



Meeting Minutes

Meeting of the California Water Commission

Wednesday, July 16, 2025

California Natural Resources Building

715 P Street, 1st Floor Auditorium

Sacramento, California 95814

Beginning at 9:30 a.m.

1. Call to Order

Commission Chair Fern Steiner called the meeting to order at 9:33 a.m.

2. Roll Call

Commissioners Curtin, Gallagher, Hurt, Makler, Matsumoto, Solorio, and Steiner were present, constituting a quorum.

3. Acknowledgement of California Native American Tribal Governments

This is an opportunity for elected Tribal leaders and formally designated Tribal representatives to identify themselves and to specify the agenda item(s) on which they will comment, as described in the Commission's California Native American Tribal Leadership Comment Policy. No Tribal leaders or representatives asked to comment.

4. Approval of June 18, 2025, Meeting Minutes

Commissioner Solorio motioned to approve the June 18, 2025, meeting minutes. Commissioner Gallagher seconded the motion. All Commissioners present voted to approve the minutes.

5. Executive Officer's Report

Executive Officer Laura Jensen reported on the engagement and participation numbers from the June Commission meeting. Executive Officer Jensen also provided an update on staff's work regarding changes to the Water Storage Investment Program (WSIP) regulations. Executive Officer Jensen also introduced the Commission's new Assistant Executive Officer Sarah Lesmeister.

6. Commission Member Report

Commissioner Makler reported that he would need to leave the meeting at 2 p.m.

7. Public Testimony

Public comment from Ben King, who said he supports the Sites Reservoir Project, but is opposed to the project's proposal regarding the Dunnigan Pipeline. Mr. King said using the Dunnigan Pipeline will have significant impacts on water quality. He said the Sites Project should study local drainage problems, protect the environment, and consult with local Tribes.

He also said there are two dams located downstream from the proposed project site which will intensify existing water quality issues.

8. State Water Project Briefing: 2025 Budget Process and Operations Update

Department of Water Resources (DWR) Deputy Director John Yarbrough provided opening remarks on the Delivery Capability Report (DCR) Addendum and the effects of subsidence on the operation of the State Water Project (SWP).

SWP Financial Manager Hong Lin provided an overview of the SWP's budget process and the calendar year 2025 budget.

State Water Contractors (SWC) General Manager Jennifer Pierre provided the SWC's perspective on the annual SWP budget, cost pressures, and other budgetary considerations.

SWP Water Operations Manager Tracy Hinojosa provided an update on current-year operations, including the current water year allocation, planning decisions made to date, current hydrology, and considerations for the rest of the year.

Public comment from Ben King, who expressed his concerns regarding the Sites Project's proposed use of the Dunnigan pipeline and issues posed by subsidence. Mr. King suggested Sites should use the Colusa Basin Drain rather than the Dunnigan pipeline. He said local farmers will be economically incentivized to pump groundwater in dry years, which will exacerbate the risk of subsidence.

Commissioner Curtin commented on the dangers posed by climate change and emphasized the need for the State to find ways to use renewable energy sources to address issues facing farmers. Mr. Yarbrough said the State's current hydrology is promising, and while the State does have good infrastructure, it does need reinvestment. He said that groundwater storage and land use must also be taken into consideration.

Commissioner Makler asked SWP staff to discuss the economic impact of the SWP in greater detail at future briefings. He also asked for confirmation that the SWP could lose up to 87 percent of its conveyance capability if the SWP does not see significant capital improvement. Mr. Yarbrough confirmed that was correct. Commissioner Makler asked how much of the SWP's capital cost would be securitized and what percentage of the SWP's rate base could be securitized to cover immediate capital costs. Ms. Lin said a big chunk of the bonds currently issued would be paid off by 2029, and the SWP is working on a new general bond resolution. She said the capital capacity of the SWP is around one billion dollars, not including power costs, and operational costs will continue to rise. Commissioner Makler asked what the capital shortfall is for the SWP. Ms. Pierre said it would be roughly 30 billion dollars but there cannot be a shortfall because the SWC must pay. Commissioner Makler suggested that DWR consider filing a tariff at the Federal Energy Regulatory Commission.

