

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:

Willow Springs Water Bank Conjunctive Use Project

Applicant Name:

Southern California Water Bank Authority

Date:

2/1/2021

Reporting Period:

2021 Quarter 1

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:

See attached

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: In Progress

Estimated Completion Date: November 2021

Percent Complete: 50%

2. **Contracts for administration of public benefits:**

Status: In Progress

Estimated Completion Date: 2024

Percent Complete: 20%

3. Completed feasibility studies:

Status: Awaiting Finalization of Early Funding to Complete Feasibility Work

Estimated Completion Date: October 2021

Percent Complete: 75%

4. Final environmental documentation:

Status: Complete

Estimated Completion Date: Complete

Percent Complete: 100%

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

Status: In Progress

Estimated Completion Date: 2022

Percent Complete: 50%

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.

Cost, schedule and scope of work are still relevant from original submittal. See attached documentation for narrative update.

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.

See attached supporting documentation

2021

Progress Report: Willow Springs Water Bank Conjunctive Use Project



Mark Beuhler

WSWB General Manager

2/1/2021

General Update and Key Issues

This Narrative provides supplementary context to the quarterly report template provided by the California Water Commission (CWC) and staff for the 2021 Quarter 1 Progress Report and reflects works completed in Quarter 4 of 2020. This Narrative is intended to update the CWC on new developments over the past few months that could impact Willow Springs Water Bank (WSWB) and its development. Primary developments to the project included the successful increase in Maximum Conditional Eligibility Determination (MCED) from \$95,405,999 to \$126,372,250, development of support letters for staff recommendations, working towards finalization of early-funding agreement, continued discussions with WSWB partners, positive progress towards an agreement with a State Water Project Contractor, and continued coordination with DWR Operations and other proposed pulse flow projects.

Early Funding Contracting

On August 31, 2020 the CWC and Office of Administrative Law (OAL) approved emergency regulations for the California Proposition 1 WSIP. These emergency regulations were aimed at mitigating the impacts of the Covid-19 pandemic on projects that had successfully received a MCED from the CWC. WSWB received an MCED of \$95,405,999 (now \$126,372,250). The emergency regulations allow for applicants that did not previously request early funding to request up to 5% of their MCED (\$4,770,300) in early funding from the CWC to support tasks reasonably related to obtaining permits and environmental documentation. An implementation risk score of 7 or higher was mandated for eligibility. WSWB received an implementation risk of 10 to meet this requirement.

Section 6010(c) of the California Proposition 1 WSIP lists the items to be submitted for the early funding request and includes a scope of work, schedule, and budget. The request should include an introductory paragraph that describes the financial need for the funding including an explanation of why the funding is critical to the project; viability of the project in the absence of the funding; and how the project will proceed once early funding is expended. These materials were submitted to the CWC and were presented during the October 2020 monthly meeting. Commissioners unanimously approved the request for the full 5% or \$4,770,300. The request outlined eligible sunk costs future planning tasks aimed at meeting all eligibility requirements of the WSIP.

WSWB has been diligently working with CWC staff to finalize the contracting to secure this early funding. A suite of state forms has been submitted along with a draft contract, scope, schedule and budget for review by legal counsel. It is anticipated that funding will be secured in Quarter 1 of 2021 with scoped work to immediately begin in earnest.

Joint Pulse Flow Meetings

WSWB continues to attend monthly joint coordination meetings with DWR Operations, California Department of Fish and Wildlife (CDFW) leadership and representatives from the Chino Basin Program and the Kern Fan Groundwater Storage Project. These three projects have all proposed pulse flows to the Feather River in order to achieve the environmental benefits described throughout the WSIP Application process. This is viewed as an important step towards developing agreements with both DWR and CDFW for providing the environmental benefits of the project. Meetings have been focused on contract mechanisms, operational constraints, and a proposed process for how and when CDFW can call upon making pulse flow releases. WSWB is also in the process of vetting operations for the predelivery of water from San Luis Reservoir with DWR Operations.

