



# Western States Water

## Addressing Water Needs and Strategies for a Sustainable Future

682 East Vine Street / Suite 7 / Murray, UT 84107 / (801) 685-2555 / Fax 685-2559 / [www.westernstateswater.org](http://www.westernstateswater.org)

Chair - Jennifer Verleger; Executive Director - Tony Willardson; Editor - Michelle Bushman; Subscriptions - Julie Groat

### **WESTERN GOVERNORS/WATER RESOURCES**

#### **California/Drought**

On August 11, Governor Newsom (D-CA) announced additional actions to adapt to hotter and drier weather conditions in California, with details included in a 19-page Water Supply Strategy document. The document notes a \$5.2B investment in water systems in 2021-22, and a 2022-23 budget that includes an additional \$2.8B for drought relief, water conservation, environmental protection, and long-term projects to strengthen drought resilience.

Additionally, the document outlines priority actions to: (1) create additional storage space to capture big storms and store up to 4 million acre-feet of water; (2) recycle at least 800,000 acre-feet (af) of wastewater; (3) free up 500,000 af of water through conservation and efficiency; and (4) diversifying water supplies and making new water available for use through storm water capture and desalination of ocean water and brackish groundwater. See <https://www.gov.ca.gov/2022/08/11/governor-newsom-announces-water-strategy-for-a-hotter-drier-california/>.

### **ADMINISTRATION/WATER QUALITY**

#### **EPA/CWA §401**

On August 8, 2022, the Council of State Governments-West (CSG-West) and the WSWC submitted comments in the form of a letter to Environmental Protection Agency (EPA) Administrator Regan regarding EPA's proposed rule to improve the Clean Water Act (CWA) Section 401 state certification process. The letter commended EPA for prioritizing the rulemaking, and noted improvements that recognize the role of States regarding the content, processing and conditioning of certifications.

The letter expressed appreciation for the revisions to improve cooperative federalism, but noted further room for improvement in coordination and consultation. "We strongly support early state engagement in federal permitting and licensing actions and the coordination of state and federal environmental requirements and review processes. Unfortunately, the Draft 2022 §401 Rule falls

short in this regard by requiring that applicants request a pre-filing meeting 30-days before submitting a request for certification and that the request include a draft of the federal license or permit. Although States appreciate the intent to improve early coordination through a 30-day pre-filing meeting, requiring that such a meeting cannot occur until the federal agency has drafted the federal license or permit has the potential to reduce coordination between state and federal agencies. This approach puts States at the end of the federal permitting process rather than as a partner at the beginning and throughout the process. We strongly support meaningful, substantive and early consultation with States as they work in tandem with EPA to achieve national water quality goals. We thank you for considering these comments and we look forward to working together to protect and restore water quality across our Western States." See <https://westernstateswater.org/policy-letters/2022/csg-west-wswc-cwa-401-comment-letter/>.

### **CONGRESS/WATER RESOURCES**

#### **House/Wildfire and Drought**

On July 29, the Wildfire Response and Drought Resiliency Act (H.R. 5118) passed the House by a vote of 218-199. Division A includes provisions addressing wildfires, ecosystem protection, and recovery.

Division B includes various provisions on drought, resiliency, and water resources. Title I authorizes various research, monitoring, and recovery programs. Section 104 addresses access to WaterSMART grant programs for tribes that face challenges with matching requirements. Section 105 makes permanent the Reclamation Water Settlements Fund (RWSF) by amending Section 10501 of the Omnibus Public Land Management Act of 2009 (43 U.S.C. 407) to remove the end dates for both funding to and distribution from the RWSF.

Under Title II, Section 223 authorizes an additional \$150M for federal priority streamgages and directs the Department of the Interior to collaborate with states and local agencies "to maintain and enhance streamgage networks to improve both environmental quality and water supply reliability."

Title III establishes the Open Access Evapotranspiration Data Program, authorizing \$23M for each of FY2023-27. Title IV authorizes the Colorado River Indian Tribes (CRIT) to enter into agreements for water leases or exchanges, storage, or conserved water.

