



Meeting: **Reservoir Committee & Authority Board Agenda
Item 2.1**

January 17, 2025

Subject: **2025 State and Federal Legislative Priorities**

Requested Action:

Reservoir Committee and Authority Board consider accepting the State and Federal Legislative 2025 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) to align with remaining Amendment 3 milestones and ensure that our government affairs/legislative activities are implemented in a coordinated manner. This document covers the revised priorities through December 31, 2025. It is important to note that late 2025 represents the timing where the focus shifts from the Authority to the Participants during investor commitment. It is important when looking at the proposed priorities that Board members are considering how these priorities fit with your agency's priorities as related to securing your investor commitment from your Boards.

Prior Authority Board Action:

None.

Fiscal Impact/Funding Source: None.

Staff Contact:

Kevin Spesert

Primary Service Provider:

Keith Dunn Consulting - State

Ferguson Group/Natural Resources Results – Federal

Attachments:

Attachment A – Draft State and Government Affairs/Legislative Priorities

Attachment B – Draft Federal Government Affairs/Legislative Priorities

TO: Ad Hoc Legislative & Outreach Committee
DATE: January 2, 2025
SUBJECT: State Government Affairs/Legislative Priorities

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 priorities through December 31, 2025.

STATE FUNDING

Proposition 1/CWC

- Continue to advance activities to meet the statutory requirements of WSIP to secure the allocated funds awarded to the project as opportunities arise.
- Advance discussions related to WSIP funds that may become available to the project under the provisions included in Proposition 4 (Climate Bond 2024)
- Evaluate opportunities for additional WSIP benefits if additional dollars are made available from direct budget or additional early funding opportunities from State (inflation, early investment)
- Advance discussions with CDFW to ensure flexibility is reflected in the Public Benefit Agreement for the implementation of the public ecosystem benefits, and payment of O&M costs.

Other State Appropriations/Bonds/Grants/Labor

- Monitor for opportunities from potential legislation or ballot measures to support State's project O&M costs or achieve beneficial financing mechanisms related to climate change adaptation, local community issues, infrastructure development, drought resiliency, water resources and flood control.
- Continue to track and pursue opportunities for state appropriations/grants to offset project costs as appropriate for transportation, economic/workforce development, flood control, infrastructure planning, operations & maintenance, etc.
- Continue supporting the development of a project labor agreement for the construction contracts and building of Sites Reservoir. Continue working with organized labor to build community opportunities for apprenticeship and work training programs.



STATE AGENCY COORDINATION

- Complete approvals and permits to achieve Investor Commitment on schedule and meet the Final Funding Conditions for Prop 1 funding
- Support the work of the State Strike Team and coordinate with the other Prop 1 Project's on items of common interest.

ELECTED OFFICIAL ENGAGEMENT & NGO OUTREACH

- Ongoing engagement with state elected officials and their staff, administration officials and state agency leadership.
- Coordinate an 'in person' legislative tour, **March/April 2025**
- 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 NGOs, tribes, and Associations. Continued development of a state-wide project coalition.

Other items that do not require legislative/government affairs 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.

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.

Public Outreach - Coordinate with appropriate state and local agencies on any public outreach activities associated with the project including, engagement with tribes and continued consultation activities. Conduct outreach with local non-English speaking communities.

TO: Ad Hoc Legislative & Outreach Committee
DATE: January 2, 2025
SUBJECT: Federal Government Affairs/Legislative Priorities

The Government Affairs Team has 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 through December 31, 2025.

RECLAMATION's Project Participation

- Complete a Coordinated Operations Agreement with Reclamation/DWR. This is envisioned to serve two purposes: 1) how the Sites Project and CVP/SWP would coordinate operations to achieve mutual goals and 2) avoid harm to the projects.
- Continue coordination with Reclamation throughout the Authority's securing of a water right for the project and Reclamation's securing of a Record of Decision by the scheduled date.
- Complete a benefits and obligations contract (now called the Partnership Agreement) inclusive of Reclamation's participation in the Project and consistent with the PWAs benefits and obligations.
- Secure WIIN/BIL funding to coordinate with project cost estimate update changes, and any capacity increases allocated to Reclamation from Participants capacity decreases.
- Complete all the Reclamation facility contracting necessary to support the project (i.e. Warren Act (now called the Conveyance Agreement), Land licensing, Refuge Water Delivery).
- Monitor broader actions related to federal permit streamlining for opportunities to apply to Sites or not hurt ongoing efforts for Sites, as appropriate.

WIIN ACT and IJA 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 and the Dec 16, 2022 letter expressing interest in 16% capacity share in the Project.
- Secure WIIN/BIL funding to coordinate with project cost estimate update changes, and any capacity increases allocated to Reclamation from Participants capacity decreases.
- Advocate for continued appropriation of no less than \$134 million to the WIIN Act Storage Account in the regular FY 2026 Energy and Water Development Appropriations bill and in each fiscal year thereafter until the Sites Project is fully funded.



- Monitor and engage on water, drought and reconciliation legislation, particularly if additional amendments to WIIN Act are considered or deemed necessary for Sites.

WIFIA and OTHER FEDERAL FUNDING

- Identify and secure appropriations/grants/loans/other resources (direct pay or elective pay through Treasury) to support project elements, i.e., broadband, transportation improvements (bridges), rural community water/wastewater infrastructure, flood control, investments in renewable energy, among others.
 - Identify priority alternative sources of funds to support project elements.
 - Build support for same in Congress and among the federal agencies.
- Work with elected officials and USDA to ensure mutually agreeable terms for the Rural Development Community Facilities Loan
- Continue efforts with EPA to finalize the WIFIA loan and monitor any legislative or regulatory changes to the program.

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 with President-Elect Trump's Administration.
 - Ensure Administration priorities include getting Sites built, especially in light of possible resurrection of a Shasta dam raise.
 - Prioritize engagement activities with Senator Padilla, Rep. Huffman, Rep. Thompson and Rep. LaMalfa.
 - Example: Rep. Thompson and Rep. LaMalfa's quarterly water stakeholder meetings.
- Conduct an 'in person' Federal Legislative Day in late spring **2025**.
- Work with Sites participating entities and other water users in the Sacramento Valley to participate in a NCWA led congressional staff Sacramento Valley water tour that includes a Sites Project tour and briefing at such time as deemed most appropriate.

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 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 through Reclamation as the Section 7 Consultation Lead for Construction and Operations, National Historic Preservation Act Section 106 Programmatic Agreement. Also continue to educate elected officials on water rights process.



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.

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