

Continued Participation in Sites Reservoir Planning Process

Item 3

May 13, 2020

Water Resources and Watershed Committee



Outline

- Review background and status of project
- Integration into SCV Water portfolio
- Recommendation to Board regarding continued participation

Current Status of Project

2016 – Draft EIR/EIS

2018 – Prop 1 Award of \$816 Million

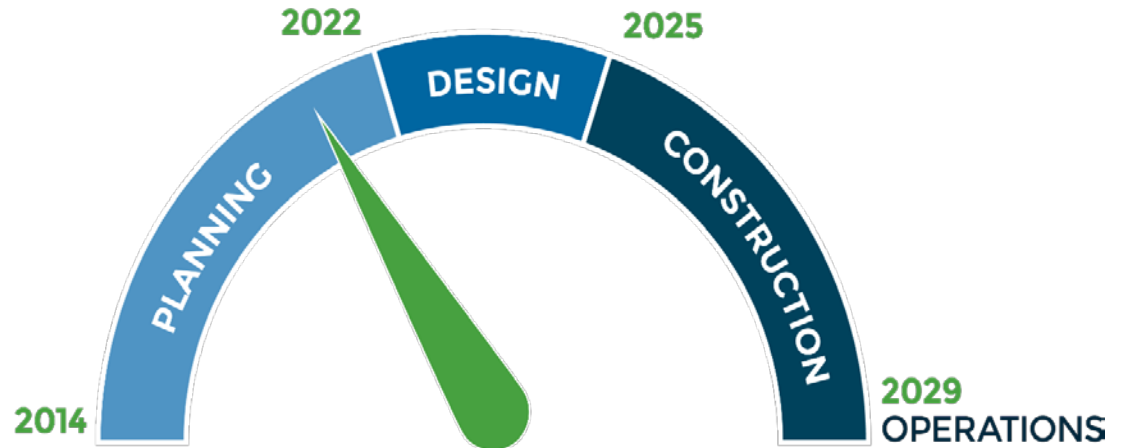
2019 – Progress on Permitting with Regulatory Agencies

2020 – Value Engineering results in new project description

Inclusion in Governor's Resiliency Plan

2020 Continued:

Seeking to amend participation agreements to fund completion of planning process



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

Current Participation Levels

| 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 |

Sites Reservoir Can be Part of a Climate Change Strategy

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.



