



Water Storage Investment Program Quarterly Report Template

The Quarterly Report is intended to document the 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:	Temperance Flat Reservoir (TFR) Project		
Applicant Name:	San Joaquin Valley Water Infrastructure Authority (SJVWIA) in coordination with the Temperance Flat Reservoir MOU Group and the Temperance Flat Reservoir JPA		
Date:	January 31, 2019	Reporting Period:	October 31, 2018 – January 31, 2019

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

On August 14, 2017, the San Joaquin Valley Water Infrastructure Authority (SJVWIA) submitted an application the California Water Commission (CWC) under the Water Storage Investment Program (WSIP) for the Temperance Flat Reservoir (TFR) Project. The TFR Project application is based on the physical facilities identified by the US Bureau of Reclamation (Reclamation) in the Upper San Joaquin River Basin 2014 Draft Feasibility Report and 2015 Draft EIS and an operating plan developed by a Technical Steering Committee comprised of the Friant Water Authority (FWA), the San Joaquin River Exchange Contractor Water Authority (SJRECWA) and the San Luis Delta-Mendota Canal Water Authority (SLDMWA), all of which are SJVWIA members. The TFR Project operating plan is significantly different than operating plans previously evaluated by Reclamation in the Draft Feasibility Report and the Draft EIS. It includes individual operating accounts for individual investors that, when combined, produce public benefits that were found eligible for WSIP funding and additional benefits that may also be eligible for Federal funding. Due to this fact, Reclamation is in the process of modifying and completing the Draft Feasibility Report in concert with the parties involved in the TFR Project

As noted in the TFR Project WSIP application, progress following application submittal is focused on defining non-public benefits for public agency water entities that would invest in the TFR Project and benefits that would be eligible for Federal funding consistent with Reclamation requirements. Considerable progress has been made in defining both non-Federal and Federal interest and requirements. Reclamation is continuing to evaluate the operating plan included in the WSIP application as a new alternative in the Feasibility Report and has identified key implementation requirements and strategies. This has involved extensive coordination with water users to verify that the project will provide operating flexibility to potential project investors while also assuring Federal benefits and the public benefits found to be conditionally eligible for WSIP funds by the CWC are provided. This process is also concurrently assessing the necessary components required for consideration under NEPA.

Concurrently, a group of water users is working under a Memorandum of Understanding (MOU) to evaluate potential interest in investing in the TFR Project. The 'MOU Group' is comprised of 25 Friant Division long-term contractors that hold 99 percent of Class 1 contracts and 100 percent of Class 2 contracts, the SJRECWA, the SLDMWA, and six CVP south-of-delta water service contractors in the San Joaquin Valley. Participants in this group have developed preliminary operating plans for the management of storage capacity in TFR they may obtain through their investment. The MOU Group has combined the individual operations into a single operating plan that provides more specificity to individual investors than the generalized operating plan included in the WSIP application. The initial combined operations did not reveal significant constraints or conflicts in ability to achieve the operational objectives of MOU Group members and is being reviewed to confirm WSIP eligible benefits are preserved. The results of these evaluations will support decisions by entities on their financial participation in the TFR Project.

The Temperance Flat Reservoir Joint Powers Authority (JPA) was formed in October 2018. TFR JPA membership includes entities that will invest directly in the TFR Project. The TFR JPA was formed to promote, develop, design, permit, finance, acquire, construct, manage, maintain, and operate a dam and reservoir at Temperance Flat. The initial membership will establish the initial framework for the TFR JPA and individual members will join as they determine their financial interest in the project.

The SJVWIA and TFR JPA coordinated extensively during the reporting period to assure that all responsibilities are understood and properly transferred. This has required sequential actions by the SJVIA and TFR JPA boards of directors. It is currently expected that all supporting paperwork to transfer the TFR Project WSIP Application to the TFR JPA will be completed in February 2019. This documentation will demonstrate the willingness of the SJVWIA and TFR JPA to transfer the application, the eligibility of the TFR JPA under WSIP requirements, and a resolution authorizing a TFR JPA representative to communicate with the CWC on behalf of the JPA. The documentation will be provided to Water Commission as soon as it is prepared so that the transfer can be finalized with the concurrence of the CWC.

Once the TFR Project WSIP application is transferred, the TFR JPA will work closely with CWC staff and Reclamation to develop a detailed schedule for completion of critical items required for WSIP funding. Accordingly, the dates provided in the following table should be considered interim and subject to revision.

