

Operations & Engineering Workgroup

August 8, 2024



Agenda

- Background: Development of Operations Plan v2.1
- Fundamental: Operations Plan and Benefits & Obligations Contract
- Structural: Relevant B&O Sections and Operations Plan Connection
- Draft Review: New Content and Where to Focus
- Next Steps: Schedule and Providing Comments

Background

Operations Plan Version 2.1

Background

- Submitted draft Operations Plan v2.0 as part of water right hearing process on May 24, 2024
 - Focused on diversion, storage and release for the overall Project
 - Pulled from current documents (Final EIR/EIS, permit applications, etc)
- Releasing draft Operations Plan v2.1 for O&E Workgroup review
 - Includes more information regarding member activities
 - Provides more information to “crosswalk” Ops Plan and Benefits and Obligations (B&O) contract
 - Intended to be finalized, adopted by Board, and become an attachment to B&O contract

Background

- Staff presented concepts regarding downstream capacity conditions in January
 - Included proposed principles
 - Four examples of constrained/unconstrained capacity conditions
- Staff held Special O&E Workgroup in May
 - Continued discussion regarding conveyance and capacity; reviewed feedback from January meeting
 - Reviewed draft forms to request diversions and releases
- These concepts are included in draft v2.1 for your review

Today's Purpose

- Setting foundation for O&E Workgroup review of the Draft Operations Plan v2.1 and related B&O Sections
- Provide suggested areas to focus your review
- Draft Operations Plan v2.1
 - Available tomorrow (Friday, August 9), will send to O&E Workgroup members
- Revised Draft B&O
 - Available Monday, August 12 as part of RC/AB meeting materials

Fundamental Ops Plan and B&O

Hierarchy and Interaction between Documents



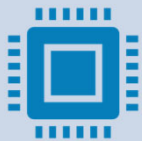
Benefits and Obligations Contract

Grants capacity interests in the Project and a right to water diversions to Participants and defines obligations



Operations Plan

Describes day to day operations including decision process for when/how to divert and release



Operations Manual (to be developed)

Will explain actual operations and physical project components, such as which valves to open, etc.

Document Development

- Staff have reviewed:
 - Operations plans for other reservoirs throughout California
 - CVP and SWP water service contracts
- Used these to inform:
 - What goes into each document and how to structure each document
 - Key terms and concepts that we had previously not included or had previously framed differently

Role of Documents

B&O Contract

- Contractual
- Defines what you get from the Sites Project
- Describes what you have to do as a Participant
- Desire to not amend in the future
 - General to be a long-lasting document
 - Specific enough to provide assurance of what you get

Ops Plan

- Living document that can be modified to reflect changes to the Project
- Provides a blueprint for future staff to operate Sites as Storage Partners envision
- Focuses on water operations, not financial portion of how the Project will operate
- Supersedes Storage Principles

Other Documents to Support the Project

- Operations Manual
- May also need:
 - Financial documents further describing billing processes
 - Wheeling agreements for movement through Downstream Facilities

Structural B&O Sections and Ops Plan Connection

B&O Contract – Section 4 and 8 are the Key Operations Sections

- **Section 4 Operations and Maintenance**
 - 4.1 Obligation of the Authority to Operate and Maintain
 - 4.2 Operations Plan
 - 4.3 Use of Capacity Interest
 - 4.4 Storage and Release of Sites Water
 - 4.5 Other Water
 - 4.6 Release of Water
 - 4.7 Power Generation
 - 4.9 Measurement of Water
 - 4.11 Shortages and Water Quality
- **Section 8 Leasing or Sale of Capacity and Sales of Water**
 - 8.1 Sharing, Lease or Sale of Capacity Interest by Participants
 - 8.2 Sites Water Sales or Exchanges

Operations Plan

- 2.0 Operations Planning, Forecasting, and Accounting
- 3.0 Diversions and Conveyance
- 4.0 Storage
- 5.0 Releases
- 6.0 Sales, Exchanges, Leases
- 7.0 Other Water
- 8.0 Exchanges
- 9.0 GCID and TCCA Considerations
- 10.0 Coordination with CVP and SWP
- 11.0 Other Considerations

