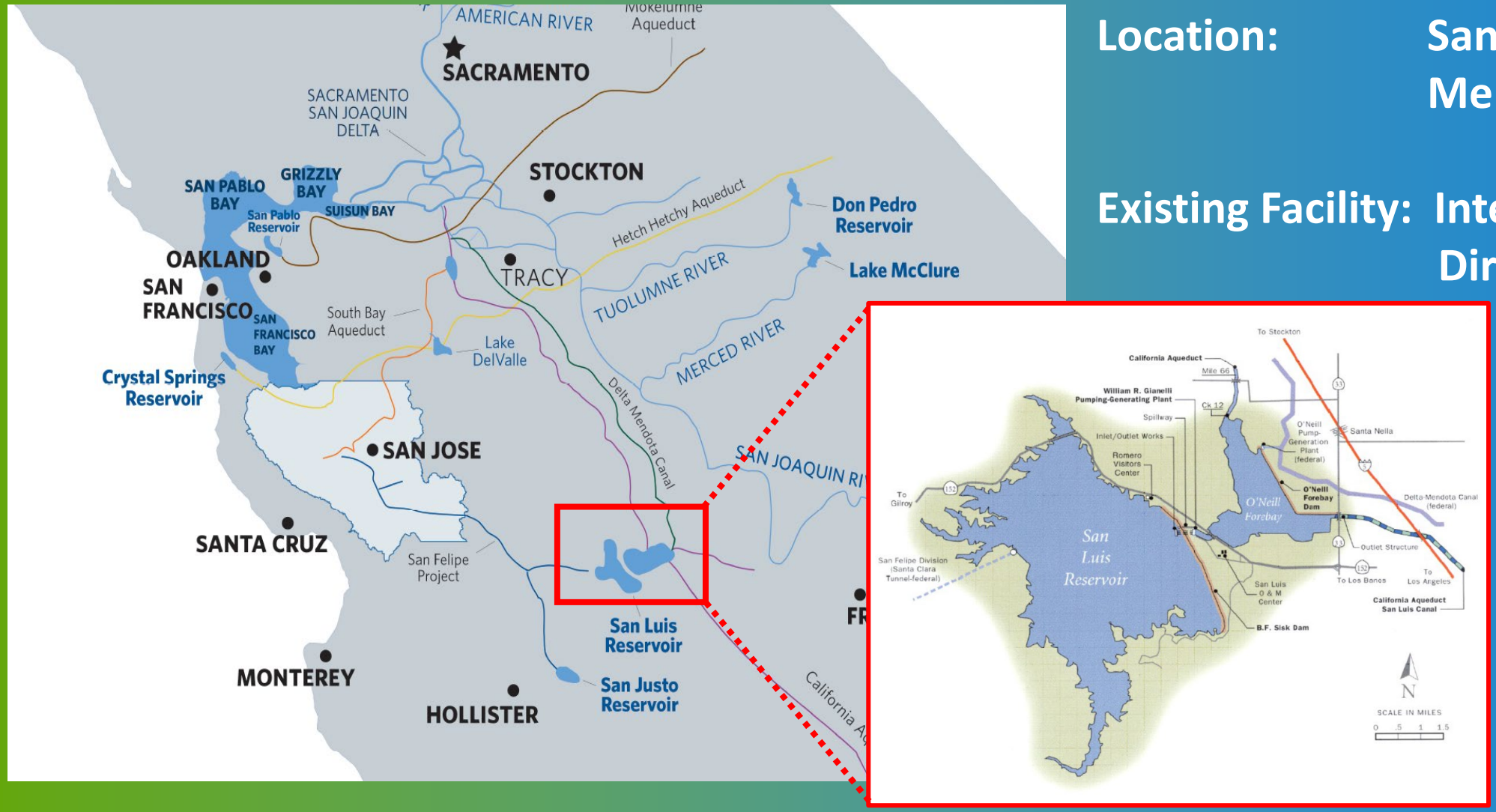
B.F. Sisk Dam Raise and Reservoir Expansion Project

Water Supply and Demand Management Committee, November 4, 2024

Valley Water

Project Location



Location: San Luis Reservoir
Merced County

Existing Facility: Integrated Operations
Direct Access

Concurrent Projects

Safety of Dams Project:

