



Requested Action:

Receive an update on the draft Contract for Public Benefits (CAPB) with the California Department of Water Resources (DWR) for flood and recreation benefits.

Detailed Description/Background:

Final WSIP funding requires execution of contracts with each administering public agency responsible for identified public benefits. DWR is responsible for (1) making findings that the public recreation and flood benefits meet statutory requirements; and (2) entering into a contract with the Authority to administer those benefits. The Flood and Recreation CAPB will fulfill this statutory requirement. The Flood and Recreation CAPB will establish: the specific public benefit for the Project; monitoring and reporting requirements; and an Adaptive Management framework.

This report is intended to provide an overview of the draft CAPB terms, which are not yet finalized, but the CAPB is fully drafted and being negotiated by Staff. Staff is seeking any final input from Board members on key terms before Staff comes back to the Board for authorization to sign the CAPB, which is expected to occur within the next couple of months.

The Flood and Recreation CAPB is structured to ensure delivery of public benefits which is different than Participants whom are acquiring a Capacity Interest and Share in the Project facilities. It will be Authority's obligation under the CAPB to deliver the public benefits. The financial and operational risk for this delivery will be passed on to Participants and Reclamation through the B&O Contract and the Partnership Agreement, respectively.

Recreation Public Benefit

The Flood and Recreation CAPB is anticipated to identify two key Authority obligations related to recreation as follows:

1. **Construct Recreation Facilities in a Phased Approach** – The Authority is anticipated to be required to provide a phased build-out strategy. The

initial construction would include two recreation areas (the Stone Corral Creek Recreation Area and Day Use (west-side Boat Ramp) completed towards the end of the overall Project construction timeframe (anticipated to be ~2033). This initial phase serves as the baseline recreation offering when the reservoir becomes operational. The Peninsula Hills recreation area would be constructed based on specific triggers related to visitation and has no rigid schedule for completion. Once constructed, the Authority (or its contractor) would operate and maintain the recreation facilities and would also monitor use and visitation. Metrics are expected around progress and completion of construction and if the metrics are not met, the Authority is to prepare and implement a corrective management plan to get construction back on schedule.

2. **Achieve Annual Visitation Target** – The CAPB is expected to include achievement of an average annual visitation of 187,000 visitor days measured as a 5-year running average. This visitation target is staged over time to allow for construction to be completed prior and to ramp up after construction as reservoir operations begin and more people become aware of recreational opportunities. Metrics are expected around annual visitation numbers and if the 5-year running average is not met, the Authority is to develop and implement a marketing plan, develop and implement an event plan, and conduct surveys and implement non-facility adjustments to reduce barriers to visitation.

Flood Public Benefit

The Flood and Recreation CAPB is anticipated to identify two key Authority obligations related to flood damage reduction and manage the 100-year floods from Funks and Stone Corral creeks:

1. **Construct and maintain facilities in accordance with DSOD regulations** – The Authority is anticipated to be required to construct relevant facilities consistent with DWR’s Division of Safety of Dams (DSOD) regulations and then maintain those facilities in a “safe for continued use” status. This is the facility's obligation.
2. **Develop a Flood Control Management Plan** – This is the operations obligation. There will be no strict performance guarantee of flood protection outcomes. Flood benefits are incidental to reservoir operations rather than being a primary operations mandate. However, the Authority is anticipated to be responsible for development of a Flood Control Management Plan. This is not a traditional reservoir flood management or flood operations plan. Instead, the Flood Control Management Plan is

expected to allow for differing approaches in the future as information and technologies related to flood management change over time. The CAPB is expected not to include requirements to modify normal operations to create additional flood storage capacity in the reservoir. However, the Authority will need to consider these measures in developing and approving the Flood Management Plan. DWR approval of the Flood Management Plan is not required. The Flood Management Plan will need to be adopted by the Authority Board of Directors and reviewed every 5 years to determine if changes are needed to improve flood management (conducted in coordination with local emergency response agencies/organizations).

The Flood and Recreation CAPB will include an Adaptive Management Plan that defines performance thresholds, adaptive management triggers, and a meet and confer process. See Attachment A for further details. The specifics of the Adaptive Management Plan are still under development.

Staff is continuing to work on the: (1) term of the Agreement; (2) various components of the Adaptive Management Plan; and (3) adding a new public benefit of emergency water supply benefits into this same CAPB (see last month's Board action authorizing submittal). Staff expects to have a complete draft Flood, Recreation, and Emergency Water Supply CAPB in March for Reservoir Committee/Authority Board review. The draft CAPB is also transmitted by DWR to the CWC and posted for a 60-day public review period. After review, any comments are addressed and the Agreement is finalized.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Ali Forsythe

Primary Service Provider:

None.

Attachments:

Attachment A – Adaptive Management Plan Anticipated Structure

Attachment A: Summary — Adaptive Management Anticipated Structure
Sites-DWR CAPB Flood and Recreation Benefits Agreement¹

Scope of Adaptive Management

- Public Recreation Benefit; Recreation facilities and visitation performance. Development phasing and operational constraints that may affect public access.
- Public Flood Control Benefit; Incidental flood storage performance. Ability of reservoir operations to capture storm runoff.

Core Requirements for the Authority

- Monitoring and Performance Tracking: The Authority must: Track performance metrics tied to recreation and flood benefits. Document conditions affecting benefit delivery. Maintain data supporting annual reporting.
- Performance expectations are expressed through thresholds and triggers rather than fixed operational mandates.

Reporting Obligations

- Adaptive management relies on structured reporting: Annual Summary Reports. Document status of public benefits and any changes since the prior year.
- Adaptive Management Plan Review Reports: Evaluate monitoring results, performance thresholds, and triggered actions.
- Reports are submitted to DWR and shared with the California Water Commission.

Decision-Making Body & Meet-and-Confer Process

- If monitoring shows benefits falling below expected levels: A joint Decision-Making Body (DWR + Authority) convenes. The Parties identify limiting factors. Potential adaptive actions are evaluated collaboratively. The framework emphasizes cooperative problem solving rather than unilateral direction.

Adaptive Management Actions

- If triggers occur, the Authority may be required to consider reasonable and feasible actions within its control, such as:
 - Adjusting recreation development or phasing.

¹ These provisions are written from the perspective of the Sites Authority's current position and are subject to negotiation which may result in the final Agreement being different than shown.

- Addressing operational or access constraints.
- Evaluating measures affecting incidental flood storage performance.
- Actions must remain consistent with existing permits and Authority governance.