

Maxwell Intertie Meeting 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: August 4, 2022 **Location:** Microsoft Teams
Start Time: 9:00 a.m. **Finish Time:** 10:00 a.m.
Purpose: Discuss Status of NEPA, ESA and Section 106 Process and Relationship to Sites Project

Meeting Participants:

Lisa Butler, USDA Ali Forsythe, Sites Authority Cheyanne Harris, Sites Integration
Mike Colbert, USDA Derek Gardels, Sites Integration Laurie Warner Herson, Sites Integration

Agenda:

Discussion Topic	Topic Leader	Time Allotted
1. Introductions	All	10 min
2. Maxwell Intertie Project	Ali/ USDA	15 min
a. Status of Environmental Compliance to Date		
3. Sites Reservoir Project	Ali	15 min
a. Relationship to Maxwell Intertie Project		
b. Status of Environmental Compliance		
4. Next Steps	All	15 min
a. Lead/Cooperating Agency Roles		
b. Maxwell Intertie Section 106 Process		
c. Other		

Maxwell Intertie Project

Status of the Project and Relationship with Sites Reservoir Project

August 4, 2022



Meeting Agenda

- Introductions
- Maxwell Intertie Project
 - Status of Environmental Compliance
- Sites Reservoir Project
 - Project Description
 - Relationship to Intertie
 - Status of Environmental Compliance
- Next Steps

Maxwell Intertie Project

- Authority applied for a USDA Rural Development Community Facilities direct loan to assist in the financing of the construction of the Maxwell Water Intertie (MWI) facilities.
- MWI facilities would connect the existing Tehama Colusa Canal (TC Canal) and the existing Glenn Colusa Irrigation District's (GCID) Main Canal
 - Increase water management flexibility and improve water supply resiliency for participants during dry years
 - Increase the efficiency and reliability of water management in the western Sacramento Valley

Maxwell Intertie Project Facilities

- Proposed facilities as described in 2018 include:
 - 1,200-acre-foot capacity Terminal Regulating Reservoir (TRR) covering 130 acres with a spillway to the local irrigation ditch system and bottom drain, both of which ultimately connect to Funks Creek
 - TRR Pumping Plant with a 900-cfs pumping capacity, a 1-acre electrical switchyard adjacent to the plant, and a 3.5-mile power line
 - GCID Main Canal Connection to TRR including a gated inlet control structure, short inlet channel, and concrete canal lining in the GCID Main Canal immediately upstream and downstream of the TRR connection
 - 3.5-mile MWI pipeline sized for 900 cfs pumped capacity and 900 cfs gravity flow capacity, private access bridge over the GCID Main Canal for construction access and maintenance of the pipelines, and a 2.7-mile gravel access road that would run most of the length of the MWI pipeline alignment

Status of Environmental Compliance

- NEPA Environmental Assessment (EA)
 - USDA issued Draft EA in August 2018
 - Final EA September 2018
 - FONSI dated September 24, 2018
- ESA Section 7
 - Consultation August-September 2018
 - Expedited Biological Opinion issued in 2018
- Section 106
 - Nationwide Programmatic Agreement (NPA)
 - USDA 8/17/2018 notice to SHPO
 - Intent to use the USDA RD NPA
 - “Once we have determined the final Area of Potential Effect (APE) RHS and the Authority will initiate a section 106 review and provide you with a complete project description and a description of the APE”
 - NPA Applicant Awareness Certification signed by the Authority

EA Mitigation

Land Use

Geology and Paleontological Resources

Air Quality and Climate Variability

Water Resources

Biological Resources

- Wildlife and Special-Status Species

- Vegetation and Special-Status Species

- Wetlands

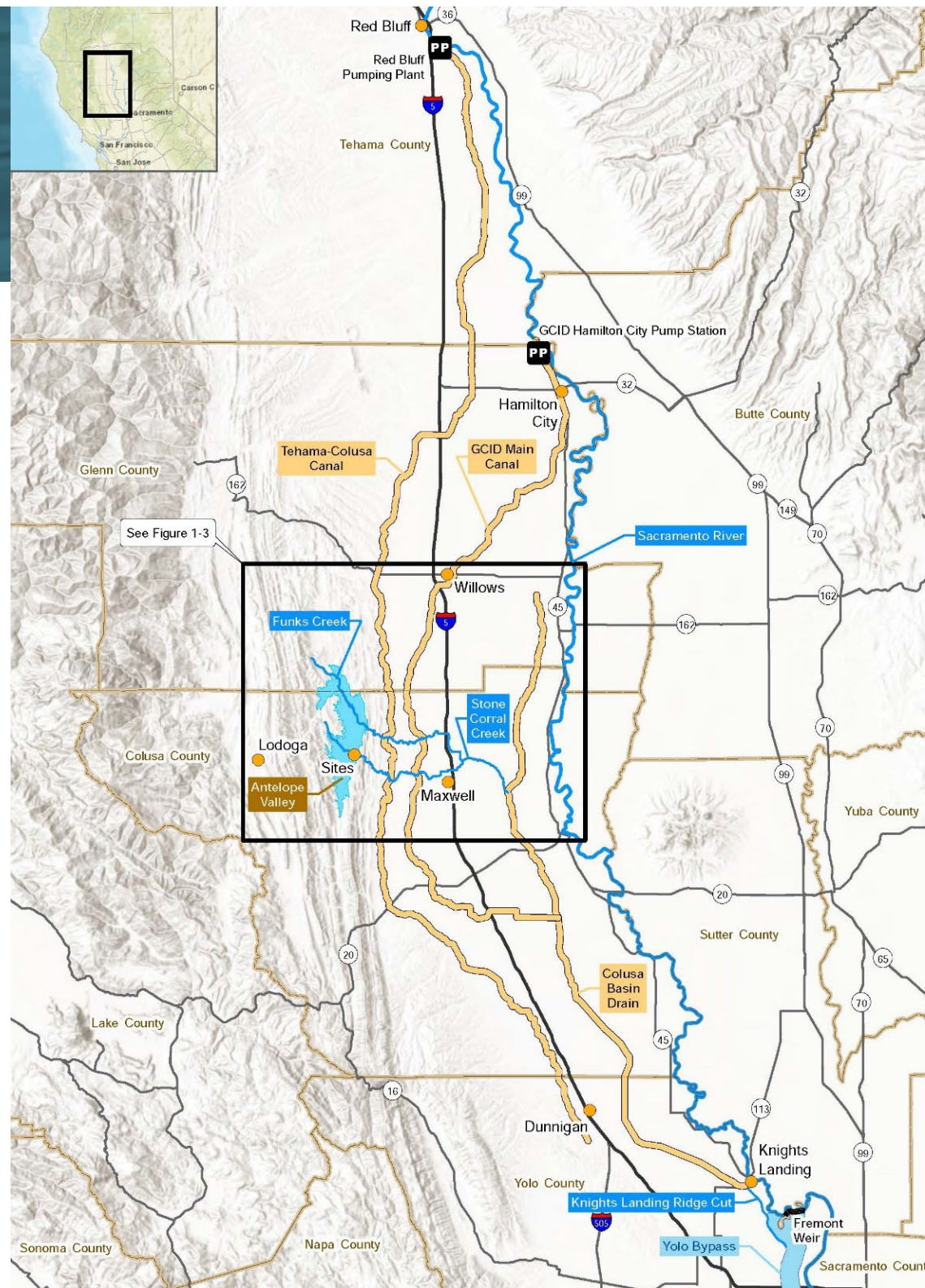
Aesthetics and Visual Resources

Maxwell Intertie Funding Commitments

- USDA's action consisted of the conditional approval of the Community Facilities direct loan
 - Not a final project approval
 - Requires all conditions outlined by USDA to be fulfilled before the closure of the loan and the loan funds are dispersed
- Requires completion of:
 - Additional technical analyses
 - Additional details on financing and participation
 - All environmental reviews and permits