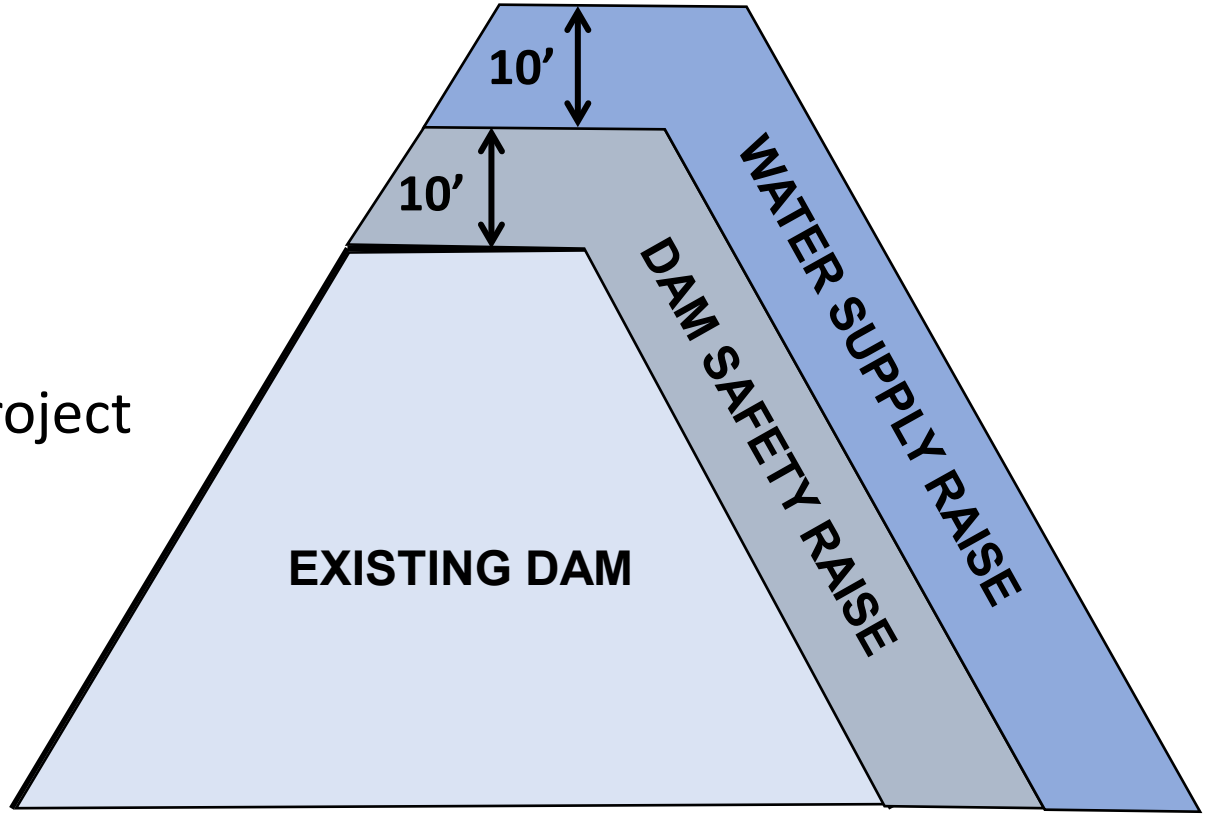
- Seismic repairs
- No additional storage
- Already underway

B.F. Sisk Dam Raise Project:

