Operations & Engineering Workgroup

September 10, 2025

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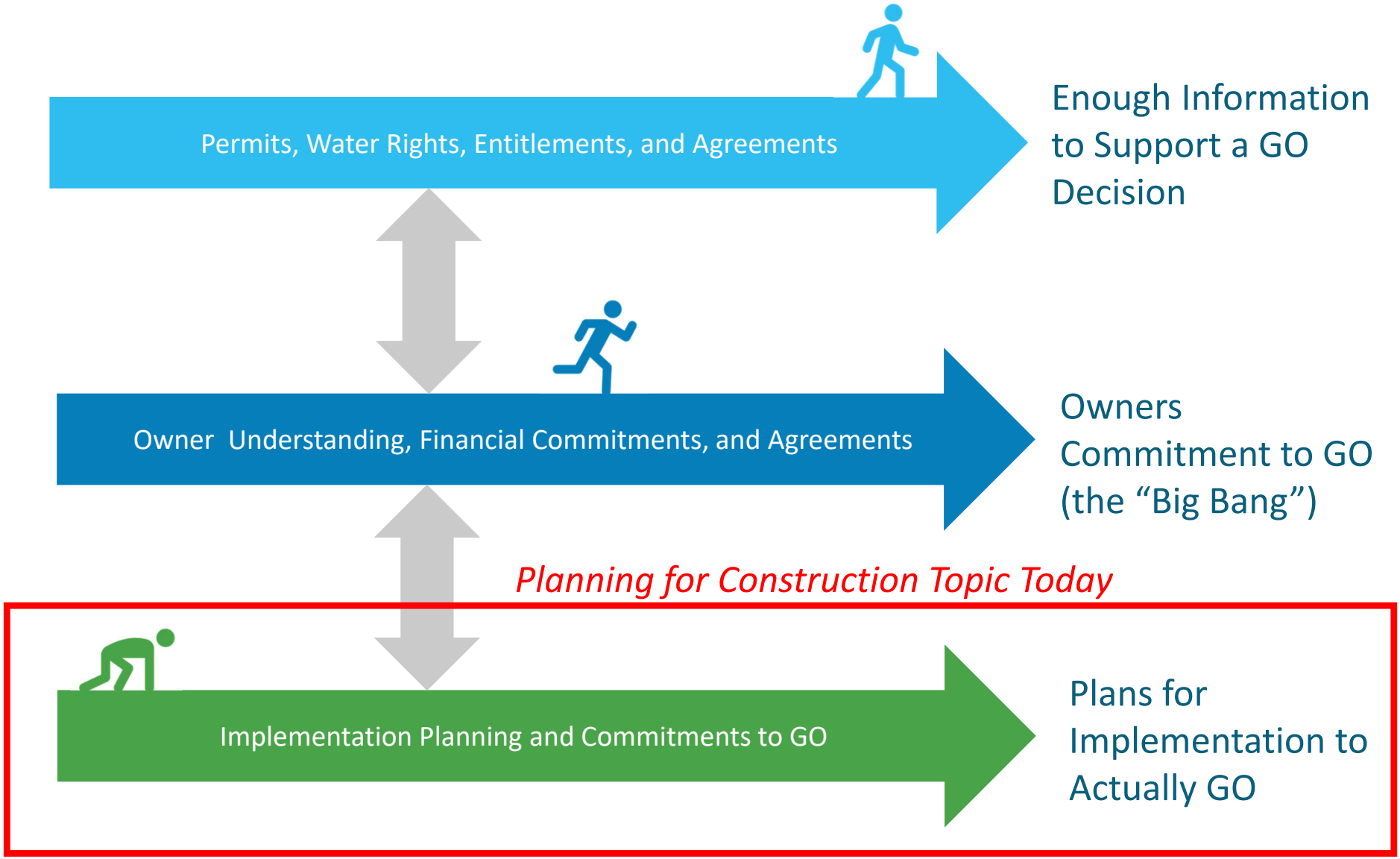
Agenda

1.1 Planning for Construction

1.2 Conditions Precedent to Construction and Offramps

1.3 Update on CalSim 3 modeling and Sites Reservoir Operations Plan

Staff continues to focus on three strategic imperatives as we plan and budget for work



Agenda Item 1.1

Planning for Construction

Kyle Hughes

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Planning for Construction

- **In July we discussed plans for Work Package 1 and how best to utilize the current $5M allocated in the 2025 & 2026 budget.**
- **Since then our thinking has evolved to more of a focus on land actions and initiating long lead environmental activities to support work beyond 2027**

