

July 9, 2020

MEETING NOTICE**WATER STORAGE EXPLORATORY COMMITTEE**

Board Members of the Water Storage Exploratory Committee

Director Gary Kremen, Committee Chair

Director Richard P. Santos

Director John L. Varela

Staff Support of the Water Storage Exploratory Committee

Rick Callender, Acting Chief Executive Officer

Garth Hall, Acting Chief Operating Officer, Water Utility

Melanie Richardson, Chief Operating Officer, Watersheds

Stanly Yamamoto, District Counsel

Brian Hopper, Senior Assistant District Counsel

Anthony Fulcher, Senior Assistant District Counsel

Aaron Baker, Deputy Operating Officer, Raw Water Division

Rachael Gibson, Deputy Administrative Officer, Office of Government Relations

Jerry De La Piedra, Acting Deputy Operating Officer, Water Supply Division

Heath McMahon, Deputy Operating Officer, Water Utility Capital Division

Christopher Hakes, Deputy Operating Officer, Dam Safety & Capital Delivery Division

Erin Baker, Capital Services Manager

Cindy Kao, Imported Water Manager, Imported Water Unit

Ryan McCarter, Pacheco Project Manager, Pacheco Project Delivery Unit

Charlene Sun, Treasury and Debt Manager

Metra Richert, Unit Manager, Water Supply Planning & Conservation Unit

Samantha Greene, Senior Water Resources Specialist, Water Supply Planning & Conservation Unit

A regular meeting of the Santa Clara Valley Water District (SCVWD) Water Storage Exploratory Committee is to be held on **Monday, July 13, 2020, at 3:00 p.m.** [Join Zoom Meeting https://valleywater.zoom.us/j/99305608631](https://valleywater.zoom.us/j/99305608631)

Enclosed are the meeting agenda and corresponding materials. Please bring this packet with you to the meeting.

Enclosures



Join Zoom Meeting

<https://valleywater.zoom.us/j/99305608631>

Meeting ID: 993 0560 8631

One tap mobile

*+16699009128,99305608631# US
(San Jose)*

Dial by your location

+1 669 900 9128 US (San Jose)

Meeting ID: 993 0560 8631

Find your local number:

<https://valleywater.zoom.us/j/acRkR8yHgg>



Santa Clara Valley Water District Water Storage Exploratory Committee Meeting

Teleconference-Zoom Meeting

REGULAR MEETING AGENDA

**Monday, July 13, 2020
3:00 PM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

WATER STORAGE EXPLORATORY
COMMITTEE

Gary Kremen, Chair, District 7
Richard P. Santos, District 3
John Varela, District 1

All public records relating to an item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend the committee meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

JERRY DE LA PIEDRA
Committee Liaison

GLENN BRAMBILL
Management Analyst II
Office/Clerk of the Board
(408) 630-2408
gbrambill@valleywater.org
www.valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District
Water Storage Exploratory Committee
REGULAR MEETING
AGENDA

Monday, July 13, 2020

3:00 PM

Teleconference-Zoom Meeting

IMPORTANT NOTICES

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the Committee, staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Members of the public wishing to address the Committee during a video conferenced meeting on an item not listed on the agenda, or any item listed on the agenda, should use the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in the order requests are received and granted speaking access to address the Committee.

Santa Clara Valley Water District (Valley Water) in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Committee meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

1. CALL TO ORDER:

Join Zoom Meeting

<https://valleywater.zoom.us/j/99305608631>

Meeting ID: 993 0560 8631

One tap mobile

+16699009128,,99305608631# US (San Jose)

Dial by your location

+1 669 900 9128 US (San Jose)

Meeting ID: 993 0560 8631

Find your local number: <https://valleywater.zoom.us/u/acRkR8yHgg>

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to two minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

[20-0537](#)

Recommendation: Approve the January 15, 2020, Meeting Minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 01152020 DRAFT Mins](#)

Est. Staff Time: 5 Minutes

4. ACTION ITEMS:

4.1. Del Puerto Canyon Reservoir Update.

[20-0538](#)

Recommendation: Receive information regarding the status of Del Puerto Canyon Reservoir. The Committee may provide comments to the Board, as necessary.

Manager: Jerry De La Piedra, 408-630-2257

Attachments: [Attachment 1: Del Puerto](#)

Est. Staff Time: 20 Minutes

- 4.2. Update on Los Vaqueros Reservoir Expansion Project: Storage, Transfer-Bethany Pipeline, and South Bay Aqueduct Capacity. [20-0539](#)

- Recommendation:
- A. Receive and discuss information regarding the Los Vaqueros Reservoir Expansion Project, including the Transfer-Bethany Pipeline and the South Bay Aqueduct.
 - B. Consider recommending the Board approve a Second Amendment to the 2019 Multi-Party Agreement Increasing SCVWD Cost Share By Up to \$1 Million.

Manager: Jerry De La Piedra, 408-630-2257

Attachments: [Attachment 1: LVE Project Map](#)
[Attachment 2: List of LAPs](#)
[Attachment 3: Transfer-Bethany Pipeline Details](#)
[Attachment 4: JPA Formation Workshops LList](#)
[Attachment 5: Proposed JPA Structure](#)
[Attachment 6: Staff PowerPoint](#)

Est. Staff Time: 15 Minutes

- 4.3. Second Amendment to 2019 Reservoir Project Agreement for Continued Participation in the Sites Reservoir Project. [20-0540](#)

- Recommendation:
- A. Receive update and report on the Sites Reservoir Project;
 - B. Recommend to Board to authorize the Chief Executive Officer to execute the Second Amendment to 2019 Reservoir Project Agreement with Sites Project Authority and the Project Agreement Members for a participation level of up to 6.6 percent of the total project and a funding commitment of up to \$1.6 Million;
 - C. Recommend to Board to Direct Valley Water staff to continue engagement in Sites Reservoir Committee and negotiate future parameters for participation.

Manager: Jerry De La Piedra, 408-630-2257

Attachments: [Attachment 1: Agreement](#)
[Attachment 2: Exhibit A Project Agreement Members](#)
[Attachment 3: Project Location Map](#)
[Attachment 4: PowerPoint Version](#)
[Attachment 5: 2019 R P Agreement](#)
[Attachment 6: 1st Amend to 2019 Res Pro Agreement](#)

Est. Staff Time: 15 Minutes

- 4.4. Update on the B.F. Sisk Dam Raise Project. [20-0541](#)
Recommendation: Receive and discuss information on the B. F. Sisk Dam Raise project.
Manager: Jerry De La Piedra, 408-630-2257
Attachments: [Attachment 1: Staff PowerPoint](#)
Est. Staff Time: 15 Minutes
- 4.5. Update on Pacheco Reservoir Expansion/San Luis Low Point Improvement Projects. [20-0542](#)
Recommendation: Receive and discuss information regarding status of the Pacheco Reservoir Expansion/San Luis Low Point Improvement Projects. This is an information-only item and no action is required.
Manager: Christopher Hakes, 408-630-3796
Est. Staff Time: 10 Minutes
- 4.6. Review Water Storage Exploratory Committee Work Plan and the Committee's Next Meeting Agenda. [20-0543](#)
Recommendation: Review the Committee's Work Plan to guide the Committee's discussions regarding policy alternatives and implications for Board deliberation.
Manager: Michele King, 408-630-2711
Attachments: [Attachment 1: 2020 WSEC Work Plan](#)
[Attachment 2: WSEC DRAFT Agenda](#)
Est. Staff Time: 5 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

6. CLOSED SESSION:

- 6.1. EXISTING LITIGATION – Government Code Section 54956.9(d)(1) SCVWD v. Edmund Jin, et al., Santa Clara Co. Superior Court, No. 19CV352227
- 6.2. District Counsel Report on Closed Session.

7. ADJOURN:

- 7.1. Adjourn



Santa Clara Valley Water District

File No.: 20-0537

Agenda Date: 7/13/2020
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the January 15, 2020, Meeting Minutes.

SUMMARY:

A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Committee's meetings.

ATTACHMENTS:

Attachment 1: 01152020 WSEC Draft Mins

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711



SANTA CLARA VALLEY WATER DISTRICT (VALLEY WATER)
WATER STORAGE EXPLORATORY COMMITTEE

DRAFT MINUTES

**WEDNESDAY, JANUARY 15, 2020
3:00 PM**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Water Storage Exploratory Committee (Committee) was held on January 15, 2020, in the Headquarters Building Boardroom at Valley Water, 5700 Almaden Expressway, San Jose, California.

1. CALL TO ORDER

The Water Storage Exploratory Committee was called to order by Chair Director Gary Kremen at 3:01 p.m.

1.1 ROLL CALL

Board Members in attendance were: Director Gary Kremen-District 7, Director Richard P. Santos-District 3, and Director John L. Varela-District 1.

Staff in attendance were: Bradly Arnold, Glenna Brambill, Jerry De La Piedra, Andrew Garcia, Garth Hall, Nina Hawk, Brian Hopper, Dana Jacobson, Eric Leitterman, Kathleen Low, Bill Magleby, Ryan McCarter, Steven Peters, Metra Richert, Eli Serrano, Charlene Sun and Beckie Zisser.

Guests in attendance were: Maureen Martin, Ph.D. (Contra Costa Water District-CCWD), Steve Jordan and Tim Francis (BAWSCA) and Katja Irvin.

2. CLOSED SESSION

Chair Director Gary Kremen moved this item to the end of the agenda.

3. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON AGENDA

There was no one present who wished to speak.

4. APPROVAL OF MINUTES

4.1 APPROVAL OF MINUTES

It was moved by Director Richard P. Santos, seconded by Director John L. Varela, and unanimously carried to approve the minutes of the December 11, 2019, meeting of the Water Storage Exploratory Committee as presented.

5. INFORMATION ITEMS

5.1 STANDING ITEMS INFORMATION

1. Update on Los Vaqueros Reservoir Expansion Project (LVE) Transfer Bethany Pipeline (TBP) (Metra Richert) and Update on Management of South Bay Aqueduct (SBA) Facilities (Erin Baker)

Report:

- Valley Water staff attended the Joint Powers Authority (JPA) and Service Agreement (i.e., term sheet) workshop held by Clean Energy Capital (CEC) and Contra Costa Water District (CCWD). Topics discussed included the allocation of fixed and variable costs, Local Agency Partner (LAP) creditworthiness, and other project cost-related topics; as well as the term and post-term of the agreement, off-ramps, and services to be provided.
- Independent reviewers of the project (existing facility) usage fees released a draft evaluation report to the LAPs and facility owners CCWD and East Bay Municipal Utility District (EBMUD). The report provides commentary on the calculation and application of various fee components proposed by CCWD and EBMUD. The final report is expected to be circulated by early 2020.
- Selection of legal counsel to develop the draft JPA formation documents is underway, and expected to be complete in December.
- Staff are evaluating Bay Area Water Supply & Conservation Agency (BAWSCA)/San Francisco Public Utilities Commission request to convey, treat and transfer their LVE Project water through the South Bay Aqueduct (SBA), Valley Water's Water Treatment Plants, and the Milpitas Intertie. Several concept scenarios have been provided to Valley Water staff for analysis, many which differ in timing and reliance on SBA and Valley Water facilities. Staff have requested additional details and refined scenarios from SFPUC and BAWSCA.
- Valley Water executive management met with General Managers of other LAPs on December 9, 2019 to discuss proposed use of SBA facilities to convey LVE project water for BAWSCA and SFPUC. The meeting focused on discussion of current SBA infrastructure conditions and assessments, and the potential issues with increased reliance on the SBA given current facility limitations (e.g., reduced operational capacity).
- Valley Water staff is coordinating a meeting between DWR Director Karla Nemeth, the South Bay Aqueduct Contractors (SBC), and other Los Vaqueros Expansion project partners including BAWSCA and SFPUC to discuss the use of the South Bay Aqueduct for the LVE project. Additionally, the SBC are working to hire a consultant to assess available SBA capacity to use as part of the LVE project.

2. Lake Del Valle (Cindy Kao)

Report: There is nothing to report at this time.

3. Del Puerto (Cindy Kao)
Report: There is nothing to report at this time.
4. Water Banking Opportunities including but not limited to Pleasant Valley Water District (Cindy Kao)
Report: See Agenda Item 6.1.
5. Pacheco (Christopher Hakes)
Report: There is nothing to report at this time.
6. Semitropic (Cindy Kao)
Report: Staff will be giving a verbal update at the January 15, 2020, meeting.
7. Sites (Cindy Kao)
Report: Staff will be giving a verbal update at the January 15, 2020, meeting.
8. San Luis Reservoir Low Point (Christopher Hakes)
Report: There is nothing to report at this time.
9. B.F. Sisk Dam Raise Project (Cindy Kao)
Report: Staff will be giving a verbal update at the January 15, 2020, meeting.
10. Shasta (Cindy Kao)
Report: There is nothing to report at this time.

The Committee discussed the following: LVE user groups/fees, final report review, hiring of attorney for the JPA, Transfer Bethany Pipeline (TBP) are investing in TBP or TBP storage (“bookends”), timelines, limitations, Prop 1 funding, current SBA Leak-fixing per schedule and partners—range of volume/capacity (BAWSCA-scenario).

Ms. Metra Richert, Maureen Martin, Ph.D. Mr. Garth Hall and Mr. Jerry De La Piedra were available to answer questions.

Mr. Jerry De La Piedra introduced newest staff, Mr. Andrew Garcia who reported on Del Puerto, estimate 82,000 acre-feet of new off stream storage-CVP-worth estimate \$420 m-current partners are Del Puerto and San Joaquin River Exchange Contractors Water Authority, draft EIR, project development, design and land acquisition and construction 6 years and Del Puerto received \$1.5 mil federal funding.

The Committee discussed the following: location-off I 5 by City of Patterson, potential opposition and Ms. Katja Irvin responded on behalf of Sierra Club-Loma Prieta Chapter.

Dr. Maureen Martin reported on the Transfer Bethany Pipeline (TBP)-benefits-references start and end of the pipeline, CCWD project is to connect their transfer station tie into the TBP and SBA, Prop 1 funding and environmental benefit-improve some mechanical features/small reduction of intake of salmonid and major water supply for wildlife refuges in Central Valley south of the Delta, adds additional points of diversion for Valley Water Climate change/sea level rise and salination in the Delta. Bring desalination pilot study report to Committee. Ms. Katja Irvin would like to receive updates on Pacheco.

Mr. Ryan McCarter gave update on Pacheco's environmental benefits which is habitat improvement for steelhead in releasing more water to enhance habitat Pacheco Creek runs in Pajaro River, colder water temperatures sustains the reproductive cycle of the species (public benefits as filed with Prop 1 funding).

Potential private investments need an update for next meeting.

Ms. Nina Hawk was available to answer questions.

The Committee took the following action:

It was moved by Director Gary Kremen, seconded by Director John L. Varela, and unanimously carried to recommend that the Board consider accelerating the partnerships discussion for Pacheco Reservoir Expansion Project.

Mr. Bradley Arnold reported on Semitropic update, as of October 31, 2019, there is full 350,000 in semitropic bank in Kern County, Valley Water staff worked with Zone 7 and Alameda County Water District to meet with Jason Gianquinto (General Manager of Semitropic) discussed future banking operations over SGMA, GSP content and submission Kern Groundwater Authority (KGA) to DWR, Semitropic with KGA, there is a MOU in place semitropic would maintain authority with enforcement activities of SGMA, staff attending Semitropic/KGA meetings, 3rd party banking concepts letter and Semitropic contract sunsets December 2035.

Mr. Eric Leitnerman reported on, Sites Reservoir update, project description being updated and will be a smaller/less expensive project, funding decisions, amendment to extend current project agreement at no cost through June 30, 2020, received additional \$6 mil for project, Governor's New Year's release as a smart storage project could benefit water supply and the environment. Ms. Nina Hawk reported on the visit to Sites Reservoir and a potential Joint Board Meeting, strategic planning, Prop 1 funding and partnerships.

Ms. Beckie Zisser was available to answer questions.

Mr. Dana Jacobson reported on, B.F. Sisk Dam Raise Project, beginning in 2007 Reclamation/DWR assessed seismic stability concerns, preferred alternative is to raise dam 12 feet, sure up embankment dam, extend for additional water supply storage, technical memorandum, modeling to determine potential benefits and staff will bring updated information at a later date.

Mr. Andrew Garcia reported on the Shasta Dam Raise Project, in November 2019 Westlands Water District signed a stipulation barring them from participating in the project resulting from the Attorney General's lawsuit, Reclamation is searching for non-federal/non-state partners - potentially a public private partnership (50% requirement), and project is on hold pending an executed record of decision.

6. ACTION ITEMS

6.1 PROPOSED GROUNDWATER BANKING PROJECTS (COMPARISON MATRIX)

Mr. Brad Arnold reviewed the materials as outlined in the agenda item.

The Committee discussed the following: reviewed the comparison matrix. adding political implications and the strain on the Delta, pumping restrictions (reverse flow), groundwater banking opportunities, partnerships, regulatory risks, SGMA concerns and bring the matrix back to committee with more completed information.

Ms. Nina Hawk was available to answer questions and explained more in detail of the matrix concept.

The Committee took no action.

6.2 REVIEW WATER STORAGE EXPLORATORY COMMITTEE WORK PLAN AND THE COMMITTEE'S NEXT MEETING AGENDA

Ms. Glenna Brambill reviewed the materials as outlined in the agenda item.

Committee discussed the following work plan items: joining the Pacheco Project and San Luis Reservoir Low Point items together and possibly renaming it, bring back the revised comparison matrix, legislative guiding principles should be tied to SBA, having LVE as a stand-alone agenda item for the next meeting, Also, looking into the pros and cons of the Anderson project and verify with the CIP Committee for no overlaps and nexus to water storage. Mr. Brian Hopper will explore the legal issues along with the Committee's purpose for further discussion on Anderson.

7. CLERK REVIEW AND CLARIFICATION OF COMMITTEE ACTIONS

Ms. Glenna Brambill noted there were no action items for Board consideration.

Chair Director Gary Kremen moved to Agenda Item 2.

2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Govt. Code Sec. 54956.9(d)(1)

SCVWD v. Jin, et al., Santa Clara County Superior Court, No. 19CV352227

Mr. Brian Hopper reported that direction was given to staff.

8. ADJOURNMENT

Chair Director Gary Kremen adjourned the meeting at 5:29 p.m.

Glenna Brambill
Board Committee Liaison
Office of the Clerk of the Board

Approved:



Santa Clara Valley Water District

File No.: 20-0538

Agenda Date: 7/13/2020
Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Del Puerto Canyon Reservoir Update.

RECOMMENDATION:

Receive information regarding the status of Del Puerto Canyon Reservoir. The Committee may provide comments to the Board, as necessary.

SUMMARY:

Chris White, Executive Director of the San Joaquin River Exchange Contractors Water Authority, will provide a presentation on the Del Puerto Canyon Reservoir Project. The presentation is included as Attachment 1 to this Agenda Memo.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Jerry De La Piedra, 408-630-2257



Valley Water
 Water Storage Exploratory Committee
 July 13, 2020
 Chris White, Executive Director SJRECWA

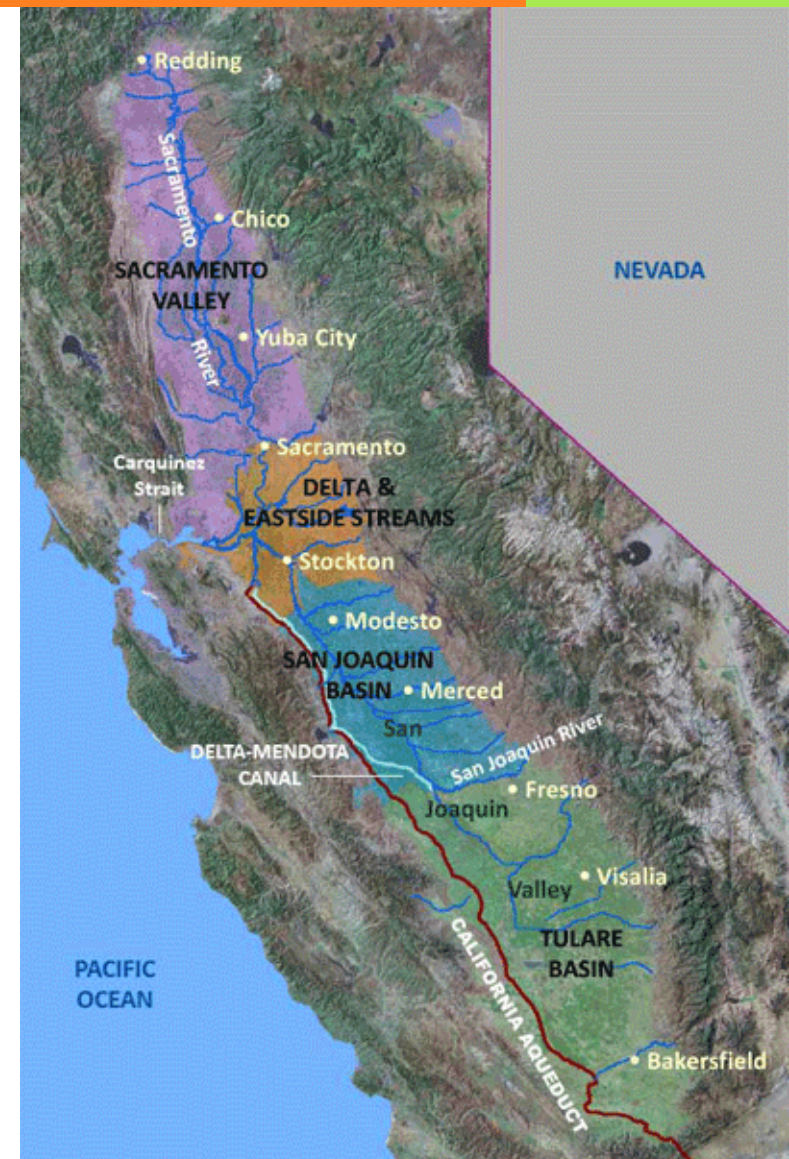


DEL PUERTO CANYON RESERVOIR

Water for the Economy
 Water for the Environment
 Storage for the Future

California & the Central Valley's Agriculture

- More than 250 crops grown in the Central Valley with an estimated value of \$17B per year
- Using fewer than 1% of U.S. farmland, the Central Valley supplies 8% of U.S. agricultural output (by value), California accounts for 2/3 of the Nation's fruit and nut production and 1/3 of the Nation's vegetable production.
- Over 400 crops are grown in California. The predominate crop types are cereal grains, hay, cotton, tomatoes, vegetables, citrus, tree fruits, nuts, table grapes, and wine grapes.





The Project Partners: Del Puerto Water District/San Joaquin River Exchange Contractors Water Authority

Combined Agricultural Acreage Serviced: 295,000 acres

Project Partners' supplies all originate from the Federal Central Valley Project (CVP) and are delivered from the Delta-Mendota Canal (DMC)

Need for Storage:

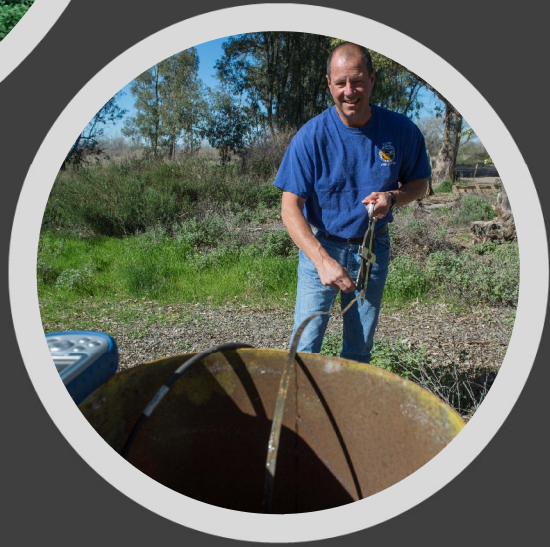
* DPWD has limited access to Storage in San Luis Reservoir under its USBR Water Service Contract

