

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:

Sites Reservoir Project

Applicant Name:

Sites Project Authority (Authority)

Date:

October 30, 2019

Reporting Period:

July 1, 2019 through September 30, 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:

No significant issues occurred and there were no variances from the schedule. Work continues to progress in the key areas related to the project's operations and benefits to the local, state, and federal participants, environmental analyses and documentation, certifications and agreements, engineering, economics, financing, risk management, and landowner and community outreach. Refer to Attachment A for additional information.

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: Multiple agreements are planned. Refer to Attachment A
Estimated Completion Date: December 2021
Percent Complete: 20%

2. Contracts for administration of public benefits:

Status: Starting. Refer to Attachment A
Estimated Completion Date: December 2021
Percent Complete: 0%

3. Completed feasibility studies:

Status: In Progress. Refer to Attachment A
Estimated Completion Date: June 2021
Percent Complete: 50%

4. Final environmental documentation:

Status: In Progress. Refer to Attachment A
Estimated Completion Date: December 2020
Percent Complete: 20%

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

Status: In Progress. Refer to Attachment A
Estimated Completion Date: December 2021
Percent Complete: 5%

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.

- Applicant’s Audited Financial Statements: An audit for Fiscal Year 2018 was completed in July 2019.
- Final Project Costs, Schedule, and Scope of Work: No change since last reporting period.
- Evidence of Bilateral Communications: The Authority, Bureau of Reclamation (Reclamation) and Department of Water Resources (DWR) continue to maintain effective communication and collaboration. DWR and Reclamation are active in the Authority’s Reservoir Operations Work Group. Additionally, the Authority and Reclamation participate in regular Project Integration meetings, Federal Feasibility Study meetings engineering/geotechnical coordination meetings, and environmental coordination meetings.
- Limited Waiver of Sovereign Immunity: 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.

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|--|---------------------------------------|
| ▪ 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 |

Attachment A: Supplement for Reporting Period Ending September 30, 2019



1.0 Items Required Prior to Scheduling a Final Award Hearing

1) Contracts for non-public cost share (ongoing)

Based on the following, the estimated completion date is December 2021 and the estimated percent complete is approximately 20%.

Local Project Participants (Participants): The original participation agreements were signed in 2016 and were replaced with a new agreement effective April 1, 2019. The Authority is working with the Participants to extend the current agreement through at least June 2020. For post-planning activities, a successor agreement is contemplated.

Signed Amendment:

- Estimated Completion Date: June 30, 2020
- Percent Complete: 70%

Successor Participation Agreement Signed:

- Estimated Completion Date: December 2021
- Percent Complete: 0%

Reclamation: The Authority and Reclamation are updating the existing cost share agreement (2015) for continued planning and pre-construction activities. This first amendment will extend the term for 5 additional years from the date it is signed. In addition, the Authority is working with Reclamation on a financial assistance agreement to support the completion of the planning phase. A new agreement may be needed for post-planning activities.

Signed Cost Share Amendment:

- Estimated Completion Date: November 2019
- Percent Complete: 90%

Financial Assistance Agreement:

- Estimated Award Date: August 2020
- Percent Complete: 5%

Funding Agreement:

- Estimated Completion Date: December 2021
- Percent Complete: 0%

2) Contracts for administration of public benefits (ongoing)

Based on the following, the estimated completion date is December 2021 and the estimated percent complete is approximately 0%.

State of California (WSIP): The Authority and the California Department of Fish and Wildlife (CDFW) are conducting focused discussions on the state permit application processes (refer to item #5).

- o Estimated Completion Date: December 2021
- o Percent Complete: 0%

Federal (Reclamation), Non-WSIP: The Authority continues to work with Reclamation through the development of a Reclamation compliant feasibility report, to identify additional public benefits (refer to item #3)

3) Completed Feasibility Studies (ongoing)

Based on the following, the estimated completion date is December 2021 and the estimated percent complete is approximately 50%.

