



**Requested Action:**

Discussion and possible direction to staff on the key deliverable descriptions and preliminary costs to include in the revised Phase 2 (2019) Work Plan, supporting a revised completion date from December 31, 2019 to June 30, 2020.

**Background:**

The previously approved Phase 2 (2019) Work Plan assumed a completion of Phase 2 (2019) on December 31, 2019. The Reservoir Committee approved an extension of the Phase 2 (2019) Reservoir Project Agreement by six months at no additional cost to participants with a revised completion date of June 30, 2020. Staff is in the process of developing a revised work plan and revised Exhibit B to the Phase 2 (2019) Participation Agreement with the following general assumptions:

1. **Funding:** Re-allocate existing participant and planned (CWC) funding to cover deliverables and activities up to June 30, 2020.
2. **Limit expenditures to critical items:** Reallocate budget to only those items associated with key deliverables. The key deliverables are intended to provide the critical information needed to make an informed funding decision and are shown with preliminary cost targets in Attachment A.
3. **Schedule Requirements:** Critical information for participant funding decisions will be delivered by the March Reservoir Committee and Board Meeting cycle.

Estimated funds available for use during the period of Jan 1, 2020 through Jun 30, 2020 are shown in Table 1:

**Table 1 – Estimated Available Funds**

Reservoir Committee cash on hand as of 11/30/19 (includes paid invoice 1 from WSIP, \$2.77M)	\$7,370,000
December PMT of Claims (Res Com Portion, Actual)	(\$523,000)
Estimated Cost of Services Remaining (December services + November un-invoiced)	(\$1,000,000)
Anticipated WSIP Invoices 2, \$1.2M and 3, \$2.1M	\$3,300,000
<b>Res Comm budget Available January 1 through June 30, 2020</b>	<b>\$9,147,000</b>

A revised exhibit B, incorporating feedback from the Reservoir Committee, is planned to be routed for approval at the January 2020 Reservoir Committee meeting.

**Prior Reservoir Committee Action:**

November 21, 2019: The Reservoir Committee provided input to staff to aid in development of a work plan through June 30, 2020.

October 18, 2019: The Reservoir Committee directed staff to extend the Phase 2 (2019) work plan by "180 days" with no additional funding provided by the Reservoir Committee. The revised completion date is proposed to be changed from December 31, 2019 to June 30, 2020.

September 20, 2019: The Reservoir Committee approved the extension of the Phase 2 (2019) Participation Agreement by three months at no additional cost to Participants and directed staff to develop a work plan to accommodate this extension.

June 20, 2019: The Reservoir Committee approved their portion of the reduced, revised work plan and Exhibit B for inclusion in the Phase 2 (2019) Participation Agreement.

May 20, 2019: The Reservoir Committee considered approval of a reduced work plan based on revised revenue assumptions for Phase 2 (2019) and deferred approval of the revised plan back to the Budget and Finance Work Group for further evaluation.

November 19, 2018: The Authority Board approved the Final Work Plan and Budget.

November 16, 2018: The Reservoir Committee approved their portion of the work plan and Exhibit B for inclusion in the Participation Agreement.

July 16, 2018: The Authority Board approved the "Workplan and Monthly Cashflow Analysis for Phase 2 for the Sites Reservoir Project" with its release solely for the following uses:

1. Development of the Phase 2 Finance Plan.
2. Developing an Exhibit to include in the Phase 2 Reservoir Project Agreement.
3. Developing an Exhibit to include in the Phase 2 Procurement Request for Qualifications.
4. Developing the FY2019 Budget.

**Fiscal Impact/Funding Source:**

Not yet determined.

**Staff Contact:**

Joe Trapasso

**Attachments:**

Attachment A: Project Key Deliverables

# Scope of Work Through June 2020




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**To:** Jim Watson  
**CC:** Joe Trapasso  
**From:** Rob Thomson, JP Robinette, Erin Heydinger  
**Quality Review by:** Robert Boling  
**Authority Agent Review by:** Kevin Spesert, Lee Frederiksen, Ali Forsythe, Joe Trapasso  
**Subject:** Summary of near-term efforts to be included in revised Work Plan

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## Overview

This document provides summary-level descriptions of the deliverables, lead staff and estimated work plan and budgets associated with Amendment 1 to the 2019 Reservoir Project Agreement's Exhibit B (i.e. work through June 30, 2020). The deliverables listed below are based on near-term priorities as directed by the Reservoir Committee. The estimated budgets have been prepared by staff for review and consideration by participants in December 2019 and January 2020. The intent is that participants provide feedback and revisions as they see fit; the budget targets included are preliminary and are staff's best effort at this time based on expected level of effort based on participant input. The costs provided include both consultant and staff time.

