Is Sites Reservoir a savior for the Sacramento Valley – or a Delta tunnels project in disguise?

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UPDATED NOVEMBER 14, 2016 8:24 AM

An hour north of Sacramento, in a ghost town tucked into a remote mountain valley, California is poised to build a massive new reservoir – a water project of a size that hasn’t been undertaken since Jerry Brown’s first stint as governor in the 1970s.

Sites Reservoir, all $4.4 billion of it, represents an about-face in a state where drought has become the norm and water users are told to scrimp and save. Promoters of Sites say the reservoir would significantly enhance water supplies for the rice farms of the Sacramento Valley as well as the cities of Southern California. The fact that it would be built just outside tiny Maxwell, in a poor and often-overlooked area of the state, has become a point of fierce regional pride.

“Instead of the water going out to sea, the water will remain here,” said state Sen. Jim Nielsen, R-Gerber, during a recent media event at the Sites operations office a few miles east of the reservoir location. “That is a significant policy change.”

But Sites is far from a done deal, despite support from the Brown administration.

While the Sacramento Valley’s major farm-irrigation districts have pledged to fund much of the project, they’re also about to ask the state to pay up to half of the reservoir’s cost, via bond money supplied by voter-approved Proposition 1. Because the state is unlikely to approve the request in full, Sites’ backers are also courting investment dollars from a dozen water agencies outside the Sacramento Valley, including the powerful Metropolitan Water District of Southern California. For every dollar they contribute, these agencies would be entitled to a share of the water stored in Sites.

That’s where it gets trickier. At least some of those agencies might not be as likely to invest in Sites unless the state builds the Delta tunnels, Brown’s enormously controversial $15.5 billion project to smooth the delivery of Northern California water to regions south of the Sacramento-San Joaquin Delta.

Funding for the tunnels is in some doubt, and without them the water agencies south of the Delta have less reason to support Sites. For instance, Metropolitan says it’s very reluctant to invest in Sites if it can’t be assured it will be able to pull its water out of the reservoir when it wants to and ship it through the Delta.
“Without tunnels to move any water ... it probably doesn’t pencil on that alone,” said Jeff Kightlinger, Metropolitan’s general manager.

Kightlinger’s stance raises red flags for activists who are vigilant about Northern California’s water. They say Sites is a wolf in sheep’s clothing – a benign-looking project that’s really a silent partner to the tunnels proposal and would accelerate the delivery of the Sacramento Valley’s precious water to the parched regions of the south state.

“Sites Reservoir ... is definitely tied to using and operating the Delta tunnels,” said Barbara Barrigan-Parrilla, executive director of Restore the Delta, probably the fiercest opponent of Brown’s Delta tunnels project. “It will become about selling water.”

As evidence, activists point to a draft financial analysis commissioned by the state that said the tunnels project, officially called California WaterFix, would boost the economic value of Sites by roughly $1.5 billion. State officials acknowledge that the tunnels would make Sites more attractive.

“How could Sites be connected to the Delta tunnels? Water must pass through the Delta to move south, and the estuary has become the great bottleneck of California’s vast delivery system. Because of dwindling fish populations and other environmental woes, the giant government pumps in the south Delta often get throttled back when they’re scheduled to deliver water, leaving millions of gallons to wash out to sea.

Brown’s office pitches the tunnels as a way to allow the pumps to run more reliably, while moderating the environmental damage caused by the pumps. With the tunnels in place, south-of-Delta water agencies would have more opportunities to tap into water they’ve stored at Sites. Additional reliability also would allow Sites’ north state investors more windows in which to sell any extra water stored in Sites they don’t need.

Sites’ backers say the reservoir stands on its own – a vital infrastructure project that would deliver considerable benefits for the state’s often strained water network.

“It’s immaterial whether the tunnels are built or not,” said Jim Watson, general manager of the Sites Project Authority, the entity established by valley irrigation districts and county governments.

In addition, the reservoir’s backers say Sites – named for the ruins of a town where the project would be located – would serve Sacramento Valley water interests first and foremost. “We will have first call on the water,” said Lewis Bair of Reclamation District 108, an agricultural water agency about 20 miles south of Maxwell.
With or without the tunnels, a major new reservoir north of the Delta is tempting to water districts all over. Watson said investors, regardless of where they are, can expect to pay $600 an acre-foot per year for a share of the reservoir. An acre-foot is 326,000 gallons.

