

Reservoir Committee and Authority Board Meeting

Agenda Item 3.2: Master Lake and Streambed
Alteration Agreement

March 21, 2025

Background

- Fish and Game Code Section 1602 requires notification to CDFW prior to beginning any activity that may:
 - Divert or obstruct the natural flow
 - Change or use material from any river, stream, or lake
 - Deposit or dispose of material into any river, stream, or lake
- In March 2023, the Authority submitted a Master Lake and Streambed Alteration Notification Application to CDFW
 - CDFW nearly completed the Project's Master Lake and Streambed Alteration Agreement (Master LSA Agreement)
- Master LSA Agreement needed for CWC's Funding Agreement

Overview of Expected Agreement

- Anticipated to:
 - Cover entirety of the Project construction including reservoir inundation
 - Identifies avoidance, minimization and reporting requirements
 - Identifies subnotification and approval process with design and mitigation requirements are better known
 - Establishes compensatory mitigation requirements by resource type
 - 10-year term with the possibility of extension of up to 5-years
- Authority staff and CDFW have worked to maintain consistency with other Project permits and approvals

Financial Security Requirements

- Authority required to establish financial security when the compensatory mitigation is not completed prior to construction activities
- Financial securities are standard practice but the cost and accumulation may be quite substantial in bank fees
- Historically, CDFW is slow to act on removing financial securities
- Anticipated Agreement allows for the release of a portion of the security as progress on mitigation is made, but it does not explicitly state that the security *shall* be released with such progress
- CDFW has noted that partial security release could be negotiated for those phases of construction where a security is needed

Stacking of Mitigation

- Imperative that compensatory biological mitigation required in all Project permits and approvals be “stacked” to control mitigation costs
- Anticipated Agreement allows for this
- Risk that CDFW may not always be timely in its approval of mitigation and may have additional requirements for approval that result in inefficiencies

Possible Options

- Letter to CDFW with our understanding that removing portions of the security will be allowed and will be timely
- Additional possible mitigating circumstances within the Authority's control:
 - Continue to reimburse CDFW's staff time while working on the Project and reach agreement on decision making timeframes
 - Place high value on the ability to successfully implement mitigation with multiple agencies in the selection of the mitigation contractor

Next Steps

- Agreement undergoing final review in CDFW
- Authority must sign to be valid
- Staff will work with TCCA and GCID on components that may affect their facilities
- Will return to RC/AB for approval for Executive Director to sign

Questions?