

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:

Willow Springs Water Bank Conjunctive Use Project

Applicant Name:

Southern California Water Bank Authority

Date:

4/28/2023

Reporting Period:

2023 Quarter 1

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:

See attached

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: In Progress

Estimated Completion Date: June 2023

Percent Complete: 75%

2. Contracts for administration of public benefits:

Status: In Progress

Estimated Completion Date: May 2023

Percent Complete: 65%

3. Completed feasibility studies:

Status: Completed

Estimated Completion Date: Completed November 2021

Percent Complete: 100%

4. Final environmental documentation:

Status: All Local Infrastructure Complete. Pulse flow CEQA in progress.

Estimated Completion Date: September 2023

Percent Complete: 80%

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

Status: In Progress

Estimated Completion Date: June 2024

Percent Complete: 50%

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.

Cost, schedule and scope of work were updated in the final feasibility report submitted in November 2021. Attached narrative includes most up to date information.

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.

See attached supporting documentation

2023

Progress Report: Willow Springs Water Bank Conjunctive Use Project



John Whitt

WSWB General Manager

4/28/2023

General Update and Key Issues

This Narrative provides supplementary context to the quarterly report template provided by the California Water Commission (CWC) and staff for the 2023 Quarter 1 Progress Report and reflects works completed in Quarter 1 of 2023. This Narrative is intended to update the CWC on new developments over the past few months that could impact Willow Springs Water Bank (WSWB) and its progress towards statutory requirements. Primary developments to the project included the completion of draft water quality reports for 2 years of data collection, update of project cost estimates, update of economics analysis, continued negotiations for the sale and transfer of assets to a State Water Project Contractor, continued coordination with DWR, CDFW, and other project proponents in the development of funding agreements and public benefit contract terms, and clearance of the local review process for an additional \$39.5M in grant funds from the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure for Communities (BRIC) program.

Agreements and Public Benefit Contracts

Meetings and progress have been made with all WSIP project proponents in the development of proposed and common contract terms for public benefits. These terms are being reviewed by DWR and administering agencies. Draft contracts and adaptive management frameworks were developed and refined in Quarter 1 of 2023 for the delivery of ecosystem benefits. WSWB has provided input to this process and is currently working with administering agencies and project proponents to develop public benefit contracts. Additionally, WSWB is drafting proposed language for the adaptive management of the ecosystem benefit (Feather River pulse flows).

In Quarter 4 of 2022 WSWB has communicated its intent and commitment to partner with Antelope Valley East Kern Water Agency (AVEK). In Quarter 1 of 2023, WSWB has been diligently updating project costs and economics, while at the same time developing proposed terms of sale. The terms are focused on a proposed deal that is equally beneficial to all parties. These terms will be presented to AVEK in upcoming closed-door sessions.

WSWB is also in the process of vetting operations for the predelivery of water from San Luis Reservoir with DWR Operations. During this quarter WSWB has revisited project water supply modeling, updated analysis and presented proposed operations to DWR, other WSIP project proponents and SWP contractors. This memorandum is currently under review by DWR.

In Quarter 3 of 2022, WSWB drafted an Emergency Response Operation Plan. When finalized, this plan will aid in the development of the Emergency Response Public Benefit Contract and associated adaptive management plan. In Quarter 1 of 2023, WSWB conducted preliminary outreach to potential participating SWP contractors to brief them on the project and benefits that could be realized.

Leveraging of Funds

In December of 2021, WSWB drafted an application for a FEMA BRIC grant. The grant would be used to build additional extraction and recharge capacity at the bank to be used primarily as drought resiliency for disadvantaged communities in Kern County. With the ability to use shared facilities, a portion of Proposition 1 grant funds are being proposed as a cost share. Final application was submitted in Quarter 1 of 2022 and has been selected for \$39.5M pending a local review process. In Quarter 1 of 2023 this grant cleared the local review process and has been selected for final funding. Currently, WSIP funds are the proposed state cost share for this grant.

Water Quality Monitoring

In Q1, 2023, WSWB finalized draft water quality reports for 2019 and 2022. WSWB is currently refining data collection efforts and updating methods for sampling to be conducted in 2023. Of note, sampling conducted in 2023 included the addition of PFAS with none being detected. Other constituents were at levels consistent with or below that of other samples collected throughout the Antelope Valley.

