### CEO BULLETIN & NEWSLETTERS

**CEON BULLETIN: Weeks of December 18, 2020 – January 7, 2021**

### BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS

**BMR/IBMR Weekly Reports:** None


23. Memo from Aaron Baker, COO, Water Utility, to the Board of Directors, dated 1/6/21, regarding Sites Reservoir Project Update – WIIN Act Funding.

### INCOMING BOARD CORRESPONDENCE

**Board Correspondence Weekly Report:** None

28. Email from Sandra Harrison Kay, to the Board of Directors, dated 1/3/21, regarding Homeless Activity along Penitencia Creek Percolation Ponds (C-21-0001).

### OUTGOING BOARD CORRESPONDENCE

32. Email from Director Santos, to Sandra Harrison Kay, dated 1/6/21, regarding homeless activity along Penitencia Percolation Ponds (C-21-0001).

34. Letter from Rick Callender, CEO, to Ms. Stephanie Moreno, Executive Director Guadalupe-Coyote Resource Conservation District, dated 1/5/21, regarding the Guadalupe-Coyote Resource Conservation District (GCRCD) Board adopted actions to provide financial and staff support to seek grant funding to develop a Guadalupe River Corridor Management Plan through a watershed stakeholder forum.

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Board correspondence has been removed from the online posting of the Non-Agenda to protect personal contact information. Lengthy reports/attachments may also be removed due to file size limitations. Copies of board correspondence and/or reports/attachments are available by submitting a public records request to publicrecords@valleywater.org.
CEO BULLETIN
To: Board of Directors  
From: Rick L. Callender, CEO  

Weeks of December 18, 2020 – January 7, 2021

**Board Executive Limitation Policy EL-7:**
The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

<table>
<thead>
<tr>
<th>Item</th>
<th>IN THIS ISSUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reclamation Announces 60-day Comment Period for Central Valley Project San Felipe Division Draft Contract</td>
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<td>Rinconada Water Treatment Plant Shutdown</td>
</tr>
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<td>3</td>
<td>Saratoga Tree Removal Update</td>
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<td>Valley Water Hosts Virtual Meeting to Discuss Policies for Public Trails on Valley Water Lands</td>
</tr>
</tbody>
</table>
| 6    | Valley Water Hosts Workshop on Nature-Based Solutions (NBS)  
Kremen  
Provide Director Kremen with the following information: what has been our accounts payable days outstanding, list of accounts payable over 30 days (vendor and amount) each and every month for the last 12 months? I-20-0018 |
| 7    | |

1. **Reclamation Announces 60-day Comment Period for Central Valley Project San Felipe Division Draft Contract**

On December 18, 2020, the U.S. Bureau of Reclamation (Reclamation) announced the start of the 60-day public review period for the conversion of Valley Water’s primary water service contract for Central Valley Project (CVP) supply, Amended and Restated Contract Between the United States and Santa Clara Valley Water District for Water Service, Facilities Repayment, and Operation and Maintenance of Certain Works of the San Felipe Division, as provided under the Water Infrastructure Improvements for the Nation Act (WIIN Act). Section 4011 of the WIIN Act directs Reclamation to convert water service contracts to repayment contracts upon a contractor’s request and authorizes prepayment of outstanding CVP construction costs. Revenue generated by these contract conversions will be placed in an account to fund future water storage projects.

Valley Water anticipates bringing the contract conversion to its Board for approval in Spring of 2021, after the close of the public comment period. Conversion of Valley Water’s Central Valley Project contract will require a prepayment of approximately $13.5 million.
2. Rinconada Water Treatment Plant Shutdown

The Rinconada Water Treatment Plant is scheduled to be shut down for five (5) days, from Wednesday, January 20 to Sunday, January 24, 2021, to perform biennial electrical systems and equipment testing. Valley Water will also take this opportunity to perform other critical plant and pipeline maintenance activities. Performing these maintenance activities on a regular basis is essential to ensuring the plant’s critical systems are reliable and remain in good working order. Barring any unforeseen circumstances, plant start up is scheduled for Monday, January 25, 2021.

West Pipeline retailers impacted by the upcoming outage are the cities of Santa Clara and Sunnyvale, the California Water Service Company, and the San Jose Water Company. The impacted retailers will use their groundwater and/or alternate supplies to meet demands during the plant shutdown. Customers may notice a change in water characteristics and pressure during the shutdown. The above-stated shutdown schedule has also been communicated to the retailers and Valley Water will continue to send periodic updates and reminders.

