



Topic: **Authority Board Agenda Item 6-4**

**2020 February 26**

Subject: **September 1, 2020 through December 2021 Work Plan  
(Amendment 2)**

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**Requested Action:**

Discussion and possible direction to staff regarding the development of the work plan for the period of performance starting September 1, 2020 and ending December 31, 2021 in accordance with a proposed Amendment 2 to the current Participation Agreement.

**Background:**

To continue to advance the Sites Project beyond August 31, 2020, an amended participation agreement (Amendment 2) is needed that includes an additional funding commitment (aka cash call). These funds can then be leveraged using a combination of the Prop 1 (WSIP) early funding, which is capped at \$40.8 million, and a portion of the \$6 million WIIN Act appropriation that occurred in December. Based on estimates of local, state, and federal funding available, a work plan needs to be prepared and be based on the current level of local and state conditional investments and the current level of federal interest. The proposed goals of this work plan are:

- a. To improve certainty related to the reservoir's operations and degree of operational integration with the State Water Project and Central Valley Project to produce benefits for both water supply and reliability purposes and water dedicated to environmental purposes;
- b. To improve certainty related to the project's permitability through more-focused early agencies' consultations to then prepare applications for key federal and state permits and the state's water rights;
- c. To complete the environmental analysis and documentation as required under CEQA and NEPA;
- d. To improve certainty related to the project's affordability by advancing the level of engineering and implementing risk management to improve the accuracy of the cost estimates. In addition, pursue low interest financing and potential grants;
- e. To continue to cultivate and strengthen partnerships with local landowners, communities, and key stakeholders that represent environmental, business, labor, and other interests;
- f. To meet the January 1, 2022 Prop 1 (WSIP) milestone to remain eligible to receive the \$775 million in construction funding;
- g. To identify continued participation, Go/No-Go decision points with staggered cash calls; and

h. To develop a successor participation agreement, work plan, and funding or finance plan to advance the Sites Project beyond December 31, 2021.

To support the request for additional funding by the current Reservoir Committee participants, the following documents and schedule are proposed:

Proposed Home Board Package of Documents:

- Amended Phase 2 Participation Agreement with updated Exhibit B (summarized work plan).
- Value Planning Report that summarizes the efforts and proposed changes to “rightsize” the project.
- Draft Storage Policy that summarizes how each participant can utilize their share of the reservoirs' storage.
- A printed Prospectus summarizing key accomplishments; current local, state, and federal participation and funding; executive-level summary of the Value Planning results; updated affordability analysis; status of operations and cooperative operations agreement; status of environmental and permitting activities; and proposed next steps.
- A template PowerPoint that can be modified to meet the individual needs of each home board.
- 2019 Annual Report.
- Other items as requested.

Proposed Schedule:

- January 17: Obtain input to overall goals, priorities, and milestones.
- February 21: Obtain input to *strawman* work plan (task list, initial milestones, and range of proposed cash calls) and proposed information package to be provided to each home board.
- March 19: Obtain input to an initial work plan (revised task list, more-defined CPM schedule, and allocation of costs) and proposed information package.
- April 17: Obtain final input and approval of the work plan to create Exhibit B to the amended participation agreement.

NOTE: Authority Board's consideration to approve is scheduled for April 22.

- May 1: Distribute document package for Home Boards' consideration.
- July 9: Response from Home Board for inclusion into agenda package for July 16 Reservoir Committee meeting to:
  1. Consider approving the participation responses.
  2. Authorize preparation of the first invoice due in 30 days (i.e. September 1, 2020). Plan is to distribute invoices to home boards on or before July 31.
  3. If needed authorize the rebalancing process.