Work Package 1 Prep → **General Preparation for Construction**

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Planning for Construction

- **In October 2023, the Board adopted a Programmatic Scheduling showing a substantial completion in 2032.**

  - **To have an opportunity to meet the 2032 schedule, "Full and Open" construction would need to start in 2028.**

  - **Full and Open = Having enough "runway" of environmentally cleared land to support 2 to 3 years of work that advances the critical path.**

  - **Currently owned land would not allow "Full and Open" construction.**

  - **Additional lands would need to be cleared by 2028, translating to needing to start environmental survey work in these areas in 2026.**

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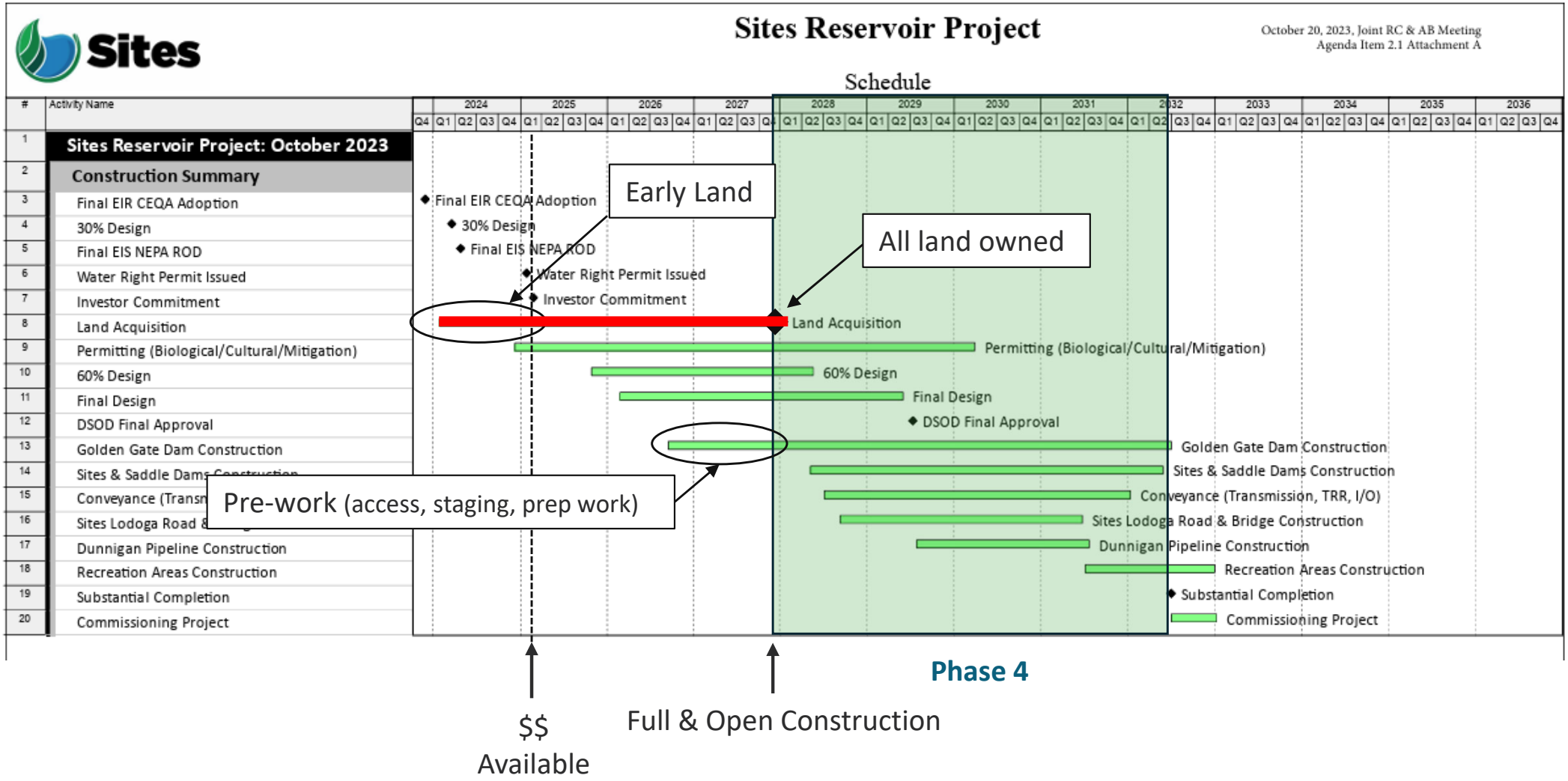
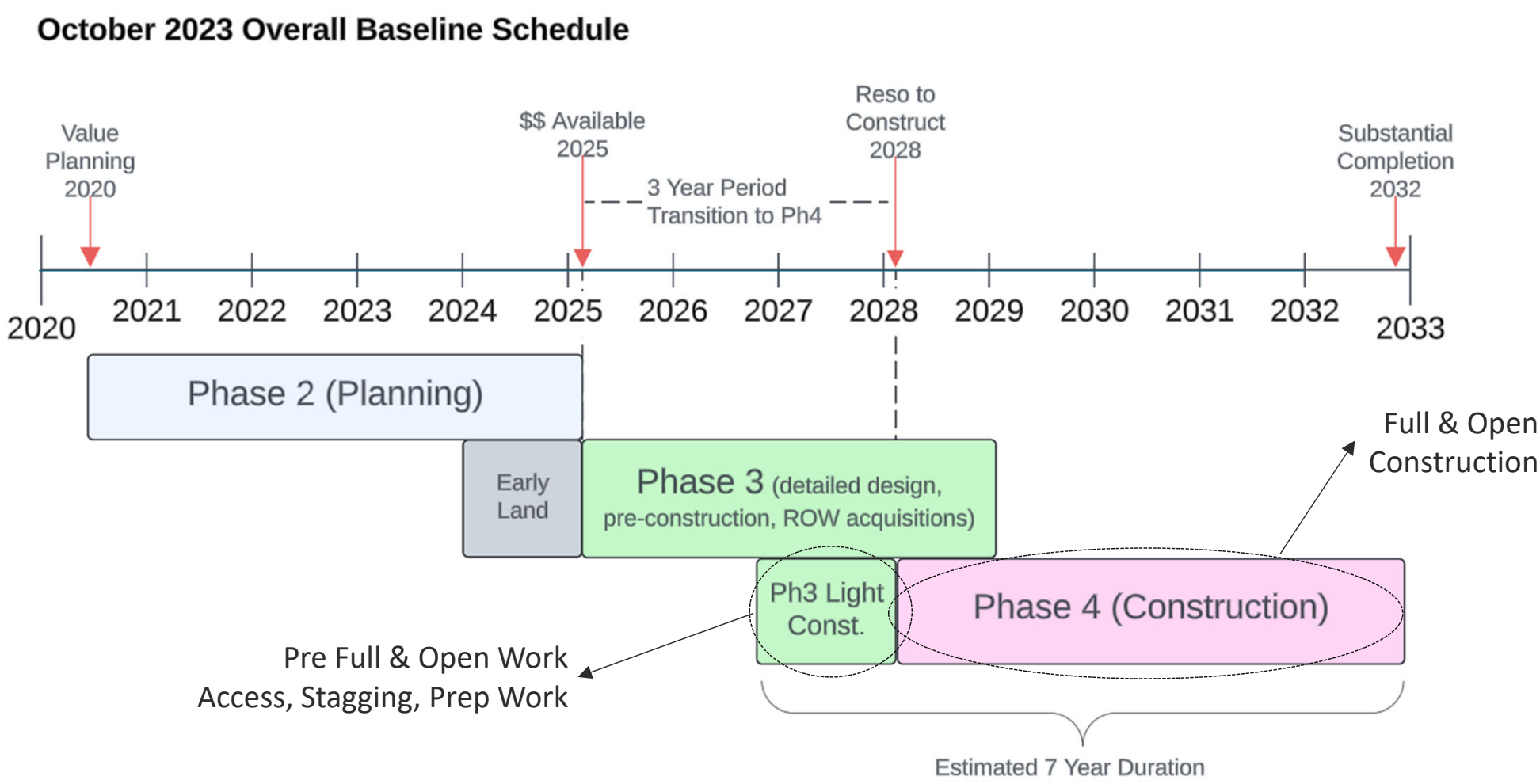
Planning for Construction