Title V would authorize the Hualapai Tribe Water Rights Settlement Act, including appropriations of \$180M to the Hualapai Water Trust Fund Account (to design, construct, and maintain the Hualapai Water Project) and \$5M to the Hualapai Water Settlement Implementation Fund Account.

Title VI establishes a federal interagency Water Data Council composed of the Departments of Agriculture, Commerce, Defense, Energy, Interior, Homeland Security, Health and Human Services; EPA; and the National Aeronautics and Space Administration. The Water Data Council is directed to “jointly develop and implement a national water data framework for observing, integrating, sharing, and using water data.” In consultation with states and tribes, the Council will develop common national water data standards and ensure that federal water data “are made findable, accessible, interoperable, and reusable.” The bill also provides for an advisory committee of entities involved in water-related activities, including states, tribes, water agencies, and multi-state instrumentalities.

Division C, Title I, Section 116 includes provisions on drinking water resiliency for rural communities with dry wells. Title VI, Section 601 amends the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133) to define “underserved communities,” directs FEMA to issue guidance related to extreme temperature events, and provides criteria for hazard mitigation plans.

### **ENERGY/WATER RESOURCES** **San Vicente Pumped Storage Project/California**

A partnership between the San Diego County Water Authority and the City of San Diego is working towards one of the most promising pumped energy storage solutions in California. As proposed, the San Vicente Energy Storage Facility could store 4,000 Megawatt-hours per day of energy (500 Megawatts of capacity for eight hours), which is enough energy to serve approximately 135,000 homes. The potential project would create a small upper reservoir above the San Vicente Reservoir, along with a tunnel system and an underground powerhouse to connect the two reservoirs.

The powerhouse as proposed would contain four reversible pump turbines. During off-peak periods – when power is inexpensive and renewable supplies from wind and solar facilities exceed demand – turbines will pump water to the upper reservoir where it will act as a

battery of stored potential energy. During high energy use, the system will discharge energy as water from the upper reservoir flows downhill through the turbines. The exchange between the two reservoirs will not consume water and is a closed-loop. San Vicente reservoir is near major electricity transmission interconnection facilities, which will allow the project to play a central role in integrating solar and wind energy from across the Southwest for use in San Diego County.

Planning and investing in large-scale energy projects like the San Vicente Energy Storage Facility takes time. In July 2021, the facility received \$18 million from the state budget, enough to advance the project through the initial design, environmental reviews, and the federal licensing process. In September 2021, the Water Authority’s Board issued a formal Request for Proposals. In January 2022, the Board approved a \$4.6 million contract with AECOM Technical Services, Inc. to perform preliminary environmental work for the potential project, and a \$1.6 million amendment to a professional services contract with Black & Veatch Corp. to support project development agreement negotiations, provide technical expertise for a California Independent System Operator interconnection application, perform preliminary design and engineering reviews, and assist with preparing a Federal Energy Regulatory Commission (FERC) license application.

The Board and City of San Diego are currently negotiating a project development agreement with BHE Renewables, LLC (a wholly-owned subsidiary of Berkshire Hathaway Energy Company) and Kiewit Development Company (the BHE Kiewit Team) to develop Phase 1. The Board also approved negotiating with Rye Development, LLC, if negotiations with the BHE Kiewit Team are not successful.

The Water Authority anticipates the project will: (1) generate additional revenue to offset water agency costs and help stabilize water rates; (2) provide an essential energy resource on demand, especially during high-energy use periods; (3) enhance grid reliability to avoid power outages and rolling blackouts; (3) store surplus renewable wind and solar energy; and (4) reduce greenhouse gas emissions.

About one-third of California’s power comes from renewables, mainly solar and wind, with a target of 100% clean energy by 2045 – and large-scale energy storage in the form of pumped energy storage is expected to play a vital role. A major shift to renewables will require new kinds of investments, markets, and business practices, with more flexible electric grids and new kinds of energy storage, and new pricing systems to send clear signals to developers and financial markets that these projects need to move forward. See [sdcwa.org](http://sdcwa.org).

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**The WESTERN STATES WATER COUNCIL is a government entity of representatives appointed by the Governors of Alaska, Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.**