

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
CALIFORNIA WATER COMMISSION
RESOLUTION NUMBER: 2025-06

RESOLUTION TO ADOPT REGULATIONS TO REMOVE THE DOLLAR AMOUNT CAP FOR
EARLY FUNDING

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

WHEREAS, the California Water Commission (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)) on December 14, 2016;

WHEREAS, Title 23, California Code of Regulations, section 6010 allows applicants to request early funding to complete environmental permitting and documentation, pursuant to California Water Code section 79755(c);

WHEREAS, the Commission determined each project's Maximum Conditional Eligibility Determination (MCED) amount at its July 24, 2018 meeting pursuant to Title 23, California Code of Regulations, section 6011;

WHEREAS, the Commission evaluated the requests and granted early funding to three applicants at its July 24, 2018 meeting;

WHEREAS, the Los Vaqueros Expansion Project was one of those applicants and received \$13.65 million for early funding;

WHEREAS, the Commission determined the Los Vaqueros Expansion Project MCED to be \$459,000,000;

WHEREAS, in January 2021, the Commission increased all projects' MCEDs by 2.5%, bringing the MCED for the Los Vaqueros Expansion Project to \$470,475,000;

WHEREAS, on April 20, 2022, the Commission further adjusted the MCEDs for all WSIP projects by 1.5% to account for inflation, bringing the Los Vaqueros Expansion project's MCED to \$477,558,343;

WHEREAS, on May 18, 2022, the Commission approved additional early funding for the Los Vaqueros Expansion Project totaling \$23,877,917, all of which was expended;

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

WHEREAS, Title 23, California Code of Regulations, section 6010 currently caps early funding at \$135 million total or 5% of each project's maximum conditional eligibility determination (MCED), whichever occurs first;

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

WHEREAS; if the Commission increases remaining WSIP projects' MCEDs based on the availability of potential funding from the Los Vaqueros Expansion Project's withdrawal, it is possible that the \$135 million dollar cap on early funding may prohibit the Commission from awarding up to 5% of a project's adjusted MCED, due to the early funding the Los Vaqueros Expansion Project had already spent;

WHEREAS, the Commission remains interested in WSIP projects having the opportunity to request up to 5% of their MCED as early funding;

WHEREAS, staff drafted a Notice of Proposed Rulemaking and proposed regulation and published them to the Commission's website and sent them to its subscriber listserv on June 30, 2025, and had the Notice of Proposed Rulemaking published in the California Regulatory Notice Register on July 4, 2025, in compliance with Government Code 11346.4; and

WHEREAS, the 45-day public comment period was from July 4, 2025 to August 18, 2025;

WHEREAS, the public hearing for the regulation was held at the Commission's regularly scheduled meeting on August 20, 2025;

WHEREAS, the Commission met on August 20, 2025, and adopted the proposed regulation after the public hearing;

NOW, THEREFORE, BE IT RESOLVED that the California Water Commission hereby adopts the proposed regulation, pursuant to Government Code section 11346 *et seq.*

BE IT FURTHER RESOLVED that the Commission directs staff to finalize the regulation filing and file with the Office of Administrative Law as early as possible; and

BE IT FURTHER RESOLVED that the Commission directs staff to request the regulations be effective on filing with the Secretary of State.

Signed:

Fern Steiner

9/11/2025

Fern Steiner, Chair
California Water Commission

Date

Attest:

Laura Jensen

9/12/2025

Laura Jensen, Executive Officer
California Water Commission

Date