



Bringing
Water
Together

VIA Email: comments@cwca.gov

January 26, 2018

Honorable Armando Quintero, Chair
California Water Commission
P.O. Box 942836
Sacramento, California 94236-0001

Re: Storage: Concerns with Initial Evaluation of Project Public Benefit Ratios and the Need for Effective Communication Going Forward

Dear Chair Quintero,

The Association of California Water Agencies (ACWA) respectfully offers the California Water Commission (CWC) the following comments regarding concerns with the staff evaluation and adjustments to the public benefit ratio (PBR) element of the Water Storage Investment Program (WSIP) and the need for effective communication going forward.

ACWA represents over 440 public water agencies responsible for delivery of over 90% of the water used for residential, commercial and agricultural purposes in California. ACWA actively participated in the development of Proposition 1. ACWA is a strong proponent of new water storage projects in California and the state's investment of the \$2.7 billion in Proposition 1 for the public benefits provided by such storage projects. We have also actively participated in the CWC's efforts to administer this investment through the WSIP.

ACWA deeply appreciates the commitment by CWC Commissioners and staff who have worked diligently to move the program forward since the voters approved Proposition 1 in 2014. As explained below, however, ACWA now has significant concerns with the latest development regarding the public benefit ratios and the approach that staff has suggested going forward relative to communication between the applicants and CWC staff.

During the January 16, 2018 stakeholder briefing, the CWC staff informed participants that **all** of the project applicants failed to provide adequate technical and supporting documentation relative to public benefits, so the resulting

adjusted project public benefit ratios (before the submittal of revised and/or additional information during the appeals process) **were such that not one project could receive funding.** (Staff adjusted all of the project PBRs to less than one, but the public benefit ratio cannot be less than one for a project to receive funding under the WSIP.) **This initial result demonstrates a complete disconnect between all of the project applicants as to their understanding of what is required in the applications and the expectations of state reviewers. This disconnect is deeply concerning.** The initial result clearly indicates that significant improvements in communications between CWC staff and the applicants is essential during the upcoming appeals process. Yet staff has informed the stakeholders and applicants that **staff does not currently intend to allow for any further questions, clarifications or other communications during this appeals process.**

ACWA requests that the Commissioners direct staff to use a more interactive and less oppositional process, which provides opportunities for applicant dialogue with staff reviewers and interaction between applicant technical staff and reviewer technical staff.

ACWA requests that that the Commissioners direct staff to:

- 1) Ensure that the February 1 notice of evaluation will convey to each applicant complete, specific, and detailed documentation of evaluation results and perceived deficiencies. CWC staff should be required to fully disclose all criteria or standards that have been used in the evaluations.
- 2) Provide an opportunity for each applicant to have access to staff after the February 1 notice of evaluation. Such access might be in the form of a meeting early in the appeal period with each applicant in which staff and their technical consultants would be available to confirm understandings of the evaluation criteria or standards, assumptions, results, and how applicants may address perceived deficiencies (for example modeler to modeler dialogue). We believe that a lack of communication regarding technical nuances of projects could be the basis for reviewers misinterpreting or misunderstanding, and therefore discounting, project benefits. Effective communication is the responsibility of both the applicants and the staff reviewers and their technical consultants.

ACWA asks that the Commissioners remind staff that the Commission wants to deliver on this unprecedented “investment opportunity” which resulted from bi-partisan action by the California Legislature and approval by California’s voters.

ACWA appreciates the opportunity to offer these comments and our recommendations to help ensure more effective communication and improve the responsiveness of project applications as a result of the appeals process.

ACWA Director of State Regulatory Relations Dave Bolland and I are available to discuss these comments at (916) 441-4545

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy H. Quinn", enclosed within a thin black rectangular border.

Timothy H. Quinn
Executive Director

cc: Honorable Carol Baker, Vice-Chair
Honorable Andrew Ball, Member
Honorable Joseph Byrne, Member
Honorable Daniel Curtin, Member
Honorable Joe Del Bosque, Member
Honorable Maria Herrera, Member
Honorable Cathy Keig, Member
Honorable David Orth, Member
Mr. Joe Yun, Executive Officer
Ms. Holly Stout, Legal Counsel
Mr. Chris Orrock, Information Officer
Ms. Kimberly Muljat, Executive Secretary
Ms. Cindy Tuck, ACWA
Mr. David Bolland, ACWA