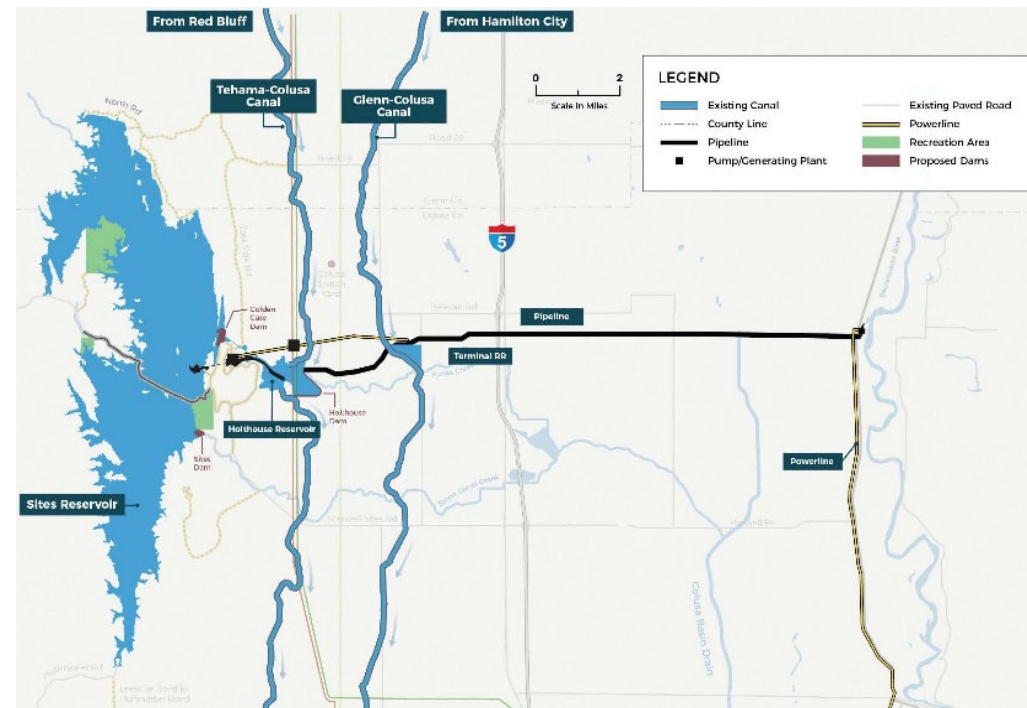
Sites Reservoir

- Proposed off-stream reservoir west of Maxwell, CA
- Divert water from the Sacramento River in higher flow conditions
- Store water in the new Sites Reservoir for later use by farms, cities, and the environment
- Sites Reservoir Authority would build, own, and operate Sites Reservoir
- Funded by State and Federal governments and public water agencies
- A key tool to help the state restore flexibility, reliability, and resilience to our statewide water supply



Sites Reservoir Project

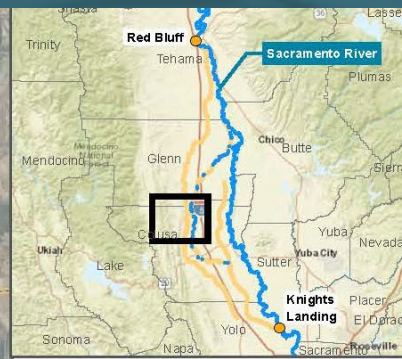
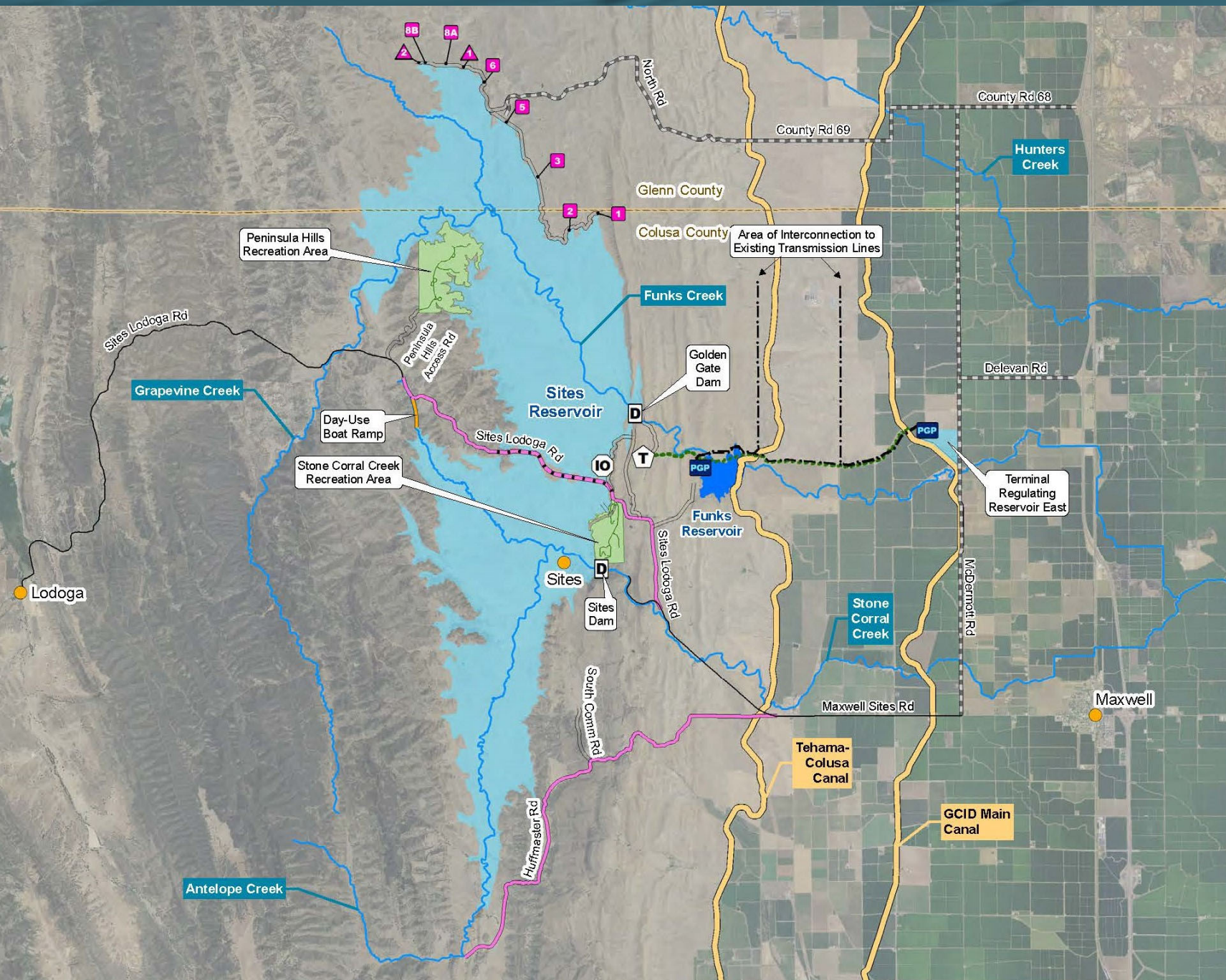
- 2017 Project
 - 1.8 million acre-foot reservoir
 - 3 intakes (about 6,000 cfs diversion capacity in total)
 - New Delevan Pipeline and intake
 - Pump/generation facility
 - Draft EIR/EIS August 2017
- 2019/20 Project modifications
 - Facilities and footprint
 - Operations
 - Conveyance
 - Release to Colusa Basin Drain



Alternatives Considered in the 2021 Revised Draft EIR/Supplemental Draft EIS

Facilities / Operations	Alternative 1 – Authority’s Preferred Project	Alternative 2	Alternative 3
Reservoir Size	1.5 MAF	1.3 MAF	1.5 MAF
Hydropower	Incidental upon release	Same as Alt 1	Same as Alt 1
Diversion Locations	Red Bluff Pumping Plant and Hamilton City	Same as Alt 1	Same as Alt 1
Conveyance Release / Dunnigan Release	1,000 cubic feet per second (cfs) into new Dunnigan Pipeline to Colusa Basin Drain	1,000 cfs into new Dunnigan Pipeline to Sacramento River. Partial release into the Colusa Basin Drain	Same as Alt 2
Terminal Regulating Reservoir (TRR)	Construction of TRR PGP and TRR pipelines; TRR East location	Construction of TRR PGP and TRR pipelines; TRR West location	Same as Alt 1
Reclamation Involvement	<ol style="list-style-type: none"> 1. Funding Partner 2. Operational Exchanges <ol style="list-style-type: none"> a. Within Year Exchanges b. Real-time Exchanges 	Operational Exchanges <ol style="list-style-type: none"> a. Within Year Exchanges b. Real-time Exchanges 	Same as Alt 1, but up to 25% investment
Route to West Side of Reservoir	Bridge across reservoir	Paved road around southern end of reservoir	Same as Alt 1

Alternative 1 and 3 Facilities



Project Features

- City/Town/Community
- Existing Roads
- Canal
- Creek/Slough
- Inundation Area (1.5 MAF)
- Underground Pipeline (total of 4)
- Access Roads
- Road Improvements
- Road Realignment
- Transmission Line
- Day-Use Boat Ramp
- Recreation Areas
- Main Dam (D)
- Inlet/Outlet Tower (IO)
- Transition Manifold (T)
- Pumping Generating Plant (PGP)
- Saddle Dikes (total of 2)
- Saddle Dams (total of 7; 8B in cludes spillway)
- Bridge with Prism Fill

DATA SOURCES: Inlet/Outlet Tower and PGP - ICF, 2020; City/Town - GNIS, 2020; Project Features - AECOM, 2020; Canal, River and Creek/Slough (NHD) - USGS, 2018; Aerial Imagery (NAIP) - USDA, 2020; Counties - CALFIRE-FRAP, 2019.