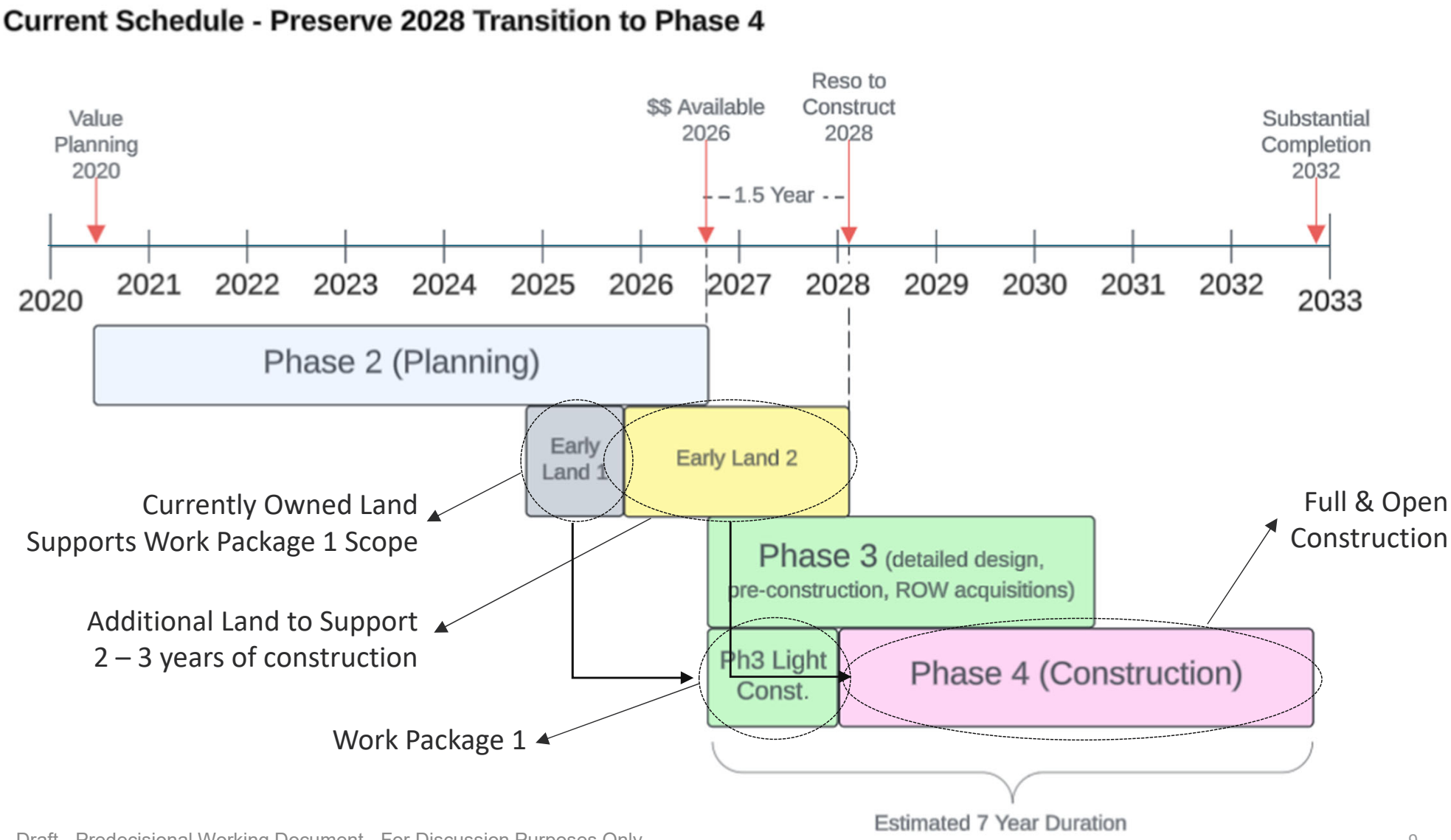
October 2023 – Overall Baseline Schedule