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

Description	Status	Estimated Completion Date	Percent Complete %
Contracts for non-public cost share	As described above, the Temperance Flat Reservoir JPA has been formed to provide the mechanism to provide the non-public cost share for the TFR Project. The JPA will secure funding from project investor beneficiaries and will coordinate with Reclamation to determine the potential for Federal funding in support of federally-recognized benefits. This process is in the early phase of development and is estimated to be about 5 percent complete. It is expected that the JPA will have funding commitments determined by mid-2021.	Mid 2021	5%
Contracts for administration of public benefits	The JPA is scheduled to meet with CWC staff and administrative agencies in late February to initiate discussions regarding contracts for the administration of public benefits.	TBD	0%
Completed feasibility studies	Reclamation is currently preparing the Final Feasibility Report for the Upper San Joaquin River Basin Storage Investigation. The Feasibility Report will include a new alternative plan that based on the principles included in the operating plan provided in the WSIP application. This process has taken more time than originally anticipated and involves close coordination with the MOU Group and the TFR JPA. Reclamation anticipates completion of the Final Feasibility Report by mid-to late 2019. Reclamation is currently determining the extent of system-wide technical analyses that will be performed for the Final Feasibility Report and associated NEPA document.	Late 2019	95%
Final environmental documentation	<p>NEPA - Reclamation is preparing a Final Environmental Impact Statement (EIS) for the USJRBSI to provide NEPA compliance. The Final EIS will include an alternative plan based on the operating plan developed for the WSIP application. Reclamation is determining if a Supplement to the Draft EIS will be required before the final EIS is released.</p> <p>CEQA - The Temperance Flat Reservoir JPA will be the lead CEQA agency for preparation of an Environmental Impact Report (EIR). This work will begin shortly following the final formation of the JPA and will be based, in part, on information prepared for the NEPA document. Early in the preparation of the EIR, the JPA will coordinate with the CWC, CDFW, and CDWR to identify issues to be addressed in the EIR to meet the needs of the Responsible Agencies. The Temperance Flat Reservoir JPA expects this coordination, additional analyses, and release of Draft EIR will be completed by mid-2021. However, because the requirements of Responsible Agencies are not yet known, it is not possible to estimate the percent complete of the CEQA document.</p>	<p>NEPA Late 2019</p> <p>CEQA Mid 2021</p>	<p>90%</p> <p>Undetermined, pending requirements of Responsible Agencies</p>
All required federal, state, and local approvals, certifications, and agreements	The Temperance Flat Reservoir JPA will be the lead agency in seeking all federal, state, and local approvals, along with all certifications and agreements. Work on these items will begin after the final transition of authority from the SJVWIA to the TFR JPA.	TBD	TBD

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.

The Temperance Flat Reservoir JPA will execute the funding agreement for the project. Work on these items will begin after the final transition of authority from the SJVWIA to the TFR JPA.

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 project 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

The Temperance Flat Reservoir JPA will evaluate labor compliance requirements after the final transition of authority from the SJVWIA to the TFR JPA.

Urban Water Management Plans

Three entities represented by the Applicant and partners are required to submit UWMPs (City of Tracy, City of Fresno, and Santa Clara Valley Water District). All were submitted prior to August 14, 2017.

Agricultural Water Management Plans

A total of 27 entities represented by the Applicant and partners are required to submit AWMPs. The following changes in the status of AWMPs have occurred since August 14, 2017:

- AGMPs for Byron Bethany Irrigation District and Lindmore Irrigation District, which were identified as 'In Progress' at the time of submittal of the WSIP application, have been submitted to DWR.
- The AGMP for Panoche Water District, which was identified as 'Verified by Reclamation' at the time of submittal of the WSIP application, has been reviewed by DWR.

Groundwater Management or Groundwater Sustainability Plans

The TFR Project WSIP Application identified 30 Groundwater Sustainability Agencies (GSAs) within the area represented by the applicant member agencies and partners. The following status is based on information provided on the DWR SGMA Portal as of January 31, 2019

- Three GSAs provided Initial Notifications (INs) to DWR prior to August 14, 2017
- 24 GSAs submitted INs to DWR since August 14, 2017
- Three GSAs have not yet submitted INs.

Potential Effect of Other Conditionally Eligible Projects on the Applicant's Public Benefits

No changes have been identified