

Prop 1 Benefits Small Group Agenda



*Our Core Values – Safety, Trust and Integrity, Respect for Local Communities, Environmental Stewardship, Shared Responsibility and Shared Benefits, Accountability and Transparency, Proactive Innovation, Diversity and Inclusivity
Our Commitment – To live up to these values in everything we do*

Meeting Information:

Date: March 11, 2021 **Location:** Microsoft Teams
Start Time: 1:00 p.m. **Finish Time:** 2:30 p.m.
Purpose: Overview and discussion of the Sites Project's Proposition 1 Benefits

Meeting Participants:

Joe Polos	Rebecca Wu	Erin Heydinger
Greg Reis	Rachel Zwilling	John Spranza
Anthony Saracino	Ryan Davis	Laurie Warner Herson
Tom Stokely	Ali Forsythe	Natalie Wolder
Ellen Wehr		

Agenda:

Discussion Topic	Topic Leader	Time Allotted
1. Introductions	Ali	10 mins
2. Group Norms	Ali / Group	5 mins
3. Background	Erin	5 mins
4. Recreation and Flood Control Benefits	Erin	10 mins
5. Ecosystem Benefits	John / Ali	35 mins
a. Yolo Bypass		
b. Refuge Incremental Level 4 Water Supply		
c. Ensuring Benefits are Realized		
d. Storage Policy and Ecosystem Water Manager		
e. Adaptively Changing Ecosystem Benefits in the Future		
6. Contract Discussions and Schedule	Ali	5 mins
7. Additional Topics from the Group	Group	15 mins
8. Action Items and Next Steps	Ali	5 mins

Proposition 1 Benefits

Overview and Discussion of the Sites Project's
Proposition 1 Benefits

March 11, 2021



Agenda

1. Introductions
2. Group Norms
3. Background
4. Recreation and Flood Control Benefits
5. Ecosystem Benefits
6. Contract Discussions
7. Schedule
8. Additional Topics from the Group
9. Action Items and Next Steps

Group Norms

- Encourage everyone to be on video
- Mute yourself when others are speaking
- Respectful, professional dialogue
- Ask questions throughout, lets have a dialogue
 - Let the speaker finish their point
 - Use the raise your hand function in Teams if needed

Background

- Proposition 1 of 2014 dedicated \$2.7 billion for investments in water storage projects
- Administered by the California Water Commission (CWC) through the Water Storage Investment Program (WSIP)
- CWC completed rigorous review process of projects, open to the public
- July 2018, CWC made maximum conditional eligibility determinations (MCEDs) for 8 projects
 - Amount of Proposition 1 funding available to a given project
- Dec 2020, CWC increased MCEDs for all remaining projects by 2.5% to account for some inflation

Prop 1 Benefits Awarded to Sites

- CWC Awarded the following benefits:
 - Ecosystem Improvement – Refuge water supply
 - Ecosystem Improvement – Yolo Bypass flows
 - Recreation
 - Flood Control

