

## Water Storage Investment Program Quarterly Report

The quarterly reporting covered by this template documents an applicant's progress toward complying with [California Code of Regulations, title 23, section 6013\(d\)](#) in preparation for a final WSIP funding hearing with the Commission. This report also documents any changes to the physical quantity and type of public benefit being provided by the project. Commission staff relies on this report to keep the Commission informed of the project's progress, challenges and timeline. It is expected that each Applicant will be forthright and transparent in its reporting.

Applicants must provide an update of the project status for the requirements and milestones listed below. Applicants may deviate from this fill-in format, however, please provide the information requested in this template. Applicants must ensure this report is consistent with other publicly available project information, such as materials presented to the Applicant's governing body.

### Project Information

Project name:

Sites Reservoir Project (Project)

Applicant name:

Sites Project Authority (Sites Authority or Authority)

Date:

April 30, 2025

Reporting period:

January 1, 2025, thru March 31, 2025

Provide a brief project description:

The Proposition 1 (Prop 1) Water Storage Investment Program (WSIP) Early Funding Agreement (Agreement) provides funding for activities related to the completion of environmental documentation and permitting for the Sites Reservoir Project (Project). The Agreement describes three (3) primary tasks that represent the work effort by the Sites Project Authority (Sites Authority or Authority). The Project also involves coordination, cooperation, and work efforts by the U.S. Department of the Interior, Bureau of Reclamation, Interior Region 10 California – Great Basin (Reclamation) and Local Project Participants (Participants). Participants include urban and agricultural water agencies located in the Sacramento Valley, Bay Area, San Joaquin Valley, and Southern California that are participating in the Project. Non-Program cost share for this Agreement is provided by Reclamation and Participants.

The Project continues to advance in parallel with other water management efforts throughout the State. The conditional commitments by the 30 local agencies from across the state in the Project, 22 of whom are participating to receive a direct water supply benefit, combined with the conditional state participation and

level of federal interest, have resulted in a “right sized” Project (i.e., 1,500,000 acre-feet of storage along with additional facility changes) that is cost-effective and permissible. This “right sized” Project continues to provide long-term annualized water supply benefits for both the local agencies and the State, in accordance with Prop 1 requirements, while also preserving the ability for a federal role. To advance this “right sized” Project, additional technical and environmental studies are being undertaken that will form the basis of the final Prop 1 award:

- Contracts for non-public cost share (ongoing)
- Contracts for administration of public benefits (ongoing)
- Completed Feasibility Studies (complete)
- Final Environmental Documentation (ongoing)
- All required federal, state, and local approvals, certifications, and agreements (ongoing)

Provide a brief description of public benefits:

Through the Water Storage Investment Program, the State of California is participating in the following public benefits from the Sites Project: ecosystem benefits (refuge water supply and Yolo Bypass flows), flood control, and recreation (through construction of 2 recreation areas and a day-use boat ramp).

Current total project cost:

\$3.9B in 2021 \$ (based on the Class 4 cost estimate approved by the Reservoir Committee and Authority Board in June 2021). The Total project cost and benefits estimate is a condition precedent to entering into the investor commitment period.

### **General Update and Key Issues**

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 Sites Authority continues to advance the permits, approvals, and agreements necessary for construction and operations in a reasonable timeframe and with Prop 1 requirements.
- The Authority initiated work on the project-level (step-two) Biological Assessment for operations of the Project.
- The Authority completed the rebuttal phase of the water right hearing process.
- Sites Project Authority successfully defended litigation (*Friends of the River, et al., v Sites Project Authority, et al*) pertaining to the Authority’s compliance with the California Environmental Quality Act (CEQA) and has been focused coordinating with Reclamation and responsible and cooperating agencies in ongoing NEPA and CEQA compliance efforts.
- The Authority continues to advance development of an updated total project cost and benefits estimate.
- Refer to [Attachment A](#) “Supplement for Reporting Period Ending December 31, 2024”.
- External links in this report were taken from the Sites Reservoir Project website at [www.sitesproject.org](http://www.sitesproject.org).

