

Water Storage Investment Program Quarterly Report

The Quarterly Report is intended to document applicants' progress toward complying with regulation section 6013 and receiving final WSIP funding, including any changes in the magnitude of public benefits that could affect cost allocation. Applicants must provide a summary level update of the project status for the requirements and milestones listed below. The template may be modified as necessary to effectively communicate information. If minimal activities occurred during a reporting period, the report can be condensed.

- Note any issues or concerns that have, will, or could affect milestones or requirements.
- Identify key issues, including legal issues such as lawsuits or injunctions related to the project, that need to be resolved.
- Discuss how the actual schedule is progressing in comparison to the schedule provided in the Initial Report or the last reported schedule.
- Update the project schedule as needed.
- Note any milestones or accomplishments that occurred since submittal of the prior Quarterly Report.

Project Information

Project Name:

Harvest Water

Applicant Name:

Sacramento Regional County Sanitation District (Regional San)

Date:

January 31, 2021

Reporting Period:

Q4 2021

General Update and Key Issues

Please provide a general update and describe any key issues that occurred during this reporting period. You may attach additional documents or pages if more space is needed:

The following activities took place over the course of Q4 2021:

- **Early Funding:** Regional San submitted the first draft progress report and invoice for the early funding project to Commission Staff in December 2021, totaling approximately \$1M.
- **WSIP Feasibility Determination:** Harvest Water submitted all required documentation and went before the Commission on 10/21/21. The Commission determined Harvest Water met the statutory deadline, the project is feasible, and the project remains eligible for WSIP funding. In addition, as part of the Economic Feasibility Review, CWC staff determined that the present value of benefits for Harvest Water are approximately \$908M.
- **Public Benefits Contracts:** The Program team continues to coordinate benefits contracting with state agencies for public benefits. The Program team met with CDFW staff on 11/2/21 and 12/10/21 to discuss groundwater modeling efforts, benefit metrics, and the EcoProgram Implementation Plan. Additional meetings with CDFW and the SWRCB are anticipated in Q1 2022.
- **The Notice of Applicability (NOA) for the CVRWQCB Clean Water Act 401 Water Quality Certification** was signed on December 28, 2021.

- The National Historic Preservation Act Section 106 compliance was completed in December 2021, as well as Tribal consultation by the federal lead agency, U.S. Bureau of Reclamation.
- The Aquatic Resources Impact Application package was submitted to the South Sacramento Conservation Agency (SSCA) in May 2021 and is under review by SSCA. Authorization is expected in Q1 of 2022.
- The South Sacramento Habitat Conservation Plan (HCP) application was submitted to SSCA on 8/16/21 and is under review by SSCA and CDFW. Authorization is expected in Q1 of 2022.
- The Program team continued work on developing the recycled water user service agreement template. Over 36,900 AFY of agricultural water demand is accounted for in the Letters of Intent received through December 2021.
- The Program team continued work on the development of the draft EcoProgram Implementation Plan .
- The Program team continued providing bi-monthly articles and electronic news blasts to the Sacramento County Farm Bureau and other interested parties during Q4 2021.
- The Program team continued work on the development of the Groundwater Accounting and Conjunctive Use Project, including continued engagement with the Sacramento Central Groundwater Authority (SCGA) by reviewing the Draft GSP.
- Design contracts for both the Harvest Water Pump Station Project and the Elk Grove Transmission Main and Franklin-Eschinger Pipeline Project were executed in October 2021.
- The Central/South and West Distribution Pipeline Project designer was given notice to proceed in December 2021.
- A designer was selected for the On-Farm Connections Project, and the contract execution and notice to proceed is anticipated in January 2022.
- The pump station, transmission main, and distribution pipeline projects are in the basis of design confirmation phase.
- Potholing and geotechnical field work is being scheduled for the initial design projects.
- The Program team is actively reviewing and refining the Program budget, schedule, and scope on an on-going basis as planning and design continue.

Items Required Prior to Scheduling a Final Award Hearing

The following items must be provided prior to scheduling a hearing. As applicable, please describe the status, estimated completion date, and percent complete of:

1. Contracts for non-public cost share:

Status: N/A - complete. There is no cost share for non-public benefits of Harvest Water. At this time, Regional San is the only entity that will fund the non-public cost-share.

Estimated Completion Date: N/A

Percent Complete: N/A

2. Contracts for administration of public benefits:

Status: Continued coordination with SWRCB and CDFW. Additional meetings anticipated in Q1 2022 with CDFW regarding general contract terms, adaptive management and benefit monitoring and with SWRCB regarding water quality benefit targets.

Estimated Completion Date: Q2 2022

Percent Complete: 0%

3. Completed feasibility studies:

Status: Final feasibility study complete. A project feasibility finding from the Commission was received in October 2021.