For further information, please contact Bhavani Yerrapothu at (408) 630-2735.

3. Saratoga Tree Removal Update

Beginning June 2021, all encroached fences, fence posts, landscaping and hardscaping will need to be removed from Valley Water property along Saratoga Creek, between Cox Avenue and Prospect High School, to allow for minor grading in preparation for restoration work and the next two phases of tree removal work slated to begin in October of 2021. To that end, on December 14, 2020, letters were sent to the remaining 34 property owners with encroaching fences and other items. This letter stated that all items must be removed from Valley Water right of way no later than January 30, 2021 to avoid delays in the project and potential legal action. This letter pointed out that, over the past five years, the property owners have had numerous communications with Valley Water concerning removal of their encroaching items that would allow this critical tree-removal project to move forward.

In addition, a Saratoga Creek Restoration project update and timeline was included in this letter. Valley Water also offered to re-stake the property lines and provided property owners with another copy of their survey exhibit and fence cost-share information.

For further information, please contact Sue Tippets at (408) 630-2253.
4. Valley Water Clears Multiple Infection Testing Requirement

The new Cal/OSHA emergency standards on COVID-19 prevention in the workplace requires employers to implement certain protocols when there are three or more COVID-19 cases in an exposed workplace within a 14-day period. When this standard is triggered, the employer must provide testing immediately, as well as one week later, to all employees in the exposed workplace during the high-risk exposure period.

On December 14, 2020, Valley Water triggered this requirement for testing when there were three positive cases within a 14-day period within the Vegetation Management Unit. 26 employees and contractors were affected by the testing requirement and all personnel have received the two rounds of COVID-19 testing. All test results were negative for both rounds of testing, and all employees that were in isolation from being ill, as well as those employees in self-quarantine due to being identified as close contacts, are now back to work without restrictions.

Valley Water's social distancing and safety protocols, implemented by staff, were effective in preventing the spread of the virus and minimizing the impact to operations during this time of increased risk.

For further information, please contact Tina Yoke at (408) 630-2385.

5. Valley Water Hosts Virtual Meeting to Discuss Policies for Public Trails on Valley Water Lands

On December 17, 2020, Valley Water hosted a virtual public meeting to discuss draft policy criteria and guidance for public trails on Valley Water land. This draft policy describes how Valley Water collaborates with local cities and special districts interested in using its lands for public trail use.

The virtual meeting included a presentation on the draft public trails policy and a set of survey questions that were posed to attendees throughout the meeting, with responses shared in real-time immediately after each question. The survey questions ranged from how people use trails to what they value most about trails and creeks. The survey remains open and available for the public on the project webpage. Final survey results will be posted on the project webpage by the end of January 2021. Valley Water will utilize the survey results to refine the draft policy.

Seventy-one participants representing a range of municipal, nonprofit, and environmental representatives, and others joined the virtual meeting via Zoom and 13 watched it live on Facebook. Project staff responded to 38 questions from participants that ranged from inquiries regarding riparian corridors, trail setbacks, impacts to wildlife, and creek maintenance. Attendees were encouraged to provide additional feedback on the draft trails policy and were given information on where to send their feedback and input. In the coming months, Valley Water will inform attendees of further updates pertaining to the draft trails policy criteria and guidance.

A recording of the virtual meeting, presentation, draft public trails policy, survey, and project materials are available on the project's webpage, https://www.valleywater.org/trails-policy.

For further information, please contact Rachael Gibson at (408) 781-4739.
6. Valley Water Hosts Workshop on Nature-Based Solutions (NBS)

On December 9, 2020, Valley Water hosted a workshop titled “A Regional Perspective on Benefits of Nature-Based Solutions (NBS) for the South Bay.” The objective of this workshop was to articulate recent successes that NBS technologies offer not only to water reuse but also to efforts related to enhancing the South San Francisco Bay Shoreline. The speakers and panelists included staff from Valley Water, Oro Loma Sanitary District, San Francisco Estuary Institute (SFEI), University of California Berkley (UCB), USEPA, and San Francisco Estuary Partnership (SFEP) on topics including regional benefits and potential constraints of NBS, the Shoreline Project integration of NBS, Oro Loma’s horizontal levee pilot project, and the evaluation of NBS for Reverse Osmosis (RO) Concentrate treatment and management.

