



Topic: **Joint Authority Board & Reservoir
Committee Agenda Item 3.2**

2020 December 18

Subject: **Status Update on Final Federal Feasibility**

Requested Action:

Review and comment on Final Federal Feasibility Report status update.

Detailed Description/Background

The approved 2020-2021 Sites Federal Government Affairs Priorities includes completion of the Final Federal Feasibility Report (2020 FFFR) to qualify for federal funding. The 2020 FFFR is concluding a six-month review process and a secretarial determination is expected before the end of the year which is needed to continue to qualify for WIIN Act funds.

The 2020 FFFR determines the Sites project to be feasible and there is federal interest for investment. Potential benefits include CVP operational flexibility for north (including the American River watershed) and south of delta, new supplies for incremental level 4 refuges, and improvements for migrating fish in north of delta rivers and streams, and increased flows into the Delta and out to the Bay. Sites would be qualified to receive up to 25% cost share for the project. Conservatively, the VP7 plan of finance does not include WIIN funds, however federal participation up to 25% can be accommodated should an agreement be reached. No matter what level of federal participation is settled on, the project will continue to be local-led.

The significant differences between the 2020 FFFR and VP7 (the Authority's preferred alternative) continue to exist. The 1.5MAF reservoir size in VP7 is not specifically analyzed and the Delevan Pipeline is not eliminated in the 2020 FFFR. The range of reservoir sizes encompasses the 1.5MAF in VP7 and the report indicates that other conveyance mechanisms would be feasible. The Authority has coordinated communications with Reclamation on these issues.

Reclamation and the Authority are engaging in technical discussions that will lead to greater certainty involving Reclamation's level of participation and coordinated operations between Sites and the CVP and we expect a conclusion to these discussions by July 2021.

Previously, it was envisioned that the federal feasibility would serve as the basis for meeting the State's 1/1/22 feasibility requirements. However, after further clarification of the State's requirements, a separate analysis will be needed by the State and will instead inform the post processing of the federal analysis to occur in 2022 in conjunction with finalizing the Supplemental EIS and issuing of a Record of Decision.

Prior Reservoir Committee Action:

June 2020: Receive status update on draft 2020 Final Federal Feasibility Report.

April 2020: The organizational assessment response matrix identified two items being addressed by this report: 1) Create a strategy to have Reclamation to the table to describe what the local investment will do for their contracts and 2) Establish a strategy to get state and federal agencies to be storage investors.

Fiscal Impact/Funding Source:

The 2020 FFR was paid with 100% federal dollars. Recently federal appropriations were proposed for the Sites Project for 2020 and 2021 in amounts of \$4M and \$9.7M. These funds would contribute toward the Amendment 2 work plan a Reclamation's continued participation in the project, if approved by Congress.

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Attachments: None.