



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:	Temperance Flat Reservoir Authority		
Date:	July 31, 2019	Reporting Period:	May 1, 2019 – July 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.

As described in Quarterly Report #3 (February 1 through May 31, 2019 reporting period), the Water Storage Investment Program (WSIP) application for the Temperance Flat Reservoir (TFR) Project was formally transferred from the San Joaquin Valley Water Infrastructure Authority (SJVWIA) to the Temperance Flat Reservoir Authority (TFRA). CWC staff confirmed on March 13, 2019 that all required paperwork to support the transfer had been received and that the TFRA is now recognized as the TFR Project Applicant. The SJVWIA will continue its role in the TFR Project as a member of the TFRA.

The Temperance Flat Reservoir Authority (TFRA) was formed as a joint powers authority in October 2018. The TFRA membership includes entities with an interest in continued development of and investment in the TFR Project. The TFRA was formed to promote, develop, design, permit, finance, acquire, construct, manage, maintain, and operate a dam and reservoir at Temperance Flat. The initial membership is establishing the framework for the TFRA; additional members will join as they determine their financial interest in the project. Current members of the TFRA include the Friant Water Authority (FWA), the City of Fresno, and the San Joaquin River Exchange Contractor Water Authority (SJRECWA). Westlands Water District is planning to join the TFRA and the San Luis and Delta-Mendota Water Authority is evaluating their interest through coordination with their members. The TFRA is in the process of developing a set of principles and guidelines to address participation requirements and assure fairness to existing water users and project investors. The principles and guidelines are expected to be completed in November, 2019, after which time additional members will be afforded the opportunity to join the TFRA.

The TFR Project WSIP 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 FWA, SJRECWA and SLDMWA. 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. Now that the WSIP application has been transferred, the TFRA has begun coordination with Reclamation to define the role of the TFRA in the ongoing Federal Feasibility Study. The TFRA intends to enter into an MOU with Reclamation as a non-Federal partner. The TFRA has also initiated planning to identify, schedule and budget tasks for the continued development of the TFR project. A detailed schedule is currently under development. Accordingly, the dates provided in the following table should be considered interim and subject to revision.

Currently, a group of water users, working under a Memorandum of Understanding (MOU) (the MOU Group) is completing their evaluation of potential interest in investing in the TFR Project and prepare a summary report. MOU Group participants developed preliminary operating plans for the management of storage capacity in TFR to evaluate their potential interest in the TFR Project

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

Description	Status	Estimated Completion Date	Percent Complete %
Contracts for non-public cost share	The TFRA was formed to provide for the non-public cost share for the TFR Project and to enter into contracts with the State of California for the provision of public benefits funded through WSIP. The TFRA will secure funding from public agency 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 TFRA will have funding commitments determined by mid-2021.	Mid 2021	5%
Contracts for administration of public benefits	<p>The TFRA held two meetings with CWC and administrative agency staff during the Reporting Period to initiate discussion about contract for administration of public benefits.</p> <ul style="list-style-type: none"> • May 14, 2019, tour of the TFR Project for CWC, DWR, and CA DFW staff. The tour included an overview of Millerton Lake operations and the Friant Division, the location and facilities of the TFR Project, and how TFR Project operations would provide public and non-public benefits. • July 30, 2019, TFRA staff and consultants met with CWC, DWR and CDFW staff to discuss project operations. The meeting focused on a demonstration of the gaming tool that was used to prepare the WSIP Application and subsequently refined to support individual investor evaluations through the MOU Group. Follow on meetings will be held to discuss the overall form of agreement for the management of Level 4 Refuge Water Supplies, and for the provision of flood control and emergency response benefits. 	TBD	2%
Completed feasibility studies	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 plant 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.	2020	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 that includes the operational objectives presented in the WSIP application.</p> <p>CEQA - The TFRA will be the lead CEQA agency for the preparation of an Environmental Impact Report (EIR). This work will begin shortly and 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 meet the needs of the Responsible Agencies. The TFRA 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 Fall 2020</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 TFRA will be the lead agency in seeking all federal, state, and local approvals, along with all certifications and agreements. Work on these items has not been initiated.	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 TFRA will execute the funding agreement for the project. Work on these items has not been initiated.

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 TFRA will evaluate labor compliance requirements in coordination with Reclamation. It has not yet been determined if project construction will be led Reclamation or the TFRA.

Urban Water Management Plans

No revisions since January 31, 2019 quarterly report.

Agricultural Water Management Plans

No revisions since January 31, 2019 quarterly report.

Groundwater Management or Groundwater Sustainability Plans

No revisions since January 31, 2019 quarterly report.

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

None identified to date.