

Water Storage Investment Program Quarterly Report

The Quarterly Report is intended to document applicants' progress toward complying with regulation section 6013 and receiving final WSIP funding, including any changes in the magnitude of public benefits that could affect cost allocation. Applicants must provide a summary level update of the project status for the requirements and milestones listed below. The template may be modified as necessary to effectively communicate information. If minimal activities occurred during a reporting period, the report can be condensed.

- Note any issues or concerns that have, will, or could affect milestones or requirements.
- Identify key issues, including legal issues such as lawsuits or injunctions related to the project, that need to be resolved.
- Discuss how the actual schedule is progressing in comparison to the schedule provided in the Initial Report or the last reported schedule.
- Update the project schedule as needed.
- Note any milestones or accomplishments that occurred since submittal of the prior Quarterly Report.

Project Information

Project Name:

Harvest Water

Applicant Name:

Sacramento Regional County Sanitation District (Regional San)

Date:

October 30, 2020

Reporting Period:

Q3 2020

General Update and Key Issues

Please provide a general update and describe any key issues that occurred during this reporting period. You may attach additional documents or pages if more space is needed:

The following activities took place over the course of Q3 2020.

- In furtherance of our rebranding as Harvest Water, the website and associated program materials were updated and can be found at: <https://www.regionalsan.com/harvestwater>.
- The Program team continued to execute the landowner outreach plan for recycled water customers and Eco Plan partnerships. As of the end of September, Regional San has received Letters of Intent (LOI) for a significant number of parcels in the proposed service area, representing approx. 26,700 acre-feet per year, AFY, or about 70% of our demand goal. The Program team also engaged in active outreach via meetings and phone calls with additional landowners representing another 8,300 AFY of demand.
- In Q3, the Program team continued follow-up phone interviews and site visits with landowners who have submitted LOIs to gather data to inform the hydraulic modeling and preliminary design efforts.
- Regional San continued providing advertisements and articles in the bi-monthly printed Sacramento County Farm Bureau (SCFB) newsletter, as well as the SCFB electronic news blasts during Q3 2020.
- The Program team continued to coordinate with the Sacramento LAFCo Executive Director and prepared the draft Annexation application, Plan for Service report, and Municipal Services Review report to support

annexation of the Program area into the Regional San service area for recycled water service only. The Program team conducted outreach meetings with adjacent agencies and developed materials to provide an informational overview of the annexation process as part of Harvest Water.

- The Program team continued work on the development of the draft Ecological Plan in support of the public benefit targets, including identifying targeted parcels to support crane habitat, vernal pool complexes, and wetlands/riparian forests, as well as potential incentives for program participation.
- The Program team continued work on the development of the Groundwater Accounting and Conjunctive Use Project and continued engagement with the Sacramento Central Groundwater Authority (SCGA) including attending monthly meetings.
- The Program team has modeled four scenarios to evaluate how Program participation (both recycled water service and ecological program) affects groundwater restoration and the timeline for benefits accrual in the Program area. The results were shared with CWC and CDFW staff.
- On 8/26/20, the Program team met with CWC staff via video conference to provide an update on the Program and groundwater modeling results.
- The Program team continues to coordinate benefits contracting with state agencies for public benefits. The Program team met CDFW staff via video conference 9/2/20 to present groundwater modeling results. The Program team continues to refine and discuss the benefit targets and primary and secondary metrics, as well as initial adaptive management strategies. Additional meetings with CDFW and the SWRCB are anticipated in Q4.
- The CEQA consultant continued development of the CEQA documents. As shown in the attached schedule, three primary CEQA documents are anticipated to be completed between now and June 2021, ahead of the WSIP deadlines. CEQA work for the recycled water distribution system was completed in Q3. Substantial progress has been made on the two remaining CEQA documents which are anticipated to go to the Regional San Board in early 2021.
- Environmental permitting work is well underway, with bi-weekly internal meetings. The Program team met with Central Valley Regional Water Quality Control Board (CVRWQCB) program leads on 8/11/20 to provide a program overview and work through the identified environmental permitting needs for the Program. The Program team held a socially distant field meeting 9/11/20 to evaluate stream crossings in the Program area in support of the Streambed Alteration Agreement to be executed with CDFW. The program team held a multi-agency pre-application meeting 9/23/20 to discuss 401 & 404 certifications/permits, including representatives from the Army Corp of Engineers, SSCA, Regional Water Quality Control Board, CDFW, and the US Fish and Wildlife Service.
- The Capital Program Management team (C-PMO) established workflows and processes, as well as a program controls system to administer the capital program (design and construction).
- The C-PMO worked side by side with the Administrative Program Management team to continue outreach to potential growers and develop the hydraulic model that incorporates potential customers and anticipated crop irrigation requirements.
- The C-PMO team developed draft basis of design reports for the Harvest Water Pump Station and the Pipelines projects to facilitate bringing designers on board in 2021.
- The draft capital delivery schedule continued to be refined to incorporate anticipated design and construction periods for each of the projects.