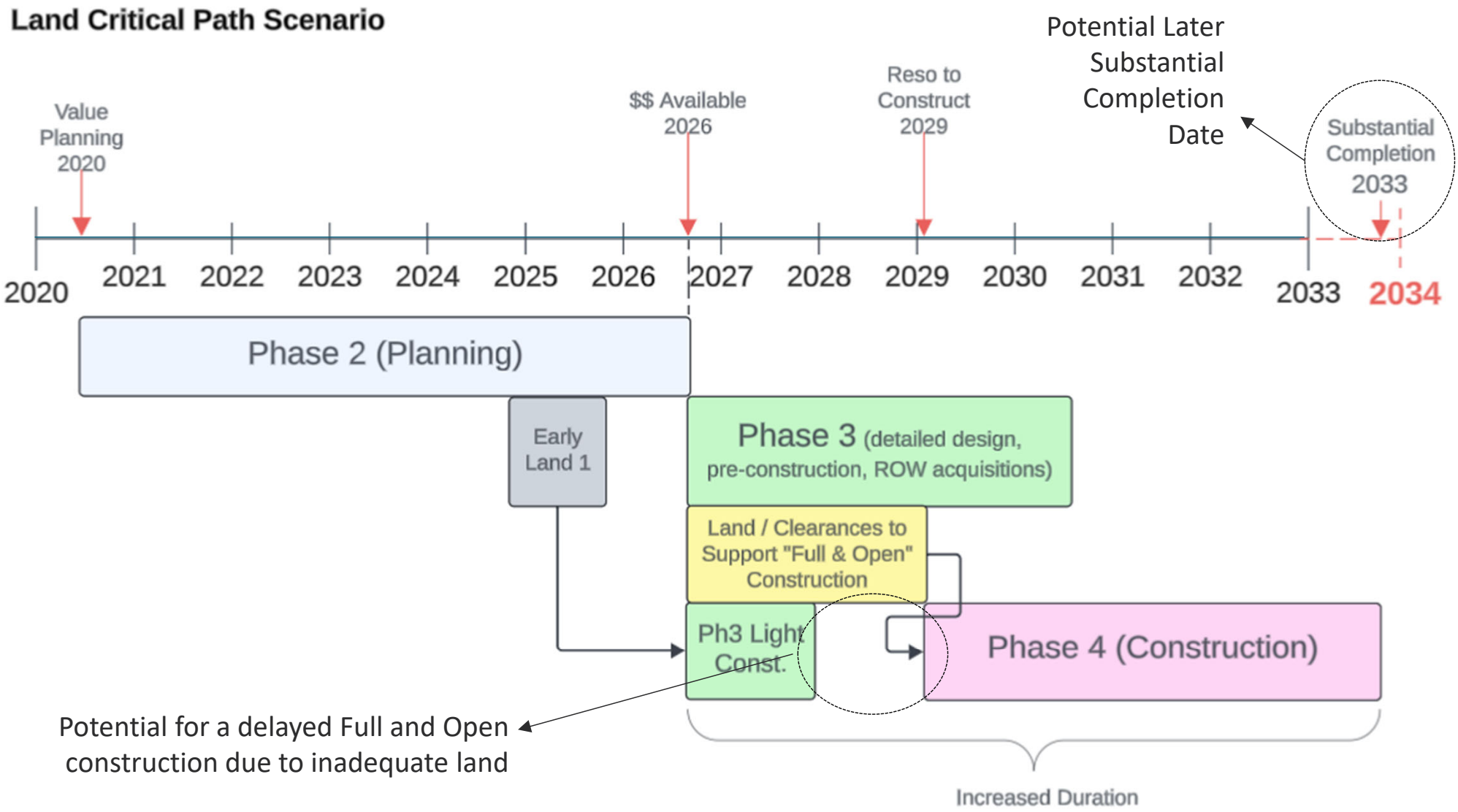
Planning for Construction



Planning for Construction



Planning for Construction



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Planning for Construction

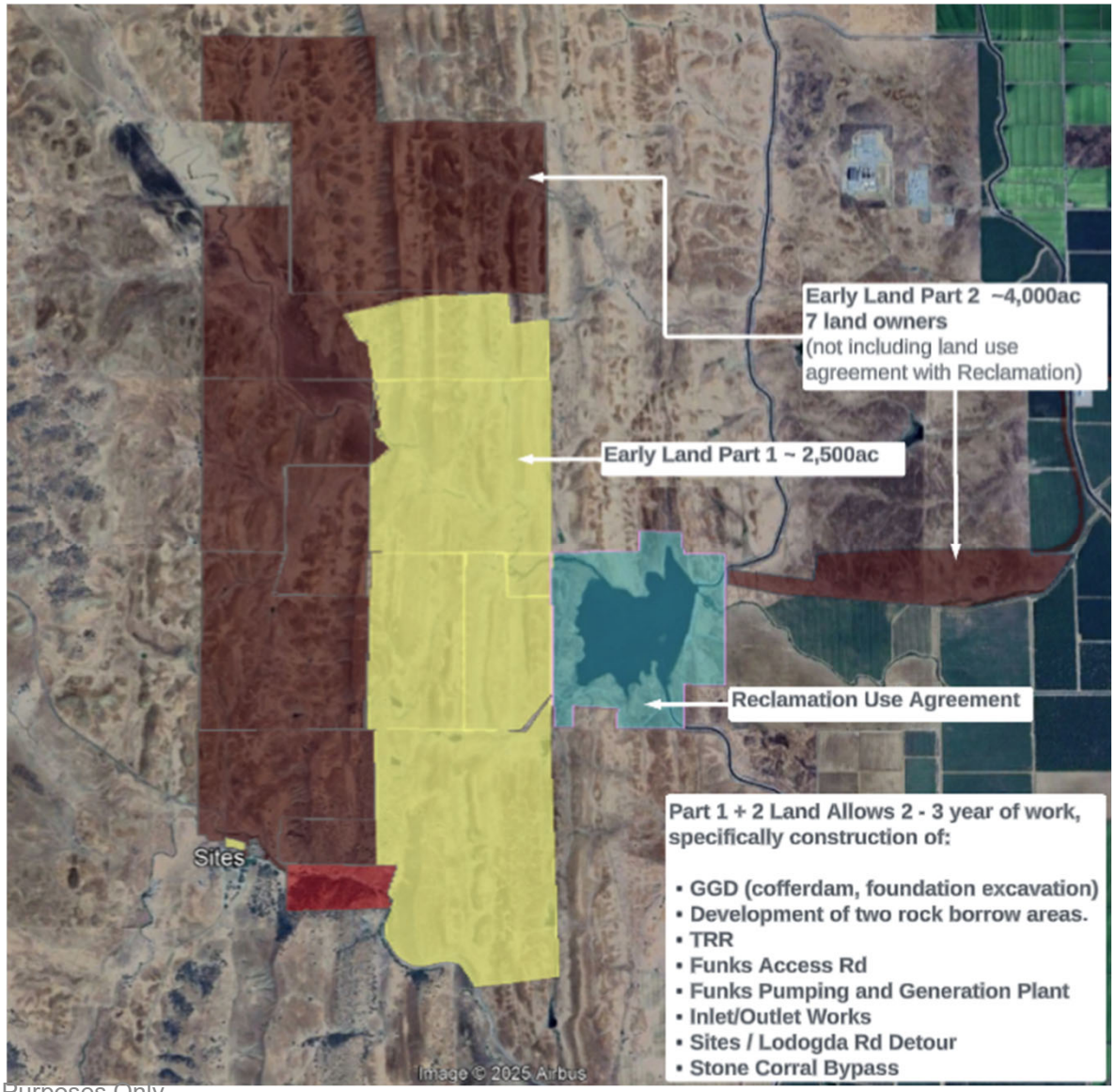
- **Early Land Part 2 Objectives**: Maintains ability for project to transition to “full and open” construction in 2028.

- Functionally: a mix of access-agreements and acquisition actions would be needed to:
  - Allow permit required activities to occur in 2026 and 2027,
  - Land is environmentally cleared for construction to start in 2028.

Planning for Construction

Early Land Part 2

- ~4,000 acres
- 7 landowners



Planning for Construction

Three Take Aways

1. **Current owned land is not sufficient to support Full and Open Construction (Phase 4).**

2. **Permits have lengthy survey requirements, necessitating the need for long term planning (at least 2 years out).**

3. **If 2032 substantial finish schedule is the goal, additional land actions are needed in the near term. Staff will present this in the 2026 budget.**

