



Meeting: **Joint Reservoir Committee & Authority Board**  
**Agenda Item 1.10**

**March 18, 2022**

Subject: **State and Federal Legislative Priorities**

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**Requested Action:**

Consider acceptance of the State and Federal Legislative 2022 priorities.

**Detailed Description/Background:**

The Government Affairs Team has updated our state government affairs/legislative priorities (Attachment A) and federal government affairs/legislative priorities (Attachment B) with the intent to better align our activities with key Amendment 3 milestones and to ensure that our government affairs/legislative activities are implemented in a coordinated manner. This document covers the revised priorities thru December 31, 2022.

**Prior Authority Board Action:**

None.

**Fiscal Impact/Funding Source:**

None.

**Staff Contact:**

Kevin Spesert

**Primary Service Provider:**

Ferguson Group/Natural Resources Results – Federal

Keith Dunn Consulting - State

**Attachments:**

Attachment A – Draft State and Government Affairs/Legislative Priorities

Attachment B – Draft Federal Government Affairs/Legislative Priorities



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**TO:** Ad Hoc Legislative & Outreach Committee

**DATE:** TBD

**SUBJECT:** State Government Affairs/Legislative Priorities

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The Government Affairs Team has developed the following state government affairs/legislative priorities to focus our activities to align with key Amendment 3 milestones and align in a coordinated manner with our federal government affairs/legislative activities. This document covers the revised priorities thru December 31, 2022.

### STATE FUNDING

#### **Proposition 1/CWC**

- Pursue opportunities to secure additional WSIP funding should additional funding become available:
  - Approximately **\$64 million** in unallocated WSIP funds are remaining that may be available to increase funding for Sites which is the only Rank 3 project that has not been fully funded.
  - Work with other Prop 1 Storage project proponents to secure inflation adjustments and coverage of State O&M cost.
  - Explore the potential for increasing the WSIP Early Funding that was awarded to the project from 5% to something greater. The current 5% allocation is scheduled to be expended by end of 2022.

#### **Other State Appropriations/Bonds/Grants**

- Pursue opportunities from potential **state bond measures** or **budget surplus funding** to offset project costs or to achieve beneficial financing mechanisms related to climate change adaptation, infrastructure development, drought resiliency, water resources and flood control.
- Potentially apply for loan funding through the **California Infrastructure and Economic Development Bank (IBank)** or other state programs for appropriate/eligible project components.
- Continue to track and pursue opportunities for state appropriations/grants to 1) offset project cost as appropriate for transportation, economic/workforce development, flood control, infrastructure planning, operations & maintenance, etc. 2) assist other local development through the use of Sites funding as cost-share match for their grant assistance efforts.

### STATE AGENCY COORDINATION

- Seek legislative assistance where needed to support
  - Development of the **DWR/SWP Coordinated Operations Agreement**.

- Monitor activities of Sites/SWP Participants in their efforts to achieve agreement in principle (AIP) with DWR and other SWC's regarding the coordination of Sites into water management
- Completion of the **Final** Draft Environmental Impact Report (EIR).
- Coordinate with USBR's development of the Recirculated Draft Environmental Impact

Statement (EIS).

- Advance the Authority's **water rights application**.
- Submit permit applications for CDFW for **ITP**.
- Initiate coordination with Division of Safety of Dams (DSOD) in developing plan for geotechnical investigations at dam site.
- Coordinate with other Prop 1 storage project proponents on general benefit agreement development to ensure terms and conditions of the Sites contracts are acceptable.

#### **ELECTED OFFICIAL ENGAGEMENT & NGO OUTREACH**

- Ongoing engagement with state elected officials and their staff, administration officials and state agency leadership.
  - Planning for a State Legislative Day in **2<sup>nd</sup> Quarter 2022**. (In-person or virtual)
- Ongoing engagement with regional/local elected officials (Supervisors & City Council) and local government agencies.
  - Presentations to regional/local electeds (Counties, Cities, Special Districts).
- Ongoing engagement with public policy NGOs and Associations. Continued development of a state-wide project coalition.

Other items that do not require legislative/government affairs action but are administrative are listed below. We will need to keep our legislators informed on the progress of these items so that they can step in when/if needed to assist in keeping them on the timeline required to support the project schedule.

