



## Water Storage Investment Program: Projects Update

### 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 Proposition 1, the 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).

Six projects are part of the WSIP. One project, the Harvest Water Program, received final funding and is currently under construction. The project proponent for another project, the Pacheco Reservoir Expansion Project, recently decided to suspend the project. Staff expects the project to withdraw from the WSIP. The remaining four WSIP applicants are advancing their projects to meet Proposition 1 statutory requirements before returning to the Commission for final funding hearings. The projects are on different timelines: potential final funding dates range from 2026 to 2028.

Commission staff updates the Commission at each meeting about the progress of the WSIP projects that have not yet received final funding. These updates provide information about each project's status and help Commissioners understand project progress toward a final funding hearing. In 2025, the Commission aims to clearly understand each project's timeframe. This update is intended to identify project timelines and potential impediments. The Commission retains the discretion to determine if an applicant is not making sufficient progress toward completing final award requirements and is no longer eligible for WSIP funding. (Cal. Code Regs., tit. 23, §6013, subd. (f)(1).)

### 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. In July 2018, the Commission made Maximum Conditional Eligibility Determinations (MCEs), which set the amount of WSIP funding potentially available to each project. One project received a final award at the June 2023 Commission meeting. The 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

Agenda Item: 10

Meeting Date: September 17, 2025

Page 2

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.

This agenda item relates to Goal One of the [Commission's Strategic Plan](#), which calls on the Commission to implement the WSIP to achieve public benefits. Information provided in regular 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 September meeting, Amy Young, WSIP Manager for the Commission, will provide an update on projects in the WSIP so the Commission can hear Tribal and public comment on WSIP projects, assess progress, ask questions, direct staff, or invite applicants to supply specific information to the Commission for its consideration at a later meeting.

This is an informational item.

### **Contact**

Amy Young

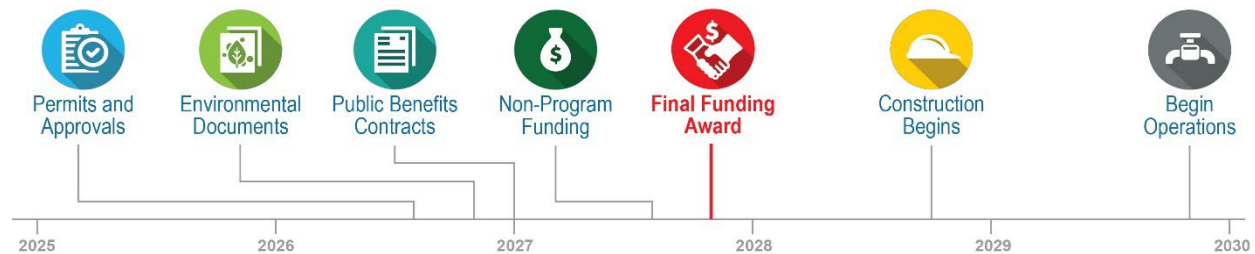
Program Manager

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## Chino Basin Program

**Applicant: Inland Empire Utilities Agency (IEUA)**



### **WSIP Final Award Requirements Status:**

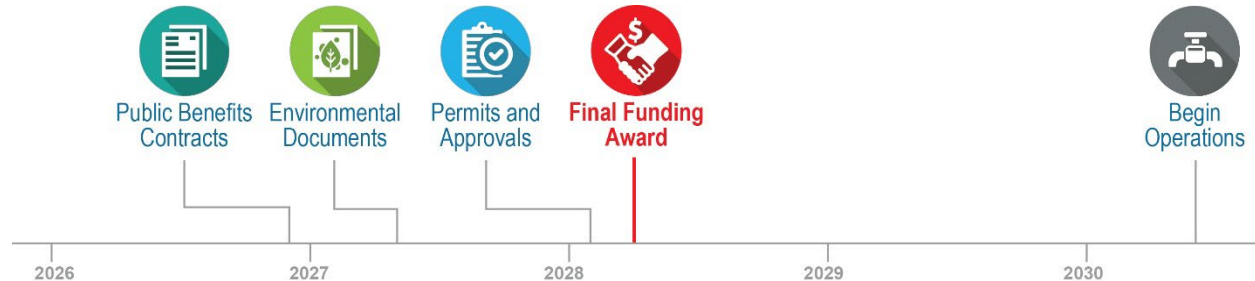
- **Environmental Documentation:** The Program Environmental Impact Report (PEIR) was completed in 2022. Additional project level environmental documentation is expected to be completed in Fall 2026. The Pulse Flow EIR, certified by the Department of Water Resources (DWR), needs to be adopted by the project.
- **Permits and Approvals:** Pulse flow exchange agreements, wastewater change petition, and other permits that could be required pending completion of preliminary design reports are all expected to be obtained in 2026.
- **Public Benefit Contracts:** Contracts with the California Department of Fish and Wildlife (CDFW) for pulse flows on the Feather River, the State Water Board for reduction of Total Dissolved Solids, and DWR for emergency response benefits are expected to be completed in late 2026.
- **Non-Program Funding:** The Inland Empire Utilities Agency and local participating agencies anticipate agreements to be in place in 2027.

