

**RESERVOIR COMMITTEE
AGENDA ITEM 3.4
APPROACH FOR DISCUSSIONS WITH
DWR ON OPS AGREEMENT**

JUNE 2020



Overview

- Staff reinitiating technical discussions with DWR on a Sites Coordinated Operations Agreement (Sites COA)
- Sites COA expected to address 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 CVP and 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

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 (tdb – 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

version date: May 15, 2020

Next Steps

- Establish Negotiating Team and begin internal discussions
- Work with Jacobs and DWR team on modeling assumptions and analyses
- Develop key negotiation parameters and principles
 - RC and AB review / approve November timeframe
- Coordinate closely with Sites-SWP members leading efforts on SWP contract matters to ensure consistency