

Sites Project Authority

2023
ANNUAL
REPORT



Sites

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The Sites Reservoir Project is truly a product of collaboration. The project would not be possible without the support of our participants, government partners, and stakeholders who all recognize the unique benefits of Sites Reservoir. This support has allowed us to put forward a project that is affordable, permittable, and buildable—one that will benefit all of California.

— Jerry Brown,
Sites Project Authority
Executive Director

A MESSAGE FROM THE SITES PROJECT AUTHORITY

In January 2023, we set out to achieve significant funding, planning, and permitting goals for the Sites Reservoir Project in the year ahead. Through collaboration across diverse interests, visionary leadership from our Participants, robust local engagement, and support from our state and federal partners, we were able to achieve key goals in 2023 that are foundational to the success of this project.

Last year marked the final certification of the Environmental Impact Report (EIR) by the Sites Project Authority. The Sites Reservoir Project was also the first project to receive certification under Senate Bill 149 (SB 149), which streamlines efforts for certain infrastructure projects like the Sites Reservoir Project to avoid months or even years of California Environmental Quality Act (CEQA) litigation delays. In 2023, the State Water Resources Control Board deemed our water right application complete—an essential progress point in moving the Sites Reservoir Project from planning into reality. The project received millions more in federal dollars to get us closer to our final funding goal, and we submitted our Water Infrastructure Finance and Innovation Act (WIFIA) loan application which would greatly reduce our Participants' costs.

As we checked off these important milestones, we also got a glimpse into what the Sites Reservoir Project can do for California and for Participants. The storms from early 2023 allowed us to model how much water could be stored in Sites Reservoir during those periods of intense precipitation. In 2023, Sites Reservoir could have captured enough water to serve 2.4 million people for a year.

As wet weather continues, we see more and more of what the Sites Reservoir Project can do. The urban water agencies, irrigation districts, and natural resource agencies participating in the Sites Reservoir Project will receive dedicated storage space, water to fill that space, and the ability to use that water as they see best within their portfolio. As a beneficiary pays project, each Participant pays for their agreed upon share of the project and receives proportionate benefits. These water supplies and the flexibility to use the water when and how it's needed are critical to our Participants.

By all accounts, 2023 was a significant year for the Sites Reservoir Project, thanks to our many partners and the local community. Our culture of collaboration is driving momentum and will continue to carry us closer to the finish line. Looking ahead to 2024 and 2025, we aim to hit our final critical steps to making the project a reality—securing a water right and finalizing funding with our local, state, and federal partners. Thank you for your support and we look forward to building a reservoir that will serve California for generations to come.

Fritz Durst

CHAIRMAN,
Sites Project Authority Board of Directors

Valerie Pryor

CHAIRWOMAN,
Sites Reservoir Committee

Moving Forward Together

A statewide challenge needs a statewide solution

We are working together to build a project that benefits all of California. Support for the Sites Reservoir Project continues to grow with each accomplishment as our shared goals and a unified approach allows our Participants to move the project forward—TOGETHER.

The Sites Reservoir Project is Advancing.

Our success is due to our broad mix of statewide Participants, influential local leaders, elected officials, and diverse stakeholders united together as one strong unit.



Shared Purpose

Collaboration with local leadership, government partners, and extensive stakeholder input via outreach and tours throughout 2023 has allowed plans to be set in place for the Sites Reservoir Project to continue toward construction to ultimately serve California's farms, cities, and environment for generations to come.

The Sites Reservoir Project has broad statewide representation. Communities across California are coming together to support the Sites Reservoir as a water storage solution that supports California from top to bottom.

Leadership

Our strong team has been critical to the progress of the Sites Reservoir Project to date, and will be equally critical moving forward. In partnership with our dedicated local leaders, board members, and Participants, the Sites Project Authority has planned, permitted, and designed the Sites Reservoir Project to be the right-sized solution.

By advancing funding, permits, and adopting the baseline program schedule, this team of decision makers are focused and determined to make the Sites Reservoir Project a reality. Every local leader represents the communities they serve and is in complete alignment on the ultimate goal—providing water to Californians when and where it is needed most.

By Uniting Together, Participants and the Sites Project Authority can, and will, build a better water storage solution for California.

Decision Making in the Face of Uncertainty is critical because our leaders believe in the Sites Reservoir Project and the future of California.

