

January 26, 2018

Mr. Armando Quintero, Chair  
Andrew Ball, Member  
Daniel Curtin, Member  
Maria Herrera, Member  
David Orth, Member  
California Water Commission  
P.O. Box 942836  
Sacramento, CA 94236-0001

Carol Baker, Vice Chair  
Joseph Byrne, Member  
Joe Del Bosque, Member  
Catherine Keig, Member

**RE: Water Storage Investment Program**

Dear Commission Members:

The California Chamber of Commerce along with many other organizations supported Proposition 1, *Water Quality, Supply, and Infrastructure Improvement Act* because we saw an opportunity to create more water storage. The voters made it abundantly clear in 2014 when they voted for the bond that additional water storage was very important in anticipation of future droughts and the robustness of the state's economy in the future.

The California Water Commission (Commission) was tasked with developing regulations to implement the water storage component of the bond. It was clear that the \$2.7 billion could only be spent to fund the public benefits of the project and the proponents would have to provide the rest of the funding.

We are concerned that the process for the public benefits portion of the Water Storage Investment Program is not working well. The fact that Commission staff said nearly half of the 11 water storage projects submitted had no public benefits and the rest fell short of providing the benefits necessary to justify the cost leads us to believe that the process is not clear. It is also puzzling that once the appeal process starts, applicants cannot ask staff for clarification of what requirements would lead to an acceptable public benefits number.

The Commission should make sure there is a clear path for applicants to meet the requirements for funding under Proposition 1. Time is very short so your immediate attention to this issue is critical.

If you have any questions, please contact me at [Valerie.Nera@calchamber.com](mailto:Valerie.Nera@calchamber.com) or at 916-444-6670.

Sincerely,

California Chamber of Commerce  
ACEC California  
California Apartment Association  
California Association of REALTORS®  
California Business Properties Association  
California Business Roundtable  
California Food Producers  
California Manufacturers & Technology Association



cc: John Laird, Secretary, Natural Resources Agency  
Nancy McFadden, Executive Secretary  
Catalina Hayes-Bautista, Deputy Legislative Secretary  
Joe Yun, Executive Officer, California Water Commission