

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 30, 2023

Reporting Period:

Q4 2022

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 2022:

- **Early Funding:** Regional San has applied for and received four reimbursement checks between March and December 2022 for a total of approximately \$12.9 million. Regional San will submit the project completion report and all deliverables related to the early funding work in Q1 of 2023 in order to receive the final reimbursement check for the \$1.4 million held as retention.
- **WSIP Agreement Update:** The Program team continues to keep staff updated on Public Benefit contract progress and is coordinating with staff on the final funding agreement template.
- **Contracts for Administration of Public Benefits (CAPBs):** The Program team and state agencies increased their meeting frequency to continue developing the CAPBs with the goal of agreeing upon key draft agreement terms by February 2023. The Program team met with CDFW staff almost weekly during Q4 to continue to work through the Project's public ecosystem benefits, development of the CAPB, which includes the public ecosystem benefits Adaptive Management Plan. The Program team also met with SWRCB on the public water quality benefits CAPB and Adaptive Management Plan. Additional meetings with CDFW and the

SWRCB are anticipated through Q1 2023. Regional San anticipates the CAPBs will be presented by the state agencies to the CWC in March 2023.

- The Program team has completed all environmental documentation and related permits required for Harvest Water and has paid all associated fees.
- The Program team continued to develop the recycled water user service agreement template and recycled water rules and regulations. Over 42,200 AFY of agricultural water demand is accounted for in the Letters of Intent received through December 2022, which exceeds the Program demand goal.
- The Program team continued work on the development of the EcoPlan and the associated Adaptive Management Plan that will be included in the Public Benefit contract with CDFW.
- The Program team continued providing bi-monthly articles and electronic news blasts to the Sacramento County Farm Bureau and other interested parties during Q4 2022.
- The Program team continued work on the development of the Groundwater Accounting and Conjunctive Use Project, including developing a draft groundwater monitoring plan. Initial groundwater monitoring with the seven existing wells identified in the groundwater monitoring network took place in December 2022.
- Harvest Water Pumping Station – The Designer has completed their 60% design submittal and is developing the pump station physical model and their 100% design submittal to be submitted in April 2023.
- Elk Grove Transmission Main: The Designer has completed preparation of the 60% design drawings. The Designer is working with the City of Elk Grove and Regional San to address City comments and commence the 100% design submittal.
- Franklin/Eschinger Distribution Pipelines: The Designer is completing preparation of the 100% design submittal..
- Central/South Distribution Pipelines: The Designer is completing preparation of the 100% design submittal.
- West Distribution Pipelines: Concurrently with the Central/South Distribution Pipelines, the Designer is completing preparation of the 100% design submittal.
- On Farm Connection Assemblies:: The Designer has completed their 50% design drawings, which are currently under review by the C-PMO and Regional San staff. A 75% submittal is anticipated in March 2023.
- The Program team is actively reviewing and refining the Program budget, schedule, and scope on an on-going basis as planning and design continue. Project costs have increased significantly due to a variety of factors, with the most significant increases due to inflation and escalation of construction costs since 2015.

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 2023 to develop nearly final drafts by the end of February for the state agencies to bring to the CWC in March 2023.

Estimated Completion Date: Q1 2023

Percent Complete: 90%

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: All environmental permits are complete, including the Incidental Take Permit from the South Sacramento Conservation Agency (see attached permit table). All applicable fees have been paid.

Estimated Completion Date: Q1 2022

Percent Complete: 100%

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.

The only significant change that has occurred from the previous reporting period is the total anticipated project cost (see detail below).

