

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 (previously known as the South Sacramento County Agriculture & Habitat Lands Recycled Water, Groundwater Storage, and Conjunctive Use Program)

Applicant Name:

Sacramento Regional County Sanitation District (Regional San)

Date:

July 30, 2020

Reporting Period:

Q2 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 Q2 2020.

- The South County Ag Program was rebranded as Harvest Water, with the tagline "Keep it growing". The new program logo and associated press release can be found at: <https://www.regionalsan.com/harvestwater>.
- The Program team is continuing to develop and execute a landowner outreach plan for recycled water customers and Eco Plan partnerships.
- Throughout Q2, the Program team continued outreach to landowners in the Program area. As of mid-July, Regional San has received Letters of Intent (LOI) for 36% of the parcels in the proposed service area representing 57% of the recycled water demand goal (approx. 22,369 acre-feet per year, AFY). Although the COVID Pandemic limited the Program Team's ability to conduct field visits, they were still able to engage in active outreach via meetings and phone calls with additional landowners representing another 10,000 AFY of demand.
- 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 Q2 2020.

- In Q2, the Program team began follow-up phone interviews with landowners who have submitted LOIs to gather site-specific information on water use patterns to inform the hydraulic modeling and contracting efforts.
- 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 forest and developing a potential incentives list for program participation.
- The Program team continues to coordinate benefits contracting with SWRCB and CDFW. The Program team met with CDFW staff via web-interface 5/8/20, 6/1/20, and 6/26/20 to discuss the benefit targets and primary metrics, as well as initial adaptive management strategies. The Program team coordinated with SWRCB staff via email, but determined a meeting was not needed during Q2. Additional meetings with both agencies are planned in Q3.
- On 4/1/20, the Program team met with CWC staff via web-interface to provide an update on the Program and discuss grant funding. The next meeting with CWC staff is scheduled for 8/26/20.
- The CEQA consultant continues development of the CEQA documents including biological surveys and air quality analyses. 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 will be completed first and has achieved the most progress to date.
- The Program team coordinated with the Sacramento LAFCo executive director and initiated development of the 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 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 initiated additional groundwater modeling efforts, including four scenarios that evaluate how Program participation (both recycled water service and ecological program) affect groundwater restoration and the timeline for benefits accrual.
- Regional San hired a joint-venture consultant team in April 2020 for the Capital Program Management that will oversee Design and Construction. Throughout Q2 the Program team has initiated work on updating the Project schedule (reflected in the attached preliminary schedule), with a focus on the near-term development of the Basis of Design Report, Environmental Permitting, and the procurement of the Design consultant. The Program schedule will continue to be refined once the Basis of Design Report is completed and as new information becomes available.
- The Capital Program Management team is currently developing the hydraulic model to support the Basis of Design Report with input from landowners and has established their physical office at the Sacramento Regional Wastewater Treatment Plant.
- COVID-19 Response: Regional San and the Program team continued teleworking from home through Q2, with some of the Program team returning to the Capital Program Management 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 the South County Ag Program. 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 Q3 2020 with CDFW regarding Ecological Plan and ecological benefit targets, metrics, and monitoring and SWRCB regarding water quality benefit targets.

Estimated Completion Date: TBD

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. (Wintertime application and ecological program have been combined.)

1. Laterals & On-farm Connections Project-Level environmental documentation - 90%
2. Ecological Program and Wintertime Application environmental documentation - 25%
3. Groundwater Conjunctive Use environmental documentation - 10%

Estimated Completion Date: June 2021

Percent Complete: 40%

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

Status: See attached list of 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: The Program schedule has been updated based on input from the Capital Program Management consultant. The new dates are largely consistent with the Program schedule presented by CWC staff during the CWC Meeting on 7/15/20. The facility is anticipated to be operational at the end of 2024 for recycled water delivery. However, the Program schedule will continue to be refined once the Basis of Design Report is completed and as new information becomes available. 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 South County Ag Program 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 – South County Ag Program: List of Permits for WSIP Quarterly Reporting