	2018 MCED	2021 MCED*	Early Funding**
Sites Project	\$816,377,686	\$836,787,128	\$40,818,884

*Additional MCED added in 2021 was to account for some inflation costs

**Early funding amount included in the MCEDs

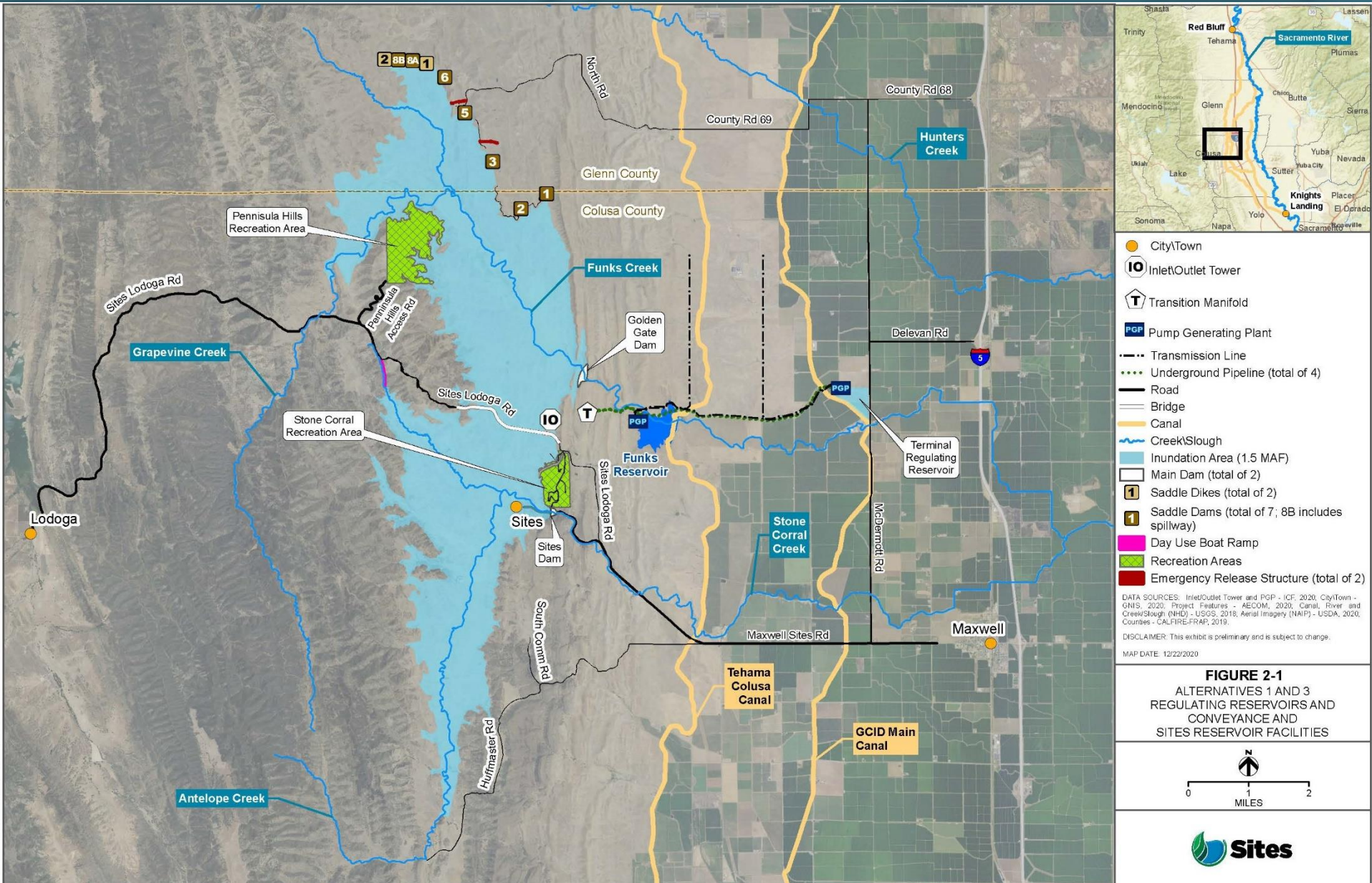
Prop 1 Benefits Cost Allocation

Benefit Category	Capital Cost Allocation
Recreation	\$197.2 million
Flood	\$44.6 million
Ecosystem Improvement	\$574.5 million
Total	\$816.3 million

Recreation Benefits

- Water-related and water-based recreation at 3 new recreation areas
 - Stone Corral Recreation Area – 235 acres, east side of Sites
 - 50 camp sites
 - 10 picnic sites
 - Hiking trails
 - Boat launch
 - Peninsula Hills Recreation Area – 373 acres, west side of Sites
 - 200 camp sites, 1 group camp
 - 10 picnic sites
 - Hiking trails
 - Day Use Boat Ramp – 10 acres, west side of Sites
- Phased approach to match interest – Stone Corral and Day Use Boat Ramp constructed first
- Estimated 187,000 users per year
- Contract with DWR for management of benefits

