

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, CA**  
**Board of Directors Meeting**  
**Agenda**  
**May 18, 2020 at 1:30 p.m.**

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:  
(669) 900-6833 OR VIA ZOOM. MEETING ID 827 9532 2748.

**1. Call to Order, Flag Salute, Invocation, and Roll Call**

**2. Adoption and Adjustment of Agenda**

**3. Public Comment**

As permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment telephonically, all public comments, on items on or off the agenda, will be taken during the Public Comment portion of this meeting. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up.

**4. Consent Calendar:**

If any board member requests that an item be removed from the Consent Calendar, it will be removed so that it may be acted upon separately.

- A. Approval of the Minutes of the Regular Board Meeting, May 4, 2020\* (p. 3)

**5. Reports (Discussion and Possible Action)**

- A. General Manager's Report\* (p. 7)
- B. General Counsel Report – No report
- C. Directors' Reports
- D. Committee Reports

**6. New Business (Discussion and Possible Action)**

- A. Consideration of and Possible Action on Contracting with Kennedy/Jenks to Produce 2020 Urban Water Management Plan\* (p. 13)
- B. Update and Discussion on Sites Reservoir Progress to Date and Phase 2 Agreement\* (p. 26)
- C. Discussion of Proposed Engineering Budget for FY 2020-21\*(p. 64)

**7. Topics for Future Agendas**

**8. Announcements -**

- A. Special Board Meeting, Wednesday, May 20, 2020 at 12:00 p.m. – Teleconference/Zoom
- B. Office Closed Monday, May 25, 2020 in observance of Memorial Day
- C. Finance & Budget Workshop, Tuesday, May 26, 2020 at 1:30 p.m. – Teleconference/Zoom

## 9. Adjournment

### Pending Agenda Items:

<b>Request</b>	<b>Requester</b>	<b>Date of Request</b>	<b>Tentative Meeting Date Agenda</b>
Continued discussion on the Updated/revised calculations on water rate	Board	03/16/2020	04/20/20
Final costs of: Fiesta Recharge; Noble Creek Connection & Temp Connection; Mtn. View Connection	Thompson	12/02/2019	02/03/2020 or 02/18/2020
Water Delivery – discussion on moving water deliveries until the second half of the year.	Thompson	04/06/2020	
Update on Calimesa facilitation deliveries	Stephenson	05/04/2020	

#### \*Information included in Agenda Packet

(1) Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Avenue, Beaumont during normal business hours. (2) Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, located at 1210 Beaumont Avenue, Beaumont, California 92223, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Web site, accessible at: [www.sgpwa.com](http://www.sgpwa.com) (3) Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951 845-2577) at least 48 hours prior to the meeting in order to make a request for a disability- 2 / 6 4 ation or accommodation.

**SAN GORGONIO PASS WATER AGENCY**  
**1210 Beaumont Avenue, Beaumont, California 92223**  
**Minutes of the**  
**Board of Directors Meeting**  
**May 4, 2020**

IN AN EFFORT TO PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS), AND IN ACCORDANCE WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20, **THERE WILL BE NO PUBLIC LOCATION FOR ATTENDING THIS BOARD MEETING IN PERSON.** MEMBERS OF THE PUBLIC MAY LISTEN AND PROVIDE PUBLIC COMMENT TELEPHONICALLY BY CALLING THE FOLLOWING NUMBER:  
 (866) 212-0875,  
 Participant passcode: 7006747 #

**Directors Present:** Ron Duncan, President  
 All Board members Lenny Stephenson, Vice President  
 attended by teleconference Michael Thompson, Treasurer  
 Blair Ball, Director  
 David Fenn, Director  
 David Castaldo, Director  
 Steve Lehtonen, Director

**Staff Present:** Jeff Davis, General Manager  
 All Staff members Jeff Ferre, General Counsel  
 attended by teleconference Thomas Todd, Finance Manger  
 Cheryle Stiff, Executive Assistant

- 1. Call to Order, Flag Salute, Invocation, and Roll Call:** The meeting of the San Gorgonio Pass Water Agency Board of Directors was called to order by Board President Duncan at 1:30 p.m., May 4, 2020 by teleconference. President Duncan led the Pledge of Allegiance to the flag. President Duncan gave the invocation. President Duncan requested a roll call.

<u><b>Roll Call:</b></u>	<b>Present</b>	<b>Absent</b>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- 2. Adoption and Adjustment of Agenda:** *President Duncan asked if there were any adjustments to the agenda.* General Manager Davis stated that there is no adjustment to the agenda.
- 3. Public Comment:** *President Duncan stated that As permitted under the Brown Act, and in order to provide an equal opportunity for members of the public to provide comment telephonically, all public comments, on items on or off the agenda, will be taken during the Public Comment portion of this*

*meeting. Under the Brown Act, no action or discussion shall take place on any item not appearing on the agenda, except that the Board or staff may briefly respond to statements made or questions posed for the purpose of directing statements or questions to staff for follow up. President Duncan asked for public comments from the public. There were no members of the public that spoke at this time.*

**4. Consent Calendar:**

- A. Approval of the Minutes of the Regular Board Meeting, March 16, 2020
- B. Approval of the Minutes of the Finance and Budget Workshop, March 23, 2020
- C. Approval of the Finance and Budget Workshop Report, March 23, 2020

*President Duncan asked for a motion on the Consent Calendar. Director Thompson made a motion, seconded by Director Castaldo, to adopt the consent calendar. President Duncan requested a roll call vote.*

<b><u>Roll Call:</u></b>	<b>Aye</b>	<b>Noes</b>	<b>Absent</b>	<b>Abstain</b>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 7-0.

**5. Reports:**

**A. General Manager’s Report:** A written report was not provided in the agenda packet. General Manager Davis verbally reported on the following:

- 1. Operations Report** – No deliveries were made in April. As of this morning we are back online. BCVWD requested deliveries for 10 cfs through June. We will begin taking our San Luis Reservoir carryover water to be delivered to Banning. A request to SBVMWD was submitted to begin feeding Earth Tech to reduce algae and it is currently being fed.
- 2. Other Agency Updates -**
  - a. Covid-19 Update: General Manager Davis provided the current statistics for the number of cases and deaths within the Agency’s service area.
  - b. BiOps and ITP – General Manager Davis noted that there are two new letters included in the Agenda packet. He read the pertinent information that was in the letters. He reviewed the additional materials that relate to litigation on the state’s ITP, from the SWC’s and from others.

c. State Report on Delta Conveyance Amendment – As of Thursday, negotiations were completed on the Agreement in Principle. There are two documents, an AIP and an accompanying White Paper. Board discussion on these items will take place in the near future.

d. Board members are to contact staff should they desire a hard copy of the agenda or need materials for printing of the agenda.

**B. General Counsel Reports:** General Counsel Ferre provided a written report that was included in the agenda packet. General Counsel Ferre stated that in the Agenda package there is a summary of some of the Executive Orders that have been issued in response to COVID-19. Since the time of the report the County of Riverside Supervisors will be discussion whether to rescind its County Orders tomorrow, May 5<sup>th</sup>. General Counsel Ferre explained what the proposed changes would be. The stay-at-home order remains in place.

**C. Directors Reports:** 1) **Director Thompson** reported on BCVWD Engineering meeting that was held on April 23rd via teleconferencing.

**D. Committee Reports:** 1) **Director Thompson** stated that future Conservation and Education workshops will be cancelled for the foreseeable future.

**6. New Business:**

**A. Consideration and Possible Action on Agreement to Water Exchanges with City of Ventura and Casitas Municipal Water District.** A staff report and a copy of the Agreement between SGPWA and the City of San Buenaventura and Casitas Municipal Water District were included in the agenda packet. General Manager Davis noted that if the Board wishes to meets its customers water orders, the Board would need to approve this exchange agreement and also keep Nickel water. He reviewed the three party agreement with the Board. The Agency implemented a similar arrangement with Ventura and Casitas for the last two years. He noted that there is a second agreement that is associated with this transaction. This agreement includes DWR, Ventura, Casitas, and the Agency. General Counsel Ferre noted that that Item 6A is for the Consideration and Possible Action on Agreement to Water Exchanges with City of Ventura and Casitas Municipal Water District, and not an agreement that includes DWR. General Manager Davis was in agreement. A motion was made by Director Stephenson, seconded by Director Fenn, to approve the three party contract for the water exchange with the City of Ventura and Casitas Municipal Water District. President Duncan asked for a roll call.

<b><u>Roll Call:</u></b>	<b><i>Aye</i></b>	<b><i>Noes</i></b>	<b><i>Absent</i></b>	<b><i>Abstain</i></b>
Director Ball	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Castaldo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Thompson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Fenn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Director Lehtonen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Director Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
President Duncan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Motion passed 7-0.

**B. Consideration and Possible Action on Dispensation of 2020 Nickel Water.** A staff report and related materials were included in the agenda packet. General Manager Davis stated that this item was requested by President Duncan. He noted that there is a spreadsheet that was included in the agenda. The Board had reviewed a similar spreadsheet in February. Some of the numbers have changed slightly; this is due to having a better idea of what YUBA water will cost. President Duncan opened this item for discussion. The Board discussed the pros and cons of selling/keeping Nickel water. The majority of the Board did not wish to sell at this time. No action was taken on this item.

**7. Topics for Future Agendas: 1) Director Stephenson** requested an update on the Calimesa facilitation deliveries.

**8. Announcements:**

- A. Engineering Workshop, May 11, 2020 at 1:30 p.m.
- B. Water Conservation and Education Committee, May 14, 2020 at 1:30 p.m. - Cancelled
- C. Regular Board Meeting, May 18, 2020 at 1:30 p.m.

**9. Closed Session (2 Items)**

**Time: 2:31 pm**

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9  
One potential case
- B. PUBLIC EMPLOYMENT  
Pursuant to Government Code Section 54957  
Title: General Manager

**The meeting reconvened to open session at: Time: 4:06 pm**

*Legal counsel reports that in regard to item 9(A), the Board took action to authorize joining with other State Water Contractors in legal action challenging the Incidental Take Permit issued by the California Department of Fish and Wildlife for State Water Project operations. The motion was made by Director Stephenson, seconded by Director Duncan, and approved 7-0.*

**10. Adjournment**

**Time: 4:06 pm**

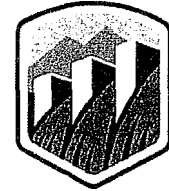
**Draft - Subject to Board Approval**

Jeffrey W. Davis, Secretary of the Board



# United States Department of the Interior

BUREAU OF RECLAMATION  
Washington, DC 20240



MAY 06 2020

IN REPLY REFER TO:

91-00000  
1.2.11

The Honorable Dianne Feinstein  
United States Senate  
Washington, DC 20510

Dear Senator Feinstein:

I am writing to provide a further response to Secretary of the Interior David Bernhardt's April 28, 2020 letter to you and Representatives Costa, Garamendi, Harder, and Cox. In his letter, Secretary Bernhardt wrote about his commitment to delivering reliable water supplies to California's hard-working families and farming communities.

The Department of the Interior (Department) is working hard to support more water development and delivery in the State of California through infrastructure investment, better operations planning, and implementation of science-based actions. With the State and the public water agencies, together we have invested billions of dollars in the last ten years on habitat and science-based actions to better understand the needs of listed species in California and how changes in Central Valley Project (CVP) and State Water Project (SWP) operations interact with land use policies, degraded habitats, invasive species, and fishing policies to create the environment experienced by listed species. We have learned a lot.

To put this new knowledge to use, both the Federal and State teams decided in 2016 to reinstate consultation on the long-term operations of the CVP and SWP under the Endangered Species Act. Throughout this consultation, CVP and SWP staff worked side-by-side, often on a daily basis, with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service to craft new, more efficient operations and actions for both projects that allow more flexible water operations while at the same time providing substantive protections for listed species.

This consultation resulted in new biological opinions in October of 2019. After a comprehensive analysis under the National Environmental Policy Act (NEPA), including participation by the Department of Water Resources as a cooperating agency<sup>1</sup>, the Bureau of Reclamation signed a

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<sup>1</sup> Both the California Department of Fish and Wildlife and the State Water Resources Control Board declined to participate as cooperating agencies.

Record of Decision on February 18, 2020, and immediately began implementing the new biological opinions.

A review of the State's recent actions offers a significant contrast. After participating as partners throughout the consultation and NEPA processes, the State changed course in late 2019, repudiating the very science they invested in and the very analyses they helped develop. Instead, the State charted a course that calls coordinated operations into doubt and filed a lawsuit that challenges their own federal ESA compliance for the SWP. On March 30, it released, for the first time, a new State Incidental Take Permit (ITP) for SWP operations, developed unilaterally with no coordination with the federal water project, no independent peer review, no consultation with the Federal regulatory agencies, and no opportunity for public participation. The new ITP recklessly ignored new scientific understanding and reduced the water supplies available to hundreds of farms and rural communities and over 27 million people that receive water from the SWP. It also specifically included provisions to limit the sharing of facilities and to reduce the coordinated operation with the CVP.

Despite these facts, Secretary Bernhardt has made clear that the Department is continuing coordinated operations between the CVP and the SWP – and with the State of California – on a minute, hourly, daily, and weekly basis, in order to ensure a safe and reliable water supply for all. Just since February 18, 2020, CVP and SWP staff and federal and State fish agencies have held over 100 meetings (Enclosure). The CVP and SWP staff continue to participate in the ongoing process of implementing actions associated with the 2019 biological opinions related to CVP and SWP operations.

These efforts are all the more important given the hurdles and likely delays that the recent actions Governor Newsom and the State have taken.

The President has charged us with the monumental task of making water in the west more reliable. For the first time in recent memory, we are on the brink of a significant and positive change in the way California water is managed. Until very recently, Governor Newsom and the State agencies have said they want to be willing partners in a new and meaningful approach, described by the Governor himself as “putting the old binaries aside; getting off our high horse; recognizing that we need each other.” (January 29, 2020 Governor Newsom at the Public Policy Institute of California.)

Instead, however, the State has now chosen to embrace the tactics of litigious interest groups at the expense of families, farms, communities, and wildlife that the vast water system supports. It is unclear whether the State fully comprehends the consequences of severing the CVP and SWP. Ultimately, this will only harm the future reliability of California's water supply, and it will do nothing to modernize a system that is badly in need of real change.



But there is another choice. Secretary Bernhardt and the Department have chosen to move forward with concrete actions that will yield positive results.

At the Department, we are continuing to work with our active partners in the State – farmers, water contractors at both the federal and State projects, and others – to work toward implementing new biological opinions based on the best science available to modernize CVP operations. Our partners have made it clear that they support this positive, sustainable way forward. They have not given up on doing better for both the environment and for water supply.

You have the Department's full commitment that we will continue these coordinated efforts to implement the 2019 biological opinions and to ensure a safe and reliable water supply in the State. We will continue working to make sure families, farms, communities, and wildlife have the water they need to thrive.

We hope you will join us in our efforts.

Sincerely,

A handwritten signature in black ink, appearing to be "P. Bernhardt", written in a cursive style.