The workshop had over 70 attendees.

NBS have the potential of mitigating metals, nutrients and other contaminants present in treated wastewater and RO Concentrate. The engineered integration of these processes and technology holds potential for enhancing habitat quality, reducing flood risk, and fostering urban resilience and well-being. Examples of NBS include horizontal levees, open-cell treatment wetlands, and floating wetland treatment systems. The workshop highlighted the multiple benefits and positive environmental impact of NBS.

Recording of the workshop can be found here: https://fta.valleywater.org/dl/vxrds8Oi1d.

For further information, please contact Kirsten Struve at (408) 630-3138.

7. Kremen

Provide Director Kremen with the following information: what has been our accounts payable days outstanding, list of accounts payable over 30 days (vendor and amount) each and every month for the last 12 months?

I-20-0018

On December 28, 2020, Valley Water provided Director Kremen with an excel file that shows the accounts payable aging for the last 12 months. The file includes over 25,000 lines and can be obtained by contacting the Clerk of the Board.

The Accounts Payable department targets to pay all invoices within 30 days of the invoice date. In summary, of over 25,000 invoices paid in the last 12 months, about 5,500 (21%) were paid more than 30 days from the invoice date. To research the reasons, which are often invoices received late from the vendor; payment of retention; billing discrepancies or disputes; check reissues, etc., would take hundreds of hours. However, typically when an invoice is paid more than 60 days from invoice date, past research has shown that the delay was caused by Valley Water less than 1% of the time (approval delays, invoices lost in routing, etc.).

For further information, please contact Darin Taylor at (408) 630-3068.
BOARD MEMBER REQUESTS 
and Informational Items
TO: Rick Callender

FROM: Rechelle Blank

SUBJECT: Fiscal Year 2020 Annual Report of Valley Water Rental Property Income and Expenses

DATE: December 31, 2020

The purpose of this memorandum is to report the Annual Net Income and Expenses related to Valley Water owned rental properties that are managed by the Valley Water Real Estate Services Unit. This annual report is provided to the Board in accordance with Valley Water Board Resolution 09-78.

During the 2020 fiscal year, Valley Water Real Estate staff managed a total of 110 residential and non-residential income-producing properties for a total net income of $1.706 million dollars. A breakdown of the income and expenses is shown below:

**RESIDENTIAL PROPERTIES = 53**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Income</td>
<td>$1,827,012.48</td>
</tr>
<tr>
<td>Less Expenses</td>
<td>$487,075.16</td>
</tr>
<tr>
<td><strong>TOTAL NET INCOME</strong></td>
<td><strong>$1,339,937.32</strong></td>
</tr>
</tbody>
</table>

**NON-RESIDENTIAL PROPERTIES = 57**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Income</td>
<td>$365,998.67</td>
</tr>
<tr>
<td>Less Expenses</td>
<td>$0*</td>
</tr>
<tr>
<td><strong>TOTAL NET INCOME</strong></td>
<td><strong>$365,998.67</strong></td>
</tr>
</tbody>
</table>

*Note: For Non-Residential properties, the tenants pay all expenses associated with maintenance of the properties.

Attachment 1 is a summary of incomes and expenses for FY2019 and FY2020.

For further information, please contact Eli Serrano, Real Estate Services Unit Manager, at ext. 3109.

Attachment 1: Summary of Incomes and Expenses for FY2019 and FY2020

cc: M. Richardson, Sue Tippets, E. Serrano, B. Magleby, C. Herrera, J. CARRASCO, E. Campero