Commissioner Hurt asked for clarification on DWR's climate modeling practices and how that impacts the SWP's projected capital costs. Mr. Yarbrough provided more information on DWR's climate modeling and the 2023 DCR. Commissioner Hurt asked how DWR is incorporating equity into its work to ensure disadvantaged communities are not left behind. Mr. Yarbrough said DWR is always looking for ways to reduce the cost of water and increase reliability. Ms. Pierre said water agencies are taking steps to minimize the impact to disadvantaged communities and there are no communities within the SWP service area that are without clean accessible water.

Commissioner Solorio asked for clarification on how the SWC pays their bills in dry water years. Ms. Pierre clarified that the SWC must pay their bills, even in dry years, which creates a more acute problem for agricultural users.

Commissioner Hurt asked how DWR decides between allocating water to customers and allocating water for habitat preservation. Ms. Hinojosa said the SWP has water rights permits that require DWR to meet certain environmental standards. Mr. Yarbrough said the permits also have the ability for adaptive management, which has allowed DWR to work with other state agencies to produce positive results for customers and the water supply for fish species in the Delta.

9. Water Storage Investment Program: Projects Update

WSIP Manager Amy Young provided an update on the progress of projects in the WSIP.

13. Water Storage Investment Program: Kern Fan Groundwater Storage Project Update

This item was heard out of order.

Groundwater Banking Joint Powers Authority (GBJPA) Program Manager Fiona Nye and General Manager Dan Bartel provided an overview of the Kern Fan Groundwater Storage Project and an update on project progress.

Commissioner Solorio asked for clarification on how the project will provide the pulse flow benefit and how that may impact the project's funding. Ms. Nye said the project will provide a pulse flow benefit but there are operational and maintenance costs associated with providing that benefit. She also described how using carriage water would benefit the project.

Commissioner Makler asked if the project scope had changed between 2015 and 2024, and whether the scope of the public benefits had changed. Ms. Nye confirmed the scope had changed and described some of the changes. Commissioner Makler encouraged the project to include that information in their next presentation. Commissioner Makler and Ms. Nye commented on the project's rising costs and the funding available through the WSIP. Executive Officer Jensen said that Proposition 1 funding cannot be used for a project's operations and maintenance.

10. Informational Update on Dam Safety Permitting

DWR's Division of Safety of Dams (DSOD) Design Engineering Branch Manager Erik Malvick provided an overview of DSOD's process for reviewing and approving project applications for dam safety permits, and how the process is applied to WSIP projects under DSOD's jurisdiction.

Public comment from Ben King who described two unlicensed dams located downstream from the Sites Reservoir Project. One of the dams, identified as the Davis Weir Bladder Dam, was identified as a key facility for the operation of the Sites Project. Mr. King said these dams have not been licensed by DSOD and will have a negative impact on local water quality due to contaminated groundwater containing mercury and chromium.

Commissioner Steiner asked if there are any dams that the DSOD is not responsible for. Mr. Malvick said the DSOD does not have jurisdiction over dams that are less than six feet tall, dams that have less than 15 acre-feet of storage, and dams that are less than 25 feet tall and contain less than 50 acre-feet of water storage.

11. Water Storage Investment Program: Sites Project Ecosystem Benefit Overview

California Department of Fish and Wildlife (CDFW) Environmental Program Manager Kristal Davis-Fadtke provided an overview of the Site's Project's ecosystem benefits.

Public comment from Ben King, who reiterated his earlier comments regarding the potential environmental consequences of the Sites Project's proposal to use the Dunnigan pipeline. Mr. King urged the Commission to consider the topography of the Colusa Basin Drain and commented on the importance of the project's potential benefits to local refuges and wetlands.

Commissioner Gallagher asked if the ecosystem benefit is only available in dry and critical water years. Ms. Davis-Fadtke said the benefit could be available in any year, depending on the demand, however demand is typically greater in dry and critical water years.