Estimated Completion Date: July 2019

Percent Complete: 100%

4. Final environmental documentation:

Status: Programmatic and Main Transmission Line Final EIR - 100%

Four primary CEQA documents tiering from the Programmatic EIR are anticipated to be completed between now and July 2021.

1. Lateral Pipelines and On-Farm Connections Project – Initial Study Checklist – 100%
2. Ecoplan & Wintertime Application Project – EIR Addendum – 100%
3. Groundwater Accounting Project – EIR Addendum – 100%
4. On-Farm Connections Vehicle Turnouts Project – EIR Addendum – 100%

Estimated Completion Date: Completed in July 2021. The statute of limitations has passed for all documents.

Percent Complete: 100%

5. All required federal, state, and local approvals, certifications, and agreements:

Status: See attached list of environmental permits and status. All application packets have been submitted and multiple permits have been issued. The final pending authorization under the SSHCP is expected Q1 2022.

Estimated Completion Date: Q1 2022

Percent Complete: 90% - see attached for percent complete by permit

Items Required to Execute a Funding Agreement

Please provide an update, as applicable, on the following documents, which are needed to execute a funding agreement for the project:

- Applicant's audited financial statements
- Final project costs, schedule, and scope of work
- Evidence of bilateral communications
- Limited waiver of sovereign immunity (see regulations section 6013(f)(8))

Updates to information provided in the Initial Report or prior Quarterly Reports are only needed when a significant change has occurred. The Commission may request submittal of updated information prior to executing a funding agreement.

No significant change has occurred from previous reporting period.

- Audited Financial Statements: Regional San's Comprehensive Annual Financial Report for 2020 Fiscal Year is available on our website. These reports are prepared annually and an independent auditor audits Regional San's financial statements each year. A current audited financial statement will be provided prior to the execution of a funding agreement.
- Final Project Costs, Schedule, and Scope: The Program team is actively reviewing and refining the Program budget, schedule, and scope on an on-going basis as planning and design continue. The current Program is estimated at approximately \$444M. The system is anticipated to be operational at the end of 2024 with recycled water available for the 2025 growing season.
- Evidence of Bilateral Communications: N/A - no anticipated impacts to owners or operators of facilities.
- Limited Waiver of Sovereign Immunity: N/A - no known tribal lands in project area.

Status Update

Provide a status update for the following, as applicable:

- Labor Compliance
- Urban Water Management Plans
- Agricultural Water Management Plans
- Groundwater Management or Groundwater Sustainability Plans
- Potential effect of other conditionally eligible projects on the applicant's public benefits

Updates to information provided in the Initial Report or prior Quarterly Reports are only needed when a significant change has occurred. The Commission may request submittal of updated information prior to executing a funding agreement.

No significant change has occurred from previous reporting period.

- Labor Compliance: Anticipated to be addressed in construction contracts (2022/2023).
- Urban Water Management Plans: N/A - Regional San is not an urban water supplier.
- Agricultural Water Management Plans: N/A - currently groundwater. Recycled water is exempt from Agricultural Water Management Plans.
- Groundwater Management or /Groundwater Sustainability Plans: Sacramento County Groundwater Authority (SCGA) is the Groundwater Sustainability Agency in the Harvest Water Program area and submitted a Groundwater Sustainability Plan (GSP) to DWR in December 2021. Regional San is a member of the SCGA Board of Directors and is actively coordinating with the agency and GSP process. Harvest Water is listed as a near-term project and management action in the GSP.
- Other WSIP Applicant's Projects: N/A - there are no expected consequences from other WSIP applicant's projects on Regional San's public benefits for this project