Commissioner  
Bureau of Reclamation

Enclosure

cc: The Honorable Kamala Harris  
United State Senate

State of California Department of Justice



**XAVIER BECERRA**

*Attorney General*

# Attorney General Becerra Secures Preliminary Injunction in Lawsuit Challenging Trump Administration Over Failure to Protect California's Ecosystems

Press Release / *Attorney General Becerra Secures Preliminary Injunction in L...*

Monday, May 11, 2020

Contact: (916) 210-6000, [agpressoffice@doj.ca.gov](mailto:agpressoffice@doj.ca.gov)

**SACRAMENTO** – California Attorney General Xavier Becerra today issued the following statement in response to a decision by the U.S. District Court for the Eastern District of California to grant a preliminary injunction in the State's lawsuit challenging the Trump Administration's unlawful expansion of water export operations in the Central Valley.

"We applaud the court for hitting pause on the Trump Administration's reckless attempt to expand water export operations at the expense of California's wildlife and habitats," **said Attorney General Becerra**. "Today's victory is critical, but the fight is not over. We have the facts, science, and the law behind us, and we look forward to making our case in court."

Attorney General Becerra, the California Natural Resources Agency, and the California Environmental Protection Agency, filed a lawsuit on February 20, 2020, challenging the Trump Administration’s decision to adopt scientifically deficient biological opinions that enable additional water exports from the San Joaquin Delta without providing adequate safeguards for endangered species. On April 21, 2020, Attorney General Becerra amended the complaint and filed a motion for a preliminary injunction, arguing that export operations would cause imminent and irreparable harm to species protected under the California Endangered Species Act and the federal Endangered Species Act.

A copy of the decision can be found here.

# # #

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SWC

STATE WATER  
CONTRACTORS  
FOUNDED 1982

## **Temporary May 11 Preliminary Injunction Was Not About Delta Smelt, Longfin Smelt or Delta Outflow...So What Was It About?**

Several media outlets have reported that the May 11 federal court ruling related to the Federal Biological Opinion case governing Central Valley Project (CVP) and State Water Project (SWP) operations was a wholesale rebuke of the 2019 Biological Opinions. However, none of the articles I have read have mentioned the very narrow scope of the resulting injunction and that most aspects were denied.

In hearing the two separate preliminary injunction requests from PCFFA, NRDC, et. al. and the State of California, the Judge organized the ruling into three topics: Shasta operations, Stanislaus River operations, and Delta operations. Within the Delta operations, the State claimed irreparable harm to Delta Smelt, Longfin Smelt, and San Joaquin River steelhead. The State requested that the Delta operations revert to the San Joaquin River inflow to export (I/E) ratio – a reasonable and prudent alternative in the 2009 Biological Opinions – through the end of May. PCFFA, NRDC, et. al., requested that the whole 2019 Biological Opinions be set aside in favor of having the U.S. Bureau of Reclamation and California Department of Water Resources (DWR) implement the 2008/09 Biological Opinions until the full case can be decided.

In its May 11 ruling, the court denied the PCFFA, NRDC, et. al., preliminary injunction for Stanislaus River and stated it will rule separately on Shasta operations. The remainder of the ruling focused on Delta operations, but was far from a slam dunk for the State.

The ruling was not about Delta Smelt or Longfin Smelt, or Delta outflow as the State argued. The ruling was narrow and focused on the last 20 days of May, specifically on San Joaquin River steelhead. The court's acknowledgment of the plaintiff's concerns with the National Marine Fisheries Service's (NMFS) approach to the I/E ratio was reached with limited time to review the Biological Opinions and without the benefit of the full administrative record. The court ultimately decided that "[t]he record is too mixed for the court to conclude at this time that plaintiffs are clearly likely to be able to show that NMFS has violated the Administrative Procedures Act."

We applaud the Judge's commitment to sifting through substantial technical and legal materials that were submitted by all parties, and his caution in granting unfettered injunctions. Unfortunately, the Attorney General is correct that this is likely to be a long fight. It's too bad, because we were very close to a pathway where the CVP, SWP and other water users all worked together to develop habitat and flows to the benefit of the entire watershed through the Voluntary Agreements. We hope we can find our way back to that path.

*The State Water Contractors is a statewide, non-profit association of 27 public agencies from Northern, Central and Southern California that purchase water under contract from the California State Water Project. Collectively the State Water Contractors deliver water to more than 27 million residents throughout the state and more than 750,000 acres of agricultural land. For more information on the State Water Contractors, please visit [www.swc.org](http://www.swc.org).*

## MEMORANDUM

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**TO:** Board of Directors

**FROM:** General Manager

**RE:** Contracting with Kennedy/Jenks to Produce Agency's 2020 Urban Water Management Plan

**DATE:** May 18, 2020

### **Summary:**

The purpose of this proposed Board action is to determine if the Board wishes to contract with Kennedy/Jenks, the same firm who produced the Agency's 2015 Urban Water Management Plan, to perform the same duty for the 2020 UWMP.

### **Background:**

Every five years, each water agency in California above a threshold size is required to produce an Urban (or Agricultural) Water Management Plan that lays out how each purveyor plans to meet its projected water needs for the next 20 years. These plans must be approved by the California Department of Water Resources (DWR) in order for the purveyor to qualify for state grants. The Agency has previously produced UWMP's in 2010 and 2015. It did not meet the threshold size requirement before 2010.

The Urban Water Management Planning Act, passed by the Legislature in 1983 and amended many times since, currently requires purveyors to address such issues as drought risk assessment, water system risk mitigation and vulnerability, compliance with AB 1668/SB 606, status on achieving a water loss standard, and certifying "reduced reliance" on the Delta as a water supply. The Legislature adds new requirements to the plans on a regular basis.

Every five years, DWR, who is responsible for reviewing and certifying UWMP's, issues guidelines for new UWMP's for that period. Unfortunately, DWR does not do this in a timely fashion, thus

requiring many purveyors to begin work on their UWMP's before the draft guidelines are issued. 2020 UWMP's are due in final form to DWR (including a public comment period and public hearing) by June 30, 2021. Thus, a final draft UWMP is required to be completed by March or April 2021. The final guidelines are not expected to be issued until Fall 2020 (no date given as yet). Draft guidelines are expected to be released this summer, with a period for public comment.

Staff feels strongly that, in order to meet the legal timetable, work must begin on the 2020 UWMP no later than June.

**Detailed Report:**

Kennedy/Jenks has a long history of providing UWMP's for their clients, in particular for State Water Contractors. Because UWMP's for Contractors must by definition describe the SWP and its capabilities in detail, it is best if these UWMP's are consistent with each other. Hence, Kennedy/Jenks has done UWMP's for many Contractors, especially in Southern California, for the past several UWMP cycles. In particular, Kennedy/Jenks has experience dealing with the "reduced reliance" issue that each Contractor, and potentially each retail agency that receives some of its water from the Delta, must grapple with.

Kennedy/Jenks has a seat on the Stakeholder Advisory Committee for DWR that works with DWR to draft the updated guidelines every five years. This position provides Kennedy/Jenks with the opportunity both to provide input to the process and also to gain insight as to what DWR is expecting in each UWMP. Staff feels that it is very advantageous to the Agency to have Kennedy/Jenks produce the Agency's UWMP.

In February, staff requested a proposal from Kennedy/Jenks to produce the 2020 UWMP for the Agency. The proposal is included in the agenda package. Kennedy/Jenks made it clear to staff that the proposal could change, depending on how the guidelines develop. However, staff feels that the Agency cannot wait to begin work on this, so is requesting the Board to consider the proposal as is, with the proviso that it could change and the dollar amount could increase once the final guidelines are adopted.

The proposal is a time and materials proposal for a not to exceed amount of \$126,000. The project is separated into seven tasks—data collection, water shortage contingency plan, seismic risk assessment and mitigation plan, preparation of the UWMP, preparation of draft and final plans, attending a public hearing, and project management.

**Fiscal Impact:**

This year's general fund budget includes \$35,000 for the UWMP, as staff anticipated that work would begin before this fiscal year ends. Funds not expended in this fiscal year will be budgeted in the 2020-21 general fund budget. The Agency has sufficient funds on hand to prepare the UWMP, which is required by law.

**Recommendation:**

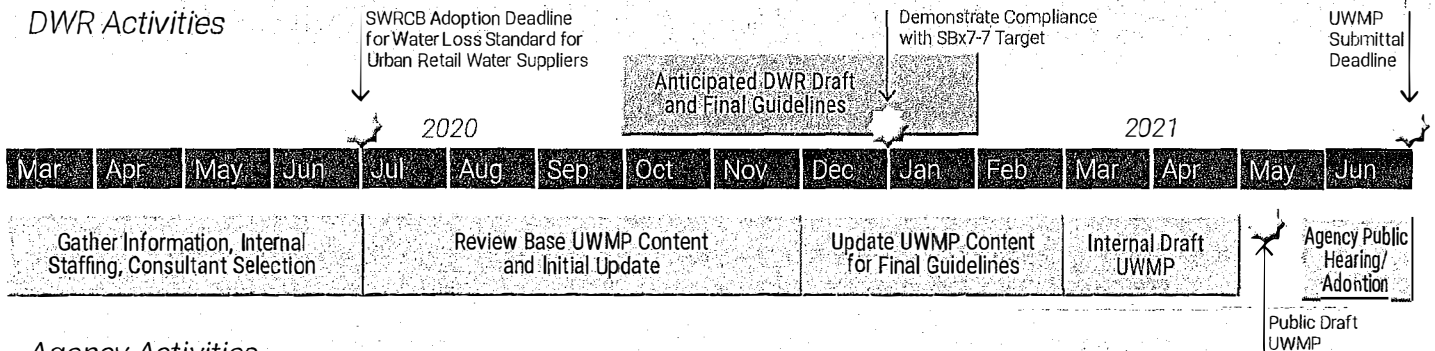
Staff recommends that the Board authorize the General Manager to accept the proposal from Kennedy/Jenks, to sign a contract that is approved by the General Counsel for a not to exceed amount of \$126,000, and to direct the consultant to begin work on the 2020 Urban Water Management Plan.

# HELPING YOU NAVIGATE THE 2020 URBAN WATER MANAGEMENT PLAN PROCESS

DWR's guidelines may not be out until late in 2020, but there are some key activities you can do to get a head start on your 2020 UWMP.

## Key Milestones and Activities

### DWR Activities



### Agency Activities

#### UWMP CONTENT UPDATES

- Population Projections
- Supply and Demand Forecasts
- Water Loss Audits (SB 555)
- Water Shortage Contingency Plan
- Associated Forms and Tables

#### NEW UWMP CONTENT

- Reporting on Compliance with SBx7-7 Targets
- Making Conservation a CA Way of Life (AB 1668/SB 606)
- Conduct Drought Risk Assessment (every 5 years, for a 5-year drought)
- Reporting on Achieving Water Loss Standard
- Address Water System Seismic Risk Mitigation and Vulnerability (new plan or existing hazard mitigation plan)
- Consistency with Groundwater Sustainability Plan (GSP) Supply Projections (if applicable)

#### HOW KJ CAN HELP YOU?

- Provide insight from KJ involvement in the Urban Stakeholder Committee for UWMP guidelines
- Innovative GIS-based potable water demand projections
- Integrated supply reliability assessment
- Conduct your Drought Risk Assessment
- Develop Seismic Risk Mitigation and Vulnerability Plan
- Perform water loss audit validation of your system
- Prepare your UWMP

#### OTHER RELATED UPCOMING ITEMS

- Annual Water Shortage Assessment (starting in 2022)
- Water Loss Audit Validation (due annually by October 1)
- Adopt UWMP Supplement to meet new indoor/outdoor use standards by Jan 2024
- EPA Water System Vulnerability Assessment Requirements
  - For water systems of population >3,300 users
  - Complete Federal Risk and Resilience Assessment
  - Develop Emergency Response Plan
  - Starting as early as March 2020
- Develop Climate Adaptation Plans
  - Increase competitiveness for SRF loans
  - Identify natural hazards and resiliency to Climate Change

## CONTACT FOR MORE INFORMATION

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 MeredithClement@KennedyJenks.com  
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**Lauren Everett | Ventura**  
 LaurenEverett@KennedyJenks.com  
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# ONE WATER INTEGRATED PLANNING

## COMMITTED TO WATER AS A VALUABLE RESOURCE

Kennedy Jenks is a full-service, multi-discipline engineering and environmental sciences consulting firm specializing in planning and design for water, wastewater, recycled water and stormwater systems. We offer extensive, successful experience in the execution of Integrated Regional Water Management Plans (IRWMPs), Urban Water Management Plans (UWMPs), Water, Wastewater and Recycled Water Master Plans, Stormwater Resources Plans, and other integrated plans and feasibility studies.

**KJ** | Kennedy Jenks

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**1919**  
Year Founded

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**120+**  
Number of UWMPs KJ Completed

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**14**  
Number of IRWMPs and updates KJ Completed

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**300**  
Number of Water, WW, RW and Other Master Plans KJ Completed



*Kennedy Jenks has been helping our California clients develop UWMPs since 1985.*





10 February 2020

Mr. Jeff Davis  
General Manager  
San Geronio Pass Water Agency  
1210 Beaumont Ave.  
Beaumont, CA 92223

Subject: Proposal for Professional Consulting Services - 2020 Urban Water Management Plan Update

Dear Mr. Davis:

As requested, Kennedy Jenks Consultants (Kennedy Jenks) is pleased to provide a proposal for preparation of the 2020 Urban Water Management Plan Update for San Geronio Pass Water Agency (Agency).

The Scope of Work defined below encompasses anticipated tasks necessary to update the District's 2015 UWMP to comply with the requirements for the 2020 UWMPs, based on the 2015 UWMP guidelines and Kennedy Jenks' current understanding of new legislation. DWR has indicated that it will produce a final "Guidebook to Assist Water Suppliers in the Preparation of a 2020 Urban Water Management Plan" by the end of 2020. The scope of work may need to be revised based on final guidelines.

## Scope of Work

### TASK 1 — DATA COLLECTION AND BACKGROUND INFORMATION REVIEW

Kennedy Jenks shall review background information regarding the Agency's service area, water supply, water demand, and water policies. The objective of this task is to gather available data necessary to satisfy the known requirements. Kennedy Jenks shall provide a list of the required data necessary to complete the reports and plans. Information to be collected and reviewed includes, but is not limited to, the following:

- 2010 and 2015 Urban Water Management Plan (UWMP)
- Population estimates and projections
- Historical, current, and projected water including recycled water demand
- Water resources, including reliability
- Water quality issues, including known contaminants
- Current water rate structure
- Conservation accomplishments
- Conservation Ordinances currently or previously adopted by the Agency
- Planned modifications to the Agency water system and available supply
- Retail agency demand projections (2020 through 2045)
- Service Area GIS files for 2015, and 2020

- Specific plans for any planned developments within the water service area through 2045 and updates on projected development
- Current Water Shortage Contingency Plan
- Any information related to water system seismic risk and mitigation

## **TASK 2 — PREPARE WATER SHORTAGE CONTINGENCY PLAN**

Kennedy Jenks shall prepare the Agency's Water Shortage Contingency Plan (WSCP) integrating components from the 2020 UWMP and the new State requirements to produce a separate plan document. Development of the WSCP will provide a response framework and action plan for emergency and other shortage conditions, including drought. The WSCP also provides the basis for the Water Shortage Assessment Report, due annually beginning on June 1, 2022. This scope does not assume preparation of these annual reports.

An update to the WSCP is required as part of the submittal of the 2020 UWMP. Therefore, this task is intended to be completed prior to, and in anticipation of, the 2020 UWMP requirements.