Real Benefits

Prospering in the future with the Sites Reservoir Project

In times of uncertainty, the Sites Reservoir Project provides a golden opportunity for Californians to secure something equally as precious as water... our future.

Dedicated water storage and proportional share of water



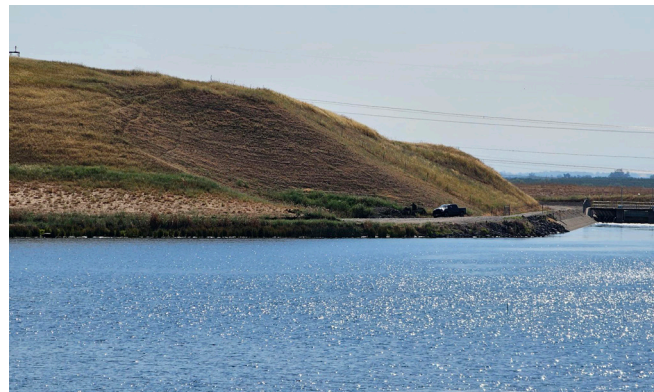
1.5M acre-feet of surface storage capacity for use for the future of California

Participants in the Sites Reservoir Project will receive dedicated storage space, water to fill that space, and the ability to use that water as they see best within their portfolio. The amount of storage space and water each Participant receives is determined by the proportional share of their investment.

Participants will choose when and how to use the water they have stored in their dedicated storage space. Participants will be able to decide how best to use the storage space, decide if they want to lease storage or transfer their water, and can decide to sell all or a share of their storage.

Federal and State agencies also receive a dedicated storage space and a proportional share of the project's diversions. Federal and State agencies tasked with managing their water in Sites Reservoir will choose when and how the water will be used.

Specific water resources for the environment



about **1/3** of storage capacity could be dedicated to environmental uses

Sites Reservoir is a 21st century water storage system designed with both environmental values and water supply needs in mind amid our changing climate. Sites Reservoir will be the first and only reservoir in California that captures and stores a large portion of water specifically for the environment.

The environment is the single largest user of water out of Sites Reservoir with water allocated to resource agencies for environmental use when other water supplies aren't as plentiful or reliable.

In 2023, the Sites Project Authority advanced the agreements that will allow Sites Reservoir to provide water specifically dedicated to aquatic species and habitats to help them withstand dry year conditions. This water storage provides flexibility that can achieve multiple ecosystem objectives when actively managed. It marks a big shift to prioritizing the environment in our water management.

Conservation organizations like Ducks Unlimited support the Sites Reservoir Project because of the benefits it would provide to the millions of migratory birds that stop in the Central Valley on their journey along the Pacific Flyway."

—Jeff McCreary **Ducks Unlimited** Director of Operations, Western Region

Economic development with transformative opportunities



approximately **2,000** jobs will be created at the peak of project construction

Construction of the Sites Reservoir Project will rely on the skills of local workers who are living and prospering in the Sacramento Valley. The experience they gain during project construction has the potential to sustain their livelihood, and the livelihood of their families, for many years to come.

The Sites Reservoir Project will provide more than a more secure water supply to the people and farms in California. The Sites Reservoir Project will benefit the local and regional economy by creating job opportunities for local Californians during construction and the potential for long-term careers related to operations and recreation. The Sites Reservoir Project's forthcoming Project Labor Agreement will be an important part of securing the future workforce.

The Sites Reservoir Project will also strengthen our local agricultural economy, which will help to preserve and diversify the region's economic engine.

Flexibility, reliability, resiliency, and recreation



nearly **50%** of Sites Reservoir could have been filled during 2023

The Sites Reservoir Project is a key part of California's comprehensive Water Supply Strategy to ensure the state is more resilient to droughts. If Sites Reservoir had been built in 2023, it could have stored more than 700,000 acre-feet of water.

Surface water storage, like Sites Reservoir, provides flexibility for California's water system and adaptability to changing conditions. Reserves can be released when needed to meet demands for water supply, groundwater recharge and storage, aquatic habitat, and more.

The Sites Reservoir Project will also provide recreational opportunities through which Californians can engage and support local communities. The Sites Reservoir Project will provide enriching opportunities to connect through boating, hiking, and camping.