Recreation Area Location



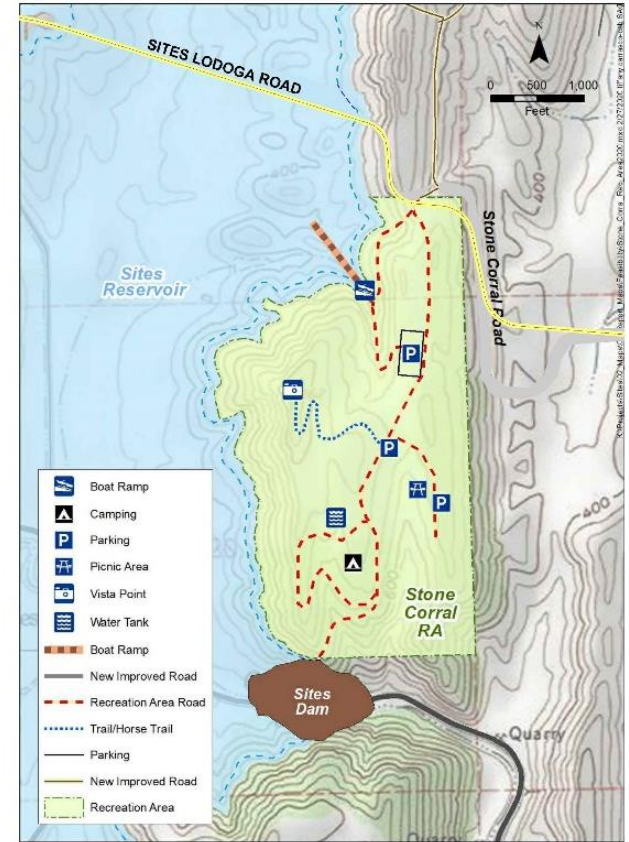
Recreation Area Schematics



DAY USE BOAT RAMP



PENINSULA HILLS RECREATIONAL AREA



STONE CORRAL RECREATIONAL AREA

Flood Control Benefits

- Local flood control benefits to town of Maxwell and adjacent agricultural lands by controlling flows
 - Funks Creek
 - Stone Corral Creek
- Provides 100-year flood protection to most of Maxwell and about 4,025 acres of ag land
- Reduce flooding of Interstate 5 in 100-year flood event
- Contract with DWR for management of benefits

Ecosystem Improvement Benefits Overview

- Fundable ecosystem improvements must “contribute to restoration of aquatic ecosystems and native fish and wildlife”
- CDFW identified Ecosystem Priorities, physical changes and the anticipated ecosystem improvements (benefits) they could provide
 - A project affects a physical change (e.g., more river flow) and the physical change has a corresponding ecosystem improvement and benefit
- Project would contract with CDFW for management of identified ecosystem benefits – \$574.5M