Kennedy Jenks will propose modifications to the Agency's existing WSCP to bring it into compliance with California Water Code Section 10632. The purpose of the WSCP is to prepare for drought, water supply reductions, failure of a water distribution system, other emergencies, or regulatory statutes, rules, regulations or policies reducing water supplies by state and federal agencies. The WSCP must demonstrate the ability of the Agency to meet demands under a supply shortage of greater than 50 percent. Emphasis is placed on protection of public health, sanitation, fire protection, and the general public welfare. The proposed plan focuses on preparing for, and responding to, drought but will provide information on response actions (e.g., customer allocations/outreach) that would be applicable in the event of a water deficiency resulting from an unforeseen event (such as infrastructure failure, power outage, toxic spill).

*Deliverables: Draft and Final Water Shortage Contingency Plan, provided to the Agency electronically in PDF.*

## **TASK 3 — PREPARE SEISMIC RISK ASSESSMENT AND MITIGATION PLAN**

The California Water Code, Section 10632.5, states that all UWMPs submitted after January 1, 2020 must include a seismic risk assessment and mitigation plan for all facilities noted in the plan. Accordingly, this task is the preparation of a seismic risk assessment and mitigation plan in accordance with the UWMP requirements to assess the vulnerability of SGPWA's water system facilities and develop measures to mitigate those vulnerabilities. The plan will:

- Evaluate seismic risk zone for the Agency
- Identify best practices to reduce seismic risk at critical water facilities (e.g. tie tanks to foundations, flex couplings at tanks, equipment anchoring at pump stations and treatment plants)
- Inventory major equipment at pump stations (including wells), treatment plants and most critical facilities
- Confirm best practices are implemented by the Agency at the facilities
- Identify facilities that are most at-risk and the relative impact of that facility on water delivery and develop plan to reduce the risk at these facilities.

Based on our understanding of the Agency's facilities at this time, it is anticipated that this work could be completed for \$30,000 or less, which is currently assumed in the attached fee estimate.

At the Agency's request, pending more detailed information about the Agency's facilities (itemized) and review of existing documentation related to the Agency's infrastructure, a more detailed estimate can be provided.

*Deliverables: Draft and Final Seismic Risk Assessment and Mitigation Plan, provided to the Agency electronically in PDF.*

#### **TASK 4 — PREPARE 2020 URBAN WATER MANAGEMENT PLAN CONTENTS**

Kennedy Jenks shall prepare the Agency's 2020 UWMP to meet all the State requirements. The UWMP is due for submittal to DWR by July 1, 2021. The scope of work for the 2020 UWMP is based on the current California Water Code and the current (2015) UWMP Guidelines, as well as content anticipated in the yet to be released 2020 UWMP Guidelines. Kennedy Jenks staff currently participates in the 2020 UWMP guidebook committee and is tracking the contents that will be provided within the anticipated Guidebook for development of UWMPs. DWR is expected to release draft guidelines specific to the 2020 UWMPs in summer 2020. *Release of the new guidelines may necessitate a revision to the scope and budget presented as part of this proposal.*

The UWMP will include the following subject areas that have traditionally been included in an UWMP. These areas may be greatly altered by expanded requirements pending release of the 2020 UWMP Guidelines:

- Service area and Demand Characteristics – Kennedy Jenks shall update the land use, population and water consumption estimates and projections based on Agency-provided information. Population and water demand projections will be presented in 5-year increments for a 25-year period, through 2045.

The Agency will need to coordinate preparation of its 2020 UWMP with its retail agencies. It will be necessary to receive demand estimates, current and projected, from them that reflect reasonably anticipated demands on Agency supplies through 2045.

- Water Supply Outlook – Kennedy Jenks will update the description of Agency water sources, including imported water supplies, potential for exchanges or transfers, and other potential water supplies. Kennedy Jenks shall update the description of water quality, including any known contamination that may impact water resources. Kennedy Jenks shall evaluate the adequacy of the existing supply to meet the projected water demands as well as assess the frequency and magnitude of supply deficiencies. The supply reliability analysis will include the average water year, single dry water year, and multiple dry water years (the UWMP Planning Act requires a 20-year planning horizon—Kennedy Jenks recommends 25 years, which in this case would be 2045).

Kennedy Jenks shall also include specific information required by Section 10631(b) regarding groundwater supplies. Kennedy Jenks assumes information about groundwater supplies relevant to the Agency will be available from the San Geronio Pass Groundwater Sustainability Agency (GSA) and Groundwater Sustainability Plan (GSP). This section will also describe the integrated resources planning undertaken by the Agency as well as supplies or supply enhancements planned by the GSA and the resultant planned water supplies, including alternative water supplies such as stormwater.

- Water Recycling – Recycled water does not provide a source of water to the Agency and does not distribute recycled water. If the Agency has updated plans for distributing recycled water as part of its supply since the 2015 UWMP was developed, a discussion of its supply and reliability will be included. Kennedy Jenks will summarize the recycled water use of the Agency's retail agencies.

- Groundwater – Local groundwater does not provide a source of water to the Agency, however the predominant means of providing SWP water to retail agencies is through recharge. Kennedy Jenks will update the groundwater portion of the UWMP to account for changes to the groundwater supply, including information from the regional GSP due to the Sustainable Groundwater Management Act requirements.
- Integrated Resources Planning – The Plan must include a discussion of the Agency’s roles and responsibilities relating to local integrated regional water management planning efforts. Kennedy Jenks will summarize the recently completed (May 2018) IRWM Plan and process for this section.
- Alternative Water Supplies – Kennedy Jenks will describe opportunities for development of new water supply sources including water transfers and exchanges.
- Climate Change Impacts and Drought Risk Assessment – Kennedy Jenks will provide an analysis of potential climate change impacts and drought risks, evaluating plausible worst-case conditions for a period of at least five years. A set of evaluation criteria that is locally applicable and includes historical drought hydrology, plausible climate change effects for existing supplies and demands, plausible regulatory changes, and demand projections will be described. Kennedy Jenks proposes providing a summary of climate change impact analyses performed by DWR in its Accessory Climate Change Guidance for Integrated Regional Water Management (October 2018), the anticipated 2019 DWR State Water Project Delivery Reliability Report, and the San Geronio IRWMP (May 2018). These reports will be summarized to describe the likely impacts of climate change on Agency water supplies. This discussion of climate change impacts will be used as part of the required Drought Risk Assessment.
- Water Conservation and Water System Loss – Kennedy Jenks will summarize the wholesaler water conservation, or demand management, goals, programs implemented to date to assist Agency retailers, and overall progress and effectiveness of the current conservation programs to help the retailers meet their urban water use reduction targets. There are existing laws with pending regulations targeting indoor water demand and affecting the need for additional water use efficiency in the Agency. Of particular importance is Executive Order (EO) B-37-16 and its enabling legislation Senate Bill (SB) 606 and Assembly Bill (AB) 1668 (collectively “Making Water Conservation a California Way of Life”). Most of the new legislation affects retail water suppliers. But, based on pending regulations, wholesale agencies may have to report on their water loss, compare this water loss to a standard developed by DWR, then describe the actions they plan to take (if necessary) to come into compliance with the water loss standard. Kennedy Jenks will review the audit information, provide comments as needed and incorporate it into the Plan.
- Water Shortage Contingency Plan – The State requirements call for an update to the Water Shortage Contingency Plan (WSCP) to be included. The intent is for the WSCP to be adopted separately and provided as an appendix to the UWMP.
- Public Notices – Current guidelines for the UWMP require that notice be sent to any Agency or county where the utility delivers water when an UWMP is under revision. Prior to adopting the plan, a utility must make the plan available for public inspection and provide notice of the public hearing. Kennedy Jenks will assist the Agency in preparing the necessary draft notices.

*Deliverables: Required UWMP public and agency notices (it is assumed that the Agency will pay any filing or newspaper fees)*

## **TASK 5 - PREPARE DRAFT AND FINAL 2020 UWMP PLANS**

Kennedy Jenks shall document the findings in a Draft UWMP Update for the Agency. An electronic version of the Draft 2020 UWMP will be submitted to the Agency for review. Kennedy Jenks will incorporate Agency comments on the electronic draft and submit one (1) hard copy of the Final Plan Update to the Agency. Kennedy Jenks will also provide the Agency with the final UWMP on compact disk (CD). Additional deliverables and copies may require a budget augmentation. It is assumed that the 2020 UWMPs, like the 2015 UWMPs, are to be provided to DWR via an online database on preexisting standardized forms, to be made available by DWR during 2021.

Kennedy Jenks will prepare the online submittal forms in the course of preparing the 2020 UWMP and will upload the submittal to DWR.

*Deliverables: Administrative Draft, Public Draft and Final UWMP Update; Final UWMP online submittal forms.*

## **TASK 6 – ATTEND PUBLIC HEARING**

Kennedy Jenks shall attend one (1) board meetings and the required public hearing (for a total of up to two meetings) to support the Agency's staff providing conclusions and recommendations of the plan. Attendance at additional hearings or meetings will require additional budget.

## **TASK 7 — PROJECT ADMINISTRATION AND MANAGEMENT**

Kennedy Jenks's Project Manager shall assure that proper resources and staff are dedicated to this Project to assure a timely completion of the 2020 UWMP Update. Kennedy Jenks's Project Manager shall also implement and enforce internal Quality Assurance and Quality Control programs. Kennedy Jenks assumes bi-weekly status updates via email or phone calls with the Agency's Project Manager.

## **Optional Tasks**

### **Prepare UWMP Supplement**

The Agency will be required to prepare a required supplement to the 2020 UWMP, expected to be submitted to DWR by January 1, 2024. At the current time, the only supplemental information anticipated of wholesale water agencies is to report on compliance with the pending water loss standard. Should additional requirements be added through new legislation or rulemaking this scope and budget will have to be amended.

Kennedy Jenks will prepare a supplement to document the Agency's compliance, or plan to come into compliance, with the water loss standard. This task includes providing appropriate notices to land use jurisdictions, other agencies with a common water source, and the public. Included in this scope is preparing an administrative draft supplement document and based on Agency review, preparing a Public Draft Supplement for public review. Following public review, Kennedy Jenks will prepare a list of changes proposed to the Public Draft.

Additional scope and budget will be required if this optional task is requested.

**America’s Water Infrastructure Act of 2018**

This is not a requirement of the UWMP, but it is related. As part of America’s Water Infrastructure Act (AWIA), community (drinking) water systems serving more than 3,300 people are to develop or update risk assessments and emergency response plans. Water systems must provide a certification to the US EPA that they completed the risk assessment. Deadlines vary depending on utility size, but utilities serving 50,000 to 99,000 persons have a deadline of December 31, 2020. As reported in the Agency’s 2015 UWMP, the Agency’s service area population in 2015 was 87,192, and was projected to be 96,954 in 2020. Additional scope and budget will be required if this optional task is requested.

**Budget**

Kennedy Jenks proposes to provide the scope of services on a time and materials basis in accordance with our 2020 Rate Schedule for an estimated fee of \$126,000 per the attached Proposal Fee Estimate. We will not exceed this amount without prior authorization by the Agency.

**Schedule**

Kennedy Jenks is prepared to initiate work on this project immediately following receipt of a notice to proceed (NTP). However, it is recognized that some information can be obtained early (i.e., 2020), and some will have to wait until 2021 (i.e., calendar year supply and demand data). This is also due to the 2020 UWMP Guidebook assumed to be released in summer 2020.

It is suggested that a NTP be issued prior to 1 July 2020 in order to allow ample time to complete, adopt and submit the Plan to DWR by 1 July 2021. Kennedy Jenks recommends having the final UWMP completed by 1 April 2021 to allow for Agency/county notifications, public review, and agency adoption.

Please note that the UWMP Act requires the following:

- 1) “...any Agency or county within which the supplier provides water supplies” was notified at least 60 days prior to the UWMP public hearing that the plan was being reviewed and changes were being considered, and 2) provide documentation that within 30 days of submitting the UWMP to DWR, the adopted UWMP has been or will be available for public review during normal business hours.

Kennedy Jenks strongly recommends that Agency General Counsel review the UWMP Act and Government Code Section 6066 notification requirements. Kennedy Jenks will not be responsible for public notifications.

Our proposal assumes the following schedule for your consideration:


<b>Notice to Proceed</b>	July 2020
<b>Task 1 - Data Collection and Background Information Review</b>	July 2020 – August 2020
<b>Task 2 - Prepare Water Shortage Contingency Plan</b>	September – November 2020
<b>Task 3 – Seismic Risk Assessment and Mitigation Plan</b>	September – December 2020
<b>Task 4 - Prepare 2020 UWMP Contents</b>	September 2020 – April 2021
<b>Task 5 - Prepare Draft/Final Plans</b>	September 2020-April 2021
<b>Task 6 – Public Hearing</b>	June 2021
<b>Task 7 - Project Administration and Management</b>	July 2020 – July 2023

We appreciate the opportunity to provide professional services to San Geronio Pass Water Agency. Please call Ms. Lauren Everett at 805-973-5723 if you have any questions or need additional information.

**K** | Kennedy Jenks

Jeff Davis  
General Manager  
San Gorgonio Pass Water Agency  
10 February 2020  
Page 7

Very truly yours,  
KENNEDY JENKS CONSULTANTS.



Ryan Huston, PE  
Principal



Lauren Everett  
Project Manager



**Client/Address:** San Gorgonio Pass Water Agency  
 1210 Beaumont Avenue  
 Beaumont, CA 92223

**Contract/Proposal Date:** February 7, 2020

## Schedule of Charges

January 1, 2020

### PERSONNEL COMPENSATION

Classification	Hourly Rate
Engineer-Scientist-Specialist 1 .....	\$130
Engineer-Scientist-Specialist 2 .....	\$165
Engineer-Scientist-Specialist 3 .....	\$185
Engineer-Scientist-Specialist 4 .....	\$200
Engineer-Scientist-Specialist 5 .....	\$220
Engineer-Scientist-Specialist 6 .....	\$245
Engineer-Scientist-Specialist 7 .....	\$270
Engineer-Scientist-Specialist 8 .....	\$290
Engineer-Scientist-Specialist 9 .....	\$305
CAD-Technician .....	\$120
Senior CAD-Technician .....	\$140
CAD-Designer .....	\$155
Senior CAD-Designer .....	\$175
Project Administrator .....	\$130
Administrative Assistant .....	\$110
Aide .....	\$85

### Direct Expenses

Reimbursement for direct expenses, as listed below, incurred in connection with the work, will be at cost plus ten percent for items such as:

- a. Maps, photographs, 3rd party reproductions, 3rd party printing, equipment rental, and special supplies related to the work.
- b. Consultants, soils engineers, surveyors, contractors, and other outside services.
- c. Rented vehicles, local public transportation and taxis, travel and subsistence.
- d. Project specific telecommunications and delivery charges.
- e. Special fees, insurance, permits, and licenses applicable to the work.
- f. Outside computer processing, computation, and proprietary programs purchased for the work.

Reimbursement for vehicles used in connection with the work will be at the federally approved mileage rates or at a negotiated monthly rate.

If prevailing wage rates apply, the above billing rates will be adjusted as appropriate.

Overtime for non-exempt employees will be billed at one and a half times the Hourly Rates specified above.

Rates for professional staff for legal proceedings or as expert witnesses will be at rates one and one-half times the Hourly Rates specified above.

Excise and gross receipts taxes, if any, will be added as a direct expense.