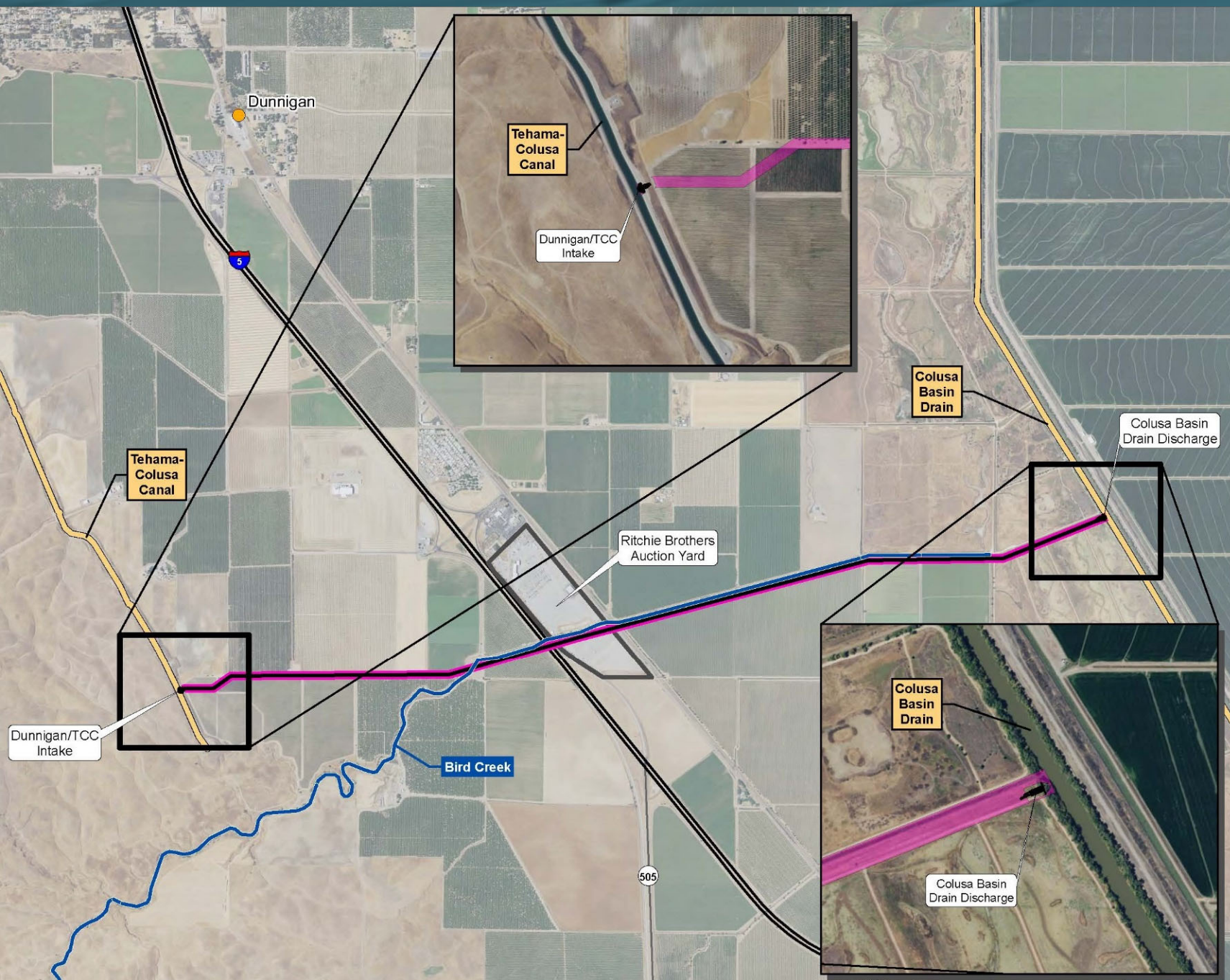
DISCLAIMER: This exhibit is preliminary and is subject to change.

MAP DATE: 7/9/2021

FIGURE 2-1
ALTERNATIVES 1 AND 3 REGULATING RESERVOIRS AND CONVEYANCE AND SITES RESERVOIR FACILITIES

0 1 2
MILES

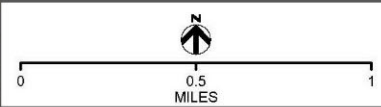
Alternative 1 and 3 Facilities (cont)



- LEGEND**
- City/Town/Community
 - Bird Creek
 - Dunnigan Underground Pipeline

DATA SOURCES: City/Town - GNS, 2020. Project Features - AECOM, 2020. Canals (NHDI) - USGS, 2018. Aerial Imagery (NAIP) - USDA, 2020.
 DISCLAIMER: This exhibit is preliminary and is subject to change.
 MAP DATE: 6/22/2021

FIGURE 2-2
 ALTERNATIVES 1 AND 3
 CONVEYANCE TO SACRAMENTO
 RIVER COMPONENTS



Sites - Status of Environmental Compliance

- CEQA/NEPA
 - Revised Draft EIR/Supplemental Draft EIS circulated for public review and comment November 12, 2021
 - Comment period closed January 28, 2022
 - Final EIR/EIS to be completed early 2023
- ESA Section 7
 - Admin Draft BA under review
 - Reclamation Section 7 lead
- Section 106
 - Draft Programmatic Agreement under review
 - Reclamation Section 106 lead
 - Army Corps signatory agency

EIR/EIS Mitigation

Agricultural Resources
Geology and Paleontological Resources
Air Quality
Greenhouse Gases
Water Quality
Biological Resources

- Wildlife and Special-Status Species
- Vegetation and Wetlands
- Aquatic Species

Cultural Resources
Tribal Cultural Resources

Relationship Between Sites and the Maxwell Intertie

- Common Components and Purpose
 - Both would connect the existing Tehama-Colusa Canal and the existing Glenn Colusa Irrigation District's Main Canal
 - Components include:
 - Construction and operation of the of Terminal Regulating Reservoir (TRR), either at the TRR East or TRR west location
 - Construction of the TRR Pumping Generating Plant and TRR pipelines

Relationship Between Sites and the Maxwell Intertie

- Independent Utility
 - MWI can operate independently of the overall Sites Project
 - If the Sites Project is not built, the MWI can still be constructed and operated to provide critical water management and reliability benefits to the western Sacramento Valley
- Maximized Benefits
 - If MWI is developed and operated in conjunction with the overall Sites Reservoir Project, the project's benefits would greatly expand the efficiency, resiliency and reliability of water management throughout California, including important benefits to rural communities throughout the state
- Generally covering Maxwell Intertie in the Sites Project environmental compliance

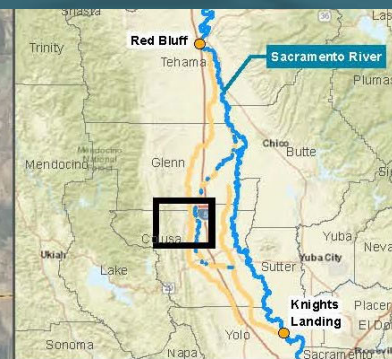
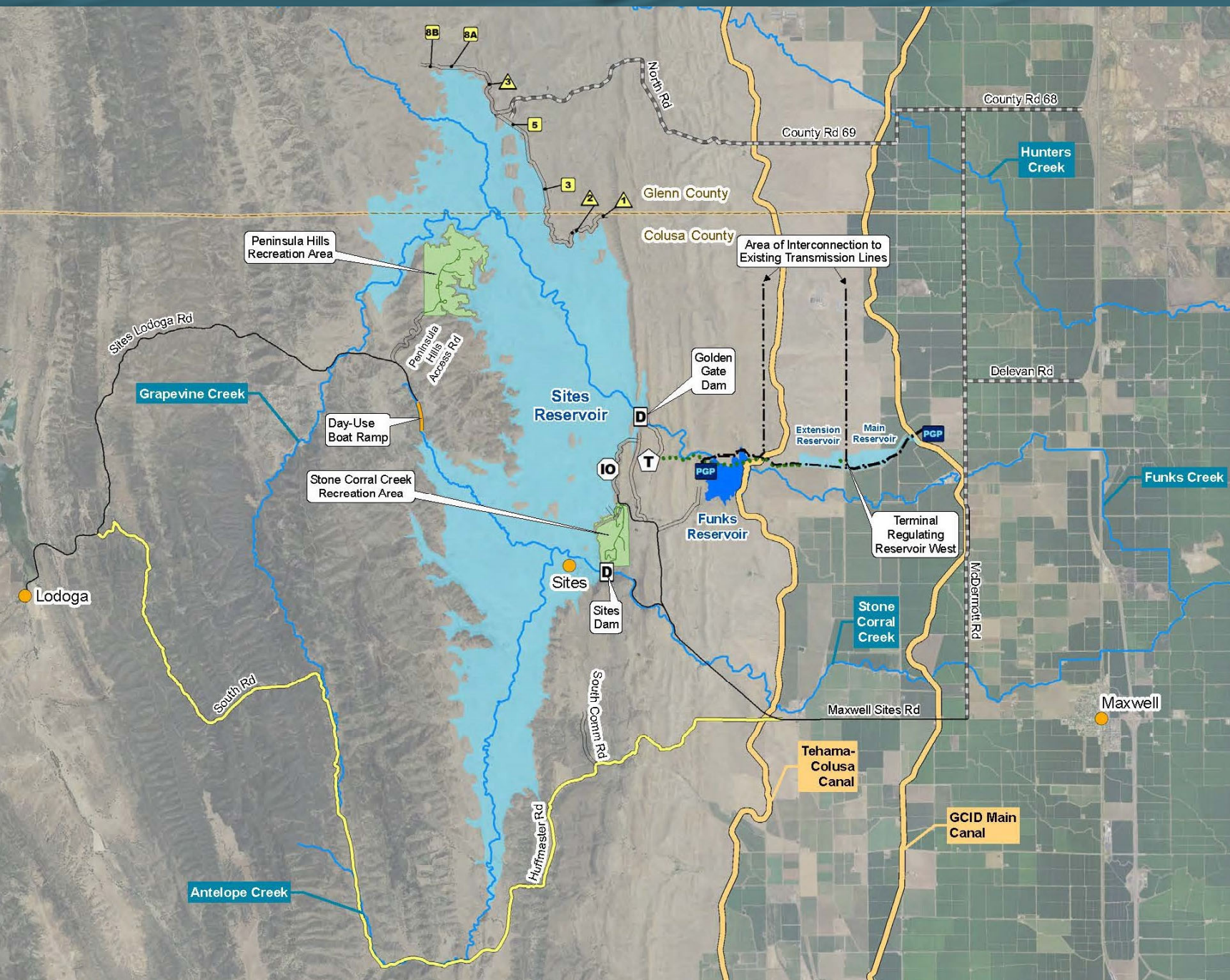
Next Steps