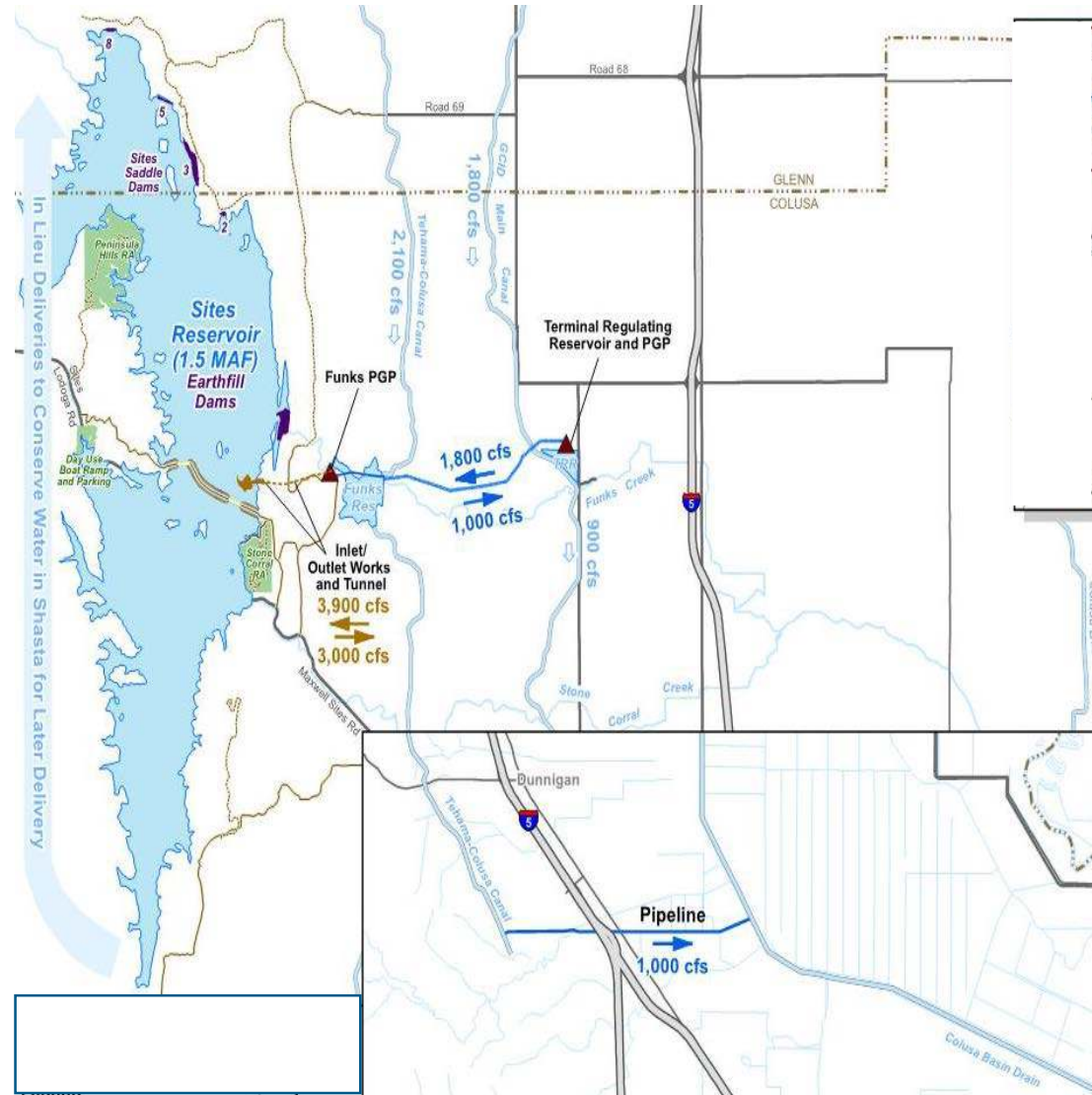
Value Engineering Process Performed to Rightsize Project

Reflects input from regulatory agencies and participant financial constraints

1.8 MAF Reservoir reduced to 1.5 MAF

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



Project Participation and Yield

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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 |



Affordability – Similar to BVRRB Costs

| 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) (North of Delta) | \$650 - \$710 |
| South of Delta with Carriage Losses (Assume 25%) | \$810 - \$890 |
| Range of Annual Costs During Repayment With WIFIA Loans (2020\$, \$/AF) (North of Delta) | \$600 - \$660 |
| South of Delta with Carriage Losses (Assume 25%) | \$750 - \$ 825 |