The foregoing Schedule of Charges is incorporated into the agreement for the services provided, effective January 1, 2020 through December 31, 2020. After December 31, 2020, invoices will reflect the Schedule of Charges currently in effect.

# SITES RESERVOIR MESSAGE PLATFORM

Updated April 28, 2020

## KEY MESSAGE 1 SITES RESERVOIR IS A 21<sup>ST</sup> CENTURY MULTI-BENEFIT SOLUTION TO CALIFORNIA'S WATER RELIABILITY CHALLENGES

- The Sites Project Authority is **working in collaboration** with a **broad coalition** of project participants and stakeholders - **throughout California** – to address our **statewide water supply challenges and create a resilient water future**.
- Sites Reservoir is a generational opportunity to construct a multi-benefit water storage project that helps **restore flexibility, reliability, and resiliency** to our **statewide** water supply.
- No other storage project currently under consideration in California can **positively influence the operational efficiencies of our existing statewide water system** like Sites Reservoir.
- Sites is **not a “traditional” reservoir project**. It is an **off-stream facility** that **does not dam a major river system** and would **not block fish migration or spawning**.
- Sites **captures and stores stormwater flows** from the **Sacramento River**—after all other water rights and regulatory requirements are met—**for release primarily in dry and critical years for environmental use** and for California **communities, farms, and businesses** when it is so desperately **needed**.
- Sites is designed to be **adaptable to a changing climate**. As snowpack declines due to **climate change** and more of our water comes in the form of **atmospheric rivers** – Sites Reservoir will become **even more vital to the future resiliency of our statewide water supply**.
- Sites will be cooperatively managed in conjunction with both the State Water Project and Central Valley Project and **will greatly increase the flexibility, reliability and resiliency of statewide water supplies in drier years for environmental, agricultural, and urban uses**.

## KEY MESSAGE 2 OUR STRENGTH IS IN OUR DIVERSE STATEWIDE PARTICIPATION

- The agencies participating in Sites Reservoir are diverse, representing **major urban centers** and **rural agricultural regions** across California.
- **Broad statewide representation** including the **local counties** where the project is located, along with **cities**, and **water and irrigation districts** throughout the **Sacramento Valley, San Joaquin Valley, Bay Area, and Southern California**.

- Working in **close collaboration** with **California Department of Water Resources** and **Bureau of Reclamation** to add **operational flexibility** to the **State Water Project** and **Central Valley Project**.
- **Spirit of teamwork and regional collaboration** to advance a practical solution for our statewide water management challenges.

**KEY MESSAGE 3** SITES RESERVOIR IS A “RIGHT SIZED” PROJECT THAT WILL MEET OUR WATER SUPPLY NEEDS FOR TODAY AND IN THE FUTURE

- The Sites Project Authority conducted a **rigorous Value Planning effort** to review the project’s proposed operations and facilities to **develop a project that is “right sized” for our investors and participants while still providing water supply reliability and enhancing the environment**.
- Rightsizing the reservoir was **responsive to input** from **state and federal agencies, NGOs, elected officials, landowners and local communities**. The feedback we received through a robust outreach effort was critical to developing a reservoir that is the right size for both people and the environment.
- The rightsizing has **resulted** in a project that has a **smaller footprint** and **operated in a different manner** than originally designed – due to these changes the Authority will **recirculate its Draft EIR/EIS** – and work with **landowners, tribes, stakeholders, NGOs, and local communities** to develop a **collaborative environmental review process**.
- The rightsized project is **roughly \$2 Billion less** than the 2017 preferred alternative
- **It is essential that we build a project now that makes sense for all our participants** – local, state, and federal. This means **rightsizing and optimizing the project for current conditions**, while **maintaining flexibility** to expand and adapt the project to address future conditions.

**KEY MESSAGE 4** SITES RESERVOIR PROVIDES ENVIRONMENTAL, WATER SUPPLY, FLOOD PROTECTION AND RECREATION BENEFITS FOR THE STATE OF CALIFORNIA FOR GENERATIONS TO COME

- A significant portion of the **Sites Reservoir Project’s annual water supplies will be dedicated to environment uses** to help improve conditions for **Delta smelt**; help **preserve cold-water pools in Shasta Lake** later into the summer months to **support salmon development, spawning, and rearing**; and **improve Pacific Flyway habitat** for migratory birds and other native species.
- **Water dedicated for the environment** provided by Sites Reservoir will be **managed by state resources agency managers** who will decide how, and when, this water would be used - creating a **water asset** for the state that **does not currently exist**.

- Sites Reservoir will provide **significant regional flood protection benefits** for the Sacramento Valley by **storing flood flows** that would normally impact the communities of **Maxwell and Williams** - protecting homes, business and farms.
- Sites Reservoir will benefit the **local and regional economy** by **creating hundreds of construction-related jobs** during each year of the construction period, and **long-term jobs related to operations and recreation**.
- Sites Reservoir will provide **additional recreational opportunities** and **contribute to the overall economy** of the **Sacramento Valley**.

**KEY MESSAGE 5** WE ARE ON-TRACK TO DELIVER THIS VITAL PROJECT FOR THE PEOPLE OF CALIFORNIA

- Sites Reservoir is **one of only two statewide projects specifically named as a priority project in Governor Newsom’s Water Resilience Portfolio**.
- Sites **participants** have **invested over \$27 million** to advance the project over the last 3 years.
- Sites Reservoir was **awarded \$816 million** in state investment under **Proposition 1** to advance the project, the **largest award given to any project requesting funding**.
- Sites Reservoir has received **significant Federal investment** - including over **\$10 million in Water Infrastructure Improvements for the Nation (WIIN) Act** funding and a **\$449 million loan** from the **US Department of Agriculture’s Rural Development** program.
- The Authority is working to **further refine the reservoir’s operations and integration with the State Water Project and Central Valley Project** and **improve certainty** related to the project’s **permissibility** and prepare applications for key **federal and state permits** and the **state’s water rights**.
- The Authority will continue to **strengthen partnerships** with **local landowners, communities, and key stakeholders** that represent **environmental, business, labor, and other interests** and continue to **pursue funding** to move the project forward through the **planning and feasibility stage** and into **implementation** beginning in **2022**.

####



# Sites

# EXECUTIVE PROSPECTUS

## A 21<sup>st</sup> Century Solution

Sites Reservoir is generational opportunity to construct a multi-benefit water storage project that helps **restore flexibility, reliability, and resiliency** to our statewide water supply. Simply put, no other storage project currently under consideration in California can **positively influence the operational efficiencies of our existing statewide water.**

Perhaps what makes Sites Reservoir so unique is that it is **not** a “traditional” reservoir project. It is an **off-stream facility** that **does not dam a major river system** and would **not block fish migration or spawning.** Rather, Sites Reservoir offers a significant water storage opportunity that benefits both people and the environment.

Sites Reservoir **captures and stores stormwater flows** from the **Sacramento River**—after all other water rights and regulatory requirements are met—for **release primarily in dry and critical years** for **environmental use** and for California **communities, farms, and businesses** when it is so desperately **needed.** Sites Reservoir is designed to be **adaptable to a changing climate.** As snowpack declines due to **climate change** and more of our water comes in the form of **atmospheric rivers** - Sites Reservoir will become **even more vital to the future resiliency of our statewide water supply.**

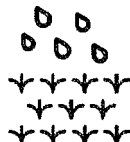


# 28 participants span California

Our participants serve:



Cities/  
Neighborhoods



Farmland/  
Irrigation



State/  
Environment

equating to **24+ million people** and  
over **500,000 acres of farmland**

MEMBER	RESERVOIR PARTICIPATION (AF)
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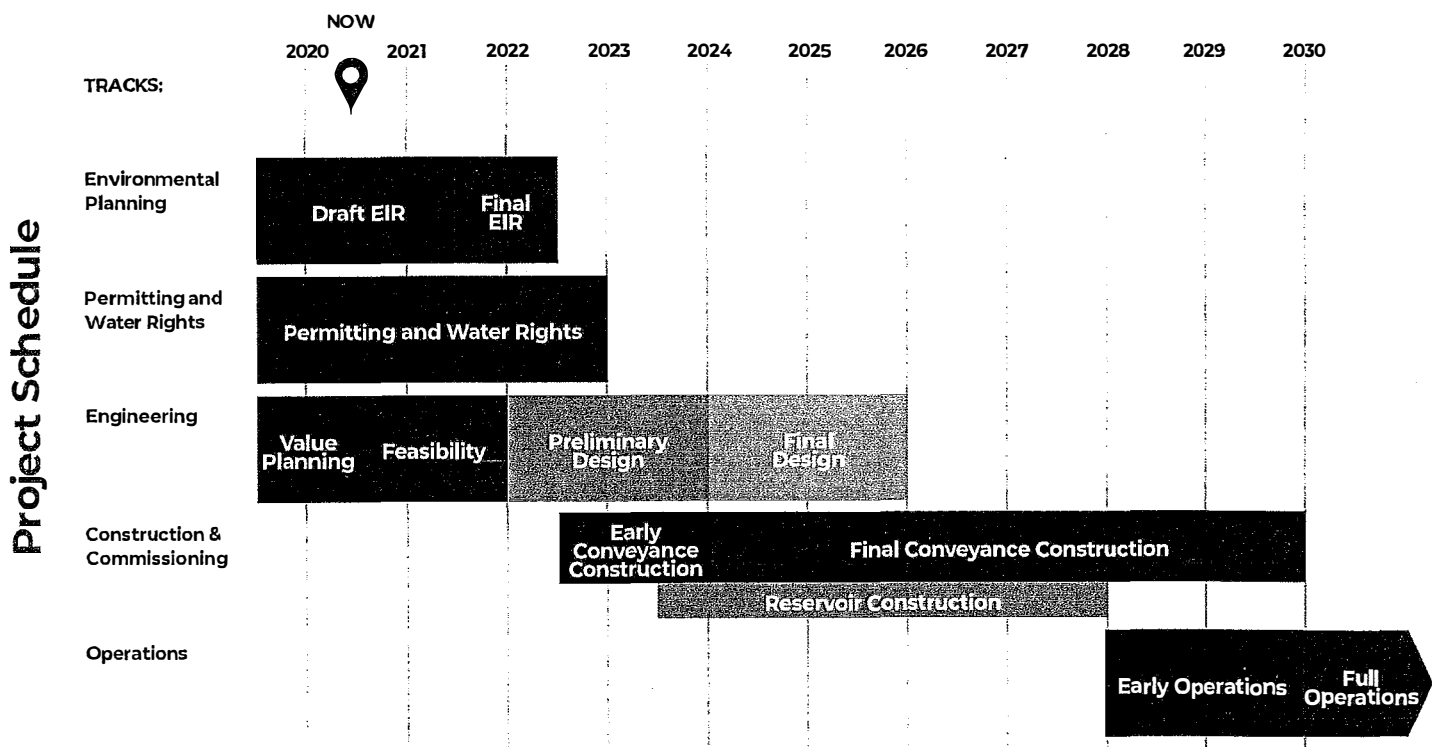
### Public Water Agencies

North of Delta	52,142 AF
South of Delta	140,750 AF
Subtotal Public Water Agencies	192,892 AF
State of CA (WSIP)	~40,000 AF

**Total Requirement ~230,000 AF**

# Affordability Overview

ANNUAL REPAYMENT COSTS PER ACRE FOOT OF RELEASE	
Reservoir Size (MAF)	1.5
Project Cost (2019\$, billions)	\$2.4 - \$2.7
Contingency Cost (2019\$, billions)	\$0.6
Total Project Cost (2019\$, billions)	\$3.0 - \$3.3
Annualized AF/year release (AF/year)	240,000
Range of Annual Costs During Repayment Without WIFIA Loans (2020\$, \$/AF)	\$650 - \$710
Range of Annual Costs During Repayment With WIFIA Loans (2020\$, \$/AF)	\$600 - \$660

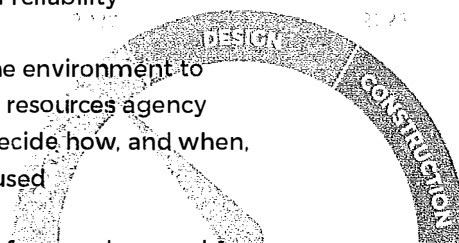


## Next Steps to 2021

Improves the state's water management system in drier periods, restores much-needed flexibility and reliability

Dedicates water to the environment to be managed by state resources agency managers who will decide how, and when, this water would be used

Creates a water asset for members and for the state that does not currently exist



## Looking Ahead

Our participants are what makes Sites Reservoir such a unique and promising storage project. We have accomplished a great deal in recent years and are moving into a critical time as we transition to this next phase. As we move forward, we will continue to **strengthen partnerships** with **local landowners, communities, and key stakeholders** that represent **environmental, business, labor, and other interests** and continue to **pursue funding** to move the project forward through the **planning and feasibility stage** and into **implementation** beginning in 2022.

# Benefits



## Off-stream Storage

Does not create a barrier to native fish migration



## Cooperative Operation

Increases effectiveness and efficiency of existing water storage infrastructure



## Recreational Opportunities

Provides northern Sacramento Valley with additional opportunities for recreation



## Federal and State Agencies Manage Environmental Water

Adaptable to current and future conditions and priorities



## Adaptable to Climate Change

Contributes to system reliability and performance with climate change



## Environmental Support

Provides environmental water in drier periods for native fish, and habitat for native species and birds



## Local Leadership and Cooperation

Aligns with Sacramento Valley's values and fosters regional and statewide collaboration



## Dry Year Water Supply

Reliable dry year water supply for California communities, farms and businesses

## Environmental Planning & Permitting

- Over 60 meetings to date
- Focused on:
  - » Criteria for diverting water from Sacramento River into Sites Reservoir
  - » Methods of analysis for ESA permits
- Discussions continue with CDFW, NMFS and USFWS
- Initial analysis shows annual deliveries of 200,000 – 250,000 acre-ft on average
- Range may be refined as discussions continue and permits finalized

## Operations

Reservoir operations being refined and integrated with the State Water Project and Central Valley Project to improve certainty related to the project's permissibility

YEAR TYPE	1,000 CFS RELEASE CAPACITY (TAF/YEAR)
Wet	90 - 120
Above Normal	260 - 290
Below Normal	245 - 275
Dry	355 - 385
Critically Dry	210 - 240
<b>Long Term Average</b>	<b>~240</b>

### Sites Reservoir:

Improves the state's water management system in drier periods, restores much-needed flexibility and reliability

Dedicates water to the environment to be managed by state resources agency managers who will decide how, and when, this water would be used

Creates a water asset for members and for the state that does not currently exist

# Delivering Success: Key Accomplishments



**Named in the Governor's Water Resiliency Plan as one of two critical projects**



**Reduced the construction cost by over \$2B through the value planning process**



**Leveraged your investment dollars against other federal and state dollars. For every dollar you invested we stretched it into \$1.50**



**Collaborated with State and Federal permitting agencies to define criteria for project permitability**

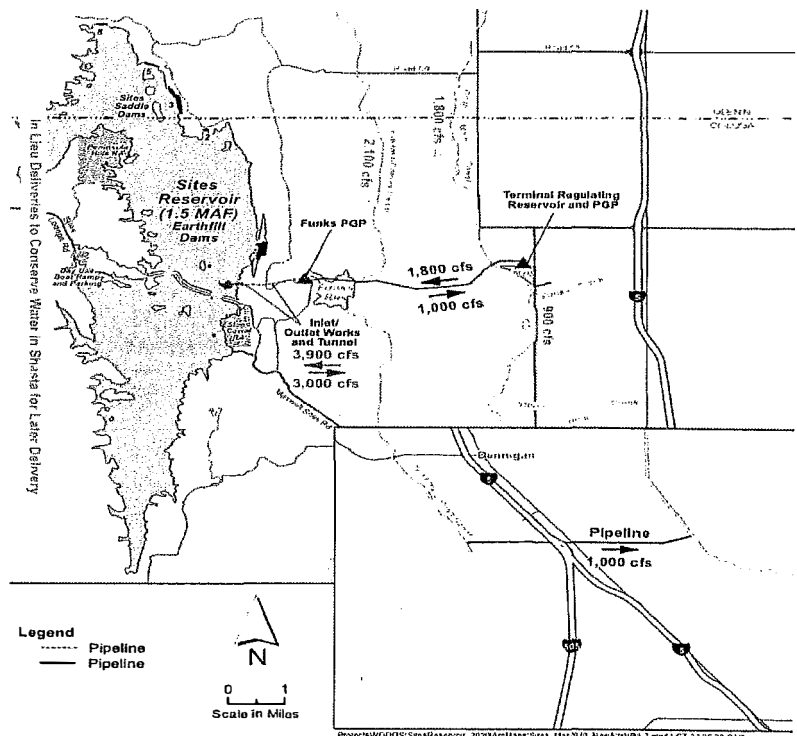
## Value Planning

The Sites Project Authority conducted a rigorous value planning effort to review the project's proposed operations and facilities to develop a project that is **"right-sized"** for our investors and participants while still providing water supply reliability and enhancing the environment.

