

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:

July 23, 2021

Reporting Period:

Q2 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 Q2 2021.

- The Program team provided a Program Update and Request for Early Funding Presentation to the California Water Commission (CWC) on 4/21/21. The Early Funding request for \$14,375,625 (5% of MCED) was approved and the Program team is working with CWC staff to execute the agreement.
- The Program team continues to coordinate benefits contracting with state agencies for public benefits. The Program team met with CDFW staff via video conference on 6/23/21 to discuss benefit metrics and adaptive management planning. The Program team also set a meeting with SWRCB for 7/21/21. Additional meetings with CDFW and the SWRCB are anticipated in Q3 2021.
- The CEQA consultant has completed three supplemental CEQA documents and filed the Notice of Determinations: 1) Lateral Pipelines and On-Farm Connections Project – Initial Study Checklist; 2) EcoPlan & Wintertime Application Project – EIR Addendum; and 3) Groundwater Accounting Project – EIR Addendum. The fourth and final CEQA document, On-Farm Connections Vehicle Turnouts Project – EIR Addendum, is complete and will go to the Regional San Board for approval on 7/14/21.

- Environmental permitting work continues to make significant progress. The CDFW Lake and Streambed Alteration Agreement notification (application) was submitted to CDFW and deemed complete in June 2021, with CDFW projecting application review and draft agreement forthcoming on 8/2/21. The Aquatic Resources delineation was verified by U.S. Army Corps of Engineers in April 2021. The Aquatic Resources Impact Application package was submitted to the South Sacramento Conservation Agency (SSCA) in May 2021.
- All HCP- required special-status species surveys were completed by Q2 2021.
- The Program team continued to execute the landowner outreach plan for recycled water customers and Eco Plan partnerships. Over 32,650 AFY of agricultural demand is accounted for in the Letters of Intent received through 6/30/21. The Program team continues to engage with future recycled water customers to inform infrastructure needs and updated water demands and timing for each parcel.
- The Program team continued work on the development of the draft Ecological Plan in support of the public benefit targets, including identifying targeted parcels to support crane habitat, vernal pool complexes, and wetlands/riparian forests, as well as potential incentives for program participation.
- Regional San continued providing articles in the bi-monthly printed Sacramento County Farm Bureau (SCFB) newsletter, as well as the SCFB electronic news blasts during Q2 2021.
- In April 2021, the LAFCo Commission approved the annexation and sphere of influence amendment for the Harvest Water service area. The Certificate of Completion was filed on 6/2/21.
- The Program team continued work on the development of the Groundwater Accounting and Conjunctive Use Project with continued engagement with the Sacramento Central Groundwater Authority (SCGA). The Program team provided an update on Harvest Water to the Groundwater Sustainability Plan (GSP) Working Group to help inform the GSP under development for the South American Subbasin. The Program team also reviewed and provided comments on preliminary draft chapters of the GSP.
- A designer was selected for the Harvest Water Pump Station Project and contract negotiations are underway.
- A designer was selected for the Elk Grove Transmission Main and Franklin-Eschinger Pipeline Project and contract negotiations are underway.
- The Central/South and West Distribution Pipelines designer RFP was released on 5/17/21 and proposals were submitted 6/25/21 and are currently under review.
- 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 Q3 2021 with CDFW regarding adaptive management and benefit monitoring and with SWRCB regarding water quality benefit targets.

Estimated Completion Date: Q4 2021. However, this schedule will be revisited in Q3 2021.

Percent Complete: 0%

3. Completed feasibility studies:

Status: Final feasibility study complete. A Finding of Feasibility hearing by the CWC is anticipated 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 – 99% Estimated Completion Date: July 2021

Percent Complete: 99%

5. **All required federal, state, and local approvals, certifications, and agreements:** Status: See attached list of environmental permits and status.

Estimated Completion Date: Q4 2021. However, this schedule will be revisited in Q3 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 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. At this time, the Program budget has been refined to reflect an increase in the recycled water system infrastructure sizing to allow flexibility to meet instantaneous recycled water peak demands and to account for cost escalation since 2015.

