Operations & Engineering Workgroup

April 9, 2025

Sites

Agenda

1.1 – Operations Plan and Planning Operating Parameters for Downstream Conveyance Capacity

- Flood Operations
- Downstream Facilities Capacity Interest
- Ops Plan Next Steps
- Questions and Discussion

2 – Engineering and Construction Manager's Report

Agenda Item 1

Operations Plan and Planning Operating Parameters for Downstream Conveyance Capacity

Sites Team

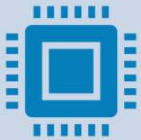
Hierarchy and Interaction between Documents

Benefits and Obligations Contract

Grants capacity interests in the Project and a right to water service 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.

Ops Plan Background

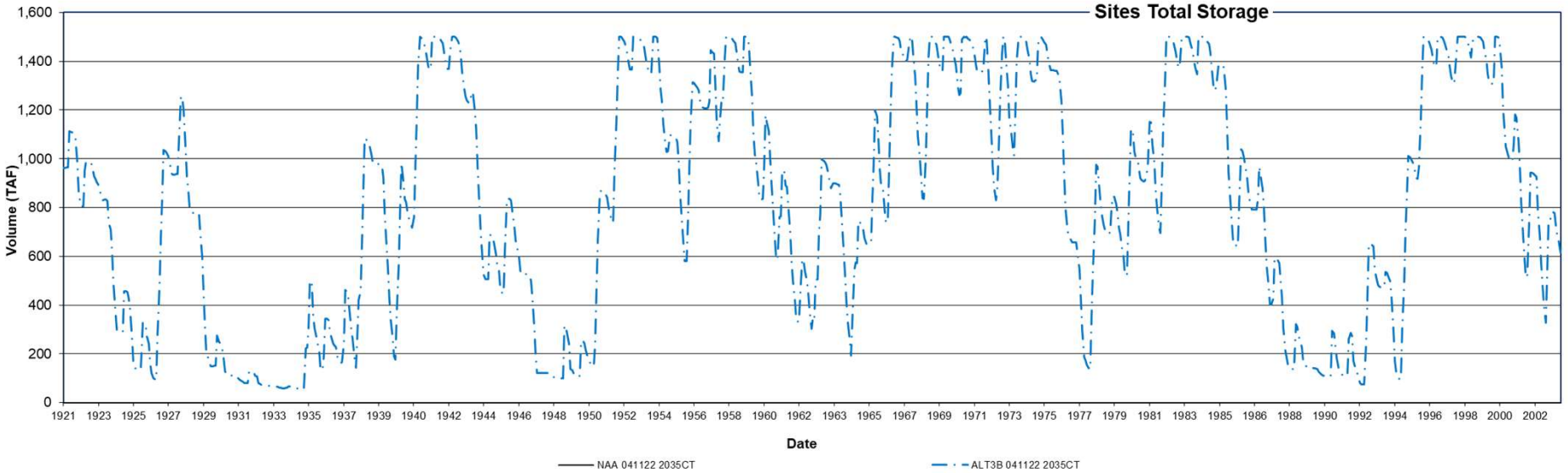
- Aug / Sept 2024– Released draft Operations Plan v2.1 for E&O Workgroup review and Participant review
  - Participants provided comments on the draft
- Nov 2024 – Discussion at a Special E&O Workgroup focused on:
  - Flood Operations
  - Water Right Development Period
  - Exchanges
  - Downstream Facilities Capacity Interest
- Today – Follow up on:
  - Flood Operations
  - Downstream Facilities Capacity Interest