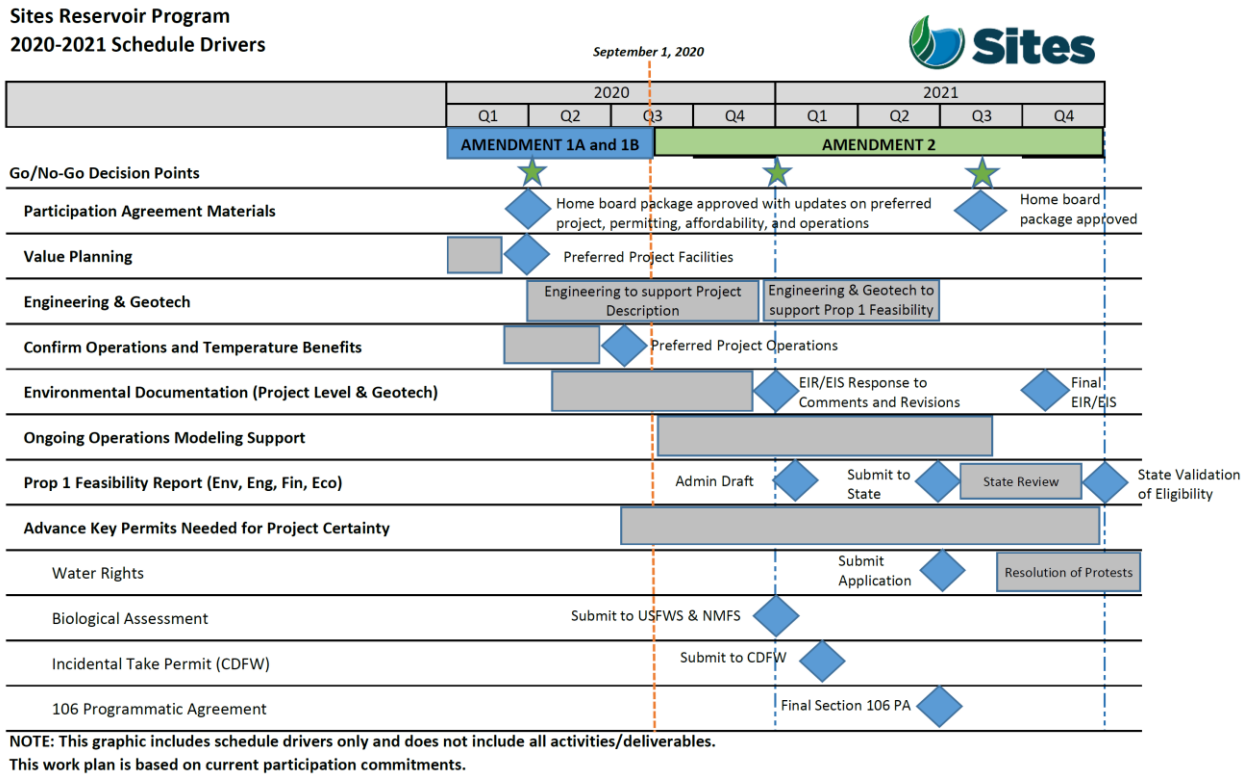
NOTE: Authority Board's consideration to approve is scheduled for July 22.

- August 21: Reservoir Committee approve consultant services contract amendments and initial set of task orders to issue near-term Notices to Proceed on or before September 1.
- September 1: Formal start of amendment 2 to the current participation agreement.

**Strawman Work Plan:**

Process: Feedback received at the January 17 Reservoir Committee (refer to figure 1), was used by the Environmental, Permitting, Reservoir Operations, Engineering, and Management Teams to separately develop more-detailed task lists (refer to Attachment A) with initial estimates of duration and work flow. These individual plans were then integrated to prepare a strawman CPM schedule and was used as the basis to estimate costs at the Team level to generate three scenarios for the goals summarized above that will be discussed in greater detail at the Reservoir Committee meeting.

Figure 1: Concept-level Priorities and Milestones



The following summarizes the key revenue assumptions that have been used to develop three scenarios:

- a. A combination of cash calls ranging from \$65 to \$100 per acre foot with participation ranging from status quo (i.e. 192.8 TAF/year) to a 10% reduction (172 TAF/year).

- b. The State 's WSIP cost-share from the Early Funding Agreement is assumed to be 30% of total expenses and the total can't exceed the \$40,8 million cap<sup>1</sup>.

For the duration of this work plan, there is no further changes in the State's role or increased funding.

- c. The Federal \$6 million WIIN Act appropriations assumes \$4.0 million would be managed by the Sites Project through the execution of a Federal Financial Assistance Agreement and the remainder would be used by Reclamation to fund activities supporting their role in this project; which currently includes being the Lead Agency for NEPA and ESA.