The Authority and Reclamation continue to update and refine the draft Feasibility Report from the version that was included as an attachment to the Authority's WSIP application. Updated analysis includes the project's feasibility as a locally sponsored storage project in compliance with WSIP requirements and the level of federal participation, which requires compliance with Reclamation's requirements. Efforts continue to improve the project's cost-effectiveness and risk management. Also, analysis is underway to evaluate the potential for phased implementation. The Authority plans to further advance the engineering, environmental, economic and financial analysis before requesting the Water Commission consider the project's feasibility.

Reclamation Compliant Feasibility Studies:

- o Estimated Completion Date: December 2020
- o Percent Complete: 70%

WSIP Compliant Feasibility Studies:

- o Estimated Completion Date: June 2021
- o Percent Complete: 35%

The Authority and Reclamation plan to start focused geotechnical investigations to support additional design, initial permit applications and refinement of the cost estimate. Reclamation and the Authority have been preparing a work plan, are completing environmental documentation, preparing permit applications (refer to item #5), and developing both monitoring and health and safety protocols to support these focused geotechnical investigations.

Focused Geotechnical Investigations - Field Work:

- o Estimated Start Date: October 2019
- o Estimated Completion Date: December 2019
- o Percent Complete: 0%

Environmental, Permitting, and Monitoring Support: Refer to item #5

4) **Final Environmental Documentation (ongoing)**

Based on the following, the estimated completion date is December 2020 and the estimated percent complete is approximately 20%.

The Authority, as the state lead agency, and Reclamation, as the federal lead agency, continue to perform additional environmental analysis to support the development of a Final Environmental Impact Report / Environmental Impact Statement (EIR/EIS). Current work focuses on developing responses to comments received on the Draft EIR/EIS. Comments have been reviewed, categorized and initial responses to individual comments have been completed. Also, a number of master responses to comments have been developed. Preparation of the remaining sections of the Final EIR/EIS, including minor edits and updates to the Draft EIR/EIS, has also begun.

Draft EIR/EIS:

- o Estimated Completion Date: August 2017
- o Percent Complete: 100%

Final EIR/EIS:

- o Estimated Completion Date: December 2020
- o Final EIR/EIS, Percent Complete: 20%

5) **All required federal, state, and local approvals, certifications, and agreements (ongoing)**

Based on the following, the estimated completion date is December 2021 and the estimated percent complete is approximately 5%.

Federal: The Authority and Reclamation continue to prepare the draft Biological Assessment in compliance with the Federal Endangered Species Act and the draft Programmatic Agreement in compliance with the National Historic Preservation Act. Throughout this time period, the Authority and Reclamation met several times with the U.S. Fish and Wildlife Service (USFWS) to discuss approach to the Biological Assessment. The schedule for the Biological Assessment has been extended to allow for additional analysis and discussion with USFWS and the National Marine Fisheries Service (NMFS).

- o Estimated Completion Date: December 2021
- o Percent Complete: 14%

State of California: The Authority continues to have productive meetings with CDFW to discuss the project, the permit application process, and supporting information to include the permit applications. These meetings are expected to continue over the next few months.

- Estimated Completion Date: December 2021
- Percent Complete: 7%

Local: To allow Reclamation to perform focused geotechnical investigations, the Authority has been assisted Reclamation to obtain encroachment permits from Colusa County, Maxwell ID, and GCID and, where applicable, access agreement with landowners.

Focused Geotechnical Investigations (refer to item #3): The Authority and Reclamation continue to advance the environmental documentation for the focused geotechnical investigations. A Biological Opinion for the geotechnical investigations was received from the USFWS on September 30, 2019 and the National Historic Preservation Act, Section 106 consultation with the State Historic Preservation Office was completed on September 26, 2019. In addition, Reclamation signed a Categorical Exclusion on September 30, 2019. The focused geotechnical investigations are being undertaken and funded by Reclamation.

Environmental, Permitting, and Monitoring Support to Focused Geotechnical Investigations:

- Estimated Completion Date: December 2019
- Percent Complete: 50%