This **right-sized reservoir** is:

- Responding to extensive member-agency, community, NGO and regulatory input
- Resulting in a smaller footprint
- Optimizing operations for climate conditions

It is essential that we build a project now that makes sense for all our participants – local, state, and federal. This means rightsizing and optimizing the project for current conditions, while maintaining flexibility to expand and adapt the project to address future conditions.



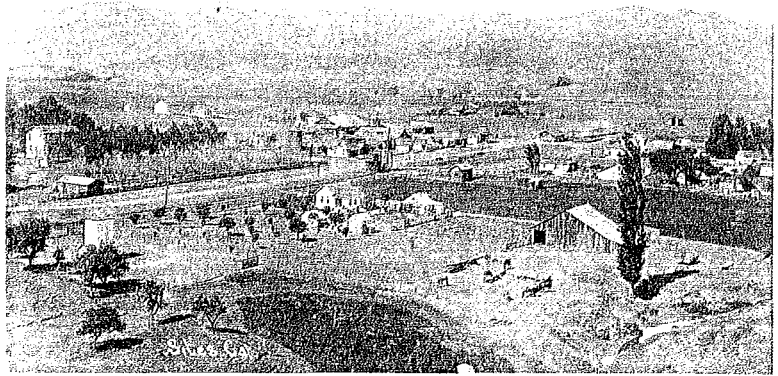
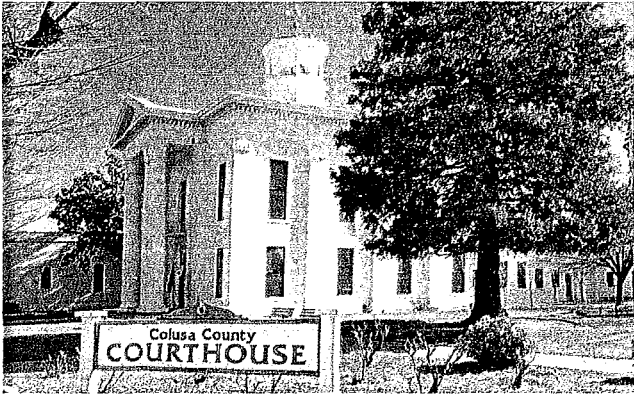




# Sites Project Authority Annual Report

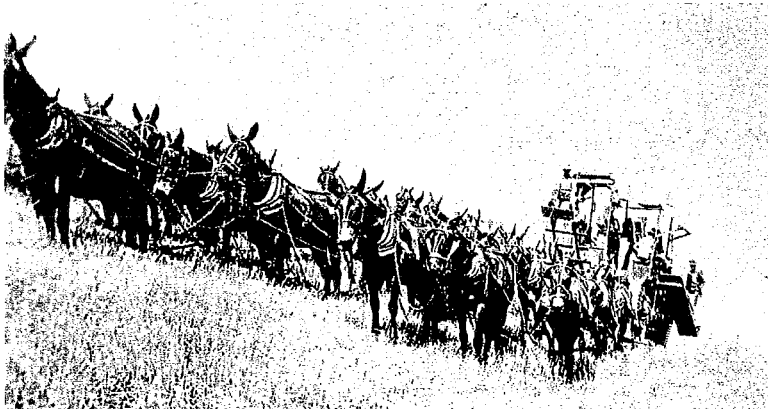
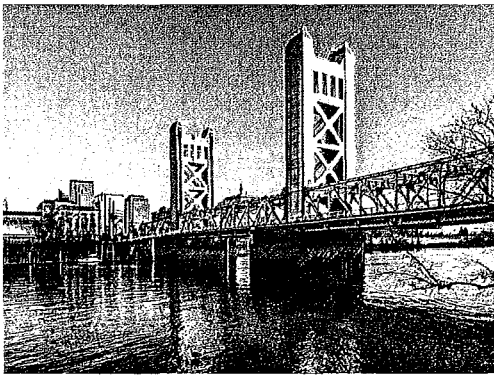
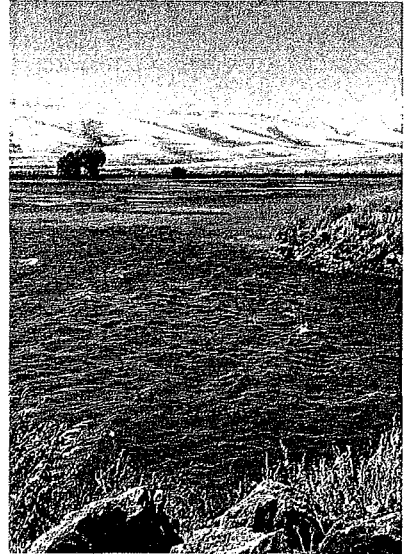
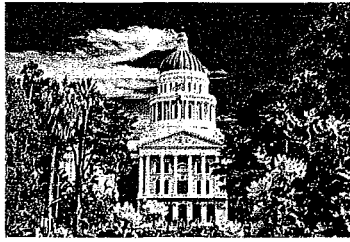
2019





## Bringing resiliency, reliability, and flexibility to California's water supply

We understand how critical it is to have a water system that provides multiple benefits. **Sites Reservoir will produce significant benefits to the environment and secure water supply resiliency across the state for future generations.**



# Letter from the Sites Board Chair

On behalf of the Sites Project Authority (Authority), I am pleased to publish this inaugural annual report to highlight the significant progress we have made in developing Sites Reservoir. Since 2010, the Authority, representing 28 public agencies throughout California, has advanced this important project.

The Authority's strength lies in our participants, which represent the local counties where the project is located, along with cities, and water and irrigation districts throughout the Sacramento Valley, San Joaquin Valley, Bay Area, and Southern California. Through this spirit of teamwork and regional collaboration, the Authority has made great progress in advancing Sites Reservoir.

In 2019, the Authority focused on project permitting, operation modeling, financial analysis, and conducting a proactive stakeholder engagement effort. We have been diligently working on developing a project that meets the needs of our participants and is affordable for our investors. We remain steadfast in our commitment to working in partnership with both landowners and project stakeholders to advance a project that meets the needs of our communities and the environment.

I believe strongly that Sites Reservoir offers a unique and generational opportunity to construct a multi-benefit water storage project that helps restore flexibility, reliability, and resiliency to our statewide water supply, and provide a dedicated supply of water for environmental purposes.

Creating a resilient and reliable water future for California is essential to our environment, economy, and our communities. The Authority is committed to advancing Sites Reservoir and will continue to work in collaboration with our participants, federal and state partners, and stakeholders to deliver this important project for the people of California.

**Fritz Durst**



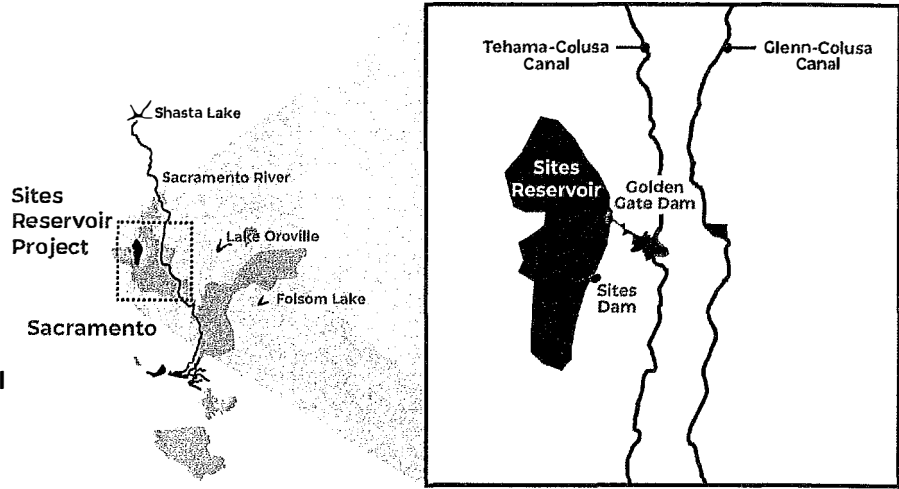
**Chairman, Sites Project Authority Board of Directors**



# Sites Reservoir has **Dedicated Participants** Across California

Now more than ever, California needs to address its statewide water management challenges by implementing innovative solutions that address our need for a sustainable and affordable water supply. **Managing California's water resources remains one of the greatest challenges that will continue to face California policy makers well into the future.**

**Our participants provide water for more than half the population of California.** Each participant is working together as partners with a unified goal of creating a reliable water supply solution for California.



Blue shading represents participant service areas.

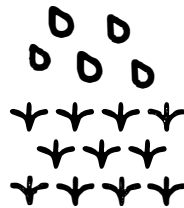
# 28 participants span California



Our participants serve:



Cities/Neighborhoods



Farmland/Irrigation



State/Environment

equating to **24+ million people** and over **500,000 acres of farmland**

# Sites Reservoir Overview: Focusing on Resiliency

## California's current water problem

California's water infrastructure is stressed beyond its capabilities. Our demands for water to serve our communities, fuel our economy, and preserve our environment have increased far beyond what the system was designed to reliably and sustainably support. Changing weather conditions only exacerbate an already unsustainable reality.

As we experienced in the 2012-2016 drought, the current water management system is not able to manage future conditions without severe consequences to our communities, families, farms, businesses, and the environment. Reliable dry year water supply is critical to creating a resilient future for California. Sites Reservoir is a vital part of the solution to improving dry year water supply for generations to come.

## How Sites Reservoir will provide a solution

Sites Reservoir will significantly improve the state's water management system in drier periods and restore much-needed flexibility and reliability that has been lost in the system. Located 10 miles west of the town of Maxwell in rural Glenn and Colusa counties, Sites Reservoir is an off-stream storage facility that captures and stores stormwater flows from the Sacramento River for release in dry and critical years.

When operating, Sites Reservoir will become a new drought management tool providing significantly more water during drier periods. **Sites Reservoir will be one of the state's largest reservoirs, and will add flexibility to California's water infrastructure by providing up to 1.5 million acre-feet of water storage capacity.**

When operated in conjunction with other Northern California reservoirs, such as Shasta, Oroville, and Folsom that function as the backbone to both the Central Valley Project and the State Water Project, Sites Reservoir will greatly increase the flexibility, reliability and resiliency of statewide water supplies in drier years for environmental, agricultural, and urban uses.

A portion of Site Reservoir's annual water supplies will be provided for environmental flows to help improve conditions for Delta smelt; help preserve the cold-water pools in Shasta Lake later into the summer months to support salmon development, spawning, and rearing; and improve Pacific Flyway habitat for migratory birds and other native species.

Sites Reservoir will benefit the local and regional economy by creating hundreds of construction-related jobs during each year of the construction period, and long-term jobs related to operations and recreation.

Simply put, Sites Reservoir can significantly improve the state's existing water management system in drier years and restore the much-needed flexibility that has been lost. The time is right to build on our momentum and growing support to ensure Sites Reservoir gets across the finish line before the next drought.

## Sites Reservoir Fast Facts



Adds significant annual water storage capacity to California's water system **for use in drier periods**



Provides the state of California with up to **1.5 million acre-feet of water storage capacity**



Creates **reliable supplies** for environmental, agricultural, and municipal uses



Provides crucial water for **homes and businesses**



Supported by **28 participating agencies** representing communities across California

# Gaining Momentum from planning through 2019

## The beginning of more successes in the years to come

From humble beginnings as a discussion around water needs first referred to in the California Department of Water Resources' (DWR) Bulletin 3 in 1957 to becoming Sacramento Valley's best option for surface water storage, Sites Reservoir is the culmination of the lengthy journey toward finding a reliable water source for California.

Initial discussions surrounding the need for additional water storage were prompted by DWR's initial interest in and studies surrounding a north-of-Delta off-stream storage concept that inspired the first official references to Sites Reservoir. Conversations continued about the need for an additional water source, but there was little funding to advance the project. Then, in 1981, the Bureau of Reclamation published findings from an independent feasibility study that set the groundwork for Sites Reservoir as a valid solution to water reliability in California. Following the study, support for the project continued through the 1990s, but the key issue remained finding adequate project funding to make Sites Reservoir a reality.

The early 2000s saw focused efforts on research and data gathering to gain funding and to support the importance of Sites Reservoir to the goals of the CALFED Bay-Delta Program (CALFED). These research efforts included reports and additional studies targeting engineering feasibility, alternative analysis, testing,

and evaluations of California's water systems, canals, treatment plants, and related facilities. The data from these efforts propelled the project forward, paving the way for the Sites Project Authority to form in 2010.

In November 2014, California voters overwhelmingly approved the passage of Proposition 1 that dedicated \$2.7 billion for water storage projects, dams, and reservoirs throughout the state. After a rigorous evaluation process, the Sites Reservoir Project was awarded \$816 million in state investment to advance the project, the largest award given to any project requesting Proposition 1 support.

Today, the Authority remains committed to Sites Reservoir and is committed to maintaining the trust of the community through transparent and efficient practices, and by honoring the water storage efforts that began more than 60 years ago.

1957

### Initial Project Identification

DWR Bulletin 3 first references the project, and the project is included in the 1957 California Water Plan.

1997

### CALFED Bay-Delta Authorization

The project is evaluated as part of a comprehensive water management framework for ecosystem restoration.

2010

### Joint Powers Authority Formed

The Authority is formed to serve as the lead local agency to advance the project.

2014

### Proposition 1 Passed

The proposition dedicated \$2.7 billion for water storage projects, dams, and reservoirs.

2020

**And beyond**

Additional milestones in the years to come will make this project a reality.

2019

**Water Infrastructure Improvements under the WIIN Act Appropriations**

Through Authority-led outreach in 2019, the project receives \$6 million, bringing the total in Congressional Appropriations from the Water Infrastructure Improvements for the Nation (WIIN) Act to \$10 million.

