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A California State Agency

May 2, 2018

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Rob Thomson, Project Manager Sites Project Authority P.O. Box 517 Maxwell, CA 95955

Via email: EIR-EIS-Comments@SitesProject.org

RE: Revised Comments on Draft Environmental Impact Report/Environmental Impact Statement for the Sites Reservoir Project, SCH#2001112009

Dear Mr. Thomson:

Thank you for the opportunity to review and comment on the Draft Environmental Impact Statement/Environmental Impact Report (Draft EIR/EIS) for the Sites Reservoir Project (Project) dated August 2017. The Delta Stewardship Council (Council) previously sent a letter with comments on the Draft EIR/EIS on January 16, 2018. This letter supersedes comments previously provided by the Council on the Draft EIR/EIS. Please replace our January 16, 2018 letter with this version.

In March 2017, the Council transmitted comments on the Notice of Preparation for this project. Thank you for your consideration of our comments. Below we describe that Council staff believe the Project does not meet the definition of a covered action under the Delta Plan.

The Draft EIR/EIS describes the proposed project facilities to be located in Glenn and Colusa counties. The Project proposes the following facilities: up to 11 dams; a pumping plant with associated power facilities; use of two existing Sacramento River diversions and associated canals; a proposed new inlet/outlet structure and pipeline; potential power generation facilities, up to five recreational areas; and miscellaneous roads and bridges for access. The Project would divert water from the Sacramento River west to the proposed reservoir facilities for water storage until water is withdrawn from the reservoir to serve various Project partner entities.

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The Draft EIR/EIS lists the Project primary objectives to:

- Enhance water management flexibility in the Sacramento Valley.
- Increase reliability of California water supplies.
- Provide storage and operational benefits for programs to enhance water supply reliability, both locally and State-wide, benefit Delta water quality, and improve ecosystems by providing:
 - Net improvements in ecosystem conditions in Sacramento River system and Delta
 - Net improvements in water quality conditions in the Sacramento River system and Delta
 - Net improvements in State-wide water supply reliability for agricultural and urban uses to help meet water demands during drought periods and emergencies, or to address shortages resulting from regulatory and environmental restrictions
 - Net improvements in water supply reliability for fish protection, habitat management (including refuges), and other environmental water needs

The Draft EIR/EIS states that the Sites Authority has submitted an application to the California Water Commission's Water Storage Investment Program (WSIP) to seek partial funding for public benefits from the Project under the Proposition 1 (Prop 1) Water Quality, Supply, and Infrastructure Improvement Act of 2014. A project is not eligible for WSIP funding "...unless it provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta". (See Water Code section 79752.)

Based on the Project objectives, Council staff believe your Project would provide benefits to the Delta that are supportive of the coequal goals. As stated in the Project's primary objectives, the Project's proposed operations will provide, "net improvements in ecosystem conditions and water quality in the Sacramento River system and Delta", as well as, "net improvements in water supply reliability for fish protection, habitat management and other environmental water needs". Furthermore, eligibility for Prop 1 funding for which you have applied requires the Project to provide "measureable improvements to the Delta ecosystem or to the tributaries to the Delta". (See Water Code section 79752.) However, Council staff believe that the Project does not meet the definition of a covered action, as the construction and ongoing operation of improvements at the Sites Reservoir would be located upstream from the Delta, outside the legal Delta boundary (See Water Code section 85057.5.).

The Draft EIR/EIS acknowledges the Council's jurisdiction and responsibility in Table 1-1 in the Introduction of the Draft EIR/EIS. The Council recommends that the 2009 Delta Reform Act, and the Delta Plan also be listed under section 4.2 State Policies or Approvals under Chapter 4 Environmental Compliance and Permit Summary of the Draft EIR/EIS.

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Council staff look forward to continued coordination through the Sites Reservoir approval and implementation processes. I encourage you to contact my staff Anthony Navasero (Anthony.Navasero@deltacouncil.ca.gov) with your questions, comments, or concerns.

Sincerely,

Jeff Henderson, AICP Deputy Executive Officer

Delta Stewardship Council