Increased MCED

At the January 20, 2021 monthly CWC meeting WSWB was successfully awarded the remainder of its MCED along with a 2.5% inflationary increase. During this period WSWB met with CWC staff to discuss the impacts of delayed decision making and provided a letter to support the staff recommendations. This resulted in an allocated MCED increase from \$95,405,999 to \$126,372,250. This increase in MCED will allow for the immediate progression of negotiations with a State Water Project Contractor and will greatly streamline the planning process by reducing the alternatives and variables needing to be considered.

Priorities and Next Steps

WSWB is currently working with CWC staff to enter into a funding agreement to begin the use of awarded early funds. WSWB has a previously identified work team that is ready to immediately conduct the necessary permitting, planning and technical studies necessary to meet the aggressive project and statutory deadlines.

Recharge capacity is the initial priority for facilities. The bank needs to catch the next wet cycle and put it into the ground.

Bringing well capacity online early is not as urgent as providing recharge capability because water cannot be extracted from the bank until it is recharged. Much like a surface reservoir, water cannot be taken out of storage in WSWB until it is banked. The AV Watermaster enforces this requirement. Unless an agreement to borrow groundwater can be developed, water must be stored before it can be extracted.

Agreements are needed with DWR, USBR, and the SWP contractors to initiate pre-delivery of water from San Luis Reservoir into WSWB. The impacted parties must be convinced that there will be no negative impact on them due to the pre-delivery of water. An investigative study was recently completed that describes potential approaches, mechanisms and contracts needed to conduct this pre delivery and can be shared with CWC staff and agencies during future collaborations.

Items Required to Execute a Funding Agreement

The original EIR was prepared and filed with the state clearinghouse in 2006. It was implemented via a 2008 Memorandum of Understanding with Kern County.

An EIR Addendum was started in July of 2017. It was finalized in August 2018 and has been filed with the state clearinghouse. A copy of the Addendum and Appendices are available on request. The 2018 Addendum enhances the amount of storage that WSWB will add to California's storage portfolio by increasing volume from 0.50 to 1.00 MAF. The Addendum also reduces the impact of the project on the environment by altering the alignment of the recharge pipe slightly to avoid Sensitive Environmental Areas (SEAs) that contain Joshua Trees. Additionally, the Addendum enables the full put and take capacity planned for WSWB.

Additional CEQA and potentially NEPA work in conjunction with the Water Commission staff will be needed. Pulse flow operations and capturing unallocated surplus SWP water may need to be vetted under CEQA and other regulatory agencies. It is unclear at this point who will be the responsible party for development of these documents and look forward to coordinating these efforts with CWC and staff. The form and extent of required CEQA documentation has not been determined yet. It may also be coordinated with NEPA documents being prepared by FEMA. It is envisioned that these items will be

collaboratively addressed during the development of adaptive management plans, agreements and eventually contracting. Process and progress on these documents will be described in future quarterly reports.

A final feasibility study will begin as soon as the early funding contracting is complete. It is expected that this study will be completed by October, 2021 in order to meet the statutory requirements of the program.

Status Update

Considerable feasibility planning for the new facilities has already been completed. Past studies include the following:

- 2005 initial feasibility study prepared for the 2006 EIR (by Western Development and Storage)
- 2011 master plan for site buildout (by GEI)
- 2014 groundwater model (by HDR)
- 2016 master plan update (by GEI)

Additional planning and final feasibility study are needed to start design/build process. Design/build enables a rapid online date. It also controls the risk of cost overruns with the use of a Guaranteed Maximum Price type of contract. This will reduce project risk. It is assumed that 20% to 30% of design will need to be complete before the design/ build process can proceed.

Schedule Update

WSWB recharge capability is targeted to be online in 2024. The existing AVEK West Feeder already connects to the WSWB percolation ponds and can be used for recharge under a 2012 Agreement with AVEK and can occur immediately. Also, the pipe planned for construction using FEMA money enables additional recharge. Both pipes represent a backup plan to make sure recharge operations can begin in 2024.