Achieving Our Shared Vision

Investing in multi-generational assets and benefits

KEY ●●● Under \$100M | ●●● \$100M-\$300M | ●●● \$300M+



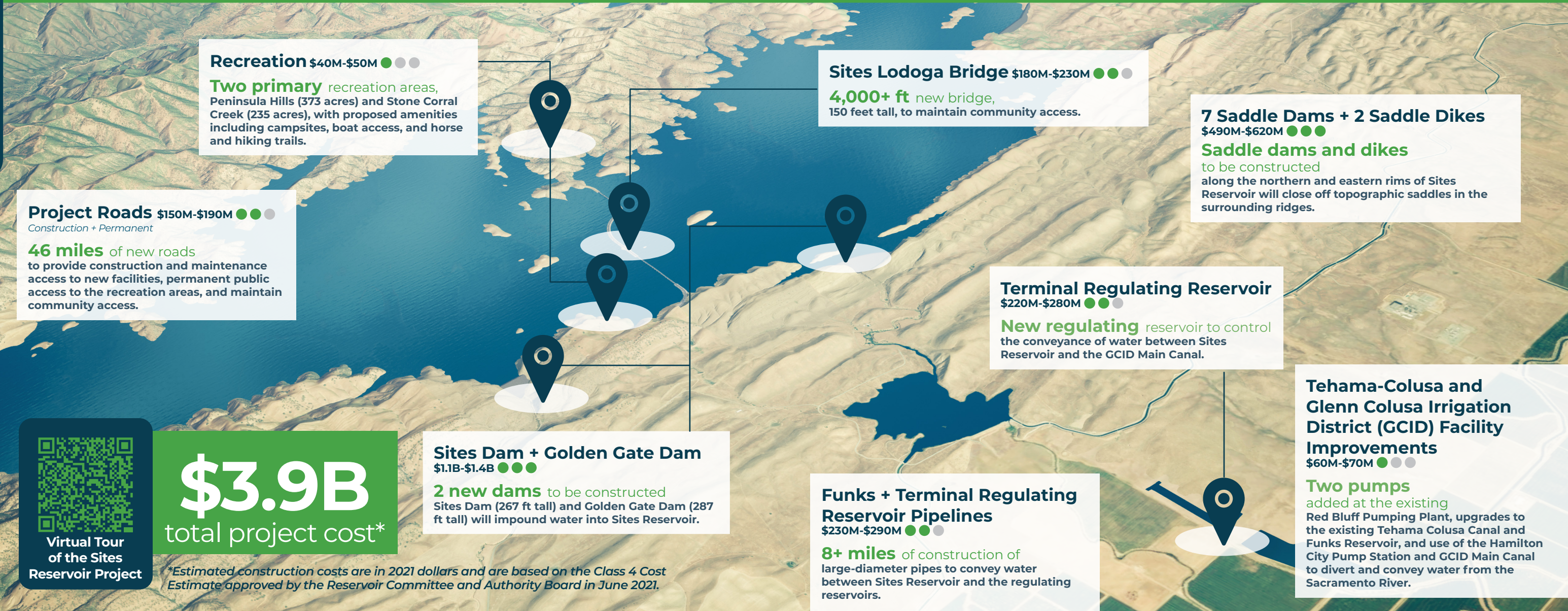
Represents approximate area.
(Artistic rendering, not to scale. All facilities not shown.)

The Sites Reservoir Project is a better future for all of California.

The Sites Reservoir Project is an engineered, affordable, and elegant solution to a complex problem. It has never been more critical to reaffirm commitment to progress through design and construction. Decision makers will be asked to invest in the people, farms, and the environment of California by supporting the Sites Reservoir Project.

Participant dollars will go to building tangible and durable assets that will deliver benefits for generations to come. 2024 will see completion of a 30% design package and an updated cost estimate.

WE ARE READY.



Funding the Sites Reservoir Project

Progressing from planning toward construction to make the Sites Reservoir Project a reality

