Sites Project Authority applied for funding for its water storage project, the Sites Project, and, consistent with regulations governing WSIP, received a Maximum Conditional Eligibility Determination (MCED), pursuant to section 6011 of the regulations, of \$816,377,686;

WHEREAS, the MCEDs for all projects in the WSIP used 2015 dollars to value the public benefits of the projects;

WHEREAS, in 2021, the Commission found the Sites Project feasible and continues to be eligible for funding through the WSIP;

WHEREAS, at its January 20, 2021 meeting, the Commission adjusted each applicant's MCED by 2.5% to account for inflation, bringing the Sites Project's MCED to \$836,787,128;

WHEREAS, at its March 16, 2022 meeting, the Commission provided a Rank 3 adjustment to the Sites Project to account for eligible costs not covered at the time of the original MCED, and provided a 1.5% inflation adjustment to MCEDs for all the projects in the WSIP, bringing the Sites Project's MCED to \$875,396,369.

WHEREAS, the Los Vaqueros Expansion Project withdrew from the WSIP in November 2024;

WHEREAS, the Los Vaqueros Project's withdrawal made \$453,680,426 available for other projects' potential use if they complete the statutory requirements set forth in Water Code section 79750 *et seq.*; and

WHEREAS, the Commission considered options for committing available funding, and expressed an interest in using available funding to increase MCEDs to account for inflation after receiving updates on the projects' status and viability at the August 20, 2025 Commission meeting.

NOW THEREFORE BE IT RESOLVED, that the Commission directs staff to increase the MCED for the Sites Project by \$218,977,138, from \$875,396,369 to \$1,094,373,507; and

BE IT FURTHER RESOLVED, that the Sites Project is eligible for additional early funding consistent with title 23, California Code of Regulations, §6010.

Signed:

Fern Steiner

Fern Steiner, Chair
California Water Commission

9/12/2025

Date

Attest:

Laura Jensen

Laura Jensen, Executive Officer
California Water Commission

9/12/2025

Date