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**

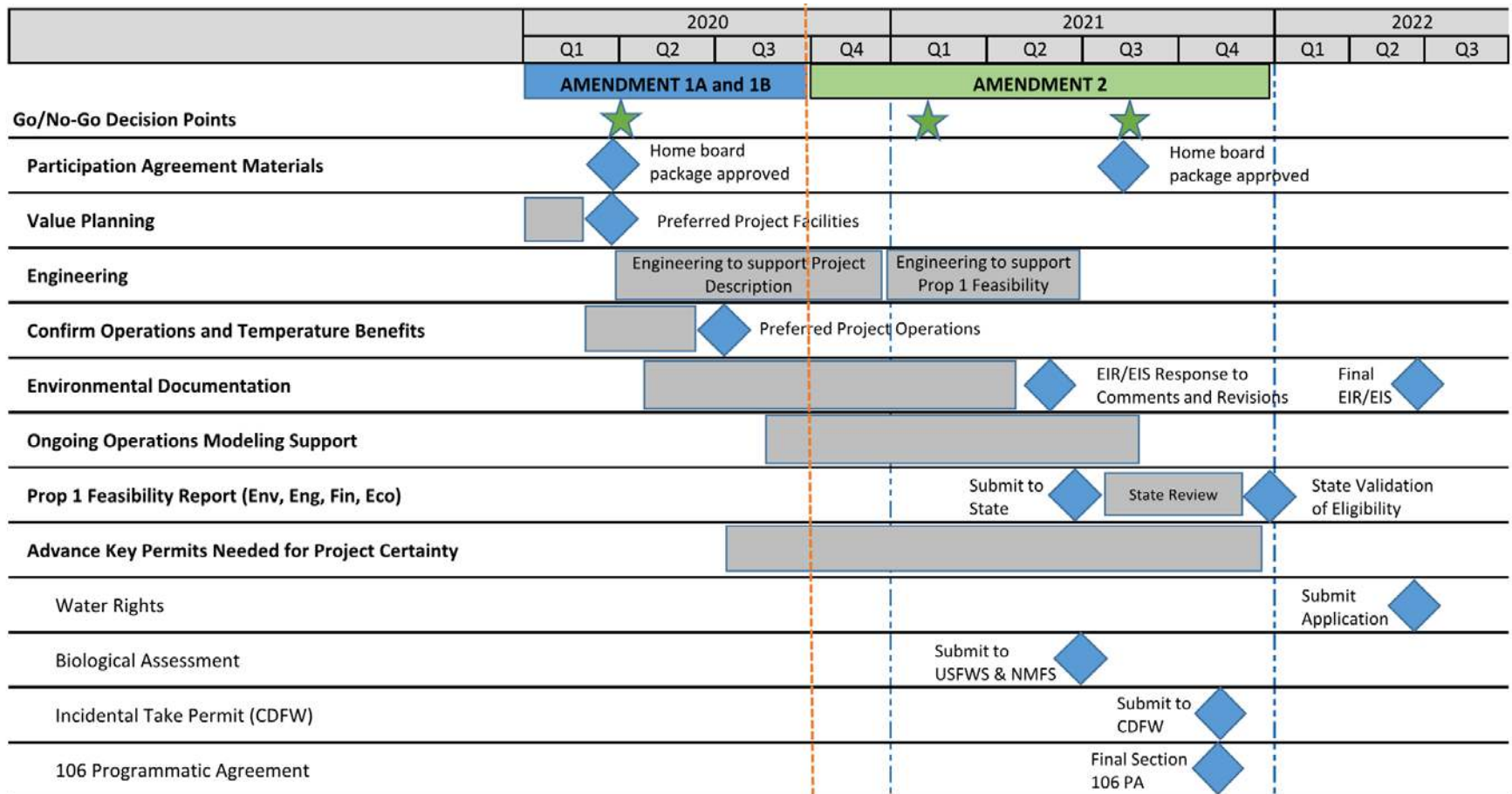
Lowered the Annual Cost during repayment (\$/AF)

Significant savings to participants with financing through a **WIFIA** government backed loan



2020 -2021 Work Plan

Near -term Project Schedule



NOTE: This graphic includes schedule drivers only and does not include all activities/deliverables.