- What are the remaining environmental compliance efforts for the MWI Project? Timing of these?
- How best to move forward with remaining environmental compliance efforts to MWI Project?
 - Currently folded into Sites Project
 - USDA use Reclamation's EIS, ESA Section 7 and Section 106 PA?

Questions



Alternative 2 Facilities



Legend

- City/Town/Community
- Existing Roads
- Canal
- Creek/Slough

Project Features

- Inundation Area (1.3 MAF)
- Underground Pipeline (total of 4)
- Access Roads
- Road Improvements
- Road Realignment
- Transmission Line
- Day-Use Boat Ramp
- Recreation Areas
- Main Dam
- Inlet/Outlet Tower
- Transition Manifold
- Pumping Generating Plant
- Saddle Dikes (total of 3)
- Saddle Dams (total of 4; 8B in cludes spillway)

DATA SOURCES: Inlet/Outlet Tower and PGP - ICF, 2020; City/Town/Community - GNIS, 2020; Project Features - AECOM, 2020; Canal, River and Creek/Slough (NHD) - USGS, 2018; Aerial Imagery (NAIP) - USDA, 2020; Counties - CALFIRE-FRAP, 2019.

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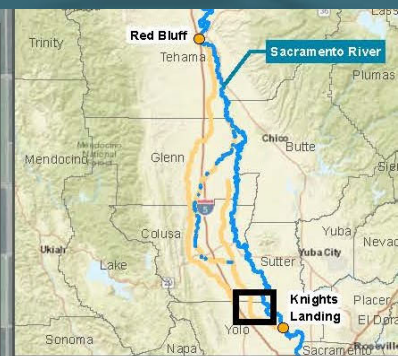
MAP DATE: 7/21/2021

FIGURE 2-3
ALTERNATIVE 2
REGULATING RESERVOIRS AND
CONVEYANCE AND
SITES RESERVOIR FACILITIES

0 1 2
MILES

Sites

Alternative 2 Facilities (cont)



LEGEND

- City/Town/Community
- Bird Creek
- Dunnigan Pipeline

DATA SOURCES: City/Town - GNIS, 2020; Project Features - AECOM, 2020; Canals (NHD) - USGS, 2018; Aerial Imagery (NAIP) - USDA, 2020

DISCLAIMER: This exhibit is preliminary and is subject to change.

MAP DATE: 6/24/2021

FIGURE 2-4
ALTERNATIVE 2 CONVEYANCE TO
SACRAMENTO RIVER COMPONENTS





August 31, 2022

Lisa M. Butler
Community Facilities Programs Director
Rural Development
United States Department of Agriculture
3530 W. Orchard Ct.
Visalia, CA 93277

Subject: Sites Project Authority Request for Extension of Letter of Conditions for a Community Facilities Program Loan to Construct the Maxwell Water Intertie

Dear Mrs. Butler, ~~LISA~~ **LISA**

The Sites Project Authority (Authority) is writing to express and demonstrate its continued commitment to developing the Maxwell Water Intertie (MWI) alongside the Sites Reservoir Project (Project). The Authority received a letter of conditions dated September 26, 2018, from the U.S. Department of Agriculture (USDA) relating to a USDA loan of \$449,559,000. This letter, along with the body of work completed to date in developing the Project, represents the Authority's commitment to advancing the MWI and working with USDA Rural Development to make the necessary adjustments to extend the date by which the USDA Loan needs to be executed to reflect the most current updated Project schedule.

The project and agency background information, along with the review of funding sources provided within the remainder of this letter, demonstrates the Authority's commitment to advancing the MWI.

This letter is a formal request to extend the effective date of the Letter of Conditions by one year (i.e., from September 26, 2022, to September 26, 2023). Based on the current schedule, the Letter of Conditions will need to be updated again prior to execution of the loan agreement as construction is not anticipated to be complete until September of 2029.

Project and Agency Background

The Congress of the United States of America and the California State Legislature have declared that the Sacramento-San Joaquin Delta watershed and California's water infrastructure are in crisis, and they have encouraged regional and local public agencies to form joint powers authorities to improve the operation of the State of California's water system. The Project has been identified by the State and the federal government as an important component of integrated water management in the Sacramento River watershed that could support the state's co-equal policy to improve water management and restore the ecological health for beneficial uses of the Sacramento-San Joaquin Delta and the Sacramento River Watershed in a manner consistent with the CALFED Bay-Delta Programmatic Record of Decision and Environmental Impact Report/Environmental Impact Statement.

The Authority was formed in 2010 as a joint exercise of powers agency duly organized and existing under and pursuant to the Constitution and laws of the State and a fourth amended and restated Sites Project Authority Joint Exercise of Powers Agreement, dated November 21, 2016 (JPA Agreement) and governed by an Authority Board for the purpose of developing the Project. The JPA Agreement provides the mechanism for project agreements to undertake specific work activities to develop the Project and commits the signatories to certain Project cost obligations. The Project Participants, which include water agencies, cities, counties, and districts, participate in the development of the Project through a Reservoir Committee. The Reservoir Committee currently acts in an advisory and funding capacity to the Authority Board.

The Authority released a Draft Environmental Impact Report/Draft Environmental Impact Statement in 2017, received comments, and proceeded to define a more affordable, permittable, and buildable Project through the value-planning process that culminated in the April 2020 approval of the value-planning report and the decision to recirculate the draft environmental documents. While the value-planning report adjusted project facilities, there was a commitment to continued delivery of the Project.

As a showing of organizational and governance commitment to the Project, the Reservoir Committee and Authority unanimously adopted a Strategic Plan in December 2020 to update the Authority's mission to build and operate a climate-resilient, 21st-century water storage system to responsibly manage and deliver water, improve the environment, and provide flood control and recreation benefits. Since then, the Authority has advanced the design of the Project through engineering and field explorations that have culminated in the current 10% design-level project engineering and have completed a Feasibility Project Cost Estimate for the Project, which was recommended for approval by the Reservoir Committee and unanimously adopted by the Authority on June 23, 2021.

A Revised Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) was released for public review and comment on November 12, 2021 with respect to the Project. The public comment period concluded on January 28, 2022. The Authority and Reclamation received 101 comment letters including a single form letter sent by 113 individuals. The Authority and Reclamation have numbered all comments and began preparation of responses to comments and the Final EIR/EIS.

In November 2021, the Authority submitted the Final State Feasibility Report and 75% Non-Public Cost Share Materials to the California Water Commission (CWC) staff to satisfy the Proposition 1 eligibility requirements as part of the Water Storage Investment Program (WSIP). In December 2021, the CWC determined the Project to be feasible – deeming the project eligible for the full WSIP final award.

Consistent with the USDA's Nationwide Programmatic Agreement, the Authority has initiated the activities called for in Section 3.7.2.2 of the Final EA. The Authority prepared the confidential Sites Reservoir Project Cultural Resources Report based on prior study information, updated

records searches, and historical map research. The confidential Report was prepared to inform the Authority's Sites Reservoir Project, which also includes the MWI Project area. The effort to identify cultural resources for the confidential Report included a review of state inventory records searches at the California Historical Resources Information Center (CHRIS), Authority and DWR records, Native American consultation and historical societies outreach, archival and public records research, previous archaeological field survey, and previous historical resources surveys and evaluations applicable to the study area. The Authority has also initiated discussions and consultation with Native American Tribes under State Assembly Bill 52 on the overall Sites Reservoir Project which also includes the MWI Project area. These discussions and consultations are ongoing. The Authority's Board of Directors recently approved land access agreements and the Authority is pursuing obtaining land access to complete on-the-ground surveys in the coming years. Any properties identified during surveys will be recorded and evaluated, applying National Register Criteria, 36 CFR 60.4.

Construction on the MWI is expected to start in February 2025 with substantial completion in September 2029.