Flood Operations

Flood Storage Space Need

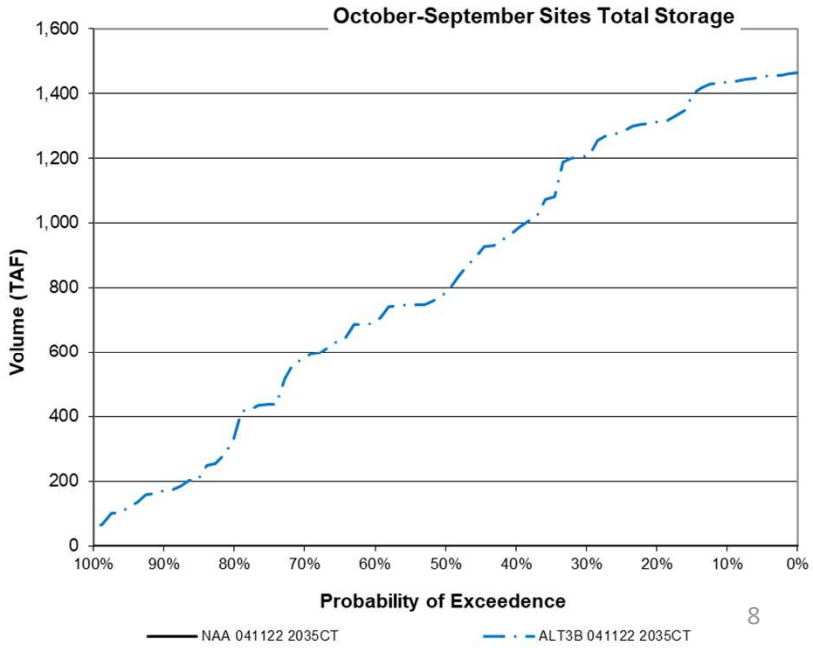
- There may be times when the Authority operates Sites Reservoir to provide downstream flood benefits
- Spillway is notched at reservoir storage capacity (1.47 MAF) and spills to Hunter Creek (north of the reservoir)
- Staff anticipates either a more traditional flood control "curve" or a forecast informed operations
- *Empty* storage space will be needed during the flood season
  - Calling this "Flood Storage Space"
  - Working to define amount and months of the "flood season"
- Reminder that water from creeks is allocated under the Colusa County MOU
  - First to Colusa County, then to all Storage Partners proportionally if Colusa County's Storage Allocation is full

Sites Total Storage



About 12% of the time, Sites will be above 1.4 MAF

About 5% of the time, Sites will be above 1.44 MAF



Creating Flood Storage Space

1. If Reservoir is not full and not near full
   - Flood Storage Space occupies unused (empty) Storage Partner Storage Allocations
2. If Reservoir is near full and Sacramento River diversions must cease to maintain empty space
   - Storage Partners credited on a daily basis for what *could* have been diverted to fill their Storage Allocation
   - Allocated water from dead pool
3. If Reservoir already encroached into Flood Storage Space
   - Storage Partner(s) may voluntarily release a portion of their Sites Water
   - Authority releases water from dead pool

- Reminder that dead pool fills first from diversions from Sacramento River

Example Scenario

- Need 30,000 AF of Flood Storage Space
  - 20,000 AF of empty capacity in reservoir – needs to remain empty
    - If able to divert from Sacramento River, then:
      - Storage Partners credited on a daily basis for what *could* have been diverted to fill their Storage Allocation
      - Allocated water from dead pool
  - 10,000 AF released (voluntary or from dead pool)

Next Steps and Questions

- Approach may need to be reviewed and confirmed once Flood Adaptive Management Plan is prepared (anticipated later this year)

- Questions?

Downstream Facilities Capacity Interest

Background

- Staff presented concepts regarding downstream capacity conditions in January 2024
- Continued discussion with Workgroup in May 2024 and November 2024
- Group discussion and questions led staff to continue evaluation from a contracts and operations perspective

B&O Contract Approach

- Principles to help develop an approach to “downstream” operations
  - Sites is one project – *we are all in this together*
  - Beneficiaries pay – entities that benefit from Downstream Facilities should pay
  - Those who need to use Downstream Facilities to deliver water to their service territories should have access to those facilities
  - Agencies who pay for downstream capacity should have priority for use
  - Access to Downstream Facilities should not limit value of Base Capacity Interest
- Contract Approach – Downstream Facilities are similar to a co-op
  - Downstream Capacity Share is not an independent right and cannot be sold
  - Cost and priority are allocated based on Downstream Capacity Share
  - Use above downstream share pays a wheeling rate

What is Downstream Capacity Share?