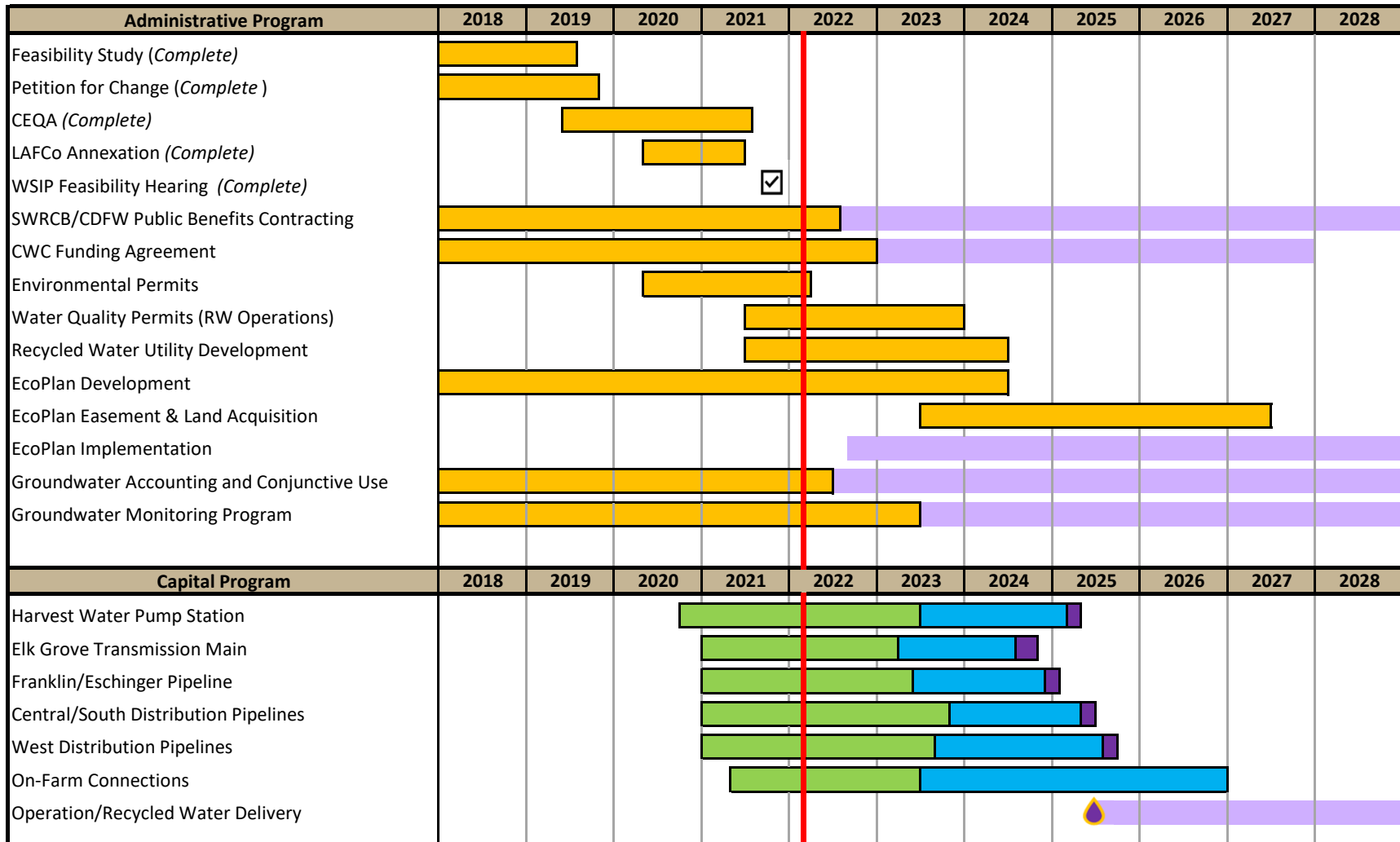
Regional San – Harvest Water: List of Permits for WSIP Quarterly Reporting

Permitting Agency	Permit	Estimated Completion Date ²	Percent Complete %
Environmental (Harvest Water Pipeline System)			
Central Valley Regional Water Quality Control Board (CVRWQCB)	401 Water Quality Certification (required for 404 Permit)- authorization under General Order R5-2019-0053	Q4 2021	100%
U.S. Army Corps of Engineers (USACE)	Clean Water Act, Section 404 Permit for any fill of wetlands or waters of the US ¹ authorization under USACE Programmatic General Permit 17 for the South Sacramento Habitat Conservation Plan (SSHCP)	Q1 2022	90%
California Department of Fish and Wildlife (CDFW)	Lake and Streambed Alteration Agreement (for pipeline crossings of creeks)	Q3 2021	100%
U.S. Fish and Wildlife (USFWS)	Section 7 Consultation/Biological Opinions (for effects on Federally listed species) ^{1,2} Authorization through the SSHCP	Q1 2022	80% ¹
California Department of Fish and Wildlife (CDFW)	Incidental Take Permit from California Department of Fish and Game (for effects on State-listed species) ¹ Authorization through the SSHCP	Q1 2022	80% ¹
California Office of Historic Preservation	Section 106 Consultation (supports CWA 404 Permit). Bureau of Reclamation (BOR) as federal lead agency will conduct federal consultations. Other federal agencies (USACE, USFWS) will authorize BOR to conduct consultation.	Q4 2021	100%
Operational (not required prior to funding agreement)			
State Water Resources Control Board (SWRCB)	Wastewater Change Petition for a change in the point of discharge, place of use, or purpose of use of treated water	Q3 2019	100%
Central Valley Regional Water Quality Control Board (CVRWQCB)	Water Reclamation Requirements for Recycled Water Use (Statewide Recycled Water Permit, Order WQ 2016-0068-DWQ) (for operation of the recycled water distribution system)	TBD (2023)	0%

¹Note: The South Sacramento Habitat Conservation Plan (HCP) has been adopted. The HCP will be leveraged by Regional San to streamline biological-related permitting, including Section 7 consultation and Incidental Take permits.

² Note: Best estimate of timing with currently known information.

Harvest Water Program Schedule



- Planning/Development
- Capital Project Planning and Design
- Construction
- Commissioning
- Operation/Implementation/Compliance