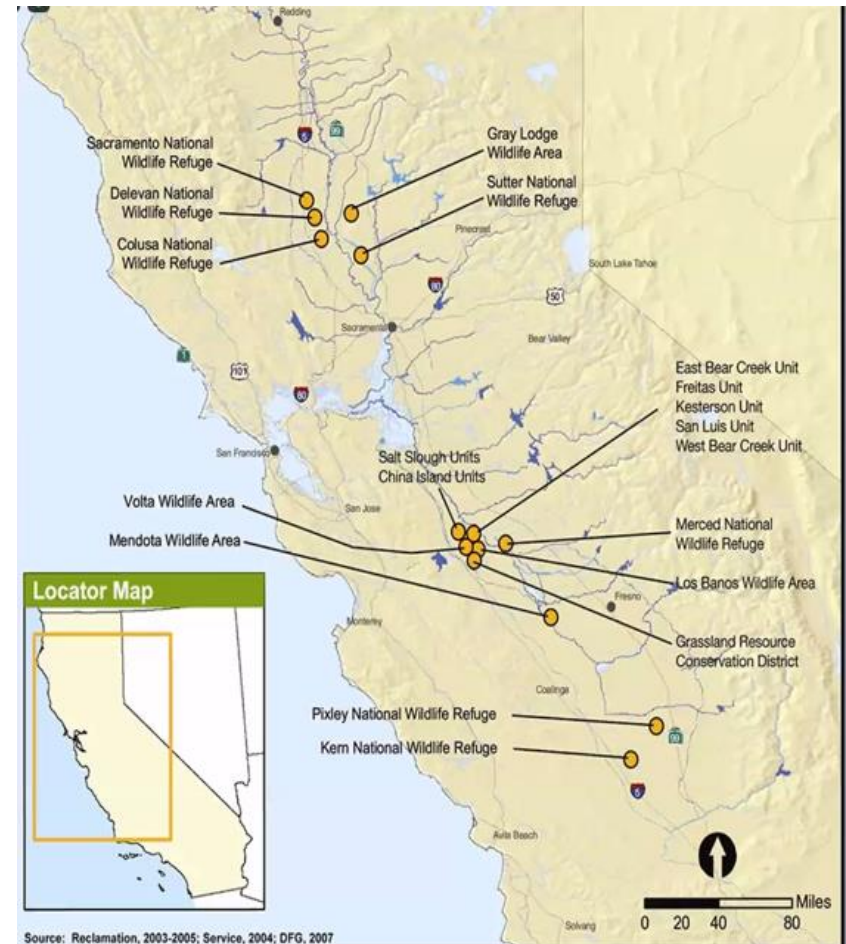
Yolo Bypass Flows Benefits

- Ecosystem Priority 10: Enhance the frequency, magnitude, and duration of floodplain inundation to enhance primary and secondary productivity and the growth and survival of fish
- August through October water deliveries to benefit Delta smelt
- Long-term average flow of approximately 30-32 TAF/year
- After delivery to the Yolo Bypass could be used as Delta outflow should State choose to



Refuge Incremental Level 4 Benefits

- Ecosystem Priority 14 (water to wetland and refuges)
- Water to enhance seasonal wetlands, permanent wetlands, and riparian habitat for aquatic and terrestrial species
- Average annual refuge water supply of approximately 20 TAF/year



Ensuring Benefits are Realized

- Contracts with
 - CDFW to administer the ecosystem benefits
 - DWR to administer the recreation and flood control benefits
- Contracts shall contain (Regs, Section 6014)
 - Adaptive management plan
 - Public benefit monitoring metrics
 - Monitoring locations, frequencies and timing
 - Metric evaluation methodology and associated threshold or trigger levels
 - Decision making process when trigger is reached
 - Funding sources and financial commitments to implement adaptive management
 - Description of benefits being administered
 - Reporting requirements
 - Assurances regarding operations, maintenance, repair, replacement
 - Provision allowing the administrating agency to inspect during construction and operations
 - Actions administrating agency may take if project fails to comply with contract

Ensuring Benefits are Realized (cont)

- Contract process
 - Drafted between CDFW or DWR and Authority
 - Draft provided to CWC for review and public review
 - Comments incorporated
 - Execution of final contract
- Necessary for final encumbrance of funds by the CWC
- Supersede any preliminary operations, monitoring, and management commitments made in the application
- Once operational, CWC tracks public benefits and provides access to data and reports

Storage Policy and Ecosystem Water Manager

- Draft Revised Storage Policy identifies that Storage Partners (including the State) are purchasing storage in Sites Reservoir
 - Provides an asset to the environment for flexible use
 - Currently envisioning that the State would have all the same rights and obligations as all other members
- Envision a CDFW Ecosystem Water Manager to manage the Proposition 1 water
 - Make annual, monthly, weekly decisions on how to use ecosystem water for the environment
 - Work with Authority as conditions change or challenges arise