### 1. Value Planning Refinements

Assist participants in appraisal-level Value Planning effort. This is expected to include developing screening criteria, formulating and evaluating additional facilities options, screening facilities options, and assisting in selection of the tentatively preferred option(s). This effort will also include holding workshops and preparing the draft and final value planning report, presenting the study analyses and results. This effort will provide information for use in the repayment analyses (annual indebtedness and dollar per acre-foot), in the CDFW discussions, and in participant decisions as to how they would like to proceed. It will also provide a preliminary assessment of how including these facilities may affect completion of the environmental analysis process (CEQA and NEPA) and future permit applications. In parallel to the screening of facilities options, operations simulation modeling will be performed on up to three of the evaluated facilities options.

**Deliverable Description:** Preferred facilities and tentative preferred project by March 25<sup>th</sup>, 2020. Final preferred project (including operations modeling) by June 2020. Level of detail included in deliverable will be determined after discussions with the Value Planning group on December 16, 2019.

**Authority Agent Lead:** Lee Frederiksen  
**Staff Lead:** Jeff Herrin  
**Target Budget Amount:** \$483,000

### 2. Draft Operations Plan

The existing operations planning descriptions (in the WSIP Application) are not fully consistent with the Authority's Storage Policy, the facilities being discussed in Value Planning and with the current understanding of 'permissible' operations. This task will revise the existing Operations Plan Outline consistent with these items to form a revised description of the proposed operations of the Sites Project.

Status: Draft  
 Filename: 04-12A Res Comm\_Attachment\_Work Plan Update  
 Notes:

Phase: 2 Revision: A  
 Date: December 16, 2019  
 Page: 1 of 6

The document will address operations related to the cooperative operations with Reclamation and DWR and no investment by Reclamation for storage in Sites Reservoir. It will include the framework for acceptable annual exchanges of water stored in Sites Reservoir in lieu of deliveries of water stored in Shasta Reservoir and the subsequent release of that exchanged water meeting the water rights requirements of the CVP and SWP that benefits Sites Project participants.

**Deliverable Description:** Annotated Operations Plan Outline – January 3, 2020; Approach for Development of the Draft Operations Plan – January 17, 2020; Draft Operations Plan – March 2020 Reservoir Committee Meeting. It is important to note that the March 2020 Draft Operations Plan will be as complete as possible with the information and understanding of the project at that time. However, some sections will be developed post March 2020 as more information and understanding of the project is developed / available.

**Authority Agent Lead:** Ali Forsythe  
**Staff Lead:** Rob Tull  
**Target Budget Amount:** \$183,000

### 3. Operations with Shasta Exchanges

Staff, advisors and consultants will continue to meet with Reclamation (CVO) and DWR staff to refine the principle operations and exchanges needed to meet some of the goals and objectives of the Sites Project. Informed by these discussions, future operations planning efforts will evaluate the anticipated operations with CVP reservoirs. These evaluations will describe the annual exchanges among the Sites Project and COA participants and perform the operations modeling (including CALSIM II, DSM2, Upper Sacramento River HEC5Q and CE-QUAL-W2 models) to more fully consider the anticipated results of new operations.

**Deliverable Description:** In-progress briefings to the Reservoir Committee Operations Workgroup regarding progress on the development of the ‘principles of agreement’ and the anticipated operations of the Sites Project. Staff, advisors and consultants will provide a progress report in February, April and final report in June.

**Authority Agent Lead:** Ali Forsythe  
**Staff Lead:** Rob Tull  
**Target Budget Amount:** \$367,000

### 4. Cost of Dry Year Deliveries

An estimate of the water supply ‘average annual yield’ has been the basis for the current and past participation agreements. Potential participants have identified that since the project is intended to provide dry year supplies and estimate of the cost per acre foot of supplies in drier period may be a useful metric for consideration in future participation agreements.

Staff will work with the operations simulation consultants to develop a reasonable estimate of below normal, dry and critically dry year deliveries (FOB “Holthouse”). This estimate will be based on the current understanding of the anticipated project diversions and other operational parameters (informed by results from items 1, 2, 3 and 4 above). This value(s) will be used to derive an estimate cost/AF using the cost values derived in items 1 and 5, above.

**Deliverable Description:** In-progress briefings to the Reservoir Committee Operations Workgroup regarding approach and methodology followed with a progress report in February and final report in March.

