

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

Subject: **Monthly Status Report**

Report Period: **2020 August**

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### **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 circulated for approval. Combined, these actions would accelerate approximately \$2-\$3M of state funding (potentially more depending on local cost share within the task categories) to the project in the Amendment 2 work plan. A third action, to temporarily allow higher state cost share, is under consideration as well.
- 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 is being kicked off. There are initial activities that need to be completed prior to the first invoice. Work is underway with Reclamation to define these requirements. The invoicing is quarterly, and the first invoice is expected in December 2020 which conforms to the Amendment 2 work plan cash flow estimates.
- The Final Federal Feasibility Report is making its way through the federal government review process. The next step is Commissioner review which is scheduled for Sept 2. After that it goes through the Secretary of Interior's office and then to Office of Management and Budget then back to the Secretary for final determination. The document is still on track for a December 2020 completion which is the statutory deadline in the WIIN Act.

#### **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:**

- Continued feasibility analysis and design of project alternatives.
- Continued supporting data needs for preparation of the Project Description.
- Completed feasibility design documentations.
- Developed feasibility CADD drawings.

**Coordination with Reclamation:**

- Continued coordinating with Reclamation for in-kind work associated with geologic and geotechnical exploration efforts in support of the feasibility design.
- Continued to work with Reclamation planning and environmental teams on the National Environmental Policy Act approach.
- 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 memo to Reclamation management discussing operating scenarios included in the environmental planning process. The Sites and Reclamation modeling teams are formulating a mutually acceptable platform for project analysis. This will be used as a tool for evaluating effects in the negotiation process for an operating agreement.
- Reclamation has notified the Sites team that analysis is underway to evaluate the integration of all the Prop 1 storage projects.

**Coordination with Department of Water Resources:**

- The Sites and DWR modeling teams are formulating mutually acceptable assumptions for State Water Project integration into the model. The modeling will provide information about benefits and operating reliability based on level of DWR involvement and integration.
- The Sites participants that are also SWP contractors have been meeting with DWR to determine the path forward to achieve certainty with regard to coordinating Sites operations with the SWP operations. A framework is being developed which will assist in the negotiation of the operations agreement with DWR.
- DWR has notified that Sites team that analysis is underway to evaluate the integration of all the Prop 1 storage projects.

**Environmental Planning and Permitting:**

- Completed the administrative draft of the project description for use in the Revised Environmental Impact Report/Supplemental Environmental Impact Statement (Revised EIR/Supplemental EIS) and the Biological Assessment.
- Completed the draft Revised EIR/Supplemental EIS annotated outline and Chapter 1, Introduction.
- 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.

- Continued 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. Completed updating the project description and amended Biological Assessment for the geotechnical activities and provided to Reclamation for review and input.

**Operations:**

- Distributed operations animation for participant and home board use. Requested comments and suggestions to incorporate into final version.
- Worked with permitting team/aquatics biologists to refine diversion criteria to be incorporated into the modeling efforts.
- Completed preliminary Sites Project CalSim model to provide initial modeling results that will inform finalization of operational alternatives for the Revised EIR/Supplemental EIS. The team will be meeting to review the results and refine the criteria in September.
- Provided Reclamation a summary of the operational scenarios to be included in the Revised EIR/Supplemental EIS.

**Stakeholder Engagement, Public Outreach & Real Estate:**

- 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 CWC Early Funding Agreement budget reallocation request to redistribute funds within existing tasks.
- Submitted Amendment 2 Work Plan (Rev D) for Reservoir Committee/Authority Board approval.