- 130,000 acre-feet (AF) new storage
- Schedule driven by Safety of Dams project

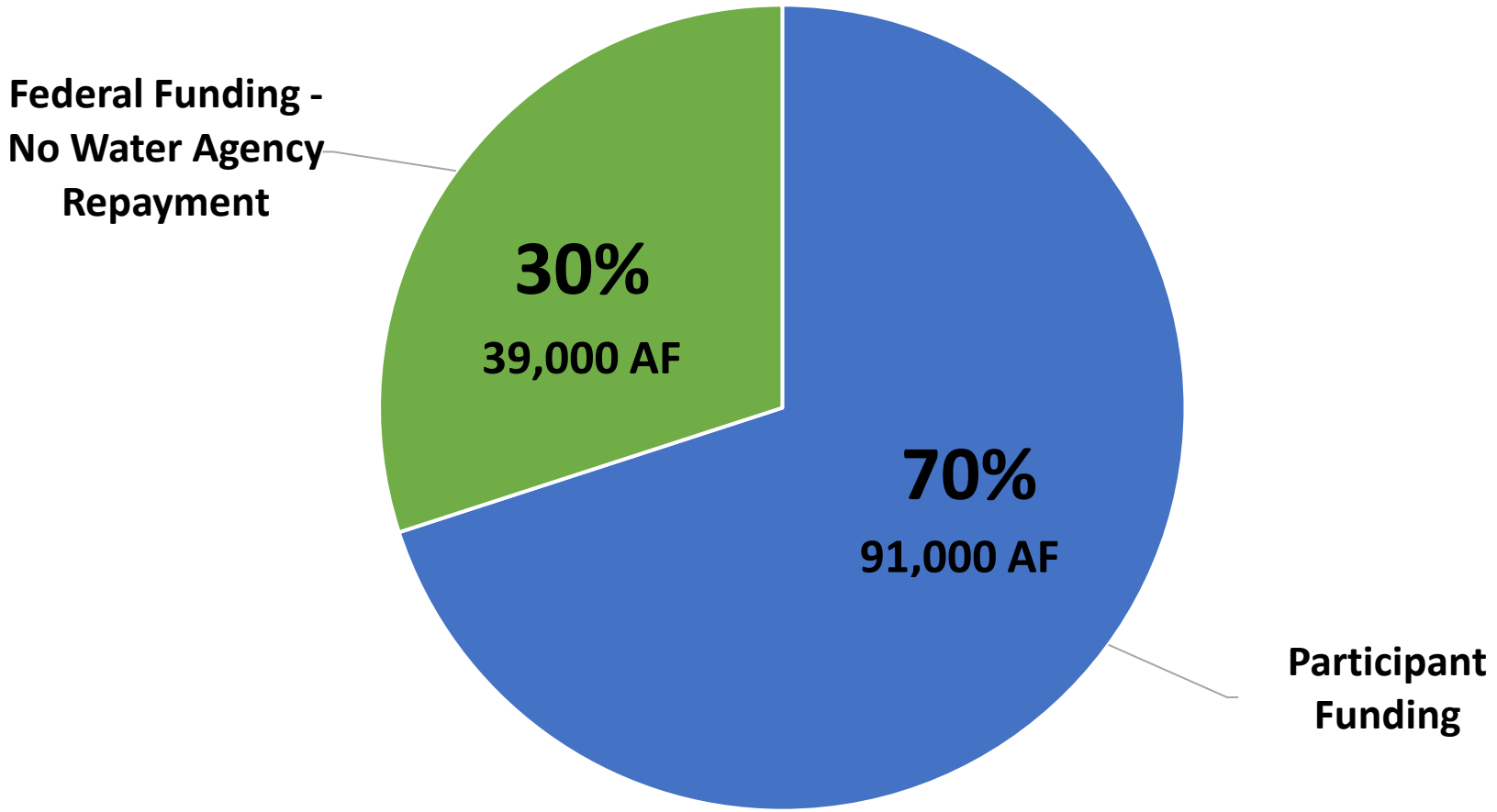
Combined Projects:

- Cost and schedule savings
- Reduced environmental impact



Proposed Funding and Storage Split

- **WIIN Act: 30 percent**
- **Project Partners: 70 percent**



Current Storage Requests

Participating Agency	Requested Storage Capacity (AF)	Participation Level*
Santa Clara Valley Water District	60,000	65.9%
Westlands Water District	11,253	12.4%
City of Tracy	5,000	5.5%
San Benito County Water District	5,000	5.5%
San Luis Water District	4,497	4.9%
Del Puerto Water District	3,650	4.0%
Byron Bethany Irrigation District	1,000	1.1%
Pacheco Water District	600	0.7%
Total	**91,000**	**100.0%**

*Reflects each Investor's share of the 70% non-federal portion of the Project, while the federal share constitutes the remaining 30%.