* SJRECWA has no Contractual Rights to storage in SLR

Project Purpose and Features



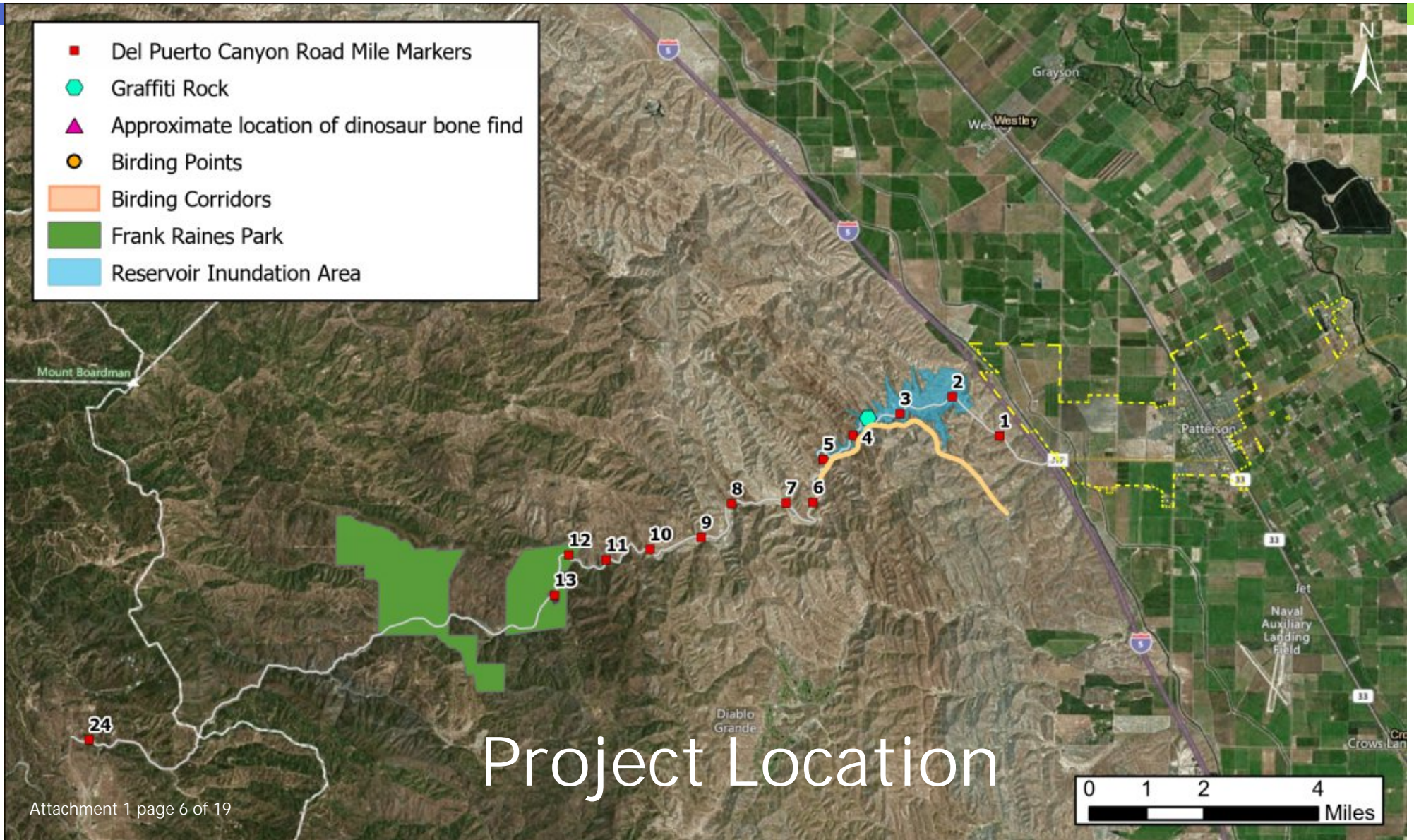
Del Puerto Canyon Reservoir



Project Benefits

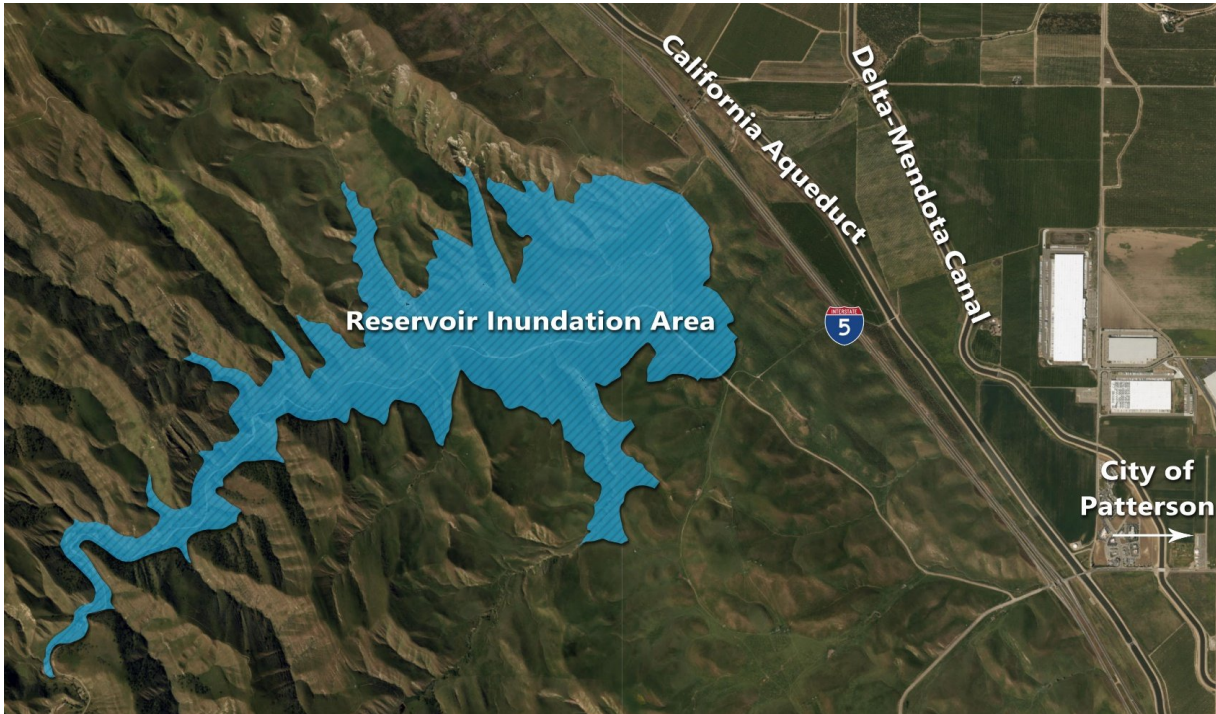
- Water
 - Agriculture
 - Groundwater Management
- Environment
 - Wildlife Refuges
- Public Safety
 - Flood Protection
- Regional Economy
- Flexibility to Adapt to Future Changes

Del Puerto Canyon Reservoir



Attachment 1 page 6 of 19

Project Location



Del Puerto Canyon Reservoir

- Locally owned and controlled by public water agencies
- 82,000 acre-feet of storage
- 260-foot dam and two saddle dams
- Filled from Delta-Mendota Canal (DMC)
- Supplies water to farmers and wildlife refuges served by the Central Valley Project via DMC

Proposed Reservoir Operations

- Reservoir fill:
 - From scheduled CVP deliveries, or
 - Conserved or developed water for transfer
- Reservoir draws:
 - Meet irrigation demands / Dry year reliability
 - Transfers to other CVP contractors/refuges
- Operations within Coordinated Operating Agreement
 - No impacts to CVP or State Project Operations



Comments at City Council Meeting



Flooding and Dam Safety



Canyon Resources



Construction Impacts



Alternatives



Consistency with Current Plans



All comments on the Draft EIR will be addressed in the Final EIR

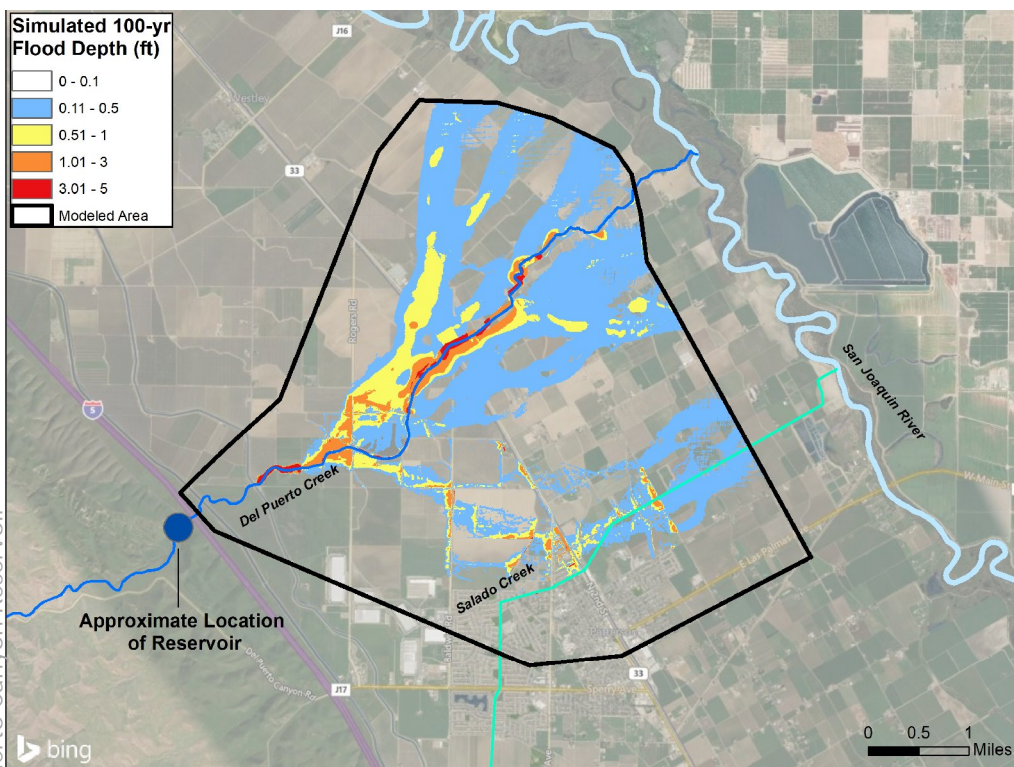
Continuing to provide information to address community concerns

- City Council
- Community meetings (Until shelter-in-place)
- Project information: Information Video, fact sheets, website, local media, and other avenues

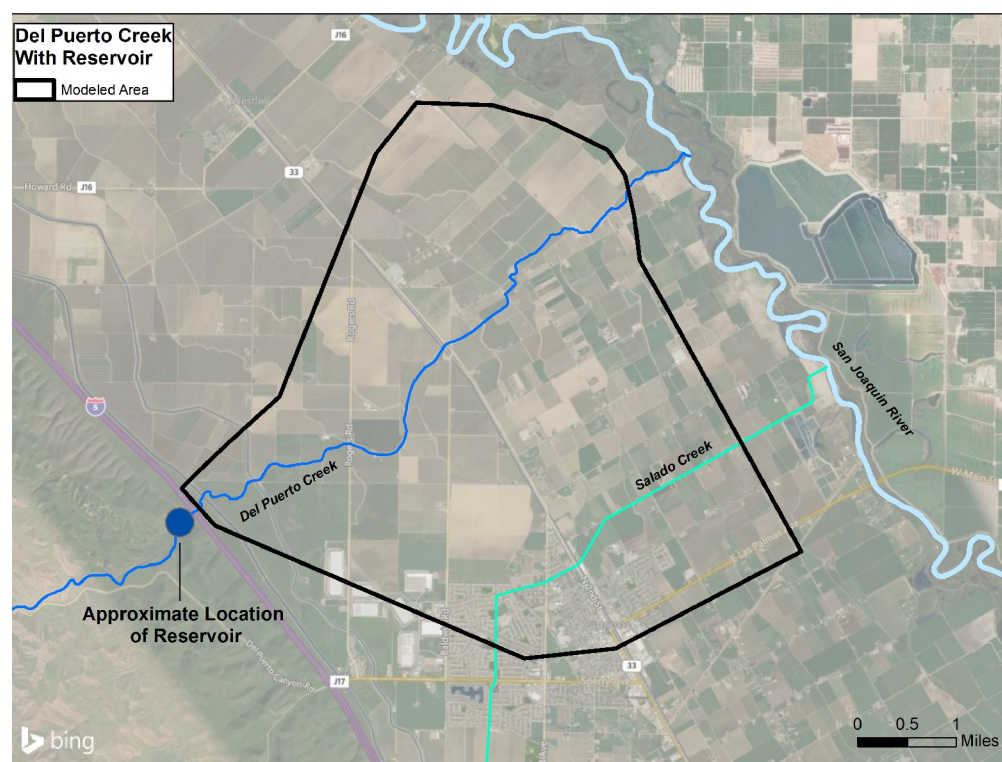
Addressing Community Concerns

The Project Prevents 100-Yr Flood Events

PRE-PROJECT



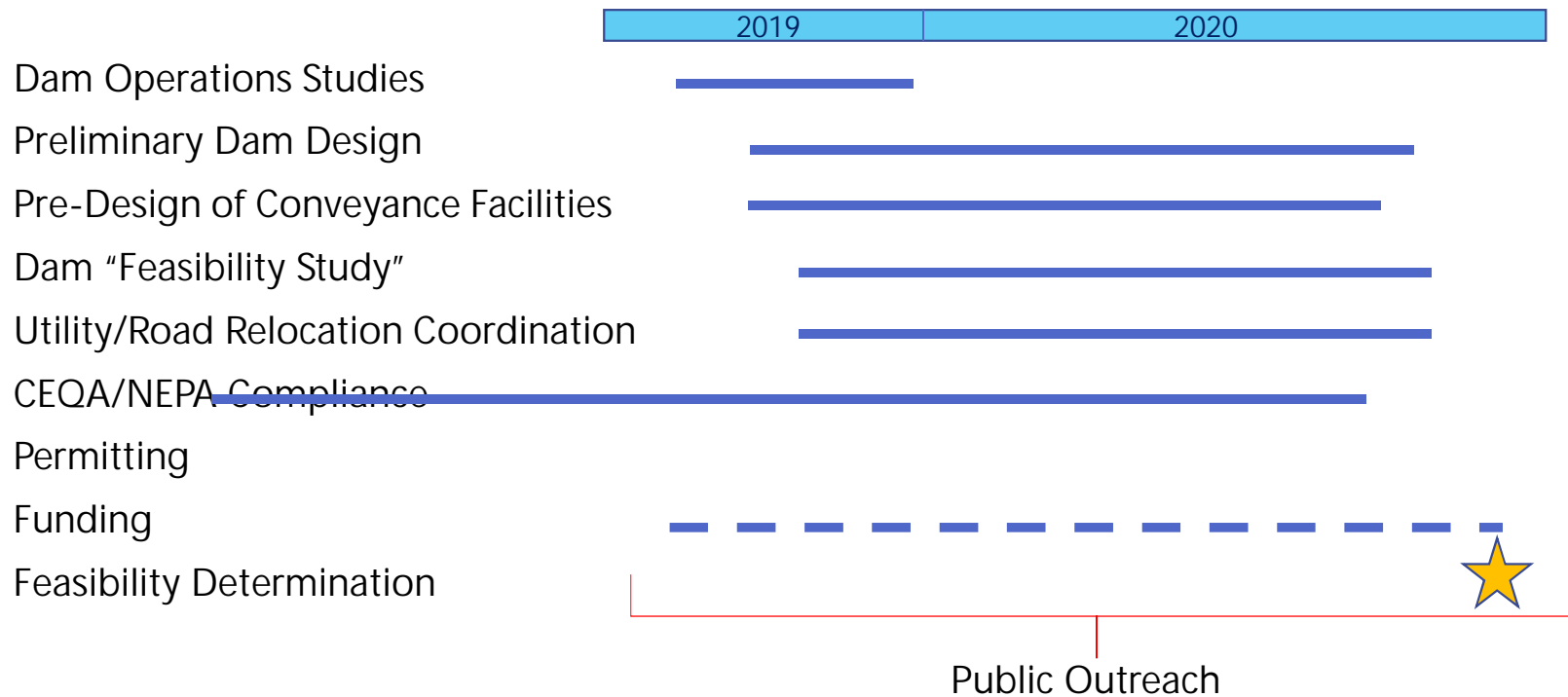
POST-PROJECT



This flood analysis shows only flooding from Del Puerto Creek

Current Schedule

Probable start of construction is in 2021/2022



WIIN Act Funding

- Federal participation in a State-led storage project up to 25% of the total cost where at least a proportional share of the project benefits are Federal benefits
- Governor must request participation of the Secretary of the Interior.
- Project has been given a consistency finding with the Goals and Guidelines of Prop 1 from the California Water Commission.
- State or local sponsor determines, and the Secretary concurs, that the project is technically and financially feasible, sufficient non-Federal funding is available, and the project sponsors are financially solvent
- Del Puerto Canyon Reservoir Project has been awarded \$1.5 Million from the Federal WIIN Act for the feasibility study.
- Project is named in Congressman Harder's HR-2473 S.A.V.E. Water Resources Act



Permitting & Environmental

- CEQA/NEPA Compliance
 - Complete California Environmental Impact Report
 - Federal Environmental Impact Statement
- Agency Consultation and Compliance
 - State Historic Preservation Office
 - CA Fish & Wildlife
 - US Fish & Wildlife
 - United States Army Corps of Engineers
 - State and Regional Water Quality Control Boards
 - United States Bureau of Reclamation
 - California Division of Dam Safety

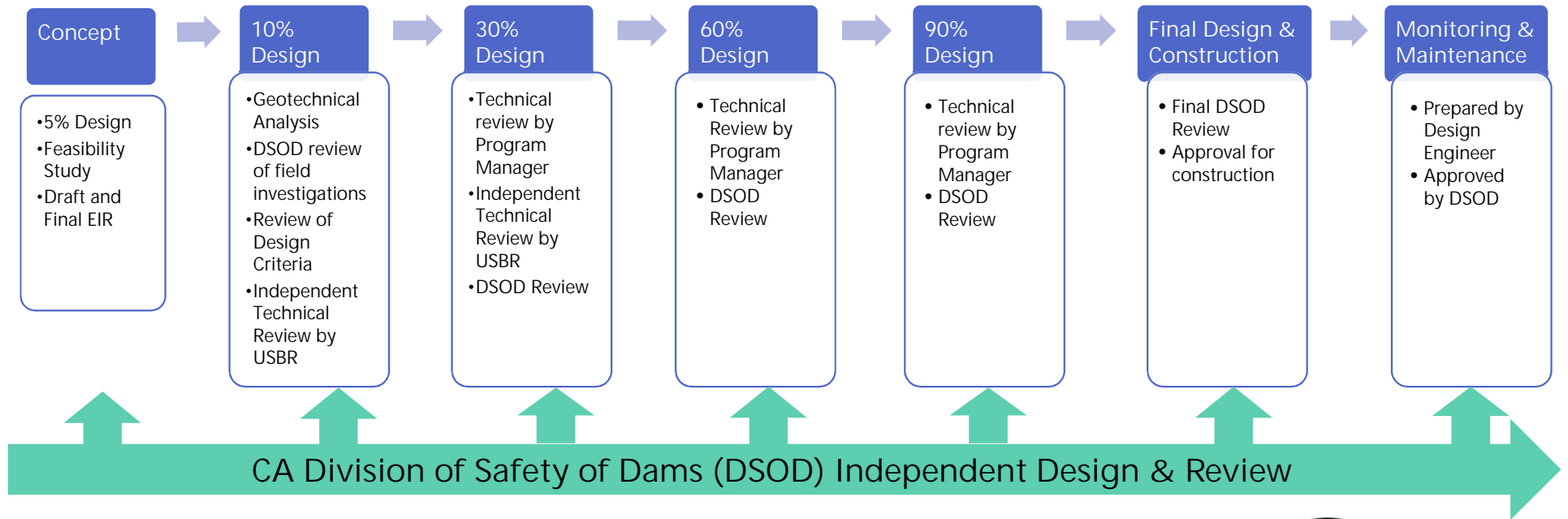


Permitting & Environmental

- Environmental Impact Report (EIR) Evaluations
 - Aesthetics, Agriculture & Forestry Resources, Air Quality,
 - Biological Resources – Terrestrial & Fisheries,
 - Cultural Resources, Energy Resources, Geology & Soils,
 - Greenhouse Gas Emissions, Hazards and Hazardous Materials,
 - Hydrology & Water Quality, Land Use & Recreation,
 - Traffic & Transportation, Tribal Cultural Resources, Utilities and Service Systems, Environmental Justice, and Indian Trust Assets
- Public Comment Period Closed on January 27, 2020.
 - Project team working of response to comments



Dam Design Process



Key Features

- Mitigation Commitments for Design Safety in Final EIR
- Continuous DSOD Review
- Independent Analyses by DSOD



CALIFORNIA DEPARTMENT OF WATER RESOURCES
DIVISION OF SAFETY OF DAMS

Preliminary Design Approach

- DWR Division of Safety of Dams
 - Mandated Design Standards
 - Seismic analysis
 - Inundation analysis
 - Spillway capacity analysis
 - Structural design review
- Stanislaus County Department of Public Works
 - Del Puerto Canyon Road relocation
- City of Patterson
 - Zacharias Road / Industrial Business Park Expansion



Other Challenges

- Relocation of Major Utilities
 - Power transmission
 - Gas & petroleum transmission
 - Communications
- Coordination with Multiple Agencies
 - Local
 - County
 - State
 - Federal





Questions?



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Santa Clara Valley Water District

File No.: 20-0539

Agenda Date: 7/13/2020

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Update on Los Vaqueros Reservoir Expansion Project: Storage, Transfer-Bethany Pipeline, and South Bay Aqueduct Capacity

RECOMMENDATION:

- A. Receive and discuss information regarding the Los Vaqueros Reservoir Expansion Project, including the Transfer-Bethany Pipeline and the South Bay Aqueduct.
- B. Consider recommending the Board approve a Second Amendment to the 2019 Multi-Party Agreement Increasing SCVWD Cost Share By Up to \$1 Million.

SUMMARY:

The Santa Clara Valley Water District (Valley Water) continues to evaluate participating in the Los Vaqueros Reservoir Expansion Project (LVE Project) led by Contra Costa Water District (CCWD). Valley Water began evaluating the project in 2016 as part of the Water Supply Master Plan 2040 and most recently entered into a 2019 Multi-Party Agreement (MPA) that included a \$314,782 cost share to fund LVE Project development through June 30, 2020. To continue project development and evaluation, CCWD has requested an amendment to extend the MPA through 2021 and includes an additional cost share. The cost share for Valley Water is expected to be between approximately \$800,000 and \$1 million. The LVE Project may provide Valley Water regional storage, new water through CCWD's diversion rights, and increased operational flexibility in the conveyance of imported water. Given the potential operational flexibility that the regional storage and conveyance of the project may provide, Valley Water staff recommends that the Board of Directors (Board) continue participating in the project and provide the cost share funding. This memo provides information on the water supply benefits of the LVE project, an update on LVE Project governance, and information on the 2019 MPA amendments and cost share.

Background

The LVE Project would expand Los Vaqueros Reservoir (Los Vaqueros) storage from 160 thousand acre-feet (TAF) to 275 TAF and build the 300 cubic feet per second (cfs) Transfer-Bethany Pipeline to connect Los Vaqueros to the State Water Project's (SWP) South Bay Aqueduct (SBA) (Attachment 1). Additional LVE Project elements include upgrading pump facilities, improving conveyance, and improving ecological conditions in the San Francisco Bay Delta. Valley Water began participating in the LVE Project in 2016 to support CCWD's Proposition 1 Water Storage Investment Program (WSIP) funding application. The WSIP funding program is overseen by the California Water Commission

(CWC). The CWC approved a maximum grant award of \$459 million for LVE Project development and construction, including \$22.95 million in early funding.

On December 20, 2019, \$2.155 billion of federal funding for the LVE Project was approved from the Water Infrastructure Improvements for the Nation Act (WINN Act) through the federal government's Fiscal Year (FY) 2020. WINN Act funding supports U.S. Bureau of Reclamation's (USBR) efforts to consult with federal permitting agencies, develop inter-agency agreements, and to advance engineering design and analysis of the LVE Project. CCWD and the LAPs are continuing efforts to procure WINN Act funding beyond FY 2020, ultimately seeking \$223 million in total.

To conduct preliminary evaluations of potential LVE Project benefits and to participate in project development, the Valley Water Board of Directors (Board) on March 26, 2019 authorized joining the LVE Project 2019 MPA, which included cost share funds not to exceed \$355,000. The LVE Project 2019 MPA was fully executed on April 30, 2019 and committed Valley Water to \$314,782 of an equally split cost share portion among the LAPs. To date, Valley Water has spent approximately \$591,000 towards LVE Project cost sharing for the WSIP application and project development, including in-kind labor costs.

Several other 'Local Agency Partners' (LAPs), mostly other Bay Area water agencies and suppliers, are also evaluating LVE Project participation (Attachment 2). CCWD estimates the total LVE Project development and construction 40-year life cycle costs to be \$868 million in constant 2018 dollars for proposed storage (\$513 million) and conveyance (\$355 million) components. Approximately 45% of LVE Project costs would be paid by the LAPs while the remaining 55% is from the WSIP and WIIN grant funding.

Since receiving WSIP, WIIN, and cost share funding, CCWD and LAPs have worked with consultants to develop preliminary engineering plans and timelines, negotiate agreements, evaluate project benefits and costs, and advance project permitting. CCWD completed a Draft Feasibility Report with the USBR in January 2018. Then on February 28, 2020, the Final Supplement to the EIR/EIS was published in the Federal Register. Neither the Draft Feasibility Report nor the EIR/EIS received legal challenges or significant public opposition. CCWD's Board adopted a resolution certifying the Final Supplement to the Final EIS/EIR and approved the LVE Project. The LVE Project is now proceeding with permitting and design.

LVE Project Benefits to Valley Water

Valley Water has continued to work with CCWD and the other LAPs to evaluate LVE Project long-term participation levels and how it translates to water storage and/or supply benefits. Many of these potential benefits depend on if and how much Valley Water participates in project storage or Transfer-Bethany Pipeline conveyance components. Valley Water is continuing to work with CCWD and the LAPs to better define and analyze LVE Project water supply and operational benefits, costs, and risks. In addition, Valley Water is also working with regional partners to evaluate how the LVE Project storage and conveyance components could support other regional projects, such as the Bay Area Regional Desalination Project and the Refinery Recycled Water Project. Below is a preliminary evaluation of how LVE Project storage and conveyance may provide operational flexibility, access to new water supplies, and/or improve Valley Water's ability to use its SWP and CVP contract supplies.

Storage Component

As currently formulated, CCWD will retain their 160 TAF of storage capacity in Los Vaqueros, leaving 115 TAF for the LAPs. CCWD is allowing LAPs to use either “dedicated storage” or “pooled” storage. Dedicated storage is a defined amount of storage available to be used at any time by the LAP who owns that dedicated storage. Pooled storage can be used by any LAP on a first come-first served basis. Those LAPs with dedicated storage will pay for the LVE Project proportional to the volume of storage purchased, independent of the volume of water in their dedicated storage. The pooled participants are expected to pay based on a ‘take-or-pay provision’ (i.e., pay the storage allocation rate for volume used or pay a lower fee for not using storage but continuing to participate in the LVE Project), which means costs would vary annually based on use. Priority for use of conveyance and diversion facilities by dedicated vs. pooled project participants still needs to be negotiated.

CCWD’s Proforma 3.1 model shows San Francisco Public Utilities Commission (SFPUC), Bay Area Water Supply & Conservation Agency (BAWSCA), San Luis Delta & Mendota Authority, and EBMUD requesting a total of 90 TAF of dedicated storage. The remaining 25 TAF is the available pooled storage.

Valley Water is evaluating the water supply benefits for using dedicated versus pooled storage. In collaboration with CCWD, Valley Water is conducting preliminary analyses for using LVE Project storage in lieu of a portion of our Semitropic Bank storage or as a storage project that is in addition to our Water Supply Master Plan (WSMP) 2040 proposed investments (improving/retrofitting existing infrastructure, Delta Conveyance Project, Pacheco Reservoir Expansion, water reuse projects, Transfer-Bethany Pipeline, and demand management and stormwater capture projects). Preliminary analysis of LVE storage with the WSMP 2040 proposed investments and demand projections indicates that Valley Water rarely fills available storage space (Table 1). This is because Valley Water already has significant investments in storage (i.e., local groundwater and surface water storage, semitropic, and carryover storage in San Luis Reservoir) and the WSMP 2040 investment portfolio also includes Pacheco Reservoir Storage. However, the potentially strategic location of the LVE Project may provide Valley Water an operational and emergency benefit if the storage is used in lieu of a portion of Valley Water’s current semitropic investment; Valley Water staff are currently evaluating this option. If this information is available before this Board committee meeting, Valley Water staff will provide it as a supplemental memo or a handout.

Table 1. Storage of Valley Water Supplies in LVE¹

<i>Preliminary Analysis</i>	<i>Dedicated Storage (30 TAF)</i>	<i>Pooled Storage (up to 20 TAF)</i>
PV Life Cycle Cost to Valley Water (2018\$) ²	\$80 Million	\$20 Million
Average Storage Volume ³ (TAF/yr)	13	3

¹ Costs and impacts shown only for LVE Project storage components (e.g., expanded Los Vaqueros), based on values from Valley Water’s Water Evaluation and Planning (WEAP) model and CCWD’s CalSim II model and Proforma 3.0 financial model.

