

Topic: **Sites Reservoir Project, Phase 2**

Subject: **Monthly Status Report**

Report Period: **2020 July**

Monthly Status Summary:

The development of the Sites Project continues to make progress in the critical areas including the following activities:

WSIP Funding:

- Meetings were conducted with California Water Commission (CWC) staff to evaluate administrative actions that could be taken to accelerate early funding to the project. Of these measures, release of retention has been authorized and a revised scope of work that redistributes funds within existing tasks is being reviewed. Combined, these actions would accelerate approximately \$2-\$3M of state funding to the project in the Amendment 2 work plan that was not previously anticipated. A third action, to temporarily allow higher state cost share, is under consideration as well. Staff continue to pursue further definition from CWC on the 1/1/2021 requirements for feasibility and 75% local cost share commitment.
- Separate and apart from these Sites specific discussions, requests have been made to work with the CWC staff to further define of what constitutes "feasibility" and "75% local cost share commitment", two elements required by the 1/1/22 deadline. It is not yet clear how these efforts might influence the Sites project, however aligning the CWC's requirements with the participating members is of paramount concern so that all investors have what they need at the 1/1/22 milestone.

WIIN Act Funding:

- The financial assistance agreement has been executed per Resolution 2020-01 that was approved by the Boards. This is notification that there was a discrepancy between the Resolution and staff report when the agreement was brought to the Boards which was determined in favor of executing the agreement without coming back to the Board for the following reasons; i) the final agreement was consistent with the description in the Resolution, ii) there was and is no controversy with the Agreement. Please contact me with any concerns.
- See additional information under the "Coordination with Reclamation" section below.

USDA Funding:

- An outreach meeting will be scheduled to review the new direction for the project with the local USDA office and to address any issues with the loan related to the project changes.
- The project team is looking at the possibility of receiving adjustment to the specified interest rate in the loan agreement as the market conditions are more favorable currently than they were when the loan agreement was executed. It appears there is a possibility for changes without losing the availability of the loan.

Engineering:

- Completed draft feasibility design documentations.

- Continued feasibility analysis and design of project alternatives.
- Continued supporting data needs for preparation of the Project Description.

Coordination with Reclamation:

- Continued coordinating with Reclamation for in-kind work associated with Geologic & Geotechnical exploration efforts in support of the feasibility design.
- Discussed and strategized use of CWC Feasibility study for Reclamation's Federal Feasibility Report post-authorization work.
- Continued to work with Reclamation planning and environmental teams on the National Environmental Policy Act approach, including identification of schedule for Reclamation review process assuming joint environmental document.
- Began coordinating with Reclamation on Endangered Species Act and Section 106 of the National Historic Preservation Act consultations for geotechnical exploration and project-level work.
- Provided final materials needed to Reclamation to provide the Financial Assistance Agreement for WIIN Act funding.

Environmental Planning and Permitting:

- Continued development of the project description for use in the Revised Environmental Impact Report/Supplemental Environmental Impact Statement (Revised EIR/Supplemental EIS) and the Biological Assessment.
- Began preparation of the Revised EIR/Supplemental EIS annotated outline and Chapter 1, Introduction.
- Continued technical discussions and planning activities for the water right permitting and a 2020 initial meeting with State Board Staff.
- Continued data exchange and water quality small technical working groups to facilitate development of those project components for use in the Revised EIR/Supplemental EIS, Biological Assessment and Sites Feasibility Report.
- Continued technical discussions and planning activities for state and federal Endangered Species Act, National Historic Preservation Act and Clean Water Act permitting.
- Began discussions with California Department of Fish and Wildlife (CDFW) on 2020/2021 meetings and workshops, CDFW permit review schedule and CDFW staff funding to help ensure sufficient staffing to meet project deadlines.
- Continued the geotechnical small group efforts to facilitate development of the 2020/2021 geotechnical investigation project description and coordinate environmental compliance and permitting activities, along with firming up field roles and responsibilities. Many of the provisions for environmental compliance roll over from the prior year's geotechnical work which was based on the Maxwell Intertie work.

Operations:

- Began developing operations animation for participant and home board use illustrating the Shasta exchange concept (no federal investment). If this is useful tool, other operating scenarios can be animated as well.
- Initiated the formation of a small group to discuss updates to the Authority's Storage Policy.
- Continued to coordinate with DWR and Reclamation on the development of

modeling assumptions related to the Central Valley Project and State Water Project for the Revised EIR/Supplemental EIS and Biological Assessment analysis.

- Began running preliminary CalSim model to provide initial modeling results that will inform finalization of operational alternatives for the Revised EIR/Supplemental EIS.
- Worked to finalize the development of operations criteria that will be built into the models for use in the Revised EIR/Supplemental EIS and Biological Assessment, including diversion criteria.

Stakeholder Engagement, Public Outreach & Real Estate:

- Held July 14th & 15th Sites Town Hall meetings.
- Facilitated project status briefing calls with Reclamation Commissioner Brenda Burman and Interior Secretary David Bernhardt.
- Continued engagement and outreach efforts with landowners, local community members, state and federal elected officials, non-governmental organizations and coalitions of regional and statewide organizations to introduce the Value Planning Report and the new “rightsized” project.
- Responded to landowner requests for project information, facilitated coordination activities with local government agencies and organizations and planned for future landowner, stakeholders and general public outreach activities and events.

Program Management & Administration:

- Provided update to Reservoir Committee and Authority Board on outreach efforts related to project subscription.
- Submitted Quarterly Report 8 for the period April through June 2020 to the Water Commission.
- Updated Amendment 2 Work Plan based on revised Prop 1 revenue and task order development expenses.