



Meeting: **Joint Reservoir Committee & Authority Board**
Agenda Item 3.2

January 20, 2023

Subject: **Reclamation Participation Letter**

Requested Action:

Review and confirm key points of response to Reclamations' December 16, 2022 letter indicating interest in participation in the Sites Project at ~16%.

Detailed Description/Background:

Reclamation is the federal partner in the Sites Project and acts as the federal lead for NEPA and ESA permitting. In March 2022, the Authority adjusted the preferred project alternative from a 7% Reclamation participation to 'up to' 25%. Since then, the Authority has been working with Reclamation to arrive at a more specific participation level within the preferred project range. The Authority recently received a letter from Reclamation indicating their interest in participation of ~16% (see attached).

In responding to this letter, the Authority intends to communicate the following key points:

- Reclamation participation at a 16% level is welcomed by the Authority.
- This helps the local agency participants to understand where Reclamation would like to land within the preferred project range of up to 25%.
- The Authority appreciates the ~\$200M commitment of federal funding to the project to date.
- The local agency participants commit to making the necessary adjustments to accommodate Reclamation at 16%, assuming 1) the federal funding continues to accumulate at a rate needed to support the 16% commitment without delaying the project and 2) that a mutually acceptable benefits and obligations contract can be developed on the same timeline as the benefits and obligations contracts with Participants.
- The Authority accepts the conditions precedent to receiving the full 16% cost share and understands these conditions to be aligned with the State's Prop 1 conditions.
- The Authority is working to secure, by the end of 2024, 100% of the Federal, State and Local cost share commitments. To avoid delaying the project, the Authority wishes to work with Reclamation to secure commitment for the ~\$500M remaining federal funds by end of 2024.

Prior Action:

None.

Fiscal Impact/Funding Source:

Reclamation has been participating in the project since the initiation of the Project Agreement (~2015) and has contributed 13% of the actual cost expended through 2022 which equates to \$13.9M. There are sufficient federal funds available to complete the federal cost share of the Amendment 3 work plan.

Staff Contact:

Jerry Brown

Primary Service Provider:

Agents

Attachment:

Attachment A: Reclamation Participation Letter



United States Department of the Interior

BUREAU OF RECLAMATION
2800 Cottage Way
Sacramento, CA 95825-1898



IN REPLY REFER TO:

CGB-100
2.2.4.21

VIA ELECTRONIC MAIL ONLY

Mr. Jerry Brown
Executive Director
Sites Project Authority
122 Old Highway 99 West
Maxwell, CA 95955

Subject: Reclamation Proposed Participation for the Sites Reservoir Project (Project)

Dear: Mr. Brown:

I wanted to express my appreciation to you and your team for working with the Bureau of Reclamation Team in the development of the Summary to the Addendum for the Feasibility Report in a highly efficient and expedited manner.

Per the Summary, Reclamation currently plans to participate in the Sites Reservoir Project with an approximate 16 percent investment. This would be a significant achievement for Reclamation and the Sites JPA. While there is significant future work to accomplish regarding the implementation of the project, I wanted to share Reclamation's intent for participation in the project.

It should be noted that the Summary expressed completion of several items prior to Reclamation's formal participation which are similar to the requirements set forth by the State of California for your final award hearing. Some of the items are as follows:

- Final environmental documentation.
- All required Federal, state, and local approvals, certifications, and agreements.
- Benefits and Obligations Agreement for Federal investment.
- Operations Agreement with Authority for Federal investment.
- Contracts for public benefits that pertain to Federal participation.
- Contracts for non-public benefit cost share.
- Updated Project cost summary.
- Contracts or other mechanisms for Federal investment which are reimbursable.

Once again, thanks in advance for the continued coordination between our respective staffs on this important project to improve California Water.

Sincerely,

**Ernest A.
Conant**

Ernest A. Conant
Regional Director

Digitally signed by Ernest A.
Conant
Date: 2022.12.16 09:48:30
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