

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:

South Sacramento County Agriculture & Habitat Lands Recycled Water, Groundwater Storage, and Conjunctive Use Program

Applicant Name:

Sacramento Regional County Sanitation District (Regional San)

Date:

January 30, 2020

Reporting Period:

Q4 2019

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 2019.

- The Program team is continuing to develop and execute a landowner outreach plan for recycled water customers and Eco Plan partnerships. On 10/25/19, Regional San mailed out 112 Letter of Intent (LOI) packets to agricultural parcels in the Program area to solicit participation as recycled water irrigation customers in the Program. The LOI packet included an introductory letter, Draft Principles of Agreement and a Program overview, LOI for landowners to complete and return for each APN, and a map of each APN for landowners to indicate their preferred recycled water delivery location.
- In November and December, the Program team followed up through phone and in-person outreach meetings. Approximately 8,350 afy (25% of the recycled water delivery goal) was associated with a "Yes"/"Maybe" LOI response from landowners as of the end of the reporting period (12/31/19).
- Regional San continues to partner with Sacramento County Farm Bureau (SCFB) for outreach providing advertisements and articles in their bi-monthly printed newsletter as well as in their electronic news blasts. In

December (and continuing into January), Regional San is sending out postcards and SCFB ads to remind landowners to submit their LOI.

- The Program team continued work on the development of the draft Ecological Plan in support of the public benefit targets including identifying targeted parcels for Eco Plan partnerships and potential land use agreement tools. Parcels have been identified in terms of ability to support crane habitat, vernal pool complexes, and wetlands/riparian forest.
- The Program team continues to coordinate benefits contracting with SWRCB and CDFW. The program team met in-person with CDFW on 12/3/19 and anticipates additional meetings in Q1 2020 with DFW as the Ecological Plan is further developed.
- On December 10, the Program team met with CWC staff to provide an update on the Program and to begin discussions around available land use agreement tools and use of grant funds.
- The CEQA consultant continued development of the supplemental CEQA documents including biological surveys and air quality analyses. As shown in the attached schedule, four primary supplemental CEQA documents are anticipated to be completed between now and June 2021, ahead of the WSIP deadlines. Unless additional impacts are identified, Regional San anticipates developing CEQA checklists and filing Notices of Determination. CEQA work for the recycled water distribution system will be completed first and has achieved the most progress to date. Project descriptions have been drafted for each of the other three documents and CEQA work has been initiated.
- On 11/1/19, the Program team met with the Central Valley RWQCB to discuss the Program goals, program elements, and permitting pathways for summertime irrigation and wintertime application. The Program team initiated work on the Impact and Loading analysis to support CEQA efforts and future permitting.
- On 12/3/19, the Program team met with Sacramento LAFCO executive director to discuss possibly annexing the Program area into the Regional San service area for recycled water service only.
- The Program team continued work on the development of the Groundwater Accounting and Conjunctive Use Project and continued engagement with the Sacramento Central Groundwater Authority (SCGA) and the Sacramento Groundwater Authority (SGA) including outreach with executive management and attendance at strategic planning and monthly meetings.
- Regional San published the Request for Proposals for the Capital Program Management contract on 12/2/19, with proposals due January 16 and Notice to Proceed (NTP) anticipated in April 2020.

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 the South County Ag Program. 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 2020 with CDFW regarding Ecological Plan and benefit targets.

Estimated Completion Date: TBD

Percent Complete: 0%

3. Completed feasibility studies:

Status: Final feasibility study was submitted to CWC on 7/20/19.

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 June 2021.

1. Laterals & On-farm Connections Project-Level environmental documentation -75%
2. Ecological Program environmental documentation - 15%
3. Groundwater Conjunctive Use environmental documentation - 5%
4. Wintertime irrigation environmental documentation - 5%

Estimated Completion Date: June 2021

Percent Complete: 25%

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

Status: See attached list of permits and status, which has been updated since the last quarterly report.

Estimated Completion Date: December 2021

Percent Complete: see attached

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 2019 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: No significant changes have occurred from the previous WSIP application and reporting periods. Updated schedule attached.
- 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 (2020).
- Urban Water Management Plans: N/A - Regional San is not an urban water supplier.
- Agricultural Water Management Plans: N/A - currently groundwater. Although the South County Ag Program will supply recycled water to agricultural users, recycled water is exempt from Agricultural Water Management Plans.
- Groundwater Management or /Groundwater Sustainability Plans: The Sacramento Central Groundwater Authority (SCGA) is the Groundwater Sustainability Agency in the South County Ag Program area. SCGA completed a South Basin Groundwater Management Plan that was finalized in October 2011. The South American Sub-basin Groundwater Sustainability Plan (GSP) equivalent was submitted to DWR. DWR determined the equivalent GSP not be recommended for approval by DWR on 7/18/19. SCGA has responded to DWR to address its deficiencies and will be submitting its Groundwater Sustainability Plan by 1/31/22.
- 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 – South County Ag Program: List of Permits for WSIP Quarterly Reporting

