



Topic: **Authority Board Agenda Item 3-1**

**2018 Aug 20**

Subject: **Monthly Status Report**

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**Requested Action:**

No action requested. Informational item.

**Detailed Description/Background:**

General Manager and staff to provide an update on project activities for July 2018 for; Program Management & Administration, Engagement & Outreach, Proposition 1, Environmental, Feasibility Study, and Engineering and Technical Support.

**Prior Authority Board Action:**

None.

**Fiscal Impact/Funding Source:**

None

**Staff Contact:**

Jim Watson

**Attachments:**

Attachment 3-1: July 2018 Status Report

Topic: **Sites Reservoir Project, Phase 1**

Subject: **Monthly Status Report**

Report Period: **2018 July**

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### Monthly Status Summary:

The Program continues to make progress in the critical areas associated with the rebalancing process, development of a plan to finance Phase 2, engaging with the Water Commission on aspects of the WSIP application; engaging with Reclamation on completion of the federal Feasibility Report, initiation of work within their FY2018 funding and the requirements for an application for potential WIIN Act funding; development of the overall Phase 2 work plan, development of the proposed Phase 2 Reservoir Project Agreement and development of the process and documents needed to procure resources at the start of Phase 2. In addition, near-term critical tasks are continuing, and new tasks are starting.

The following highlights the status of activities conducted during the month of July 2018:

### Program Management & Administration:

Phase 2 Work Plan: The Authority (July 16) and Reservoir Committee (July 20) approved the Phase 2 Work Plan for use in the development of the finance plan, the Phase 2 Participation Agreements, and the development of the fiscal year 2019 budget.

Phase 2 Reservoir Project Agreement: Based on responses received since the July 9 and 10 workshops, work continues to develop the draft agreements between the Authority and Reservoir Committee participants and to advance the Credit Reimbursement Policy. The agreement will include interim financing requirements that align with the draft finance plan.

### Financials:

- Finance Plan: Continuing to develop both the interim and construction finance plans, which are needed by the end of the year to support the start of Phase 2.
- Funding Sources: Continuing to assist Reclamation use its FY2018 funds, pursue funding and financing sources that could be in addition to the State's WSIP and section 4007(c) of the WIIN Act (Water Storage). Staff are evaluating the applicability of section 4011(e) of the WIIN Act to potentially provide funding in the latter stages of Phase 2 and submitted an application for a DOE grant for technical assistance related to hydropower on July 12.

In addition, USDA invited the Authority to submit an application for a low-interest construction loan. A formal application was submitted on July 31. It included a preliminary engineering report, a financial plan, and environmental documentation for compliance with NEPA and ESA associated with their actions.

### Procurements:

- Phase 2 Services: Staff continued to refine the selection process and prepare a Request for Qualifications that will enable consultants to submit their qualifications and other

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Notes:				Page:	1	of	2

information in nine different service areas. An ad hoc work group has been working with staff to refine the scope-of-services and selection process..

**Engagement & Outreach:**

Continuing to coordinate with landowners, media outlets, state and federal elected officials, government agencies and coalitions of regional and statewide organizations; to coordinate project activities with landowners and the project stakeholders, respond to requests for project information, and to plan and facilitate meetings and site tours.

Continued development of new collateral materials including a salmon benefits fact sheet and project operations animation. Responded to media inquiries regarding CWC final determination of eligible funding decision at its July 24th meeting. Facilitated a meeting with the Colusa Indian Community Council and planned for future meetings with tribal representatives. Developed a revised outreach plan to address planned engagement activities through the end of Phase 1 of the project.

**Proposition 1 (WSIP) Application:**

Provided input to Water Commission staff on the Early Funding Agreement template. Participated in, the Water Commission's review meetings (July 24) where they conditionally approved \$816 million in funding and \$40.8 million in early funding.

**Coordination with Reclamation:**

Continued coordination activities with Reclamation to 1) coordinate their request and potential legislation for the appropriation of FY2019 funds, 2) Coordinated with CVO, Planning and other offices to advance the working draft Operational Principles of Agreement, 3) prepared draft updates of applicable agreements, 4) participated in the review and update of the Feasibility Report (due August 31, 2018) and provided a briefing to the Policy Review Team, and 5) preparations to submit an application for consideration of federal funding as authorized in the WIIN Act for a locally-led water storage project.