- Downstream Capacity Share serves two purposes:
  - Cost Allocation: percent of capital and O&M cost for Downstream Facilities
  - Priority: First priority to move the percent of water through the Downstream Facilities

- Wheeling rate applies to all water above Downstream Capacity Share
  - Water wheeled on behalf of Agencies without a Downstream Capacity Share (including leased Base Capacity Interest)
  - Water conveyed in excess of an Agency's Downstream Capacity Share
  - Wheeling revenues distributed to Agencies that did not use their full Downstream Capacity Share

Initial Downstream Capacity Share

- Downstream capacity share for those that need to use Dunnigan Pipeline to receive their Sites Water
- Downstream Capacity Share is proportionate to Base Capacity Interest

Example Storage Partner and Location	Base Capacity Interest	Downstream Capacity Share
A – South of Dunnigan	25%	36%
B – North of Dunnigan	10%	0%
C – South of Dunnigan	10%	14%
D – North of Dunnigan	20%	0%
E – South of Dunnigan	35%	50%
Total	100%	100%

Sale of Base Capacity Interest to Organization Needing Downstream Capacity Share

- Sale of Base Capacity Interest to a buyer who needs to use Downstream Facilities requires a redistribution of Downstream Capacity Shares

Example Storage Partner and Location	Base Capacity Interest	Downstream Capacity Share
A – South of Dunnigan	25%	31%
B – North of Dunnigan	10%	0%
C – South of Dunnigan	**20%**	**25%**
D – North of Dunnigan	**10%**	**0%**
E – South of Dunnigan	35%	44%
Total	100%	100%

Co-Op Approach and Downstream Share Observations

- Beneficiaries pay
  - First priority users (Downstream Shares) are obligated for capital and O&M cost
  - Second priority users pay wheeling rates
  - First priority users who convey more water than their Downstream Share pay first priority users who provided capacity
- Value of Base Capacity Interest is not devalued because initial holder does not require Downstream Facilities
  - Downstream Shares adjust to reflect sales of Base Capacity Interest

Ops Plan Approach

Sites is one project – *we are all in this together*

- Priority overview
- Timeframe for determining capacity used

Ops Plan Approach – Priority Overview

- Storage Partners with downstream capacity have first priority
  - Are limited to their proportionate Downstream Capacity Share when capacity is limited
  - Have first priority to move transfer water over Storage Partners without downstream capacity
  - Water above proportionate Downstream Capacity Share will be subject to wheeling rate
- Storage Partners without downstream capacity have second priority
  - Would need to use unused capacity and may need to adjust schedule to find that opportunity
  - Will pay a wheeling rate
  - Or consider other ways to move water south of Delta (such as exchanges)

Ops Plan Approach – Priority Overview (cont)

- Working together as a group to help all Storage Partners get their water
  - May need some flexibility in timing of deliveries in the transfer window
    - Authority will work to optimize to try to accommodate all requests
  - May need to work together to figure out other ways to move water south of Delta (such as exchanges)

Ops Plan Approach – Two Timeframes for Determining Capacity Used

1. Transfer window (June through November)
   - Water likely to move in "blocks" by members
     - Larger amounts for a few members rather than small amounts for a larger number of members
   - With this approach, want to create equality throughout the transfer window (in power costs and generation credits, in carriage water costs, etc)
   - Capacity used and variable costs viewed over the entire transfer window
2. Remainder of year

- Left to the Ops Plan so can be adjusted in the future as things change

Next Steps

Sites

Operations Plan V2 – Next Steps

- Continue updates
  - Finish addressing comments and adjust based on discussions
  - Finish incorporating Operations ITP revised diversion terms
- May 2025
  - Updated Operations Plan completed and available
- RC/AB adopt Operations Plan closer to B&O Contract Escrow period
  - Continue to make updates in response to comments, permits issued, and agreements developed until this time

Questions and Discussion

Agenda Item 2

Engineering and Construction Manager's Report

JP Robinette

Thank you!

Next Meeting:

Wednesday, May 7, 2025 (1:30 pm – 3:30 pm)