Project Funding Sources

1. Project Members

Building on the contributions already received from the Project Members and Authority Board to date under the JPA Agreement and various project agreements, the Reservoir Committee unanimously recommended, and the Authority Board unanimously approved, a third amendment (Amendment 3) to the 2019 Reservoir Project Agreement (Project Agreement) in September 2021 to fund work through December 31, 2024. Each Project Member has worked with its respective home agency to execute the Project Agreement.

Project Members' approval of the Project Agreement and Work Plan represents a significant milestone in progressing the Project. This level of coordinated, stepwise partnering among local, state, and federal investment is exactly the approach that Congress and the State Legislature framed in establishing their related actions and directions for this new way of developing these multi-benefit and multi-agency statewide storage projects.

2. Federal Funding

The Final Federal Feasibility Report was submitted to Congress on December 22, 2020, and the Secretary of Interior made the determination of federal feasibility and federal investment of up to a 25 percent cost share under the Water Infrastructure Improvements for the Nation (WIIN) Act. These funds represent another source of committed cost share for the Project benefits.

In addition to federal investment through the WIIN Act, the Authority is pursuing federal low-interest loans to cover Project costs. These loans include a USDA Rural Development Loan (the

subject of this letter, as discussed above) for the MWI and an EPA WIFIA loan for all eligible components of the Sites Reservoir Project.

In July 2021, the Authority submitted a letter of interest under the Water Infrastructure Finance and Innovation Act (WIFIA) to the U.S. Environmental Protection Agency (EPA) declaring the Authority's interest in participating in the WIFIA loan program. In March 2022, the EPA invited the Authority to apply for a WIFIA loan up to 49% of eligible project costs (EPA WIFIA loan is currently estimated to be approximately \$2.2 billion for eligible components of the Sites Reservoir Project). The Authority plans to submit the full WIFIA Application by March of 2023 and to execute a final WIFIA loan agreement with EPA in 2024.

3. State Funding

The State of California provides funding for Project development activities through an Early Funding Agreement administered by the California Water Commission under Proposition 1 Water Storage Investment Program (WSIP). In December 2021, the CWC deemed the Project eligible for the full WSIP final award. The previous and ongoing agreements, expenditures, and Project development since the 2018 letter of conditions, together with the ongoing statewide and diverse partnerships among local, state and federal agencies, demonstrate an established commitment of cost-sharing that is expected to endure through the Project securing full funding.

Summary

In summary, this letter is a formal request to extend the effective date of the Letter of Conditions one year (i.e., from September 26, 2022, to September 26, 2023). Thank you in advance for your continued support. The Authority is committed to continuing to partner with the State and Federal government to develop this generational Project.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Brown". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Jerry Brown, Executive Director
Sites Project Authority

Maxwell Intertie Section 106 Technical Memorandum



To: File
CC: Ali Forsythe
Date: August 31, 2022
From: Laurie Warner Herson
Subject: Status of Section 106 Activities for the Maxwell Intertie Project

1.0 Introduction

The U.S. Department of Agriculture (USDA), Rural Development (RD) has requested that the Sites Project Authority (Authority) demonstrate that Section 106 of the National Historic Preservation Act (Section 106 or Section 106 of the NHPA) compliance efforts for the Maxwell Intertie Project (MWI) have progressed since the 2018 Environmental Assessment/Finding of No Significant Impact (EA/FONSI) and the conditional approval of the Community Facilities direct loan application. This technical memorandum provides a summary of the EA commitments, Section 106 requirements under the USDA Nationwide Programmatic Agreement (NPA), and the status of Section 106 compliance activities relevant to the MWI.

2.0 Background

In 2018 the Authority applied for a USDA Rural Development Community Facilities direct loan to assist in the financing of the construction of the proposed MWI facilities, located in Colusa County, California. The proposed MWI facilities would connect the existing Tehama Colusa Canal (TC Canal) and the existing Glenn Colusa Irrigation District's (GCID) Main Canal to increase water management flexibility and improve water supply resiliency for Authority participants during dry years. The MWI would also increase the efficiency and reliability of water management in western Sacramento Valley.

2.1 NEPA Environmental Assessment

Prior to taking a federal action (i.e., providing financial assistance), USDA is required to complete an environmental impact analysis in accordance with the National Environmental Policy Act of 1969 (NEPA), the Council on Environmental Quality's (CEQ) regulations for implementing NEPA, and USDA's NEPA implementing regulations, Environmental Policies and Procedures. After completing an independent analysis of an environmental report prepared by the Authority and its consultant, USDA concurred with its scope and content. USDA adopted the report and issued it as the Agency's EA for the proposed MWI, finding it consistent with federal regulations and that it met the standards for an adequate assessment. USDA released the Draft EA (USDA 2018a) for public review in August 2018. A Final EA (USDA 2018b) was completed in September 2018 and includes the USDA FONSI, dated September 24, 2018.

2.2 Section 106

As noted in the FONSI, the USDA considers the federal action (i.e., providing financial assistance) an undertaking subject to review under Section 106 of the NHPA, 16 USC 470(f), and its implementing regulation, "Protection of Historic Properties" (36 CFR Part 800). On August 17, 2018, the USDA sent a notification to the California State Historic Preservation Officer (SHPO), stating:

*"This memo is to inform you that the USDA has chosen to apply the Programmatic Agreement among the U.S. Department of Agriculture Rural Development Programs, National Conference of State Historic Preservation Officers, Tribal Signatories, and The Advisory Council on historic Preservation for Sequencing Section 106 (NPA) for the Project construction work plan."*¹

... Once we have determined the final Area of Potential Effect (APE), RHS [Rural Housing Service] and the Authority will initiate a section 106 review and provide you with a complete project description and a description of the APE"

A copy of the NPA was attached to the notification sent to SHPO. The NPA was also appended to the Final EA (USDA 2018, Appendix D). On August 17, 2018, the Authority's General Manager signed a NPA Applicant Awareness Certification acknowledging, among other items, that:

1. As the applicant the Sites Project Authority (Authority) understands that to use the NPA it must "initiate Section 106 no later than ninety (90) business days after the announcement of the Authority's obligation if it has not done so already; and to notify the appropriate RD agency that Section 106 has been initiated in accordance with 36 CFR Part 800.2(c)(4), and 7 CFR Part 1970.5(b)(2) of the regulations, "Environmental Policies and Procedures" (7 CFR Part 1970)", per Stipulation I.C of the NPA.

USDA's action consisted of the conditional approval of the Community Facilities direct loan and not a final project approval. The Authority is required to meet all conditions outlined by USDA in their letter of September 26, 2018 (USDA 2018c), before the closure of the loan and the loan funds are dispersed. This includes (but is not limited to) the completion of:

- Additional technical analyses
- Additional details on financing and participation
- All environmental reviews and permits

3.0 EA/IS and NPA Section 106 Requirements

The Maxwell Intertie EA (USDA 2018b) addresses a range of resources, including cultural resources. A preliminary APE was developed for the project and is shown in Attachments A and B (Figures 3.7-1a and 3.7-1b, respectively). As noted in Section 3.7.2.2 of the EA:

¹ Standard reasons cited for use of the NPA included: 1) Because the schedule may span one to five years or longer, can be composed of multiple projects that are rarely staked or precisely located and/or the nature of the undertaking is often unclear, prior to the obligation of funds; and 2) The applicant does not have the financial wherewithal to fund Section 106 reviews, and/or the analysis of alternatives, without some level of confidence that RD's low interest funding or grants will be available to assist them.

“Portions of the APE have been previously studied for archaeological and built environment cultural resources in support of the proposed Sites Reservoir Project (URS 2013a, 2013b) and their results are applicable to the MWI project. This section provides a summary of the results of those studies, as they pertain directly to the MWI project.”

Attachment C (Figure 3.7-2 of the EA) illustrates areas that were previously studied. Based on earlier studies, it was determined that the following known resources are located within or adjacent to the APE:

- The Glenn Colusa Irrigation District Main Canal appears eligible for inclusion to the National Register of Historic Places (NRHP) under Criteria A and C² (URS 2013a)
- Funks Dam as a built environment resource
- Archaeological resources, including human remains, are known to exist in the currently inundated Funks reservoir

No new or additional studies were undertaken in preparation of the EA. Nor was there any consultation with Native American tribes. Instead, the EA states that the Authority, under the direction of USDA, will comply with the requirements of Section 106 by implementing the NPA. These requirements include the following NPA stipulations and associated studies/activities, as described in the EA and summarized below:

Stipulation V. Identification and Evaluation of Historic Properties

“A. ...the Applicant [the Authority] working on RECDS’ [Rural Economic and Community Development Services] behalf shall consult with the appropriate Information Center and Interested Persons to identify historic properties within the APE. These identification efforts shall extend to all buildings, structures, objects, archeological sites, and sites that may have special importance to Native Americans or other Interested Persons and appear to be fifty (50) or more years old. RECDS will assess the recommendations of the Information Center and conduct any surveys that RECDS determines necessary...”

B. The RECDS shall evaluate each property identified pursuant to Stipulation V. A. by applying the National Register Criteria, 36 CFR 60.4, in consultation with the SHPO to each property within the APE. The RECDS shall notify the SHPO in writing of its determinations regarding the National Register eligibility...”

