



Topic: **Reservoir Committee Agenda Item 3.4**

2020 June 18

Subject: **Approach for Discussions with the California Department of Water Resources**

Requested Action:

Review and comment on the approach for discussions with the California Department of Water Resources (DWR) on a Sites Coordinated Operations Agreement (Sites COA).

Detailed Description/Background:

Staff is reinitiating technical discussions with DWR regarding a Sites COA. The Sites COA is expected to address the following key items:

1. Coordination of Sites water deliveries with DWR's operation of the State Water Project.
2. Sites water accounting in the context of the Coordinated Operations Agreement for the Central Valley Project (CVP) and State Water Project (SWP).
3. Conveyance and operational losses.
4. Exchanges and transfers from Sites-participants to non-Sites SWP contractors.
5. Water rights and point of delivery considerations.

Key items may be modified, and additional items may be added as discussions progress.

Discussions have been technical in nature to date, focusing on technical analyses that would benefit both Sites and DWR in better understanding the key items above. Eventually, the discussions will involve negotiations of agreement terms.

Staff and DWR team members have developed the attached schedule of key activities. Principles of agreement on the key items identified above are scheduled for completion in June 2021. Completion of a full agreement would progress after the principles of agreement, but execution may need to wait until the Project California Environmental Quality Act process is completed in spring 2022. The schedule identifies key points for check-ins with DWR's Director and Sites leadership to ensure that activities are progressing, and issues are being addressed in a timely manner.

Staff has been and will continue coordinating our efforts on a COA with the Sites participants that are also SWP contractors. There are several SWP contract matters that will need to be resolved between this group and DWR concurrent

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with the development of the Sites COA. WE do not anticipate any conflicts, but It is important that the RC members be kept apprised of these side by side and ongoing discussions.

Prior Action:

None.

Fiscal Impact/Funding Source:

The technical work and negotiations efforts are included in the Amendment 1B and 2 work plans.

Staff Contact:

Ali Forsythe

Attachments:

Attachment A - Sites / DWR Term Sheet Development Schedule.

Sites Reservoir Project Schedule

Milestone	Scheduled Date
For EIR Analysis <ul style="list-style-type: none"> Establish modeled Release and Diversion Criteria Define Project Baseline and Alternatives 	June 2020
Perform Operations Analysis	Jun 2020-Nov 2020
Re-analyze Public Benefits	Nov 2020- Apr 2021
Complete USBR Final Federal Feasibility Report	Dec 2020
Complete Negotiation of Key Terms for Coordinated Operations with CVP and SWP	June 2021
Submit State Prop 1 Feasibility Report	July 2021
Release Recirculated Draft EIR for 60-day public review	July 2021
Complete Plan of Finance and Allocation of Benefits and Costs	Aug 2021
Receive confirmation of local agency participation for Prop 1	Oct 2021
CWC determination of Prop 1 Construction Funds Eligibility	Dec 2021
Submit Water Rights Application to SWRCB	Jan 2022
Issue Final EIR	Mar 2022

DWR/Sites Term Sheet Development Schedule

(Jointly involve Ted Craddock and DWR Legal (David Sandino) as we go, no surprises)

Milestone	Date
Meet with Sites/SWP ktrs after Reservoir Cmte to outline approach	June 18, 2020
Meet to Review Operations Options with DWR/ Sites team/Sites SWP ktrs <ul style="list-style-type: none"> Project water (DWR has to own, operate, maintain an asset, can be a service contract) Operational exchange (similar to arrangement with CVP) Article 55 (lowest pumping priority) 	July 15, 2020 (date tdb)
DWR Director Check-in	Aug 2020
Conduct Operations Analysis to prove: <ul style="list-style-type: none"> Can water be delivered No harm SWP flexibility Sites can be on Statement of charges (tbd – who performs modeling) 	Aug-Nov 2020 (4 months)
DWR Director Check-in	Nov 2020
Determine final coordinated operations model results	Nov 2020
Establish initial term sheet reflecting final model results and initiate negotiation of commercial terms	Dec 2020
DWR Director Check-in	Mar 2021
Final COA term sheet complete	June 2021