**State Permitting** - Ongoing consultation with state agencies to secure required state permits and agreements to advance the project.

**Regional/Local Permitting & Agreements** – Ongoing consultation and coordination with regional and local governmental agencies to advance necessary permits and agreements to advance the project.

**EIR Public Outreach** - Coordinate with appropriate state agencies on any public outreach activities associated with a recirculated EIR. AB 52 engagement with tribes and continued consultation activities. General community relations activities with the local community, project stakeholders, and the general public.



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**TO:** Ad Hoc Legislative & Outreach Committee

**DATE:**

**SUBJECT:** Federal Government Affairs/Legislative Priorities

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The Government Affairs Team have developed the following federal government affairs/legislative priorities to focus our activities to align with key Amendment 3 milestones and align in a coordinated manner with our state government affairs/legislative activities. This document covers the revised priorities thru December 31, 2022.

#### **RECLAMATION's Project Participation**

- Complete the federal post-feasibility analysis for transmittal as an OMB addendum which will establish the basis for the federal funding level (up to 25%) and federal benefits for Reclamation participation in the "rightsized" project.
- Complete a Coordinated Operations Agreement with Reclamation. This is envisioned to serve two purposes: 1) represent the obligations and commitments associated with Reclamation's investment in the Project (similar to local agency GPPT), 2) how the Sites Project and CVP would coordinate operations to achieve mutual goals.
- Coordination with Reclamation throughout the Authority's securing of a water right for the project.
- Continuing partnership with Reclamation as the NEPA lead agency in developing the Environmental Impact Statement (EIS) and securing a Record of Decision.

#### **WIIN ACT and IJJA Storage Funds**

- Secure WIIN Act storage account funds and Infrastructure Investment and Jobs Act (IIJA) storage funds at a funding level and at times necessary to support Reclamation's investment in the Project reflected in the post feasibility analysis.
- Advocate for continued appropriation of no less than \$134 million to the WIIN Act Storage Account in the regular FY 2022 Energy and Water Development Appropriations bill and in each fiscal year thereafter until the Sites Project is fully funded.
- Monitor and engage on Sen. Feinstein's STREAM Act and Congressman Huffman's HR2 and other water or drought legislation expected to be introduced, particularly if additional amendments to WIIN Act are considered or deemed necessary for Sites.

#### **WIFIA and OTHER FEDERAL FUNDING**

- Secure EPA and OMB approval of the Sites Project EPA WIFIA Loan Letter of Interest (LOI) for the 2022 loan cycle.
- Identify and secure appropriations/grants/loans to support project elements, i.e., broadband, transportation improvements (bridges), flood control, among others.
  - Identify priority alternative sources of funds to support project elements.



- Build support for the same in Congress and among the federal agencies.
- Continue to monitor and advocate for Rep. Garamendi's legislation to extend the maximum WIFIA repayment period to 55 years.
- Continue to monitor and advocate for the authorization of the RIFIA program and pursue RIFIA funding if necessary and available.
- Work with the Corps of Engineers on the guidance for their WIFIA program and advocate for funding and direction to allow the Sites project to compete for the Corps' WIFIA program funding.

#### **ELECTED OFFICIAL ENGAGEMENT**

- Ongoing engagement with federal elected officials and their staff, administration officials and federal agency leadership. Prioritize engagement activities with members/staff who overlap the project participants' service areas, key Senate/House committee chairs, and the California Delegation.
  - Prioritize engagement activities with Senator Padilla, Rep. Huffman, and Rep. Thompson.
- Plan a Federal Legislative Day in late spring **2022**.

Other items that do not require legislative action but are administrative in nature are listed below. We will need to keep our legislators informed on progress of these items so that they can step in when/if needed to assist in keeping them on the timeline required to support the project schedule.

**Permitting** - Supportive consultation with federal agencies in securing; USFWS Biological Opinion, NMFS Biological Opinion, National Historic Preservation Act Section 106 Programmatic Agreement.

**Technical Coordination** –Ongoing technical coordination with Reclamation staff on project engineering and geotechnical activities to advance the project.

**Public Outreach** - Coordinate with appropriate federal agencies on any public outreach activities associated with a recirculated EIS. Support engagement with tribes and continued consultation activities.