Commissioner Matsumoto asked for clarification on when the refuge water supplies will be available and for how long those supplies would be available. Ms. Davis-Fadtke said CDFW and Sites are still figuring out details but CDFW's objective is to match demand with availability. Commissioner Matsumoto asked how project costs such as conveyance are being paid for. Ms. Davis-Fadtke said those details had not been worked out yet. Commissioner Matsumoto asked for clarification on the timing of the contract. Ms. Davis-Fadtke said they were optimistic to get a draft contract completed by the end of 2025.

12. Water Storage Investment Program: Sites Project Update

Executive Director for the Sites Project Authority Jerry Brown provided an overview of the Sites Project and an update on project progress.

Public comment from Ben King who reiterated his support for the Sites project and his concerns regarding the project's proposal to use the Dunnigan pipeline. Mr. King said Kletsel Dehe Wintun Nation territory is within the boundary of Zone 3 of the Colusa County Flood Control and Water Conservation District, and Chairman Charlie Wright was not contacted regarding the territory's inclusion. Mr. King said the inclusion of the Tribal territory could cause significant

delays for Sites and urged Mr. Brown to work with Chairman Wright on ensuring that Tribal territory is respected.

Commissioner Steiner asked for clarification on project participants and the process by which a participant becomes an investor in the project. Mr. Brown said 22 project participants have signed contracts committing to paying for planning and development costs, and participants on the waiting list are waiting to make a financial commitment. Mr. Brown said the next phase of investment would involve participants committing to paying their share of construction costs. Commissioner Steiner asked what would happen to participant's money if Sites did not move forward. Mr. Brown said once project participants have signed benefits and obligations contracts, they own their share of the project, even if construction is not completed.

Commissioner Curtin said the California Water Supply Strategy is counting on the storage that would be provided by Sites.

Commissioner Solorio asked Mr. Brown for his thoughts on how the Sites project can provide benefits for other water systems. Mr. Brown said that where Sites is located geographically illustrates the potential for Sites to provide benefits to other systems.

Commissioner Matsumoto asked for clarification on the status of the project's near-term financing. Mr. Brown said the project is currently funded by cash calls from project participants, and the Sites Project Authority Board has halted cash calls until the project reaches the next phase. Mr. Brown said the project can stretch their current funding to reach June 2026. Commissioner Matsumoto asked for more information on the project's water right process. Mr. Brown summarized the water rights process to date and said a draft order is anticipated from the administrative hearing officer, which will then go out for public review and after the review the Board will be asked to make a decision. Commissioner Matsumoto asked for more information on the refuge water benefit and the project's discussions with the United States Bureau of Reclamation (USBR) and CDFW. Mr. Brown said they have not identified any major concerns in their discussions with USBR and that Sites would retain authority over the water until it reaches a point south of the Delta, at which point USBR would have jurisdiction and would move the water into the refuges. Commissioner Matsumoto asked how much water would be moved south of the Delta every year and how Sites is handling conveyance and operations and maintenance costs. Mr. Brown said the amount of water moved is dependent on the type of water year, and that operations and maintenance costs are still being discussed. Mr. Brown said the water would be subject to conditions in the Delta and carriage water requirements. Commissioner Matsumoto asked how the operations and maintenance costs for the recreational facilities are being covered. Mr. Brown said those costs are still being discussed.

Commissioner Gallagher asked if Sites would be able to store water over multiple years and as a result transfer more water to refuges south of the Delta in years where there is more demand. Mr. Brown confirmed Sites would be able to do so.

Commissioner Steiner asked if Sites was working through the contracts for public benefits. Mr. Brown confirmed that they were.

Mr. Brown responded to Mr. King's comment and said he forwarded Chairman Wright's letter to Colusa County, sent a letter to Chairman Wright and would be happy to discuss the matter further with him.

14. Consideration of Items for Next California Water Commission Meeting

At the August meeting, the Commission will hear three WSIP items. In addition to the monthly update, the Commission will also hear about a change to the early funding regulations, and the Commission could make a decision on how to use the available WSIP funding. There will also be several Sustainable Groundwater Management Act items on the agenda, including a local perspective on groundwater trading update, subsidence guidance documents, and the State Water Board's role in SGMA implementation.

15. Adjourn

The Commission adjourned at 3:01 p.m.