Cost Share and Management Agreement

- **Construction responsibilities**
  - Dam Raise: U.S. Bureau of Reclamation
  - State Route 152: SLDMWA or CalTrans
- **Operations framework**
  - Reclamation retains ownership of San Luis Reservoir
  - Participants provided contractual storage rights

Cost Share and Management Agreement

Participant Benefits

- Flexible and reliable south of the Delta storage
- Ability to capture surplus water already available through existing contracts/water rights which we can't currently capture
- Non-Central Valley Project water and other water types have a high level of protection
- Option to lease or market capacity to offset costs

Cost Share and Management Agreement

Participant Risks

- Reclamation may access stored CVP water during droughts
  - *Staff analysis shows this risk can be mitigated through careful operation and prioritizing storage of SWP supplies and other non-CVP supplies.*
- Shared project subject to group governance with other Project participants
  - *Discussions on governance structure are still underway. Staff are working to ensure Valley Water has sufficient input into decisions affecting our investment.*
- Offramps provided until bid solicitation for construction contract and securing financing

Incremental Water Supply Yield

B.F. Sisk Dam Raise improves drought reliability

- At 60 TAF storage, Project reduces shortage by 66% over 6-year drought
- Project can store existing wet year supplies
- Project can capture additional delta surplus that can't be captured now
- Project enhances benefits of other potential investments
  - purified water projects
  - Delta Conveyance Project
  - groundwater banking

Project Costs

- **Total annual O&M cost estimate: $3.9 million**

Project Feature	Capital Cost ($2023)
Dam Raise	$439M
State Route 152 Improvement	$432M
Design, Permitting, Project Management	$70M
Total Capital Cost	**$942M**

- **Contingencies: 15% design, 20% construction**

Project Costs

Valley Water Share of Costs at 60 TAF Storage

- Valley Water Capital Cost Estimate: **$435 million**

- Estimated Rate Impacts in North County Zone W-2 M&I:
  - Ramps up to additional $227/AF or $7.81/month per household by FY 34

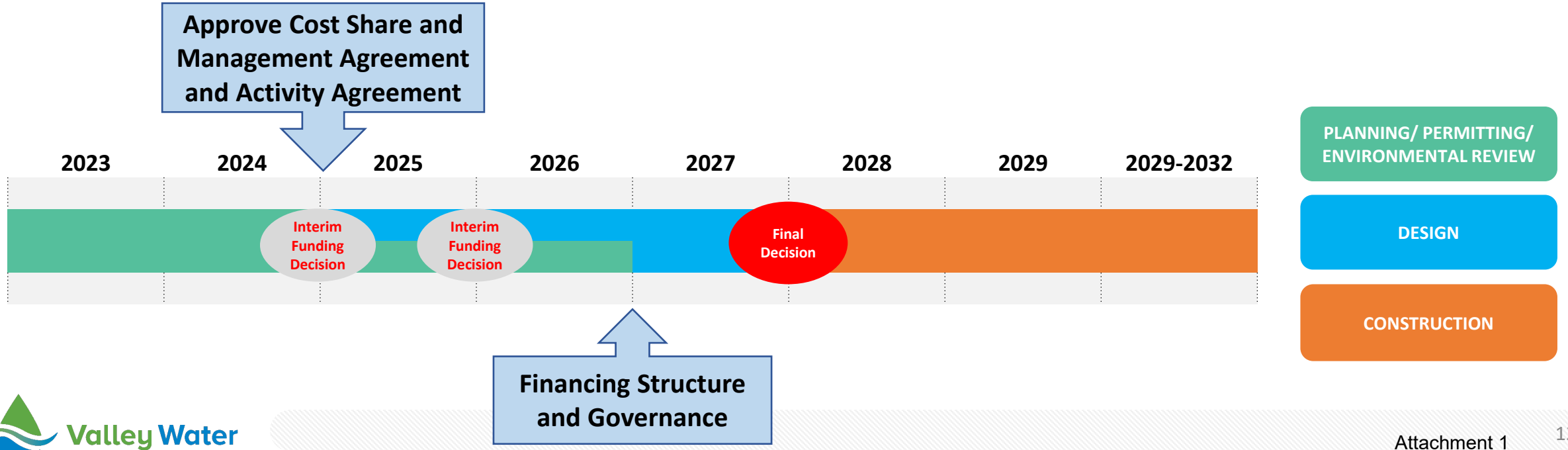
Board Decision Schedule

Planning cost requests:
(Valley Water share $15.5 million)

$3.5 Million - Late 2024
$20 Million - Early 2026

Construction funding :
(Valley Water share $435 million)

$659 Million - Early 2028
(2023 dollars - without financing)



Valley Water

Next Steps

- **Board approval of Management Agreement, Activity Agreement, and additional funding – January 2025**
- **Begin negotiations for subsequent agreements**
- **Evaluate financing and governance options**

Valley Water

Clean Water • Healthy Environment • Flood Protection