For the duration of this work plan, there is no change in Reclamation's or Interior's role and no additional funding.

- d. All revenue will be assigned to the tasks identified in the work plan as budgets, which will then be allocated to the respective consultant services contract. For each contract, task orders will describe the scope of services and include both an agreed upon not-to-exceed budget and staggered Notices to Proceed (e.g. a task that will not start for 6 months will require a separate Notice to Proceed before that task can start).

NOTE 1: Currently the work plan does not include any budget to be used to further reduce the amount of contributed credit.

NOTE 2: While the work plan does not include a specific line item for contingency, consultant service contracts and task orders will be managed using the same processes as previously used to ensure there is a reserve of unallocated funds to ensure positive cash flow and the ability to assign funds to highest priority activities, which could include an extension of time to the amended participation agreement.

Strawman Scenarios: To facilitate the development of a preferred work plan, staff developed three scenarios with the expectation that feedback at the February 21 Reservoir Committee meeting will "narrow the sideboards" to enable staff to come to the March 19 Reservoir Committee meeting with a revised scenario, work plan, and estimate of cost.

For each of the following scenarios, the tasks listed in Attachment A were adjusted to represent the proposed scope and corresponding budget. Then, each scenario was compared to the proposed goals as summarized above.

Goal	Description	Scenario A	Scenario B	Scenario C
a	Reservoir operations modeling	Base scope of work	Same as A	Less than B
b	State's ITP (operations & construction)	Applications complete in 2021	Same as A	Potential ITP only for operations
b	Permits: 404, 408, 401	Applications complete in 2021 (except 408)	Defer ~ 6 months	Defer to 2022

<sup>1</sup> NOTE: Based on this cost-share, as the amount of funding provided by the members of the Reservoir Committee is reduced, the funds provided by the State will also be reduced.

Goal	Description	Scenario A	Scenario B	Scenario C
b	Reclamation's Biological Assessment	Complete in 2021	Complete in 2021	2022 or later
b	Water Right application	Submit in mid-2022	Defer ~ 6 months	2023 or later
b	Section 106	Programmatic Agreement in 2021	Same as A	Reduced scope
c	Draft EIR/EIS	Additional public review in 2021	Same as A	Same as A
c	Final EIR/EIS	Early to mid-2022	Same as A	Late 2022
d	Geotechnical investigations to support engineering & WSIP-level of technical feasibility studies	Permits acquired & key data collected	No data collected, so no permits needed	No data collected, so no permits needed
d	Level of engineering & technical studies	Support cost estimate	Support cost estimate	Support cost estimate
d	Risk management plan and updated assessment	Focused risk assessment	Reduced scope	Defer to 2022
d	Construction Cost Estimate	AACE Class 4	Some facilities at Class 5	Less than B
d	Low interest finance	Submit WIFIA application by July 2021	Same as A	Defer WIFIA to 2022. USDA loan may be affected
f	WSIP-level Feasibility Determination (technical, environmental, economic, & financial)	Submit Report mid- to late 2021	Same as A	Delayed submission
e	Landowner, community, & real estate	Base scope of work	Same as A	Reduced
g	Interim Go/No-Go decision points	Included	Same as A	Same as A
h	Successor funding plan & agreement (effective Jan 2022)	Included	Same as A	Not included
all	Management and business functions	Base scope of work	Less than A	Less than B with staff reductions
	Estimated Total Revenue [\$ in millions]	\$ 32	\$ 24	\$ 21
	Estimated public water agency level of participation	No reduction	10% reduction	10% reduction

Goal Description	Scenario A	Scenario B	Scenario C
Estimated Cash Call [\$/acre-ft/yr of participation]	\$ 100.	~ \$ 75.	~ \$ 65.

**Prior Action:**

January 17, 2020: Staff provided information regarding the proposed process for developing a work plan for the period of performance starting September 1, 2020 and ending December 31, 2021. This work plan will focus on improving certainty related to the operations, permitting, and affordability and meet the January 1, 2022 Prop 1 (WSIP) milestone to remain eligible to receive funding.