Agenda Item 1.2

Conditions Precedent to Construction and Offramps

JP Robinette

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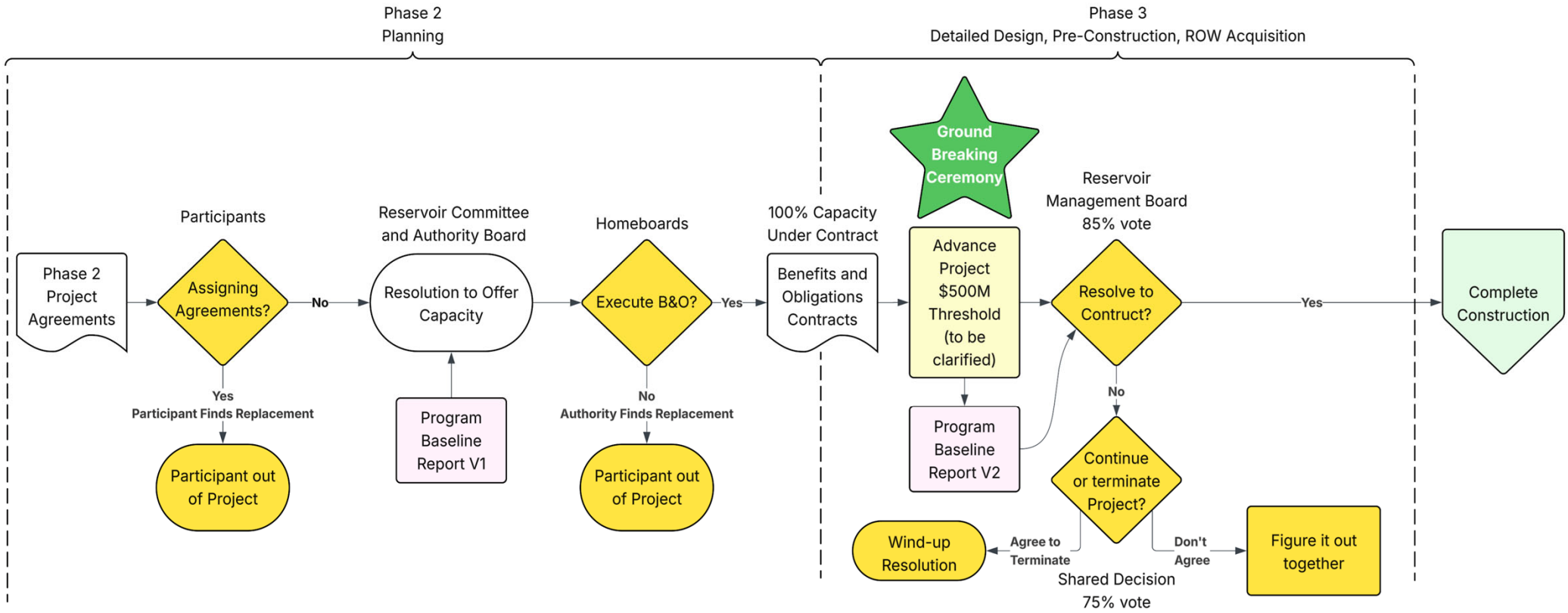
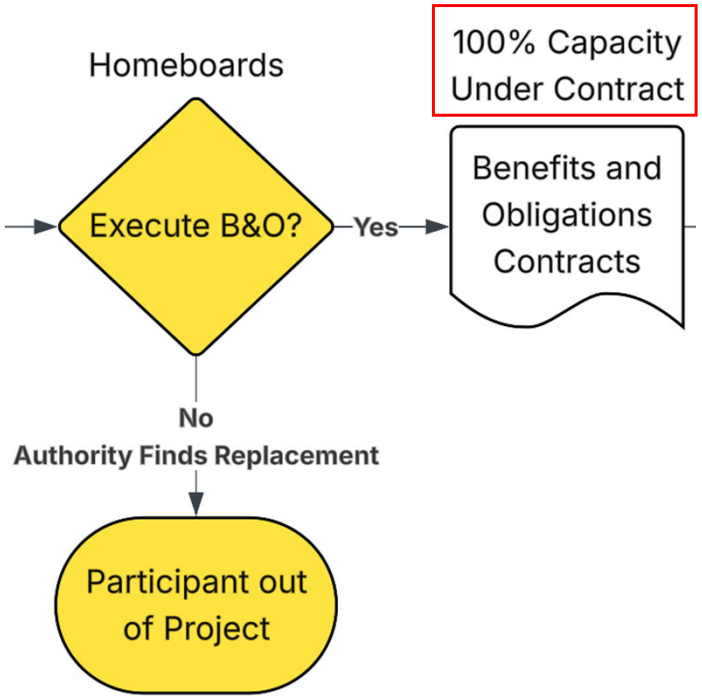
July RC/AB Item on B&O

4. **Conditions Precedent to Construction and "Off-ramps":** Comments were received around the higher threshold vote requirement for the Reservoir Management Board to fund in excess of $500 million of construction contract expenditures. The concern involves what happens if the Reservoir Committee fails to approve the subject construction contract and how does this affect the completed work plus the remaining work. Staff will be working with the Operations & Engineering Workgroup to develop a recommended approach to add clarity in the B&O regarding this type of scenario.