Priorities and Next Steps

The current priority for WSWB is to engage and expedite agreements with AVEK, present project status to the CWC in June of 2023, and initiate pre-design of facilities. In addition, WSWB will continue the refinement of project operations, agreements with administering agencies, CEQA documentation for pulse flows and working towards design. These items include updating technical studies for project water supply and analyzing potential impacts of pulse flow operations.

Agreements are needed with DWR and the SWP contractors to initiate pre-delivery of water from San Luis Reservoir into WSWB. Progress made with the delivery of an initial operations plan is in review by DWR. The impacted parties must be convinced that there will be no negative impact on them due to the pre-delivery of water. An updated study was recently completed that describes potential approaches, mechanisms and contracts needed to conduct this pre delivery and can be shared with CWC staff and agencies during future collaborations.

Items Required to Execute a Funding Agreement

The WSWB has complete CEQA documents as well as an addendum which expanded the bank's approved capacity. AVEK's HDWB received a Notice of Exemption from CEQA. The SNIP Phase II Pipeline has a completed Initial Study/Mitigated Negative Declaration. All of these CEQA documents received a Notice of Determination and are final (see **Table 1**).

Table 1. Summary of CEQA coverage by project element and associated relevant components

Project Element	Relevant Components	Environmental Coverage
Willow Springs Water Bank	Up to 77 recovery wells and associated collection piping within an area of 8,650 acres Two booster pump station locations 9.2 miles of bi-directional pipeline from the California Aqueduct, some through Joshua Tree Habitat 1,106 gross acres of recharge basins Maximum storage of 1,000,000 AF Recharge capacity of 250,000 AF and recovered volume of 225,000 AF Connecting pipeline to AVEK West Feeder (already constructed) 2.5-mile-long connecting pipe to AVEK's SNIP	Environmental Impact Report Notice of Determination 2006 SCH # 2005091117 Addendum to EIR Notice of Determination filed 12/26/2017

High Desert Water Bank	Rehabilitation of an existing turnout and one new turnout off the California Aqueduct 1,200 acres of recharge basins 3.5-mile bi-directional recharge and recovery transmission main Eight miles of aboveground recharge pipelines Six miles of well collection pipelines An estimated 18 groundwater extraction wells 5 monitoring wells, and 1 booster pump station water storage tank (250,000-gallon capacity).	Mitigated Negative Declaration Notice Of Determination Filed 6/26/2017 SCH#2017061030
SNIP Phase II	6.6 miles of steel pipeline Connections to SNIP Phase I Pipeline Connections to Quartz Hill Water Treatment Plant	Initial Study/Mitigated Negative Declaration Notice of Determination filed 5/1/2014 SCH#2014051007

Additional CEQA work in conjunction with the DWR and CDFW will be needed for administering the pulse flow operations as the project’s ecosystem benefit. It is unclear at this point who will be the responsible party for development of these documents and look forward to coordinating these efforts with DWR and CDFW staff. The form and extent of required CEQA documentation has not been determined yet. It is envisioned that these items will be collaboratively addressed during the development of adaptive management plans, agreements and eventually contracting. Process and progress on these documents will be described in future quarterly reports.

A final feasibility study and a letter for the commitment of 75% of the non-public benefit was completed in November. A finalized contract for the entirety of the non-public cost share will be needed prior to scheduling a funding hearing.

WSWB has begun the preliminary design and permitting phase for project elements specifically located on WSWB property.

Status Update

Considerable feasibility planning for the new facilities has already been completed. Past studies include the following:

- 2005 initial feasibility study prepared for the 2006 EIR (by Western Development and Storage)
- 2011 master plan for site buildout (by GEI)
- 2014 groundwater model (by HDR)
- 2016 master plan update (by GEI)
- 2021 final feasibility study (by GEI)

Additional planning is underway and is on track to start design process in 2022. It is assumed that 20% to 30% of design will need to be complete before entering into the final permitting phase of the project.

Schedule Update

The project is planned to be fully implemented within 5years (see **Table 2**). Project participants are working on agreements for the transfer of the WSIP grant leadership to AVEK. Concurrently, pre-design and permitting will take place primarily for the WSWB infrastructure. HDWB and the SNIP Phase II pipeline have existing and underway permits.

Table 2. Proposed implementation schedule for the completion of all project elements.

2022				2023				2024				2025				2026				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Convey WSIP Prop 1 to AVEK																				
Final design and permitting																				
Contracts for administration of public benefits																				
Funding agreement with CWC																				
HDWB Construction																				
SNIP Phase II Construction																				
WSWB Construction																				