These days, desperate south-of-Delta water managers frequently offer $1,000 or more per acre-foot on the open market, so Sites is seen as a relative bargain.

“Sites becomes very attractive even without the tunnels,” said Ara Azhderian, water policy administrator at the San Luis & Delta–Mendota Water Authority, an umbrella agency that delivers water to the Silicon and San Joaquin valleys.

With a capacity of up to 1.8 million acre-feet, Sites would become California’s seventh-largest reservoir. It would be the largest built since New Melones was completed on the Stanislaus River in 1979.

To get state funding, the Sites Project Authority will apply early next year to the California Water Commission, an obscure state agency in charge of allocating Proposition 1 dollars. The decision is likely to come in 2018, and construction wouldn’t begin until several years later.

Watson said it’s highly unlikely Sites will get the full $2.2 billion it’s seeking. Proposition 1 set aside $2.7 billion for water infrastructure projects, and Sites will be competing against proposals such as the $2.6 billion Temperance Flat dam on the San Joaquin River.

If the state does contribute money to Sites, it would gain control of a good chunk of the reservoir’s water supply. That could be used to improve salmon and Delta smelt populations and serve other environmental needs. The amount of water under state control would depend on the size of the state’s financial commitment.

Sites’ backers say the potential for environmental water makes the project a win-win, a rarity in California water.

“Having that increment of water during these dry years ... wouldn’t that be a blessing for everything – for fish, for birds, for people, for farms, right?” asked David Guy, president of the Northern California Water Association. “Where else do you see that in the state of California? Where else do you see a solution that’s sitting there of this magnitude that can do as much as that?”
Unlike most of California’s major reservoirs, Sites would be an “off-river” project. Instead of damming a river, engineers would run an underground pipeline 14 miles from the Sacramento River to the reservoir’s proposed location: a 14-mile-long mountain valley that straddles Glenn and Colusa counties.

Sites backers say water would be diverted only when the river is roaring with peak flows, which would ensure fish and wildlife aren’t harmed. Watson said the reservoir would probably have about 500,000 acre-feet available in an average year, less than one-third of its capacity.

While environmentalists usually oppose big water projects, some say they would accept Sites if its backers can prove it would be used to help the environment. And some experts say as far as these things go, Sites has a fairly easy case to make.

“It’s a relatively straightforward environmental benefit relative to other kinds of storage projects that are out there,” said Ellen Hanak, a water expert at the Public Policy Institute of California.

Sacramento Valley farmers are anxious to see the construction of Sites. While many valley farmers enjoy some of the most senior water rights in California, they say the drought has put their supplies at risk. Environmental problems, such as dwindling salmon populations, frequently interrupt delivery of water they need for rice and other crops, said rice grower Don Bransford, a Sites Authority board member and president of the Glenn-Colusa Irrigation District.

Plus, there’s fear in this Republican-dominated and sparsely populated region that the urban Democrats who control California’s politics will someday wrest water away from Sacramento Valley farms to serve cities and the environment.

“Our water rights are as strong as anybody in the state ... but the problem is people aren’t respecting that as much anymore,” said Rep. Doug LaMalfa, a Butte County rice farmer and Republican who represents the area in Congress.

Building the reservoir would mean flooding about 60 ranches and homesteads. Landowners would be compensated for their property. Among them is Mary Wells, a fifth-generation Sacramento Valley farmer. She sits on the Sites board of directors and is one of its most outspoken advocates.

Wells, 71, said she’ll be heartbroken to leave the home where she and her recently deceased husband raised a family.

But she believes Sites is a necessity if her children and grandchildren are going to be able to keep the family farming tradition going. “This is really not for me. I hope to see it. But it is really for Generation 6 and Generation 7,” she said on a recent weekday, sitting on a weathered wooden fence outside her home. “It’s for the better good, and it’s for the continuum of the family.”
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Her family’s farmhouse will be flooded, and she’s all for it Mary Wells raised a family in a mountain valley near Maxwell north of Sacramento. Find out why she supports building a reservoir that would leave her family’s land deep under water. BY RYAN SABALOW