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25 COUNTY CENTER DRIVE, SUITE 200 - OROVILLE, CALIFORNIA 95965
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April 26, 2016

Chairman Joseph Byrne and Members
California Water Commission
P.O. Box 942836
Sacramento, CA 94235-001

In Re: Prop 1 Funding for Sites Reservoir

Dear Chairman Byrne and Members:

It is the County's understanding that the California Water Commission will be overseeing the disbursement of funding from Chapter 8 of Proposition 1- the Water Quality, Supply and Infrastructure Act of 2014 (Prop 1), which is related to the public benefit portion of potential water storage projects. Although the deadline for comments to your Commission on funding recommendation has lapsed, this letter is to encourage you to support and allocate Prop 1 monies to fund the public benefit component of the Sites Reservoir project to further identify the footprint and operation of the project.

Beginning in 2014, a subcommittee of the Butte County Water Commission has worked in cooperation with the Sites Joint Powers Authority (JPA) to investigate this project and has also toured the project site. The County is in agreement with the JPA that Sites as currently presented would meet multiple objectives, such as increased water supply reliability and ecosystem improvements. This project could also increase flexibility within the overall water distribution system for the State thereby helping to improve water quality within the Delta, while also providing additional water to increase fish survival rates. Additionally, as the 2014 Groundwater Sustainability Act becomes a larger discussion in the water-supply equation, this project could assist in alleviating the ever-increasing pressure on our regional groundwater resources.

Although many potential benefits to the Sacramento Valley and the entire state have been identified through this process, Butte County still has some questions regarding the actual operation of the project and how it will impact local water rights and groundwater supplies. Some local financing for the project has been secured, but the County supports the identification of ownership, management, and beneficiaries for the entire project prior to construction. Finally, another concern is how this project may seek to provide enhanced environmental benefits to the Delta, while potentially degrading the environment of the Sacramento Valley.

The majority of citizens within California voted in favor of Prop 1 in 2014. We believe that the core issue in the minds of local voters in supporting Prop 1 was increased storage north of the

Delta, which is vital to both the economy and environment of this region. As described in current documents released by the JPA, Sites Reservoir is a comprehensive project that will add new water to the system while also meeting ecological goals and other public benefits locally as well as statewide. In spite of this, we would like more information about potential impacts within the Sacramento Valley.

Therefore we feel that it is appropriate to direct Prop 1 funding toward further investigation of Sites Reservoir, We anticipate that this would include a comprehensive evaluation under the California Environmental Quality Act (CEQA). We believe that a robust environmental review process under CEQA is critical to help to identify any potential negative and/or positive impacts to the Sacramento Valley. Therefore, we support use of Prop 1 monies for the Sites Reservoir project, and look forward to the completion of the CEQA review. We anticipate that this public process will provide an open forum for discussion and submission of the concerns illuminated by Butte County as reiterated below.

- Safeguards need to be incorporated into the operation and management of the project to protect the current water rights system and all water users within the Sacramento Valley;
- The project should be built to provide appropriate flexibility for local users as well as the consideration of the needs of the Delta
- Although some financing has been identified at the local level, financing needs to be secured for the entire project prior to construction;
- Ownership, management and beneficiaries need to be clearly identified and solidified with continued local control through the JPA; and
- Environmental benefits for any future projects should not degrade water rights or the environment of the Sacramento Valley;
- Discussion should include an analysis of the impacts to the Sacramento Valley, including Butte County.

The Sites JPA and other stakeholders within this region have invested countless hours toward the development and refinement of this project at the local level. However, they need funding assistance to complete their job. If constructed and operated to meet the needs of the Sacramento Valley first, we believe that Sites Reservoir is the appropriate storage project to receive Prop 1 funding. We call upon you, as the overseers of the public's money bonded under Proposition 1, to invest in Sites Reservoir project and allocate funding toward the public benefits of this very important project.

Thank you for your service and willingness to listen to our input on this critical issue.

Sincerely,



Bill Connelly, Chair
Butte County Board of Supervisors

cc: Jim Watson, Sites JPA