COVID-19 Response: A majority of Regional San and Program team continued teleworking from home through Q3, with some of the Program team returning to the C-PMO office in June 2020. EchoWater construction is continuing at the Sacramento Regional Wastewater Treatment Plant. If any long-term impacts are identified, they will be communicated to CWC staff.

Items Required Prior to Scheduling a Final Award Hearing

The following items must be provided prior to scheduling a hearing. As applicable, please describe the status, estimated completion date, and percent complete of:

1. Contracts for non-public cost share:

Status: N/A - complete. There is no cost share for non-public benefits of Harvest Water. At this time, Regional San is the only entity that will fund the non-public cost-share.

Estimated Completion Date: N/A

Percent Complete: N/A

2. Contracts for administration of public benefits:

Status: Continued coordination with SWRCB and CDFW. Additional meetings anticipated in Q4 2020 with CDFW regarding Ecological Plan and ecological benefit targets, metrics, and monitoring and SWRCB regarding water quality benefit targets.

Estimated Completion Date: July 2021

Percent Complete: 0%

3. Completed feasibility studies:

Status: Complete - Final feasibility study was submitted to CWC staff on 7/20/19 and deemed complete.

Estimated Completion Date: July 2019

Percent Complete: 100%

4. Final environmental documentation:

Status: Programmatic and Main Transmission Line Final EIR - 100%

Three primary CEQA documents tiering from the Programmatic EIR are anticipated to be completed between now and June 2021.

1. Laterals & On-farm Connections Project-Level environmental documentation - 100%
2. Ecological Program and Wintertime Application environmental documentation - 40%
3. Groundwater Conjunctive Use environmental documentation - 60%

Estimated Completion Date: February 2021

Percent Complete: 60%

5. All required federal, state, and local approvals, certifications, and agreements:

Status: See attached list of environmental permits and status.

Estimated Completion Date: March 2022

Percent Complete: see attached

Items Required to Execute a Funding Agreement

Please provide an update, as applicable, on the following documents, which are needed to execute a funding agreement for the project:

- Applicant's audited financial statements
- Final project costs, schedule, and scope of work
- Evidence of bilateral communications

- Limited waiver of sovereign immunity (see regulations section 6013(f)(8))

Updates to information provided in the Initial Report or prior Quarterly Reports are only needed when a significant change has occurred. The Commission may request submittal of updated information prior to executing a funding agreement.

No significant change has occurred from previous reporting period.

- Audited Financial Statements: Regional San's Comprehensive Annual Financial Report for 2019 Fiscal Year is available on our website. These reports are prepared annually and an independent auditor audits Regional San's financial statements each year. A current audited financial statement will be provided prior to the execution of a funding agreement.
- Final Project Costs, Schedule, and Scope: No schedule changes, however the schedule was updated to delineate design and construction for each major component. The system is anticipated to be operational at the end of 2024 for recycled water delivery. Schedule attached.
- Evidence of Bilateral Communications: N/A - no anticipated impacts to owners or operators of facilities.
- Limited Waiver of Sovereign Immunity: N/A - no known tribal lands in project area.

Status Update

Provide a status update for the following, as applicable:

- Labor Compliance
- Urban Water Management Plans
- Agricultural Water Management Plans
- Groundwater Management or Groundwater Sustainability Plans
- Potential effect of other conditionally eligible projects on the applicant's public benefits

Updates to information provided in the Initial Report or prior Quarterly Reports are only needed when a significant change has occurred. The Commission may request submittal of updated information prior to executing a funding agreement.

No significant change has occurred from previous reporting period.

- Labor Compliance: Anticipated to be addressed in construction contracts (2022).
- Urban Water Management Plans: N/A - Regional San is not an urban water supplier.
- Agricultural Water Management Plans: N/A - currently groundwater. Recycled water is exempt from Agricultural Water Management Plans.
- Groundwater Management or /Groundwater Sustainability Plans: The Sacramento Central Groundwater Authority (SCGA) is the Groundwater Sustainability Agency in the Harvest Water area. SCGA will be submitting its Groundwater Sustainability Plan by January 31, 2022. Regional San is a member of the SCGA Board of Directors and is actively coordinating with the agency.
- Other WSIP Applicant's Projects: N/A - there are no expected consequences from other WSIP applicant's projects on Regional San's public benefits for this project

