

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – OFFICE OF RESEARCH, PLANNING, AND PERFORMANCE
AUGUST 4, 2015**

ITEM 3

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO AND AMEND AN INTERAGENCY AGREEMENT PROVIDING FUNDING FROM THE CALIFORNIA WATER COMMISSION TO SUPPORT STATE WATER BOARD ASSISTANCE IN DEVELOPING AND IMPLEMENTING REGULATIONS GOVERNING ALLOCATION OF PROPOSITION 1 WATER STORAGE INVESTMENT PROGRAM BOND FUNDS

DISCUSSION

In November 2014, California voters passed Proposition 1: the Water Quality, Supply, and Infrastructure Improvement Act of 2014, a \$7.5 billion water bond that will make investments in the state's water management systems. The bond dedicated \$2.7 billion for investments in water storage projects and designated the California Water Commission (CWC) as the agency responsible for allocating these funds. The CWC, through the Water Storage Investment Program, will fund the public benefits of these projects. Eligible projects must also provide measurable benefits to the Delta ecosystem or its tributaries.

Section 79754 of the Water Code charges CWC with responsibility for developing a set of methods for quantifying public benefits associated with water storage projects for the purposes of allocating the \$2.7 billion in Water Storage Investment Program funding. The CWC is required to consult with the Department of Fish and Wildlife (DFW), the State Water Resources Control Board (State Water Board), and the Department of Water Resources on the development of its regulations. The regulations adopted by the CWC must also include the priorities and relative environmental value of ecosystem benefits as provided by the DFW and the priorities and relative environmental value of water quality benefits as provided by the State Water Board.

The CWC has agreed to provide funding, through an Interagency Agreement, to support Water Board Staff participation in the development and implementation of the Water Storage Investment Program. The CWC will provide funding to support one Senior Environmental Scientist (Specialist) for four years to complete the following tasks: developing and applying State Water Board priorities and relative environmental value of water quality benefits associated with water storage projects; assisting in the development of methods for describing and quantifying identified water quality benefits; developing criteria for evaluating water quality benefits of proposed water storage projects; collaborating with DFW to align water quality and ecosystem priorities; providing technical expertise, policy review, and recommendations for CWC regulations, project evaluation guidelines, and project solicitation proposal; and participating in the development of legally-binding agreements to monitor and manage public benefits of funded projects.

The proposed resolution is necessary because the four-year term of the proposed Interagency Agreement exceeds the State Water Boards existing delegated authority for contracts. This authorization is requested for a four-year period beginning with the execution date of the Interagency Agreement.

POLICY ISSUE

Should the State Water Board adopt a resolution authorizing the Executive Director or designee to enter into and amend a four-year Interagency Agreement with the CWC for the purpose of participating in the Water Storage Investment Program implementation?

FISCAL IMPACT

Funds for this purpose do not currently exist in the SWB budget; therefore, SWB participation in Water Storage Investment Program implementation would not be possible without the proposed Interagency Agreement. Approval of the proposed resolution and subsequent Interagency Agreement will result in \$704,000 of additional Water Board funding over four years.

REGIONAL BOARD IMPACT

None.

STAFF RECOMMENDATION

The State Water Board should approve this resolution.

<p>State Water Board action on this item assists the Water Boards in reaching Strategic Plan Goal 3. Increase sustainable local water supplies available for meeting existing and future beneficial uses by 1,725,000 acre-feet per year, in excess of 2002 levels, by 2015, and ensure adequate flows for fish and wildlife habitat.</p>

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2015-

AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO AND AMEND AN INTERAGENCY AGREEMENT PROVIDING FUNDING FROM THE CALIFORNIA WATER COMMISSION TO SUPPORT STATE WATER BOARD ASSISTANCE IN DEVELOPING AND IMPLEMENTING REGULATIONS GOVERNING ALLOCATION OF PROPOSITION 1 WATER STORAGE INVESTMENT PROGRAM BOND FUNDS

WHEREAS:

1. AB 1471, the Proposition 1 Water Quality, Supply, and Infrastructure Improvement Act of 2014, established \$7.5 billion in water bond funds. The bond dedicated \$2.7 billion for the Water Storage Improvement Program (WSIP), a grant funding program for surface water and groundwater storage projects that provide public benefits, including water quality benefits. The California Water Commission (CWC) was designated as the agency responsible for allocating these funds.
2. Water Code Section 79754 requires the CWC, in consultation with the Department of Fish and Wildlife (DFW), the State Water Resources Control Board (State Water Board), and the Department of Water Resources, to develop and adopt, by regulation, methods for quantification and management of public benefits of water supply projects for the purpose of implementing the WSIP. The regulations must include the priorities and relative environmental value of ecosystem benefits as provided by the Department of Fish and Wildlife and the priorities and relative environmental value of water quality benefits as provided by the State Water Board.
3. The CWC, responsible for leading the WSIP, is providing funding to the State Water Board through an Interagency Agreement (IA) to assist with its implementation. The four-year IA will allow the State Water Board to provide scientific, technical, analytical and administrative support needed to develop and implement the WSIP and fulfill its mandated responsibilities.
4. State Water Board tasks for WSIP development and implementation include: developing and applying State Water Board priorities and relative environmental value of water quality benefits associated with water storage projects; assisting in the development of methods for describing and quantifying identified water quality benefits; developing criteria for evaluating water quality benefits of proposed water storage projects; collaborating with DFW to align water quality and ecosystem priorities; providing technical expertise, policy review, and recommendations for CWC regulations, project evaluation guidelines, and project solicitation proposal; and participating in the development of legally-binding agreements to monitor and manage public benefits of funded projects.

D R A F T

THEREFORE BE IT RESOLVED THAT:

The State Water Board authorizes the Executive Director or designee to enter into and amend a four-year IA with the California Water Commission to receive funding for the SWB's participation in WSIP development and implementation. This is a one-time authorization for this purpose.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on August 4, 2015.

Jeanine Townsend
Clerk to the Board