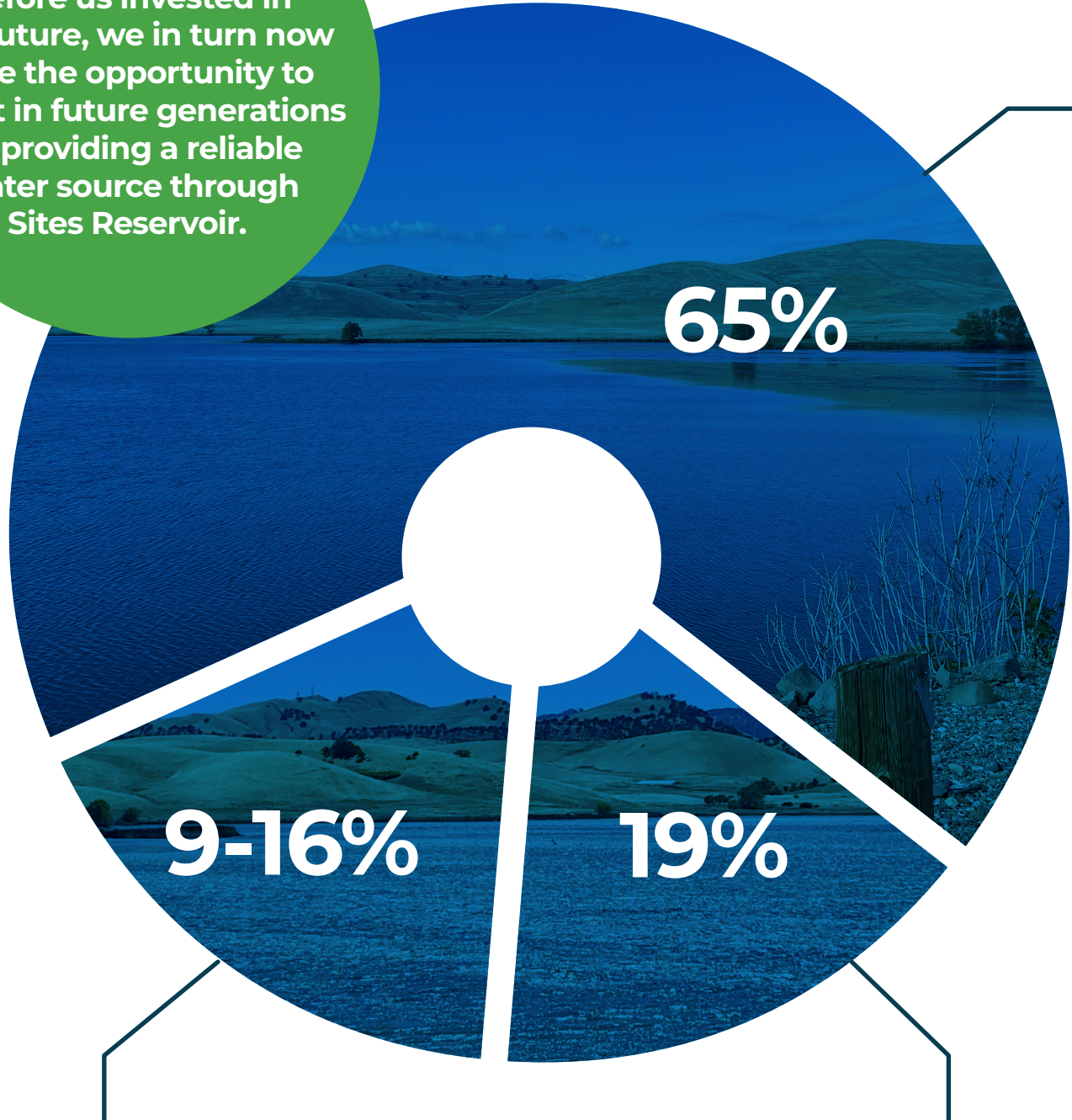
Understanding Proportional Share: → How the agreements work

The Sites Reservoir Project is based on the beneficiary pays principle—whereby a Participant receives benefits created by the project for which they have paid. Each Participant pays their share, has the same contract terms, and receives proportional benefits from Sites Reservoir. No single entity gets better terms than another as the Sites Project Authority works to develop agreements that are fair and standardized for everyone.

The Sites Reservoir Project is funded 100% by local, state, and federal public dollars

The constituents served by the public agencies funding the Sites Reservoir Project will directly benefit from their investment.

Just as generations before us invested in our future, we in turn now have the opportunity to invest in future generations by providing a reliable water source through Sites Reservoir.



Local Participants

\$2.9B

total contributions provide **Water Supply and Storage** for people and farms

The Sites Project Authority is a public agency made up of several public water agencies, public irrigation districts, counties, and cities. All Participants were retained during 2023. Participants will be responsible for generating the revenue for their share of Sites Reservoir, including \$250M in bonds/cash and repayment of the United States Department of Agriculture (USDA) and WIFIA loans*. Of the total amount, approximately \$72M has been provided by Participants through the end of 2023.

*While the WIFIA and USDA loans are issued by the federal government, the Participants are responsible for paying their proportional and respective shares of these loans.

