

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:

Temperance Flat Reservoir Project

Applicant Name:

Temperance Flat Reservoir Authority

Date:

January 31, 2020

Reporting Period:

November 1, 2019 - December 31, 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:

The Temperance Flat Reservoir Authority (TFRA) held one Board meeting during the fourth quarter of 2019 due to scheduling conflicts and the holidays. During that one board meeting however, the TFRA accomplished a great deal of progress. The TFRA reviewed, discussed, and approved, by unanimous vote, a set of Temperance Flat Operating Principles. The Operating Principles are intended to be common ideas that will guide the development and construction of the Temperance Flat Reservoir, however they do not represent and operating plan for the reservoir.

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: The TFRA has now adopted the Operating Principles for the Temperance Flat Reservoir projects. The Operating Principles will be used to guide the establishment of future activities of the TFRA including

agreements, an operations plan, acceptance of new members to the TFRA, and the construction of the Temperance Flat Reservoir. With the Operating Principles now in place, the TFRA is in the process of pursuing membership of investors that wish to reserve storage space in Temperant Flat Reservoir.

On a separate track, a group of potential investors, under a Memorandum of Understanding (MOU Group) have been pursuing and evaluation of the potential benefits of storage space in Temperance Flat Reservoir. Individual assessments were made via a customized gaming tool that took into account individual preferences for operating storage space. The analysis, findings and a technical memorandum were developed and presented to the MOU Group in Novembe 2019 as draft findings. The technical consultant Stantec received feedback from the MOU Group and has been incorporating the feedback into the tehcnical memorandum.

Estimated Completion Date: January 1, 2022

Percent Complete: 10%

2. Contracts for administration of public benefits:

Status: TFRA Staff was unable to meet with the Department of Water Resourced (DWR) or the California Department of Fish and Wildlife to continue discussions on public benefits during the fourth quarter of 2019. However, TFRA staff has continued to work on information and data to support the discussions with the two agencies. Specifically, the TFRA staff has looked at local projects that could be used as models to help assist with identifying the benefits associated with refuge water supply deliveries.

Estimated Completion Date: After Final CEQA document is complete

Percent Complete: 4%

3. Completed feasibility studies:

Status: Reclamation is preparing the Final Feasibility Report for the USJRBSI. The Feasibility Report will include a new alternative plan based on the principles included in the operating plan provided in the WSIP application. Reclamation's decision on the operating plan to be evaluated in the Final FR has taken more time than originally anticipated and involves close coordination with the MOU Group and the TFRA. Reclamation anticipates completion of the Final Feasibility Report in Fall 2020.

Estimated Completion Date: Late 2020

Percent Complete: 90%

4. Final environmental documentation:

Status: NEPA - Reclamation is preparing a Final Environmental Impact Statement (EIS) for the USJRBSI. The Final EIS will include an alternative plan that reflects the operational objectives presented in the WSIP application. Final EIS projected for Late 2020.

CEQA - The TFRA will be the lead CEQA agency for the preparation of an Environmental Impact Report (EIR). This work be based, in part, on information prepared for the NEPA document. Early in the preparation of the EIR, the TFRA will coordinate with the CWC, CDFW, and CDWR to identify issues to be addressed in the EIR to support it use by Responsible Agencies. The TFRA expects this coordination, additional analyses, and release of Draft EIR will be completed by late-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 with certainty.

Estimated Completion Date: Draft EIR in late 2021

Percent Complete: Approx. 50% due to NEPA status

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

Status: The TFRA will be the lead agency in seeking all federal, state, and local approvals, along with all certifications and agreements. A partial inventory of required approvals, certifications, and agreements was prepared as part of the NEPA process. This list will be expanded as needed and a schedule for completion will be developed in early- to mid- 2020. Work on these items has not been initiated.

Estimated Completion Date: After January 1, 2022

Percent Complete: 2%

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.

There has been no change in these items since the last report.

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.

There has been no change in these items since the last report.