

Topic: **Authority Board Agenda Item 5-1****2018 March 19**Subject: **Proposition 1 WSIP Application**

Requested Action:

No action requested. Informational item.

Detailed Description/Background:**WSIP Public Benefit Ratio (PBR) Appeal**

- The Sites Project received a letter from the California Water Commission (CWC) on February 1, 2018 that provided a technical review of our applications with regard to public benefits. This review identified a public benefit value of \$ 662M and a public benefit ratio of 0.40.
- The Sites staff and consultants prepared, and both the Document Review Work Group and Authority's Coordination Committee reviewed, the draft Appeal Letter and Attachment information. On February 21, the Work Group authorized the GM to submit the finalized documents.
- Consultant team (AECOM, CH2-Jacobs and ICF) finalized analyses and prepared technical memos to the Authority on the topics requested.
- Staff and consultant team members prepared the 20-page Appeal Letter and the following Attachments.
 - A. Anadromous Fish Benefits
 - B. Refuge Water Supply Benefits
 - C. Oroville and Folsom Coldwater
 - D. Water Operations Review
 - E. Non-public benefits, public benefit ratio determination and cost allocation.
 - F1 Distribution List
 - F2 Water Commission Technical Review Packet (with annotations to our appeal)
 - G External Harddrive (delivered under separate cover sheet)

Status: **Final**
Purpose: **Sites Authority Board Staff Report**
Caveat: **Informational**
Notes:

Preparer: **Thomson**
Checker: **Watson**
QA/QC:

Phase: **1** Version: **0**
Date: **2018 March 16**
Ref/File #: **12.221-210.018**
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Highlights of the Appeal

- Thanked the CWC reviews for accepting our estimated capital cost but respectively disagreed with the reviewers adjusted benefits and Public Benefit Ratio (PBR)
- Responded to and provided additional analysis to verify the proposed physical benefits to the ecosystem within the Sacramento River watershed. The additional analysis considers a larger geographic extent to better quantify the net ecosystem benefits, adds clarifying information regarding the development of the bypass flow standards, storm pulse protection, and fall flow stability augmentation. Additional analyses were also provided for flow-survival relationships, temperature modeling, and Yolo Bypass floodplain inundation effects. The OBAN winter-run lifecycle model has also been incorporated into the analysis of salmon in the Sacramento River to recognize the overall effects of the project on salmon populations.
- Responded to all comments and questions regarding the Contra Costa Water District Intakes, Sacramento River temperature modeling, American River temperature modeling, south of the Delta deliveries, DSM2 modeling, CalSim 2 modeling assumptions, and re-formulated all deliveries from a calendar year to a water year period and water year type.
- Responded to (or accepted) all comments and questions regarding eligible funding, recaptured water supply, agricultural water supply, non-public benefits and appropriate application of interest during construction (IDC).
- Accepted the CWC reviewer's comments on recreational benefits
- Accepted the CWC reviewer's comments that flood control benefits be based on FEMA criteria.
- Since the non-monetized benefits and the information provided to evaluate the other three component scores are not subject to appeal in the CWC WSIP process, our Appeal letter included a proposal for two additional meetings with the CWC to help clarify our submittals.

The Appeal provided substantial clarification of the public benefits available from the Sites Project. The modification in economic analysis reduced our calculated public benefit value from \$1.66B to \$1.34B and reduced our public benefit ratio from 2.11 to 1.90.

Prior Authority Board Action:

None.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Rob Thomson

Attachments:

None.