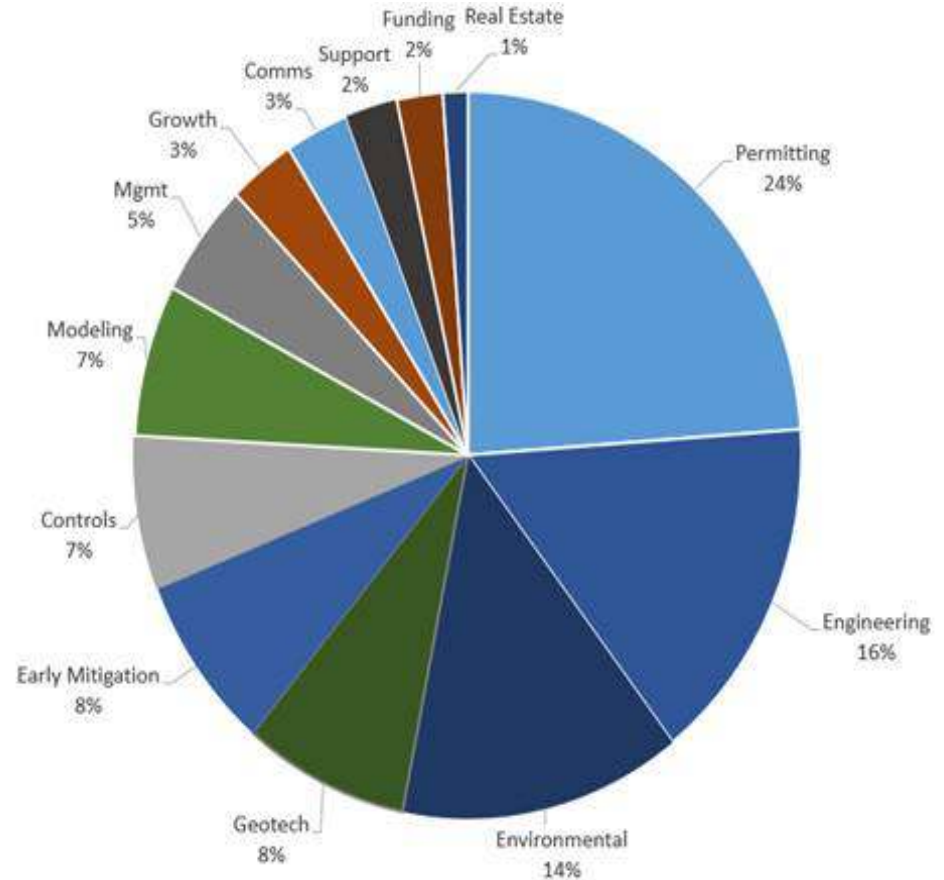
This work plan is based on current participation commitments.

2020 -2021 Work Plan

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

Two - step funding request process



SCVWA Water Supply Portfolio Implications

Portfolio meets current reliability goal of 95%

Investments in future project reflect balancing risks of potential reduction of supplies with near - term investments to keep ahead of the curve

Risks include: Climate change, Delta regulatory decisions, ground water quality, Sustainable Groundwater Management Act implementation

Other Potential Projects: Delta Conveyance Facility, Rosedale Bank recovery wells, new groundwater banking programs south of the Delta, Saugus ASR

Sites is unique as it produces new supplies vs. reregulating other supplies, but comes with its own implementation risk associated with permitting a surface reservoir

Staff recommendation is to continue to participate in Sites Reservoir through planning phase



Process for Continued Participation

Step 1: Determine if all members will continue their participation

Step 2:

Scenario #1
Full Subscription

Jun 1st – Formal requests issued

Aug 14th – Agency Board response due to Authority

Sep 1st – Authority issues invoices

Scenario #2
Partial Subscription

Jun 1st – Outreach to other potential participants

Jun 19th – Reservoir Committee meeting – consider next steps and schedule

Jul 1st to Oct 1st – Formal approvals

Both Scenarios: \$60/AF Invoices due 11/1/20, up to \$40/AF due 4/1/21



Fiscal Considerations/Staff Recommendation

Fiscal Considerations

2020 - 2021 participation call is up to \$100/AF

SCV Water's 5,000 AF would result in up to a \$500,000 call

SCV Water Fiscal Year 2020 - 2021 Budget contains \$500,000 for the Sites Reservoir project

Recommendations

Authorize the General Manager to execute an amendment to continue SCV Water's participation in Sites Reservoir planning costs at a 5,000 AF participation level

If a project is not fully subscribed, have Board consider additional participation up to SCV Water's proportionate participation level.

Questions

