



Topic: **Reservoir Committee Agenda Item 2-1** **2018 Dec 20**

Subject: **Monthly Status Report**

Requested Action:

No action requested. Informational item.

Detailed Description/Background:

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

Prior Reservoir Committee Action:

None.

Fiscal Impact/Funding Source:

None

Staff Contact:

Jim Watson

Attachments:

Attachment A: November 2018 Status Report

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

Subject: **Monthly Status Report**

Report Period: **2018 November**

Monthly Status Summary:

The development of the Sites Project continues to make progress in the critical areas associated with the reprioritized Phase 1 budget and work plan, including the following activities;

- Rebalancing and agency participation agreements.
- Engaging with the Water Commission on the WSIP Early Funding including quarterly reporting.
- Supporting Reclamation on completion of the federal Feasibility Report.
- Initiation of technical work within Reclamation FY2018 funding and the requirements for an application for potential WIIN Act funding.
- Development of the overall Phase 2 (2019) work plan and Budget.
- The proposed Phase 2 (2019) Reservoir Project Agreement.
- The procurement process and documents needed to secure resources at the start of Phase 2 (2019).

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

Program Management & Administration:

2019 Reservoir Project Agreement: At the November meetings, agreement was reached to proceed with annual participation agreements, which for 2019, the participation agreement will be from April 1 through December 31, 2019. With Phase 1 ending on March 31, 2019, the 2019 Reservoir Project Agreement will become effective April 1, 2019 and extend through December 31, 2019.

Finance Plan: The plan to finance the construction has been updated to evaluate three scenarios: (1) the Baseline, which uses 5% interest and benefits of the USDA conditional loan, (2) if financing occurred today using current rates, and (3) scenario 2 with WIFIA-type loan assumed to be \$1.1 B. Scenario 3 represents congress' approval of the America's Water infrastructure Act of 2018 that could enable Reclamation to approve water infrastructure projects and utilize EPA's processes as defined by WIFIA. In addition, all three scenarios assume interim financing for the remainder of Phase 2 (post-2019 Agreement) will include interest payments with the outstanding principle being rolled into the long-term financing.

Procurements for Phase 2 Services: For services areas: Integration (A), Controls (B), Real Estate (G), and Communications (C), began contract negotiations with the recommended consultants.

USDA Conditional Loan for the Maxwell Water Intertie

USDA has approved the Sites Project Authority's \$459 million Community Facilities Loan application for the construction of the Maxwell Water Intertie. USDA's action is the conditional approval of the loan and is not final project approval. The conditional approval of a loan

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Caveat:	Subject to change	QA/QC:		Ref/File #:	10.211-016.000		
Notes:				Page:	1	of	2

requires all conditions outlined by USDA to be fulfilled before any funds could be dispersed. These conditions include completion of additional technical analyses and all environmental reviews and permits, and final approval of the Authority Board of Directors.

USDA hosted an announcement event at the Maxwell Project Office on November 27th. U.S. Secretary of Agriculture Sonny Perdue and U.S. Secretary of Interior Ryan Zinke were present for the announcement along with several members of the California Congressional delegation, State Senator Jim Nielsen and Assemblyman James Gallagher. Also participating in the event were the Under Secretary of the Army (Corp of Engineers), U.S. EPA Region IX Administrator, Regional Director of the US Fish and Wildlife, Deputy Director of USBR Mid-Pacific Region and representatives from the California Department of Water Resources.

Coordination with Reclamation:

Continued coordination activities with Reclamation including the following;

- Alignment of Project activities funded by Reclamation and those funded by the Authority.
- Coordinated of Project activities funded by Reclamation and those funded by the Authority.
- Reviewed and forwarded suggested revisions to the working draft Sites Project Operational Principles of Agreement
- Participated in the review and update of the Feasibility Report and associated technical and policy evaluations

Engagement & Outreach:

Continuing ongoing coordination efforts with landowners, local community members, state and federal elected officials, government agencies and coalitions of regional and statewide organizations including the following activities;

- Coordination of project activities with landowners and the project stakeholders
- Responding to requests for project information, and to plan and facilitate meetings and site tours.
- Conducted preliminary discussions with landowners regarding temporary right of entry access to property for targeted late Phase 1/Early Phase 2 technical studies
- Participated as a panelist on water storage at The National Water Resources Association's annual conference (11/08)
- Staff participated in the Family Water Alliance's annual fundraiser (11/17)
- Staff attended the Colusa County Farm Bureau's Water Summit (11/19)
- Staff attended the Association of California Water Agencies Fall Conference (11/27-29)