² Calculated using Valley Water’s 100-year life cycle cost methodology. Cost inputs to develop the 100-year life cycle cost estimate are from CCWD’s Proforma 3.0 financial model. In comparison, CCWD reports their costs as a 40-year life cycle estimate.

³ Average volume held in storage by Valley Water over 83-year CalSim II model period.

Conveyance Components

There are multiple conveyance components as part of the LVE Project to facilitate water deliveries to and from Los Vaqueros, such as the new Delta-Transfer Pipeline and Transfer Facility that will connect to Transfer-Bethany Pipeline (Attachment 1). Deliveries from the LVE Project will largely depend on conditions in the Delta, CCWD operational needs, and LAP demands.

The Transfer-Bethany Pipeline is the primary conveyance component that could potentially provide Valley Water additional operational flexibility and access to new water during wetter years. To use the Transfer-Bethany Pipeline, the LAPs are expected to pay facilities construction and usage costs corresponding with total deliveries. Additional Transfer-Bethany Pipeline details are provided in a handout in Attachment 3. Preliminary model analysis of current LAP participation levels and planned infrastructure capacities suggest that Valley Water would use up to approximately 2% of the pipeline capacity. More analysis is underway to determine if and how Valley Water could benefit from increased Transfer-Bethany Pipeline use, such as to convey other imported water supplies (e.g., supplies from the Refinery Recycled Water Exchange Project). This information will inform the JPA service agreements and Valley Water staff will provide this analysis before JPA service agreements are presented to the Board for consideration.

Water Supply Benefit from Conveyance Components

Transfer-Bethany could provide Valley Water access to surplus Delta supplies in wetter years. While it may be possible to negotiate with the LVE partners to participate in Transfer-Bethany without the storage components of the project, the framework currently under discussion does assume a minimal buy-in to storage. Further, to make use of the surplus Delta supplies without participating in storage, Valley Water would need to either send it directly to a water treatment plant or store it locally in Valley Water’s groundwater sub-basins or reservoirs. Operational constraints related to storing additional wet year supplies will continuously be evaluated throughout the project. Table 2 summarizes estimated cost and yield for the Transfer-Bethany Pipeline and associated conveyance components. Valley Water is working with CCWD to better evaluate the percent utilization of the available yield.

Table 2. New LVE Project Water Available to Valley Water through Transfer-Bethany Pipeline

	<i>Valley Water Participation</i>
PV Life Cycle Cost to Valley Water (2018\$) ¹	\$35-250 Million
Years with Surplus Deliveries (out of 83 years) ²	14-62
Average Surplus Yield for Years with Surplus Delivery ² (TAF/year)	4 - 8
Average Surplus Yield Over 83-Year Model Period ² (TAF/year)	1-6
Unit Cost for Surplus Conveyance ¹ (\$/AF)	\$1,100 - \$1,300

¹ Cost is for conveyance of Delta surplus supplies and does not include storage costs. The cost range represents the high and low end of Delta surplus available to Valley Water. The range of available Delta surplus is based on different future Valley Water's investment portfolios, where the different future projects impact Valley Water's system's storage and conveyance capacities. Cost is calculated using Valley Water's 100-year life cycle cost methodology. Cost inputs to develop the 100-year life cycle cost estimate are from CCWD's Proforma 3.0 financial model. In comparison, CCWD reports their costs as a 40-year life cycle estimate.

² Surplus deliveries are modeled in CalSim II, which has an 83-year model period. Deliveries and yield represent the volume of water available to be conveyed to Valley Water and is dependent on preliminary Valley Water capacity to accept the supplies and CCWD's analysis of available surplus and conveyance capacity. Further analysis is necessary to refine what proportion of the available supplies reported in Table 2 are able to be put to beneficial use within Valley Water's service area.

Valley Water is also evaluating whether Transfer Bethany Pipeline could provide useful alternative conveyance pathways for receiving SWP and CVP supplies. In particular, Valley Water staff are determining if Transfer-Bethany Pipeline and associated conveyance facilities would not be subject to regulatory restrictions that impact certain SWP and CVP facilities.

SBA Capacity Analysis

The LVE Project operations will need to coordinate with SWP and CVP operations and facilities. Several of the LAPs, including Valley Water, Alameda County Water District, and Zone 7 Water Agency, are SWP contractors that typically rely on Department of Water Resources (DWR)-owned SBA facilities to receive their imported SWP water supplies (collectively, the SBA Contractors). These LAPs that are SBA Contractors plan to receive their LVE Project water through the SBA. In addition, SFPUC and BAWSCA have expressed interest in using the SBA to wheel their LVE Project water through Valley Water facilities to SFPUC.

Portions of the SBA are in poor condition. SBA condition may influence LAP participation in the LVE Project but addressing SBA condition is beyond the direct scope of the LVE Project. The SBA Contractors have been coordinating with DWR to better understand SBA condition and future reliability. DWR has provided details of their program of SBA reliability improvements to the SBA Contractors. This program includes near-term improvements and additional studies to identify the longer-term improvements for future SBA reliability.

In addition to looking into SBA condition, the SBA Contractors are also evaluating SBA capacity availability for conveyance of LVE Project water. The SBA Contractors have procured consultant services to analyze if there is future available capacity for regional use (e.g., SFPUC or BAWSCA), without impacting reliability of deliveries for the current SBA Contractors. The consultant analysis is expected to be completed by end of July 2020.

Once the SBA capacity analysis is completed and shared with the LAPs, SBA contractors will have a better understanding of how non-SBA contractor LAPs may want to use the SBA to retrieve project water. One potential conveyance pathway for SFPUC and BAWSCA is through the SBA and Valley Water's treated water facilities. If SFPUC and BAWSCA remain interested in this pathway after the SBA capacity analysis is completed, Valley Water will need to evaluate potential capacity limitations within Valley Water's treatment and conveyance system.

LVE Project Governance and Financing

The LAPs are in the process of forming a JPA to lead LVE Project planning and development. CCWD has been hosting LAP workshop meetings to discuss and review various aspects of JPA formation (e.g., JPA structure, roles and responsibilities, LAP financial commitments, project off-ramps). A schedule of these workshops is provided in Attachment 4 and the currently proposed JPA structure is provided in Attachment 5. Valley Water has been active in the LAP workshops to ensure Valley Water's interests are addressed.

Once the JPA is in place, responsibilities such as project financing and executing LVE Project agreements will transition from CCWD to the new JPA. CCWD's project schedule aims to have the JPA established by end of December 2020 via a multi-party agreement (JPA Agreement). Subsequent service agreements that will transition project financing responsibilities to the JPA are not expected to be completed until summer/fall 2021.

MPA Amendments and Cost-Share

The current MPA executed on April 30, 2019 between CCWD and the LAPs included a cost-share commitment to expire on June 30, 2020. Valley Water signed the MPA Amendment 1 (A1) in June 2020 to extend the existing agreement through December 31, 2020. A1 was only a time extension and did not require any additional cost share. CCWD is drafting MPA Amendment 2 (A2), which will extend the MPA through December 31, 2021, include a revised scope of work, and require an additional cost share for calendar year 2021 project costs. The total cost for A2 is estimated at \$7.2 million and the cost share to Valley Water is expected to be approximately between \$800,000 to \$1 million, depending on the number of LAPs that continue participation and the allocation approach. The current allocation proposal is to share the total cost equally among the LAPs, same as the allocation approach in A1. The additional cost share in A2 will fund: JPA formation, preparation of service agreements, developing permits and agreements necessary to secure full WSIP funding, operational or conveyance issues identified by LAPs (e.g., SBA conveyance), 90% level of LVE Project design, and other critical path items as required. CCWD has requested the LAPs decide on A2 by the end of September 2020. Given that A2 is requesting a significant financial commitment, CCWD proposes to split the cost share into four payments: September 2020, November 2020, March 2021, and July 2021. There will also be provisions that allow LAPs to withdraw at any time, and if a decision to withdraw is made prior to any one of the payment due dates, those future payments would not need to be made.

Next Steps

The following are the key long-term decision points and milestones for the LVE Project:

- September 2020: Board meeting to consider a Valley Water resolution to adopt A2 to the 2019 MPA, which includes additional cost-share.
- Fall 2020: Board committee meeting to discuss and recommend JPA Agreement for the Boards consideration.
- December 2020: Board meeting to consider Valley Water participation in JPA.
- Late-2021: JPA executes Service Agreements (storage and/or conveyance services) with CCWD and the LAPs and the JPA executes Facilities Usage Agreements with CCWD and EBMUD for existing facilities (i.e., establishes user fees).
- 2023-2025: Construction of Transfer-Bethany Pipeline.

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- 2027-2029: Construction of Los Vaqueros dam raise, upgraded pumping facilities, and other conveyance improvements.

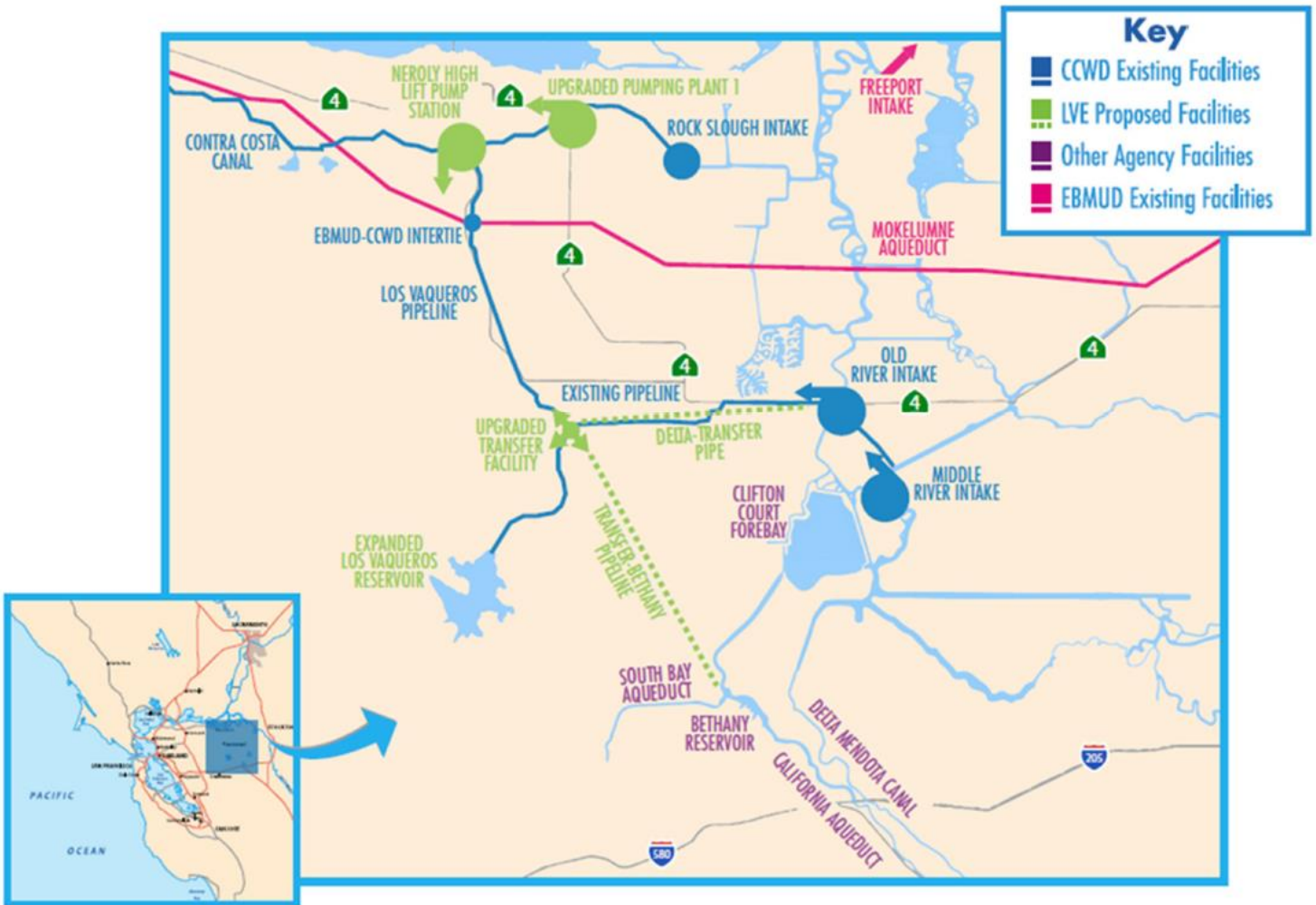
ATTACHMENTS:

- Attachment 1: LVE Project Map
- Attachment 2: List of Local Agency Partners
- Attachment 3: Transfer-Bethany Pipeline Details
- Attachment 4: JPA Formation Workshops List
- Attachment 5: Proposed JPA Structure
- Attachment 6: Staff Powerpoint

UNCLASSIFIED MANAGER:

Jerry De La Piedra, 408-630-2257

Attachment 1: Project Facilities Map Los Vaqueros Expansion Project



<i>Project Facility</i>	<i>Category</i>	<i>Project Status</i>
Delta-Transfer Pipeline	Conveyance	New
Los Vaqueros Dam Raise	Storage	New
Neroly High-Lift Pump Station	Storage	New
Transfer Facility Expansion	Conveyance	New
Transfer-Bethany Pipeline	Conveyance	New
Los Vaqueros Recreation Facilities	Storage	Modification
Rock Slough PP#1 Replacement	Storage	Modification
Transfer Facilities Improvements	Conveyance	Modification

Attachment 2: List of Local Agency Partners (LAPs)
Los Vaqueros Expansion Project

- 1) Contra Costa Water District (CCWD)
- 2) Alameda County Water District (ACWD)
- 3) Bay Area Water Supply and Conservation Agency (BAWSCA)
- 4) City of Brentwood
- 5) East Bay Municipal Utility District (EBMUD)
- 6) Grassland Water District/Refuge Water Supply
- 7) Santa Clara Valley Water District (Valley Water)
- 8) San Francisco Public Utilities Commission (SFPUC)
- 9) Zone 7 Water Agency
- 10) San Luis & Delta Mendota Water Authority (SLDMWA)
 - Byron Bethany Irrigation District
 - Del Puerto Water District
 - San Luis Water District
 - Westlands Water District

Transfer-Bethany Pipeline Coordination

- Supply to LAPs during LVE drawdown and construction
- 7.5 miles, 84-inch Diameter
- 300 cfs (193 MGD) Capacity

Potential Beneficiaries

- ACWD
- Zone 7
- Valley Water
- SFPUC
- BAWSCA
- SLDMWA
- Grassland Water District

Alignment Segments

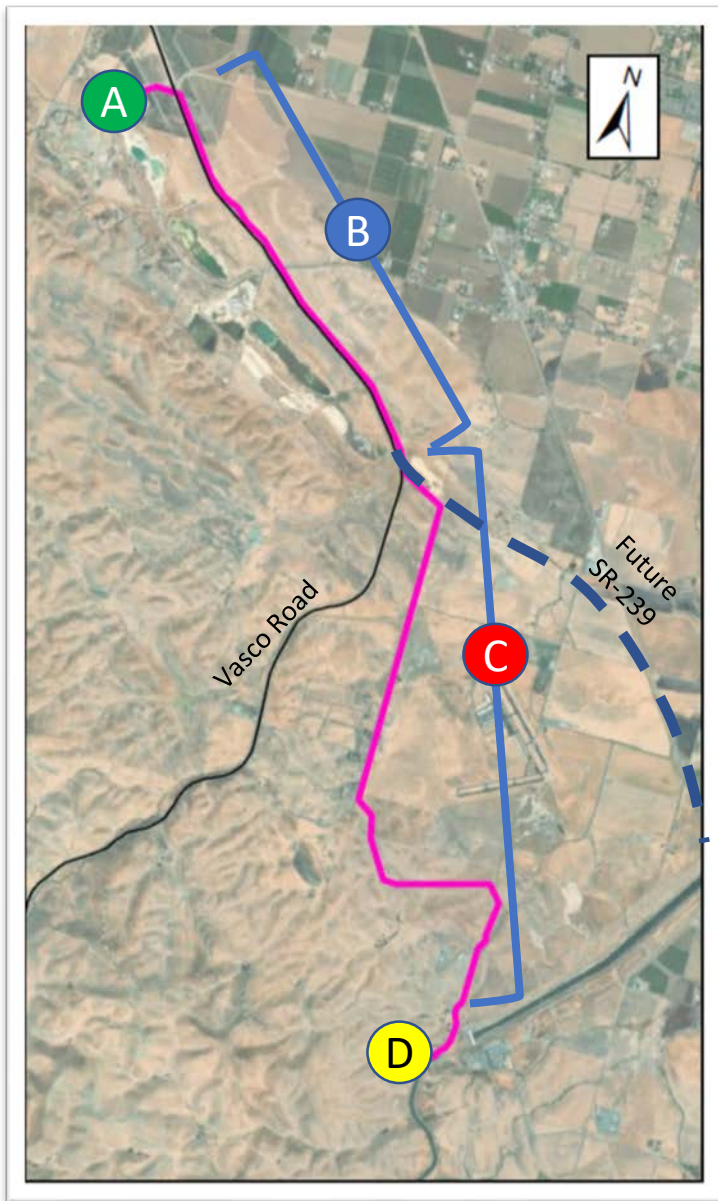
- A. Expanded Transfer Facility
- B. Vasco Road Widening/SR-239
- C. Conservancy Lands
- D. California Aqueduct Turn-In

Key Actions

- Coordinate Segment B Alignment
- Coordination with DWR
- Site access
- Land Acquisition (~21 properties)

Costs

- Design, CM, etc. \$9M
- Land \$5M to \$10M
- Construction \$144M



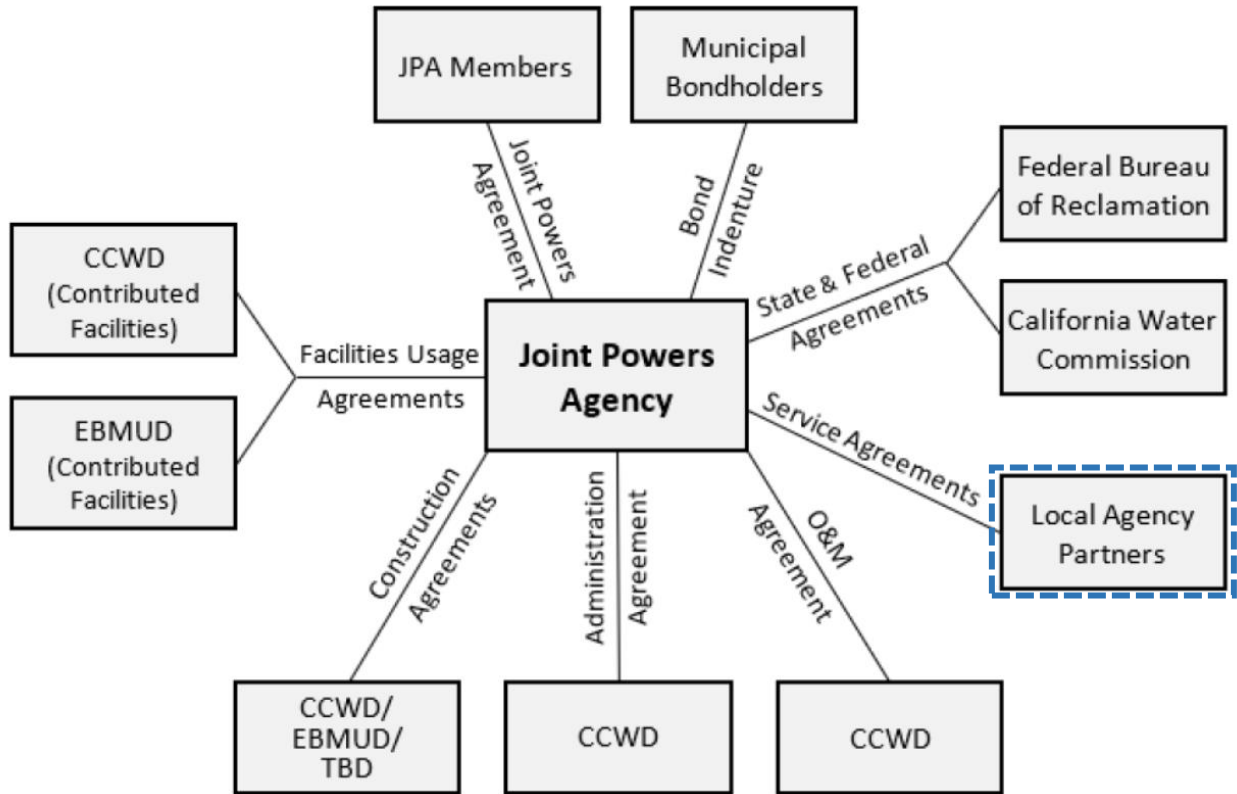
Attachment 4: JPA Formation Workshops List
Los Vaqueros Expansion Project

<i>Workshop Topic(s)</i>	<i>Date</i>
JPA Formation: Term Sheet Review and Introduction Formation of project and ops committees, discuss roles and responsibilities, project phase 'off-ramps' and decision rights.	10/29/2019
JPA Formation: Overview and Working Assumptions	11/12/2019
JPA Formation: Points of Agreement and Next Steps	11/22/2019
Cost Allocation Methods Review LAP and CCWD benefits and costs ('beneficiary pays' principle), mechanics and operational constraints around cost allocations.	12/11/2019
Service Agreements: Overview Discussion of agreement terms and provisions, set special provisions for CCWD and others.	12/20/2019
Service Agreements: Contractual Structure and Key Terms	2/5/2020
Existing Facilities Usage Fees Discussion of facility usage costs and payment principles.	3/11/2020
State and Federal Agreements Define role of CCWD, discuss mechanics for public benefits, state (WSIP) and federal (WINN) grant funding requirements, and fund appropriations.	<i>TBD</i>
JPA Agreement Legal/Financial Provisions Review ownership of facilities, investment(s) of LVE Project funds, default conditions and 'step-up' provisions (i.e., other LAPs fill-in defaulting party's obligations).	<i>TBD</i>
Water Marketplace/Refilling Los Vaqueros Reservoir Review SWP/CVP Delta surplus water requirements and contractual rights, setup of water transfer and exchanges, water rights limitations, and cost/market estimations.	<i>TBD</i>
Emergency Operations Define roles and responsibilities related to facility operations under emergency conditions.	<i>TBD</i>
South Bay Aqueduct Principles Discuss potential use of SBA facilities by SFPUC and BAWSCA to facilitate recovery of stored water supplies in Los Vaqueros.	<i>TBD</i>

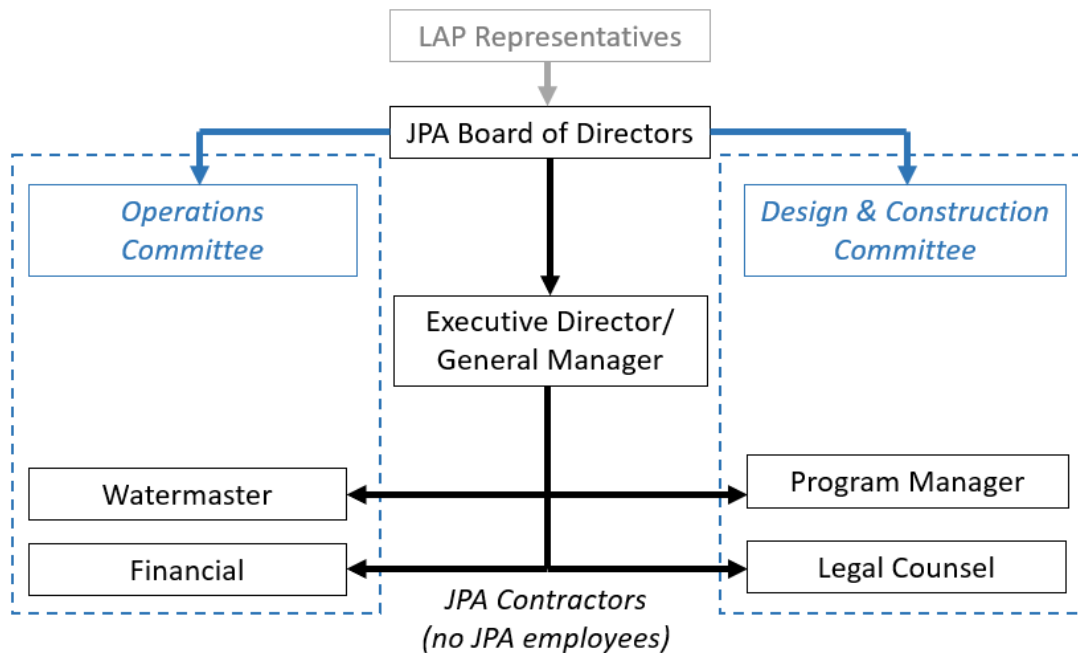
TBD = Date to be determined.

**Attachment 5: Anticipated JPA
Structure** Los Vaqueros Expansion Project

A general structure of the proposed LVE Project JPA structure is shown below:



The proposed organization chart of the JPA is shown below:



Per the JPA formation workshops, the objectives of the JPA will be as follows:

1. Provide governance of the LVE Project by the LAPs and CCWD.
2. Ensure sufficient and stable funding for the LVE Project.
3. Ensure costs are reasonable and cost allocations are equitable and transparent (through Service Agreements).
4. Ensure reliable delivery of water to LAPs consistent with the terms of the Service Agreements.
5. Establish clear dispute resolution approach.
6. Establish procedure to adjust terms in response to changed conditions.

Per the draft Term Sheet, the proposed 'primary activities of the JPA' (i.e., roles and responsibilities) include the following:

- A. Supervise and manage the LVE Project so as to fulfill the promises and deliver the benefits that led to the commitment of State, Federal and LAP funding;
- B. Enter into State Funding Agreements and Federal Funding Agreements and assume rights and obligations pursuant to these agreements;
- C. Finance development period activities through a combination of Early WSIP Funding and pay-as-you-go contributions from the LAPs;
- D. Enter into one or more Design & Construction Agreements and O&M Agreements with CCWD for the design, construction, operation and maintenance of the new and modified facilities (Attachment 1) including the operations of the Transfer-Bethany Pipeline;
- E. Enter into a Design & Construction Agreement and O&M Agreement with EBMUD for the design, construction, operation and maintenance for use of their existing facilities;
- F. Enter into a Design & Construction Agreement and O&M Agreement with an entity to be identified for the design, construction, and maintenance of the Transfer-Bethany Pipeline;
- G. Enter into the Facilities Usage Agreements with CCWD and EBMUD;
- H. Enter into an Administration Agreement with CCWD to serve as the JPA's administrator;
- I. Enter into agreements with outside entities providing program management, Watermaster, legal, financial, accounting, auditing, and other services as required;
- J. Enter into agreements with the California Department of Water Resources, the California Department of Fish and Wildlife, the Bureau of Reclamation, and other entities as required to comply with the requirements of the State and Federal Funding Agreements and implement the Project;
- K. Issue Project Revenue Bonds, secured by revenues of the Project, to provide financing for the Project;
- L. Fund and maintain adequate reserve funds to support debt and operational requirements;
- M. Deliver Services to the LAPs, and receive payment from the LAPs, pursuant to the Service Agreements; and
- N. Conduct such other activities as are necessary and appropriate to the above.