A moment of gratitude

The State of California, Bureau of Reclamation, and Participants have shown exemplary support and commitment in supporting the Sites Reservoir Project. The project has progressed this far due to their tireless dedication to public engagement, advocacy, and financial commitment—and it is admirable and incredible. The Sites Reservoir Project would not be where it is today without their support.

Bureau of Reclamation

up to \$718M

total contributions provide **Operational Flexibility** for the Central Valley Project

The Sites Project Authority is working with the Bureau of Reclamation (Reclamation) to fund the Sites Reservoir Project through the Water Infrastructure Improvements for the Nation Act (WIIN Act) and the Infrastructure Investment and Jobs Act (IIJA). This support is exceptionally notable, as commitment for the Sites Reservoir Project has been unwavering across years of multiple administrations. Reclamation provided \$23M for the Sites Reservoir Project as well as appropriated \$244M through the end of 2023. In May 2023, the Sites Project Authority approved a preliminary 9% participation level for Reclamation. Reclamation is finalizing its participation level. Total participation is anticipated to be up to \$718M, or 16% of the total project cost.

State of California

\$875M

total contributions provide **Environmental Benefits** as well as recreation and flood control

All amounts are current as of the end of 2023 and are reported at the midpoint of construction.

Sites Reservoir is eligible for \$875M in state funding through the Proposition 1 Water Storage Investment Program, which was initially \$816M. The Sites Project Authority worked with the California Water Commission through multiple amendments to the Sites Early Funding Agreement to increase the award by \$59M for a total of \$875M of state funding to advance toward construction, with approximately \$43M provided through the end of 2023.

2023 Highlights and Milestones

Making the Sites Reservoir Project a reality through significant advancements and achievements

Each key achievement in 2023 is the culmination of the dedication and commitment from Participants and propels the Sites Reservoir Project forward, closer to construction. These milestones achieved in 2023 were the direct result of our Participants, leaders, and communities coming together with intentional action towards future progress.



Affordable

Submitted WIFIA Application

Administered by the United States Environmental Protection Agency (US EPA), WIFIA is a federal loan program with a statutorily required review process. After a robust application process, the Sites Project Authority submitted its application in March 2023 and is collaborating with US EPA to develop the loan documents. **OUTCOME →** A loan through the WIFIA program could dramatically reduce the costs to Participants in the Sites Reservoir Project.

Obtained Substantial Federal Funding

Leveraging ongoing relationships with federal partners, the Sites Project Authority secured an additional \$30M in federal appropriations through the IIJA and \$80M from the WIIN Act. **OUTCOME →** With the appropriation of these funds, the Sites Project Authority has now received roughly \$244M in federal appropriations to date from Reclamation.

Permittable

Advanced to be the first project to be certified under Senate Bill 149

SB 149 streamlines efforts for projects like Sites Reservoir to avoid months, or even years, of CEQA litigation delays. **OUTCOME →** The Sites Project Authority remains committed to fulfilling its obligations under the applicable provisions of the law as efficiently as possible.

Progressed Key Permit Applications

Working jointly with state and federal partners, the Sites Project Authority is advancing key permit applications, including the Operations Incidental Take Permit, Construction Incidental Take Permit, and Construction Biological Assessment. **OUTCOME →** The Sites Project Authority's advancement of permitting elements provides additional certainty to Participants that the Sites Reservoir Project is progressing on target toward construction. Resource agencies also gained improved understanding through the permitting progress made throughout 2023.

Buildable

Conducted Mitigation Contractor Open House

In partnership with contractors throughout the nation, the Sites Project Authority hosted a Mitigation Contractor open house to seek input on the delivery of the Sites Reservoir Project. Following the open house, additional meetings were held to inform the project's mitigation strategy. **OUTCOME →** Now, there is increased certainty as the Sites Reservoir Project moves forward with a structure in place for project delivery.

Adopted Baseline Program Schedule

The Sites Reservoir Project is progressing with the adoption of a 7-year baseline construction schedule that is in alignment with the Sites Project Authority's priorities and project needs. This schedule provides clarity and understanding to what areas are prioritized and why, and will keep the Sites Reservoir Project on target. **OUTCOME →** The Sites Project Authority is setting the stage to deliver critical infrastructure for California effectively, safely, and efficiently.