jc: rc
### SUMMARY OF INCOMES AND EXPENSES FOR FY2019 AND FY2020

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESIDENTIAL PROPERTIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total No. of Residential Rental Units</td>
<td>53</td>
<td>53</td>
<td>0</td>
</tr>
<tr>
<td>Gross Income</td>
<td>$1,778,491.42</td>
<td>$1,827,012.48</td>
<td>$48,521.06</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Possessory Use Tax (Santa Clara County)</td>
<td>$64,206.82</td>
<td>$38,304.40</td>
<td>$(25,902.42)</td>
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<tr>
<td>Property Mgt. Fee (8% of Gross Income)</td>
<td>$142,182.33</td>
<td>$146,027.00</td>
<td>$3,844.67</td>
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<tr>
<td>Repairs, Maintenance and Services</td>
<td>$287,807.10</td>
<td>$287,257.13</td>
<td>$(549.97)</td>
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<tr>
<td>Utilities</td>
<td>$17,480.65</td>
<td>$15,486.63</td>
<td>$(1,994.02)</td>
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<tr>
<td>Total Expenses</td>
<td>$511,676.90</td>
<td>$487,075.16</td>
<td>$(24,601.74)</td>
</tr>
<tr>
<td>Total Net Income for Residential Properties</td>
<td>$1,266,814.52</td>
<td>$1,339,937.32</td>
<td>$73,122.80</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON-RESIDENTIAL PROPERTIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total No. of Non-Residential Rental Properties</td>
<td>61</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Gross Income</td>
<td>$345,779.53</td>
<td>$365,998.67</td>
<td>$20,219.14</td>
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<tr>
<td>Total Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Net Income for Non-Residential Properties</td>
<td>$345,779.53</td>
<td>$365,998.67</td>
<td>$20,219.14</td>
</tr>
</tbody>
</table>
TO: Rick L. Callender  
Chief Executive Officer

FROM: Aaron Baker, COO  
Water Utility Enterprise

SUBJECT: FY 2019-2020 Water Retailer Survey Results  
DATE: 1/5/21

The fiscal year 2019-2020 Annual Water Retailer Survey has been completed. A summary of the results is enclosed for your reference. Valley Water received high marks particularly in:

- Operating and maintaining reservoirs, dams, ponds and pipelines
- Planning and coordinating operational shutdowns
- Providing high quality treated water
- Providing reliable supply of treated and groundwater

Water Utility Enterprise leadership will present these results to the retailers at the next Quarterly Water Retailer Meeting on January 20, 2021. Subsequently, Water Utility leadership will meet with each retailer to discuss their ratings and possible improvements in customer service.

Please contact me with further questions or comments.

Aaron Baker, P.E.  
Chief Operating Officer  
Water Utility Enterprise


by:hgp
2019-2020 Annual Water Retailer Survey

Presented by: Aaron Baker, Chief Operating Officer, Water Utility Enterprise
Survey Response

11 Retailers Completed the Survey

- California Water Service Company
- City of Gilroy
- City of Milpitas
- City of Morgan Hill
- City of Mountain View
- City of Palo Alto
- City of Santa Clara
- City of Sunnyvale
- Purissima Hills Water District
- San Jose Municipal Water System
- San Jose Water Company
Outcome Measures

• Board Ends Policies: E-2.3.2.
  Maintain effective relationships with the retailer and other stakeholders to ensure high quality, reliable drinking water.

• Outcome Measure: 2.3.2.a.
  100% of retailers give an average rating of good to excellent on each of their individual annual water retailer survey.

Q9: How would you rank Valley Water’s overall management of water supply?
Rated Excellent / Good

- Operating and maintaining reservoirs, dams, ponds and pipelines: 100%
- Planning and coordinating operational shutdowns: 100%
- Providing high quality treated water: 100%
- Providing reliable supply of treated and groundwater: 100%
Mixed Ratings

- Responding to emergencies: 88% Excellent/Good, 12% Poor
- Monitoring and protecting groundwater quality: 88% Excellent/Good, 12% Poor
- Communicating with retailers: 82% Excellent/Good, 9% Fair, 9% Poor
- Encouraging water conservation: 73% Excellent/Good, 27% Poor
- Understanding the needs of retailers: 70% Excellent/Good, 30% Poor
- Preparing, communicating, and implementing the Capital Improvement Program (CIP): 60% Excellent/Good, 40% Poor
- Setting reasonable groundwater production charges: 56% Excellent/Good, 22% Fair, 22% Poor
- Expanding the use of recycled water: 50% Excellent/Good, 50% Poor
5-Year Trend for Overall Managing Water Supply

