



Topic: **Authority Board Agenda Item 2.1**

**2020 June 24**

Subject: **State Legislative Activities**

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**Requested Action:**

Consider acceptance of 2020-2021 Sites Project State Agency Legislative Activity Priorities.

**Detailed Description/Background:**

In response to the recommendation outlined in the Organizational Assessment to prepare an analysis and staff recommendation on federal funding pursuits, staff developed a Federal Legislative/Government Affairs Priorities memorandum that was approved by the Reservoir Committee and Authority Board at their respective May 2020 meetings.

In addition to the Federal Legislative/Government Affairs Priorities memorandum, staff has worked with the Authority Ad Hoc Legislative & Outreach Committee to develop a list of State level legislative and government priorities to focus our activities to better align with key project milestones. The State activities will be implemented in coordinated manner with our Federal government affairs/legislative priorities. These State priorities will be the Committee and Team focus through December 2021. Any adjustments would be brought back to the Reservoir Committee and Authority Board before being incorporated and updates will be provided on significant progress.

**Prior Action:**

None.

**Fiscal Impact/Funding Source:**

Sufficient funds exist to support activities associated with these priorities within the Amendment 2 work plan.

**Staff Contact:**

Jerry Brown/Kevin Spesert

**Attachments:**

Attachment A: State Legislative/Government Affairs Priorities Memo.

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**TO:** Ad Hoc Legislative & Outreach Committee

**DATE:** 10 June 2020

**SUBJECT:** State Government Affairs Priorities

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Staff has been working to identify near-term (thru December 31, 2021) State government affairs/legislative priorities to focus our activities to better align with key project milestones and are implemented in coordinated manner with our Federal government affairs/legislative priorities.

The following represents the staff's proposed State government affairs/legislative priorities.

### **STATE FUNDING**

#### **Proposition 1/CWC**

- Continue to advance activities to meet the statutory requirements of WSIP to secure the \$816 million awarded to the project.
  - Must have completed feasibility studies, a draft version of the recirculated environmental documents released for public review, CWC finding that the project is feasible and advances long-term Delta goals, and commitments for at least 75 percent of the non-WSIP funding **by January 1, 2022**.
- Continue to secure WSIP Early Funding that was awarded to the project.
  - Approximately **\$32 million** of the WSIP Early Funding awarded to the project is still available (\$40.8 million awarded by CWC).
- Advance discussions with CWC to address requests outlined in the WSIP Project Coalition Letter sent on May 11, 2020 to address impacts of COVID19 on the WSIP projects.
  - Modification of Early funding conditions, Increased release frequency or waiver of retention on early funding, increase flexibility within the early funding agreements, Incorporate COVID related impacts into pre-established deadlines.
- Advance discussions with CWC to reconcile WSIP public benefits regarding the VP7 recommended alternative.

#### **California Infrastructure Bank**

- Identify and begin groundwork to potentially apply for loan funding for the project from the California Infrastructure and Economic Development Bank (IBank) for appropriate/eligible project components.
  - Infrastructure State Revolving Fund Loans (ISRF), IBank Bond Financing, Infrastructure State Revolving Fund Bonds (ISRB).

#### **Other State Appropriations/Bonds/Grants**

- Support development and secure funding from potential state bond measures for infrastructure development, drought resiliency, water resources, and flood control.
  - Possible bond to support the priorities identified in the Governor's Water Resilience Portfolio has been discussed but may be delayed due to COVID19 impacts to the state's economy.

- Track and pursue opportunities for state appropriations/grants as appropriate for transportation, economic/workforce development, flood control, infrastructure planning, operations & maintenance, etc.

### **STATE AGENCY COORDINATION**

- Pursue development of a DWR/SWP Coordinated Operations Plan.
  - Including term sheet whereby the parties agree on the key provisions of an agreement by **July 2021**.
- Completion of the recirculated Draft Environmental Impact Report (EIR) by **July 2021**.
  - Coordinated with USBR's development of the Recirculated Draft Environmental Impact Statement (EIS) which is planned for completion no later than **July 2021**.
- Develop strategy to advance the Authority's water rights application by **September 2020** with a planned submittal of the application by **June 2022 (aligned with Final EIR/EIS)**.
- Secure permits and approvals of CDFW for ITP & LSA.
  - Enter a three-year agreement to fund CDFW staff to support of the project's permitting by **December 2020**.
  - Execute Contract with CDFW for WSIP benefits.
- Secure permits and approvals from Division of Safety of Dams (DSOD) to initiate preliminary design by January 2022.
- Complete approvals and permits to achieve the Final Funding Conditions for Prop 1 by **June 2023** for management of WSIP public benefit water produced by the project.
  - All environmental documental competed, all other federal, state, and local approvals, certifications and agreements required to be completed have been obtained.

Other items that do not require legislative/government affairs action but are administrative in nature are listed below. We will need to keep our legislators informed on progress of these items so that they can step in when/if needed to assist in keeping them on the timeline required to support the project schedule.

**Permitting** - Ongoing consultation with state agencies to secure required state permits to advance the project.

**Public Outreach** - Coordinate with appropriate state agencies on any public outreach activities associated with a recirculated EIR. Reestablish AB 52 engagement with tribes and re-engage in consultation.