

STATE OF CALIFORNIA  
CALIFORNIA NATURAL RESOURCES AGENCY  
CALIFORNIA WATER COMMISSION

RESOLUTION NUMBER: 2026-02

APPROVING AND AWARDED \$5,570,865 IN EARLY FUNDING  
TO THE KERN FAN PROJECT

WHEREAS, the Water Storage Investment Program (“WSIP”) was created from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (“Proposition 1”), and further funded and refined by the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (“Proposition 4”);

WHEREAS, Proposition 1 appropriated \$2.7 billion to the California Water Commission (“Commission”) to invest in public benefits associated with water storage projects “that improve the operation of the state water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions” (Water Code section 79750);

WHEREAS, Proposition 4 provided an additional \$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, on December 14, 2016, the Commission adopted regulations governing the quantification and management of public benefits associated with water storage projects that meet the statutory criteria established for public investment;

WHEREAS, the regulations were approved by the Office of Administrative Law on March 7, 2017, and appear in the California Code of Regulations, title 23, section 6000 *et seq.* (“WSIP regulations”);

WHEREAS, the Commission, pursuant to the terms of the WSIP regulations, began the application period for funds from the WSIP on March 15, 2017;

WHEREAS, on July 24, 2018, the Commission considered the funding amount requested by the applicant, Groundwater Banking Joint Powers Authority (“Applicant”), for its proposed project, the Kern Fan Project (“Project”)<sup>1</sup>, and determined a Maximum Conditional Eligibility Determination (“MCED”) amount for the Project of \$67,537,315, as set forth in Resolution 2018-15;

WHEREAS, the Applicant did not apply for an early funding award pursuant to WSIP regulations section 6010 in its application submitted in 2017;

WHEREAS, on August 17, 2020, the Commission adopted emergency regulations to provide for an additional funding opportunity for WSIP applicants to obtain funding for the completion of environmental documentation and permitting required to complete the project, pursuant to Water Code section 79755(c), based on the ongoing emergency produced by the COVID-19 pandemic;

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<sup>1</sup> At its January 21, 2026, meeting, the Commission considered and approved the Applicant’s request to change the project type to a conjunctive use project. In so doing, the name of the project is changed from “Kern Fan Groundwater Storage Project” to “Kern Fan Project.”

WHEREAS, the emergency regulations were approved by the Office of Administrative Law on August 31, 2020, and were added to section 6010;

WHEREAS, at its January 20, 2021, meeting, the Commission adjusted the Kern Fan Groundwater Storage Project's MCED to account for eligible costs not covered when the Commission made the original MCED, and provided a 2.5% inflation adjustment to the MCEDs for all of the projects in the WSIP, bringing the Project's MCED to \$87,801,500;

WHEREAS, at its March 16, 2022, meeting, the Commission adjusted each applicant's MCED by 1.5%, bringing the Project's MCED to \$89,123,415;

WHEREAS, at its August 20, 2025, meeting, the Commission further adjusted the Project's MCED by \$22,293,890, bringing the MCED to \$111,417,305;

WHEREAS, at its August 20, 2025, meeting, the Commission further determined that the Project is eligible for early funding consistent with WSIP regulation section 6010;

WHEREAS, at its August 20, 2025, meeting, the Commission adopted a proposed regulation to amend section 6010 to remove the dollar cap for early funding, and the amended section 6010 was approved by the Office of Administrative Law, and the regulation amendment became effective, on November 10, 2025;

WHEREAS, on January 6, 2025, the Applicant notified Commission staff of its intent to request early funding for environmental documentation and permits;

WHEREAS, at the publicly noticed January 21, 2026, Commission meeting, the Applicant presented a request for \$5,570,865—which is five percent of the current MCED—to complete its environmental documentation and permitting required to complete the project, pursuant to Water Code section 79755(c); and

WHEREAS, at its January 21, 2026, Commission meeting, the Commission considered the early funding amount requested by the Applicant in conjunction with the requirements of WSIP regulations, section 6010.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby awards \$5,570,865 to the Applicant for early funding, pursuant to Water Code section 79755(c) and WSIP regulations, section 6010;

BE IT FURTHER RESOLVED, the Commission directs the Applicant and the Executive Officer to execute an early funding agreement consistent with this award; and

BE IT FURTHER RESOLVED, the Commission directs the Applicant to continue providing quarterly updates about the Project to the Commission.

Signed:



Fern Steiner, Chair  
California Water Commission



Date

Attest:



Laura Jensen, Executive Officer  
California Water Commission

1.21.26

Date