**Authority Agent Lead:** Jim Watson  
**Staff Lead:** JP Robinette  
**Target Budget Amount:** \$68,000

## 5. Environmental Benefits (Including Temperature and Biological Modeling)

The operations modeling team will determine the environmental benefits of the revised operations scenarios. The team will conduct iterative modeling using the Calsim model, Daily model, along with Sacramento River HEC-5Q temperature modeling, SALMOD scenarios to verify temperature model scenarios, and DSM2 model scenarios.

**Deliverable Description:** In-progress briefings to the Reservoir Committee Environmental Planning and Permitting Workgroup and/or Operations Workgroup, as appropriate, regarding progress. Staff, advisors and consultants will provide a progress report in February, April and final report in June.

**Authority Agent Lead:** Ali Forsythe  
**Staff Lead:** Rob Tull  
**Target Budget Amount:** \$428,000

## 6. Ongoing Pre-Application Consultations

Staff will continue to meet with regulatory agencies (primarily CDFW, NMFS, and USFWS) regarding construction and operation of the Sites Project and expected application to those agencies for permits of the Sites Project.

**Deliverable Description:** In-progress briefings to the Reservoir Committee Environmental Planning and Permitting Workgroup and/or Operations Workgroup, as appropriate, regarding progress. Staff, advisors and consultants will provide a progress report in February, April and final report in June.

**Authority Agent Lead:** Ali Forsythe  
**Staff Lead:** John Spranza  
**Target Budget Amount:** \$306,000

## 7. Geotech Support to Reclamation Feasibility

Sites will continue providing biological and tribal monitors for geotechnical work performed by Reclamation.

**Deliverable Description:** Ongoing support – no specific deliverables anticipated. Budget target for January through June 2020.

**Authority Agent Lead:** Ali Forsythe  
**Staff Lead:** John Spranza  
**Target Budget Amount:** \$86,000

## 8. Response to Direction from Organizational Assessment

An Organizational Assessment conducted by Gary Darling was presented to the Authority Board and Reservoir Committee in November. There were several action items identified in the assessment that will be implemented in the near- and mid-term, including hiring an Executive Director, contracting for and developing a Strategic Plan, evaluating governance, and others. Staff implement specific actions as directed by participants.

**Deliverable Description:** Strategic Plan, short list of Executive Directors, and Organizational Assessment Response Plan by March 19, 2020. The target budget amount also includes the Executive Director's pay from March through June.

**Authority Agent Lead:** Jim Watson  
**Staff Lead:** Joe Trapasso, JP Robinette, Robert Boling  
**Target Budget Amount:** \$489,000

## 9. Updated Risk Assessment

Revise existing Risk Assessment based on new information. The updated risk assessment will update the risk register developed in 2018 and will allow for improved certainty on the cost estimates provided in the Value Planning effort.

**Deliverable Description:** Risk workshop, updated Monte Carlo risk evaluation, outcomes technical memorandum draft by March 19, 2020.

**Authority Agent Lead:** Jim Watson  
**Staff Lead:** Robert Boling  
**Target Budget Amount:** \$324,000

## 10. Communications and Government Affairs

Staff will continue to support landowner, local, regional, statewide, and federal communications and government affairs. The team will prepare communications and stakeholder coordination/public outreach products, maintain strategic communications and message development, and provide content for the Sites website.

**Deliverable Description:** Ongoing support – no specific deliverables anticipated. Budget target for January through June 2020.

**Authority Agent Lead:** Kevin Spesert  
**Staff Lead:** Keith Dunn, Sara Katz, Conner McDonald (landowner communications)  
**Target Budget Amount:** \$181,000

## 11. 2020-2021 Work Plan

It is expected that the next Work Plan will be presented to the Authority Board and Reservoir Committee at the March, 2020 meetings. The scope and budget identified in the Work Plan will begin on July 1, 2020 and will cover a period of 12 to 18 months, as directed by participants. Prior to March, staff will work to develop a cash-loaded project schedule and bottoms-up estimates for the work expected to be performed.

**Deliverable Description:** Revised cash flow and exhibit B. Up to three scenarios developed to evaluate different levels of cash call and/or Work Plan duration.

**Authority Agent Lead:** Joe Trapasso  
**Staff Lead:** JP Robinette  
**Target Budget Amount:** \$159,000

## 12. Financial Assistance Agreement

Staff will work with Reclamation to develop an application for a Financial Assistance Agreement. This agreement will allow the transfer of funds from Reclamation to the Sites JPA. This agreement is the mechanism by which WIIN Act funding can be transferred to the JPA. Items needed for this agreement include a detailed scope of work, detailed supporting budget information, and several board-approved policies (e.g. Accounting Policy, Contracting Policy).