2018

**\$816 million investment from the State of California**

The investment meets Proposition 1 criteria in recognition of its significant benefits to the public, the economy, and the environment.

**\$449 million in federal funding from the U.S. Department of Agriculture**

The project receives a construction loan for the Maxwell Water Intertie Project. (U.S. Secretary of the Interior Ryan Zinke, U.S. Secretary of Agriculture Sonny Perdue, and elected officials tour proposed project facilities)

**California Water Resilience Draft Portfolio**

Sites Reservoir is specifically named as one of only two priority project in the Governor's 2019 Water Resilience Draft Portfolio—a plan to provide reliability and resiliency to statewide water supplies.

2016

**Reservoir Committee Organized**

Authorization is provided to spend \$27 million over 3 years.

**Draft Environmental Impact Report/Statement (EIR/EIS) Released**

The documents are developed in partnership with the Bureau of Reclamation.

# The Resiliency, Reliability, and Flexibility of Sites Reservoir

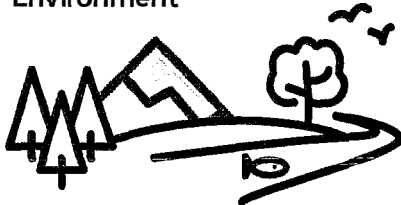
Sites Reservoir will capture and store stormwater flows from the Sacramento River—after all other water rights and regulatory requirements are met—for release primarily in dry and critical years for environmental use and for California communities, farms, and businesses when it is so desperately needed.

Rain and snowmelt from mountains feed into our rivers and lakes, providing us with water. A small portion of this water will be stored in Sites Reservoir and released in drier water years to provide water for our crops, support wildlife habitat and at-risk species, and provide water for our communities when it is needed most.



Water from Sites Reservoir **directly** benefits:

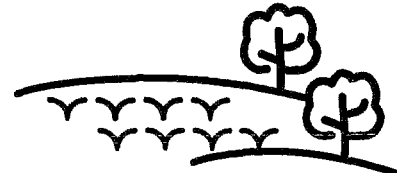
Environment



Communities



Agriculture



Families





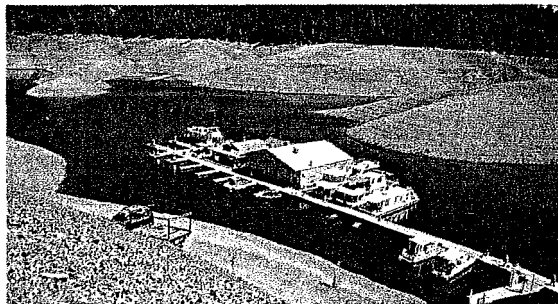
# California's Water Challenges are multi-layered, but so are the benefits of Sites Reservoir



## Floods put many Californians at risk.

Floods jeopardize our safety and they destroy homes, agricultural land, local businesses, and the environment.

After a severe flood event many homeowners, farmers, and business owners never fully recover. Recently, Sacramento Valley communities have seen local economies suffer overwhelming impacts of flooding. Sites Reservoir will improve local flood control in the Sacramento Valley to help prevent post-flood devastation.



## Droughts are a destructive reality in California.

In harsh drought conditions, the life cycle and habitat of many species are at risk, including the thousands of eggs and newly spawned salmon that rely on the Sacramento River to survive. Orchards and other agricultural crops are particularly vulnerable to drought due to limited groundwater stores. Our businesses and communities are also affected, as droughts bring severe economic and employment impacts. Sites Reservoir will provide water during drought and significantly increase the state's storage.

## The good news is, significant benefits can be possible if Sites Reservoir becomes a reality, including:



### Off-stream Storage

Does not create a barrier to native fish migration



### Cooperative Operation

Increases effectiveness and efficiency of existing water storage infrastructure



### Federal and State Agencies Manage Environmental Water

Adaptable to current and future conditions and priorities



### Adaptable to Climate Change

Improves water system reliability and performance as climate changes



### Local Leadership and Cooperation

Aligns with Sacramento Valley's values and fosters regional and statewide collaboration



### Dry Year Water Supply

Reliable dry year water supply for California communities, farms and businesses



### Recreational Opportunities

Provides northern Sacramento Valley with additional opportunities for recreation



### Environmental Support

Provides environmental water in drier periods for native fish, and habitat for native species and birds

# 2019 Highlights and Milestones

Throughout 2019, the Authority continued to build on the substantial momentum the project gained over the last few years. The Authority focused on several key milestones that position Sites Reservoir for success in 2020. In 2019, the Authority:

## Engaged Federal and State Officials

Sites Reservoir gained congressional support in 2017 when the Authority submitted the Water Storage Investment Program (WSIP) application with a letter signed by 53 California House Representatives and another signed by U.S. Representative Doris Matsui. To continue building support throughout 2019, the Authority participated in three legislative events in Washington, D.C., and facilitated a state legislative day with California elected officials.

**OUTCOME:** With continued outreach and support from elected officials at both the state and federal level, Sites Reservoir continues to receive funding.

## Adopted California Environmental Quality Act (CEQA) Guidelines

In March, the Authority adopted CEQA guidelines which identify decision-making and project approval authority and outline CEQA review procedures.

**OUTCOME:** The guidelines bring the Authority in compliance with State law and identifies an open and transparent process for implementing Sites Reservoir.

## Continued Discussions with Landowners and Project Stakeholders

Throughout the project's history the Authority has dedicated time to discussing project progress with landowners and project stakeholders. 2019 was no exception, as the Authority continued to proactively engage landowners.

**OUTCOME:** The Authority provided transparent communication with affected landowners, local government agencies, project stakeholders, and the general public.

## Discussed Permitting with Federal and State Regulatory Agencies

Throughout 2019, the Authority focused on working with federal and state regulatory agencies to discuss the permitting application process.

**OUTCOME:** The foundation is set to continue the permitting process with the U.S. Fish and Wildlife Service, National Marine Fisheries Service, and California Department of Fish and Wildlife.

## Adopted Real Estate Policy

In April, the Authority adopted a real estate policy that described procedures and protocols for acquiring temporary rights of entry in support of 2019 geotechnical field survey activities.

**OUTCOME:** The team conducted necessary geotechnical investigations efficiently and effectively, helping set the stage for success.

## Executed WSIP/Proposition 1 Early Funding Agreement

In June, the Authority worked with staff at the California Water Commission to execute the WSIP/ Proposition 1 Early Funding Agreement.

**OUTCOME:** The Authority received \$6.1 million in reimbursement of the \$40.8 million early funding agreement with the California Water Commission.

## Initiated an Organizational Assessment

An Authority-directed comprehensive organizational assessment began in August.

**OUTCOME:** The draft assessment provided findings and recommendations in key project areas, including affordability, communications, and governance.

**2019 was focused on permitability and affordability. Each key milestone accomplished throughout 2019 sets the stage for success in 2020.**



## Conducted an Affordability Analysis

The Authority conducted an Affordability Analysis in the second half of 2019. Information was conveyed in a series of joint Reservoir Committee and Authority Board workshops; the efforts culminated in the rollout of a cash flow tool for participants.

**OUTCOME:** Participants are informed about the cost of water in terms of annual repayment and operations costs.

## Began Focused Geotechnical Investigations

Beginning in the 4th quarter, the Authority began biological and cultural monitoring for the Bureau of Reclamation's geotechnical investigations. The focused investigations involved coordination with landowners and local agencies, including Colusa County, Maxwell Irrigation District, and Glenn Colusa Irrigation District.

**OUTCOME:** Getting "rigs in the field" was an enormous breakthrough for the project and is a significant step toward the next phase.

## Executed Bureau of Reclamation Cost Share Amendment

In December, the amendment to the Cost Share Memorandum of Understanding between the Bureau of Reclamation and the Authority was executed for continued planning and pre-construction activities. The agreement was initially executed in 2015, and this first amendment extends the term for 5 additional years from the signing date.

**OUTCOME:** With support from the Bureau of Reclamation, the Sites Reservoir can continue to advance.

## Executed Value Planning

The Authority embarked on a value planning effort that consists of appraisal-level engineering, environmental, permitting, operations, and financial assessments.

**OUTCOME:** The Authority is identifying the "right-size" project to build under today's conditions through value planning that prioritizes the creation of eligible public benefits (as identified in Proposition 1) and water supply benefits for the public water agencies that have been funding the studies to date.

## Secured WIIN Act Funding

At the close of 2019, President Trump signed a bipartisan spending bill that authorized \$6 million from the federal government and appropriated the authorized WIIN Act funds to the Bureau of Reclamation to advance the Sites Reservoir.

**OUTCOME:** To date, Congress has appropriated roughly \$10 million in WIIN Act funding to the Bureau of Reclamation for Sites Reservoir.

# California's Water Resilience Draft Portfolio identified Sites Reservoir as one of only two critical projects.

Executive Order N-10-19 outlines a plan for a water resilience portfolio to provide reliability and resiliency to statewide water supplies. Sites Reservoir was identified as a priority project that supports the goals presented in this document.

**Sites Reservoir is recognized as a top priority that will support the water needs of California's communities, economy, and environment through the 21st century.**



# Looking Ahead

## Planning for 2020 and Beyond

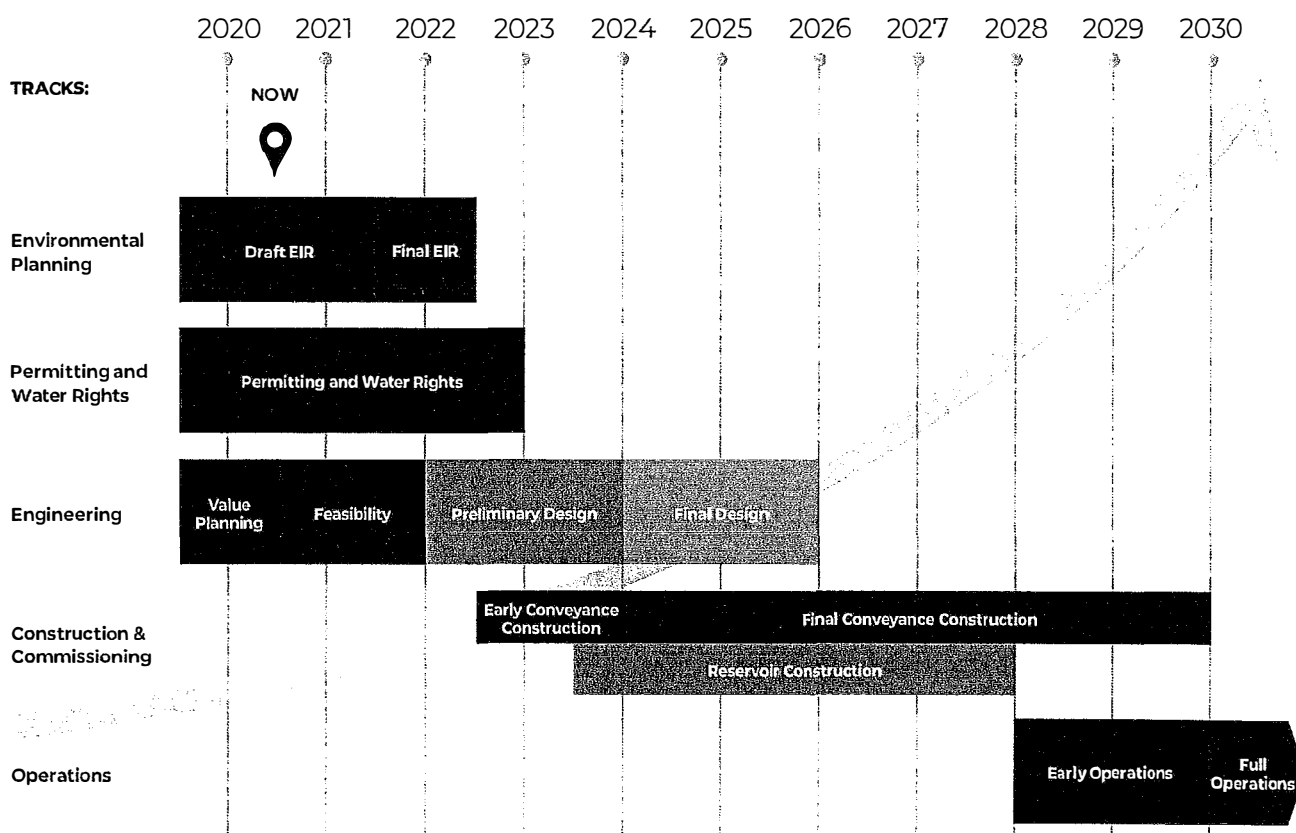
**The Authority will build on the significant achievements of 2019 to advance Sites Reservoir toward operations in 2030.**

Efforts will remain focused on project affordability and permitability. Value-planning efforts to right-size project facilities and operations will continue in early 2020, and produce the details needed to complete environmental documentation and advance key project permits.

Near-term goals are to:

- Define the reservoir's operations and integration with the State Water Project and Central Valley Project
- Continue to improve certainty related to the project's permitability, and prepare applications for key federal and state permits and a state water right permit
- Continue to improve project affordability by advancing engineering and cost estimates
- Secure additional low-interest financing and other grants
- Cultivate and strengthen partnerships with local landowners, communities, and key stakeholders that represent environmental, business, labor, and other interests
- Continue local, state, and federal funding to move the project forward through the planning and feasibility stage and into implementation beginning in 2022

## Sites Reservoir Project Schedule



# What our elected officials are saying about Sites Reservoir

From humble beginnings in 1957, Sites Reservoir is swiftly becoming reality as it moves from planning to execution.

“Sites Reservoir is best positioned to help increase our water supply, improve flood protection, improve water quality, and enhance water resources for the foreseeable future.”

—Senator Jim Nielsen

“Sites Reservoir offers a remarkable opportunity to reoperate California’s longest and largest river, the Sacramento, to provide multiple benefits for fish, farms, and cities in an innovative manner.”

—Senator Dianne Feinstein

“Sites is a critical component of what we need to do to prepare for the next drought... it would be a huge addition to our water storage capacity in California.”

—Assemblyman James Gallagher

“Building Sites Reservoir would bring California closer to achieving a drought-resilient water system... Sites will benefit farmers, our communities, and the environment.”

—U.S. Representative John Garamendi

“Sites is the best opportunity we have to increase water storage in California. Dry years or wet—for habitat, farms and Northern California communities—this project brings water security and benefits. I’ll keep fighting to get this project built.”