<table>
<thead>
<tr>
<th>Year</th>
<th>Excellent/Very Good/Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Don't Know/ No Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>'15</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>'16</td>
<td>9</td>
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<tr>
<td>'20</td>
<td>10</td>
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</tbody>
</table>
## Priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Very high priority</th>
<th>Somewhat high priority</th>
<th>Low priority</th>
<th>Not a priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groundwater charges and water rates</td>
<td>82%</td>
<td></td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Providing high quality treated water</td>
<td>73%</td>
<td></td>
<td>9%</td>
<td>18%</td>
</tr>
<tr>
<td>Emergency preparedness</td>
<td>64%</td>
<td>36%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer service and communications</td>
<td>64%</td>
<td>27%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Planning for future water supply reliability</td>
<td>64%</td>
<td>27%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Importing water into the county</td>
<td>64%</td>
<td>18%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Groundwater monitoring, protection and recharge</td>
<td>64%</td>
<td>18%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Asset management of water infrastructure</td>
<td>45%</td>
<td>36%</td>
<td>18%</td>
<td></td>
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<tr>
<td>Dam safety</td>
<td>45%</td>
<td>27%</td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td>Water conservation efforts</td>
<td>36%</td>
<td>36%</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Protecting fish and wildlife near waterways</td>
<td>36%</td>
<td>36%</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Recycled water programs</td>
<td>27%</td>
<td>45%</td>
<td>9%</td>
<td>18%</td>
</tr>
</tbody>
</table>
QUESTIONs
Valley Water
Clean Water • Healthy Environment • Flood Protection
TO: Board of Directors

FROM: Aaron Baker

SUBJECT: B.F. Sisk Dam Raise and Reservoir Expansion Project – Feasibility Report

DATE: 01/06/2021

On December 30, 2020, the U.S. Bureau of Reclamation (Reclamation) issued a news release stating that it sent Congress the final feasibility report for the B.F. Sisk Dam Raise and Reservoir Expansion Project (Project). Approval of the feasibility report by the Secretary of the Interior indicates that it is deemed feasible and that there is a federal interest in the Project. The project is eligible for funds authorized through the Water Infrastructure Improvements for the Nation Act. The news release is included as Attachment 1 to this memo.

Reclamation and the San Luis & Delta-Mendota Water Authority (Authority) are sponsoring the Project, which proposes a 10-foot raise in dam height to increase the storage capacity of San Luis Reservoir by 130 thousand acre-feet. This is in addition to the modifications being made under the Safety of Dams Act, which are being done to address seismic concerns with B.F. Sisk Dam but will not increase the storage capacity in San Luis Reservoir.

Aaron Baker, P.E.
Chief Operating Officer
Water Utility Enterprise

Attachment 1: Sisk Dam News Release
For Release: Dec. 30, 2020

Contact: Mary Lee Knecht, 916-978-5100, mknecht@usbr.gov
        Scott Petersen, 209-597-0232, scott.petersen@sldmwa.org

Trump Administration advances plan to increase San Luis Reservoir water storage
Project would produce additional water supply for 2 million people, over 1 million acres of farmland and 200,000 acres of Pacific Flyway wetlands

SACRAMENTO, Calif. – Today, the Bureau of Reclamation sent Congress the final feasibility report for the B.F. Sisk Dam Raise and Reservoir Expansion Project. This marks an important step forward in returning water supply reliability to south-of-Delta farmers, local communities, and wildlife refuges.

“Reclamation has worked hard to make this important project for California’s water supply a reality,” said Commissioner Brenda Burman. “Dam safety improvements at B.F. Sisk are gearing up; now is the time to take advantage of this opportunity and increase water supply in San Luis Reservoir—a win-win for the many that benefit from San Luis Reservoir water.”

Reclamation and the San Luis & Delta-Mendota Water Authority partnered to investigate adding 10-feet to the crest of B.F. Sisk Dam while implementing dam safety modifications. The additional space would be used to store water that could be delivered to south-of-Delta water contractors and wildlife refuges. This water would be used to meet existing contractual obligations and not serve any new demands.

The B.F. Sisk Dam Raise and Reservoir Expansion Feasibility Report was prepared consistent with pertinent study authorizations, and pursuant to the requirements of Reclamation Safety of Dams Act of 1978, as amended by Public Law 114-113, and the Water Infrastructure Improvements for the Nation Act of 2016. Results of the analyses indicate the project to be technically, environmentally, financially and economically feasible.

“While there is still work to be done,” said Regional Director Ernest Conant, “Reclamation and our partner, the San Luis & Delta-Mendota Water Authority, are very pleased to witness this critical milestone for the project.”

“San Luis Reservoir plays an important role as a lynchpin of California’s water system. The reservoir’s water storage capacity is increasingly important to respond to a changing climate. Increasing water storage is a critical component of building water resilience,” said Executive Director of the San Luis & Delta-Mendota Water Authority Federico Barajas. “We appreciate the collaborative partnership with Reclamation and are pleased to see the Feasibility Report be transmitted to Congress and look forward to advancing this important project.”

