



Topic: **Joint Authority Board and Reservoir Committee Meeting Agenda Item 3.1** **2020 December 18**

Subject: **Consideration of Addition of Alternative 3 to the EIR/EIS Project Description**

Requested Action:

Review and comment on option to add Alternative 3 with Reclamation at 25% investment to EIR/EIS project description.

Detailed Description/Background:

At the Reservoir Committee and Board meetings in June and September, staff provided an overview of the alternatives under consideration for the Revised Draft Environmental Impact Report (EIR) / Supplemental Draft Environmental Impact Statement (EIS). Staff presented Alternatives 1 and 2 which combined components of VP5, VP6, and VP7 from the Value Planning Report and included a range from no investment to up to \$200 million in Federal investment in the project. The Authority also designated Alternative 1 as the Authority's proposed project based on its meeting the intent and the goals of the Value Planning effort, its close alignment with VP-7, and its ability to meet the project objectives.

In continuing efforts on the EIR/EIS project description and in discussions with Reclamation, a third alternative is proposed to be added to the EIR/EIS project description that would include Federal investment at 25%. This alternative would include:

- The same physical facilities as Alternative 1, reflecting the clear direction of the Authority in the Value Planning Report to reduce overall project costs and environmental effects;
- The same diversion criteria as Alternative 1 and 2, but would include modified project operations with the potential for increased carryover storage in Shasta Lake as a result of the increased Federal investment; and
- The use of Reclamation's share of Sites water would be similar to how it is reflected in the project's federal Feasibility Report and would primarily be dedicated to the federal benefit category of operational flexibility, unless otherwise directed by Reclamation.
- No increase in total benefits of the project and with current subscription levels, a 25% share to Reclamation would mean willing existing participants would need to give up some or all of their shares. Having an alternative would not require existing participants to give up any shares.

Inclusion of Alternative 3 would provide flexibility to allow for a Federal investment of greater than \$200 million (current assumption in Alternatives 1 and 2), up to 25% of the project which is the allowable maximum under the WIIN Act for State led projects. Reclamation is seeking such an alternative consistent with the final federal feasibility report maximum cost share. Alternative 3 would bracket the range of possibility for federal investment in the event that

Reclamation were to invest more than \$200 million (current upper bound in Alternatives 1 and 2). For the same reasons as discussed in September 2020, staff is considering recommending that Alternative 1 continue to be the Authority's preferred project for the purposes of the Revised Draft EIR.

Staff continues to develop the Revised Draft EIR/Supplemental Draft EIS project description and anticipates bringing the complete project description to the January Reservoir Committee and Authority Board meetings for review and acceptance.

Prior Action:

September 2020: Approved to designate Alternative 1, based on VP-7 of the Sites Project Value Planning Alternatives Appraisal Report (Value Planning Report), as the Authority's preferred project for the purposes of the Revised Draft Environmental Impact Report (EIR) analysis and for the purposes of the Biological Assessment and State Incidental Take Permit applications.

April 22, 2020: The Authority directed staff to revise and recirculate a Draft Environmental Impact Report (EIR) to analyze the environmental effects of the options identified in the Final Sites Project Value Planning Alternatives Appraisal Report dated April 2020, including VP7.

April 22, 2020: The Authority accepted: the final report titled "Sites Project Value Planning Alternatives Appraisal Report, dated April 13, 2020" and the recommendations presented within, and; a recommendation to the Sites Project Authority to approve the final report titled "Sites Project Value Planning Alternatives Appraisal Report, April 13, 2020" and the recommendations presented within.

February 26, 2020: The Authority approved a recommendation to re-start efforts on the EIR for the Sites Reservoir Project and assess the most appropriate approach for completing the EIR pursuant to the California Environmental Quality Act.

July 20, 2017: The Reservoir Committee approved a recommendation to forward the Draft EIR/EIS to the Authority Board for its consideration to formally receive and adopt the document for inclusion in the Authority's Water Storage Investment Project application.

July 31, 2017: The Authority approved the release of the Draft EIR for public and agency review, in connection with the Authority's application to the California Water Commission by August 14, 2017. The document was published as joint Draft EIR/EIS by the Authority under the California Environmental Quality Act and Reclamation under the National Environmental Policy Act.

December 19, 2016: The Authority approved release of a Supplemental Notice of Preparation (released February 2, 2017) to transfer the California Environmental Quality Act lead agency status from the Department of Water Resources to the Sites Project Authority. Public scoping meetings were conducted on February 14 and 15, 2017.

Fiscal Impact/Funding Source:

Sufficient funds to incorporate an Alternative 3 and complete the Revised Draft EIR/Supplemental Draft EIS and begin preparation of the Final EIR/EIS are included in the Amendment 2 Work Plan (Budget), which was approved by the Authority at its August 26, 2020 Board meeting.

Costs to complete and circulate the Final EIR/EIS will be considered in a future Work Plan.

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Attachments: None.