**Fiscal Impact/Funding Source:**

Not yet determined

**Staff Contact:**

Joe Trapasso

**Attachments:**

Attachment A: Schedule Task List for Work Plan: Sept 1, 2020 through Dec 31, 2021 (Amendment 2)

## Work Plan: Sept 1, 2020 through Dec 31, 2021 (Amendment 2)

### Schedule Task List

#### Activity Name

#### Local Funding

##### **Execute Participation Agreement 1B** *(complete prior to Sept 1)*

- Amend Task Orders
- Final Participation Agreement Amendment 1B
- Engineering Task Orders (HC, HR)
- Amendment 1B Exhibit B
- Executed 1B

##### **Execute Participation Agreement 2**

- Draft Participation Agreement Amend 2 for Home Board Review
- Home Board Review - Determine Participation Level
- Rebalance Participation
- Final Participation Agreement Amend 2 with Exhibits
- Execute Amendment 2

##### **Execute Successor Participation Agreement 2**

- Execute Successor Agreement

##### **Work Plan Amendment 1B** *(complete prior to Sept 1)*

- Incorporate Comments from Dec Res Comm Mtg
- Prepare Final Work Plan
- Budget & Finance Work Group Review
- Work Plan 1B Approved

##### **Work Plan Amend 2**

- Develop Draft Schedule thru Dec 31, 2021
- Develop Final Schedule through Dec 2021
- Draft Work Plan Scope Document
- Final Work Plan Scope Document
- Budget Scenarios and Assumptions
- Draft Work Plan Budget
- Final Work Plan Budget
- Final Amendment 2 Work Plan
- Develop Task Orders (Sep 2020 to Dec 2021)
- Work Plan 2 Approved
- Start of Amend 2

#### Value Planning

##### **Value Planning Analysis**

- Refine Value Planning Options
- Screen Value Planning Options
- Qualitative Permit Screening
- Qualitative Env Screening
- Qualitative Ops Screening
- Prepare Costs For Value Planning Options

## Work Plan: Sept 1, 2020 through Dec 31, 2021 (Amendment 2)

### Activity Name

Affordability Analysis  
Screen Alternatives  
Recommend Preferred Option

### Value Planning Report

Value Planning Draft Report  
Preferred Project  
Value Planning Final Report  
Preferred Project  
Approve Preferred Project

### Project Description

#### Determine Needs

Environmental Planning Needs  
Permitting Needs  
Engineering Needs  
Operations Needs  
Water Rights Needs (Reg Items/Study)

#### Components

Identify Alternatives for EIR/EIS  
Determine Project Construction Sequencing  
Identify Project-Level vs Program Components (Planning)  
Identify Project-Level vs Program Components (Permitting)

#### Develop Project Description

Develop Project Description Construction  
Project Description Operations Criteria

#### Project Description Complete

Project Description

### Operations

#### Value Planning Operations

Value Planning Model  
Stony Creek Evaluation  
Shasta Exchanges Post-Processing and Draft TM  
Value Planning TM/Document  
Storage to Release Ratios Table  
Reclamation Feasibility Complete (Milestone)

#### Refine Operational Parameters

Notched Fremont Weir  
Model Reclamation with No-Storage  
Model Shasta Exchange  
Model Sutter Bypass  
Model Voluntary Agreement Weir Notching  
Model Delta Water Quality  
Model Lower River Mortality



## Work Plan: Sept 1, 2020 through Dec 31, 2021 (Amendment 2)

### Activity Name

- Determine Baseline
- Model CVP/SWP Integration
- Model Participation Demands Updated
- Model Refinements
- Finalize Operational Criteria

### Full Operations Analysis

- CalSim
- DSM2-Hydro
- USRWQM
- SALMOD
- IOS
- DSM2-Qual
- OBAN
- Fish Mortality Models
- Power
- Economics

### Coordination

- Documentation for EIR/EIS and BA/ITP
- Ongoing Support to EPP, Engineering, & Financial
- Cumulative and Climate Change
- Bridging Simulation
- Ops Support for Local Feasibility - Water Commission

