

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:

April 30, 2020

Reporting Period:

January 1, 2020 - March 31, 2020

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 of Directors meeting during the first quarter of 2020 on February 26, 2020. The January TFRA Board meeting was canceled due to the lack of information to be provided to the TFRA Board. The March TFRA Board meeting was canceled due to the concerns of COVID-19 and the inability to identify a suitable location or fashion that could accommodate Social Distancing.

Notable progress in the first quarter of 2020 included receiving presentations on the results of a two-year collaborative effort among CVP Friant Division and CVP South of Delta (SOD) contractors on the operation of user-specified storage accounts in Temperance Flat Reservoir. These evaluations demonstrated the value of Temperance Flat Reservoir for the coordinated management of CVP Friant Division water supplies, in coordination with local surface water and groundwater supplies and CVP SOD water supplies for many participants. The findings from this collaborative process acknowledge uncertainty about how water users in the San Joaquin Valley will respond to groundwater pumping reductions that will result from implementation of the Sustainable Groundwater Management Act (SGMA), and consequently is not possible at this time to develop a long-term operating plan. The TFRA determined that the lack of a fully developed operations plan

limits the ability of the TFRA and the Bureau of Reclamation to conduct the economic evaluations needed to determine a final cost/benefit ratio.

The TFRA coordinated with the Bureau of Reclamation on the Upper San Joaquin River Basin Storage Investigation (USJRBSI) Feasibility Study, which culminated in the submission of a letter from the TFRA requesting that Reclamation place the feasibility study in a "Deferral" status. The TFRA is preparing a Workplan, which will be submitted to the Bureau of Reclamation, that will describe the process to establish the necessary Operations Plan needed to complete the Feasibility Study.

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 continues to work to pursue the participation of potential investors in the Temperance Flat Reservoir Project.

Separate from the TFRA, a group of potential investors comprising CVP contractors under a Memorandum of Understanding (MOU Group), have been evaluating the potential benefits of storage space in the Temperance Flat Reservoir. Participants in the process were delivered the results of the work and are now internally discussing the Temperance Flat Reservoir project and the potential for future investment in the project and the subsequent benefits. The MOU Group members can now evaluate their potential to continue participating in the Temperance Flat Reservoir project and joining the TFRA.

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 Resources (DWR) or the California Department of Fish and Wildlife to continue discussions on public benefits during the first quarter of 2020. 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: In March 2020, the TFRA requested that the Bureau of Reclamation put the USJRBSI Feasibility Study in a "Deferral" status so that the TFRA can establish a workplan to provide the necessary information, including an Operational Plan for the Temperance Flat Reservoir, which will allow the Feasibility Study to proceed to finalization. The TFRA acknowledges that this process has been delayed and is now projecting a further delay, however the establishment of an Operational Plan is critical to the success of this project.

Estimated Completion Date: Late 2021

Percent Complete: 80%

4. Final environmental documentation:

Status: NEPA - Reclamation was in the process of preparing a Final Environmental Impact Statement (EIS)

for the USJRBSI. However, with the request to place the USJRBSI Feasibility Study into "Deferral" status, the TFRA anticipates that the NEPA process, including the EIS will be postponed.

CEQA - The TFRA will be the lead CEQA agency for the preparation of an Environmental Impact Report (EIR). This work will 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 its use by Responsible Agencies. 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 mid- to late-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