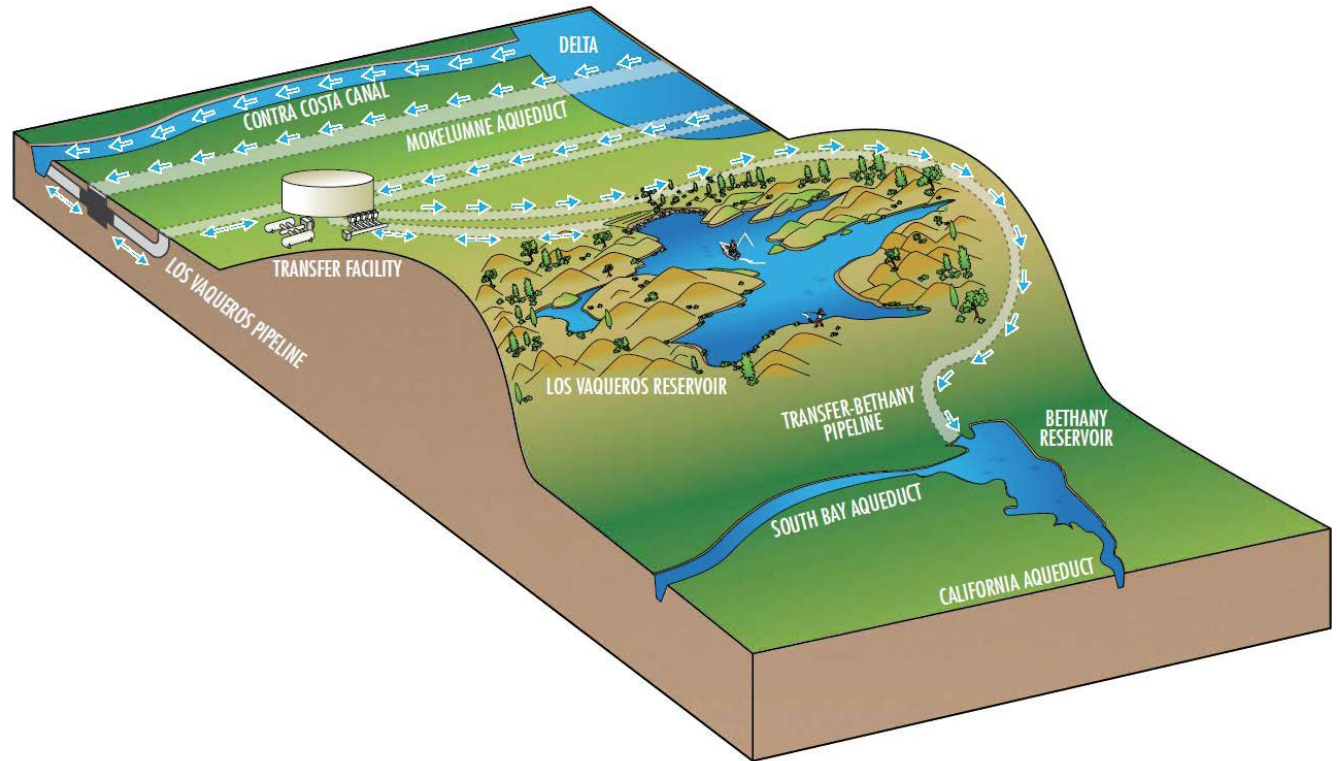
WATER STORAGE COMMITTEE
JULY 13, 2020

Los Vaqueros Expansion Project



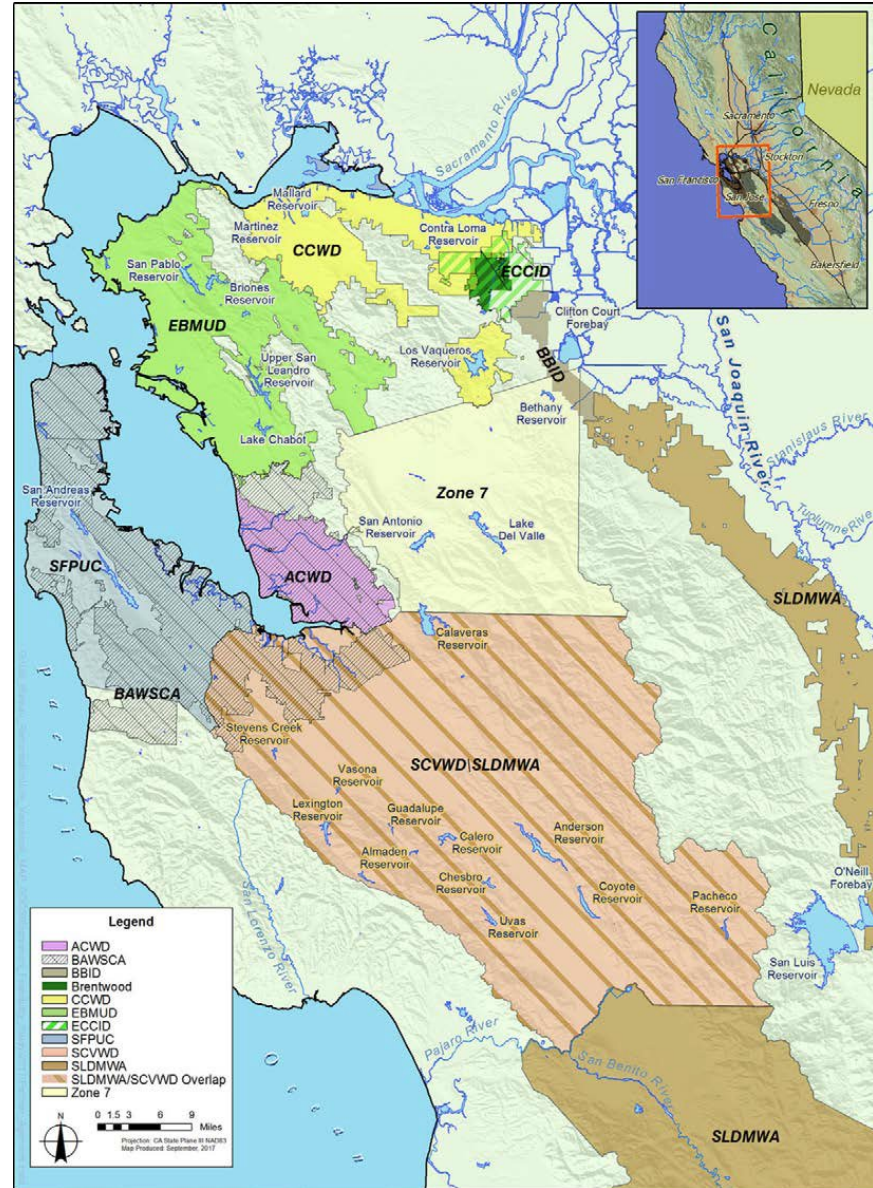
Project Location and Description

- Water is pumped into the system from one of four existing intakes
- Water is sent to an upgraded Transfer Facility pump station
- From the Transfer Facility, water can be delivered directly to local agency partners and wildlife refuges or pumped into an expanded Los Vaqueros Reservoir for later delivery
- Water is delivered to Valley Water via the Transfer-Bethany Pipeline to the South Bay Aqueduct



Local Agency Partners (LAPs)

1. Contra Costa Water District
2. Alameda County Water District
3. Bay Area Water Supply & Conservation Agency
4. City of Brentwood
5. East Bay Municipal Utility District
6. Grassland Water District (Refuge)
7. Santa Clara Valley Water District
8. San Francisco Public Utilities Commission
9. Zone 7 Water Agency
10. San Luis & Delta-Mendota Water Authority
 - 9.1 Del Puerto Water District
 - 9.2 San Luis Water District
 - 9.3 Westlands Water District
 - 9.4 Byron Bethany Irrigation



Valley Water Interests

- Operational flexibility via Transfer-Bethany Pipeline (TBP)
- Access to new Delta water supplies during wet periods (Delta surplus)
- Store surplus water into Los Vaqueros System
 - Unused carryover
 - Delta surplus
- Valley Water has contributed \$591,000, starting in 2016 with Prop 1 application

Conveyance
\$355 Million



Storage
\$513 Million

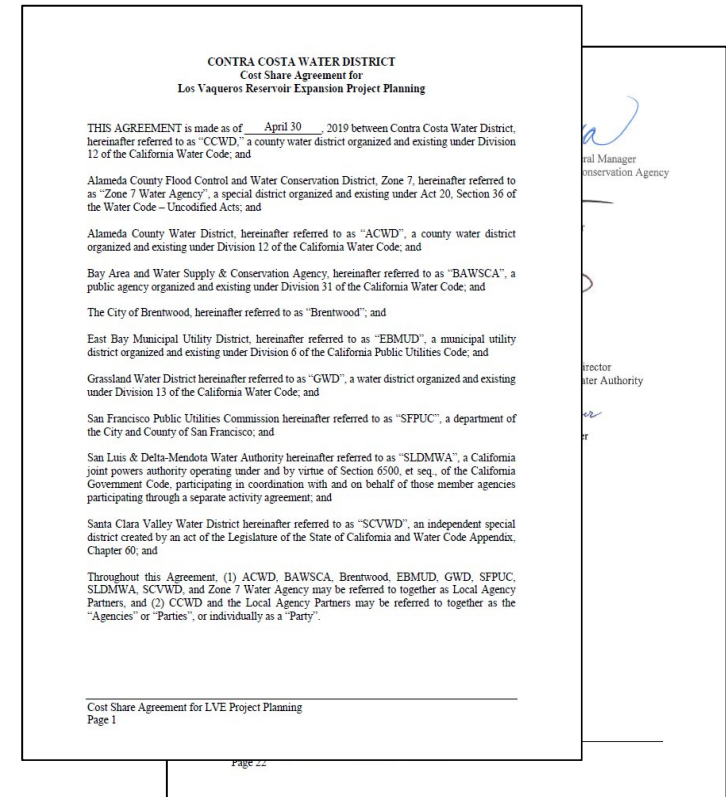


Total \$868 Million*

*CCWD estimated 40-year life cycle cost in 2018\$

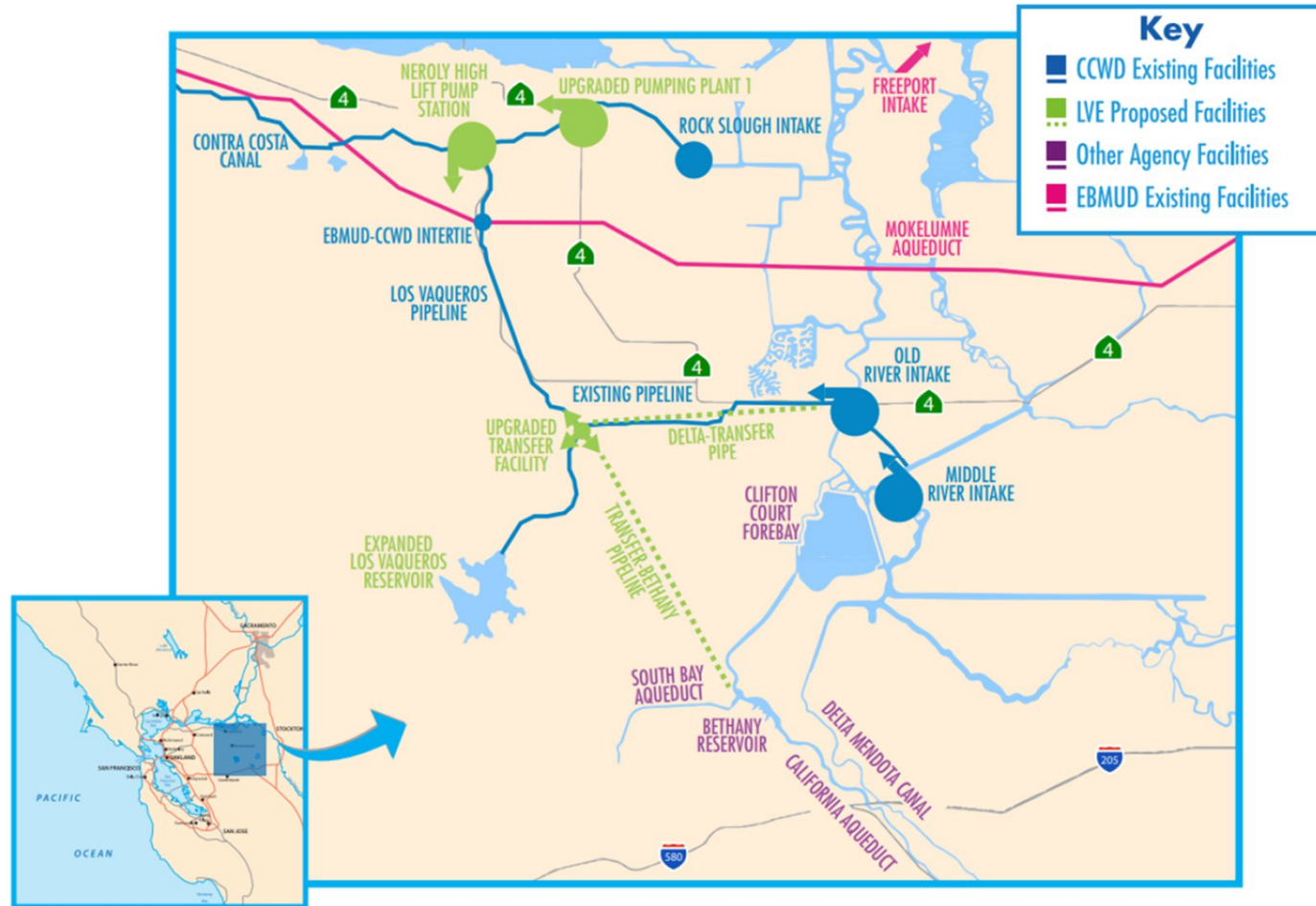
LVE Project Status

- 2019 Multi-Party Agreement executed April 30, 2020
 - Valley Water Board resolution to join agreement on March 26, 2019
 - Included a \$314,782 cost share
- Final EIR/EIS certified February 2020
 - No significant opposition
 - Project proceeding with permitting and design
- Evaluating proposed user fees
- Developing JPA governance framework and terms
- Evaluating Valley Water benefits and constraints
 - Storage
 - Conveyance
 - New water supply



Conveyance

- Several new and/or improved facilities
 - Facilitates movement of LAP SWP/CVP water into and out of Los Vaqueros
- Transfer Bethany Pipeline
 - May provide Valley Water operational flexibility
 - Access to new Delta water supplies during wet periods (Delta surplus)
 - Flexibility and/or access to other regional project water via CVP exchange
 - Bay Area Regional Desalination
 - Refinery Recycled Water Exchange



Conveyance - New Water Supply

- Delta surplus supplies accessible using CCWD diversions
- Bring Delta surplus water directly into Santa Clara County via Transfer Bethany Pipeline or store in Los Vaqueros Reservoir

Conveyance Through Transfer Bethany Pipeline

	Valley Water Participation
PV Life Cycle Cost to Valley Water (2018\$) ¹	\$35-250 Million
Years with Surplus Deliveries (out of 83 years ²)	14-62
Average Surplus Yield for Years with Surplus Delivery ² (TAF/year)	4 – 8
Average Surplus Yield Over 83-Year Model Period ² (TAF/year)	1-6
Unit Cost for Conveyance ¹ (\$/AF)	\$1,100 - \$1,250

¹ Calculated using Valley Water’s 100-year life cycle cost methodology. Cost inputs to develop the 100-year life cycle cost estimate are from CCWD’s Proforma 3.0 financial model. In comparison, CCWD reports their costs as a 40-year life cycle estimate.

² Surplus deliveries are modeled in CalSim II, which has an 83-year model period

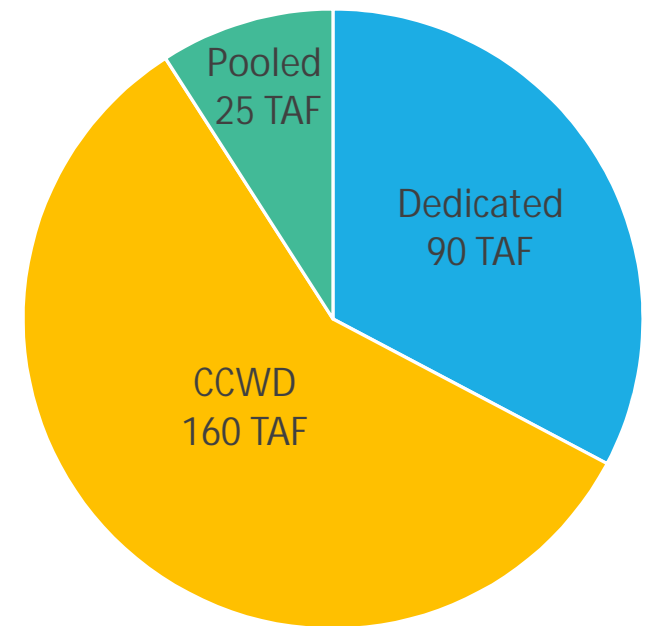
Water Storage

- Dedicated vs. Pooled Storage Approach

- Dedicated: right to LVE storage
- Pooled: 'take-or-pay' non-exclusive storage
- Can store SWP/CVP supplies and Delta surplus supplies

Preliminary Scenario Analysis:

	Dedicated Storage (30 TAF)	Pooled Storage (up to 20 TAF)
PV Life Cycle Cost to Valley Water (2018\$)	\$80 Million	\$20 Mil
Average Storage Volume (TAF/yr)	13	3



TOTAL STORAGE = 275 TAF

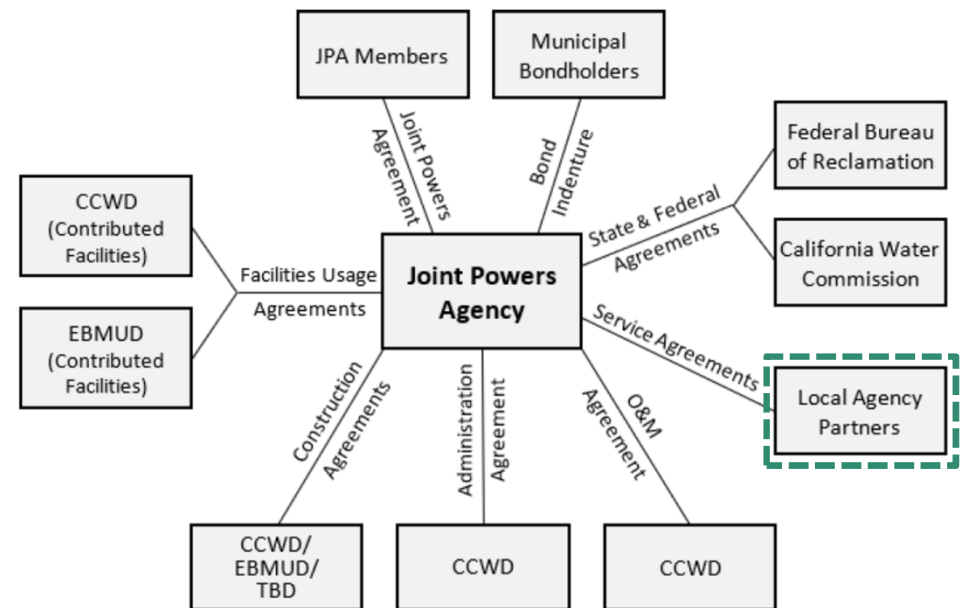
SBA Capacity

- The LVE Project operations may use SBA to deliver water certain LAPs
- SBA is in poor condition
 - SBA Contractors coordinating with DWR
 - DWR has an SBA reliability improvement program
- SBA Contractors are also evaluating available SBA for conveying LVE project water



Project Governance

- JPA Formation Workshops:
 - Draft term-sheet on JPA structure (2019)
 - JPA own/operate new facilities
 - Defined financial commitments
 - JPA provides “services” to LAPs
- Project financing and executing agreements will transition from CCWD to the JPA
- LAPs continuing work to develop JPA structure, roles and responsibilities, LAP financial commitments, project off-ramps



Project Cost Share

2019 Multi-Party Agreement (expired June 30, 2020)

- Amendment 1: Extends agreement through December 2020
- Amendment 2, includes:
 - Agreement extension through December 2021
 - Revised scope of work
 - An additional cost share for calendar year 2021 project costs

Project Cost Share cont.

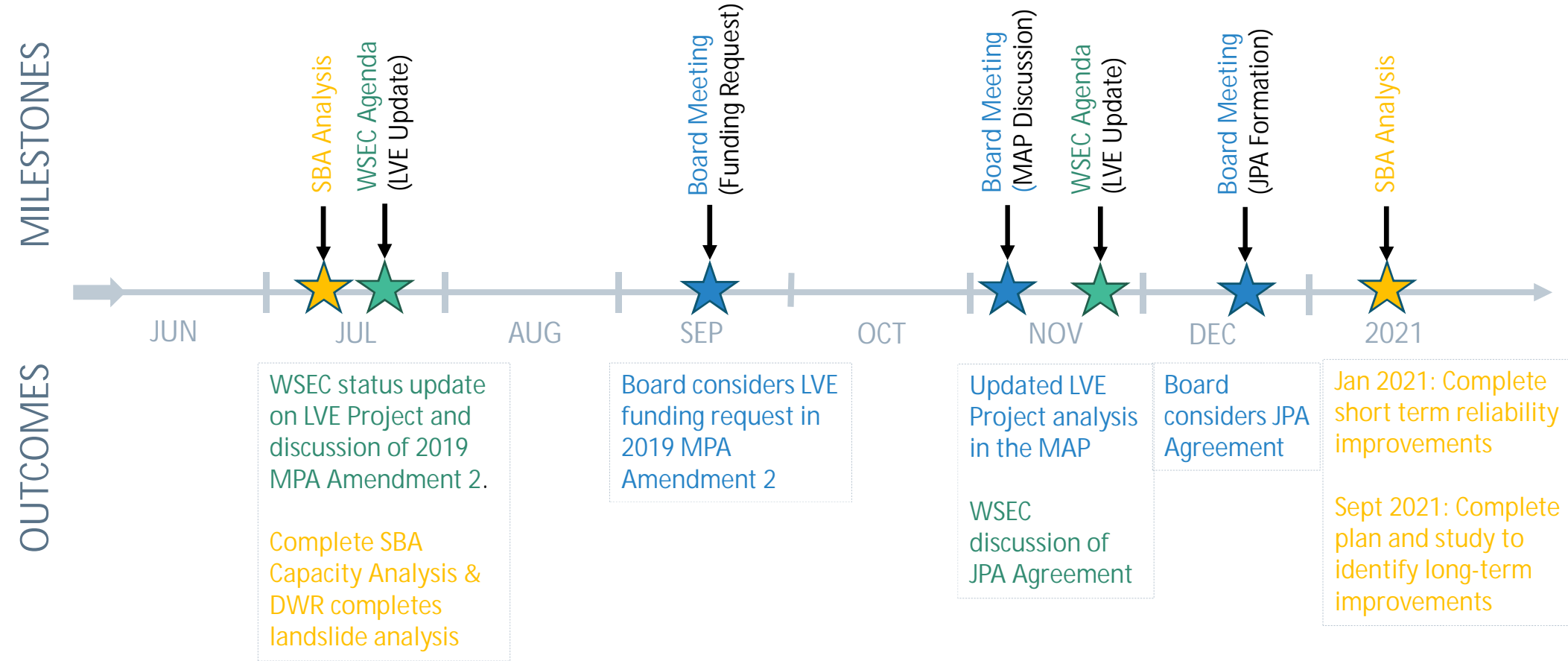
Amendment 2 – Additional Cost Share

- Estimated cost of \$7.2 million – Valley Water’s share is estimated between \$800 thousand to \$1 million
 - Four payments: September & November 2020, March & July 2021
 - Withdrawal from agreement terminates cost share commitment for all future payment(s)
- Final cost share amount depends on the number of LAPs and the allocation approach
- LAP participation decision requested by September 30, 2020

Cost share will fund:

1. JPA formation
2. Preparation of service agreements
3. Permits and agreements necessary to secure full WSIP funding
4. Operational or conveyance issues identified by LAPs (e.g., SBA capacity)
5. Preliminary LVE Project design
6. Other critical path items as required

Near-Term Schedule



Next Steps

- September 2020: Board meeting to consider Valley Water's continued participation in the project through a resolution to adopt A2 to the 2019 MPA, which includes additional cost-share.
- Fall 2020: Board committee meeting to discuss and recommend JPA Agreement for the Boards consideration.
- December 2020: Board meeting to consider Valley Water participation in JPA.
- Late-2021: JPA executes Service Agreements (storage and/or conveyance services) with CCWD and the LAPs and executes Facilities Usage Agreements with CCWD and EBMUD for existing facilities (i.e., establishes user fees).
- 2023-2025: Construction of Transfer-Bethany Pipeline.
- 2027-2029: Construction of Los Vaqueros dam raise, upgraded pumping facilities, and other conveyance improvements.

Staff Recommendation

- Bring Amendment 2 to the 2019 Multi-Party Agreement to the Board of Directors for its consideration.

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Santa Clara Valley Water District

File No.: 20-0540

Agenda Date: 7/13/2020

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Second Amendment to 2019 Reservoir Project Agreement for Continued Participation in the Sites Reservoir Project

RECOMMENDATION:

- A. Receive update and report on the Sites Reservoir Project;
- B. Recommend to Board to authorize the Chief Executive Officer to execute the Second Amendment to 2019 Reservoir Project Agreement with Sites Project Authority and the Project Agreement Members for a participation level of up to 6.6 percent of the total project and a funding commitment of up to \$1.6 Million;
- C. Recommend to Board to Direct Valley Water staff to continue engagement in Sites Reservoir Committee and negotiate future parameters for participation.

