



**Requested Action:**

Review and discuss the ongoing development of the Program Baseline Report.

**Detailed Description/Background:**

Advancing the Sites Reservoir Project beyond the planning phase (Phase 2) into detailed design, construction, and operations (Phases 3-5) will require Participants to execute a Benefits and Obligations Contract (B&O Contract), along with execution of related State and Federal contracts. In October 2024, Staff presented the concept of developing a Program Baseline Report (PBR) primarily to support Participant decision-making, although it could serve all Storage Partners' needs, with an updated review of Project costs and benefits and compiling information important for making investment decisions. The purpose of the PBR is to give Storage Partners consistent, transparent information needed to make the financial commitment to build and operate the Project. It is being written with a broad audience in mind, and at the same time, it must provide enough detail for communicating consistently to reviewers and decision makers across multiple agencies.

The Board previously requested to review the PBR as it is being prepared, and this is the first of three such planned reviews, which leads to the final PBR being accepted at the time of the Resolution to Offer Capacity, which is currently planned for March 2026. Staff feels it best to bring this item to the full board instead of running through a committee/workgroup to ensure each Participant has an opportunity to provide agency-specific input.

This first PBR review is meant to cover the completeness and format of the report contents. When reviewing the draft Table of Contents (Attachment A), Staff seeks Board input on the following questions:

1. Are the right topics included?
2. Are important topics missing?
3. Does the report organization and proposed contents meet your purpose and use for your engagement with your home board?

The report is proposed to be organized around the main questions we've heard from the Participants such as:

- How much "new water" might the Sites Project provide?
- How does Sites Water reach the point of delivery?
- How much will it cost?
- What is the schedule?

Within the context of those questions, the report contents will describe:

- The benefits of the Project.
- How Storage Partners manage their storage space and water.
- How the Project is being funded and financed.
- The cash flow for Participants in future year dollars.

Another concern often expressed is the identification and treatment of risk. Obviously, risk is a broad concept that touches all aspects of the PBR contents. For example, within the various PBR topics, ranges of values will be shown, and the risk management techniques to be applied will be explained. Other risk explanations will cover:

- The factors considered in the development of the values shown.
- How the uncertainty in these factors has been accounted for in the costs and benefits.
- How the uncertainty in these factors will be managed going forward.

The PBR is being structured so that detailed tables are provided as appendices. This way, when the report gets updated as it will through the course of the Project, text is intended to be "evergreen," and appendices can be swapped out with updated and revised information.

**Fiscal Impact/Funding Source:**

This development of the Program Baseline Report is budgeted within the current Work Plan and no additional fiscal impacts are anticipated. Although the Board needs to keep in mind and will need to intervene if there are excessive individual agency requests that do not serve the needs of multiple agencies. There is insufficient budget to customize the PBR to meet every need of every agency. The PBR and other prior records of the Sites Authority is intended to be inclusive of all the Authority provided documentation to agencies in making their investment decision.

**Prior Action: June 2025:** Reviewed and commented on the ongoing development of the Program Baseline Report representing the Project's updated costs, benefits, and plan of finance.

**Staff Contact:** JP Robinette/Brian Thomas/Jerry Brown

**Primary Service Provider:** HDR

**Attachment A:** Draft Program Baseline Report Table of Contents

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## **Attachments**

- Attachment A. Baseline Cost Estimate – Details (Final 30% Design Total Project Cost Estimate
- Attachment B. Baseline Overall Project Schedule
- Attachment C. Plan of Finance
- Attachment D. Sites Water Right Permit Order
- Attachment E. Final Benefits and Obligations Contract
- Attachment G. Operations Plan
- Attachment H. State Prop 1 Contracts for Administration of Public Benefits – CDFW and DWR
- Attachment I. Reclamation Partnership Agreement
- Attachment J. Facility Use Agreements with GCID, TCCA, and RD108
- Attachment K. Executed Resolution to Offer Capacity
- Attachment L. Sites Project 101 Presentation Materials
- Attachment M. WIFIA Loan Master Agreement
- Attachment N. SPA-DWR-Reclamation Operations Agreement