**Deliverable Description:** Application for Financial Assistance submitted to Reclamation by March 2020.

**Authority Agent Lead:** Joe Trapasso  
**Staff Lead:** Cathy Westcot  
**Target Budget Amount:** \$109,000

### **13. WIFIA Loan Application**

Staff will develop a letter of interest (Letter of Interest) for a low-interest loan through the WIFIA program that participants can approve at the June meetings. The LOI is anticipated to be due to the EPA in June or July. Support will be needed from the Government Affairs team (Federal), the Communications service area, Bond Counsel, the Municipal Advisor, and General Counsel. In addition to the completion and submission of a competitive LOI, additional policies and procedures will be required to be developed to become eligible for WIFIA.

**Deliverable Description:** Letter of Interest and all required backup (schedules, policies, etc.)

**Authority Agent Lead:** Joe Trapasso  
**Staff Lead:** JP Robinette  
**Target Budget Amount:** \$306,000

### **14. Ongoing Business**

In addition to the critical near-term needs, staff will continue with the ongoing business efforts. This includes contract management, leading and supporting ad hoc Work Groups, Reservoir Committee, and Authority Board meetings, managing accounts payable and accounts receivable, managing participant ledgers, and invoicing the California Water Commission under Prop. 1.

**Authority Agent Lead:** Joe Trapasso  
**Staff Lead:** JP Robinette  
**Target Budget Amount:** \$811,000

- AP/AR: \$180,000
- Contract Management: \$240,000
- Monthly Board/Reservoir Committee/ad hoc Work Group Support: \$260,000
- California Water Commission Invoicing: \$131,000

**Deliverable Description:** Ongoing support – no specific deliverables anticipated. Budget target for January through June 2020.

#### **Direction Requested**

The work identified above includes the near-term critical items as identified by the participants in the past several months. Beyond the work listed above, it is expected that additional items can be progressed between March and June of 2020. Staff will request input from participants at the January workshop regarding other activities to be prioritized. Possible work includes the following:

- EIR/EIS (final or recirculated draft, as required)
- Plan of Finance
- Draft 2081 Permit Application
- Water Rights Application, Water Availability Assessment
- PMIS and Business Systems
- Updated Permitting Strategy
- Sites Feasibility Study
- Updated Storage Policy
- Updated Credit Reimbursement Policy

### Scope Deliverables, Leads, and Target Budget

Deliverable & Activities	Authority Agent Lead	Staff Lead	Target Budget
1. Value Planning Refinements	Lee Frederiksen	Jeff Herrin	\$483,000
2. Draft Operations Plan	Ali Forsythe	Rob Tull	\$183,000
3. Operations with Shasta Exchanges	Ali Forsythe	Rob Tull	\$367,000
4. Cost of Dry Year Deliveries	Jim Watson	JP Robinette	\$68,000
5. Environmental Benefits (Incl. Temperature and Biological Modeling)	Ali Forsythe	Rob Tull/ John Spranza	\$428,000
6. Ongoing Pre-Application Consultation	Ali Forsythe	John Spranza	\$306,000
7. Ongoing monitoring support to Reclamation's Geotech data collection (federal feasibility)	Ali Forsythe	John Spranza	\$86,000
8. Response to Direction from Organizational Assessment	Jim Watson	Various	\$489,000
9. Updated Risk Assessment	Jim Watson	Robert Boling	\$324,000
10. Communications and Government Affairs	Kevin Spesert	Keith Dunn	\$181,000
11. 2020-2021 Work Plan (Support Amend #2 starting 7/1/20)	Joe Trapasso	JP Robinette	\$159,000
12. Financial Assistance Agreement w/ Reclamation (WIIN Act Funding)	Joe Trapasso	Cathy Westcot	\$109,000
13. WIFIA Loan Application	Joe Trapasso	JP Robinette	\$306,000
14. Ongoing Business: <ul style="list-style-type: none"> <li>▪ Monthly Board/Res Comm Support</li> <li>▪ Contract Management</li> <li>▪ AP/AR</li> <li>▪ CWC Invoicing (WSIP early funding)</li> </ul>	Joe Trapasso	Various	\$811,000
15. Other: <ul style="list-style-type: none"> <li>▪ Rent/Utilities</li> <li>▪ General Counsel</li> <li>▪ Board Clerk</li> <li>▪ Fees</li> </ul>	Joe Trapasso	JP Robinette	\$521,000
<b>TOTAL:</b>			<b>\$4,821,000</b>