



SITES PROJECT INVESTMENT

September 2020 through December 2021



Agenda

- What has been accomplished.
 - *Value Planning Results*
 - *CDFW discussions*
 - *Management*
- What is scheduled to be accomplished.
 - *Refine EIR/EIS*
 - *Permits*
 - *Feasibility Report*
- What is the cost to continue.

What has been accomplished

Value Planning Results

- Reduced the overall cost by ~\$2 Billion.
- Size of Reservoir decreased from 1.8 MAF to 1.5 MAF.
- Eliminated Delevan Pipeline, Pumping Plant & Fish Screen.
- New Discharge location moved to end of Tehama-Colusa Canal and pipeline to Colusa Basin Drain (2047 Canal).
- Eliminated pump back Hydropower.
- Cost per AF (Average Annual Yield) returned to \$600-\$700/AF.

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**

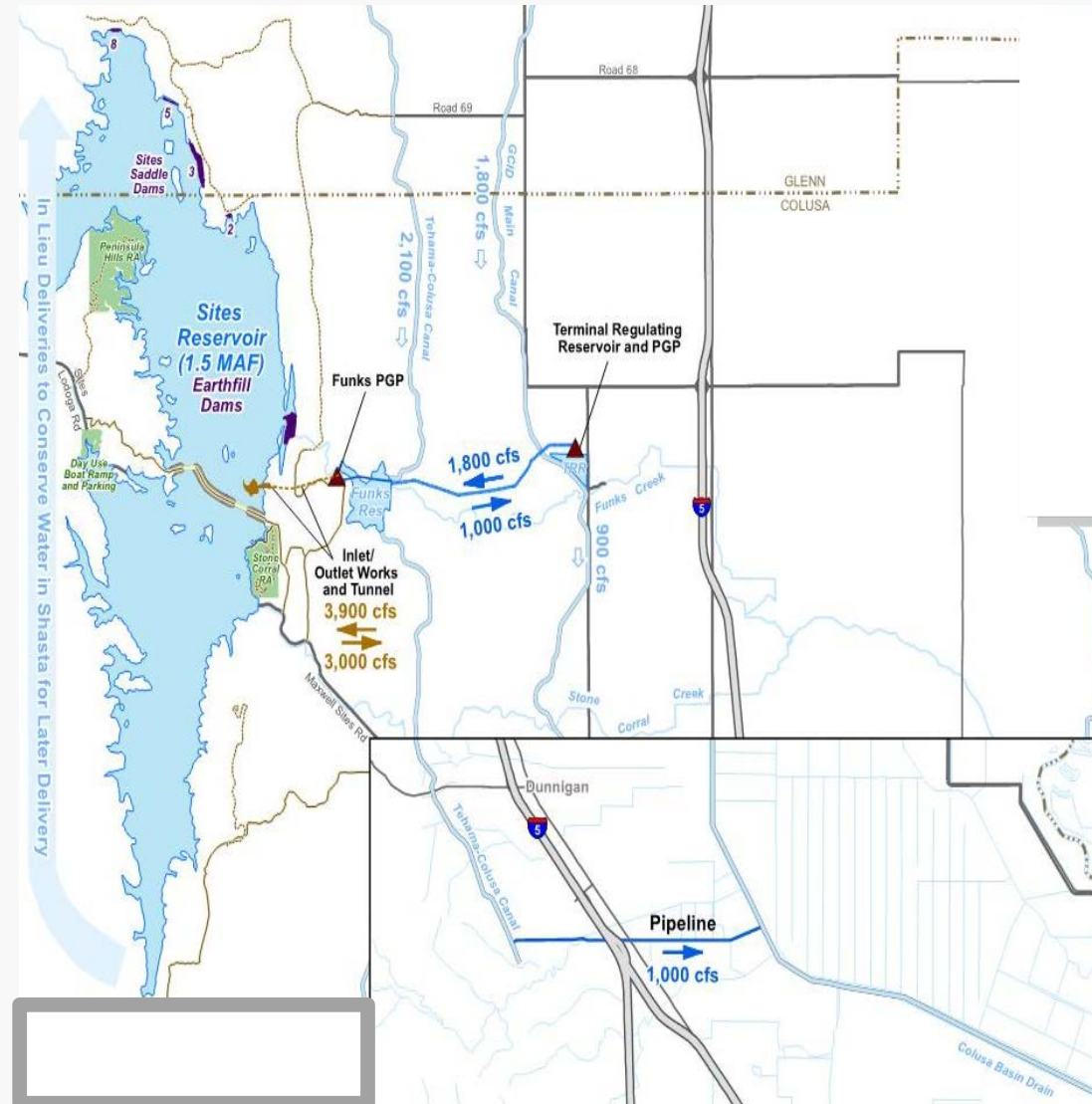


Rightsized to Meet Our Current and Future Water Supply Needs

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



Sites

Rightsized 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



Rightsized 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



What has been accomplished

CDFW Discussions

- Discussions included:
 - *What is permissible*
 - *How much could conceivably be diverted*
 - *Adaptive management of diversions*
- CDFW expressed interest in the State investing more or purchasing more water.
- Sites is in the Governors Water Resiliency Portfolio.
- Long term average annual yield is about 240 KAF +/-.

Rightsized to Meet Our Current and Future Water Supply Needs

Member	Reservoir Participation(AFY)
Public Water Agencies	
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

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

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

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

What has been accomplished Management

The Sites Project recruited new Executive Director Jerry Brown who formerly led Los Vaqueros Reservoir expansions as Project Manager and as General Manager of Contra Costa Water District.

Jerry is experienced in leading large and diverse organizations.

He brings extensive, healthy relationships with NGO's and an ability to build a collaborative approaches to getting projects done.



What is scheduled to be accomplished

- The next phase will include:
 - *Recirculating the draft EIR/EIS to demonstrate responsiveness and eliminate legacy issues that are no longer pertinent,*
 - *Submit Biological Assessment (BA) for federal permitting to begin,*
 - *Begin Historical/Cultural permit processes,*
 - *Begin Water Rights Application,*
 - *Submit or start USACE permit applications (401, 404, 408),*
 - *Complete the Feasibility Report,*
 - Refine engineering of Value Planning concepts to verify their feasibility,
- Phase ends December 2021.

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 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



What is the Cost to continue?

- The cost to continue until December 2021 is “not to exceed \$100”.
- Two cash calls by Sites Project
 - *\$60/AF invoiced September due November 1st, 2020,*
 - *Not to exceed \$40/AF due April 1st 2021.*
- There has been interest expressed by some investors to increase their quantity.
- There has been interest expressed by investors who withdrew to re-invest.
- There has been interest expressed by new investors.
- Investment level set at ~194 KAF. “Soft survey” shows that is likely to be met.

RD-108 Specific

- RD-108 is currently invested in 4000 AF.
- Payments would equate to \$240,000 on November 1st, and \$160,000 on April 1st, 2021. Total for this phase would be \$400,000.
- FY 2020 budget has \$400,000 in it for this cash call.
- Improvement District powers for Reclamation Districts legislation is on hold this legislative year because of the legislatures focus on Covid related issues and bills.
 - *This power would enable RD-108 to switch to individual signup instead of whole District investment.*

Questions?