Background
B.F. Sisk Dam is a 382-foot high earthfill embankment located on the west side of the Central Valley,
about 12 miles west of Los Banos. The dam is over 3 miles long and impounds San Luis Reservoir, which has a current total capacity of around 2 million acre-feet.

A final supplemental environmental impact statement was prepared for the project under the National Environmental Policy Act and released on Dec. 18, 2020; the report is available here: https://www.usbr.gov/mp/nepa/nepa_project_details.php?Project_ID=44425.

###

The Bureau of Reclamation is a federal agency under the U.S. Department of the Interior and is the nation's largest wholesale water supplier and second largest producer of hydroelectric power. Its facilities also provide substantial flood control, recreation opportunities, and environmental benefits. Visit www.usbr.gov and follow @USBR and @ReclamationCVP on Twitter.

The San Luis & Delta-Mendota Water Authority was established in January of 1992 and consists of 27 member agencies providing water service to approximately 1,200,000 acres of irrigated agriculture, 2 million people, and 130,000 acres of wetlands within the western San Joaquin Valley, San Benito and Santa Clara counties.

If you would rather not receive future communications from Bureau of Reclamation, let us know by clicking here.
Bureau of Reclamation, Denver Federal Center, Alameda & Kipling Street PO Box 25007, Denver, CO 80225 United States
TO: Board of Directors  
FROM: Aaron Baker  
SUBJECT: Sites Reservoir Project Update – WIIN Act Funding  
DATE: 01/06/2021

The Sites Reservoir Project (Sites) was awarded $13.7 million as part of the 2021 federal spending bill signed by the President on December 27, 2020. These funds were authorized through the Water Infrastructure Improvements for the Nation Act (WIIN Act) to advance the planning and design of the project. To date Congress, has appropriated roughly $23.7 million in WIIN Act funding for the Bureau of Reclamation (Reclamation) to use to advance Sites. A copy of a Sites Project Authority press releases on this award is attached to this memo as Attachment 1.

Sites achieved an important milestone this month that makes it eligible for greater federal investment in the future. On December 22, 2020, Reclamation transmitted the final feasibility report for Sites to Congress and as part of this process, the Secretary of the Interior provided a determination that Sites is a feasible project. This feasibility determination is necessary for Sites to be eligible for further WIIN Act funding beyond January 1, 2021. It also makes the project eligible for the larger appropriations necessary to advance the construction of the project. Like prior WIIN Act funding, access to these construction funds will still require Congressional appropriation. A copy of Reclamation’s press release on this story is attached to this memo as Attachment 2.

A copy of the full feasibility report can be downloaded at the following link:  
https://www.usbr.gov/mp/nodos/feasibility-report.html

Aaron Baker, P.E.  
Chief Operating Officer  
Water Utility Enterprise

Attachment 1: Sites Press Release  
Attachment 2: Reclamation Press Release
For Immediate Release:  
December 28, 2020  

Contact: Sara M. Katz  
(619) 813-9551

Sites Reservoir Awarded $13.7 Million in 2021 Federal Budget Bill

Sacramento, Calif. – Sites Reservoir picked up more momentum this week as it was awarded $13.7 million in the 2021 federal spending bill, authorized through the Water Infrastructure Improvements for the Nation (WIIIN) Act. With the passage of this legislation, Congress has now appropriated roughly $23.7 million in WIIIN Act funding to the Bureau of Reclamation for Sites Reservoir.

“We thank our federal partners for their continued support of Sites Reservoir,” said Fritz Durst, Chairman of the Sites Project Authority. “Our representatives understand the importance and significance of Sites, and these investments help us maintain momentum and meet critical milestones to advance the project.”

Sites Reservoir will increase California’s existing water supply by providing 1.5 million acre-feet of additional storage capacity to the state during times of drought. Extensive modeling has indicated that Sites Reservoir performs better and provides the most benefit to the people and environment of California, under the most challenging climate change scenarios.

“We Sites Reservoir is a unique collaboration between local, state and federal partners,” added Durst. “With their support, we are on track to build an affordable, modern and sustainable water storage project for California.”