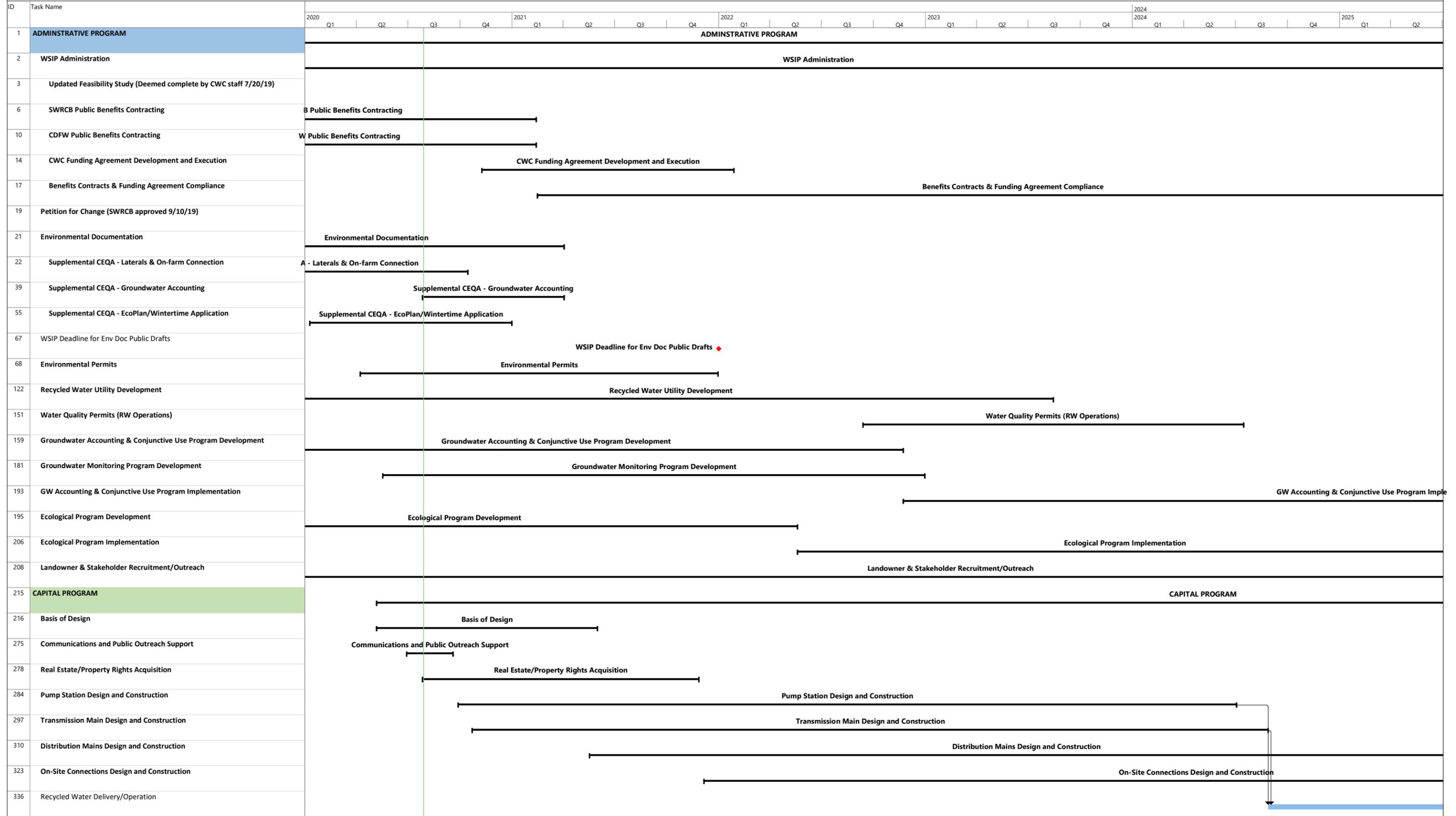
Permitting Agency	Permit	Estimated Completion Date ³	Percent Complete %
Environmental			
CVRWQCB	401 Water Quality Certification (required for 404 Permit)	Q2 2021	0%
U.S. Army Corps of Engineers	Clean Water Act, Section 404 Permit for any fill of wetlands or waters of the US	Q4 2021	0%
CDFW	Streambed Alteration Agreement (for pipeline crossings of creeks)	Q1 2022	0%
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			
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.

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

South Sacramento County Agriculture & Habitat Lands Recycled Water, Groundwater Storage, and Conjunctive Use Program
Regional San



Project: Draft_SoCoAg Schedule
Date: Wed 7/29/20

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	