

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
CALIFORNIA WATER COMMISSION

RESOLUTION NUMBER: 2025-08

ADOPTING AND APPROVING THE PROPOSED EMERGENCY REGULATION
REGARDING THE USE UNCOMMITTED FUNDS

WHEREAS, in November 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, 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 (CCR), section 6011;

WHEREAS, the Los Vaqueros Expansion Project withdrew from the WSIP in November 2024, returning to the Commission approximately \$453 million in uncommitted funds;

WHEREAS, in November 2024, California voters approved the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 ("Proposition 4");

WHEREAS, Proposition 4 provided \$75 million for projects under the WSIP and directed that "priority for these funds and any funds returned to the Commission shall be to support timely completion of existing approved projects by providing supplemental [funds] to reflect the increase in costs due to inflation ... and any increase in public benefits";

WHEREAS, the Pacheco Reservoir Expansion Project withdrew from the WSIP in September 2025, returning to the Commission approximately \$480 million in uncommitted funds;

WHEREAS, to account for rising costs due to inflation, the Commission approved, in 2025, approximately \$369 million in pro rata inflationary increases to the MCEDs or final funding award for four of the existing WSIP projects;

WHEREAS, of the existing approved projects, at the time of the adoption of this Resolution, the total project cost of the five WSIP projects is approximately \$9.3 billion, of which the WSIP is providing approximately \$2.7 billion in funding specifically for the public benefits associated with these projects;

WHEREAS, one of the existing approved WSIP projects has satisfied all of the criteria under 23 CCR 6013(c) necessary to receive a final award of funds, has received a final funding agreement, and is currently under construction, and the other four existing approved WSIP

projects are actively working to move through the planning stage to construction and project completion;

WHEREAS, inflation has increased substantially since the applications were received in 2017, thereby resulting in increases in costs for all of the existing approved WSIP projects;

WHEREAS, the Commission has an interest in increasing the public benefits available to Californians by investing in additional public benefits that the existing approved projects can provide;

WHEREAS, staff drafted a Notice of Proposed Emergency Rulemaking Action and proposed regulation, and sent notice of them to its subscriber listserv and every person who has filed a request for notice of regulatory action on November 7, 2025, in compliance with Government Code, section 11346.1(a)(2);

WHEREAS, the proposed emergency regulation proposes to create Article 6, section 6020 within title 23 of the California Code of Regulations ("proposed regulation");

WHEREAS, though not required under the Administrative Procedures Act (Government Code, section 11346 *et seq.*) for proposed emergency regulations, a public hearing for the proposed regulation was held at the Commission's regularly scheduled meeting on November 19, 2025;

WHEREAS, the Commission met on November 19, 2025, and heard Tribal and public comment on the proposed regulation; and

WHEREAS, the Commission supports the timely completion of all existing approved projects in WSIP and has found, per 23 CCR 6011(c) and Resolution Nos. 2018-01, 2018-03, 2018-04, 2018-05, and 2018-06, that the timely completion of all existing approved projects will improve the operations of the State water system, provide a net improvement in ecosystem and water quality conditions, provide measurable improvements to the Delta ecosystem or to the tributaries to the Delta, and advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta; and

NOW, THEREFORE, BE IT RESOLVED that the California Water Commission hereby adopts and approves the proposed regulation, pursuant to Government Code, section 11346 *et seq.*, as may be amended by the Commission at the November 19 meeting;

BE IT FURTHER RESOLVED that the Commission directs staff to finalize the emergency rulemaking package and submit to the Office of Administrative Law no later than December 1, 2025;

BE IT FURTHER RESOLVED that the Commission directs staff to request the proposed regulation be effective on filing with the Secretary of State;

BE IT FURTHER RESOLVED that the Commission directs staff to proceed promptly with implementing the proposed regulation once approved by the Office of Administrative Law and filed with the Secretary of State; and

BE IT FURTHER RESOLVED that the Commission authorizes the Executive Officer to make non-substantive corrections to the proposed regulation.

Signed:

Fern Steiner, Chair
California Water Commission

Date

Attest:

Laura Jensen, Executive Officer
California Water Commission

Date