- Audited Financial Statements: Regional San's Comprehensive Annual Financial Reports for 2022 and 2021 Fiscal Years are 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 cost is now estimated at approximately \$585M, an increase from the previous estimate of \$444M. Project costs have increased significantly due to a variety of factors, with the most significant increases due to inflation and

escalation of construction costs since initial cost estimates developed in 2015 dollars. The Program is anticipated to make 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

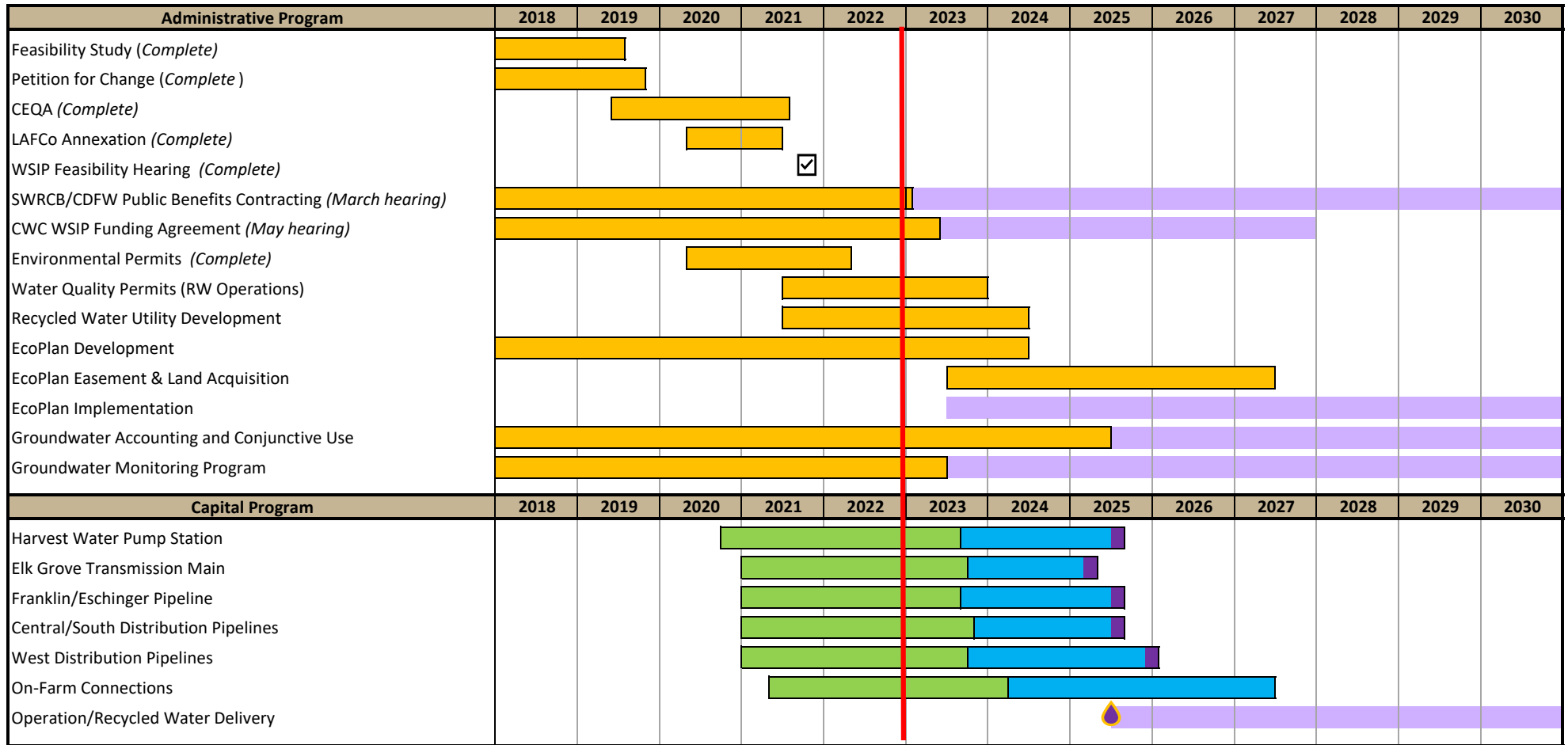
Regional San – Harvest Water: List of Permits for WSIP Quarterly Reporting

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	100%
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	100% 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	100% 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