### EIR/EIS

#### Work Plan & Outline

- Prepare EIR/EIS Work Plan
- Prepare Annotated Outline

#### Draft EIR/EIS

- Prepare Revised Draft EIR/S (Construction)
- Prepare Revised Draft EIR (Operations)
- Prepare Cumulative and Climate Change Sections
- Authority/Reclamation/Integration Review of Admin Draft EIR
- Revise Draft EIR
- Work Group & Legal Review of Revised Draft EIR
- Resolve Work Group Comments
- Authority Approval of Revised Draft EIR
- Submit Revised Draft EIR
- Public Review
- Public Review Period

#### Summary Report

- Prepare Summary Report
- Draft EIR Summary Report Submittal to CWC

#### Response to Comments

## Work Plan: Sept 1, 2020 through Dec 31, 2021 (Amendment 2)

### Activity Name

Approach to Response to Comments  
Response to Comments

### Permitting

#### Biological Assessment

Initial Desktop Analysis  
Strategize with USFWS and Reclamation on Surveys, Impacts & Mitigation  
Mitigation Planning  
Adaptive Management Plan  
Confirm Federal Scope of Action (ESA)  
Permitting Construction Project Description  
Permitting Operations Project Description  
Prepare Construction Analysis  
Prepare Operations Analysis  
Finalize Admin Draft BA  
Submit Finalize Admin Draft BA  
Independent Review Draft BA  
Reclamation, Legal, and Work Group Review  
Revise Admin Draft BA  
Submit Revised Admin Draft BA  
Final BOR and Solicitor Office Review  
Reclamation Submit BA to USFWS & NMFS

#### BO Incidental Take Authorization

BO Incidental Take Authorization

#### ITP- CESA (Sec 2081) Operations

Operations Project Description  
Prepare Operations Analysis  
Mitigation Planning  
Prepare Draft ITP Application  
Legal Review of Draft ITP App  
Work Group Review of Draft ITP App  
Revise Draft ITP Application  
Authority Board Approval of ITP App  
Submit ITP Application to CDFW

#### ITP- CESA (Sec 2081) Construction

Initial Desktop Analysis  
Prepare Terrestrial Analysis  
Mitigation Planning  
Prepare Draft ITP Application  
Legal Review of Draft ITP App  
Work Group Review of Draft ITP App  
Revise Draft ITP Application  
Authority Board Approval of ITP App  
Submit ITP Application to CDFW

## Work Plan: Sept 1, 2020 through Dec 31, 2021 (Amendment 2)

### Activity Name

#### Section 106

Confirmation of Section 106 Federal Lead Agency  
Prepare SHPO Initiation Package  
Authority/Reclamation/Integration Reviews  
Management/Work Group Reviews  
Revisions  
Reclamation Submits to SHPO  
SHPO Review and comments  
Prepare Consultation Information Package  
Authority/Reclamation/Integration Reviews  
Management/Work Group Reviews  
Revisions  
Reclamation Distributes to SHPO and Invited Consulting Parties  
Parties Accept Invitation for Consulting Party Status  
Arrange Meeting Logistics and Prepare Materials  
Conduct Meetings  
Authority/Reclamation/Integration Reviews  
Management/Work Group Reviews  
Revisions  
Circulate Draft PA to SHPO and Consulting Parties  
Deadline for Comments on Draft PA  
Prepare Draft Final PA  
Authority/Reclamation/Integration Reviews  
Management/Work Group Reviews  
Revisions  
Circulate Draft Final PA to SHPO and Consulting Parties  
Deadline for Comments on Draft Final PA  
Prepare Final PA  
Authority/Reclamation/Integration Reviews  
Management/Work Group Reviews  
Revisions  
Consult with SHPO and Consulting Parties on Final PA  
Circulate Final PA to SHPO and Consulting Parties for Signatures  
Deadline for Signatures on Final PA

#### Water Rights

Water Availability Analysis & Planning/Coordination with State/Local  
Prepare Water Right Application  
QA/QC and Legal Review of Draft Water Right Application  
Revise Draft Water Rights Application  
Work Group Review of Draft Water Right  
Resolve Work Group Comments  
Authority Approval of Water Right Appl, Submittal to SWRCB  
Submit Water Right Application

