



Capitol Alert

## Water agencies say funding for California's biggest dam in decades is 'pretty much lined up'

By Ari Plachta

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A ranch sits on the bottom of the planned Sites Reservoir on Wednesday, July 14, 2021. The valley that would be inundated holds the remnants the town of Sites. It's now mostly populated by grazing cattle, along with a smattering of human occupants who would be compensated for their land. DANIEL KIM [dkim@sacbee.com](mailto:dkim@sacbee.com)

California water agencies say they have nearly secured \$4.5 billion in funding needed to build the state's largest reservoir in nearly a century, sites reservoir, as a state environmental review process for the project comes to a rapid close after decades of delay.

"We pretty much have our funding lined up," said environmental planning and permitting manager for the sites project authority, Ali Forsythe, on Tuesday. "We're just putting all the pieces together, but we have our full funding portfolio so that's exciting for us."

She also said the authority, a coalition of water districts leading the project, will consider its final environmental impact report on Friday. Approving it would mark a key

procedural milestone and official green light for construction scheduled to begin in 2026.

Gov. Gavin Newsom put the Sacramento Valley project on a fast track for approval last week under an infrastructure law he signed this year that limits the duration of environmental challenges in court to 270 days.

Forsythe, speaking at a Sacramento water policy conference, said the sites project authority expects to secure a \$2.2 billion loan from the environmental protection agency through the water infrastructure finance and innovation act to close the project's funding gap and begin acquiring around 14,000 acres of land in the sacramento valley.

"DWR first released the notice of preparation for this project in 2001. It's been going on for 20 years and we're about to bring it to closure on friday," she said. "In this document we're committing to solidify that this is 21st century infrastructure."

The rest of the funding portfolio includes a \$450m loan from the U.S. Department of Agriculture, \$875m in state funding through Proposition 1 in 2014, \$850m in federal Bureau of Reclamation grants, and the rest through revenue bonds and cash from water agencies themselves.

In addition to federal approval of the environmental impact statement and additional permits, the proposed project must secure a water right from the state water resources control board — no small task. A hearing on the matter is expected next year.

Sites reservoir is proposed for an area in Colusa and Glenn counties west of the town of Maxwell in the coast range mountains. It would flood what's known as the Antelope Valley by capturing water from the Sacramento River — up to 1.5 million acre-feet — for use by farms and cities across the state in drought.

Supporters, mainly agricultural and municipal water agencies, say the project will boost water storage amid increasingly unpredictable climate swings, and has limited environmental impact because it will not affect the river's currents directly.

Environmental advocacy groups have long opposed it, arguing that there are better ways to fend against inevitable drought and also warning against removing water much needed by fish for habitat and other wildlife already devastated by existing water demands.

Some of those opponents, including Tell the Dam Truth and Friends of the River, concluded sites reservoir has vastly underestimated the project's carbon emissions generated by construction and methane from decomposing plants and organic matter flooded by the reservoir.

In a recent report, the group's modeling tool estimated that over 100 years, the project would emit 362 million metric tons of carbon dioxide — equivalent to 80,000 additional gasoline powered passenger vehicles on the road a year.

Friends of the River submitted a letter tuesday requesting that state lawmakers “nonconcur” with governor newsom’s decision to fast-track sites. Critics including the Sierra Club and Defenders of Wildlife also petitioned the state to deny an expedited review, arguing fundamentally that the reservoir is not environmentally beneficial.

"SB 149 was meant to fast-track green infrastructure projects that don't exacerbate climate change," said Keiko Mertz, Friends of the River policy director. "But sites reservoir is a boondoggle that will emit copious amounts of methane, harm the environment and provide less than 1% additional water supply."

A vigorous public debate on the potential benefits and harms of sites reservoir is anticipated during a water rights hearing before the state water board next year. The board will determine whether the project will harm fish and wildlife or other water rights holders. A water right application is currently in process.

"At a theoretical level, it could be a useful piece of infrastructure. The question is how is it operated?" said Felicia Marcus, Stanford University water policy expert and former board chair. "The upside of an evidentiary hearing is that everybody gets to make their case and that everybody gets to cross examine others. The downside of it is that it takes a long time."



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