Draft Review

New Content and Where to Focus

Sites Water vs. Other Water vs. Water

- Added terms to be clear
 - Sites Water – Water appropriated under the Sites Water Right
 - Other Water – Water other than Sites Water that a Storage Partner may request the Authority store in and/or convey through Project facilities
 - Water – Sites Water and/or Other Water
- Sections to focus on:
 - Definitions in both documents
 - Used carefully throughout B&O and Ops Plan

Priority Around Diversions

- Clarified a number of topics around “priority”
 - Dead pool (Ops Plan Section 3.6.1)
 - Sites Water diverted from Sac River is first used to fill dead pool
 - Water placed in storage first (Ops Plan Section 3.6.1)
 - Sites Water Right does not allow for direct diversion
 - Water diverted under the Sites Water Right must be placed in Sites Reservoir before it can be used for a beneficial use
 - Priority of Sac River diversions over other operations (Op Plan Section 3.6.3)
 - Diversions of Sites Water from Sac River has priority over releases
 - Physically can only divert or release – can not do both at the same time
 - Diversions of Sites Water from Sac River has priority over diversions of Other Water

Priority Around Diversions (cont)

- Clarified a number of topics around “priority” (cont)
 - Water Right Development Period (Ops Plan Section 3.6.2)
 - Period when we are “perfecting” the Sites Water right permit prior to license
 - License will limit annual diversions to highest single year diversion during the development period
 - But what happens if a Storage Partners wants to leave their Storage Allocation empty?
 - Expected to be a highly unusual circumstance
 - Authority conducts analysis to determine if negative consequences when the Authority proceeds to license are possible, if yes then:
 - Work with Storage Partner to fill through voluntary actions
 - Elevate to Authority Board
 - Purpose is to maximize the Sites Water right in the development period for the benefit of all Storage Partners

Priority of Releases

- Priority of Releases
 - Releases may be constrained in Dunnigan Pipeline, CBD, and/or Delta Export Facilities (Ops Plan v2.1 Section 5.5.1.1)
 - Authority will attempt to coordinate with entities to meet requested schedules or request changes in timing of releases for Storage Partners
 - If conflict cannot be resolved, releases will be made in proportion to Storage Partners' Downstream Facilities Capacity Interest
 - Storage Partners with Downstream Capacity Interest have first priority to available conveyance capacity
 - Storage Partners without Downstream Capacity interest have second priority and will need to use unused capacity or adjust schedule to avoid constraints

Priority of Releases (cont)

- Priority of Releases (cont)
 - Releases needed for “Payback” per operations agreements will be a priority over all other releases (Ops Plan v2.1 Section 5.6)
 - Will be addressed on a case-by-case basis
 - Expected to be infrequent
 - Actions in operations agreements are intended to avoid these circumstances
 - RC and/or AB will determine how best to equitably address costs and account for such releases among the Storage Partners

Low Storage Level Considerations

- When storage levels get very low, water quality for releases may be of a concern (Ops Plan Section 5.5.1.2)
 - Unusual circumstance and can likely project this coming
 - Authority will conduct an analysis each year to determine if projected reservoir elevations are expected to reach or go below 173,500 AF in storage
 - If yes, then Authority will conduct additional evaluation to determine if water quality challenges may occur
 - If yes, then making sure Authority can meet permits and approvals takes priority
 - Storage Partner releases may be reduced, postponed, or ceased

Diversion and Release Forms

- Storage Opportunity Request Form (Ops Plan Section 3.6.2 and Attachment E)
 - Storage Partner can identify if it wants to entirely fill, partially fill, or not fill their Storage Allocation
- Release Request Form (Ops Plan Section 5.5.1 and Attachment E)
 - Storage Partner can identify requested volume and month of release from reservoir
 - Storage Partner can specify Delivery Point and Secondary Delivery Point(s) as appropriate

Next Steps

Schedule and Providing Comments

Schedule and Providing Comments

- Ops Plan v2.1 will be sent as MS Word and PDF
 - Comment in either version
 - Prefer one set of comments from each agency
 - Prefer that each agency address its internal conflicting comments before sending to Sites team
 - **Comments due to Ali or Angela by August 30**
- Week of September 9 – Considering second Special O&E workgroup focusing on comments and changes
- September 20 – Reservoir Committee/Authority Board consideration

Questions?



Thank you!