—Congressman Doug LaMalfa

#### SOURCES:

Feinstein: [sitesproject.org/wp-content/uploads/2018/03/Sites\\_Support\\_Letters\\_Website\\_2.23.18.pdf](https://sitesproject.org/wp-content/uploads/2018/03/Sites_Support_Letters_Website_2.23.18.pdf)

Gallagher: [sacramentovalley.org/sites-reservoir/](https://sacramentovalley.org/sites-reservoir/)

Garamendi: [www.dailydemocrat.com/2020/01/08/sites-reservoir-proposal-receives-6m-in-federal-funds/](https://www.dailydemocrat.com/2020/01/08/sites-reservoir-proposal-receives-6m-in-federal-funds/)

LaMalfa: [www.dailydemocrat.com/2020/01/08/sites-reservoir-proposal-receives-6m-in-federal-funds/](https://www.dailydemocrat.com/2020/01/08/sites-reservoir-proposal-receives-6m-in-federal-funds/)

Nielsen: [nielsen.cssrc.us/content/senator-nielsen-pushes-construction-sites-reservoir](https://nielsen.cssrc.us/content/senator-nielsen-pushes-construction-sites-reservoir)

# Costs and Funding

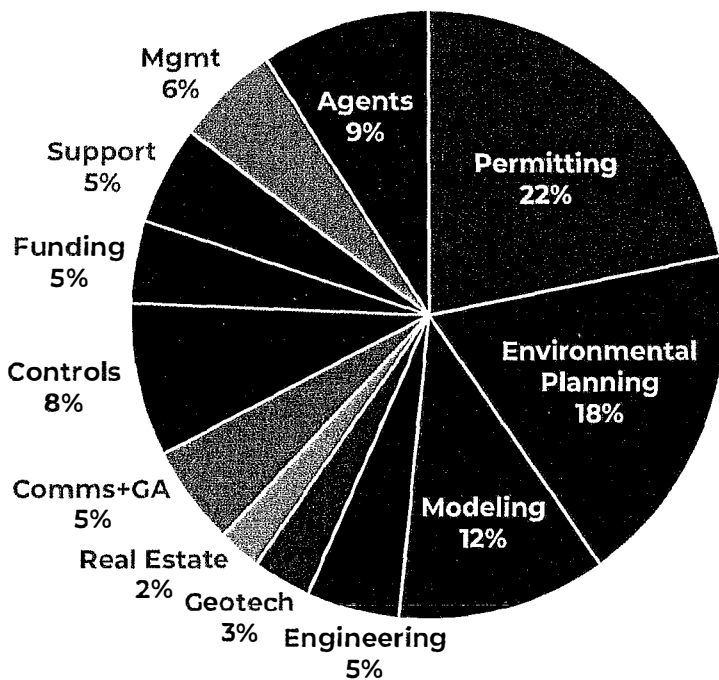
## The Authority leveraged local funds in 2019 to improve certainty on project affordability and permitability.

In 2019 the Authority focused resources on improving certainty related to the project's permitability and affordability. The project went through a re-balancing in early 2019 as the project transitioned from phase 1 to phase 2. As participants changed their investment, the Authority re-prioritized funds through the approval of a new phase 2 work plan and schedule. A change in participation also triggered the implementation of the Authority's credit reimbursement policy. The Authority focused on leveraging local investments by executing an early funding agreement with the state using Proposition 1 funding, totaling a third of the project's revenue in 2019. Coordination with

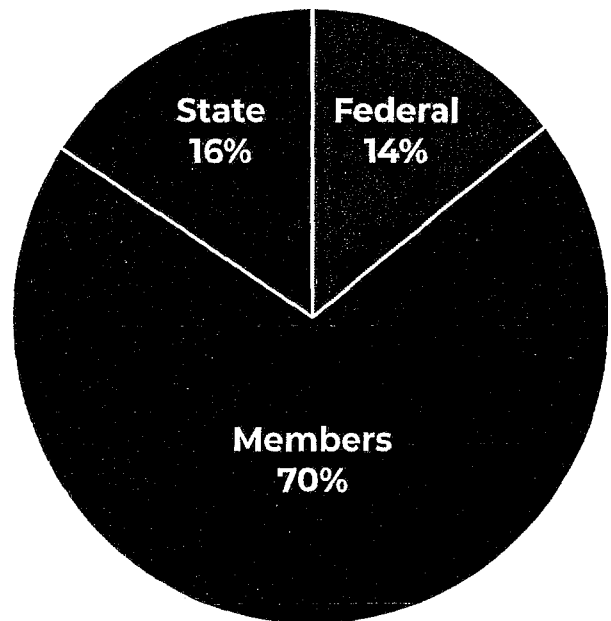
the Bureau of Reclamation also paved the way for a financial assistance agreement to be executed in 2020 to provide federal funds to the Authority and further leverage local investment.

Early in 2019 a management and technical team was assembled to deliver on the Authority's mission. In addition to bolstering critical environmental, permitting, operations, and engineering teams, the team added real estate, outreach, geotech, and project management resources. The team will provide the technical and business infrastructure needed to grow in a way that is efficient, transparent, and responsible.

**2019 Costs by Task**



**Cost Share (Actuals)  
2015 through December 31, 2019**



## Authority 2019 Profit and Loss Report\*

### Income

Membership Admin/Authority	\$505,000
Membership Water	\$11,458,034
Proposition 1 Funding	\$6,123,082
<b>Total Income</b>	<b>\$18,086,116</b>

### Expense

Financial Fees and Subscriptions	\$38,846
Office Expenses	\$12,991
Credit Reimbursement (Phase 1)	\$6,503,713
Total Professional Fees	\$10,820,725
Website, Data, Computer Support	\$10,911
<b>Total Expense</b>	<b>\$17,387,187</b>
<b>Net Ordinary Income</b>	<b>\$698,929</b>
Interest	\$121,536
<b>Net Income</b>	<b>\$820,465</b>

\*rounded to the nearest dollar

**\$27** million

**invested by Sites Reservoir participants through 2019.**

**Sites Reservoir participants are committed to seeing this project constructed.**

**The Authority has undergone an independent audit each year since 2016.**

Each audit has confirmed that the Authority has maintained outstanding business practices resulting in efficient and transparent operations.

**“In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2018, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.”**

—Sites Project Authority Annual Financial Report with Independent Auditor's Report Theron, December 31, 2018

Auditor/Report Preparer: *Fechter & Company*  
 Certified Public Accountants  
 Sacramento, California, June 28, 2019

# Diverse Statewide Support for Sites Reservoir

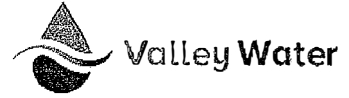


RECLAMATION DISTRICT

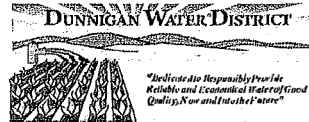
108



Tehama Colusa Canal Authority



CITY OF AMERICAN CANYON



SCV WATER



DESERT WATER



BUREAU OF RECLAMATION

Carter Mutual Water Company | Colusa County Water District

Cortina Water District | Davis Water District | LaGrande Water District

Photo by Isidore Lopez

Sites

2019 Annual Report

48 / 64





21<sup>st</sup> Century Solution to California's Water Reliability Challenges

Sites Reservoir is a generational opportunity to construct a multi-benefit water storage project that helps **restore flexibility, reliability, and resiliency** to our statewide water supply

A grid of six small, square images. The top row contains three images: a landscape with hills and a body of water, a suspension bridge over water, and a large tree. The bottom row contains three images: a wide landscape with hills, a field with furrows, and a building with a dome. The Sites logo is located in the bottom right corner of this section.

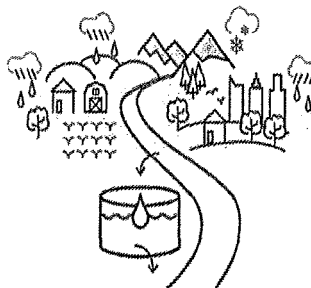
## 21<sup>st</sup> Century Solution to California's Water Reliability Challenges

### Sites Reservoir is a new perspective for water storage

Captures and stores stormwater flows from the Sacramento River—after all other water rights and regulatory requirements are met—for release primarily in dry and critical years

Sites is not a “traditional” reservoir project. It is an off-stream facility that does not dam a major river system and would not block fish migration or spawning.

Sites Reservoir is one of only two statewide projects specifically named as a priority project in Governor Newsom’s Water Resilience Portfolio.



Water from Sites directly benefits:



## Our Strengths in Our Broad Statewide Participation

### Participants are diverse, representing major urban centers and rural agricultural regions across California

The Sites Project Authority is working in collaboration with a broad coalition of project participants throughout California to address our statewide water supply challenges and create a resilient water future

Working in close collaboration with California Department of Water Resources and Bureau of Reclamation to add operational flexibility to the State Water Project and Central Valley Project

Spirit of teamwork and regional collaboration to advance a practical solution for our statewide water management challenges

Our participants serve:



Cities/Neighborhoods



Farmland/Irrigation



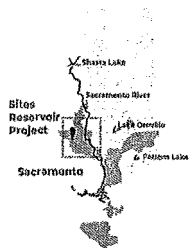
State/Environment

equating to **24+ million people** and  
over **500,000 acres of farmland**



**Our Strength is in Our  
Broad Statewide Participation**

**Diverse statewide representation of public agencies advancing Sites Reservoir**



Participants include counties, cities, water and irrigation districts

Urban and Rural

Sacramento Valley

San Joaquin Valley

Bay Area

Southern California



**Our Strength is in Our  
Broad Statewide Participation**

**Sacramento Valley**

- Carter Mutual Water Company
- City of American Canyon
- Colusa County
- Colusa County Water Agency
- Cortina Water District
- Davis Water District
- Dunnigan Water District
- Glenn County
- Glenn-Colusa Irrigation District
- LaGrande Water District
- Placer County Water Agency
- Reclamation District 108
- City of Roseville
- Sacramento County Water Agency
- City of Sacramento
- Tehama-Colusa Canal Authority
- Westside Water District
- Western Canal Water District

**Bay Area**

- Santa Clara Valley Water District
- Zone 7 Water Agency

**San Joaquin Valley**

- Wheeler Ridge-Maricopa Water Storage District

**Southern California**

- Antelope Valley - East Kern Water Agency
- Coachella Valley Water District
- Desert Water Agency
- Metropolitan Water District
- San Bernardino Valley Municipal Water District
- San Geronlo Pass Water Agency
- Santa Clarita Valley Water Agency



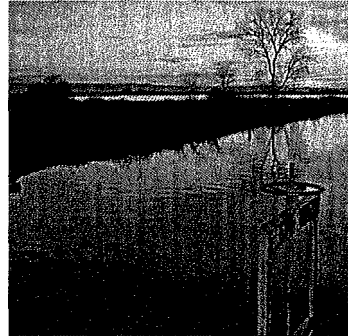
## 21<sup>st</sup> Century Solution to California's Water Reliability Challenges

### Sites Reservoir would be a vital component of California's integrated statewide water infrastructure

Sites Reservoir will significantly improve the state's water management system in drier periods and **restore much-needed flexibility and reliability** that has been lost in the statewide system

Will add flexibility to California's existing water infrastructure by providing up to 1.5 million acre-feet of additional storage capacity

Sites will be cooperatively managed in conjunction with both the State Water Project and Central Valley Project and **will greatly increase the flexibility, reliability and resiliency of statewide water supplies in drier years for environmental, agricultural, and urban uses**



## 21<sup>st</sup> Century Solution to California's Water Reliability Challenges

### Sites Reservoir is designed to be adaptable to a changing climate

As **snowpack declines** due to climate change and more of our water comes in the form of **atmospheric rivers** - Sites Reservoir will **become even more vital** to the future resiliency of our statewide water supply

Sites Reservoir captures and stores this water **for release primarily in dry and critical years** adding **resiliency** to future California water supplies

Sites **operates even better** under the most challenging climate change scenarios



**Rightsized to Meet Our Current and Future Water Supply Needs**

**Sites Reservoir has been designed and optimized to meet our water supply needs for today and in the future**

The Sites Project Authority conducted a rigorous Value Planning effort to review the project's proposed operations and facilities to develop a project that is "right sized" for our investors and participants while still providing water supply reliability and enhancing the environment



Rightsizing the reservoir was responsive to input from state and federal agencies, NGOs, elected officials, landowners and local communities

The feedback we received through a robust outreach effort was critical to developing a reservoir that is the right size for both people and the environment

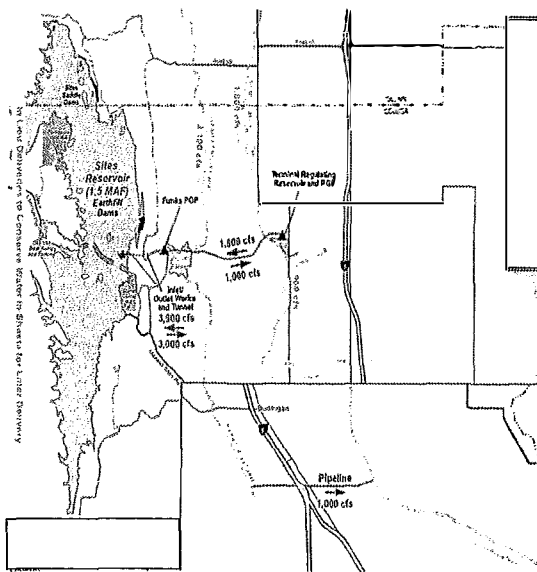


**Rightsized to Meet Our Current and Future Water Supply Needs**

1.5 million acre-feet

Utilizes the existing Glenn-Colusa Irrigation District and Tehama-Colusa Canal Authority canals to convey water to Sites Reservoir from the Sacramento River

Delivers water back to the Sacramento River through the Tehama-Colusa Canal and through the Colusa Basin Drain for participant deliveries and for the environment



**Right-sized to Meet Our Current and Future Water Supply Needs**

Member	Reservoir Participation (AFY)
<b>Public Water Agencies</b>	
North of Delta	52,142
South of Delta	140,750
Subtotal Public Water Agencies	192,892
State of CA	~ 40,000
Total Requirement	~230,000

**Participant Demand**

Participant water subscriptions allocated in the current participation agreement

Allocation of State of California water subscription is based on the **Proposition 1 water investment**

- Water for Delta Smelt
- Water for Refuges

**Release Capacity from Sites**

The "rightsized" project can deliver water to meet the demands of our participants and California's investment of water for the environment

**Long term average ~240,000 AFY**

Year Type	1,000 cfs Release Capacity (AFY) to the Colusa Basin Drain
Wet	90 - 120
Above Normal	260 - 290
Below Normal	245 - 275
Dry	355 - 385
Critically Dry	210 - 240



**Right-sized to Meet Our Current and Future Water Supply Needs**

The Value Planning process has **resulted** in a project that has a **smaller footprint and operated in a different manner** than originally designed

Due to these changes the Authority will **revise and recirculate its Draft EIR**

Work with **landowners, tribes, stakeholders, NGOs, and local communities** to develop a **collaborative environmental review process**

It is essential that we **build a project now that makes sense for all our participants** - local, state, and federal



## Right-sized to Meet Our Current and Future Water Supply Needs

Reservoir Size (MAF)	1.5
Project Cost (2019\$, billions)	\$2.4 - \$2.7
Contingency Cost (2019\$, billions)	\$0.6
Total Project Cost (2019\$, billions)	\$3.0 - \$3.3
Annualized AF/year release (AFY)	240,000
Range of Annual Costs During Repayment Without WIFIA Loans (2020\$, \$/AF)	\$650 - \$710
Range of Annual Costs During Repayment With WIFIA Loans (2020\$, \$/AF)	\$600 - \$660

The rightsized project is roughly \$2 Billion less than the 2017 preferred alternative

Cost savings primarily from the removal of the Delevan Diversion facility on the Sacramento River and the Delevan Pipeline

Lowered the Annual Cost during repayment (\$/AF)

Significant savings to participants with finance through a WIFIA government backed loan



