



Topic: **Authority Board Agenda Item 3-2**

2018 Nov 19

Subject: **Proposition 1 WSIP**

Requested Action:

No action requested, Informational item.

Detailed Description/Background:

Staff to give a status update on the Sites Project’s Prop 1 WSIP application and the ongoing coordination activities with the California Water Commission, which includes the submission of the first quarterly status report covering project development activities that have occurred since the WSIP application was submitted by August 14, 2017.

Prior Authority Board Action:

None.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Jim Watson

Attachments:

Attachment A: Quarterly Status Report to Water Commission



October 30, 2018

To: California Water Commission
PO Box 924836
Sacramento, CA 94236-000

Submitted via email: CWC@water.ca.gov

Subject: **Sites Reservoir Project - Initial Quarterly Status Report**

Reporting Period: From August 14, 2017 through September 30, 2018

1. Summary

The Sites Reservoir Project formally launched in late 2015 to primarily support the efforts needed to prepare and submit the Authority's WSIP Application to the Water Commission. Participation in the project expanded in 2016 and early 2017 to enable both the release of the Draft EIR/EIS and Reclamation's draft Feasibility Report to be accelerated for inclusion with the WSIP application. The current project schedule is provided in Attachment A.

Since submittal of the WSIP Application, the Sites Project Authority (Authority) continues to make progress in accordance with the project-level schedule, which includes effort to confirm facility descriptions and operational plans with regulatory agencies, secure participation agreements for the water supply improvements that are not eligible under Proposition 1, and to secure financing for the remainder of the planning phase of the Project. To comply with the WSIP Regulations¹, work with the regulatory agencies is planned to be completed by late 2021 and public benefits are scheduled to be provided by 2030.

2. Status for this Reporting Period

The following summarizes the effort that has been performed during the reporting period along with a projection of activities anticipated during the next quarterly reporting period. This section is organized to separately identify those activities that are eligible for cost-sharing with the Water Commission² from other activities that are part of the Project's scope of work.

Project Management and Administration (Early Funding Task 1)

- Management and administration of activities related to making progress on the environmental documentation, primarily through coordination and management of applicable studies.
- Management and coordination with federal, state, and local agencies related to the activities needed to obtain the required approvals, certifications, and agreements.

¹ WSIP Regulations refer to California Code of Regulations (CCR), Title 23, Division 7, Chapter 1 as adopted.

² Refer to Regulations, Section 6013(e) and (f)(7)

Project Management and Administration (Other Project-related Activity)

- Management and administrative activities needed to make progress that are related to the engineering and technical studies as well as outreach and engagement functions.
- Developing a finance plan and preparation of an application to US Department of Agriculture for low-interest financing.
- Development of participation and funding agreements with water agencies interested in financing the Project.
- Expanding the project's staffing to support the effort planned for 2019 and beyond. The resources will be organized to align with eventual construction packages.
- Continuing to develop project-specific procedures, policies, standards, and guidelines.

Environmental Documentation (Early Funding Task 2)

The Draft EIR/EIS was released on August 14, 2017. It was included in the Authority's WSIP Application to the California Water Commission. The public comment period closed on January 15, 2018. The initial phases of work needed to respond to comments have been initiated with most of the effort needed to prepare the Final EIR/EIS being scheduled to begin in early 2019.

Federal, state, and local approvals, certifications, and agreements (Early Funding Task 3)

Coordination with the regulatory agencies has been on-going since prior to the release of the Draft EIR/EIS. Informal consultations have been ongoing and, are expected to continue until a Biological Assessment and applications have been submitted for the other required approvals, certifications, and agreements. Formal consultations with federal regulatory agencies are anticipated to be initiated and the respective applications are expected to be submitted in the fall of 2019.

Engineering and Technical Studies (Other Project-related Activity)

Conducted technical studies that included both a risk assessment and to make progress related to the design and integration of key facilities, permits and operations. These technical studies have been used to update the project's, design, schedule, compliance plans, costs and the risk assessment is being used to identify appropriate risk management plans.

Outreach and Engagement (Other Project-related Activity)

Continuing to coordinate with various stakeholders, respond to requests for project information, and the planning and attendance at facilitated meetings and site tours.

3. Deviations in Scope or Schedule

The current scope of work and schedule has not deviated since submittal of the WSIP application.

4. Groundwater Management / Sustainability Efforts

The Authority is not a member of a Groundwater Sustainability Agency (GSA). However, our members are participating in directly GSAs within their applicable service areas, which includes the Sacramento Valley, North Bay, San Joaquin Valley, Bay Area, and Southern California.

5. Requirements to Execute the WSIP Funding Agreement:

Below is the status of items required to be completed before the WSIP Funding Agreement can be executed. Items requiring the Water Commission to conduct a public hearing are shown in Attachment A.