SUMMARY:

In 2019, the Santa Clara Valley Water District's (Valley Water) Board of Directors (Board) authorized the Chief Executive Officer to execute an agreement and subsequent first amendment to participate in Phase 2 of the Sites Reservoir Project (Sites Project). That agreement expired on June 30, 2020. The Sites Joint Powers Authority (JPA) is offering Valley Water the opportunity to continue participating in the Sites Project by executing the Second Amendment to the 2019 Reservoir Project Agreement (Attachment 1, Second Amendment), which will cover extended Phase 2 work and planning efforts to develop the Sites Project through December 2021.

Participants are requested to execute the Second Amendment by September 10, 2020. Execution of the agreement would obligate Valley Water to contribute funds to support continued Phase 2 work activities from June 2020 through December 2021 (Phase 2, Year 2 and 3) based on a specific participation level. Staff has analyzed two approaches for Valley Water's continued participation, summarized in Table 1. Table 2 provides advantages and disadvantages for each option. Staff recommends to continue participation in the Sites Project at a participation level that would maintain Valley Water's estimated share of water supply yield from the project, equivalent to up to 6.6 percent of total project and roughly 9.6 to 12.4 thousand acre-foot (TAF) of average annual yield, at a total fee of up to \$1.6 million.

Background

The Sites Project is a proposed off-stream reservoir that would be located north-of-Delta (NOD), approximately 10 miles west of the town of Maxwell in Colusa County. The Sites Project would collect

winter flood flows from the Sacramento River with the objective of increasing water supply certainty while ensuring in-stream flows that benefit the Delta ecosystem. The Sites Project is identified in Valley Water's Water Supply Master Plan (WSMP) as a potential alternative to help secure Delta-conveyed supplies. The Sites managers anticipate that the Sites Project will be cooperatively managed in conjunction with both the State Water Project (SWP) and Central Valley Project (CVP) and will increase the flexibility, reliability and resiliency of statewide water supplies in drier years for environmental, agricultural, and urban uses.

The Sites Project is envisioned to progress in a five phase approach:

- Phase 1 - California Water Storage Investment Program Planning (Proposition 1) funding application and EIR/EIS development. Completed in 2018;
- Phase 2 - EIR/EIS completion, predesign, critical permits, and water rights. In progress;
- Phase 3 - Final design, land and right of way acquisition, and remaining permits;
- Phase 4 - Construction; and
- Phase 5 - Transfer to Operations

Since 2016, Valley Water has been participating in the Sites Project. On February 26, 2019 the Board approved continued participation in the Sites Project Phase 2 Year 1 at a targeted participation level of up to 3.2 percent, (i.e., funding 3.2 percent of total project costs to preserve rights to 3.2 percent of total project benefits).

Accomplishments of the Sites Project Phase 2 Year 1 (2019) work includes:

- Securing an additional \$6 million in Congressional appropriations from the Water Infrastructure Improvements for the Nation (WIIN) Act, bringing total to \$10 million;
- Adoption of a Sites Storage Policy which better defines storage benefit to project participants and outlines rules of use;
- Completion of a Value Planning Alternatives Appraisal; and
- Sites Project specifically named in the Governor's 2019 Water Resilience Draft Portfolio - a plan to provide reliability and resiliency to statewide water supplies.

In April 2020, a Sites Project Value Planning Alternatives Appraisal Report (VPAA Report) was finalized as part of the Sites Project Phase 2 Year 1 work (February 2019 thru June 2020). The purpose of this report was to support planning efforts to continue development of the Sites Project, inform expectations on diversion permits and water rights, and shape investor participation. This report evaluates several project alternatives for reservoir sizes, conveyance capacities, and participant subscriptions. The recommended project alternative, referred to as VP7, includes a 1.5 million acre-foot (MAF) reservoir storage capacity with an estimated yield ranging from 190,000 to 240,000 acre-foot (AF), at an estimated project cost of \$3 billion (2019 Dollars). Reducing the size of

the reservoir was responsive to input from state and federal agencies, non-government organizations, elected officials, landowners and local communities.

The work projected for Phase 2 Year 2 and 3 includes continuation of efforts to complete a revised draft EIR/EIS for public review and comment, preparing and submitting final feasibility reports for Prop 1 and WIIN Act funding, and moving forward on predesign, critical permits, securing water rights, and interim financing.

Potential Valley Water Benefits

Sites Project water supply and operational benefits could be realized by diverting surplus water into Sites Reservoir during high river flow events for later release to participants, in conjunction with operation of Oroville and Shasta Reservoirs. Staff anticipates that the Sites Project could provide the following benefits to Valley Water, if it is able to divert and store water as proposed with operations integrated with the SWP and CVP:

- An increase in water supply, including significant amounts in dry years, which could, subject to future negotiations, be delivered as SWP project supplies;
- Storage rights in Sites reservoir proportional to the Valley Water's targeted participation level;
- Improvement in Shasta Reservoir storage levels and cold-water pool that may provide fishery benefits; and
- Stabilization or increase in CVP water supply allocations.

The extent to which these benefits can be realized depends on several issues that have yet to be resolved, including permit requirements, potential participation by Reclamation and other agencies and integration of operations with the SWP and CVP as well as with other Sacramento Valley users and projects.

Staff has evaluated preliminary modeling results provided by the VPAA Report to assess the share of yield that could be delivered to Valley Water for a range of target participation levels. Given general uncertainties associated with conveyance across the Delta, staff has assigned losses of 25 percent on estimated NOD yields (see Table 1).

Execution of the Second Amendment would provide Valley Water with a continuing seat on the Sites Reservoir Project Committee (Reservoir Committee) through December 2021. Staff will provide an update on long-term governance of the project at the July 13 Water Storage Exploratory Committee meeting.

Two participation approaches for the next phase of funding are presented in Table 1, while Table 2 provides advantages and disadvantages for each option:

1. Option A: Maintain Valley Water's current level participation level in terms of percent (3.2%).
2. Option B: Maintain Valley Water's current estimated share of project yield in terms of

requested NOD yield (16,000 AF) and anticipated share of water delivered to Valley Water after losses (roughly 10,000 AF).

Table 1: Comparison of Participation Options

	February 26, 2019 Board Decision (3.2% Participation Share)	Option A	Option B
		Maintain 3.2% Participation Share in the Project	Maintain Estimated Share of Project Yield
PROJECT DESCRIPTION			
Total Capital Cost (2019 Dollars) ¹	\$6 Billion	\$3 Billion	\$3 Billion
Reservoir Size (MAF)	1.8	1.5	1.5
Total Estimated Project Annual Yield (AF)	500,000	240,000	240,000
PARTICIPATION SIZE			
Valley Water Participation in Total Project	3.20%	3.20%	6.60%
Valley Water Participation Request (AF) ²	16,000	7,800	16,000
Valley Water Participation in Project Agreement Member Share	8.30%	4.10%	8.30%
ESTIMATED BENEFITS (STORAGE AND YIELD)			
Valley Water Average Delivered Yield (AF) ⁴	11,100	4,700 to 6,100	9,600 to 12,400
Valley Water Average Dry/Critical (Drier) Year Delivered Yield (AF) ⁴	21,500	6,500 to 8,200	13,200 to 16,800
Valley Water Storage Share (AF) ³	55,000	45,000	90,000
FUNDING			
Valley Water Share of Total Capital Cost (2019 Dollars)	\$192 Million	\$97 Million	\$195 Million
Valley Water Share of Total Capital Cost (Fully Inflated Dollars) ⁵	\$242 Million	\$125 Million	\$255 Million

Valley Water Funding Commitment	\$0.96 Million	\$0.78 Million	\$1.60 Million
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¹ In the February 26, 2019 Board materials, capital cost was reported in 2015 dollars. For comparison with estimates for the new project description, these have been escalated up to 2019 dollars using the USBR CCT Composite Trend Indices per recommendation from Jeff Herrin (Sites Consultant, AECOM). The reported 2015 dollar values were \$5.5 billion for the total project and \$177 million for Valley Water’s Share.

² This participation request is a value requested by the Sites Project managers and is used by them as a tool to calculate participation levels relative to other participants. Actual annual yield of the project is variable based on hydrology (year type) and other factors.

³ Share of storage is a rough estimate. Sites participants have not had a complete discussion regarding allocation of storage, but currently adopted Sites storage policy indicates storage rights will be in proportion to participation level.

⁴ Yields delivered to Valley Water assume a 25% carriage water loss applied to North of Delta (NOD) yield numbers. Yield numbers are very rough and are subject to change. The yield projected for a 3.2% participation level in February 2019 was 8,000 AF; this number has been updated to 11,000 AF in the table to reflect updated modeling assumptions.

⁵ Total Capital Cost published by the Sites Project were fully inflated by Valley Water financial staff to determine nominal construction costs.

⁶ Sites is requesting funding for the next phase of work, which will begin September 1, 2020, and run through December 2021.

Note that these yield amounts available to Valley Water are new water, not otherwise available to Valley Water, for example, through other projects currently being considered. Ultimately the amount of project yield and benefit that is usable by Valley Water depends on the portfolio of water supply projects Valley Water ultimately implements as guided by the WSMP; the outcome of negotiations among water agency participants, DWR, and Reclamation; the outcome of ongoing regulatory processes; and refinements of Sites Project operations to reflect storage benefits and updated operational constraints. Additional modeling refinements are currently being implemented to better estimate potential yields and benefits.

Table 2: Participation Option Advantages/Disadvantages

Option	Valley Water Participation Level ¹	Advantages	Disadvantages
A	3.2% (\$0.78 M)	<ul style="list-style-type: none"> • Lower cost than previous funding commitments • Potential for partial refund of previous investments 	<ul style="list-style-type: none"> • Reserves a smaller portion of yield and storage benefits (8 TAF drier year yield, 45 TAF storage) • Reduced level of influence • May be difficult to increase participation at a later date
B	6.6% (\$1.6 M)	<ul style="list-style-type: none"> • Maintain current level of influence • Reserves a larger portion of yield and storage benefits (17 TAF drier year yield, 90 TAF storage) • Participation level may be reduced later 	<ul style="list-style-type: none"> • Higher cost

¹ Valley Water participation level in total project and associated funding commitment for the Second Amendment.

Another option to consider is withdrawing completely from the project by not executing the Project

Agreement. However, doing so would result in no preservation of benefit, and, because the project size has decreased, there is a greater probability that it may proceed without Valley Water's support. In this case, it would be more difficult for Valley Water to rejoin the project at a later date.

For the Committee's convenience, a copy of the current public water agency participation levels contained in Exhibit A to the 2019 Reservoir Project Agreement and first amendment is provided as Attachment 2.

Project Funding

Execution of the Second Amendment would obligate Valley Water to provide funding for continued work on Phase 2 of the Sites Project. The total Second Amendment budget, for Phase 2 Year 2 and 3, is roughly \$40 million, with about \$19 million of this to be funded by water user participants that comprise the Reservoir Committee. The remaining budget is expected to be funded using Proposition 1 early funding and funds secured from provisions under the WIIN Act.

The allocation of costs to the Sites Reservoir Committee members is outlined in the Second Amendment. Maintaining Valley Water's participation level of 3.2 percent of total project, Option A, would commit Valley Water to provide \$0.78 million in funding; a participation level of 6.6 percent of total project, Option B, would commit Valley Water to provide \$1.6 million in funding. Staff plans to add \$600,000 to the FY2021 Imported Water Unit budget through a budget adjustment such that \$1.6 million will be available to support Option B if the Board authorizes that participation level.

ATTACHMENTS:

- Attachment 1: Agreement
- Attachment 2: Exhibit A - Project Agreement Members
- Attachment 3: Project Location Map
- Attachment 4: PowerPoint
- Attachment 5: 2019 Reservoir Project Agreement
- Attachment 6: First Amendment to 2019 Reservoir Project Agreement

UNCLASSIFIED MANAGER:

Jerry De La Piedra, 408-630-2257



May 21, 2020

Dear Reservoir Committee Member,

In April 2020, actions were taken by the Project and Authority governing bodies to adopt the April 13, 2020, Sites Project Value Planning Alternatives Appraisal Report and the Amendment 2 Work Plan which together constitute the scope, schedule and budget for the next stage of project development through December 2021. In taking these actions, funding requirements were set which established the timing and amount due from each participating member that wishes to continue its participation in the Project during the Amendment 2 Work Plan period.

As a participating member in the original Phase 2 Project Agreement dated April 1, 2019 and the First Amendment dated January 1, 2020, the Authority hereby requests your determination of interest in continued participation by returning the attached Second Amendment completed and signed by your authorized agency designee, **no later than September 10, 2020.**

Please note that the Second Amendment requires the following information in addition to the authorized signature on the amendment:

- Indicate the amount of capacity shares in acre feet that you are securing through this phase of the project which, in accordance with the amended Section 2.04, will represent the capacity share amount to which your agency has first rights of refusal in any future phase of work. These capacity share amounts indicated by each participating member will be used for the final Exhibit A of the Second Amendment.
- Indicate your commitment to provide up to the total funding required for the capacity shares you have designated. The unit cost is the total for the original agreement already paid (\$60/AF) and the new commitment for the Amendment 2 Work Plan (not to exceed \$100/AF).

We have prepared a set of documents for you to use in your agency deliberations of this request. Documents are available for you to download at this link: <https://brwncald-my.sharepoint.com/:f/p/jrobinette/Epm9jMLcDwNOhIMc2840b6EBFm-igGMQPzc-HU2pCxovcQ?e=Z6687k>. Don't hesitate to contact Kevin Spesert, Sites Project Authority, External Affairs Manager, at ksperert@sitesproject.org if you need assistance with any of these materials.

The project team is excited to embark on this ambitious Amendment 2 Work Plan. It is critical that you receive timely information for your next decision prior to December 2021 where we will be seeking commitment of the total project local cost share which is one of the conditions for receiving the \$816M State WSIP funds.

Reservoir Committee Members Letter

May 21, 2020

Page 2

Please don't hesitate to contact me if there are any questions or you need my support regarding this request.

Jerry Brown

Executive Director, Sites Project Authority

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Brown", with a long horizontal flourish extending to the right.

Jerry Brown, Executive Director
Sites Project Authority

SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT

BY AND AMONG
SITES PROJECT AUTHORITY

and

THE PROJECT AGREEMENT MEMBERS LISTED HEREIN

Dated as of July 1, 2020

THIS SECOND AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT (this “Second Amendment”), dated as of July 1, 2020, by and among SITES PROJECT AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the “Authority”), and the project agreement members listed in the Agreement referenced below (the “Project Agreement Members”) and amends that certain 2019 Reservoir Project Agreement dated as of April 1, 2019 (the “Original Agreement”), as previously amended by the First Amendment to 2019 Reservoir Project Agreement dated as of January 1, 2020 (the “First Amendment” and, together with the Original Agreement, the “Agreement”), each by and among the Authority and the Project Agreement Members;

WITNESSETH:

WHEREAS, Authority and the Project Agreement Members have determined to approve an Amendment 2 Work Plan and to extend the term of the Agreement to December 31, 2021; and

WHEREAS, under Section 11 of the Agreement, the Agreement may be amended by a writing executed by the Authority and at least 75% of the total weighted vote of the then current Committee members as provided in Subsection 3(g); and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this Second Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Second Amendment;

NOW, THEREFORE, THIS SECOND AMENDMENT WITNESSETH, the Authority and the Project Agreement Members agree, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. **Definitions.** All capitalized terms not otherwise defined herein shall have the meaning set forth in the Agreement.

ARTICLE II

AMENDMENTS TO AGREEMENT

Section 2.01. **Project Agreement Members.**

(a) Effective September 1, 2020, the Project Agreement Members attached as Exhibit A to the Agreement shall be succeeded in their entirety by the Project Agreement Members attached hereto as Exhibit A.

Section 2.02. **Work Plan.**

(a) Effective September 1, 2020, the 2019 Work Plan attached as Exhibit B to the Agreement shall be supplemented by the Work Plan attached hereto as Exhibit B (the “Amendment 2 Work Plan”).

Section 2.03. **Funding.**

The Agreement is hereby amended to remove Section 4(a) in its entirety and replace it with the following:

“(a) **Budget.** The Committee shall, in cooperation with the Authority’s Board, provide and approve both a Fiscal Year operating budget and reestablish a Phase 2 budget target, annually or more frequently as needed. The Project Agreement Members shall contribute their respective pro-rata share of the budgeted sums reflected in the 2019 Work Plan (prior to November 1, 2020) and the Amendment 2 Work Plan (on and after November 1, 2020) in accordance with Section 5 of this Project Agreement; provided, however, that in no event shall the amount paid by a Project Agreement Member exceed \$160 per acre-foot (with \$60 of such amount being attributable to the 2019 Work Plan and \$100 of such amount being attributable to the Amendment 2 Work Plan) without the approval of such Project Agreement Member. The contribution with respect to the pro-rata budgeted sums reflected in the Amendment 2 Work Plan shall be payable by each Project Agreement Member in two installments. The first installment shall be in an amount equal to \$60 per acre-foot and shall be payable by no later than November 1, 2020. The second installment shall be in an amount up to \$40 per acre-foot and shall be payable by no later than April 1, 2021. The exact amount per acre-foot of the second installment shall be established by the Committee, in cooperation with the Authority’s Board, and notice of such amount shall be provided by the Authority to each Project Agreement Member.”

Section 2.04. **Future Development of the Sites Reservoir Project.**

The Agreement is hereby amended to remove Section 6(b) in its entirety and replace it with the following:

“(b) Without limiting the foregoing, any Project Agreement Member that elects to continue participating in the development, financing, and construction of the Sites Reservoir Project to the time when the Authority offers contracts for a water supply or other services, will be afforded a first right, equal to that Project Agreement Member’s Participation Percentage, to contract for a share of any water supply that is developed, and for storage capacity that may be available from, the Sites Reservoir Project. In any successor phase agreements, Project Agreement Members who are parties to this Project Agreement that submitted a proposal to participate before February 28, 2019, shall be granted rights to contract for a share, in an amount equal to that Project Agreement Member’s Participation Percentage as of the effective date of such successor phase agreement, of any water supply that is developed, and for storage capacity that may be available from the Sites Reservoir Project prior to the rights of those becoming parties to this Project Agreement after that date.

If a participating Project Agreement Member as of February 28, 2019 identifies a lesser amount in the Second Amendment than its Original Agreement requested amount, that participating Project Agreement Member’s first rights of refusal in the future are to be based on the Second Amendment amounts and not the February 28, 2019 amounts.

Provided, however, that if a Project Agreement Member withdraws from the Project Agreement pursuant to Section 9 of this Agreement but later requests to be reinstated, then to the extent there is unsubscribed participation in the Project as determined by the Committee, the

Committee may vote to readmit said withdrawn Member with a reinstated first right of refusal provided said withdrawing Member provides funding to the Project commensurate with the funding requirements met by all current Project Agreement Members in the current phase of the Project as well as any prior phase, as adjusted for any credits, payments and/or reimbursements made under the Authority's credit reimbursement policy (the "Credit Reimbursement Policy").

Further provided, that if a Project Agreement Member desires to increase its participation after execution of the Second Amendment, then to the extent there is unsubscribed participation in the Project as determined by the Committee, the Committee may vote to approve said increase, or portion thereof, with a first right of refusal attendant thereto, provided said increasing Project Agreement Member provides funding to the Project commensurate with the funding requirements met by all current Project Agreement Members in the current phase of the Project as well as any prior phase, as adjusted for any credits, payments and/or reimbursements made under the Credit Reimbursement Policy.

The Authority and the Project Agreement Members will cooperate on the drafting of provisions in the water supply contract that will allow a Project Agreement Member or other eligible entity that commits to purchase a Sites Reservoir Project water supply to transfer water that the entity may not need from time to time on terms and conditions acceptable to the Project Agreement Member."

Section 2.05. **Term.** The Agreement is hereby amended to remove Section 8(b) in its entirety and replace it with the following:

"(b) The term of this Project Agreement shall continue until December 31, 2021. In the event that this Second Amendment is not approved by Project Agreement Members with the requisite percentage of the total weighted vote as set forth in the Agreement by June 30, 2020, the Agreement shall be revived immediately upon approval by such requisite percentage, without any additional approval of the Project Agreement Members, and this Second Amendment shall become effective."

Section 2.06. **Executive Director.** All references to the "General Manager" in the Agreement shall be changed to "Executive Director."

ARTICLE III

PROJECT AGREEMENT MEMBER PARTICIPATION

Section 3.01. **Project Agreement Participation.** Each Project Agreement Member shall specify its participation in the Sites Reservoir Project by indicating its elected water participation amount in the Sites Reservoir Project and the associated cost in the space provided therefor on the signature page to this Second Amendment. Based upon the respective participation elections of the Project Agreement Members, the Authority shall update Exhibit A pursuant to Section 5 of the Agreement.

ARTICLE IV

MISCELLANEOUS

Section 4.01. **Effectiveness of Agreement.** Except as expressly amended by this Second Amendment, the Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof. The amendments set forth in this Second Amendment shall be incorporated as part of the Agreement upon their effectiveness in accordance with Section 11 of the Agreement.

Section 4.02. **Execution in Several Counterparts.** This Second Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Project Agreement Members shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 4.03. **Authorization, Ratification and Confirmation of Certain Actions.** The Authority and the Project Agreement Members each hereby authorize, ratify and confirm the extension of the term of the Agreement, as previously extended pursuant to the First Amendment, to June 30, 2020, and the expenditure of funds collected under the Agreement with respect to the 2019 Work Plan on and prior to June 30, 2020.

Section 4.04. **Laws Governing Second Amendment.** The effect and meaning of this Second Amendment and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

IN WITNESS WHEREOF, the Authority and Project Agreement Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing bodies, have caused their names to be affixed by their proper and respective officers on the date shown below:

Dated: _____

SITES PROJECT AUTHORITY

By: _____
Name:
Title:

[PROJECT AGREEMENT MEMBER]

Dated: _____

(Authority & Project Agreement Member)

By: _____
Name:
Title:

PARTICIPATION AMOUNT

[PROJECT AGREEMENT MEMBER] hereby elects to participate in the Sites Reservoir Project in the amount and at the cost identified below.

**Participation
(Second Amendment
Annualized Acre-Foot):**

**Second Amendment Cost:
Not to Exceed \$100 per
Acre-Foot**

EXHIBIT A

PROJECT AGREEMENT MEMBERS

Participant	Participation (Second Amendment Annualized Acre-Foot)	
	Preliminary	Percent
American Canyon, City of		
Antelope Valley-East Kern Water Agency		
Carter Mutual Water Company #		
Coachella Valley Water District		
Colusa County		
Colusa County Water District		
Cortina Water District		
Davis Water District		
Desert Water Agency		
Dunnigan Water District		
Glenn-Colusa Irrigation District		
LaGrande Water District		
Metropolitan Water District of S. CA		
Pacific Resources Mutual Water Company #		
Reclamation District 108		
San Bernardino Valley Municipal Water District		
San Geronio Pass Water Agency		
Santa Clara Valley Water District		
Santa Clarita Valley Water Agency		
Westside Water District		
Wheeler Ridge-Maricopa Water Storage District		
Zone 7 Water Agency		
Potential new participants		
Total:		

Participation Percentages exclude State of California and United States Bureau of Reclamation share of the Project.

Denotes a non-public agency. Refer to California Corporations Code Section 14300 et. seq. with additional requirements provided in both the Public Utilities Code and Water Code.

EXHIBIT B
AMENDMENT 2 WORK PLAN

Exhibit B
Reservoir Committee
2020 and 2021 Work Plan

Reservoir Committee Annual Budget for FY 2020 and FY 2021 (\$000)

	Subject Area	2020	2021	Total
Revenue	Beginning Balance	\$6,847	\$0	\$6,847
	Participation Revenue	\$11,520	\$7,680	\$19,200
	Federal Revenue	\$0	\$4,000	\$4,000
	State Revenue	\$5,134	\$5,502	\$10,636
Revenue Total		\$23,501	\$17,182	\$40,683
Expenses	Permitting	(\$2,558)	(\$5,011)	(\$7,569)
	Early Mitigation	(\$243)	(\$2,257)	(\$2,500)
	Environmental Planning	(\$3,511)	(\$2,376)	(\$5,887)
	Operations Modeling	(\$3,486)	(\$536)	(\$4,022)
	Engineering	(\$4,360)	(\$2,180)	(\$6,540)
	Geotechnical	(\$1,142)	(\$2,003)	(\$3,145)
	Real Estate	(\$145)	(\$272)	(\$417)
	Communications	(\$489)	(\$579)	(\$1,068)
	Project Controls	(\$1,333)	(\$1,528)	(\$2,861)
	Funding	(\$777)	(\$590)	(\$1,367)
	Growth	(\$819)	(\$910)	(\$1,729)
	Management	(\$461)	(\$1,219)	(\$1,681)
	Support	(\$248)	(\$388)	(\$636)
Expenses Total		(\$19,573)	(\$19,848)	(\$39,422)
Grand Total		\$3,928	(\$2,666)	\$1,261

Annual expense budgets are based on the projected spend rate for the Amendment 1B and Amendment 2 work plans combined (Pg 2 and 3).

