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Water Storage Investment Program: Update on Expected Timelines and Recommended Next Steps

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).

Five projects are currently part of the WSIP. One project, the Harvest Water Program, received final funding and is currently under construction. 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 update 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 (MCEDs), 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 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.

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This agenda item relates to Goal One of the <u>Commission's Strategic Plan</u>, 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 November 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

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