Specific activities identified in the EA include:

- The project applicant will request a record search from the Northwest Information Center of the California Historical Resources Information System at Sonoma State University to determine if additional cultural resources studies have been conducted, or if additional cultural resources have been recorded or evaluated, in addition to those reported herein, within the MWI APE and a 0.5-mile search buffer...
- In order to identify resources that may have special importance to tribes and the public, the Authority will contact local Native American tribes, historical societies, and other interested

² The RECDS has determined that there will be no adverse effect to the historic property, pursuant to 36 CFR 800.4(d)(1).

persons, as appropriate to gather additional information about potential cultural resources within the APE.³

- The USDA will ensure that the project proponent will conduct an archaeological survey of the acreage within the project's APE that has not previously been examined to identify previously unrecorded archaeological sites. All sites identified will be recorded on the appropriate pages of California Department of Parks and Recreation (DPR) form 523. Recordation will include photodocumentation, and the site location will be recorded with a global positioning system unit. Furthermore, any built environment resources that are 50 years old, or are soon to be 50 years old, that have not previously been recorded will be documented on appropriate DPR form 523 pages. At a minimum, Funks Reservoir and the TC Canal will be recorded.
- Should archaeological sites be identified during the survey effort, data would be gathered that would allow each site to be evaluated according to 36 CFR 60.4 criteria. Subsurface excavations, in consultation with associated Native American tribes, may be required at Native American archaeological sites. The need for subsurface excavations at historic-era archaeological sites would depend on the results of archival research conducted in support of the evaluations.
- Funks Dam, along with any other identified built environment resources that require evaluation, will be evaluated within the body of the DPR form 523 pages.
- Traditional cultural properties may be identified through future consultation with Native American tribes and other interested parties.
- Native American cultural sites that are not also archaeological sites would be evaluated through consultation with the affected tribe(s).

Stipulation VI. Assessment of Effects to Historic Properties

"A. The RECDs shall apply the Criteria of Effect and Adverse Effect, in accordance with 36 CFR 800.9 to all Historic Properties located in the APE..."

Specific activities identified in the EA include:

- The GCID Main Canal, appears eligible for listing in the NRHP under criteria A and C, and is being treated as eligible. If it is determined that other historic properties exist within the APE, the Authority will provide the SHPO with full documentation to assess the effects of the proposed action on the historic properties, per this stipulation, and, if necessary, develop mitigation measures pursuant to Stipulation VII.A, Standard Mitigation Measures of the PA.

Stipulation VIII, Discoveries and Unforeseen Effects

"A. The RECDs should plan for discoveries made during project implementation, particularly when an undertaking will take place within an area where buried archeologic deposits may be

³ According to the EA, the USDA NPA preamble acknowledges the need for USDA to retain government-to-government consultation with Native American tribes, but also "advocates" for project proponents to contact Native American tribes to discuss the potential for significant resources within a project APE.

encountered. Such discovery plans shall be prepared in consultation with the SHPO and interested Native American groups and shall be submitted to the SHPO for review and approved prior to the commencement of the undertaking.”

Specific activities identified in the EA include:

- The USDA will ensure that the Authority prepare a discovery plan for resources found during project construction, in accordance with Stipulation VIII.A., prior to initiating construction. The plan will detail the protocols for avoiding or treating archaeological sites discovered during construction, including notification of the Colusa County coroner if human remains are uncovered, such that there will be no adverse effect on the resources through implementation of mitigation measures that would be prepared in future consultation with the SHPO and Native American tribes.

The EA identifies the following mitigation measure that would be implemented to reduce or avoid adverse effects on cultural resources:

Mitigation Measure CR MM-1: Comply with National Programmatic Agreement Conditions

The NHPA Section 106 process will need to be fully concluded prior to ground disturbing action. The agency invoked the National Programmatic Agreement (NPA) on this project. All terms and conditions of the July 2018 NPA must be complied with prior to construction. The Authority signed the NPA Awareness Certificate on 8/17/2018.

4.0 Ongoing Activities as of August 2022 that Encompass the MWI

As noted above, prior cultural resource studies in the vicinity of the MWI have been undertaken as part of the Sites Reservoir Project⁴ and were relied upon in preparing the MWI EA analysis. The larger reservoir project encompasses the MWI footprint and adjacent areas. Studies prepared for the Sites Reservoir Project can and will be utilized to support the Section 106 process for the MWI.

4.1 Geotechnical Investigations that Encompass the MWI

As part of the Sites Reservoir Project, the Authority and the Bureau of Reclamation (Reclamation) have undertaken three separate geotechnical investigation efforts in the area of the MWI and for some of the same facilities as are included in the MWI. The Authority has also undertaken a fourth geotechnical investigation effort in the area of the MWI and for some of the same facilities as are included in the MWI. The cultural resources efforts for these geotechnical investigations are summarized below.

The initial, 2019 geotechnical investigation was a joint effort between the Authority and Reclamation. Six geotechnical sites were located in the area of the proposed Terminal Regulating Reservoir (TRR) and pipelines for the MWI. Section 106 compliance was completed by Reclamation. The Authority and Reclamation completed a cultural sensitivity study, entitled “Cultural Resources Sensitivity Analysis Report – North of Delta Offstream Storage/Sites Reservoir Feasibility Geotechnical Investigation Colusa

⁴ The Sites Reservoir Project is a proposed off-stream reservoir west of Maxwell, CA. It would divert water from the Sacramento River in higher flow conditions and store water in the new Sites Reservoir for later use by farms, cities, and the environment. Funded by State and Federal governments and public water agencies, the Sites Project Authority would build, own, and operate Sites Reservoir.

and Glenn Counties, California” (Horizon 2019). Reclamation also consulted with federally-recognized tribes that have been culturally or traditionally affiliated with the area. Based on the analysis in the study and considering the input of the tribes, Reclamation found no adverse effects to historic properties and SHPO concurred with Reclamation’s assessment (Office of Historic Preservation 2019). The Authority and Reclamation also prepared a Post Review Discovery Plan, Archeological Monitoring Plan, and Burial Treatment Plan for the effort; as well as conducted pre-construction surveys and cultural (tribal and archaeological) monitoring during the drilling activities. No inadvertent discoveries were made. As part of this effort, the Authority also consulted with tribes that have been culturally or traditionally affiliated with the area under State Assembly Bill (AB) 52 requirements.

Similar geotechnical investigation efforts that included portions of the MWI and for some of the same facilities as are included in the MWI were undertaken in 2020, 2021, and are being planned for 2022-2024. Similar efforts, reporting and processes have been conducted for the 2020 effort. There was no federal nexus for the 2021 geotechnical efforts, and thus, the Authority conducted a slightly abbreviated process. Similar efforts, reporting and processes have recently been conducted for the planned 2022-2024 geotechnical efforts with Reclamation as the lead Federal agency. These efforts included pre-construction surveys, a monitoring and inadvertent discovery plan, cultural (tribal and archaeological) monitoring during the drilling activities, and consultation with tribes through either Reclamation or the Authority or both agencies. To date, no inadvertent discoveries have been made during the geotechnical investigation efforts.

4.2 Other Sites Reservoir Project Activities that Encompass the MWI

The Authority has been moving forward in analyzing the effects of a revised footprint for the Sites Reservoir Project, including preparation of a joint Revised Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) and supporting studies. Activities conducted for the Sites Reservoir Project that encompass and support the Section 106 process for the MWI include the following:

- Preparation of a draft Cultural Resources Identification Summary 2001-2019 technical memorandum in August 2020. This provided a summary of cultural resources analyses completed for the Sites Reservoir Project from 2001 to 2020 and identified gaps in the work that will need to be addressed to satisfy Section 106 of the National Historic Preservation Act. Studies conducted for the Project from 2001 to 2019 include the following:
 - ODOSS I-Sites Reservoir Cultural Resources Investigation of the New Canal Conveyance Alternative, Colusa County, California (Westwood and White 2005)
 - Archaeological Overview, Inventory Report, And Research Design, Proposed Sites Reservoir APE, Colusa And Glenn Counties, California (White et al. 2009)
 - North-Of-The-Delta Offstream Storage Project Draft Archaeological Inventory Report (URS 2013a)
 - North-Of-The-Delta Offstream Storage Project Draft Built Environment Identification and Evaluation Technical Report (URS 2013b)

