

Water Storage Investment Program Quarterly Report Template

The Quarterly Report is intended to document applicant’s 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 Name:	Sites Reservoir Project		
Applicant Name:	Sites Project Authority		
Date:	January 31, 2019	Reporting Period:	4th Quarter, 2018

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

- For the period starting October 1 through December 31, 2019, no significant issues occurred and there were no variances from the schedule provided in the prior quarterly report.
- On October 19, 2018, a “Presidential Memorandum on Promoting the Reliable Supply and Delivery of Water in the West” was released (Link: <https://www.whitehouse.gov/presidential-actions/presidential-memorandum-promoting-reliable-supply-delivery-water-west/>). Section 2(a) and (b) have the potential to accelerate the schedule related to completion of federal planning-level activities in accordance with applicable law. Obtaining concurrence from the state’s resource agencies to participate within a revised federal timeline will be important.

Prior to scheduling a hearing, the following items must be provided:

Description	Status	Estimated Completion Date	Percent Complete %
Contracts for non-public cost share	Currently, there are two types of participants: local agencies in the Sacramento Valley, San Joaquin Valley, Bay Area, and Southern California and the USBR. <u>Local Agencies:</u> Funding is occurring in phases that tie to key project development milestones. For 2019, new agreements are being executed with a March 31, 2019 deadline. In addition, the Authority is continuing to respond to requests to participate by other organizations.	June, 2019	50%

Prior to scheduling a hearing, the following items must be provided:			
Description	Status	Estimated Completion Date	Percent Complete %
	<u>USBR</u> : The Authority is working with the USBR to update the 2015 cost-share agreement for planning and preconstruction activities. This agreement is contemplated to extend through 2021; at which point a new agreement would likely be needed for construction activities.		
Contracts for administration of public benefits	Water Commission staff scheduled an initial meeting with the CA DWR, CA DFW, and SWRCB for 9:30 am on February 15, 2019.	Dec 2021	0%
Completed feasibility studies	Consistent with the WSIP application, the Authority plans to use the feasibility report being prepared by the USBR as the basis for determining the project's feasibility as a locally-sponsored storage project having federal participation. Work is progressing to revise the draft report, which was included in the WSIP application. A final report is expected to be available by June 2019. The Authority then plans to further advance the engineering designs before requesting the Water Commission consider the project's feasibility.	Dec 2020	80%
Final environmental documentation	Work to develop responses to comments has resumed. An updated schedule is being developed for the preparation of the Final EIR/S addressing the needs of federal agencies (including Reclamation, USACE, USFWS, NMFS) and the Authority.	Dec 2020	15%
All required federal, state, and local approvals, certifications, and agreements	<p><u>Federal</u>: The Authority and Reclamation staff continue to meet with federal regulatory agencies (including NMFS, USFWS and the USACE) and make progress toward development of the Biological Assessment and permit applications. To be consistent with the presidential memorandum, the Authority and Reclamation are also preparing a Biological Assessment for the Sites Reservoir Project, which is scheduled to be provided to NMFS and USFWS in the fall of 2019.</p> <p>The Authority (and Reclamation) is preparing the required CEQA/NEPA and permit applications for all field investigations and surveys needed to complete all feasibility studies, preliminary engineering and permit applications. These analyses should be available for public review by mid-year and include the results of coordination with NMFS and USFWS.</p> <p><u>State</u>: The Authority had a productive meeting with Division of Safety of Dams to discuss their review and approval process for each of the dams (main, saddle, and regulating) that will be under their jurisdiction. In addition, CA DFW has been invited to participate in meetings with federal resource agencies to specifically advance the design criteria that should be used for the</p>	Dec 2021	10%

Prior to scheduling a hearing, the following items must be provided:

Description	Status	Estimated Completion Date	Percent Complete %
	<p>proposed new point of diversion (aka Delevan inlet/outlet) and to develop appropriate operational criteria.</p> <p><u>Local:</u> The Authority staff have had several productive meetings with Colusa and Glenn County officials to define the needs of those counties and to define schedules for required permit applications and other community engagement activities.</p>		

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.

Applicant’s audited financial statements

An audit for fiscal year 2018 is planned to begin in March 2019 and a final audit for fiscal year 2019 is forecast to be complete by July 2020.

Final project costs, schedule, and scope of work

The Sites Authority approved a budget for 2019 at their November 2018 meeting. This approval includes descriptions of major activities, anticipated products and schedules. Further, the Authority has approved new contracts for project integration, project control, communications, real estate, and geotechnical engineering. The Authority has also initiated negotiations for new contracts for environmental analysis and permitting activities and operations simulation modeling. All contracts with task orders for 2019 activities are expected to be in place before April 1.

Evidence of bilateral communications

The Authority, Reclamation and the Department of Water Resources have participated in several productive meetings to further define the processes that will be used to cooperatively operate the Sites Project to serve the needs of California in a manner that is complimentary with the operation of both the Central Valley Project and the State Water Project. Tentative agreement is expected by mid-2019, which will then serve as the basis to develop the agreements and compliance requirements that are currently planned to be completed by June 2020.

Limited waiver of sovereign immunity (see regulations section 6013(f)(8)) **Not Applicable**

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.

Labor Compliance No change since last reporting period.

Urban Water Management Plans **Not applicable.**

Agricultural Water Management Plans **Not applicable.**

Groundwater Management or Groundwater Sustainability Plans **No change since last reporting period.**

Potential effect of other conditionally eligible projects on the applicant's public benefits **No change since last reporting period.**