Attach latest project schedule. In addition, describe below how the actual schedule is progressing in comparison to the schedule provided in the last reported schedule:

Refer to [Work Plan Schedule and Summary of Changes](#), dated January 17, 2025.

Note any milestones or accomplishments that occurred since submitting the prior Quarterly Report:

Refer to the [Monthly Status Report](#), submitted to the Board on January 17, February 21, and March 21.

Note any issues, milestones, or accomplishments projected for the next Quarterly Report:

The Authority anticipates receiving its Master Lake and Streambed Alteration Agreement.  
The Authority anticipates receipt of the Biological Opinion for the construction of the Project.  
The Authority anticipates receipt of the fully executed Programmatic Agreement concluding Section 106 for the Project.  
The Authority expects completion of closing briefs in the water right hearing and for the date of release of the AHO's recommended water right order to be confirmed.  
Public negotiations with Reclamation on the Partnership Agreement are expected to be initiated.  
Development Agreements with Colusa, Glenn and Yolo Counties are expected to be considered for approval.

Provide an update on Tribal consultation, and Tribal and community engagement, if any. Please note any ongoing issues with Tribal communities, including differences of opinion or opportunities to work together:

The Authority has been continuing ongoing engagement with Tribes via letter, email, phone calls, document reviews, and virtual meetings. The Authority has held and facilitated five virtual Tribal Government Working Group meetings for the Project with local Native American Tribes. Topics covered during these meetings and during other Tribal outreach have included Project design updates and flexibility for avoiding cultural resources of value to Native American Tribes, Tribal monitoring during construction and during upcoming cultural resources studies, cultural resources study efforts, biological study efforts, cemetery planning, and other topics of concern or interest to participating Native American Tribes. The Bureau of Reclamation is still in the process of consulting with Native American Tribes regarding compliance with Section 106 of the National Historic Preservation Act.

### **Items Required Prior to Scheduling a Final Award Hearing**

Provide the date (month/year) that you expect to request a Final Award Hearing from the Commission. Note: the request should be received at least 2 months before the anticipated Final Award Hearing date and after all items required by California Water Code section 79755 are completed:

April 2026

Provide the date (month/year) that you anticipate a Final Award Hearing with the Commission:

June 2026

The following items must be provided prior to scheduling a final award hearing. Please describe the status and include the estimated completion date for the following items. These dates should align with any attached project schedule:

Refer to [Attachment A](#) "Supplement for Reporting Period Ending March 31, 2025".

#### **1. Contracts for non-public benefit cost share:**

List all required contracts for non-public benefit cost share, and provide the amount of associated funds, the status and estimated completion date. Please note any issues or concerns that have, will, or could affect the timing of executing contracts for non-public benefit cost share.

**Table A**

Contract Name	\$ Amount	Status	Est Completion Date
Sites Reservoir Benefits &	n/a	In Progress.	Issue in November 2025; final execution by all

Obligations Contract			Participants in April 2026
Reclamation Partnership Agreement	n/a	In Progress.	April 2026

## 2. Contracts for administration of public benefits (CAPB):

Provide an estimated date when all Draft CAPBs will be complete. The Draft CAPB completion date is when the agreement is ready and available to post for public review at a subsequent Commission meeting:

Ecosystem and Flood/Recreation - October 2025

Provide a status for each applicable administering agency's Draft CAPB. Please note any issues or concerns that have, will, or could affect the timing of the Draft CAPBs:

	Status
<b>Draft CAPB</b>	Ecosystem – In Progress, new conveyance agreements with DWR, if needed Flood/Recreation – In Progress All final draft CAPBs must be complete prior to initiating investor commitment

Provide an estimated date when all Final CAPBs will be complete. The Final CAPB completion date is when it will be executed:

March 2026

Provide a status for each applicable administering agency's Final CAPB. Please note any issues or concerns that have, will, or could affect the timing of executing CAPBs:

	Status
<b>Final CAPB</b>	n/a (drafts still under development)

List all public benefits, including quantity of benefit (e.g., acres of habitat, acre-feet of water for pulse flows, etc.):