Well drilling will be phased to optimize production and recognize local drilling limitations. Drilling too many wells too fast can result in poor per well production, poor water quality, or both. This will be detailed in a formal operations and startup plan, which is under development.

Early start storage can also be used to provide new carryover and emergency storage for the state. This will be part of ongoing discussions with various state agencies.

Figure 1. WSWB Potential Construction Schedule

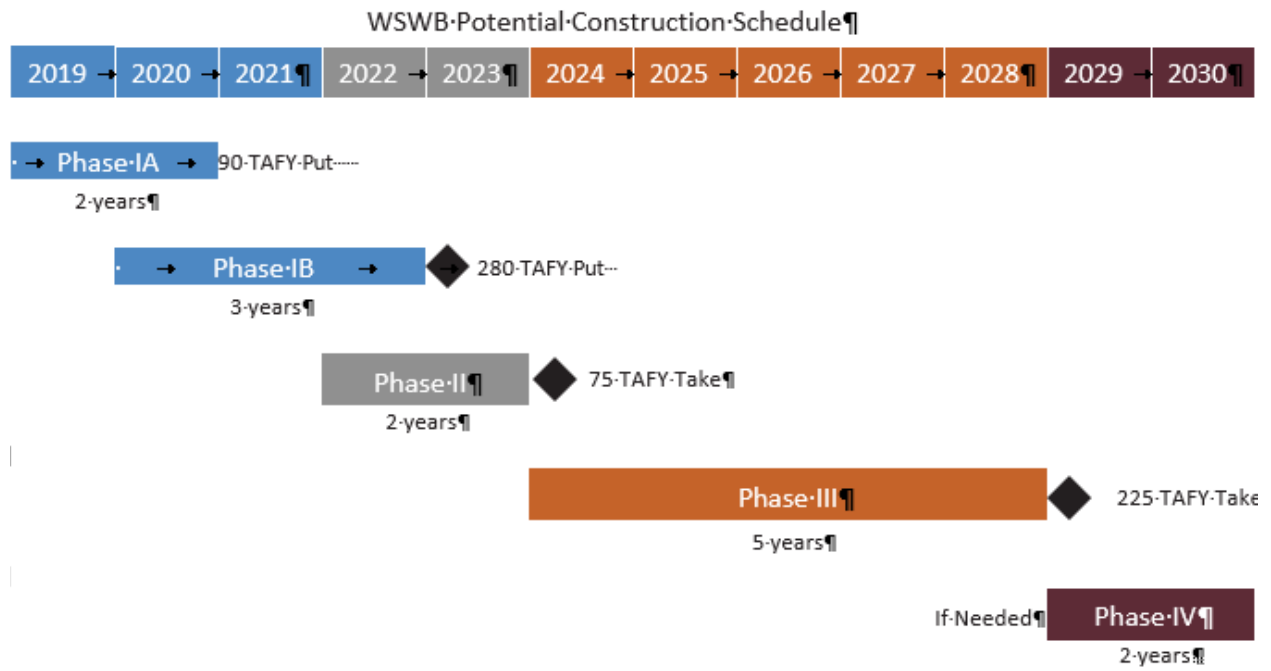


Table 1. WSWB Phasing and Capital Cost

WSWB Phasing and Capital Cost					
Phase	Major Facilities	Year Online	Put (cfs)	Take (cfs)	\$M
Existing	AVEK West Feeder, 320 acres of ponds, 7 irrigation wells	Now	100	14	0
IA	FEMA-I: 48" pipe, 50cfs from well equipping	2020	225	50	16
IB	Recharge pipe, remainder of percolation ponds	2022	385	50	94
II	16 new wells, 150cfs lift station (60% of 250cfs)	2024	385	106	67
III	60 new wells, full lift station, substation, and pipes	2028	385	310	129
All					306