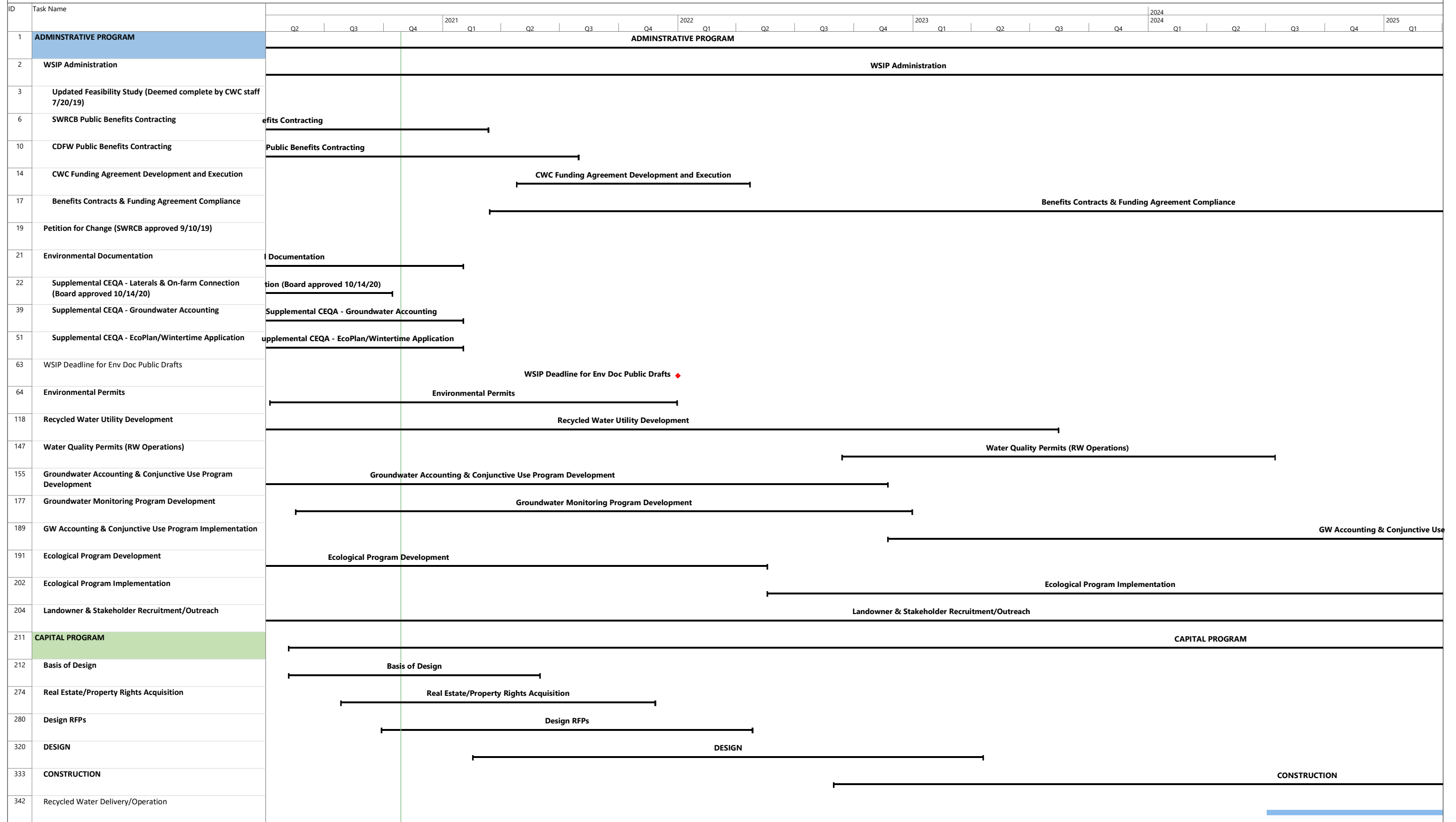
Regional San – Harvest Water: List of Permits for WSIP Quarterly Reporting

Permitting Agency	Permit	Estimated Completion Date ³	Percent Complete %
Environmental			
CVRWQCB	401 Water Quality Certification (required for 404 Permit)	Q2 2021	0%
U.S. Army Corps of Engineers	Clean Water Act, Section 404 Permit for any fill of wetlands or waters of the US	Q4 2021	50%
CDFW	Streambed Alteration Agreement (for pipeline crossings of creeks)	Q3 2021	30%
U.S. Fish and Wildlife (USFWS) & National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service	Section 7 Consultation/Biological Opinions (for effects on Federally listed species) ^{1,2}	Q2 2021	0% ^{1,2}
California Department of Fish and Wildlife (CDFW)	Incidental Take Permit from California Department of Fish and Game (for effects on State-listed species) ¹	Q2 2021	0% ¹
California Office of Historic Preservation	Section 106 Consultation ²	Q3 2021	0% ²
Operational (not required prior to funding agreement)			
State Water Resources Control Board (SWRCB)	Wastewater Change Petition for a change in the point of discharge, place of use, or purpose of use of treated water	Q3 2019	100%
Central Valley Regional Water Quality Control Board (CVRWQCB)	Water Reclamation Requirements for Recycled Water Use (Statewide Recycled Water Permit, Order WQ 2016-0068-DWQ) (for operation of the recycled water distribution system)	TBD (2023)	0%

¹Note: The South Sacramento Habitat Conservation Plan (HCP) has been adopted. The HCP will be leveraged by Regional San to streamline biological-related permitting, including Section 7 consultation and Incidental Take permits.

²Note: Required only if a Federal nexus is established for the Program.

³ Note: Best estimate of timing with currently known information.



Project: Harvest Water
Date: Wed 10/28/20

Task		Summary		Inactive Milestone		Duration-only		Start-only		External Milestone		Baseline Milestone		Manual Progress	
Split		Project Summary		Inactive Summary		Manual Summary Rollup		Finish-only		Deadline		Baseline Summary			
Milestone		Inactive Task		Manual Task		Manual Summary		External Tasks		Baseline		Progress			