Effective Organization

Aligned Potential Future Participants

The Sites Project Authority experienced an unprecedented increase in requests from agencies throughout the state of California to participate in the Sites Reservoir Project. Staff hosted informational sessions to inform these interested parties of project progress. **OUTCOME →** The Sites Reservoir Project is a solution for communities across California to strengthen their water supply resiliency while providing generations yet to come with the opportunity to flourish.

Conducted Outreach and Tours for Project Partners

Throughout 2023, Sites Project Authority staff hosted outreach and project tours for state, federal, and local partners that included information regarding permitting, funding, and governmental interests. **OUTCOME →** The Sites Project Authority continues its commitment to open and clear communication, and keeping its partners informed of project progress.



HIGHLIGHT OF THE YEAR

Progressed closer to construction with Final EIR certification and project approval

Adopted project through Final EIR certification/project approval. After more than 6 years of planning and collaboration with Reclamation, the Sites Project Authority certified the Final EIR and approved the Sites Reservoir Project in November 2023. With this certification, the Sites Project Authority is advancing the Sites Reservoir Project through the final planning stages and paving the way to construction.

“The certification of the Final EIR marks a pivotal moment. As we move toward construction, we are not just building a reservoir but a more sustainable and interconnected water infrastructure that will benefit us and future generations.”
—Bruce Houdesheldt, City of Roseville Mayor