Adaptively Changing Ecosystem Benefits in the Future

- Considering how to adaptively change ecosystem benefits if
 - Find that outcomes aren't being met
 - Find that there is a different/modified/greater need that isn't anticipated today
- Trying to be flexible in the contract to allow for some minor changes without contract amendment
 - Shift water from Yolo to Refuge IL4 or the other way around
 - Shift water for same purposes but different geographic area
- Larger changes likely require contract amendment (as current envisioned)

Schedule for Prop 1 Funding Activities

- Summer 2021
 - Benefits contracts “term sheets” with CDFW and DWR
- December 2021
 - Submit State ITP Applications
- By January 1, 2022
 - State Feasibility Study and CWC makes finding that project is feasible
 - Draft environmental documentation is available for public review (released scheduled for August 2021)
 - Commitment from not less than 75 percent of the non-public benefit cost shares of the project
- Late 2022
 - Draft contracts to CWC
- Spring 2023
 - All permits obtained
 - Final benefits contracts signed
- Summer 2023
 - Final funding agreement with CWC signed

Additional Topics from the Group

- Any additional questions or thoughts?

Action Items and Next Steps

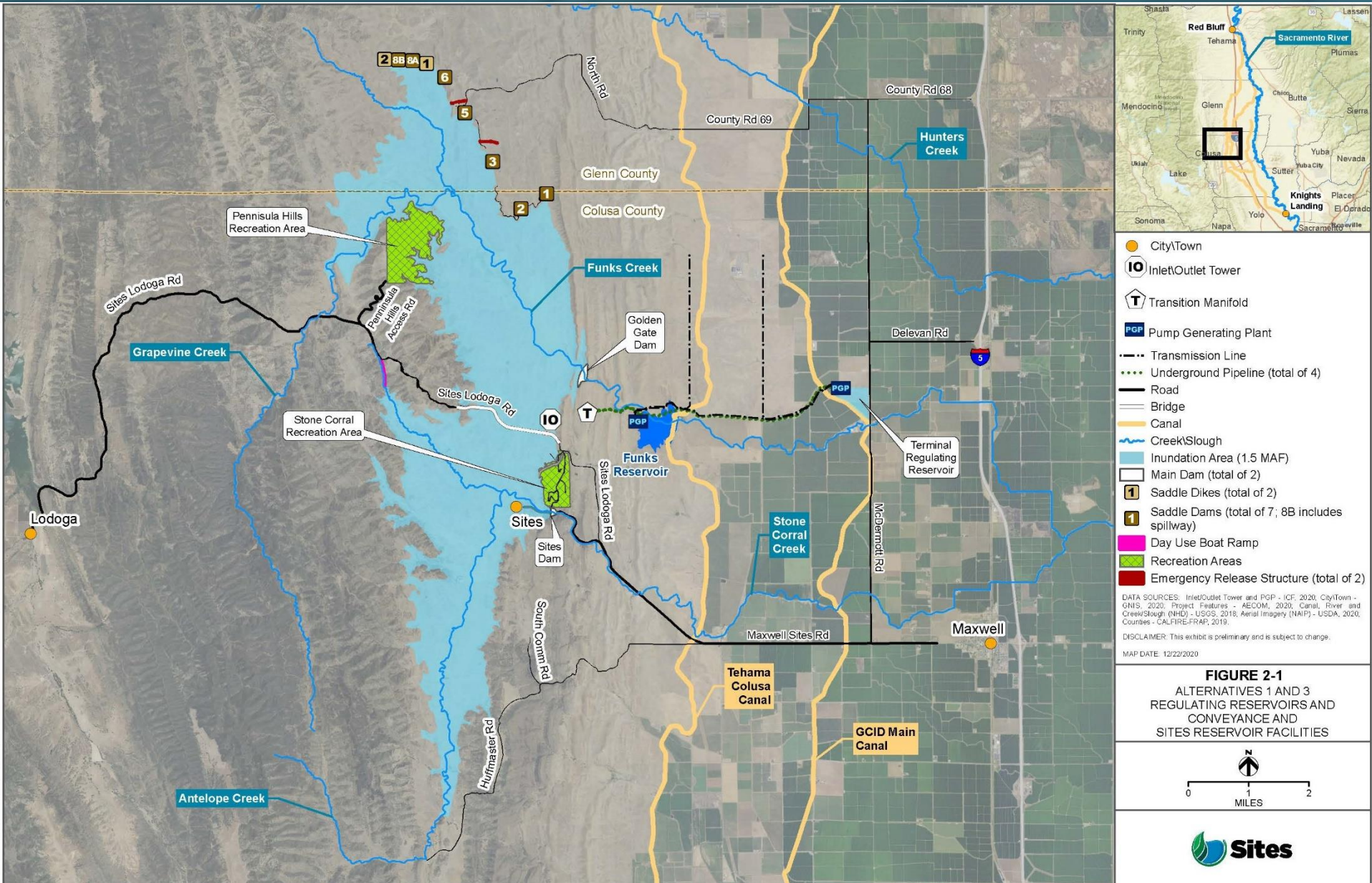
Thank you!