## Work Plan: Sept 1, 2020 through Dec 31, 2021 (Amendment 2)

### Activity Name

SWRCB Review of Water Right Application  
Receive Protests to Application  
Resolve Protests and Schedule Protest Hearing  
Notice Water Rights Hearing  
Conduct In-House Mock Water Right Hearing  
Conduct Water Right Hearing  
Negotiate Permit Terms  
SWRCB Prepare Draft Permit and CEQA Findings  
SWRCB Issue Water Right Permit  
Water Right Permit

### Section 404

Agreement with Reclamation for LEDPA Analysis  
USACE LEDPA & NEPA , 404/408 and WD Approach  
Desktop Wetland Delineation Analysis (includes Waters of the State)  
Submit Delineation to USACE  
Pre-Application Meeting  
Preliminary Wetland Delineation Acceptance  
Compensatory Mitigation Plan  
Prepare Draft 404 Application  
Authority/Integration/Work Group Review of Draft 404  
Prepare Final 404 Application  
Submit 404 Application

### Section 408

Coordinate with CVFPB and USACE  
Assume Start of 50% Design of 408 Jurisdictional Features  
Prepare Draft Encroachment Permit/408 Request w/Engineering Team  
Authority/Integration/Work Group Review of Draft  
Prepare Encroachment Permit/408 Request  
Submit Encroachment Permit/408 Request

### Section 401 Water Quality

Coordinate with RWQCB and SWRCB  
Prepare Draft 401 Application  
Authority/Integration/Work Group Review of Draft 401  
Prepare Final 401 Application  
Submit 401 Application

### Engineering

#### Feasibility-Level Geotech

Geotechnical Permitting & Planning  
Continued Geotechnical Support for Reclamation  
Geotechnical Permitting & Planning, Right of Access  
Conduct Geotechnical Field Investigation  
Data Evaluation and Prepare Geotechnical Data Reports

## Work Plan: Sept 1, 2020 through Dec 31, 2021 (Amendment 2)

### Activity Name

Data Gap Assessment and Preliminary Planning for Design Level Inv for Preferred Project

#### Support of Project Description

Engineering Consultants Brought On Board (complete prior to Sept 1)  
Coordination of CADD and GIS Standards  
Coordination to Identify Alternatives for EIR/EIS & Related Studies  
Coordination to Finalize Storage & Conveyance Capacities  
Gather Data from Prior Draft EIR/EIS  
Prepare Project Base Map  
Prepare Basis of Feasibility Design  
Conduct Field Reviews (as needed)  
Complete Feasibility Level Design  
Develop CADD Drawings of Key Features  
Provide Information on Key Project Features & Facilities  
Convert Drawings to GIS Geodatabase File Format to Support Environmental & Permitting  
Support to Environmental and Permitting Team  
Engineering Support for Alternative A  
Engineering Support for Modified Alternative A

#### Authority Feasibility Report

##### Cost Estimate, Feasibility, Constructability

Identify Project Objectives  
Feasibility Project Description  
Obtain Operations Simulation Results of Preferred Option  
Develop Costs Associated with Mitigation Measures  
Develop Class 4 Cost Estimate (State's feasibility)  
Risk and Uncertainty Assessment  
Confirm Project Benefits  
Project Benefits Consist with the Ops Plan  
Cost Allocation  
Technical Feasibility  
Obtain the Finding of Env Feasibility with Mitigation  
Economic Feasibility  
Financial Feasibility  
Constructability  
Develop DSOD Engagement Plan  
Coordinate on a Geotechnical Investigation Plan  
Coordinate to Develop Geotechnical Permitting Plan  
Develop Program Design/Construction/Permit Implementation Plan  
Develop Sites Local Operations Model (LOM)

##### Feasibility Report

Prepare Draft Feasibility Report  
Work Group Review

**Work Plan: Sept 1, 2020 through Dec 31, 2021 (Amendment 2)**

**Activity Name**

Prepare Final Feasibility Report  
Reservoir Committee and Board Approval

**Prop 1**

**CWC Feasibility Review**

CWC Review  
CWC Determination  
State Determination of Feasibility

**Ongoing Management & Business Functions**