Understanding “off-ramps” and “what-ifs”



Clarifying “100% Participation”



- B&O, updated bylaws, and JPA must be approved by Participants and JPA (Phase 3 governance requires individual JPA member approval)
- 100% means Participants (B&O), federal, and state funding agreements all executed and capacity interest sums to 100%
- Federal possibly depends on appropriations
- State goes last in the approval process per Prop 1 statute
- If we don’t get there, we have to find Participants, starting with the wait list, to get to 100%
- Delay likely if significant changes in Participant, state, or federal capacity interests occur
- If not completed, process would comply with existing JPA, Bylaws, and Phase 2 Project Agreements

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What is the wind-up resolution?

Section 11.1 of the Benefits and Obligations Contract, Termination Prior to Completion. Generally, the steps involve the SPA

1. Approves a “wind-up resolution”
2. Offers to sell Project Assets to Storage Partners
3. Assigns a Winding Up Agent who prepares and implements a plan for disposition of Project Assets
4. Proceeds go to i) repay outstanding debt, ii) mitigate or remediate hazards of unsafe conditions, iii) distribute remaining cash to those that had paid off their obligations
5. Upon completion of wind-up, SPA will adopt a resolution to terminate the Project.

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Next Steps

- Governance ad hoc to discuss voting thresholds and add clarity the “$500M” threshold
- Continue working through B&O comments, targeting next draft in December 2025

Agenda Item 1.3

Update on CalSim 3 Modeling and Sites Reservoir Operations Plan

Ali Forsythe

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Update on CalSim 3 Modeling – Current Efforts

- Currently completing modeling for Federal ESA consultation
  - 2024 CVP/SWP BiOps/ITP as baseline
  - 2022 and 2040 climate change assumptions
  - Sensitivity runs with Healthy Rivers/Voluntary Agreements to be conducted shortly
  - Working on downstream modeling (DSM2, etc)
- Conducting various sensitivity analyses to support Ecosystem Public Benefits Agreement discussions
- Using existing model framework with assumed NOD/SOD transfers within reservoir

Update on CalSim 3 Modeling – Planning for Participant Decisions

- Considering how best to adjust model and represent model output for upcoming Participant decisions
- Team considering:
  1. Reworking how model handles NOD to SOD transfers
     - Likely result in model adjustments (code changes) and additional runs for baseline report (and updated Participant Dashboard)
  2. Reworking output display / graphics / info on timing, frequency, and extent of ability to move water SOD
     - Need to better understand and describe “controlling” factors for moving water through the Delta
     - Likely more graphics related and not resulting in model adjustments
  3. How best to characterize range of project performance
     - Team continues to assess this topic
     - Relates to the upper bounds or “top speed” performance topics
  4. Other items?

Update on CalSim 3 Modeling – Next Steps

- Team holding a number of internal and Participant-small group meetings
- May need a special O&E meeting to discuss in October (still assessing)

Reservoir Operations Plan – Status

- Draft V2.1 distributed for review in May 2025
- Comments due on July 18
- Comments received from 3 participants
  - Working through comments

Reservoir Operations Plan – Next Steps

- May benefit from an O&E meeting to discuss comments and how they are being addressed (regular Nov meeting)
- Early Jan 2026 – Revised version distributed showing track changes
- Late Jan 2026 – Comments due
- Feb 2026 – Review comments and changes at O&E Work Group
- March 2026 – RC/AB adopt Operations Plan with B&O Contract Escrow period
  - Continue to make updates in response to comments, permits issued, and agreements developed until this time

Downstream Capacity – Forming a Small Group

3. **Treatment of Downstream Capacity:** Concern remains that the B&O Contract does not include adequate specificity for future adjustments and allocation of Downstream Capacity as new Participants join the Project or temporary uses occur. Also, the proposal in the April 2025 B&O of mandatory reallocation is unacceptable to several Participants, so another alternative will need to be developed. The allocation of costs and capacity for Downstream Facilities, including the Dunnigan Pipeline and Lower Colusa Basin Drain System, therefore remains open, and Staff recommends referring this issue back to the Operations and Engineering Workgroup for further discussion to reach a consensus on a universally acceptable approach.

Engineering and Construction Manager's Report

JP Robinette

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Engineering and Construction Manager's Report

- Future Agenda Items
  - Update on Reservoir CMAR procurement
  - Construction and permanent power considerations

Questions?

Thank you!

Upcoming Meetings:

Reservoir Committee and Authority Board:
Friday Sept 19 – 9 am to 12 pm

O&E Workgroup:
Wed Nov 12 – 1:30 to 3:30 pm

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