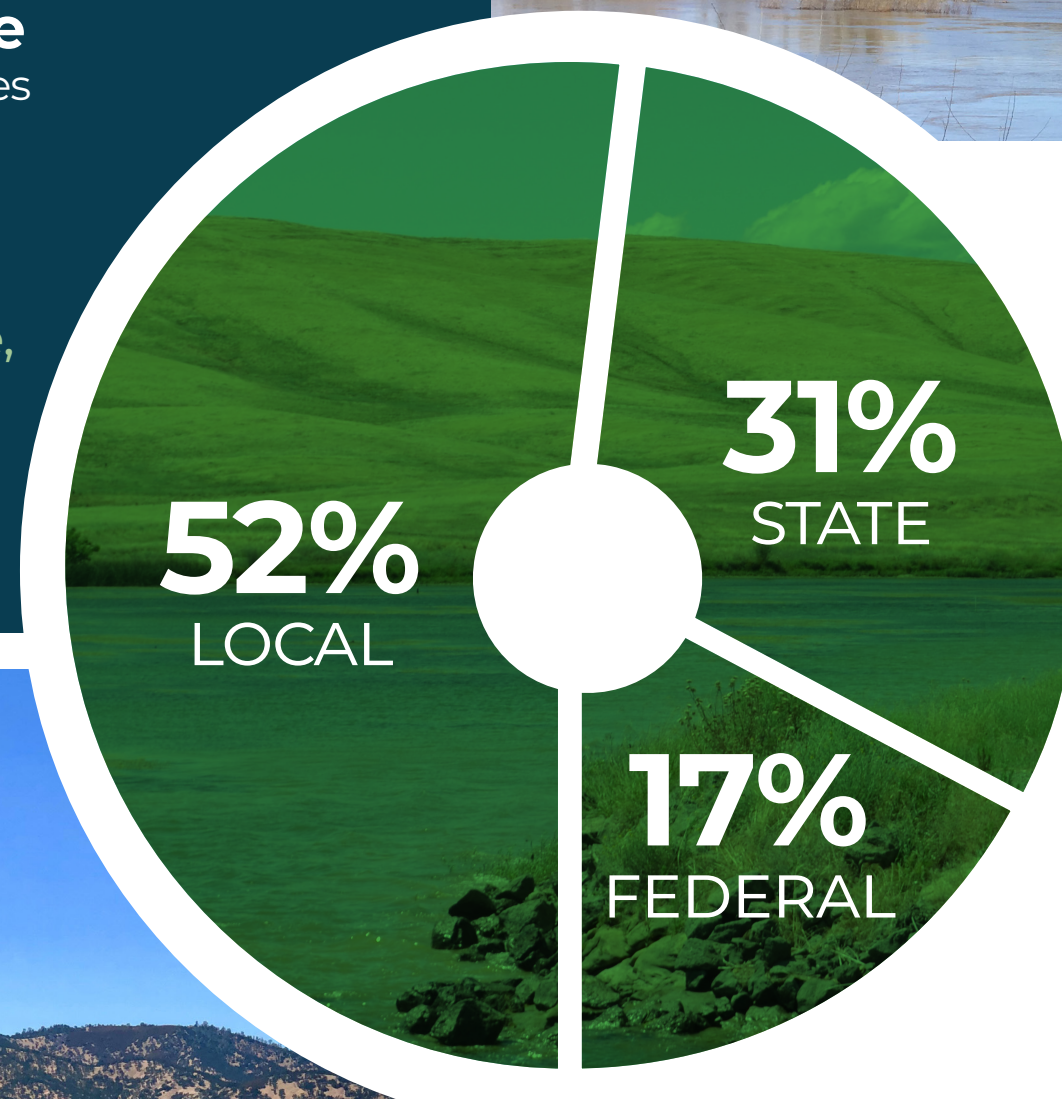
2023 Costs, Funding, and Schedule

Advancing funding opportunities propels the Sites Reservoir Project closer to construction

In 2023, the Sites Project Authority focused resources from local, state, and federal investments to advance the planning stage of the Sites Reservoir Project.

Cost Share, ACTUAL

Since 2015 through December 31, 2023



Sites Authority 2023 Approximate Sources and Uses of Funds

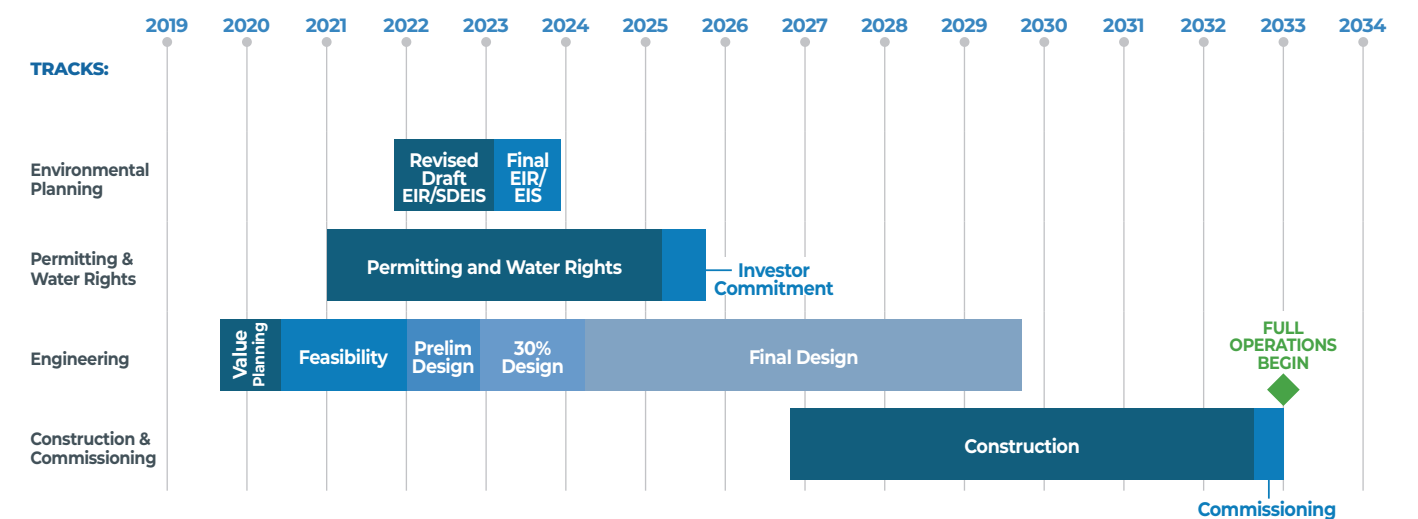
Income

Membership Admin/Authority	\$455,000
Membership Water	\$16,450,000
Proposition 1 Funding	\$10,225,000
WIIN Act Funding	\$16,820,000
Interest	\$660,000
TOTAL INCOME	\$44,610,000

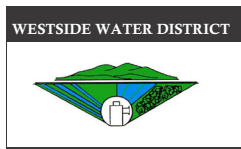
Expense

Communications	\$749,000
Engineering	\$22,545,000
External Affairs	\$356,000
General Project Activities	\$548,000
Permitting	\$5,828,000
Planning	\$3,684,000
Program Operations	\$8,129,000
Real Estate	\$753,000
TOTAL EXPENSE	\$42,592,000

Sites Authority Project Schedule



Diverse Statewide Support for the Sites Reservoir Project



Colusa County Water District | Cortina Water District | Davis Water District | LaGrande Water District



2023 Annual Report

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