**Table B**

Benefits	Description and Quantity of Benefits
<b>Ecosystem</b>	Refuge Water Supply: Under development Yolo Bypass Flows for Delta Ecosystem Enhancement: Under Development
<b>Water Quality</b>	Not Applicable
<b>Emergency Response</b>	Not Applicable
<b>Flood Risk Reduction</b>	Flood risk reduction to the unincorporated area of Maxwell, Colusa County, CA and specific agricultural lands in Colusa County
<b>Recreation</b>	2 Recreational Areas (Stone Corral Creek and Peninsula Hills) and one day use boat ramp

Indicate if there are any anticipated changes to the benefit or quantity of the benefit since the original application and whether these changes affect the cost allocation:

The Authority is currently discussing the Yolo Bypass Flows for Delta Ecosystem Enhancement benefits with the California Department of Fish and Wildlife. This benefit may be reduced and/or eliminated. The Refuge Water Supply benefit may be increased to achieve equivalent public benefit. Discussions are ongoing and have not yet been completed.

### 3. Completed feasibility studies:

Completion Date:

November 2021

### 4. Complete environmental documentation:

Provide the status and estimated completion date for all required environmental documentation (draft and final) for the project, including all Board resolutions adopting or certifying CEQA environmental documents, CEQA findings, mitigation monitoring and reporting program, Notice of Determination (NOD), and CEQA Addenda, and all NEPA completion documents, including the Record of Decision (ROD). Please note any issues or concerns that have, will, or could affect the timing of providing complete environmental documentation at the state or federal level.

**Table C**

Environmental Document	Status	Est Completion Date
State Document	Draft: Environmental Impact Report (EIR)	August 2017
	Revised Draft: EIR	November 2021
	Final: EIR	November 2023
	NOD: Certification, Findings and Notice of Determination (NOD)	November 2023
Federal Document	Draft: Environmental Impact Statement	August 2017
	Supplemental Draft: Environmental Impact Statement (EIS)	November 2021
	Final: EIS	November 2023
	ROD: Record of Decision (ROD)	June 2025

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

List permits needed for project to begin construction, describe status in acquiring them, and include estimated date to be acquired. Please note any issues or concerns that have, will, or could affect the timing of acquiring all federal, state, and local approvals, certifications, agreements, and permits necessary to begin project construction.

**Table D**

Approvals / Certifications / Agreements / Permits	Status	Est Date Acquired
California Endangered Species Act – Incidental	Issued	Q4 2024

Take Permit (ITP) – Construction		
California Endangered Species Act – Incidental Take Permit (ITP) – Operations	Issued	Q4 2024
Clean Water Act, Section 401 Permit	Submitted; Revised application under development	Q1 2026
Clean Water Act, Section 404 Permit	Submitted; Revised application under development	Q1 2026
DWR Division of Safety of Dams (DSOD)	Under Development	Initial permitability finding - Q2 2025
Federal Endangered Species Act – Construction Biological Opinion	Submitted	Q2 2025
Federal Endangered Species Act – Operations Biological Opinion	Biological Assessment Under Development	Q4 2025
Section 106 of the National Historic Preservation Act	Submitted	Q2 2025
Water Rights Application	Submitted	Q4 2025

### **Items Required to Execute a Funding Agreement**

Provide an update on the following documents needed to execute a funding agreement for the project and indicate if any significant change has occurred. The Commission may request updated information prior to executing a funding agreement.

	<b>Status</b>	<b>Significant Change?</b>
Applicant's audited financial statements	The Sites Authority had an accounting firm conduct an independent <a href="#">financial audit for Fiscal Year 2023</a> (which ended on December 31, 2023). The audit report has been submitted to CWC staff. The Sites Authority anticipates having a Fiscal Year 2024 independent audit completed by 3Q 2025.	Change
Final project costs, schedule, and scope of work	Consistent with the draft feasibility and draft environmental documentation that include a range of project sizes, operations, benefits, and effects, the Sites Authority continues to advance the studies needed to define the "right size project" to build under current conditions. This includes an updated due diligence of the project that prioritizes the creation of: <ol style="list-style-type: none"> <li>1) Eligible public benefits (as defined in Proposition 1, Section 79753(a)) and consistent with both the Water Commission's July 2018 determinations and the Authority's application (i.e., in accordance with the beneficiary pays principle; state's resource managers would manage the state's participation, which includes operational decisions that are on an equal footing as agencies managing their participation to create non-Prop 1 water supply reliability benefits; and having the ability to provide these benefits over the project's service life);</li> <li>2) Water supply reliability benefits that are not eligible for funding under Prop</li> </ol>	No Change