Sites Reservoir is an off-stream facility that does not dam a major river system and would not block fish migration or spawning. Sites captures and stores stormwater flows from the Sacramento River – after all other water rights and regulatory requirements are met – for release primarily in dry and critical years for environmental use and for California communities, farms, and businesses when it is so desperately needed. One of Sites Reservoir’s greatest strengths is in its broad statewide representation including cities, counties, water and irrigation districts throughout the Sacramento Valley, San Joaquin Valley, Bay Area, and Southern California.

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Sites is an off-stream reservoir proposed north of the Sacramento-San Joaquin Delta, where it would provide unique water supply and environmental benefits during dry and critical water years, and especially during extended drought periods. Additional information can be found at [www.sitesproject.org](http://www.sitesproject.org) or on Facebook and Twitter at @SitesProject.
Trump Administration advances plan to create new water storage in Northern California

*Sites Reservoir would increase California’s existing water supply by providing 1.5 million acre-feet of additional storage capacity to the state during times of drought*

Media Contact: Mary Lee Knecht, 916-978-5100, mknacht@usbr.gov

For Release: December 22, 2020

![The location for proposed Sites Reservoir (photo by DWR)](image)

*SACRAMENTO, Calif.* - The Bureau of Reclamation today released the final feasibility report for the North-of-the-Delta Off-stream Storage Investigation. The report documents the potential costs and benefits of the Sites Reservoir Project. As part of a continuing effort to increase storage capability throughout California, Reclamation and the Sites Project Authority worked together to evaluate new off-stream surface water storage north of the Sacramento-San Joaquin Delta. The Final Feasibility Report was transmitted to Congress on December 22.

Located 81 miles northwest of Sacramento, Sites Reservoir would store water diverted from the Sacramento River for future releases to beneficiaries throughout the state. The proposed project includes an off-stream reservoir located north-of-the Delta where the majority of California’s rainfall occurs.

“California is in dire need of additional storage, and projects like Sites Reservoir will provide operational flexibility and more reliable water delivery to benefit farms, communities, and the environment,” *said Commissioner Brenda Burman*. “The Sites Reservoir Project is an important opportunity for additional storage in northern California.”

The proposed reservoir would provide additional water supply for agriculture and municipal and industrial purposes, CVP-operational flexibility, anadromous fish benefits (migrating fish that return from the ocean to spawn), wildlife refuges, Delta ecosystem enhancement, flood damage reduction, and recreation.

“We are pleased to partner with Sites Project Authority on this unique off-stream storage project to create much needed water storage in California,” *said Regional Director Ernest Conant*. “The multi-beneficial Sites Reservoir would increase northern California’s water...
storage capacity by up to 15% and provide water supply, flood protection, environmental, and recreation benefits for generations to come."

“Environmental water has always been at the heart of the Sites Reservoir Project,” said Fritz Durst, Sites Project Authority chairman. “Partnering with Reclamation will help restore flexibility, reliability, and resiliency to our statewide water supply – especially in dry years – and will create an environmental asset for the state by providing water and dedicated storage for environmental needs that do not currently exist.”

“We are grateful for the partnership with the Bureau of Reclamation on this one-of-a-kind water storage project,” said Sites Project Authority Vice Chairman Jeff Sutton. “Sites Reservoir will serve to greatly enhance the operational efficiency of our existing statewide water delivery system and significantly improve drought resiliency for our participating water agencies—who collectively represent over 24 million Californians and more than 500,000 acres of farmland from all parts of the state.”

The Sites Reservoir Project is a joint investigation between Reclamation and Sites Project Authority, authorized by Congress in 2003. The diversity of potential participants includes local, state, and federal interests as a collective of investors. As the project advances, it will be optimized for current conditions and affordability of all participants, while maintaining flexibility to adapt to changing conditions.

For additional information contact Project Manager Ryan Davis, Bureau of Reclamation, at 916-978-5083 (TTY 800-877-8393) or rdavis@usbr.gov.

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The Bureau of Reclamation is a federal agency under the U.S. Department of the Interior and is the nation's largest wholesale water supplier and second largest producer of hydroelectric power. Our facilities also provide substantial flood control, recreation opportunities, and environmental benefits. Visit our website at https://www.usbr.gov and follow us on Twitter @USBR; Facebook @bureau.of.reclamation; LinkedIn @Bureau of Reclamation; Instagram @bureau_of_reclamation; and YouTube @reclamation.