



## Water Storage Investment Program Quarterly Report Template

The Quarterly Report is intended to document the applicant's 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.

<b>Project Name:</b>	Temperance Flat Reservoir (TFR) Project		
<b>Applicant Name:</b>	San Joaquin Valley Water Infrastructure Authority (SJVWIA) in coordination with the Temperance Flat Reservoir MOU Group and the Temperance Flat Reservoir JPA		
<b>Date:</b>	October 30, 2018	<b>Reporting Period:</b>	August 14, 2017 - October 30, 2018

**Please describe any key issues that occurred during this reporting period. You may attach additional documents or pages if more space is needed.**

On August 14, 2017, the San Joaquin Valley Water Infrastructure Authority (SJVWIA) submitted an application the California Water Commission (CWC) under the Water Storage Investment Program (WSIP) for the Temperance Flat Reservoir (TFR) Project. The TFR Project application is based on the physical facilities identified by the US Bureau of Reclamation (Reclamation) in the Upper San Joaquin River Basin 2014 Draft Feasibility Report and 2015 Draft EIS and an operating plan developed by a Technical Steering Committee comprised of the Friant Water Authority (FWA), the San Joaquin River Exchange Contractor Water Authority (SJRECWA) and the San Luis Delta-Mendota Canal Water Authority (SLDMWA), all of which are SJVWIA members. As noted in the WSIP application, progress following application submittal would focus on defining funding commitments for non-public benefits, including the Federal government and public agency water entities that would invest in the TFR Project.

Considerable progress has been made in defining both Federal and non-Federal funding commitments. Reclamation is evaluating the operating plan included in the WSIP application as a new alternative in the Feasibility Report and has identified key implementation requirements and strategies. Concurrently, a group of water users established a process through a Memorandum of Understanding (MOU) to evaluate their interest in investing in the TFR Project. The 'MOU Group' is comprised of 25 Friant Division long-term contractors that hold 99 percent of Class 1 contracts and 100 percent of Class 2 contracts, the SJRECWA, the SLDMWA, and six CVP south-of-delta water service contractors in the San Joaquin Valley. Participants in this group have developed preliminary operating plans for the management of storage capacity in TFR they would obtain through their investment. The MOU Group is now evaluating the combined effect of individual operating plans to establish a project operating plan. These evaluations will support decisions by entities on their financial participation in the TFR Project.

In October 2018, the Temperance Flat Reservoir Joint Powers Authority (JPA) was formed. TFR JPA membership includes entities that will invest directly in the TFR Project. The TFR JPA was formed to promote, develop, design, permit, finance, acquire, construct, manage, maintain, and operate a dam and reservoir at Temperance Flat. The initial membership will establish the initial framework for the Temperance Flat Reservoir, and individual members will join the TFR JPA as they determine their level of storage needs and financial commitment. The SJVWIA is currently working with the TFR JPA to transfer the TFR Project WSIP Application to the TFR JPA, which is anticipated to take place in November 2018. This transfer will be supported with documentation that demonstrates the willingness of the SJVWIA and TFR JPA to transfer the application, demonstration of eligibility under WSIP requirements, and a resolution authorizing a TFR JPA representative to communicate with the CWC on behalf of the JPA.

Once the TFR Project WSIP application is transferred, the Temperance Flat Reservoir JPA will work closely with CWC staff and Reclamation to develop a detailed schedule for completion of critical items required for WSIP funding. Accordingly, the dates provided in the following table should be considered interim and subject to revision.

**Prior to scheduling a hearing, the following items must be provided:**

Description	Status	Estimated Completion Date	Percent Complete %
Contracts for non-public cost share	As described above, the Temperance Flat Reservoir JPA has been formed to provide the mechanism to provide the non-public cost share for the TFR Project. The JPA will secure funding from project investor beneficiaries and will coordinate with Reclamation to determine the potential for Federal funding in support of federally-recognized benefits. This process is in the early phase of development and is estimated to be about 5 percent complete. It is expected that the JPA will have funding commitments determined by mid-2021.	Mid 2021	5%
Contracts for administration of public benefits	Contracts have yet to be provided and are subject to the transfer of the application authority to the TFR JPA.	TBD	0%
Completed feasibility studies	Reclamation is currently completing the Final Feasibility Report for the Upper San Joaquin River Basin Storage Investigation. The Feasibility Report includes an alternative plan that is based on the operating plan developed for the WSIP application. Reclamation anticipates completion of the Final Feasibility Report by early 2019.	Early 2019	95%
Final environmental documentation	<p><b>NEPA</b> - Reclamation is preparing a Final Environmental Impact Statement (EIS) for the USJRBSI to provide NEPA compliance. The Final EIS will include an alternative plan based on the operating plan developed for the WSIP application. Reclamation is determining if a Supplement to the Draft EIS will be required before the final EIS is released.</p> <p><b>CEQA</b> - The Temperance Flat Reservoir JPA will be the lead CEQA agency for preparation of an Environmental Impact Report (EIR). This work will begin shortly following the final formation of the JPA and will be based, in part, on information prepared for the NEPA document. Early in the preparation of the EIR, the JPA will coordinate with the CWC, CDFW, and CDWR to identify issues to be addressed in the EIR to meet the needs of the Responsible Agencies. The Temperance Flat Reservoir JPA expects this coordination, additional analyses, and release of Draft EIR will be completed by mid-2021. However, because the requirements of Responsible Agencies are not yet known, it is not possible to estimate the percent complete of the CEQA document.</p>	<p>NEPA Mid 2019</p> <p>CEQA Mid 2021</p>	<p>90%</p> <p>Undetermined, pending requirements of Responsible Agencies</p>
All required federal, state, and local approvals, certifications, and agreements	The Temperance Flat Reservoir JPA will be the lead agency in seeking all federal, state, and local approvals, along with all certifications and agreements. Work on these items will begin after the final transition of authority from the SJVWIA to the TFR JPA.	TBD	TBD

### 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.

The Temperance Flat Reservoir JPA will execute the funding agreement for the project. Work on these items will begin after the final transition of authority from the SJVWIA to the TFR JPA.

### 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 project 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.

#### Labor Compliance

The Temperance Flat Reservoir JPA will evaluate labor compliance requirements after the final transition of authority from the SJVWIA to the TFR JPA.

#### Urban Water Management Plans

Three entities represented by the Applicant and partners are required to submit UWMPs (City of Tracy, City of Fresno, and Santa Clara Valley Water District). All were submitted prior to August 14, 2017.

#### Agricultural Water Management Plans

A total of 27 entities represented by the Applicant and partners are required to submit AWMPs. The following changes in the status of AWMPs have occurred since August 14, 2017:

- AGMPs for Byron Bethany Irrigation District and Lindmore Irrigation District, which were identified as 'In Progress' at the time of submittal of the WSIP application, have been submitted to DWR.
- The AGMP for Panoche Water District, which was identified as 'Verified by Reclamation' at the time of submittal of the WSIP application, has been reviewed by DWR.

#### Groundwater Management or Groundwater Sustainability Plans

The TFR Project WSIP Application identified 30 Groundwater Sustainability Agencies (GSAs) within the area represented by the applicant member agencies and partners. The following status is based on information provided on the DWR SGMA Portal as of October 29, 2018

- Three GSAs provided Initial Notifications (INs) to DWR prior to August 14, 2017
- 22 GSAs submitted INs to DWR since August 14, 2017
- Five GSAs have not yet submitted INs.