	1 but are funded by the agencies who have been funding the studies to date.	
Evidence of bilateral communications with operators and owners of potentially impacted facilities regarding potential impacts of the proposed project to their facilities	The Authority, Reclamation and Department of Water Resources (DWR) continue to maintain effective communication and collaboration. DWR and Reclamation are active in the Authority's Reservoir Committee. Additionally, the Authority and Reclamation participate in regular Project Integration meetings, engineering/geotechnical coordination meetings, and environmental coordination meetings.	No Change
Limited waiver of sovereign immunity	Not applicable.	

### **Status Update**

Provide a status update for the following and indicate if any significant change has occurred. The Commission may request updated information prior to executing a funding agreement.

	<b>Status</b>	<b>Significant Change?</b>
Labor Compliance		No Change
Urban Water Management Plans	Not applicable	
Agricultural Water Management Plans	Not applicable	
Potential effect of other conditional eligible projects on the applicant's public benefits		No Change

### **Other Pertinent Information:**

#### **1. Sources of Funding**

List sources of funding (e.g., Federal, State grants, local partnerships, rate payers, loans...) to move the project to construction and provide the associated amount of funds from that source and a status of obtaining that funding source below:

<b>Funding Sources</b>	<b>\$ Amount</b>	<b>Status</b>	<b>Est Award Date</b>
Prop 1 WSIP Early Funding	\$43,769,818	Prop 1 WSIP Early Funding Agreement.	05/2024
Bureau of Reclamation	\$6,554,922	Federal Assistance Agreement (FAA1) WIIN Act	06/2023

		Funding. Completed. Agreement closed out.	
Bureau of Reclamation	\$6,900,000	Federal Assistance Agreement (FAA2) WIIN Act Funding. Completed. Agreement closed out.	06/2023
Bureau of Reclamation	\$30,000,000	Federal Assistance Agreement (FAA3) WIIN Act Funding. In Progress.	09/2028
Local Participants	\$101,317,076	In Progress.	07/2025

## 2. Early Funding Agreement Status

Provide the status of the Early Funding Agreement (EFA), as applicable, and the percentage of EFA funds expended. If the EFA has been closed, describe how the remaining work needed to move the project to a final award hearing will be financed.

Status	Percentage of EFA funds expended
WSIP Prop 1 Early Funding has been exhausted. The Project Completion Report was approved, and final retention received in May 2024. The WSIP Prop 1 Early Funding Agreement has been closed out.	100%
Remaining work needed to move the project to a final award hearing will be financed through WIIN Act funding and Local Participant funding. See table above.	



## Attachment A: Supplement for Reporting Period Ending March 31, 2025

### 1.0 Items Required Prior to Scheduling a Final Award Hearing

#### 1) Contracts for non-public cost share (ongoing)

Based on the following, the estimated completion date is October 2025. [See Table A.](#)

**Local Project Participants (Participants):** Funding the Project beyond the planning phase and into detailed design, construction, and operation (Phases 3/4/5) will require developing a “Sites Reservoir Benefits & Obligations Contract” (B&O Contract) which will serve as the long-term commitment of the Sites Authority to provide each Participant with its capacity interest in the Sites Reservoir water storage system. It will represent what each Participant will need to take to its Board of Directors to secure the necessary authority committing to its capacity interest in the Project.

Sites Reservoir Benefits and Obligations Contract:

- Estimated Completion Date (execution by all Participants): April 2026

**Reclamation:** The Sites Authority is coordinating with Reclamation involving the benefits and obligations for their participation in the Project. These discussions will lead to negotiation of a Reclamation Partnership Agreement between the Sites Authority and Reclamation which will track along a similar timeline to the Sites Reservoir Benefits & Obligations Contract with Participants.