As of March 2021, the current Program cost is estimated at approximately \$444M. The system is anticipated to be operational at the end of 2024 for recycled water delivery. 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 (2022).
- 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: The Sacramento Central Groundwater Authority (SCGA) is the Groundwater Sustainability Agency in the Harvest Water area. SCGA distributed the draft Groundwater Sustainability Plan (GSP) for review in June 2021 and is required to submit the final GSP to DWR by January 31, 2022. Regional San is a member of the SCGA Board of Directors and is actively coordinating with the agency.
- 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

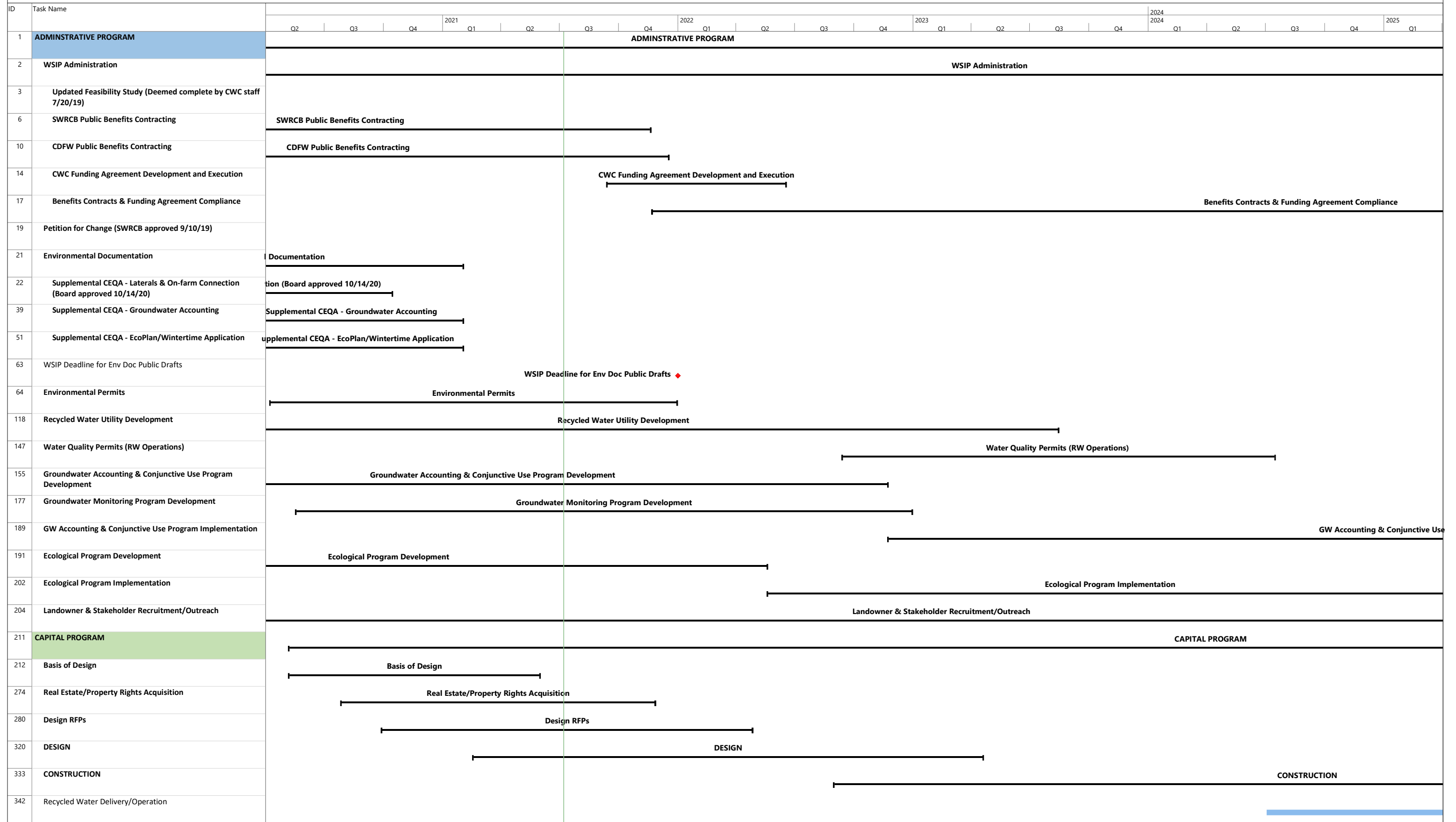
Regional San – Harvest Water: List of Permits for WSIP Quarterly Reporting

Permitting Agency	Permit	Estimated Completion Date ³	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	25%
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)	Q4 2021	40%
California Department of Fish and Wildlife (CDFW)	Lake and Streambed Alteration Agreement (for pipeline crossings of creeks)	Q3 2021	60%
U.S. Fish and Wildlife (USFWS)	Section 7 Consultation/Biological Opinions (for effects on Federally listed species) ^{1,2} Authorization through the SSHCP	Q3 2021	25% ^{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 Authorization through the SSHCP	Q3 2021	25% 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.	Q3 2021	25% ²
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.

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

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



Project: Harvest Water Date: Thu 7/8/21	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			