- Sites Reservoir Project Draft Environmental Impact Report/Environmental Statement (Sites Project Authority and U.S. Department of the Interior, Bureau of Reclamation 2017)
- Cultural Resources Sensitivity Analysis Report North of Delta Offstream Storage/Sites Reservoir Feasibility Geotechnical Investigation Colusa And Glenn Counties, California (Horizon 2019)
- Records searches at the California Historical Resources Information Center (CHRIS), as well as review of local and California Department of Water Resources (DWR) records:
 - The CHRIS records search area is defined as the study area for the Sites Reservoir Project with an additional 0.25-mile radius around the study area. On July 2, 2020, a CHRIS records search request was submitted to the Northwest Information Center (NWIC) in Rohnert Park and on November 10, 2020, to the Northeast Information Center (NEIC) in Chico to acquire shapefiles for reports, shapefiles for resources, data tables for resource records, data tables for reports, and PDFs of resource records. As data gaps were identified, additional follow-up records search requests were sent to the NWIC on August 21 and November 10, 2020.
 - Qualified local registers are inventories that a city, county, or other local entity has officially adopted, including as ordinance or as part of a general plan. Locally registered resources may require NRHP evaluations as part of a project’s cultural resources identification process. Of the counties in the study area, Yolo County and Glenn County maintain qualified local registers; however, no resources listed in those local registers are located in the study area.
 - California State University, Chico’s Archaeological Research Program previously conducted an intensive pedestrian survey of the Sites Reservoir Project area (except for lands that were inaccessible due to lack of landowner permission) on behalf of the DWR (White et al. 2009). Site records on file with DWR were shared with the Sites Authority for the purposes of continued study and Section 106 efforts.
- Data from historical maps, aerial imagery, and county assessor’s parcel records were reviewed in 2020. Historical topographic maps can be valuable sources for identifying potential cultural resources and areas of heightened sensitivity for archaeological resources. Qualified cultural resource specialists reviewed the earliest historical quadrangle maps available from U.S. Geological Survey’s online topoView program (ngmdb.usgs.gov/topoview) and downloaded them for use in geographic information system (GIS) mapping. The analysis includes 15-minute quadrangle maps covering the entire study area. These 15-minute maps range in date from 1904 to 1944. All structures on the historical maps within the records search area were digitized in GIS as points. All potential linear resources, such as levees, roads, railroads, and canals in the record search area, were digitized as lines except for linear resources that have already been recorded (based on records search results), though any unrecorded segments of a known linear resource were digitized. Isolated topographic mounds were digitized as polygons. If the historical map had a digitized feature labeled, that information was recorded as well.

- Preparation of the confidential Sites Reservoir Project Cultural Resources Report (ICF 2021) to support the RDEIR/SDEIS analysis. This study reports on cultural resources in the study area, including previously recorded resources, resources identified in desktop research, and areas of heightened sensitivity for cultural resources. It includes a summary of previously recorded cultural resources and new historical map research within the study area. It also identifies known and anticipated archaeological and built environment resource types. Existing Project data and CHRIS data were analyzed using GIS and other desktop methods to identify cultural resources within the study area. No new field survey was conducted for this effort due to lack of access.
- Development of a draft Programmatic Agreement (PA) for the Sites Reservoir Project, under review by SHPO. Reclamation has prepared a Draft PA. Reclamation distributed the draft PA to Section 106 consulting parties, including SHPO and the Advisory Council on Historic Preservation (ACHP), on March 4, 2022, and is currently working on revisions to the PA. Starting in 2021, Reclamation and the Authority attend a biweekly Section 106 working call to discuss PA development and Section 106 compliance for the Sites Reservoir Project.
- Native American consultation through Section 106 occurred during preparation of the the 2017 Draft EIR/EIS and more recently with the preparation of the RDEIR/SDEIS for the Sites Reservoir Project. Federally recognized tribes in the vicinity include the Cachil Dehe Band of Wintun (Colusa Indian Community) in Colusa; the Kletsel Dehe Wintun Nation (Cortina Indian Rancheria) west of Williams; the Yocha Dehe Wintun Nation (Rumsey Indian Rancheria) in Brooks; the Grindstone Indian Rancheria of Wintun-Wailaki Indians at Elk Creek; and the Paskenta Band of Nomlaki Indians (Nomlāqa Bōda) near Corning. As the lead federal agency for Section 106 of the NHPA compliance, Reclamation has consulted with potentially affected tribes, SHPO, and other interested parties pursuant to Section 106 consultation requirements. In addition to those federally recognized tribe listed above in the vicinity of the Sites Reservoir Project, Reclamation has also consulted with Enterprise Rancheria of Maidu Indians, Mechoopda Indian Tribe of Chico Rancheria, Shing Springs Band of Miwok Indians, United Auburn Indian Community, and Wilton Rancheria.

With the passage of Assembly Bill 52, California Native American Tribes were encouraged to notify local agencies of their desire to be notified of proposed projects in the geographic area that is traditionally and culturally affiliated with the tribe. On January 3, 2017, the Cachil Dehe Band of Wintun Indians submitted to the Authority a written request for formal notice of and information on proposed projects for which the Authority will serve as lead agency for California Environmental Quality Act (CEQA) compliance. No other tribes contacted the Authority to request notification of proposed projects. In February 2017, the Authority sent Project notification letters to the seven tribes identified by the California Native American Heritage Commission (NAHC) to have a traditional and cultural affiliation with the geographic area of the Project: the Cachil Dehe Band of Wintun Indians; Cortina Indian Rancheria of Wintun Indians; Grindstone Indian Rancheria of Wintun-Wailaki; Yocha Dehe Wintun Nation; Paskenta Band of Nomlaki Indians; Mechoopda Indian Tribe; and Estom Yumeka Maidu Tribe of the Enterprise Rancheria. One Tribe, the Cachil Dehe Band of Wintun Indians, requested consultation, and the Authority first met with Tribal representatives on July 12, 2017. Separately, the Yocha Dehe contacted Authority staff on May 19, 2017, for information, which the Authority provided on June 22, 2017. On November 14, 2020, the Authority mailed letters to all seven of the Tribes that the NAHC had previously identified to notify them of the Authority's decision to recirculate

the EIR to address modifications to the Project. Only the Yocha Dehe and Cahil Dehe replied, and the Authority continues to consult under AB 52 with those Tribes. The Authority's outreach efforts to Tribes are also ongoing as part of the overall public outreach efforts for the Sites Reservoir Project.

- Historical society and stakeholder outreach has been ongoing by both the Authority and Reclamation. Reclamation has invited the Colusa County Historical Society, Sacramento Valley Museum, Stonyford Museum, Tehama County Genealogical & Historical Society, Colusa County Genealogical Society, Yolo County Historical Society, and Willows Museum to participate in the development of the PA.

Future field efforts are dependent on access agreements and rights-of-entry. The Authority Board of Directors recently approved pursuing land access for future geotechnical, biological and cultural survey efforts. The Authority is working with individual landowners in some of the highest priority locations to obtain access and is hopeful to be able to conduct cultural resources surveys on these properties in the coming year. The Authority is committed to meeting the stipulations of the NPA and the MWI EA, and will complete many of these requirements, as they relate to Section 106 compliance, in tandem with Section 106 compliance for the Sites Reservoir Project, which will also require consideration and management of historic properties.

5.0 Citations

Horizon Water & Environment. 2019. Cultural Resources Sensitivity Analysis Report – North of Delta Offstream Storage/Sites Reservoir Feasibility Geotechnical Investigation Colusa and Glenn Counties, California. August.

ICF. 2021. Confidential Sites Reservoir Project Cultural Resources Report. November. Prepared for Sites Project Authority, Maxwell, CA.

Office of Historic Preservation, State of California, Department of Parks and Recreation. 2019. Letter to Reclamation Subject: Section 106 Consultation for the North of Delta Offstream Storage/Sites Reservoir Feasibility Geotechnical Investigation Project, Glenn and Colusa Counties, California (19-MPRO-043). September.

Sites Project Authority. 2021. Revised Draft Environmental Impact Report/Supplemental Draft Environmental Impact Report. November.

Sites Project Authority and U.S. Department of the Interior, Bureau of Reclamation. 2017) Sites Reservoir Project Draft Environmental Impact Report/Environmental Statement.

URS. 2013a. North-of-the-Delta Offstream Storage Project Draft Archaeological Inventory Technical Report.

URS. 2013b. North-of-the-Delta Offstream Storage Project Draft Built Environment Identification & Evaluation Technical Report.

US Department of Agriculture (USDA). 2018a. Draft Environmental Assessment and for the Maxwell Intertie Project. August.

USDA. 2018b. Final Environmental Assessment and Finding of No Significant Impact, Maxwell Intertie Project, Colusa County, California. September (FONSI dated September 24, 2018).

USDA. 2018c. Letter of Conditions for a Community Facilities Program Loan to Construct the Maxwell Intertie, dated September 26, 2018.

Westwood and White. 2005. ODOSS I-Sites Reservoir Cultural Resources Investigation of the New Canal Conveyance Alternative, Colusa County, California.

White et al. 2009, Archaeological Overview, Inventory Report, And Research Design, Proposed Sites Reservoir APE, Colusa And Glenn Counties, California.



September 13, 2023

Lisa M. Butler
Community Facilities Programs Director
Rural Development
United States Department of Agriculture
3530 W. Orchard Ct.
Visalia, CA 93277
Sent via email only

Subject: Sites Project Authority Request for Extension of Letter of Conditions for a Community Facilities Program Loan to Construct the Maxwell Water Intertie

Dear Lisa:

The Sites Project Authority (Sites Authority) is writing to express and demonstrate its continued commitment to developing the Maxwell Water Intertie (MWI) alongside the Sites Reservoir Project (Project). The Sites Authority received a letter of conditions dated September 1, 2022, from the U.S. Department of Agriculture (USDA) relating to a USDA loan of \$449,559,000. This letter, along with the body of work completed to date in developing the Project, represents the Sites Authority's commitment to advancing the MWI and working with USDA Rural Development to make the necessary adjustments to extend the date by which the USDA Loan needs to be executed to reflect the most current updated Project schedule.