Table 1: Schedule of Activities Required to Execute the WSIP Funding Agreement:

| Regulation | Description / Status | Estimated Completion Date | % Complete |
|----------------|--|---|------------|
| | Audited Financial Statements | | |
| | <ul style="list-style-type: none"> FY 2018 and FY 2019 Audit Reports and Statements | July 2020 | |
| §6013(a)(1)(G) | Project Costs, Schedule and Scope of Work | | |
| | <ul style="list-style-type: none"> Submit <i>draft</i> workplan, schedule, and budget ‡ Final project costs, schedule, and scope of work | July 2021 Oct 2021 | |
| | Evidence of bilateral communications with other, potentially impacted, facilities | | |
| | <ul style="list-style-type: none"> Summary, communication logs, etc. | June 2020 | |
| | Other Requirements | | |
| §6013(a)(1)(C) | <ul style="list-style-type: none"> Labor Compliance Urban Water Management Plans Agricultural Water Management Plans Groundwater Management/Sustainability Effort Potential effects of other projects receiving an MCED | June 2020 Not applicable Not applicable June 2020 June 2020 | |
| | Limited Waiver of Sovereign Immunity §6013(f)(8) | Not applicable | |

‡ An item that is not specifically required by Regulation.

Attachment A: Project Schedule as of October 30, 2018

| Description | | Start Date | Finish Date | % Complete |
|--|-----|-------------------|-------------|------------|
| Project Management and Administration | | Aug 2015 | June 2030 | On-going |
| Non-Public Benefit Cost-share Contracts | ‡ | | | |
| ▪ Early Planning, design, & WSIP Application | | Completed in 2016 | | 100% |
| ▪ Advanced Planning & Design | | July 2018 | Mar 2019 | 30% |
| ▪ Complete Planning and Preliminary Design | | July 2019 | Dec 2020 | |
| ▪ Final Design and Construction | ◇ † | July 2021 | Dec 2021 | |
| Contracts for Administration of Public Benefits | ◇ | | | |
| ▪ Department of Fish and Wildlife | | June 2019 | Dec 2021 | |
| ▪ State Water Resources Control Board | | June 2019 | Dec 2021 | |
| ▪ Department of Water Resources | | June 2019 | Dec 2021 | |
| Completed Feasibility Studies | ◇ | | | |
| ▪ Draft Feasibility Report | | Jan 2015 | Aug 2017 | 100% |
| ▪ Final Feasibility Report | † | Aug 2017 | Dec 2020 | 80% |
| Environmental Documentation | ◇ | | | |
| ▪ Draft CEQA/NEPA Document | † | Jan 2015 | Aug 2017 | 100% |
| ▪ Final CEQA Document | | Jan 2018 | Dec 2020 | 10% |
| ▪ Final NEPA Document | | Jan 2018 | Dec 2020 | 10% |
| Approvals, Certifications, and Agreements | ◇ | Jan 2015 | Dec 2021 | |
| Funding Agreement Components | | | | |
| ▪ Water Commission, Early Funding Agreement | | Apr 2018 | Jan 2019 | 75% |
| ▪ Water Commission, WSIP Funding Agreement | ◇ | July 2021 | Dec 2021 | |
| Project Planning (Design) | | | | 10% |
| ▪ Early Design, all facilities | | Jan 2015 | Dec 2019 | |
| ▪ Dams & Appurtenant Structures | | Jan 2020 | Dec 2021 | |
| Division of Safety of Dams Approval to Construct | | Jan 2019 | Dec 2021 | |
| ▪ Conveyance Facilities | | Jun 2020 | Sept 2022 | |
| ▪ Recreation Facilities | | Sept 2021 | Dec 2021 | |
| ▪ Ancillary and Support Facilities | | Sept 2020 | Dec 2021 | |

| Description | Start Date | Finish Date | % Complete |
|------------------------------------|------------|-------------|------------|
| Construction | | | |
| ▪ Relocations & Temporary Works | Dec 2021 | May 2024 | |
| ▪ Dams and appurtenant structures | Dec 2023 | May 2029 | |
| ▪ Conveyance Facilities | Jun 2023 | June 2028 | |
| ▪ Recreation Facilities | Jun 2027 | Dec 2029 | |
| ▪ Ancillary and Support Facilities | Jan 2027 | Dec 2029 | |
| Begin Operations | | | |
| ▪ Initial operations | July 2028 | | |
| ▪ Full operations | Mar 2030 | | |

◇ Requires Water Commission to conduct a public hearing per Regulation §6013(c). Hearings can be requested for separate required items.

† Item is subject to the requirements of §6013(f) and §79757(b).

‡ Item is not specifically required by Regulation, but by California Water Code §79712(a).