

WESTLANDS WATER DISTRICT BOARD OF DIRECTORS

MEETING OF FEBRUARY 20, 2018

ITEM 7c

SUBJECT:

Request to Secretary of the Interior for the Potential Sharing of Costs of Enlarging Shasta Dam and Reservoir

DISCUSSION:

Under Section 4007 of the WIIN Act, the Secretary of the Interior can recommend specific projects for funding and transmit that recommendation to the appropriate committees of Congress. However, section 4007 provides that before the design, study, construction, or expansion of any project can begin, the Secretary of the Interior must:

1. receive a request from a public agency for the design, study, construction, or expansion of the project;
2. determines that the proposed storage project is feasible in accordance with reclamation law;
3. secure an agreement providing up-front funding as in necessary to pay the non-Federal share of capital costs; and
4. determine that the proportionate share of the project benefits are Federal benefits.

The District has previously entered into agreements with the United States for the potential sharing of costs of enlarging Shasta Dam and Reservoir. On February 24, 2009, the District's Board of Directors adopted Resolution No. 108-99, which authorized the execution of an Agreement in Principle with the United States for the potential sharing of costs of enlarging Shasta Dam and Reservoir. The agreement executed in accordance with Resolution No. 108-99 expired on September 30, 2012. Following a request for renewal of the expired agreement from the Bureau of Reclamation, the District adopted Resolution No. 107-14 on March 18, 2014, which authorized the execution of a new Agreement in Principle with the United States for the potential sharing of costs of

enlarging Shasta Dam and Reservoir. The agreement executed in accordance with Resolution No. 107-14 expired on September 30, 2017.

The Final Environmental Impact Statement and Feasibility Report for the enlargement of Shasta Dam and Reservoir were released in July of 2015.¹ In the EIS, Comprehensive Plan CP4A, currently identified as the National Economic Development Plan, indicates that a raise of 18.5 feet will result in an increased storage of 634,000 acre-feet, reserving 191,000 acre-feet of which for Cold-Water Pool. The EIS estimates the capital cost of CP4, which is substantially similar to CP4A, at \$1.25 billion in 2012 dollars. The District's potential share of construction would be subject to negotiation and could be a flat amount, a percentage of construction, and/or "in-kind" contributions for mitigation.

RECOMMENDATION:

Authorize the General Manager or his designee to submit a request to the Secretary of the Interior for the enlargement of Shasta Dam and Reservoir, indicating a willingness to potentially share the costs of the enlargement.

Request to Secretary of the Interior for the Potential Sharing of Costs of Enlarging Shasta Dam and Reservoir

Ms. Ostrowski reported that Under Section 4007 of the WIIN Act, the Secretary of the Interior can recommend specific projects for funding and transmit that recommendation

to the appropriate committees of Congress. In order for this to occur, the Secretary can expedite the process but must receive a request from a public agency for the design, study, construction or expansion of the project. In addition, the Secretary must determine that the proposed storage project is feasible in accordance with reclamation law; secure an agreement providing up-front funding as is necessary to pay the non-Federal share of the capital costs; and determine that the proportionate share of the project benefits are Federal benefits. Finally, the agency must identify the agencies willing to discuss being a local cost-share partner. The request to the Board is to authorize the General Manager or his designee to submit a request to the Secretary of the Interior for the enlargement of Shasta Dam and Reservoir, indicating a willingness to potentially share the costs of the enlargement. Previously, the District had entered into cost share interest agreements with the Bureau of Reclamation for the Enlargement of Shasta Dam. This letter would specifically be to expedite the project and that the District could potentially be a cost-share partner to satisfy the requirements of the WIIN Act.

A motion was duly made and seconded by the Board to authorize the General Manager or his designee to submit a request to the Secretary of the Interior for the enlargement of Shasta Dam and Reservoir, indicating a willingness to potentially share the costs of the enlargement. After the vote, Mr. Birmingham announced that the Board approved the action with the vote as follows:

President Peracchi: Aye
Director Anderson: Aye
Director Bourdeau: Aye
Director Coelho: Aye
Director Enos: Aye
Director Errotabere: Aye
Director Ferguson: Aye
Director Neves: Aye
Director Woolf: Aye