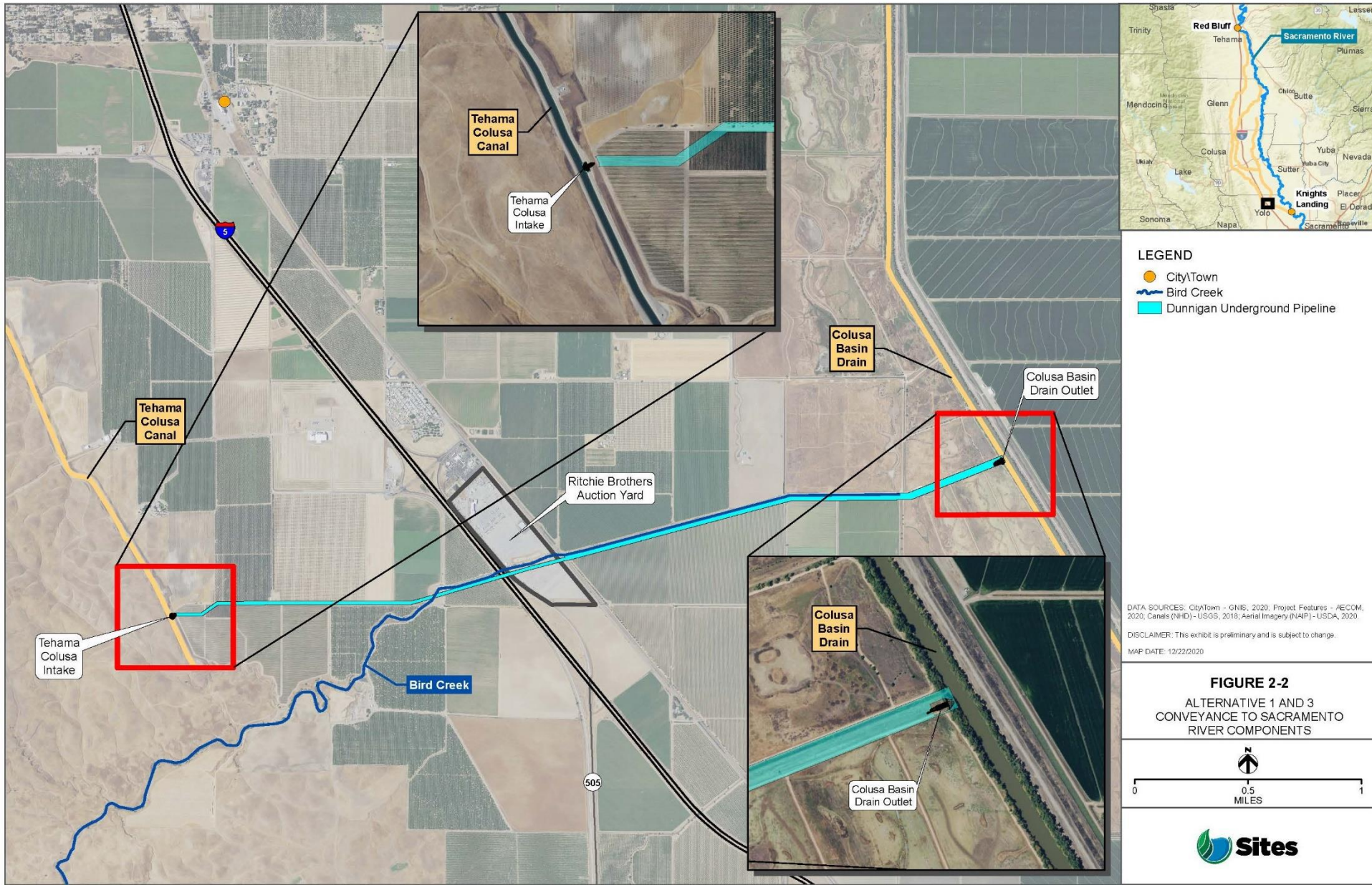
Alt 1 – Authority’s Preferred Project

Facilities / Operations	Alternative 1
Reservoir Size	1.5 MAF
Diversion(s)	Diversion from Sacramento River into existing TC Canal at Red Bluff and the existing GCID Main Canal at Hamilton City
Conveyance Release / Dunnigan Release	Release 1,000 cfs into new pipeline to the Colusa Basin Drain
Releases into Funks and Stone Corral Creeks	Specific flow criteria to maintain flows to protect downstream water right holders and ecological function
Reclamation Involvement	<ul style="list-style-type: none"> • Funding Partner up to 7% Cost-Share • Operational exchanges
DWR Involvement	Operational Exchanges with Oroville and use of SWP facilities South-of-Delta
Hydropower	Incidental power generation up to 40 megawatts each at Funks PGP and TRR PGP

Alt 1 – Preferred Project



Alt 1 – Preferred Project



Sites Project WSIP Benefits Estimates - March 2021

	DOI	
	Sites Application Original Estimates (2017)	Sites Appeal Estimates (2018)
Ecosystem Benefits	\$3,176.3	\$2,921.1
<i>Long-term Average Annual Refuge Water Supply</i>	\$675.4	\$448.1
<i>Long-term Average Annual Yolo Bypass Flows</i>	\$268.5	\$259.2
