

Topic: **Sites Reservoir Project**

2016 Nov. 14

Subject: **Amended Phase 1 Work Plan**

Staff Report

Basis for & Scope of an Amended Work Plan: The following summarize the ‘drivers’ that support the need to amend the Phase 1 Work Plan along with an overview of what work will be performed:

- a. Reallocation of effort to prepare our proposal to the Water Commission for Prop 1 funding. The primary driver is to provide the highest quality analysis available to maximize the project scoring by the Water Commission and demonstrate the Project’s proposed ecosystem and water quality benefits are resilient to climate change and are monetized to produce a return for the State’s proposed investment.

Water Commission scoring criteria rate the quality of the analyses supporting the WSIP application and attached environmental analysis. Other competing applicants are providing a complete CEQA analysis. An incomplete (preliminary draft EIR) analysis would not be not be scored as high as a more complete (draft EIR) documentation. CH2M will be providing a draft EIR/EIS that is coupled with the federal feasibility analysis for the WSIP application

CH2M will use a version of CalSim that has been provided by the Water Commission for all applicants to use the same climate change parameters. To produce the actual inputs to our proposal, subsidiary models (e.g. DSM2, IOS, SWAP) also need to be used, however, at this time, the Water Commission has not committed to update all of the subsidiary models.

AECOM will be converting the results from CH2M’s modeling effort into the information that is required to be submitted using the State’s GRanTS electronic submittal process. Between the ecosystem and water quality sections, there are over 400 questions that will need to be addressed.

- b. Extending the Phase 1 schedule by 6 months to coincide with when we expect the Water Commission will be able to execute an initial funding agreement.

The work plan extends the current management and administration, outreach, and miscellaneous costs by 6 months.

- c. Accelerating the preparation of the draft EIR/S from Phase 2 to Phase 1 (see above). This will directly improve how the Water Commission will score our proposal, it will enable the Authority to better manage the environmental review process, and it will allow Phase 2 to focus on completing the document and acquiring key permits.

Status: **Issued for 2016 October Board Meeting**
Purpose: **Informational**
Caveat 1 **Subject to change**
Caveat 2

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Date: **2016 Nov 14**
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Page: **1** of **3**

CH2M with support from AECOM in a couple of topic areas (e.g. seismicity) will advance the EIR/S in accordance with the strategy (refer to Attachment 4-2) to enable a draft document to be released coincident with submitting our proposal to the Water Commission.

This accelerated schedule has been discussed with leaders at USBR and DWR, respectively. USBR has been working in parallel to release their congressionally-mandated federal feasibility and their schedule is compatible with an accelerated EIR/S schedule. On Nov. 14, DWR acknowledged the benefits of accelerating the EIR/S to also meet the Water Commission's (and Reclamation's) schedules. DWR also agreed to having the Authority be the CEQA Lead agency with further discussion needed to define their role in the Project, which extends beyond the Proposition 1, Chapter 8 requirement they participate in an Ex Officio manner.

- d. Developing project-specific policies and procedures needed to manage this growing project and to provide timely reporting. This will be accomplished by formally establishing the program management office (PMO).

The proposed work plan includes functions starting as early as 2017 as well as having key resources in place prior to the start of Phase 2. Additional work is needed to translate the proposed budget into potential work assignments, so no action is being requested at the November meetings. However, it is anticipated that a plan that is in conformance with the amended work plan will be presented at the December meetings for approval to implement.

- e. Address high-priority technical elements to reduce the potential for delay (and added cost). Primary focus areas include the need to define the grid interconnection and hydropower components and to advance the permitting and water rights.

The proposed work plan includes functions starting as early as 2017 that need to be further defined before requesting approval to implement, so no action is being requested at the November meetings.

Amendment Process: The following summarize the steps taken to amend the Phase 1 Work Plan:

1. Aug 8: Discussion of strategies to accelerate the EIR/S to support the WSIP application process. This timeline also supports the federally-mandated feasibility study, which Reclamation is preparing.
2. Aug 25: Manager's meeting discussion regarding Water Commission's planned release of the Technical Reference document on Aug 29 are expected to increase the application requirements.
3. Sept 9: Discuss EIR/S acceleration strategy and increased Water Commission application requirements at the Authority Board Meeting. Consensus to continue to advance the acceleration strategy and to estimate the costs to meet the added application requirements.

4. Oct 6: Managers' provide input to EIR/S acceleration strategy as well as on the additional effort, which will require amending the Phase 1 Work Plan and budgets.
5. Oct 17: At the Authority Board meeting, the basis for amending the Work Plan and estimated effort were discussed in context with estimated revenue to come as new participants execute an amended Phase 1 Project Agreement. Consensus to continue to advance amending the Phase 1 Work Plan.
6. Oct 21: Status of amending the Phase 1 Work Plan is discussed with prospective members along with estimated impact to Phase 1 participation on a \$/acre-ft. basis.
7. Nov 3: Manager's review detailed scopes of work and budgets for the work being proposed by CH2M and AECOM for additional CalSim modeling, accelerating the EIR/S, and technical inputs to the WSIP application process. Also, concerns were expressed regarding both DWR and USBR's level of support and ability to keep pace with all of the work being proposed between now and June 2017. Subsequently, a meeting has been scheduled with the Director of DWR (Nov 14) and with USBR's Deputy Regional Director (Nov 17) as a precursor to a planned meeting at ACWA (Nov 30 or Dec 1).
8. Nov 9: Ad-hoc Budget Committee input to amended Phase 1 Work Plan along with recommended cost targets associated with the Authority's budget (lump sum \$/year) and the Reservoir Committee's budget (\$/acre-ft).