Amendment 1B Budget by Month (\$000s)

Reservoir Committee Work Plan Summary

Subject Area	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Total
Revenue									
Beginning Balance*	\$6,847								\$6,847
Participation Revenue									\$0
Federal Revenue									\$0
State Revenue	\$3,300								\$3,300
Revenue Sum	\$10,147								\$10,147
Expenses									
Environmental Planning	(\$269)	(\$245)	(\$269)	(\$269)	(\$245)	(\$257)	\$0	\$0	(\$1,555)
Operations Modeling	(\$519)	(\$472)	(\$355)	(\$220)	(\$116)	(\$85)	(\$55)	(\$53)	(\$1,876)
Engineering	\$0	(\$151)	(\$237)	(\$239)	(\$247)	(\$272)	(\$248)	(\$205)	(\$1,600)
Geotechnical	\$0	\$0	(\$27)	(\$118)	(\$107)	(\$118)	(\$118)	(\$113)	(\$601)
Real Estate	(\$7)	(\$6)	(\$7)	(\$7)	(\$6)	(\$7)	(\$7)	(\$7)	(\$55)
Communications	(\$38)	(\$35)	(\$38)	(\$38)	(\$35)	(\$38)	(\$38)	(\$36)	(\$297)
Project Controls	(\$255)	(\$77)	(\$85)	(\$85)	(\$77)	(\$85)	(\$85)	(\$81)	(\$828)
Funding	(\$74)	(\$109)	(\$120)	(\$121)	(\$104)	(\$61)	(\$37)	(\$35)	(\$661)
Growth	(\$93)	(\$84)	(\$93)	(\$93)	(\$84)	(\$93)	(\$93)	(\$88)	(\$719)
Management	\$0	\$0	\$0	(\$1)	(\$23)	(\$25)	(\$9)	\$0	(\$58)
Support	(\$15)	(\$14)	(\$15)	(\$15)	(\$14)	(\$15)	(\$15)	(\$15)	(\$120)
Expenses Sum	(\$1,271)	(\$1,194)	(\$1,247)	(\$1,206)	(\$1,059)	(\$1,056)	(\$705)	(\$633)	(\$8,370)

*Adjusted from value published in work plan based on 2019 close-out

Amendment 2 Budget by Month (\$000s)

Reservoir Committee Work Plan Summary

Subject Area	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Oct 21	Sep 21	Nov 21	Dec 21	Total
Revenue																	
Participation Revenue			\$11,520					\$7,680									\$19,200
Federal Revenue							\$2,000				\$2,000						\$4,000
State Revenue			\$1,834			\$1,834						\$1,834			\$1,834		\$7,336
Revenue Total			\$13,354			\$1,834	\$2,000	\$7,680			\$2,000	\$1,834			\$1,834		\$30,536
Expenses																	
Permitting	(\$253)	(\$577)	(\$1,023)	(\$705)	(\$525)	(\$525)	(\$584)	(\$471)	(\$419)	(\$448)	(\$295)	(\$309)	(\$295)	(\$295)	(\$613)	(\$232)	(\$7,569)
Early Mitigation	\$0	\$0	(\$113)	(\$131)	(\$119)	(\$119)	(\$136)	(\$131)	(\$119)	(\$235)	(\$231)	(\$242)	(\$231)	(\$231)	(\$220)	(\$242)	(\$2,500)
Environmental Planning	(\$488)	(\$512)	(\$442)	(\$513)	(\$474)	(\$474)	(\$218)	(\$71)	(\$65)	(\$71)	(\$61)	(\$62)	(\$216)	(\$42)	(\$343)	(\$279)	(\$4,332)
Operations Modeling	(\$621)	(\$680)	(\$232)	(\$78)	(\$71)	(\$71)	(\$81)	(\$72)	(\$43)	(\$48)	(\$46)	(\$48)	(\$11)	(\$46)	\$0	\$0	(\$2,146)
Engineering	(\$1,134)	(\$768)	(\$398)	(\$461)	(\$108)	(\$185)	(\$355)	(\$292)	(\$221)	(\$190)	(\$161)	(\$186)	(\$155)	(\$155)	(\$147)	(\$25)	(\$4,941)
Geotechnical	(\$52)	(\$54)	(\$61)	(\$374)	(\$346)	(\$461)	(\$513)	(\$134)	(\$124)	(\$172)	(\$42)	(\$44)	(\$42)	(\$42)	(\$40)	(\$42)	(\$2,544)
Real Estate	(\$23)	(\$24)	(\$20)	(\$24)	(\$21)	(\$21)	(\$25)	(\$24)	(\$21)	(\$24)	(\$23)	(\$24)	(\$23)	(\$23)	(\$21)	(\$24)	(\$362)
Communications	(\$48)	(\$50)	(\$43)	(\$50)	(\$46)	(\$46)	(\$52)	(\$50)	(\$46)	(\$50)	(\$48)	(\$50)	(\$48)	(\$48)	(\$46)	(\$50)	(\$771)
Project Controls	(\$126)	(\$132)	(\$114)	(\$132)	(\$120)	(\$120)	(\$138)	(\$132)	(\$120)	(\$132)	(\$126)	(\$132)	(\$126)	(\$126)	(\$120)	(\$132)	(\$2,033)
Funding	(\$29)	(\$30)	(\$26)	(\$30)	(\$64)	(\$66)	(\$76)	(\$73)	(\$66)	(\$71)	(\$29)	(\$30)	(\$29)	(\$29)	(\$28)	(\$30)	(\$706)
Growth	(\$25)	(\$26)	(\$23)	(\$26)	\$0	\$0	(\$38)	(\$36)	(\$33)	(\$36)	(\$35)	(\$154)	(\$146)	(\$146)	(\$139)	(\$148)	(\$1,010)
Management	(\$101)	(\$106)	(\$91)	(\$106)	(\$96)	(\$96)	(\$110)	(\$106)	(\$96)	(\$106)	(\$101)	(\$106)	(\$101)	(\$101)	(\$96)	(\$106)	(\$1,623)
Support	(\$32)	(\$34)	(\$29)	(\$34)	(\$31)	(\$31)	(\$35)	(\$34)	(\$31)	(\$34)	(\$32)	(\$34)	(\$32)	(\$32)	(\$31)	(\$34)	(\$516)
Expenses Total	(\$2,931)	(\$2,994)	(\$2,616)	(\$2,663)	(\$2,020)	(\$2,214)	(\$2,362)	(\$1,624)	(\$1,404)	(\$1,616)	(\$1,230)	(\$1,422)	(\$1,454)	(\$1,314)	(\$1,844)	(\$1,345)	(\$31,052)

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EXHIBIT A

PROJECT AGREEMENT MEMBERS

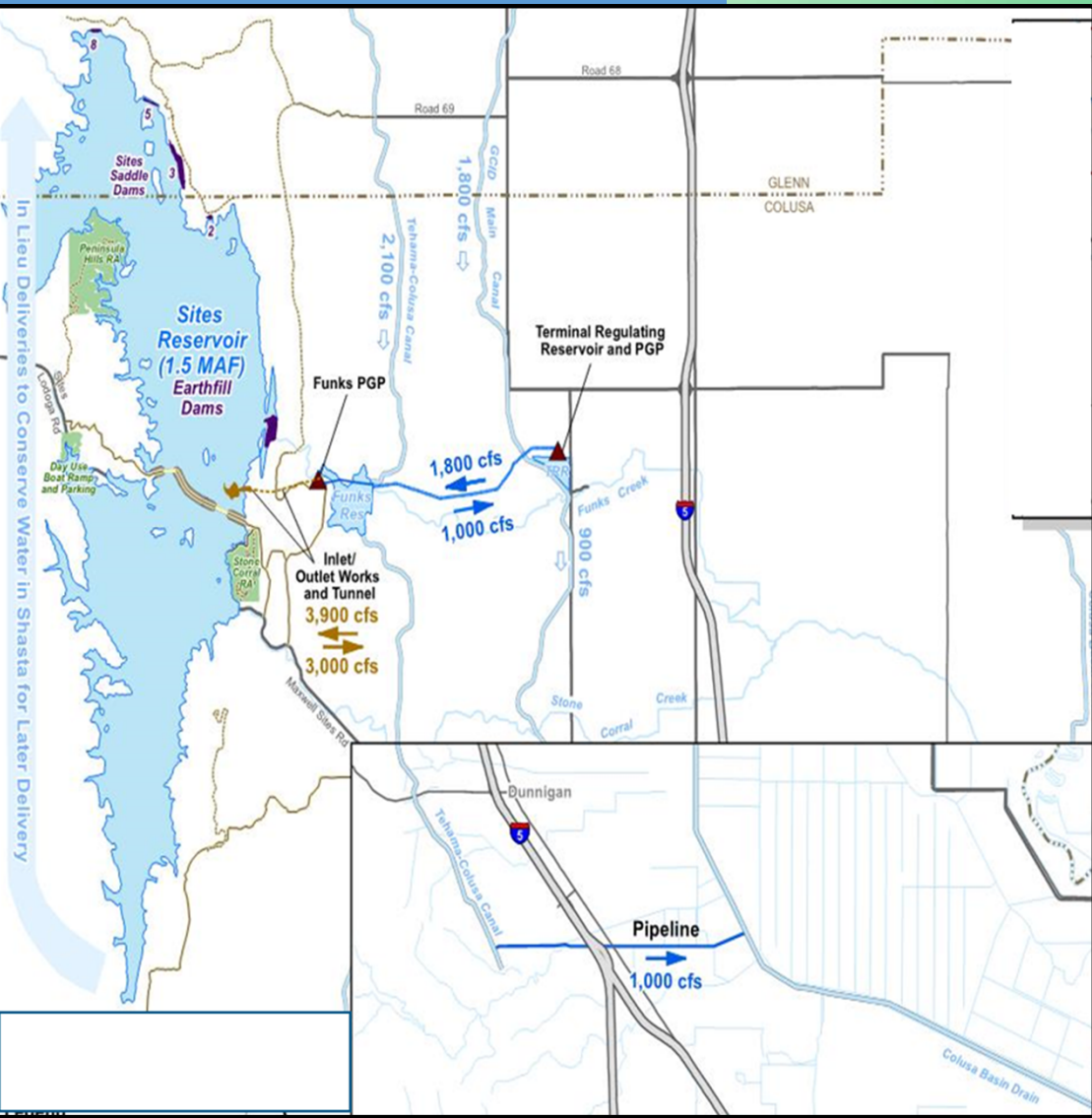
Participant	Participation (Annualized Acre-Foot)		
	Estimated Deliveries	Water Supply Pct	Weighted Voting Pct
American Canyon, City of	4,000	2.1%	3.42 %
Antelope Valley-East Kern WA	500	0.3%	2.51 %
Carter MWC ‡	300	0.2%	2.46 %
Coachella Valley WD	10,000	5.2%	4.97 %
Colusa County	10,000	5.2%	4.97 %
Colusa County WD	11,975	6.2%	5.49 %
Desert WA	6,500	3.4%	4.06 %
Glenn-Colusa ID	5,000	2.6%	3.68 %
Metropolitan WD of S. CA	50,000	25.9%	15.34 %
Reclamation District 108	4,000	2.1%	3.42 %
San Bernardino Municipal WD	21,400	11.1%	7.93 %
San Geronio Pass WA	14,000	7.3%	6.01 %
Santa Clara Valley WD	16,000	8.3%	6.53 %
Santa Clarita Valley WA	5,000	2.6%	3.67 %
TC4: Cortina WD	450	0.2%	2.50 %
TC4: Davis WD	2,000	1.0%	2.90 %
TC4: Dunnigan WD	2,717	1.4%	3.09 %
TC4: LaGrande WD	1,000	0.5%	2.64 %
Westside WD	15,000	7.8%	6.27 %
Wheeler Ridge-Maricopa WSD	3,050	1.6%	3.17 %
Zone 7 WA	10,000	5.2%	4.97 %
Total:	192,892	100.0 %	100.00 %

Participation Percentages exclude State of California's and United States Bureau of Reclamation's participation in the Sites Reservoir Project.

‡ Denotes a non-member participating party. Refer to California Corporations Code Section 14300 et. seq. with additional requirements provided in both the Public Utilities Code and Water Code.

Sites Reservoir Project

Location: Colusa and Glenn Counties, California



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Valley Water

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Water Storage Exploratory Committee Meeting
July 13, 2020



Second Amendment to 2019 Reservoir Project Agreement for Continued Participation in the Sites Reservoir Project

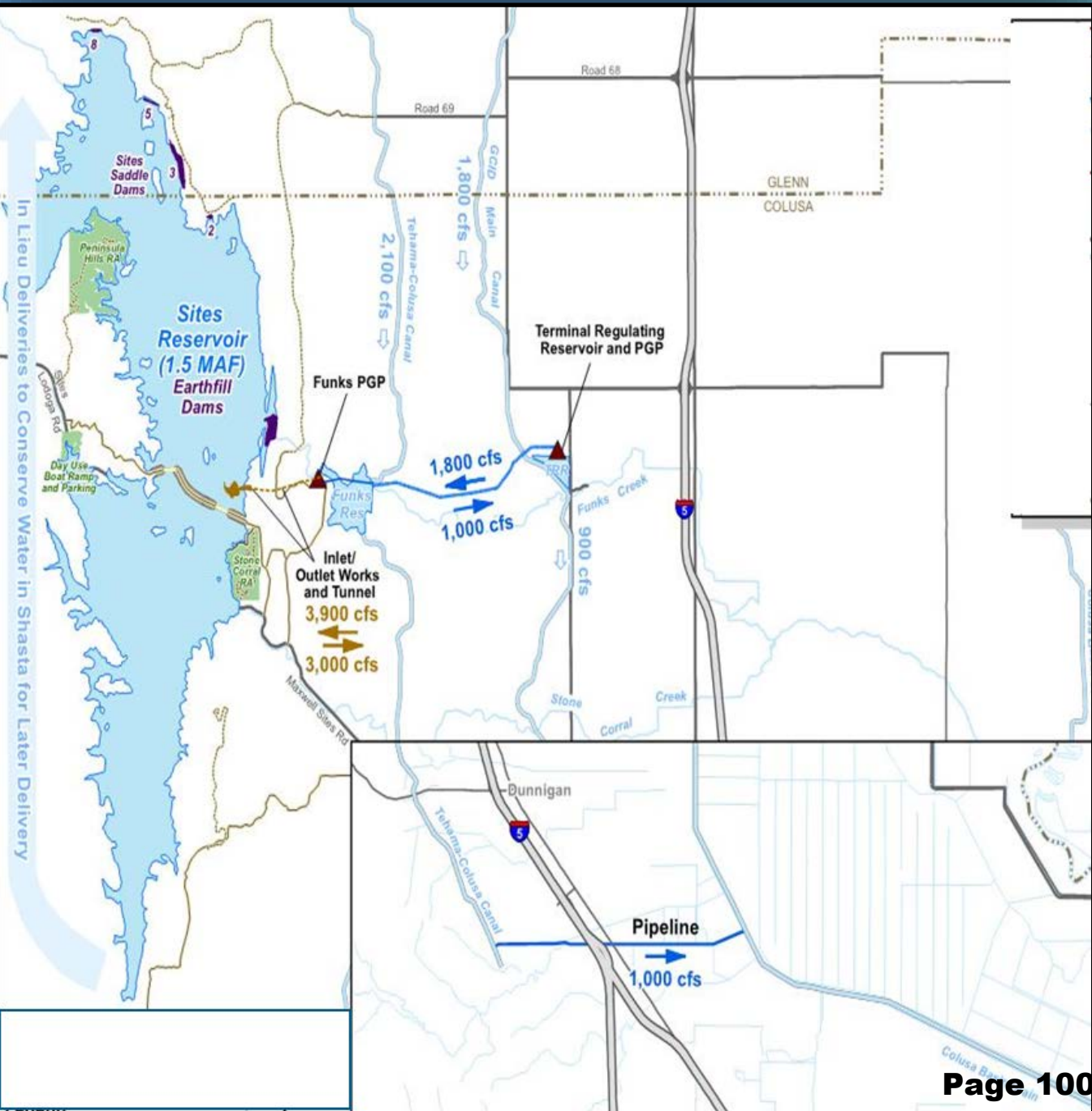
July 13 2020

Staff Recommendations

- A. Receive and discuss updated information on the Sites Reservoir Project (Project).
- B. Committee recommend to Board to authorize CEO to negotiate and execute the Second Amendment to 2019 Reservoir Project Agreement for continued participation in Project Phase 2 at a project participation level up to 6.6 percent and funding commitment of up to \$1.6 million.
- C. Committee recommend to Board to direct staff to continue engagement in Sites Reservoir Committee and negotiate future participation parameters.

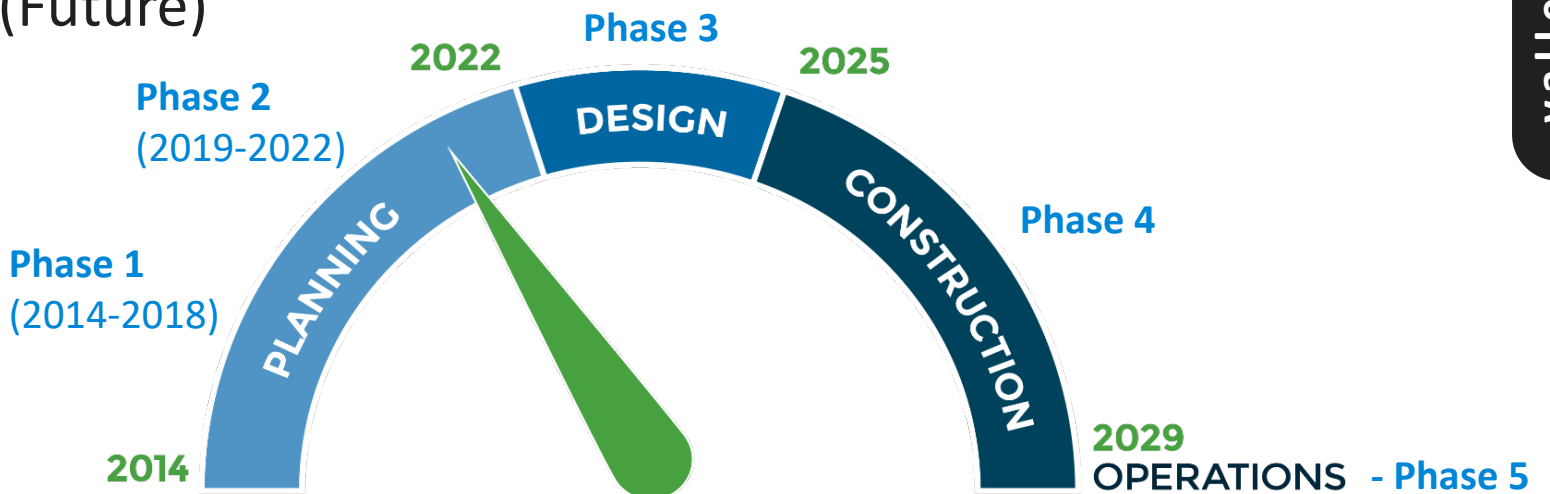
Sites Reservoir Project

Location: Colusa and Glenn Counties, California



Path Forward: Project Phasing

- Phase 1: Planning – State/Federal funding applications and EIR/EIS development. (Complete)
- **Phase 2: Planning – EIR/EIS completion, feasibility studies, predesign, critical permits, water rights, and interim financing. (In Progress)**
- Phase 3: Design – Geotech exploration, final design, land and right of way acquisition, and remaining permits. (Future)
- Phase 4: Construction. (Future)
- Phase 5: Transfer of operations. (Future)



Phase 2 Accomplishments (Year 1)

- ✓ Received \$6 million in additional Congressional Appropriations from the Water Infrastructure Improvements for the Nation (WIIN) Act, bringing total to \$10 million.
- ✓ Project specifically named in the Governor's 2019 Water Resilience Draft Portfolio – a plan to provide reliability and resiliency to statewide water supplies.
- ✓ Completed a Value Planning Alternatives Appraisal, final report issued in April 2020.
 - Recommends a project alternative for a 1.5 million acre-foot reservoir, a smaller size, that is responsive to input from state and federal agencies, NGOs, elected officials, landowners and local communities.
- ✓ Adoption of a Sites Storage Policy which better defines storage benefit to Project Participants and outlines rules of use.

Recommended Project Alternative

1.5 MAF Project Alternative¹

- Preliminary Estimated Average Annual Yield: 240,000 AF
 - 40 TAF for public benefit
 - 200 TAF for water users
- Preliminary Estimated Dry/Critical (Drier) Annual Yield: 330,000 AF
- Total Project Cost²: [\$3 - \$3.3] Billion

1. Reference: Sites Project Value Planning Alternatives Appraisal Report, April 2020, Alternative VP7.
2. Presented in 2019 Dollars

Key: AF = acre-foot, TAF = thousand acre-foot

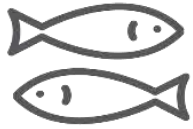


Approximately **\$2 Billion less** than the 2017 preferred alternative (1.8 MAF)



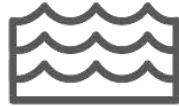
Cost savings primarily from the **removal** of the **Delevan Diversion** facility on the Sacramento River and the **Delevan Pipeline**

Anticipated Benefits of Sites Reservoir Project



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



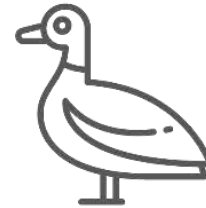
Federal and State Agencies Manage Environmental Water

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

Second Amendment to Agreement

- Provides for continued planning work and funding for Phase 2 (Year 2 and 3) of the Project.
- Preserves right to contract for water supply and storage from finished project if executed by September 10, 2020.
- Provides for ability to influence Project through continued participation on Reservoir Committee.
- Commits Valley Water to provide funding for work through December 2021
 - Option A: Maintain Valley Water percent participation level (3.2%).
 - Option B: Maintain Valley Water estimated share of project yield.

Phase 2 Project Participation Options

Option	Valley Water							
	Target Level of Participation		Estimated Benefits (Storage and Yield)			Cost		
	Project Share (%)	Project Share (AF)	Average Delivered Yield (AF) ¹	Average Drier Year Delivered Yield (AF) ¹	Storage Share (AF) ²	Total Capital Cost (\$ Million) ²	Total Capital Cost Fully Inflated (\$ Million) ³	Funding Commitment (\$ Million)
Feb. 2019	3.2	16,000	11,100	21,500	55,000	192	242	0.96
A	3.2	7,800	4,700 to 6,100	6,500 to 8,200	45,000	95	125	0.78
B	6.6	16,000	9,600 to 12,400	13,200 to 16,800	90,000	195	255	1.60

1. Yields delivered to Valley Water assume a 25% carriage water loss applied to North of Delta yield numbers.
2. Share of storage is a rough estimate based on draft terms in the adopted Sites storage policy.
3. Costs reported in 2019 dollars. Option Feb. 2019 costs were escalated from 2015 dollars to 2019 dollars.
4. Total Capital Cost published by the Sites Project were fully inflated by Valley Water financial staff to determine nominal construction costs.

Evaluation of Participation Options

Option	Valley Water Participation Level ¹	Advantages	Disadvantages
A	3.2% (\$0.78 M)	<ul style="list-style-type: none"> • Lower cost than previous funding commitments • Potential for partial refund of previous investment 	<ul style="list-style-type: none"> • Reserves a smaller portion of yield and storage benefits (8 TAF drier year yield, 45 TAF storage) • Reduced level of influence • May be difficult to increase participation at a later date
B	6.6% (\$1.6 M)	<ul style="list-style-type: none"> • Maintain current level of influence • Reserves a larger portion of yield and storage benefit (17 TAF drier year yield, 90 TAF storage) • May reduce participation later 	<ul style="list-style-type: none"> • Higher cost
C	0% (\$0.0 M)	<ul style="list-style-type: none"> • Potential for partial refund of previous investment 	<ul style="list-style-type: none"> • No preservation of benefit to Valley Water • Project may continue to move forward without Valley Water support • May be difficult to participate at a later date

¹ Valley Water participation level in total project and associated funding commitment for the Second Amendment:

Key: TAF = thousand acre-foot



Staff Recommendations

- A. Receive and discuss update information on the Sites Reservoir Project (Project).
- B. Committee recommend to Board to authorize CEO to negotiate and execute the Second Amendment to 2019 Reservoir Project Agreement for continued participation in Project Phase 2 at a project participation level up to 6.6 percent and funding commitment of up to \$1.6 million.
- C. Committee recommend to Board to direct staff to continue engagement in Sites Reservoir Committee and negotiate future participation parameters.



Valley Water

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SITES PROJECT AUTHORITY

2019 RESERVOIR PROJECT AGREEMENT

DATED AS OF APRIL 1, 2019

BY AND AMONG

SITES PROJECT AUTHORITY

AND

THE PROJECT AGREEMENT MEMBERS LISTED HEREIN

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EXHIBIT A PROJECT AGREEMENT MEMBERS A-1

EXHIBIT B 2019 WORK PLAN..... B-1

EXHIBIT C NOTIFICATIONS C-1

THIS 2019 RESERVOIR PROJECT AGREEMENT is made effective as of April 1, 2019, by and among (a) the Sites Project Authority (the “Authority”) and (b) certain Members and/or Non-Member Participating Parties, listed on the attached **Exhibit A** and is made with reference to the following facts:

RECITALS

A. Various public agencies in the Sacramento River Watershed created the Authority in 2010. Various public agencies in the Sacramento River Watershed, including certain Project Agreement Members, previously entered into the Fourth Amended and Restated Sites Project Authority Joint Exercise of Powers Agreement, dated November 21, 2016, pursuant to which they are developing the Sites Reservoir Project, which is contained in the CalFed Bay-Delta program Programmatic Record of Decision, August 28, 2000. The Joint Powers Agreement provides a mechanism for “Project Agreements” (as defined in the Joint Powers Agreement) to undertake specific work activities for the development of the Sites Reservoir Project. On September 17, 2018, the Authority’s Board of Directors also adopted Bylaws for Phase 2 of the Sites Reservoir Project, which also address Project Agreements and their management through Reservoir Project Committees.

B. On April 11, 2016, certain Authority Members of the Authority entered into the PHASE 1 RESERVOIR PROJECT AGREEMENT which was amended and restated as of November 21, 2016.

C. The Authority and certain Project Agreement Members have undertaken a process to negotiate a 2019 Reservoir Project Agreement to undertake specific work activities.

D. The Project Agreement Members wish to continue development of the Project pursuant to a Work Plan approved by the Authority on November 19, 2018 and the Reservoir Project Committee on November 16, 2018 and a summary of which is described in **Exhibit B** attached hereto. The Project will be undertaken in the name of the Authority and in accordance with the Authority’s stated Mission as set forth in the fourth Recital of the Joint Powers Agreement. The Project Agreement Members are entering into this Project Agreement to satisfy the requirements of Article VI of the Joint Powers Agreement.

E. All members of the Authority have also been given the opportunity to enter into this Project Agreement. The form of this Project Agreement was determined to be consistent with the Joint Powers Agreement and the Bylaws and approved by the Authority’s Board of Directors on September 17, 2018.

F. The Authority and the Project Agreement Members acknowledge that one of the Authority’s goals, in addition to providing environmental benefits, is to develop and make both a water supply and storage capacity available to water purveyors and landowners within the Sacramento River watershed, and in other areas of California, who are willing to purchase either or both a water supply and storage capacity from the Sites Reservoir Project, and that the Project Agreement Members should have a preference to the water supply or storage capacity.

G. The Authority and the Project Agreement Members acknowledge that the approval and execution of this Project Agreement does not commit the Authority, the Project Agreement Members or any other party to any definite course of action regarding the Sites Reservoir Project. As

set forth in Section 6(a) of this Project Agreement, there are no assurances that the Sites Reservoir Project will be constructed. One of the prerequisites that would need to be fulfilled before the Sites Reservoir Project could be constructed is the completion of environmental review under the California Environmental Quality Act (“CEQA”). As part of this environmental review, the Authority, as the lead agency that is conducting the review, reserves all of its rights, responsibilities, obligations, powers, and discretion under the provisions of CEQA to: (i) evaluate the environmental impacts of the Sites Reservoir Project; (ii) deny and disapprove the Sites Reservoir Project if the environmental review reveals significant environmental impacts that cannot feasibly be mitigated; (iii) adopt feasible mitigation measures and/or an alternative to the Sites Reservoir Project to avoid or lessen significant environmental impacts; or (iv) determine that any significant environmental impacts that cannot feasibly be mitigated are outweighed by the economic, social or other benefits of the Sites Reservoir Project.