Flood Benefits	\$138.3	\$44.6
Recreation Benefits	\$191.6	\$197.2
Eligible Benefit Amount		
Total Award **		

* No finer breakdown provided by CWC

** Amount awarded is less than amount eligible for funding. Therefore, the application included

*** Analysis currently underway.

Note - Estimates are as of 3/2021. The 2021 estimates may be refined as the Authority continues

lar Based Comparison			Volu		
CDFW/DWR Staff Estimates after Appeal Meetings (2018)	CWC Awarded (2018)*	Current Project Benefit Assumption (3/2021)	Sites Application Original Estimate TAF (2017)	Value of Ecosystem Benefit per WSIP Application Process	CWC Awarded
\$766.4		\$574.5			
\$432.9			32.00	\$432.9	\$574.5**
\$333.5			39.00	\$333.5	
\$44.6		\$44.6	N/A		
\$197.2		\$197.2	N/A		
\$1,008.3					
	\$816.3	\$816.3			

benefits that were not funded by the CWC.

to develop its State Feasibility Report. Informaton is preliminary.

Time Based Comparison

Unfunded Project Benefits	Sites Current Estimate TAF (3/2021) - DRAFT	Current Project Benefit Estimates (2021)	Current Approximate Sum of Refuge and Yolo Flow Benefits (2021)
[-\$191.9M]	21.00 33.00 N/A N/A	TBD*** TBD***	TBD***