PACIFIC INSTITUTE

Research for People and the Planet

February 7, 2020

Ms. Nancy Vogel, Director of the Governor's
Water Portfolio Program
California Natural Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Re: Pacific Institute comments for the January 2020 draft Resilient Water Portfolio

Dear Ms. Vogel,

California is at a water crossroads, with a rapidly increasing population, changing climate, and booming economy. The Pacific Institute is a strong supporter of the need to advance water resilience in California, and we appreciate the effort by Governor Newsom's Administration to start moving the state toward resilience and preparedness. The draft includes many important and worthwhile actions, particularly the emphasis on water efficiency and clear actionable language on implementation of the Safe and Affordable Drinking Water Act.

We appreciate the work of state staff in developing the draft Water Resilience Portfolio and the opportunity to provide comments. Below, we offer specific recommendations to improve the portfolio.

Prioritize resilience strategies using multi-benefit criteria

No single solution exists for California water challenges, and the resilience portfolio identifies a number of strategies to address these challenges. But the need to do many things, does not mean that we must or can afford to do everything all at once. Resources are limited, and we must prioritize our efforts. The portfolio would benefit from creating a clear way to prioritize among the strategies provided.

Economic feasibility is commonly used to evaluate projects, but traditional analyses typically fail to recognize the many co-benefits of water investments; as a result, those investments that provide multiple benefits are undervalued. In a recent analysis of state grant investments in stormwater capture projects, we found that incorporating co-benefits into the economic analysis effectively reduced the average cost of stormwater capture from $1,030 per AF to $150 per AF.[1] Incorporating co-benefits into economic analyses allows for a fairer comparison among projects and helps to maximize the value of our investments.

We recommend that the state prioritize investments based on costs and benefits, using an integrated and comprehensive framework that includes quantitative and qualitative co-benefits. The Pacific Institute recently developed such a framework for assessing co-benefits, which can serve as a guide for the state.[2] As

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[1] Diringer, Sarah, Morgan Shimabuku, and Heather Cooley. (In Review). Economic evaluation of stormwater capture and its multiple benefits in California. PLOS One. Submitted January 2019.
[2] Diringer, Sarah, Anne Thebo, Heather Cooley, Robert Wilkinson, Morgan Shimabuku, and McKenzie Bradford.

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