The project and agency background information, along with the review of funding sources provided within the remainder of this letter, demonstrates the Sites Authority's commitment to advancing the MWI.

This letter is a formal request to extend the effective date of the Letter of Conditions by five years (i.e., from September 26, 2023, to September 30, 2028) through an administrative staff action. H.R. 2617 was passed in 2022 which set appropriations and allocations for the 2023 fiscal year. Section 780 of the bill states that Rural Community Facilities Program funding will remain available through fiscal year 2028. Based on the current schedule and updated funding timeline in H.R. 2617, the Letter of Conditions may need to be updated again prior to execution of the loan agreement as construction is not anticipated to be complete until September of 2029.



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USDA Rural Development

Subject: Sites Project Authority Request for Extension of Letter of Conditions for a
Community Facilities Program Loan to Construct the Maxwell Water Intertie

Project and Agency Background

The Congress of the United States of America and the California State Legislature have declared that the Sacramento-San Joaquin Delta watershed and California's water infrastructure are in crisis, and they have encouraged regional and local public agencies to form joint powers authorities to improve the operation of the State of California's water system. The Project has been identified by the State and the federal government as an important component of integrated water management in the Sacramento River watershed that could support the state's co-equal policy to improve water management and restore the ecological health for beneficial uses of the Sacramento-San Joaquin Delta and the Sacramento River Watershed in a manner consistent with the CALFED Bay-Delta Programmatic Record of Decision and Environmental Impact Report/Environmental Impact Statement.

The Sites Authority was formed in 2010 as a joint exercise of powers agency duly organized and existing under and pursuant to the Constitution and laws of the State and a fourth amended and restated Sites Project Authority Joint Exercise of Powers Agreement, dated November 21, 2016 (JPA Agreement) and governed by an Authority Board for the purpose of developing the Project. The JPA Agreement provides the mechanism for project agreements to undertake specific work activities to develop the Project and commits the signatories to certain Project cost obligations. The Project Participants, which include water agencies, cities, counties, and districts, participate in the development of the Project through a Reservoir Committee. The Reservoir Committee currently acts in an advisory and funding capacity to the Authority Board.

The Sites Authority released a Draft Environmental Impact Report/Draft Environmental Impact Statement in 2017, received comments, and proceeded to define a more affordable, permittable, and buildable Project through the value-planning process that culminated in the April 2020 approval of the value-planning report and the decision to recirculate the draft environmental documents. While the value-planning report adjusted project facilities, there was a commitment to continued delivery of the Project.

As a showing of organizational and governance commitment to the Project, the Sites Authority unanimously adopted a Strategic Plan in December 2020 to update the Sites Authority's mission to build and operate a climate-resilient, 21st-century water storage system to responsibly manage and deliver water, improve the environment, and provide flood control and recreation benefits. Since then, the Sites Authority has advanced the design of the Project through engineering and field explorations and have completed a Feasibility Project Cost Estimate for the Project, which was recommended for approval by the Reservoir Committee and unanimously adopted by the Sites Authority on June 23, 2021. The Sites Authority anticipates reaching a 30% design level in mid-2024.



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A Revised Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) was released for public review and comment on November 12, 2021 with respect to the Project. The Sites Authority and Reclamation are collaborating to prepare the Final Environmental Impact Report/Environmental Impact Statement (Final EIR/EIS) and anticipate publishing the document in October 2023. The Authority is also progressing through the process of securing a water right for the Project.

In November 2021, the Sites Authority submitted the Final State Feasibility Report and 75% Non-Public Cost Share Materials to the California Water Commission (CWC) staff to satisfy the Proposition 1 eligibility requirements as part of the Water Storage Investment Program (WSIP). In December 2021, the CWC determined the Project to be feasible – deeming the project eligible for the full WSIP final award.

The MWI is a portion of the Sites Reservoir project and provides for the transfer of water between the Glenn-Colusa Irrigation District's (GCID's) main canal and the Tehama-Colusa (TC) Canal, the two major canal systems west of the Sacramento River. The transfer capability will increase water supply resiliency and reliability for participating water agencies, providing direct benefits to agriculture and indirect benefits to rural communities. In August of 2023, an update of the Preliminary Engineering Report for the MWI Project was completed and submitted to USDA. Construction on the MWI is expected to start in February 2025 with substantial completion by September 2029.

Consistent with the USDA's Nationwide Programmatic Agreement, the Sites Authority has initiated the activities called for in Section 3.7.2.2 of the Final EA. The Sites Authority prepared the confidential Sites Reservoir Project Cultural Resources Report based on prior study information, updated records searches, and historical map research. The confidential Report was prepared to inform the Sites Authority's Sites Reservoir Project, which also includes the MWI Project area. The effort to identify cultural resources for the confidential Report included a review of state inventory records searches at the California Historical Resources Information Center (CHRIS), Sites Authority and DWR records, Native American consultation and historical societies outreach, archival and public records research, previous archaeological field survey, and previous historical resources surveys and evaluations applicable to the study area. The Sites Authority has also initiated discussions and consultation with Native American Tribes under State Assembly Bill 52 on the overall Sites Reservoir Project which also includes the MWI Project area. These discussions and consultations are ongoing. The Sites Authority's Board of Directors recently approved land access agreements and the Sites Authority is pursuing obtaining land access to complete on-the-ground surveys in the coming years. Any properties identified during surveys will be recorded and evaluated, applying National Register Criteria, 36 CFR 60.4.



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Project Funding Sources

1. Project Members

Building on the contributions already received from the Project Members and Authority Board to date under the JPA Agreement and various project agreements, the Reservoir Committee unanimously recommended, and the Authority Board unanimously approved, a third amendment (Amendment 3) to the 2019 Reservoir Project Agreement (Project Agreement) in September 2021 to fund work through December 31, 2024. Each Project Member has worked with its respective home agency to execute the Project Agreement.

Project Members' approval of the Project Agreement and Work Plan represents a significant milestone in progressing the Project. This level of coordinated, stepwise partnering among local, state, and federal investment is exactly the approach that Congress and the State Legislature framed in establishing their related actions and directions for this new way of developing these multi-benefit and multi-agency statewide storage projects.

2. Federal Funding

The Final Federal Feasibility Report was submitted to Congress on December 22, 2020, and the Secretary of Interior made the determination of federal feasibility and federal investment of up to a 25 percent cost share under the Water Infrastructure Improvements for the Nation (WIIN) Act. These funds represent another source of committed cost share for the Project benefits. In December 2022 following the conclusion of a federal feasibility addendum, the Mid Pacific Region Director submitted a letter to the Sites Authority expressing an interest in participating in the Project at a 16 percent cost share. In May 2023, the Sites Authority increased Reclamation's share of the Project from 7% to 9% based on adjustments to Sites Reservoir's deadpool and surveyed reservoir size.

In addition to federal investment through the WIIN Act, the Sites Authority is pursuing federal low-interest loans to cover Project costs. These loans include a USDA Rural Development Loan (the subject of this letter, as discussed above) for the MWI and an EPA WIFIA loan for all eligible components of the Sites Reservoir Project.

In July 2021, the Sites Authority submitted a letter of interest under the Water Infrastructure Finance and Innovation Act (WIFIA) to the U.S. Environmental Protection Agency (EPA) declaring the Sites Authority's interest in participating in the WIFIA loan program. In March 2022, the EPA invited the Sites Authority to apply for a WIFIA loan up to 49% of eligible project costs (EPA WIFIA loan is currently estimated to be approximately \$2.2 billion for eligible components of the Sites Reservoir Project). The Sites Authority submitted the full WIFIA Application on March 30th, 2023 and plans to be ready to execute a WIFIA Master Agreement with EPA as early as mid 2024.



USDA Rural Development

Subject: Sites Project Authority Request for Extension of Letter of Conditions for a
Community Facilities Program Loan to Construct the Maxwell Water Intertie

3. State Funding

The State of California provides funding for Project development activities through an Early Funding Agreement administered by the California Water Commission (CWC) under Proposition 1 Water Storage Investment Program (WSIP). In December 2021, the CWC deemed the Project eligible for the full WSIP final award. The previous and ongoing agreements, expenditures, and Project development since the 2018 letter of conditions, together with the ongoing statewide and diverse partnerships among local, state and federal agencies, demonstrate an established commitment of cost-sharing that is expected to endure through the Project securing full funding.

Summary

In summary, this letter is a formal request to extend the effective date of the Letter of Conditions five years (i.e., from September 26, 2023, to September 26, 2028) which we understand to be an administrative action, not requiring Congressional approval. Thank you in advance for your continued support. The Sites Authority is committed to continuing to partner with the State and Federal government to develop this generational Project.

Sincerely,



Jerry Brown, Executive Director
Sites Project Authority