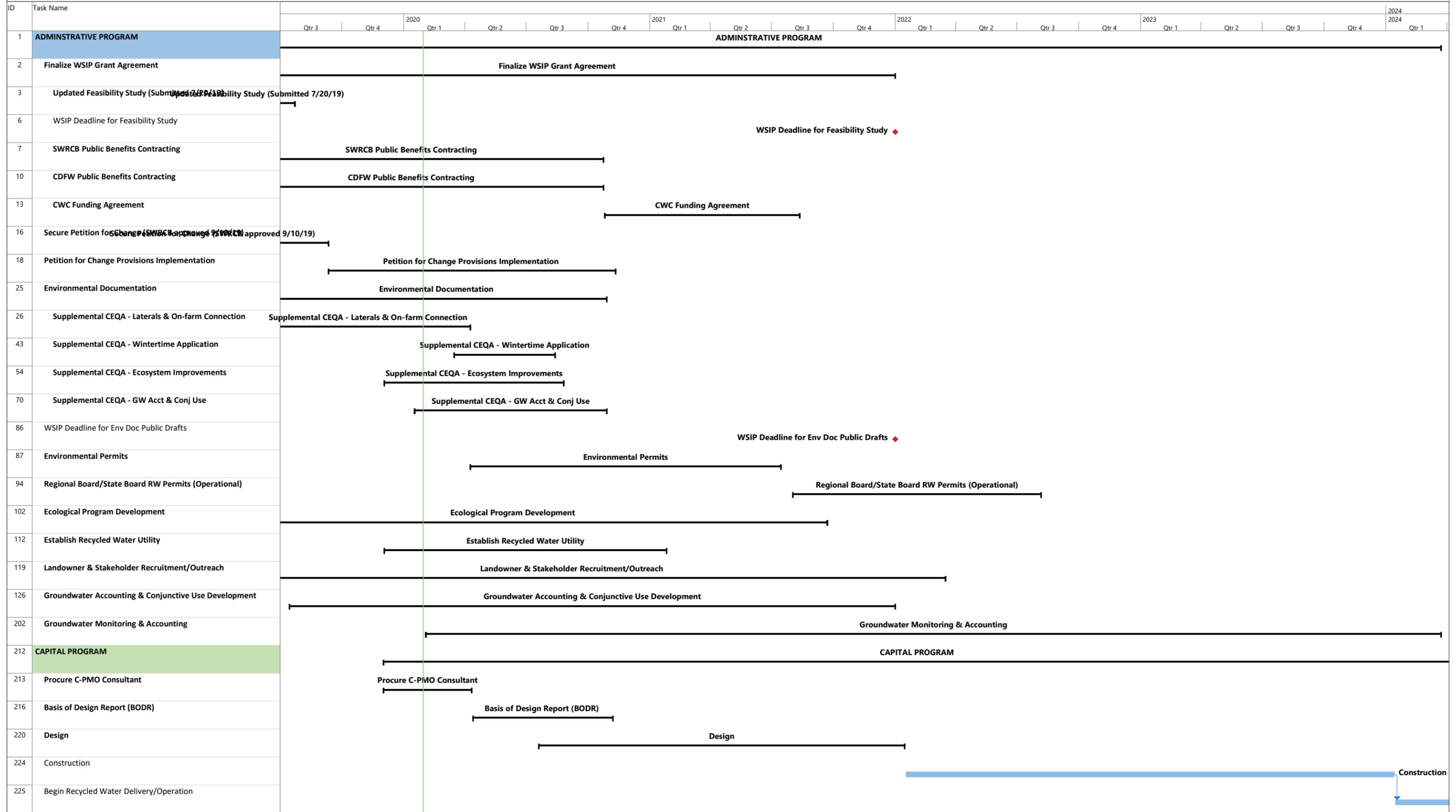
Permitting Agency	Permit	Estimated Completion Date ³	Percent Complete %
Environmental			
U.S. Fish and Wildlife (USFWS) & National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service	Section 7 Consultation/Biological Opinions (for effects on Federally-listed species) ^{1,2}	Quarter 4 2020	0% ^{1,2}
California Department of Fish and Wildlife (CDFW)	Incidental Take Permit from California Department of Fish and Game (for effects on State-listed species) ¹	Quarter 4 2020	0% ¹
CVRWQCB	401 Water Quality Certification (required for 404 Permit)	Quarter 2 2021	0%
U.S. Army Corps of Engineers	Clean Water Act, Section 404 Permit for any fill of wetlands or waters of the US	Quarter 2 2021	0%
California Office of Historic Preservation	Section 106 Consultation ²	Quarter 2 2021	0%
CDFW	Streambed Alteration Agreement (for pipeline crossings of creeks)	Quarter 4 2021	0%
Operational			
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	Quarter 3 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 (2022)	0%

¹Note: The South Sacramento Habitat Conservation Plan (HCP) has been adopted. Permits anticipated to be finalized by Q3, 2019. The HCP will be leveraged by Regional San to streamline biological-related permitting, including Section 7 consultation and Incidental Take permits.

²Note: Required only if a Federal nexus is established for the Program.

³ Note: Best estimate of timing with currently known information.

South Sacramento County Agriculture & Habitat Lands Recycled Water, Groundwater Storage, and Conjunctive Use Program
Regional San



Project: Draft_SoCoAg Schedule
Date: Thu 1/30/20

Task	Summary	Inactive Milestone	Duration-only	Start-only	External Milestone	Baseline Milestone	Manual Progress
Split	Project Summary	Inactive Summary	Manual Summary Rollup	Finish-only	Deadline	Baseline Summary	
Milestone	Inactive Task	Manual Task	Manual Summary	External Tasks	Baseline	Progress	