AGREEMENT

THEREFORE, in consideration of the facts recited above and of the covenants, terms and conditions set forth herein, the parties agree as follows:

Section 1 Definitions

“Authority” means the Sites Project Authority, a joint exercise of powers agency created pursuant to the Joint Powers Agreement.

“Authority Members” means the members of the Authority executing the Joint Powers Agreement, as such members may change from time-to-time in accordance with Section 3.3, Section 7.12 and Section 7.2 of the Joint Power Agreement.

“Board” means the Board of Directors of the Authority.

“Bylaws” means the Bylaws for Phase 2 of the Sites Reservoir Project adopted by the Authority on September 17, 2018, as such Bylaws may be amended or supplemented from time-to-time in accordance therewith.

“Committee” means the Reservoir Project Committee described in Section 3 of this Project Agreement.

“Fiscal Year” means the fiscal year of the Authority, which currently begins on January 1 of each calendar year and ends on December 31 of each calendar year, or such other twelve month period which may be designated by the Authority as its Fiscal Year.

“Joint Power Agreement” means the Fourth Amended and Restated Sites Project Authority Joint Exercise of Powers Agreement, dated November 21, 2016, as such agreement may be amended or supplemented from time-to-time in accordance therewith.

“Law” means Articles 1 through 4 (commencing with Section 6500), Chapter 5, Division 7, Title 1 of the California Government Code, as amended or supplemented from time-to-time.

“Material Change Item” shall have the meaning ascribed thereto in the Bylaws.

“Participation Percentage” means the Participation Percentages as set forth in **Exhibit A** hereto, as such Participation Percentages may be modified in accordance herewith.

“2019 Budget” means the 2019 Budget approved by the Committee on November 16, 2018 and the Authority on November 19, 2018, as such 2019 Budget may be amended or supplemented from time-to-time in accordance with the Joint Powers Agreement, this Project Agreement and the Bylaws.

“Project” or “Sites Reservoir Project” means the Sites Reservoir Project as described in **Exhibit B** hereto, as modified from time-to-time in accordance therewith.

“Project Agreement” means this Project Agreement, dated as of April 1, 2019, by and among the Authority and the Project Agreement Members listed on **Exhibit A** from time-to-time, as such Project Agreement may be amended or supplemented from time-to-time in accordance herewith.

“Project Agreement Members” means (a) the Authority Members listed in the attached **Exhibit A**, (b) the Non-Member Participating Parties listed in the attached **Exhibit A** and (c) additional Authority Members or Non-Member Participating Parties who execute this Project Agreement from time-to-time pursuant to Section 10 hereof.

“Work Plan” means the activities described in **Exhibit B** hereto as such description may be amended or supplemented from time-to-time.

Section 2 **Purpose**

The purpose of this Project Agreement is to permit the Authority and the Project Agreement Members to continue development of the Project in the name of the Authority consistent with the Joint Powers Agreement. The activities undertaken to carry out the purposes of this Project Agreement shall be those, and only those, authorized by the Authority and the Committee in accordance with this Project Agreement, the Joint Powers Agreement and the Bylaws. Without limiting in any way the scope of the activities that may be undertaken under this Project Agreement, such activities shall include funding the Authority’s costs undertaken to carry out the directions of the Committee. Notwithstanding any other provision of this Project Agreement, no activity undertaken pursuant to this Project Agreement shall conflict with the terms of the Joint Powers Agreement or the Bylaws, nor shall this Project Agreement be construed in any way as creating an entity or combination of entities that is separate and apart from the Authority.

Section 3 **Reservoir Project Committee**

(a) **Committee Membership.** The business of the Project Agreement Members under this Project Agreement shall be conducted by a Committee consisting of one member appointed by each Project Agreement Member. Appointment of each member of the Committee shall be by action of the governing body of the Project Agreement Member appointing such member, and shall be effective upon the appointment date as communicated in writing to the Authority. Project Agreement Members may also appoint one or more alternate Committee members, which alternate(s) shall assume the duties of the Committee member in case of absence or unavailability of such member. Project Agreement Members may also appoint an alternate Committee member from a different Project Agreement Member for convenience in attending Committee meetings, who may

cast votes for such Project Committee Members, provided that no person shall represent more than five other Project Committee Members and more than 20% of the weighted vote as provided in Subsection 3(g) at any given meeting; provided however, that if the appointing Project Committee Member is an officer of the Committee, the appointed alternate Committee member shall not assume the capacity of such officer position. In order to serve as an alternate Committee member, a written evidence of such designation shall be filed with the Committee Secretary. Each member and alternate member shall serve on the Committee from the date of appointment by the governing body of the Project Agreement Member he/she represents and at the pleasure of such governing body.

(b) Officers. The Committee shall select from among its members a Chairperson, who shall annually act as presiding officer, and a Vice Chairperson, to serve in the absence of the Chairperson. There also shall be selected a Secretary, who may, but need not be, a member of the Committee and a Treasurer. All elected officers shall be elected and remain in office at the pleasure of the Committee, upon the affirmative vote of at least a majority of the total weighted vote as provided at Subsection 3(g);

(c) Treasurer. The Authority Treasurer shall serve as the Committee's Treasurer and shall act as the Committee's liaison to the Authority's General Manager and Authority Board on financial matters affecting the Committee. The Treasurer shall prepare and provide regular financial reports to the Committee as determined by the Committee. The Treasurer shall not be required to be a member of the Board of Directors of the Authority.

(d) General Manager. The Authority's General Manager shall (1) serve as the Project Director responsible for advancing the Sites Reservoir Project, (2) be a non-voting member of the Committee, (3) ensure coordination of activities between the Authority and Committee, (4) convene, on an as needed basis, legal representatives from the Project Agreement Members and Authority Members to advise the General Manager on legal matters that will be reported to the Committee and Authority on a timely basis, and (5) coordinate the activities between the Committee and both the United States Bureau of Reclamation and Department of Water Resources.

(e) Meetings. The Chairperson of the Committee or a majority of a quorum of the members of the Committee are authorized to call meetings of the Committee as necessary and appropriate to conduct its business under this Project Agreement. All such meetings shall be open to the public and subject to the requirements set forth in the Ralph M. Brown Act (Government Code Sections 54950 et seq.).

(f) Quorum. A majority of the Committee members based on the weighted vote provided in Subsection 3(g) shall constitute a quorum of the Committee.

(g) Voting. Notwithstanding any provisions of the Bylaws that might be construed otherwise, for purposes of this Project Agreement, the voting rights of each Project Agreement Member shall be determined as follows:

(i) an equal number of voting shares for each Project Agreement Member as defined in **Exhibit A**, that being for each Project Agreement Member, 1 divided by the total number of Project Agreement Members, multiplied by 50; plus

(ii) an additional number of voting shares for each Project Agreement Member equal to its respective Participation Percentage described in **Exhibit A**, multiplied by 50, using the version of **Exhibit A** in effect at the time the Committee votes.

The resulting weighted total of all voting shares shall equal 100. An Example of this weighted voting incorporating the formulas for determining participating percentages is attached at **Exhibit A**.

(h) Decision-making Thresholds. In accordance with Section 5.8 of the Bylaws, for purposes of this Project Agreement, approval by the Committee for material and non-material changes shall be as follows: for actions other than Material Change Items, action of the Committee shall be taken upon the affirmative vote of at least a majority of the total weighted vote as provided in Subsection 3(g); for Material Change Items, action shall be taken upon the affirmative vote of at least 75% of the total weighted vote as provided at Subsection 3(g).

(i) Delegation of Authority/Powers and Limitations Thereon. Subject to the direction of the governing bodies of the Project Agreement Members, the Committee shall undertake all actions necessary for carrying out this Project Agreement, including but not limited to setting policy for the Project Agreement Members acting under this Project Agreement with respect to the Project; recommending actions to be undertaken in the name of the Authority under this Project Agreement; determining the basis for calculation of the Participation Percentages for each fiscal year, and the timing required for payments of obligations hereunder; authorizing expenditure of funds collected under this Project Agreement within the parameters of the Work Plan and budget; and such other actions as shall be reasonably necessary or convenient to carry out the purposes of this Project Agreement. This Section 3(i) is subject to any and all limitations set forth in the Joint Powers Agreement and Bylaws, including but not limited to, any action that constitutes a material change as defined at Section 12.3 of the Bylaws requiring the approval of both the Committee and the Authority Board, and actions specified in Section 10 of the Bylaws which remain exclusively with the Authority Board.

Section 4 Funding

(a) Budget. The Committee shall, in cooperation with the Authority's Board, provide and approve both a Fiscal Year operating budget and reestablish a Phase 2 budget target, annually or more frequently as needed. On November 19, 2018, the Board approved the Fiscal Year 2019 operating budget. The Work Plan, including annual budget, dated November 19, 2018, is **Exhibit B**. The Project Agreement Members shall contribute their respective pro-rata share of the budgeted sums in accordance with Section 5 of this Project Agreement; provided, however, that in no event shall the amount paid by a Project Agreement Member exceed \$60 per acre-foot without the approval of such Project Agreement Member.

(b) Fiscal Responsibilities. **Exhibit B** specifies the Authority's requirements regarding the fiscal responsibilities of the Committee.

(c) Allocation of Project Agreement Expenses. The Project Agreement Members agree that all expenses incurred by them and/or by the Authority under this Project Agreement are the costs of the Project Agreement Members and not of the Authority or the Project Agreement Members of the Authority that do not execute this Project Agreement, and shall be paid by the Project Agreement Members; provided, however, that this Section shall not preclude the Project Agreement Members from accepting voluntary contributions and/or Authority Board's pre-approval

of in-kind services from other Authority Members, or Project Agreement Members, and applying such contributions to the purposes hereof. The Project Agreement Members further agree to pay that share of any Authority costs reasonably determined by the Authority's Board to have been incurred by the Authority to administer this Project Agreement. Before the Authority's costs of administering this Project Agreement become payable, the Authority will provide its calculation of such costs to the Committee, which will have the right to audit those costs and provide comments on the calculation to the Authority Board. The Authority Board shall consider the Committee's comments, if any, including the results of any such audit, in a public meeting before the Authority Board approves a final invoice for such costs.

Section 5 Participation Percentages

Subject to Section 4(a), each Project Agreement Member shall pay that share of costs for activities undertaken pursuant to this Project Agreement, whether undertaken in the name of the Authority or otherwise, equal to such Project Agreement Member Participation Percentage as established in this Section 5. The initial Participation Percentages of the Project Agreement Member are set forth in the attached **Exhibit A**. These initial Participation Percentages are for the purpose of establishing the Reservoir Project Agreement Members respective responsibilities for costs under this Project Agreement and other amounts contained in the approved Fiscal Year budget and Phase 2 budget target, which is defined as the "Approved Budget" on **Exhibit B**. The Participation Percentages of each Project Agreement Member will be modified by the Committee from time to time as the result of the admission of a new Project Agreement Member to this Project Agreement or the withdrawal of a Project Agreement Member, and **Exhibit A** shall be amended to reflect all such changes. Such amended **Exhibit A** shall, upon approval by the Committee, be attached hereto and upon attachment, shall supersede all prior versions of **Exhibit A** without the requirement of further amendment of this Project Agreement.

Section 6 Future Development of the Sites Reservoir Project

(a) The Project Agreement Members acknowledge that the Sites Reservoir Project is still in the conceptual stage and there are no assurances that the Sites Reservoir Project will be constructed or that any water supplies will be developed as a result of this Project Agreement. The Project Agreement Members therefore recognize that they are not acquiring any interest in the Sites Reservoir Project other than their interest in the specific permitting, design, engineering and other materials that will be in the Work Plan Project as described in **Exhibit B**, and that the Project Agreement Members are not acquiring under this Project Agreement any interest in any future water supply or access to any other services from the Sites Reservoir Project except as provided hereunder.

(b) Without limiting the foregoing, any Project Agreement Member that elects to continue participating in the development, financing, and construction of the Sites Reservoir Project to the time when the Authority offers contracts for a water supply or other services, will be afforded a first right, equal to that Project Agreement Member's Participation Percentage, to contract for a share of any water supply that is developed, and for storage capacity that may be available from, the Sites Reservoir Project. In any successor phase agreements, Project Agreement Members who are parties to this Project Agreement that submitted a proposal to participate before February 28, 2019, shall be granted rights to contract for a share of any water supply that is developed, and for storage capacity that may be available from the Sites Reservoir Project prior to the rights of those becoming parties to this Project Agreement after that date. The Authority and the Project Agreement Members will cooperate on the drafting of provisions in the water supply contract that will allow a Project

Agreement Member or other eligible entity that commits to purchase a Sites Reservoir Project water supply to transfer water that the entity may not need from time to time on terms and conditions acceptable to the such Project Agreement Member.

Section 7 Indemnity and Contribution

(a) Each Project Agreement Member, including Authority Members acting in their capacity as Project Agreement Members, shall indemnify, defend and hold the Authority, Authority Members and other Project Agreement Members and their directors, trustees, officers, employees, and agents harmless from and against any liability, cause of action or damage (including, without limitation, reasonable attorneys' fees) arising out of the performance of this Project Agreement multiplied by each Project Agreement Member's Participation Percentage. Notwithstanding the foregoing, to the extent any such liability is caused by the negligent or intentional act or omission of an Authority Member or a Project Agreement Member, such Authority Member or Project Agreement Member shall bear such liability.

(b) Each Project Agreement Member, including Authority Members acting in their capacity as Project Agreement Members, shall indemnify, defend and hold the Authority and the members of the Authority that do not execute this Project Agreement and their directors, trustees, officers, employees and agents harmless from and against any liabilities, costs or expenses of any kind (including, without limitation, reasonable attorney's fees) arising as a result of the activities described in or undertaken pursuant to this Project Agreement multiplied by each Project Agreement Member's Participation Percentage. All assets, rights, benefits, debts, liabilities and obligations attributable to activities undertaken under this Project Agreement shall be assets, rights, benefits, debts, liabilities and obligations solely of the Project Agreement Members in accordance with the terms hereof, and shall not be the assets, rights, benefits, debts, liabilities and obligations of the Authority or of those members of the Authority that have not executed this Project Agreement. Members of the Authority not electing to participate in the Project Agreement shall have no rights, benefits, debts, liabilities or obligations attributable to the Project Agreement.

Section 8 Term

(a) No provision of this Project Agreement shall take effect until this Project Agreement has been duly executed and delivered by the Authority and by one Project Agreement Member.

(b) The term of this Project Agreement shall continue until December 31, 2019, unless extended in writing by the parties hereto.

Section 9 Withdrawal From Further Participation

To withdraw from this Project Agreement, a Project Agreement Member shall give the Authority and other Project Agreement Members written notice of such withdrawal not less than 30 days prior to the withdrawal date. As of the withdrawal date, all rights of participation in this Project Agreement shall cease for the withdrawing Project Agreement Member. The financial obligation as prescribed in the Bylaws' Section 5.11 in effect on the withdrawal date, shall consist of the withdrawing Member's share of the following costs: (a) payment of its share of all non-contract costs incurred prior to the date of the written notice of withdrawal, and (b) those contract costs associated with funds approved in either contract amendments or task orders that were approved

prior to the date of the written notice of withdrawal for which the contractor's work extends beyond the withdrawal date. However, a withdrawing member shall have no liability for any change order or extensions of any contractor's work that the remaining Project Agreement Members agree to after the withdrawing Member provides written notice of withdrawal. Withdrawal from this Project Agreement shall not be considered a Material Change Item and shall not be subject to the Dispute Resolution process provided for in Section 13.3 of the Bylaws.

Section 10 Admission of New Project Agreement Members

Additional Members of the Authority and Non-Member Participating Parties may become Project Agreement Members upon (a) confirmation of compliance with the membership requirements established in the Bylaws, (b) the affirmative vote of at least 75% of the total weighted vote as provided at Subsection 3(g) of the then-current Project Agreement Members, (c) the affirmative vote of at least 75% of the total number of Directors of the Authority, and (d) upon such conditions as are fixed by such Project Agreement Members.

Section 11 Amendments

This Project Agreement may be amended only by a writing executed by the Authority and at least 75% of the total weighted vote as provided in Subsection 3(g) of the then-current Committee members.

Section 12 Assignment; Binding on Successors

Except as otherwise provided in this Project Agreement, the rights and duties of the Project Agreement Members may not be assigned or delegated without the written consent of the other Project Agreement Members and the Authority, which consent shall not be unreasonably withheld. Any attempt to assign or delegate such rights or duties in contravention of this Project Agreement shall be null and void. Project Agreement Members may assign and delegate their rights and duties under this Project Agreement to other Project Agreement Members, and they may assign, sell, trade, or exchange all or a fraction of the potential benefits (e.g. acre-feet of water supply, megawatt-hours of power) they expect to receive through their participation in this Project Agreement. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect. This Project Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Authority and the Project Agreement Members.

Section 13 Counterparts

This Project Agreement may be executed by the Authority and each Project Agreement Member in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Facsimile and electronic signatures shall be binding for all purposes.

Section 14 Merger of Prior Agreements

This Project Agreement and the exhibits hereto constitute the entire agreement between the parties and supersede all prior agreements and understanding between the parties

relating to the subject matter hereof. This Project Agreement is intended to implement, and should be interpreted consistent with, the Joint Powers Agreement.

Section 15 Severability

If one or more clauses, sentences, paragraphs or provisions of this Project Agreement shall be held to be unlawful, invalid or unenforceable, the remainder of the Project Agreement shall not be affected thereby.

Section 16 Choice of Law

This Project Agreement shall be governed by the laws of the State of California.

Section 17 Notices

Notices authorized or required to be given under this Project Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours, to the addresses set forth **Exhibit E** (“**Notifications**”), or to such other address as a Project Agreement Member may provide to the Authority and other Project Agreement Members from time to time.

IN WITNESS WHEREOF, the Authority and Project Agreement Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing bodies, have caused their names to be affixed by their proper and respective officers on the date shown below:

Dated: 3/25/2019

SITES PROJECT AUTHORITY

By: [Signature]
Name: JC Watson
Title: General Manager

[PROJECT AGREEMENT MEMBER]

Dated: _____

City of American Canyon

(Authority & Project Agreement Member)

4,000 AF

By: Jason Ho City Manager
Name: [Signature]
Title: _____
2/11/19

Dated: 3/1/19

ANTELOPE VALLEY - EAST KERN WATER AGENCY

(Authority & Project Agreement Member)

500 AF

By: [Signature] For
Name: DWAYNE CHISAM
Title: GENERAL MANAGER

[PROJECT AGREEMENT MEMBER]

Dated: 2/27/2019

CARTER MUTUAL WATER COMPANY

(Authority & Project Agreement Member)

300 AF

By: [Signature]
Name: _____
Title: BENJAMIN F. CARTER
MANAGER

Dated: 02.13.2019

COACHELLA VALLEY WATER DISTRICT

(Authority & Project Agreement Member)

10,000 AF

By: [Signature]
Name: J. M. Barrett
Title: General Manager

Dated: 2/19/19

Colusa County

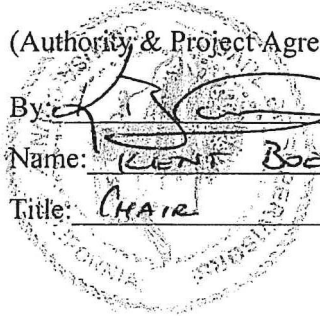
10,000 AF

(Authority & Project Agreement Member)

By: [Signature]

Name: KENT BOES

Title: CHAIR



ATTEST: Wendy G. Tyler, Clerk to the Board of Supervisors

By: [Signature]
Patricia Rodriguez, Deputy Clerk

APPROVE AS TO FORM

[Signature]
Marcos Kropf, County Counsel

Dated: 2/25/19

[PROJECT AGREEMENT MEMBER]

[Signature]

(Authority & Project Agreement Member)

11,975 AF

By: [Signature]
Name: Colusa County Water District
Title: General Manager

Dated: 02/05/19

(Authority & Project Agreement Member) Desert Water Agency

6,500 AF

By: [Signature]
Name: Mark S. Krause
Title: General Manager-Chief Engineer

Dated: 1/25/19

GLENN COLUSA IRRIGATION DISTRICT



(Authority & Project Agreement Member)

By: Donald R. Braustford Name:

5,000 AF

Title: President - Glenn-Colusa Irrigation District

Dated: 3/10/19

Metropolitan Water District of Southern California

(Authority & Project Agreement Member)

By: 
Name: Jeffrey Kightlinger
Title: General Manager

50,000 AF

Dated: 15 FEB 2019

RD-108

(Authority & Project Agreement Member)

By: 
Name: WILLIAM VANDERWAAL
Title: DEPUTY MANAGER, RD-108

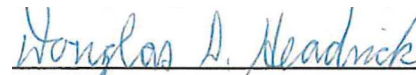
4,000 AF

Dated: 1/28/19

[PROJECT AGREEMENT MEMBER]

San Bernardino Valley Municipal Water District

(Authority & Project Agreement Member)

By: 
Name: Douglas D. Headrick
Title: General Manager

21,400 AF

[PROJECT AGREEMENT MEMBER]

Dated: 2-27-19

San Geronimo Pass Water Agency

(Authority & Project Agreement Member)

14,000 AF

By: [Signature]
Name: JEFF DAVIS
Title: GENERAL Manager

Dated: 2/19/19

Santa Clarita Valley Water Agency

(Authority & Project Agreement Member)

5,000 AF

By: [Signature]
Name: Matthew G. Stone
Title: General Manager

Dated: February 26, 2019

SANTA CLARA VALLEY WATER DISTRICT

(Authority & Project Agreement Member)

16,000 AF

By: [Signature]
Name: Norma J. Camacho
Title: Chief Executive Officer

Dated: 3/7/2019

CORTINA Water District

(Authority & Project Agreement Member)

450 AF

By: [Signature]
Name: JAMES PETERSON
Title: VICE PRESIDENT
[Signature]
Charles Grimmer
President CWI

Dated: 2/13/19

Davis Water District

(Authority & Project Agreement Member)

By: [Signature]

Name: Thomas Charter

Title: Vice-President

2,000 AF

[PROJECT AGREEMENT MEMBER]

Dated: 15 FEB 2019

Dunnigan WD

(Authority & Project Agreement Member)

By: [Signature]

Name: WILLIAM VANDERWAAL

Title: MANAGER - DWD

2717 AF

Dated: 03-21-19

(Authority & Project Agreement Member)

By: LaGrande Water District by [Signature]

Name:

Title:

1,000 AF

Dated: 2-25-2019

Westside Water District

(Authority & Project Agreement Member)

By: [Signature]

Name: Doug Parker

Title: Board President

15,000 AF

Dated: February 13, 2019

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT


3,050 AF

By: 
Name: George R. Cappello
Title: President

By: 
Name: Jose B. Marin
Title: Secretary

ZONE 7 WATER AGENCY

Dated: 1/30/19



(Authority & Project Agreement Member)

10,000 AF

By: _____
Name: _____
Title: _____

EXHIBIT A

PROJECT AGREEMENT MEMBERS

Participant	Participation (Annualized Acre-Foot)		
	Estimated Deliveries	Water Supply Pct	Weighted Voting Pct
American Canyon, City of	4,000	2.1%	3.42 %
Antelope Valley-East Kern WA	500	0.3%	2.51 %
Carter MWC ‡	300	0.2%	2.46 %
Coachella Valley WD	10,000	5.2%	4.97 %
Colusa County	10,000	5.2%	4.97 %
Colusa County WD	11,975	6.2%	5.49 %
Desert WA	6,500	3.4%	4.06 %
Glenn-Colusa ID	5,000	2.6%	3.68 %
Metropolitan WD of S. CA	50,000	25.9%	15.34 %
Reclamation District 108	4,000	2.1%	3.42 %
San Bernardino Municipal WD	21,400	11.1%	7.93 %
San Geronio Pass WA	14,000	7.3%	6.01 %
Santa Clara Valley WD	16,000	8.3%	6.53 %
Santa Clarita Valley WA	5,000	2.6%	3.67 %
TC4: Cortina WD	450	0.2%	2.50 %
TC4: Davis WD	2,000	1.0%	2.90 %
TC4: Dunnigan WD	2,717	1.4%	3.09 %
TC4: LaGrande WD	1,000	0.5%	2.64 %
Westside WD	15,000	7.8%	6.27 %
Wheeler Ridge-Maricopa WSD	3,050	1.6%	3.17 %
Zone 7 WA	10,000	5.2%	4.97 %
Total:	192,892	100.0 %	100.00 %

Participation Percentages exclude State of California’s and United States Bureau of Reclamation’s participation in the Sites Reservoir Project.

‡ Denotes a non-member participating party. Refer to California Corporations Code Section 14300 et. seq. with additional requirements provided in both the Public Utilities Code and Water Code.