## Provides Statewide Benefits for Generations to Come

### Sites Reservoir provides many multi-layered benefits



**Off-stream Storage**  
Does not create a barrier to native fish migration



**Cooperative Operation**  
Increases effectiveness and efficiency of existing water storage infrastructure



**Recreational Opportunities**  
Provides northern Sacramento Valley with additional opportunities for recreation



**Federal and State Agencies Manage Environmental Water**  
Adaptable to current and future conditions and priorities



**Adaptable to Climate Change**  
Contributes to system reliability and performance with climate change



**Environmental Support**  
Provides environmental water in drier periods for native fish, and habitat for native species and birds



**Local Leadership and Cooperation**  
Aligns with Sacramento Valley's values and fosters regional and statewide collaboration



**Dry Year Water Supply**  
Reliable dry year water supply for California communities, farms and businesses



Provides Statewide Benefits for Generations to Come

### Sites Reservoir provides water dedicated to environmental use

A significant portion of the Sites Reservoir Project's annual water supplies will be dedicated to environment uses:

Preserve cold-water pool in Lake Shasta later into the summer months to support salmon development, spawning and rearing

Provide a reliable supply of refuge water to improve Pacific Flyway habitat for migratory birds and other native species

Provide water dedicated to help improve conditions for the Delta Smelt

Water dedicated for the environment provided by Sites Reservoir will be managed by state resources agency managers who will decide how, and when, this water would be used - creating a water asset for the state that does not currently exist



Provides Statewide Benefits for Generations to Come

### Sites Reservoir provides regional flood protection benefits

Provides significant regional flood protection benefits for the Sacramento Valley

Will capture and store flood flows that would normally impact the community of Maxwell - protecting homes, business and farms

Will help to limit "down stream" flooding issues by capturing storm flows that sometimes overwhelm the regions flood control facilities





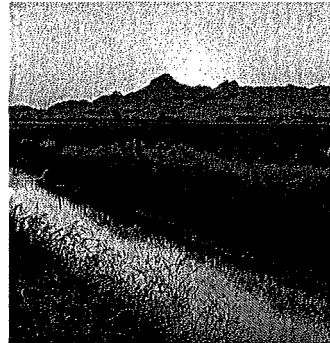
**Provides Statewide Benefits for Generations to Come**

**Sites Reservoir will benefit the local and regional economy**

**Create hundreds of construction-related jobs** during each year of the construction period, and **long-term jobs related to operations**

Creates **new recreation opportunities** in the Sacramento Valley which adds to the region's **economy**

Adding **resiliency** to the water supply will **strengthen the statewide economy and business** that rely on a reliable source of water for their operations - particularly agriculture



**We are On Track to Deliver This Vital Project for the People of California**

**Sites Project Authority has accomplished a lot since it was formed**

**2010:** Sites Project Authority is formed

**2016:** Reservoir Committee is formed

- **Released** a Draft Environmental Impact Report/Environmental Impact Statement (Draft EIR/EIS) in partnership with the Bureau of Reclamation

**2018:** Sites Reservoir Project was **awarded \$816 million in state investment** to advance the project, the **largest award** given to any project requesting Proposition 1 support

- **Awarded a \$449 million loan** from the U.S. Department of Agriculture's Rural Development program

**2019:** The project **received \$6 million**, bringing the total in Congressional Appropriations from the Water Infrastructure Improvements for the Nation (WIIN) Act to **\$10 million**

**2020:** Sites Reservoir is **specifically named as one of only two priority projects** in the Governor's **2019 Water Resilience Draft Portfolio**—a plan to provide reliability and resiliency to statewide water supplies



We are On Track to Deliver  
This Vital Project for the People of California

### Next Steps for 2020 – 2021 Environmental Permitting

**Finalization** of the **EIR/EIS Project Description Chapter**, both construction and operations/maintenance of the project and **alternatives**

Desk top research to **update environmental baseline**, where appropriate, to better support analysis and the administrative record

Continued **outreach to Landowners, Agencies, NGOs, Tribes**, and other stakeholders to proactively address concerns and formulate collaborative solutions

**Prepare and circulate** a revised **Draft EIR/EIS**

**Review**, categorize and **draft initial responses** to comments received on the recirculated Draft EIR/EIS

**Prepare and submit** an **Environmental Summary Report** to support CWC feasibility determination



We are On Track to Deliver  
This Vital Project for the People of California

### Next Steps for 2020 – 2021 Environmental Permitting

Submit the **Biological Assessment (BA)** and work with U.S. Fish and Wildlife Service to complete a **Biological Opinion (BO)**

**Finalize Programmatic Agreement** in compliance with the National Historic Preservation Act (Section 106)

Submit Clean Water Act Section **404** **Section 401** permit applications

Development **agreement** on approach for River and Harbors Act **Section 408** approval

Progress **Water Right** application

**Submit required permits** in support of planned **Geotechnical** field activities



We are On Track to Deliver  
This Vital Project for the People of California

**Next Steps for 2020 – 2021 Engineering**

Complete **Final Federal Feasibility Report** in coordination with Bureau of Reclamation

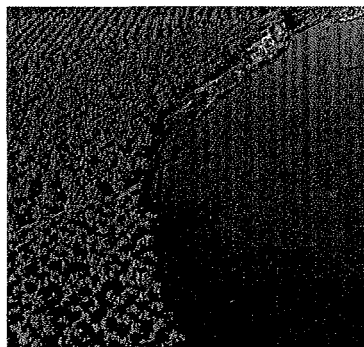
Engage with **Division of Safety of Dams (DSOD)** on dam design and construction approach

Continuing **collecting and analyzing of focused geotechnical data** in support of design

Develop the project-wide **Geotechnical Investigation Plan**

Updated and refine the **project-wide cost estimate**

Support the Environmental Planning and Permitting teams with **engineering and design support**



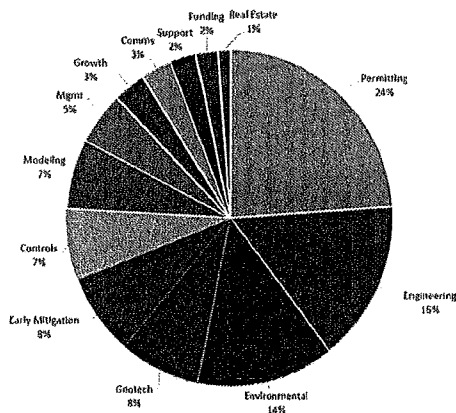
We are On Track to Deliver  
This Vital Project for the People of California

Participant funding request for the next phase of the project's development to fund work activities from 9/1/20 through 12/31/21

Assumed \$100/acre-ft funding request in two installments

Concerns regarding potential financial impacts to participants due to the COVID19 pandemic

Two-step funding request process



We are On Track to Deliver  
This Vital Project for the People of California

**Step 1: Soft Call**

April 29<sup>th</sup> - Sent updated projections, ask for staff response to:

1. What amount (AF) you will be recommending to your board for your agency?
2. When do you plan to get board approval?
3. If more acre-feet were to become available, would you recommend your agency increase subscription?

May 15<sup>th</sup> - Responses due back to Authority

May 21<sup>st</sup> - Reservoir Committee Meeting - next steps



We are On Track to Deliver  
This Vital Project for the People of California

**Step 2: Hard Call (based on soft call results)**

**Scenario #1  
Full Subscription**

Jun 1<sup>st</sup> - Formal requests issued

Aug 14<sup>th</sup> - Agency Board response due to Authority

Sep 1<sup>st</sup> - Authority issues invoices

**Scenario #2  
Partial Subscription**

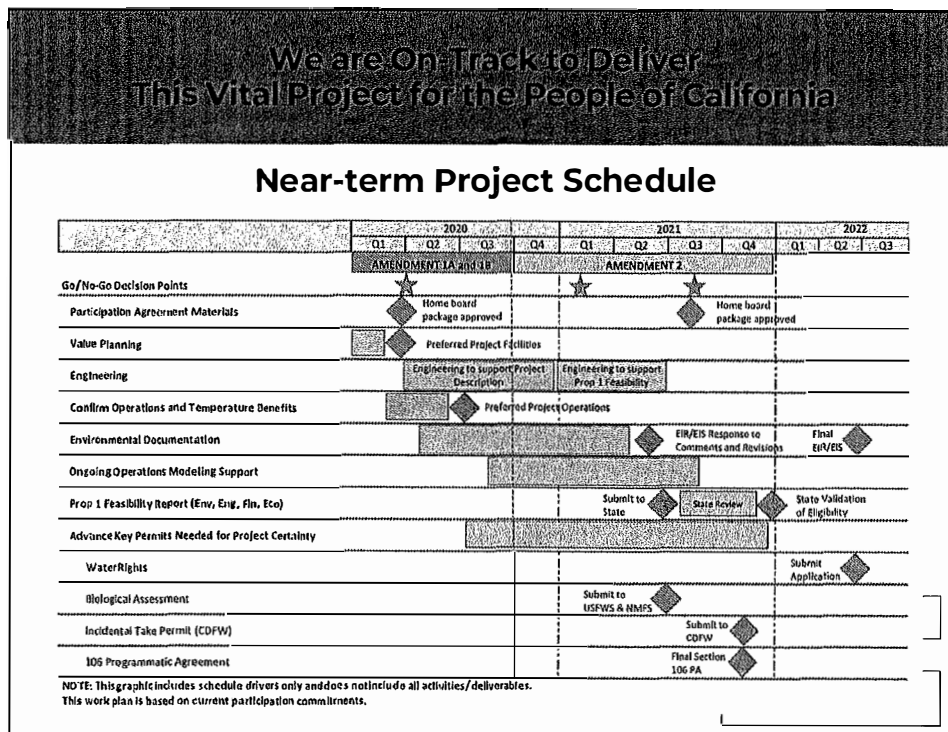
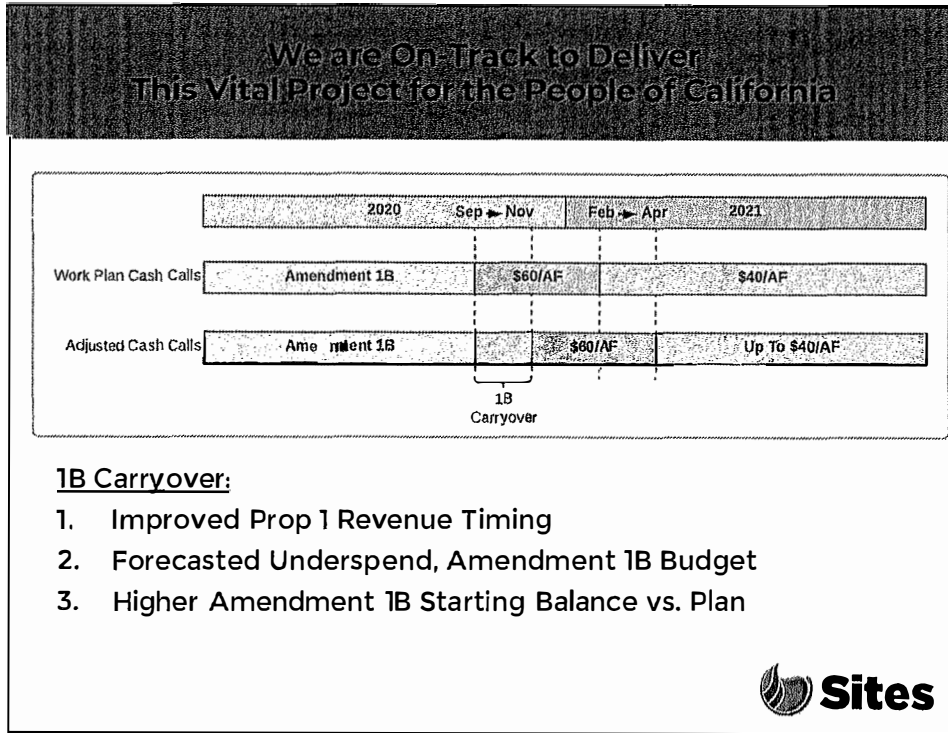
Jun 1<sup>st</sup> - Outreach to other potential participants

Jun 19<sup>th</sup> - Reservoir Committee meeting - consider next steps and schedule

Jul 1<sup>st</sup> to Oct 1<sup>st</sup> - Formal approvals

Both Scenarios: \$60/AF Invoices due Nov 1<sup>st</sup>, up to \$40/AF due Apr 1<sup>st</sup>

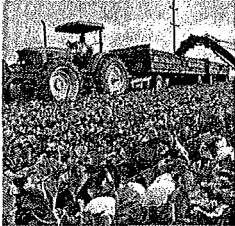





**We are On Track to Deliver  
This Vital Project for the People of California**

### Key Milestones Through 2021

- Meet eligibility requirements under Prop 1 (WSIP) in order to access the remainder of the \$816 Million in funding
- Recirculate Draft EIR for public comment, proactively engage stakeholders, develop responses to comments to support environmental feasibility determination
- Complete Feasibility Report
- Secure environmental permit certainty and draft permit applications
- Update and refine cost estimate and affordability analysis
- Develop Plan of Finance
- Improve definition of SWP/CVP exchange, including Operations Plan
- Enhance landowner, stakeholder & NGO engagement
- Develop Operating Agreement Term Sheets with: DWR, USBR, TCCA, GCID, CBD Authority

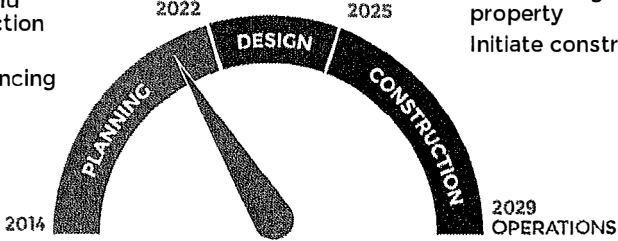
**Path Forward Starting 2022**


#### Planning Phase

- Final EIR/EIS
- Final Biological Opinion
- Complete water rights process
- Prop 1 required agreements
- Electrical grid interconnection agreement
- Interim financing

#### Design Phase

- Geotech explorations
- Engineering designs
- Land acquisition
- Secure final permits
- Secure water rights
- Secure mitigation property
- Initiate construction





## 21<sup>st</sup> Century Solution to California's Water Reliability Challenges

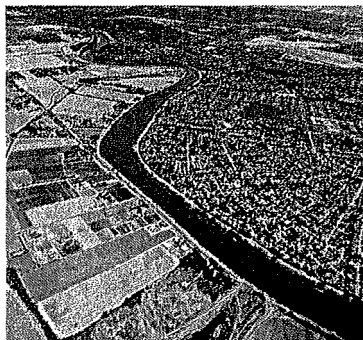
### Why Sites Reservoir?

Unique opportunity to restore flexibility, reliability and resiliency to statewide water supply

Not a traditional water storage project

Benefits people, farms and the environment

Critical to California's water resiliency



# Questions



Proposed Draft Engineering Budget  
2020-2021

SGMA		
	GSP Consultant	600,000
	Yucaipa GSP	30,000
Studies		
	USGS	115,000
	UWMP	125,000
	Water rate nexus study	30,000
	Water rate modeling	12,000
	Capacity fee nexus study	20,000
	Wheeling study	4,000
	Infrastructure plan	12,000
General		
	New water	2,000
	GIS (district boundaries)	5,000
	Basin Monitoring Program Task Force	30,000
	Flume flow monitoring	30,000
	General engineering	10,000
	<b>Total</b>	<b>1,025,000</b>