Signed Cost Share Amendment:

- Completion Date: December 16, 2019

Financial Assistance Agreement (FAA1)

Amendment 01

- Completion Date: June 2022

#### Amendment 02

- Completion Date: June 2023

#### Financial Assistance Agreement (FAA2)

- Completion Date: June 2023

#### Financial Assistance Agreement (FAA3)

- Completion Date: September 2028

#### Reclamation Partnership Agreement

- Estimated Completion Date: April 2026

### 2) Contracts for administration of public benefits (ongoing)

**Based on the following, the estimated completion date is March 2026. [See Table B.](#)**

State of California (WSIP): Over the reporting period, the Authority has focused its efforts on continued development of administrative draft Adaptive Management Plans that would be exhibits to the Recreation and Flood Control and Ecosystem public benefits contracts.

- Estimated Completion Date: March 2026

### 3) Completed Feasibility Studies (complete)

**Based on the following, the completion date was November 2021.**

Coordination efforts between the Authority and Reclamation culminated in the release of the Reclamation Compliant Feasibility Study ([Final Feasibility Report](#)) in December 2020. Completion of this study will allow for continued federal participation in the Project.

After responding to CWC staff and reviewers' comments, the Authority submitted the final WSIP Compliant Feasibility report in November 2021.

#### Reclamation Compliant Feasibility Study:

- Completion Date: December 2020

#### WSIP Compliant Feasibility Study:

- Estimated Completion Date: November 2021

### 4) Final Environmental Documentation (ongoing)

**Based on the following, the estimated completion date is June 2025. [See Table C.](#)**

The Authority and Reclamation released the Final Environmental Impact Report / Environmental Impact Statement (EIR/EIS) on November 2, 2023. The Authority certified the Final EIR, adopted CEQA Findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program, and approved the Project on November 17, 2023. The CEQA Notice of Determination (NOD) was filed on November 20, 2023.

On December 18, 2023, a coalition of NGOs notified the Authority of their intent to file a petition for Writ of Mandate in Yolo County Superior Court under the provisions of the CEQA, Public Resources Code § 21000 et seq., challenging the Authority's November 17, 2023, certification of the Final EIR, CEQA findings, and approval of the Project. The Authority was successful in defending the CEQA litigation (*Friends of the River, et al., v Sites Project Authority, et al*). On May 31, 2024, the Yolo Superior Court found in favor of the Sites Authority on all counts. On June 14, 2024, Friends of the River, et al., appealed the case. On September 20, 2024, the Third District Court of Appeals found that the Project's environmental review fully complied with CEQA.

The focus now is on CEQA compliance during property acquisition and pre-construction activities and NEPA documentation. During this period, the Authority has worked with responsible and cooperating agencies as well as Reclamation to support their decision-making processes. It is anticipated that Reclamation will sign the Record of Decision (ROD) in mid-2025. The Authority is also coordinating with the USACE as they review the Project for NEPA compliance as part of the 404/401 permit process.

Draft EIR/EIS:

- Completion Date: August 2017

Revised Draft EIR/Supplemental Draft EIS:

- Completion Date: November 2021

Final EIR/EIS, Certification, Findings, and NOD:

- Completion Date: November 2023

ROD:

- Estimated Completion Date: June 2025

**5) All required federal, state, and local approvals, certifications, and agreements (ongoing)**

**Based on the following, the estimated completion date is March 2025. [See Table D.](#)**

**State:**

- **California Endangered Species Act – Incidental Take Permit (ITP) – Construction:** Completed in October 2024.
- **California Endangered Species Act – Incidental Take Permit (ITP) – Operations:** Completed in October 2024.
- **DWR Division of Safety of Dams (DSOD):** During this period, the Authority continued to engage with the DWR's DSOD to discuss the Project, the permit application process, an initial DSOD permitability finding that provides sufficient assurance to proceed with final Prop 1 award, and supporting information required to permit dam construction which would occur in a phased approach. The Authority submitted 30% design documents to DSOD for review and initial permitability considerations in October 2024.
- **Water Rights Application:** The Authority submitted its Water Right Application to the State Water Resources Control Board (SWRCB) in May 2022. The SWRCB noticed the Authority's application on June 1, 2023, with protests due on August 31. The water right hearing process began in August 2024 and concluded in March 2025. Closing statements are due in May 2025. Based on the revised schedule, the Sites Authority now anticipates completion of the water right process with a water right decision in Q3, 2025.