EXHIBIT B
2019 WORK PLAN

2018 November 16 Reservoir Committee Meeting - Attachment A - Agenda Item 3-3

Category	(Multiple Items)
Action	(Multiple Items)
Funding Source	(Multiple Items)
Work Manager	(All)
Priority	(All)

Report: Reservoir Committee 2019 Work Plan & Budget
Report Date: 2018 Nov 12

Expense (-) or Revenue (+)	Cost Center	Task	Resource	Reprioritize	Approved Budget
				Currently Approved Budget	Authority= 12 mon Res. Comm= 9 mon
				Sum of Total End of Phase 1	Sum of Total 2019
Expense	C.R. Policy			\$ -	\$ (2,067,094)
	Engagement			\$ -	\$ (135,000)
	Operations	Contingency		\$ -	\$ -
		Env Interests		\$ (44,936)	\$ (120,552)
		Exchange		\$ -	\$ (75,550)
		Modeling		\$ (325,000)	\$ (998,480)
		Op POA		\$ (59,488)	\$ (61,040)
		Staff+		\$ (69,705)	\$ (417,555)
		Storage		\$ (17,824)	\$ (136,300)
		Water Rights		\$ (29,712)	\$ (204,264)
		Water Rights+		\$ (29,712)	\$ (119,892)
	Operations Total			\$ (576,377)	\$ (2,133,633)
	Power	Grid Interconn+		\$ -	\$ (1,097,880)
		H2oPower+		\$ -	\$ (668,453)
		Staff Aug+		\$ -	\$ (632,880)
		Staff+		\$ -	\$ -
	Power Total			\$ -	\$ (2,399,213)
	Res. Comm. O	Advisory		\$ (43,200)	\$ (82,565)
		Office		\$ -	\$ (133,100)
		Participation		\$ (109,800)	\$ (210,600)
		PROCURE		\$ -	\$ (80,240)
		PROCURE-2		\$ -	\$ -
		Rebalance		\$ (8,400)	\$ (134,070)
		Staff		\$ (6,000)	\$ (1,739,573)
		Staff Aug		\$ -	\$ (4,237,495)
		Staff Aug+		\$ -	\$ (225,990)
		Staff+		\$ -	\$ -
		Support		\$ (26,925)	\$ (107,678)
		Technology		\$ (3,330)	\$ (13,280)
		USDA-1		\$ (10,000)	\$ (10,800)
		WSIP-1		\$ (51,440)	\$ (81,960)
	Res. Comm. OH Total			\$ (259,095)	\$ (7,057,351)
	Water	Dam Design		\$ -	\$ (8,776,500)
		Economics+		\$ -	\$ (329,880)
		EIR-EIS		\$ (165,000)	\$ (2,371,767)
		Field Studies		\$ (200,000)	\$ (887,876)
		Field Surveys		\$ -	\$ (91,980)
		Permit Coord		\$ (590,000)	\$ (8,095,900)
		Rights of Entry		\$ (306,000)	\$ (600,119)
	Water Total			\$ (1,261,000)	\$ (21,154,022)
Expense Total				\$ (2,096,472)	\$ (34,946,312)

Summary - Page 1 of 2

				Reprioritize Currently Approved Budget	Approved Budget Authority= 12 mon Res. Comm= 9 mon
Expense (-) or Revenue (+)	Cost Center	Task	Resource	Sum of Total End of Phase 1	Sum of Total 2019
Revenue	Conversion			\$ -	\$ 2,067,094
	WIIN			\$ -	\$ 8,776,500
	WSIP			\$ 821,603	\$ 10,077,760
	Res. Comm.			\$ -	\$ 14,044,440
Revenue Total				\$ 821,603	\$ 34,965,795
Grand Total				\$ (1,274,870)	\$ 19,482

Summary - Page 2 of 2

NOTE: 2019 budget, which is applicable to this Agreement, was approved by the Reservoir Committee at their November 16, 2018 meeting with the Reservoir Committee's share of expenses listed on page B-1.

Page B-2

Sites Project File: 12.210-202.019.00

EXHIBIT C
NOTIFICATIONS

Attention: Mr. Steve Hartwig
City of American Canyon
4381 Broadway, Suite 201
American Canyon, CA 94503

Attention: Mr. Tom Charter
c/o Ms Jamie Traynham
Davis Water District
P.O. Box 83
Arbuckle, CA 95912

Attention: Mr. Dwayne Chisam
Antelope Valley-East Kern WA
6500 West Avenue N
Palmdale, CA 93551

Attention: Mr. Mark Krause
Desert Water Agency
1200 South Gene Autry Trail
Palm Springs, CA 92264

Attention: Mr. Ben Carter
Carter MWC
4245 River Road
Colusa, CA 95932

Attention: Mr. Bill Vanderwaal
Dunnigan Water District
P.O. Box 84
Dunnigan, CA 95937

Attention: Mr. Jim Barrett
Coachella Valley Water District
P.O. Box 1058
Coachella, CA 92236

Attention: Mr. Thad Bettner
Glenn-Colusa Irrigation District
P.O. Box 150
Willows, CA 95988

Attention: Ms. Wendy Tyler
Colusa County
547 Market St., Suite 102
Colusa, CA 95932

Attention: Mr. Matt LaGrande
LaGrande Water District
P.O. Box 370
Williams, CA 9598

Attention: Ms. Shelley Murphy
Colusa County Water District
P.O. Box 337
Arbuckle, CA 95912

Attention: Mr. Steve Arakawa
Metropolitan Water District of Southern
California
1121 L Street, Suite 900
Sacramento, CA 95814

Attention: Mr. Jim Peterson
Cortina Water District
P.O. Box 489,
Williams, CA 95987

Attention: Mr. Bill Vanderwaal
Reclamation District 108
P.O. Box 50
Grimes, CA 95950

Attention: Mr. Dirk Marks
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

Attention: Mr. Doug Headrick
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408-3593

Attention: Dan Ruiz
Westside Water District
5005 State Hwy 20
Williams, CA 95987

Attention: Mr. Jeff Davis
San Geronio Pass Water Agency
1210 Beaumont Ave,
Beaumont, CA 92223

Attention: Robert Kunde
Wheeler Ridge-Maricopa Water Storage District
12109 Highway 166
Bakersfield, CA 93313

Attention: Ms. Cindy Kao
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3686
Attention: Mr. Dirk Marks

Attention: Ms. Valerie Pryor
Zone 7 Water Agency
100 North Canyons Parkway
Livermore, CA 945

FIRST AMENDMENT TO 2019 RESERVOIR PROJECT AGREEMENT

BY AND AMONG
SITES PROJECT AUTHORITY

and

THE PROJECT AGREEMENT MEMBERS LISTED HEREIN

Dated as of January 1, 2020

THIS FIRST AMENDMENT TO RESERVOIR PROJECT AGREEMENT (this "First Amendment"), dated as of January 1, 2020, by and among SITES PROJECT AUTHORITY, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), and the project agreement members listed in the Original Agreement referenced below (the "Project Agreement Members") and amends that certain 2019 Reservoir Project Agreement dated as of April 1, 2019 (the "Original Agreement"), by and among the Authority and the Project Agreement Members;

WITNESSETH:

WHEREAS, Authority and the Project Agreement Members have determined to extend the term of the Original Agreement to June 30, 2020; and

WHEREAS, under Section 11 of the Original Agreement, the Original Agreement may be amended by a writing executed by the Authority and at least 75% of the total weighted vote as provided in Subsection 3(g) of the then-current Committee members; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and the entering into of this First Amendment do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment;

NOW, THEREFORE, THIS FIRST AMENDMENT WITNESSETH, the Authority and the Project Agreement Members agree, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. **Definitions.** All capitalized terms not otherwise defined herein shall have the meaning set forth in the Original Agreement.

ARTICLE II

AMENDMENTS TO 2019 ORIGINAL AGREEMENT

Section 2.01. **Amendments to Section 8(b) of the Original Agreement.**

(a) The reference in Section 8(b) of the Original Agreement to December 31, 2019 shall be changed to June 30, 2020. In the event that this First Amendment is not approved by Project Agreement Members with the requisite percentage of the total weighted vote as set forth in the Original Agreement by December 31, 2019, the Original Agreement shall be revived immediately upon approval by such requisite percentage, without any additional approval of the Project Agreement Members, and this First Amendment shall become effective.

ARTICLE III

MISCELLANEOUS

Section 3.01. **Effectiveness of Original Agreement.** Except as expressly amended by this First Amendment, the Original Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof. The amendments set forth in this First Amendment shall be incorporated as part of the Original Agreement upon their effectiveness in accordance with Section 11 of the Original Agreement.

Section 3.02. **Execution in Several Counterparts.** This First Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Project Agreement Members shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 3.03. **Laws Governing First Amendment.** The effect and meaning of this First Amendment and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State.

IN WITNESS WHEREOF, the Authority and Project Agreement Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing bodies, have caused their names to be affixed by their proper and respective officers on the date shown below:

Dated: May 13, 2020

SITES PROJECT AUTHORITY

By: _____
Name: Jos C Water
Title: _____

Dated: 1/9/20
[PROJECT AGREEMENT MEMBER]
Santa Clarita Valley Water Agency
(Authority & Project Agreement Member)
By: Matthew Stone
Name: Matthew G. Stone
Title: General Manger, Santa Clarita Valley Water Agency

Dated: 12-17-2019
[PROJECT AGREEMENT MEMBER]
Westside Water District
(Authority & Project Agreement Member)
By: Douglas Parker
Name: Douglas Parker
Title: President of Board of Directors

Dated: 12/17/19
[PROJECT AGREEMENT MEMBER]
DESERT WATER AGENCY
(Authority & Project Agreement Member)
By: Mark S. Krause
Name: Mark S. Krause
Title: General Manager-Chief Engineer

Dated: 12/19/19
[PROJECT AGREEMENT MEMBER]
Davis Water District
(Authority & Project Agreement Member)
By: Thomas E. Charter
Name: Thomas E. Charter
Title: Vice-President

Dated: 11 DEC 2019
[PROJECT AGREEMENT MEMBER]
DUNNIGAN WATER DISTRICT
(Authority & Project Agreement Member)
By: WR VANDERWAAL
Name: WR VANDERWAAL
Title: MANAGER

Dated: _____
[PROJECT AGREEMENT MEMBER]
GLIMP - COWSA I.P.
(Authority & Project Agreement Member)
By: THADDEUS L. BETNER
Name: THADDEUS L. BETNER
Title: General Manager, Secretary

Dated: 3/3/20
[PROJECT AGREEMENT MEMBER]
HERNANDAZ Water District
(Authority & Project Agreement Member)
By: GENERAL MANAGER
Name: _____
Title: GENERAL MANAGER

Dated: 19 Dec 2019
[PROJECT AGREEMENT MEMBER]
RECLAMATION DISTRICT No. 108
(Authority & Project Agreement Member)
By: WILLIAM VANDERWAAL
Name: WILLIAM VANDERWAAL
Title: DEPUTY MANAGER

Dated: 12/17/19
San Bernardino Valley Municipal Water District
By: Douglas D. Headrick
Name: Douglas D. Headrick
Title: General Manager

Dated: 12-6-19
[PROJECT AGREEMENT MEMBER]
San Geronimo Pass Water Agency
(Authority & Project Agreement Member)
By: Jeff Davis
Name: Jeff Davis
Title: General Mgr

Dated: 12/27/19
SANTA CLARA VALLEY WATER DISTRICT
By: Rick L. Callender
Name: Rick L. Callender
Title: Chief of External Affairs - External Affairs Division
Acting for Norma J. Camacho
Chief Executive Officer

Dated: December 11, 2019
[PROJECT AGREEMENT MEMBER]
WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT
(Authority & Project Agreement Member)
By: Dennis Atkinson
Name: Dennis Atkinson
Title: President

Dated: 4/19/2020
[PROJECT AGREEMENT MEMBER]
CASTER MUTUAL WATER COMPANY
(Authority & Project Agreement Member)
By: Tommy J. H.
Name: _____
Title: _____

Dated: 12/23/19
[PROJECT AGREEMENT MEMBER]
SITES PROJECT AUTHORITY
(Authority & Project Agreement Member)
By: Jason Holbey
Name: Jason Holbey
Title: City Manager

Dated: 01.15.2020

COACHELLA VALLEY WATER DISTRICT

Dated: 12/31/19

(Authority & Project Agreement Member)

By: [Signature]
Name: J.M. BARRETT
Title: GENERAL MANAGER

COLUSA COUNTY WATER DISTRICT

By: [Signature]
Name: Shelly Murphy
Title: General manager

Dated: 12/17/19

COUNTY OF COLUSA

Dated: 1/15/20

(Authority & Project Agreement Member)

By: [Signature]
Name: Ken S. Boes
Title: Chairman

Zone 7 Water Agency

(Authority & Project Agreement Member)

By: [Signature]
Name: Valerie Pryor
Title: General Manager

ATTEST: Wendy G. Tyler, Clerk to the Board of Supervisors

by [Signature]
Melissa Kitts, Deputy



Santa Clara Valley Water District

File No.: 20-0541

Agenda Date: 7/13/2020

Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Update on the B.F. Sisk Dam Raise Project.

RECOMMENDATION:

Receive and discuss information on the B. F. Sisk Dam Raise project.

SUMMARY:

This memo provides information regarding recent efforts to study a proposed raise of B.F. Sisk Dam to enlarge San Luis Reservoir beyond its existing water storage capacity as a connected action to the B.F. Sisk Safety of Dams Modification Project (Safety of Dams Project).

Background

The U.S. Bureau of Reclamation (Reclamation) and Department of Water Resources released a final Environmental Impact Report and Environmental Impact Statement (EIR/EIS) for the Safety of Dams Project in September 2019 and anticipate starting construction on a 12-foot raise in the embankment height in 2021. Reservoir storage capacity would not increase under the Safety of Dams Project; the increased dam elevation would reduce the risk of overtopping if slumping were to occur during a seismic event.

Reclamation and the San Luis & Delta-Mendota Water Authority (Authority) are evaluating an additional 10-foot raise in dam height in order to increase storage capacity by 130 thousand acre-feet (TAF). The objectives of the proposed project are to optimize the water supply benefits of San Luis Reservoir by increasing the reliability and quantity of yearly allocations to South-of-Delta contractors dependent on San Luis Reservoir and increasing the certainty of access to supplies stored by South-of-Delta contractors in San Luis Reservoir in subsequent water years. In November 2019, the Authority approved up to \$2.4 million for project planning and analysis.

Update

Over the past several months, Valley Water has coordinated with the Authority and their consultants to define operating scenarios and refine the project description. The following project alternatives are being evaluated:

1. No Action
2. A non-structural alternative will be included; however, it has not been defined at this point.

3. Central Valley Project (CVP)-only Expansion: the additional storage in San Luis Reservoir would be CVP-owned and operated consistent with current CVP operations.
4. CVP / State Water Project (SWP) Shared Expansion: The additional storage would be split between the CVP and SWP consistent with the current 45 percent CVP and 55 percent SWP split of the overall reservoir storage. The additional storage would follow current operating criteria and the storage priority will follow the current rescheduling guidelines.
5. Investor-Directed Expansion: the use of the expanded storage capacity would be primarily investor-directed. Any expanded capacity not in use by the investors would be available to Reclamation to store CVP project water. This alternative will provide participants with additional South-of-Delta storage into which they can store CVP and non-CVP water, as well as possibly increased CVP water supply. This alternative includes four different configurations that vary the percentage of agricultural, municipal & industrial, and refuge contractor investment as well as vary the size of the cap on rescheduled water.

The project alternatives are still being developed based on input received during public scoping, modeling results, and input from potential project participants. Modeling of these action alternatives indicates that roughly 25 TAF to 50 TAF of additional CVP supply can be exported by Reclamation and stored in San Luis Reservoir on average, depending upon the alternative. However, only the investor-directed expansion provides the opportunity for participants to secure priority storage rights in the enlarged reservoir.

COST AND BENEFIT ANALYSIS

The appraisal level cost estimate of the enlargement is between \$400 million and \$600 million above the cost of the Safety of Dams Project. However, this cost is currently undergoing Reclamation's Design, Engineering, and Construction review process with the biggest outstanding variable being the seismic requirements for the State Route 152 modifications. It has not been determined how the additional yield or storage capacity would be shared among beneficiaries.

NEXT STEPS

The Authority and Reclamation are working to meet a tight schedule for completion of key documents to satisfy requirements to secure WIIN Act funding. In particular, the Final Feasibility Report must be submitted to Congress before the end of 2020.

Staff has reviewed and commented on two administrative drafts of the Environmental Impact Report and Supplemental Environmental Impact Statement (EIR/SEIS) and are awaiting a third administrative draft for a final review before the Public draft documents are released on or around July 24, 2020.

Valley Water will continue to work with Reclamation and the Authority to refine the project alternatives, review project costs, and comment on draft environmental and feasibility study documents as they become available. Anticipated milestones are as follows:

- EIR/SEIS

- Notice of Preparation - May 14, 2020 with comments due June 14, 2020
- Scoping Meeting - May 26, 2020
- Public Draft - July 24, 2020
- Final - February 2021
- Notice of Determination - February 2021
- Feasibility Report
 - 1st Draft ~August 2020
 - Final Draft ~November 2020
 - Feasibility Report to Congress - December 31, 2020

ATTACHMENTS:

Attachment 1: Staff PowerPoint

UNCLASSIFIED MANAGER:

Jerry De La Piedra, 408-630-2257



B.F. Sisk Dam Raise



Background

- 10-Foot Raise Increases storage by 130 TAF
- Cost est: \$400 - \$600M (being revised)
- How yield and storage capacity are shared is TBD
- Cost/benefit to Valley Water TBD

TAF = Thousand Acre-Feet
TBD = To Be Determined



Alternatives

1. No Action
2. Non-Structural Alternative (still being discussed)
3. CVP-Only
4. CVP-SWP Split
5. Investor-Directed

A: 180 TAF Rescheduling Cap and 78% Ag, 7% M&I, 15% Refuge

B: 180 TAF Rescheduling Cap and 10% Ag, 90% M&I

C: 310 TAF Rescheduling Cap and 78% Ag, 7% M&I, 15% Refuge

D: 310 TAF Rescheduling Cap and 10% Ag, 90% M&I

CVP = Central Valley Project

SWP = State Water Project

TAF = Thousand Acre-Feet

M&I = Municipal & Industrial Water User

AG = Agricultural Water User



Next Steps

4

EIR/SEIS

Public Draft – July 24, 2020

Final – February 2021

Notice of Determination – February 2021

Feasibility Report

1st Draft – ~August 2020

Final Draft – ~November 2020

Feasibility Report to Congress – December 31, 2020

EIR/EIS = Environmental Impact Report/ Supplemental Environmental Impact Statement



Santa Clara Valley Water District

File No.: 20-0542

Agenda Date: 7/13/2020

Item No.: 4.5.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Update on Pacheco Reservoir Expansion/San Luis Low Point Improvement Projects.

RECOMMENDATION:

Receive and discuss information regarding status of the Pacheco Reservoir Expansion/San Luis Low Point Improvement Projects. This is an information-only item and no action is required.

SUMMARY:

The Pacheco Reservoir Expansion Project (PREP) has been included as an alternative within the San Luis Reservoir Low Point Improvement Project (SLLPIP) led by United States Bureau of Reclamation (USBR). The SLLPIP Draft Feasibility Report released on April 8, 2019, determined that the Pacheco Reservoir Expansion alternative provided the highest National Economic Development (NED) score in the SLLPIP. This determination established a nexus for potential partial federal funding opportunity for the PREP through the Federal Water Infrastructure Improvements for the Nation (WIIN) Act.

San Luis Reservoir Low Point Improvement Project

In order to attain eligibility for federal funding through the WIIN Act, the Department of the Interior and Federal Office of Management and Budget must assess and determine the project is technically, environmentally, economically, and financially feasible. The Santa Clara Valley Water District (Valley Water) PREP team and USBR have been working together over the last several months to complete the SLLPIP Final Feasibility Report and Environmental Impact Statement/Environmental Impact Report to be used for this WIIN Act funding decision by January 2021.

In March 2020, the Valley Water PREP team completed feasibility level plans and cost estimates to be incorporated into the Final Feasibility Report and participated in USBR's Design, Estimating, and Construction (DEC) independent review process. The DEC review team reported a favorable review with very few findings.

In June 2020, the U.S. Department of the Interior sent a letter to the Congressional Subcommittee on Energy and Water Development requesting funding for ten surface water projects in California for fiscal year 2021. The SLLPIP, with Pacheco Reservoir Expansion as the preferred alternative, was included in the letter with a funding request for \$1.7 million. Projects to receive WIIN Act Funding are required to be named with a funding request through this process. This letter marks the first step in obtaining WIIN Act Funding for the project.

Pacheco Reservoir Expansion Project

The PREP team continues with various activities to progress project planning, preliminary design, environmental documentation, and permitting. Field crews recently completed the initial phase of geotechnical investigations and the data is being used to develop preliminary designs and cost estimates. Substantial progress has been made with the environmental investigations with several draft summary reports in review by the team. Interagency coordination efforts continue with several upcoming virtual meetings planned to discuss fish, wildlife, and habitat related topics. All of these efforts are culminating into preparing the PREP specific Draft Environmental Impact Report on track for public release in 2021.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Christopher Hakes, 408-630-3796



Santa Clara Valley Water District

File No.: 20-0543

Agenda Date: 7/13/2020

Item No.: 4.6.

COMMITTEE AGENDA MEMORANDUM

Water Storage Exploratory Committee

SUBJECT:

Review Water Storage Exploratory Committee Work Plan and the Committee's Next Meeting Agenda.

RECOMMENDATION:

Review the Committee's Work Plan to guide the Committee's discussions regarding policy alternatives and implications for Board deliberation.

SUMMARY:

The Committee's Work Plan outlines the Board-approved topics for discussion to be able to prepare policy alternatives and implications for Board deliberation. The work plan is agendaized at each meeting as accomplishments are updated and to review additional work plan assignments by the Board.

BACKGROUND:

Governance Process Policy-8:

The District Act provides for the creation of advisory boards, committees, or committees by resolution to serve at the pleasure of the Board.

Accordingly, the Board has established Advisory Committees, which bring respective expertise and community interest, to advise the Board, when requested, in a capacity as defined: prepare Board policy alternatives and provide comment on activities in the implementation of the District's mission for Board consideration. In keeping with the Board's broader focus, Advisory Committees will not direct the implementation of District programs and projects, other than to receive information and provide comment.

Further, in accordance with Governance Process Policy-3, when requested by the Board, the Advisory Committees may help the Board produce the link between the District and the public through information sharing to the communities they represent.

ATTACHMENTS:

Attachment 1: WSEC 2020 Work Plan

Attachment 2: Next Meeting's Proposed Agenda

File No.: 20-0543

Agenda Date: 7/13/2020
Item No.: 4.6.

UNCLASSIFIED MANAGER:
Michele King, 408-630-2711

2020 Work Plan: Water Storage Exploratory Committee

Update: June 2020

The annual work plan establishes a framework for committee discussion and action during the annual meeting schedule. The committee work plan is a dynamic document, subject to change as external and internal issues impacting the District occur and are recommended for committee discussion.

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
1	Standing Items: 1. Update on Los Vaqueros Reservoir Expansion Project (LVE) Transfer Bethany Pipeline (TBP) and Update on Management of South Bay Aqueduct (SBA) Facilities 2. Lake Del Valle 3. Del Puerto 4. Water Banking Opportunities including but not limited to Pleasant Valley Water District 5. Pacheco 6. Semitropic 7. Sites 8. San Luis Reservoir Low Point 9. B.F. Sisk Dam Raise Project 10. Shasta	1-15-2020	<ul style="list-style-type: none"> Receive quarterly reports on standing items. (Information) 	<p>Accomplished January 15, 2020: The Committee took the following action:</p> <ul style="list-style-type: none"> That the Board consider the Committee's recommendation to the Board to accelerate the partnerships discussion for the Pacheco Reservoir Expansion Project. <p>Board received this information on February 25, 2020 and took the following action: Approved the Water Storage Exploratory Committee's recommendation.</p> <p>Pacheco and San Luis Reservoir Low Point Projects will be joined as one work plan item</p>
2	Review of 2020 Water Storage Exploratory Committee Work Plan	1-15-2020 07-13-2020	<ul style="list-style-type: none"> Review the Committee's 2020 Work Plan. 	<p>Accomplished January 15, 2020: The Committee reviewed the Committee's 2020 Work Plan and took no action.</p>
3	Del Puerto Canyon Reservoir Update	07-13-2020	<ul style="list-style-type: none"> Receive information regarding the status of Del Puerto Canyon Reservoir. 	

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1

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2020 Work Plan: Water Storage Exploratory Committee

Update: June 2020

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
4	Update on Los Vaqueros Reservoir Expansion Project: Storage, Transfer-Bethany Pipeline, and South Bay Aqueduct Capacity	07-13-2020	<ul style="list-style-type: none"> • Receive and discuss information regarding the Los Vaqueros Reservoir Expansion Project: Storage, Transfer-Bethany Pipeline, and South Bay Aqueduct Capacity • Recommend update as action item for next Board of Directors meeting. 	
5	Update on the B.F. Sisk Dam Raise Project	07-13-2020	<ul style="list-style-type: none"> • Receive and discuss information on the B.F. Sisk Dam Raise Project. 	
6	Second Amendment to 2019 Reservoir Project Agreement for Continued Participation in the Sites Reservoir Project	07-13-2020	<ul style="list-style-type: none"> • Receive and discuss information regarding Sites Reservoir Project. 	
7	Update on Pacheco/San Luis Reservoir Low Point Projects	07-13-2020	<ul style="list-style-type: none"> • Receive and discuss information regarding the status of Pacheco/San Luis Reservoir Low Point Projects. 	
8	Semitropic Groundwater Bank Update	TBD	<ul style="list-style-type: none"> • Receive and discuss information regarding the status of Semitropic Groundwater Bank 	
9	Comparison of Proposed Groundwater Banking Projects	TBD	<ul style="list-style-type: none"> • Receive and discuss information regarding ongoing development of staff comparison tools to analyze and compare proposed groundwater banking projects. 	

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

2020 Work Plan: Water Storage Exploratory Committee

Update: June 2020

ITEM	WORK PLAN ITEM	MEETING	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
10	Update on Conceptual Lake Del Valle Modifications	TBD	<ul style="list-style-type: none"> Receive and discuss information regarding the status of Conceptual Lake Del Valle Modifications. 	

Yellow = Update Since Last Meeting

Blue = Action taken by the Board of Directors

Attachment 1
Page 3 of 3

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SCVWD Water Storage Exploratory Committee:

Director Gary Kremen (Committee Chair)

Director Richard P. Santos

Director John L. Varela



AGENDA

WATER STORAGE EXPLORATORY COMMITTEE

TBD

HEADQUARTERS BUILDING BOARDROOM

5700 ALMADEN EXPY

SAN JOSE CA 95118

Time Certain:

	1.	<u>Call to Order/Roll Call</u>
	2.	<u>Time Open for Public Comment on Any Item Not on the Agenda</u> <i>Comments should be limited to two minutes. If the Committee wishes to discuss a subject raised by the speaker, it can request placement on a future agenda.</i>
	3.	<u>Approval of Minutes</u> 3.1 Approval of Minutes – July 13, 2020, meeting
	4.	<u>Discussion/Action Items:</u> 4.1 Proposed Groundwater Banking Options 4.2 Semitropic 4.3 Sites Reservoir 4.4 LVE/SBA 4.5 Pacheco/San Luis Reservoir Low Point 4.6 Del Valle 4.7 Review of 2020 Water Storage Exploratory Committee Work Plan, remaining Standing Items, and the Committee’s next meeting agenda (Committee Chair)
	5.	<u>Clerk Review and Clarification of Committee Actions</u> <i>This is a review of the Committee’s Actions (from Item 4).</i>
	6.	<u>Adjourn</u>

Reasonable efforts to accommodate persons with disabilities wishing to attend committee meetings will be made. please advise the Clerk of the Board Office of any special needs by calling (408) 630-2277.

Meetings of this committee will be conducted in compliance with all Brown Act requirements. All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the same time that the public records are distributed or made available to the legislative body, at the following location:
Santa Clara Valley Water District, Office of the Clerk of the Board

WATER STORAGE EXPLORATORY COMMITTEE PURPOSE:

The Water Storage Exploratory Committee was established to receive and discuss information on issues related to additional water storage options. The Committee representatives may assist their respective Board of Directors on policies and actions related to these matters.