### **Factors that can affect success of project or project timeline:**

- Permits and agreements needed to execute public benefit contracts and move project forward: Water Board petitions, pulse flow exchange details, carriage water credit
- Need to complete Preliminary Design Reports – will determine permitting requirements, if any
- Need to account for State Water Project Operations and Maintenance (O&M) costs to provide pulse flows

### Kern Fan Project

**Applicant: Groundwater Banking Joint Powers Authority (GWJPA)**



#### **WSIP Final Award Requirements Status:**

- **Environmental Documentation:** The project's Environmental Impact Report (EIR) was prepared in 2020. An addendum to the EIR for a turnout on the California Aqueduct is expected in Spring 2027. The Pulse Flow EIR, certified by DWR, needs to be adopted by the project.
- **Permits and Approvals:** Exchange agreements, turnout agreements, conveyance easements, Clean Water Act permits, Streambed Alteration Agreement, and an Incidental Take Permit are all expected to be complete by early 2028.
- **Public Benefit Contracts:** Contracts with CDFW for pulse flows on the Feather River, and DWR for emergency response benefits are expected to be completed in Fall 2026.
- **Non-Program Funding:** The GWJPA will fund the remaining costs of the project.

#### **Factors that can affect success of project or project timeline:**

- Turnout location on California Aqueduct uncertain; continued coordination with Kern County Water Agency and Cross Valley Canal participants is vital to project

## Pacheco Reservoir Expansion

**Applicant: Santa Clara Valley Water District**



### WSIP Final Award Requirement Status:

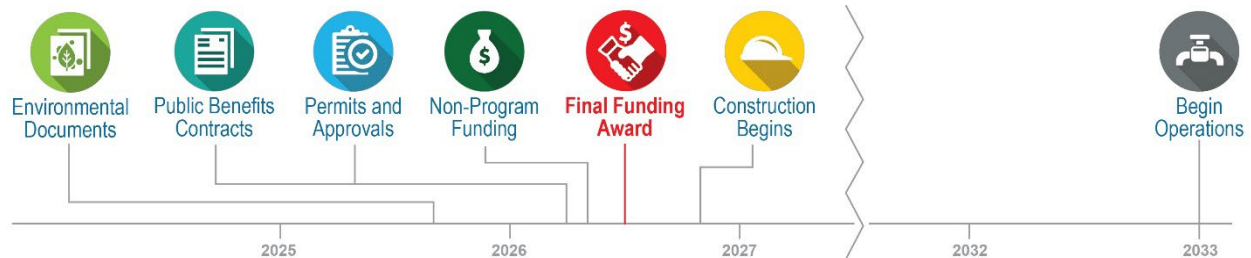
- **Complete Environmental Documentation:** Final EIR for geotechnical investigations in September 2025. The project's Recirculated EIR and federal Environmental Impact Statement (EIS) for reservoir expansion complete by Summer 2028.
- **Permits and Approvals:** Water Rights; Clean Water Act permits; Biological Opinion, Historical Preservation Act compliance; CDFW Streambed Alteration Agreement and Incidental Take Permit, all expected by December 2028.
- **Public Benefit Contracts:** Contracts with CDFW for Steelhead habitat and refuge supply, and DWR for emergency response benefits are expected to be completed by May 2028.
- **Non-Program Funding:** Operating agreements with San Benito Co Water District and Pacheco Pass Water District by December 2028.

### Factors that can affect success of project or project timeline:

- Long environmental document timelines and potential litigation
- Valley Water Board may choose not to move forward with project under Water Supply Master Plan
- Long permitting timeframes push out understanding of mitigation obligations that could impact ecosystem public benefits
- Bureau of Reclamation participation in project uncertain

## Sites Reservoir

### Applicant: Sites Project Authority



### WSIP Final Award Requirements Status:

- **Environmental Documentation:** The project's EIR was completed in 2023. A federal Record of Decision (ROD) is expected to be completed in September 2025.
- **Permits and Approvals:** The Historic Preservation Act (Section 106), Clean Water Act (Section 404 & 401 Certification), Water Right Decision, and water operation permits, are all expected by early 2026.
- **Public Benefit Contracts:** Contracts with CDFW for refuge supply, and DWR for recreation and flood protection benefits are expected to be completed in March 2026.
- **Non-Program Funding:** Agreements with project participants will be signed in April 2026.

### Factors that can affect success of project or project timeline:

- Funding for project planning will run out in June 2026
- Many complicated permits and agreements needed to meet WSIP requirements.
  - Water rights timeline could take longer than Project anticipates
  - Agreements needed for public benefit contracts have not been initiated (i.e. agreements to move water for refuge water benefit)
  - Clean Water Act approvals (Section 404 and 401 Certification) need to be reinitiated
  - Historic Preservation Act (Section 106) needed to complete the ROD

## Willow Springs Water Bank

**Applicant: Southern California Water Bank Authority**



### **WSIP Final Award Requirements Status:**

- **Environmental Documentation:** An EIR was completed in 2016. The Pulse Flow EIR, certified by DWR, needs to be adopted by the project. Additional environmental documentation for conveyance is expected to be completed by the end of 2025.
- **Permits and Approvals:** An exchange agreement for pulse flows is expected by early 2027. It is unknown if additional agreements are needed until the final pipeline alignment is determined.
- **Public Benefit Contracts:** Contracts with CDFW for pulse flows on the Feather River, and DWR for emergency response benefits are expected to be completed in mid-2026.
- **Non-Program Funding:** An agreement with the Antelope Valley-East Kern Water Agency (AVEK) is expected to be completed in November 2025.

### **Factors that can affect success of project or project timeline:**

- Partners to store water at bank unknown, could affect size of project
- Size of project could affect the total project costs and size of turnout on California Aqueduct
- Project proponent needs to initiate pulse flow agreements to provide ecosystem public benefits