**Federal:**

- **Clean Water Act, Section 404 and 401 Permits:** Over this period, the Authority team continued coordination with the U.S. Army Corps of Engineers (USACE), SWRCB, the U.S. Environmental Protection Agency (EPA), and Central Valley Regional Water Quality Control Board (CVRWQCB). The Authority submitted the 404 and 401 application packets to the USACE, CVRWQCB, and SWRCB on March 1, 2024. On April 15, 2024, the USACE issued a letter of notifying the Authority that the 404-permit application is incomplete, and subsequently withdrawn from further review on May 17, 2025. On September 14, 2024, the SWRCB denied the 401-permit application without prejudice because the federal permit application was withdrawn, and the SWRCB no longer had responsibility to act on the request for certification. The USACE identified several items needed as part of the permit application, including but not limited to completed Endangered Species Act Section 7 consultation, final draft of a 404(b)(1) compliance memorandum, and completed Section 106 consultation, and comprehensive compensatory mitigation plan. Since 2024, the Authority has continued to work on preparing a revised 404 permit application and has continued to meet with the USACE, EPA, and SWRCB to identify a path forward. The ESA process and Section 106 are expected to be complete in June 2025. In early 2025, the Authority received confirmation from the USACE that the draft 404(b)(1) compliance memorandum can be considered final. The 404 and 401 permits are anticipated to be resubmitted in June 2025 and expected to be issued in Quarter 1 of 2026.

- **Federal Endangered Species Act Biological Opinions** – Over this period, the Sites Authority, U.S. Fish and Wildlife Service (USFWS). USACE and Reclamation have continued bi-weekly meetings on the Project’s Construction Biological Opinion. The USFWS is expected to completed the Construction Biological Opinion in Quarter 2 of 2025. Reclamation included the Sites Project’s operations as a programmatic action in their Coordinated Long-Term Operation of the Central Valley Project and State Water Project (LTO) reconsultation BA to USFWS and National Marine Fisheries Service (NMFS). USFWS and NMFS issued their resulting Biological Opinions with the Sites Project included as a programmatic action in late 2024. Over this time period the Sites Authority, Reclamation, USFWS and NMFS have initiated regular meetings to discuss the Project’s Operations Biological Assessment and resulting Biological Opinion. The Project’s Operations Biological Opinion(s) are expected in Quarter 4 of 2025.
- **Section 106 of the National Historic Preservation Act:** Reclamation issued a revised draft Programmatic Agreement for review by Section 106 consulting parties. Reclamation will utilize the Programmatic Agreement for concluding Section 106 of the National Historic Preservation Act. Over this period, the Authority reviewed the draft Programmatic Agreement and provided comments to Reclamation on the draft. Authority staff also began drafting a number of the plans called for in the EIR/EIS mitigation measures, including the Cemetery Relocation Plan and the Burial Treatment Plan. The Authority team continues to assist Reclamation with Section 106 consultation efforts as needed. The Authority anticipates the Section 106 Programmatic Agreement to be completed in Q2 2025.

Construction Incidental Take Permit

- Estimated Completion Date: October 2024

Operations Incidental Take Permit

- Estimated Completion Date: October 2024

DWR Division of Safety of Dams (DSOD) permitability finding

- Estimated Completion Date: Quarter 2, 2025

Water Right Application

- Estimated Completion Date: Quarter 4, 2025

Section 404 of the Clean Water Act

- Estimated Completion Date: Quarter 1, 2026

Section 401of the Clean Water Act

- Estimated Completion Date: Quarter 1, 2026

Federal Endangered Species Act Construction Biological Opinion

- Estimated Completion Date: Quarter 2, 2025

Federal Endangered Species Act Operations Biological Opinion(s)

- Estimated Completion Date: Quarter 4, 2025

Section 106 Consultation

- Estimated Completion Date: Quarter 2, 2025