

SITES MAJOR PROJECT RISK, CHALLENGES, AND MITIGATION TABLE

No.	MAJOR RISK AND CHALLENGES	DESCRIPTION	MITIGATION MEASURE
A.	WATER SUPPLY		
A1	Transportation across Delta during critically dry years	<ul style="list-style-type: none"> Water quality and pumping limitations may impact conveyance. Transfers routinely occur during dry years but conveyance losses have been between 20% and 35%. 	<ul style="list-style-type: none"> Develop alternative conveyance pathways <ul style="list-style-type: none"> Delta Conveyance Facility, Transfer Bethany Pipeline, other alternative.
A2	Deliveries thru South Bay Aqueduct (SBA)	<ul style="list-style-type: none"> SBA had frequent outages in recent years – in need of repair. Sites Reservoir Project (Sites Project) water will primarily be conveyed through SBA. SBA must be rehabilitated irrespective of our participation in the Sites Project. 	<ul style="list-style-type: none"> Continue engagement with Department of Water Resources (DWR) to rehabilitate SBA. Develop agreements to use Central Valley Project (CVP) facilities as an alternative delivery option.
A3	Projected yield and storage capacity of the project	<ul style="list-style-type: none"> Ongoing consultation with regulatory agencies may result in lower project yield. 	<ul style="list-style-type: none"> Continue engagement with regulatory agencies to develop appropriate operating criteria.
A4	Coordinated operations with SWP and CVP	<ul style="list-style-type: none"> Sites Project operations will require coordination with DWR and U.S. Bureau of Reclamation (Reclamation). 	<ul style="list-style-type: none"> Develop coordinated operations agreements with DWR and Reclamation.

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B. PERMITTING			
B1	Water rights from State Water Resources Control Board	<ul style="list-style-type: none"> • Assignment or release of a State filed application or new water right needed. • Protests and injury claims may be filed. • State Board may impose additional operating restrictions. 	<ul style="list-style-type: none"> • The project has contracted with legal counsel specifically to address water rights issues.
B2	CEQA/NEPA Approvals	<ul style="list-style-type: none"> • Fishery agencies may impose more severe restrictions on operations than anticipated. • CEQA litigation challenges. 	<ul style="list-style-type: none"> • Negotiation team assembled to work with regulatory agencies.
B3	Environmental opposition	<ul style="list-style-type: none"> • Some nongovernment organizations (NGOs) had opposed project. 	<ul style="list-style-type: none"> • Respond to public in recirculated draft EIR/EIS • Continue briefings with NGOs to solicit feedback and address concerns • Fund technical studies to address environmental concerns from mercury raised by NGOs.
C. CONSTRUCTION			
C1	Geotechnical uncertainties	<ul style="list-style-type: none"> • Major geotechnical analysis is being postponed until the design phase (beginning in 2022) to reduce cost. 	<ul style="list-style-type: none"> • Strategically spend limited funding on targeted geotechnical analysis to inform project decisions on critical path.

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D. COST			
D1	Securing adequate participation	<ul style="list-style-type: none"> Sustaining adequate participation level as funding requests increase may be a challenge. 	<ul style="list-style-type: none"> Develop strong outreach program and work to increase support. Continue to reach out to potential investors.
D2	Proposition 1 Water Storage Investment Program Funding (Prop 1)	<ul style="list-style-type: none"> Feasibility Study, public review EIS, Commission Findings, and 75% funding commitment must be met by January 1, 2022. 	<ul style="list-style-type: none"> Focus project team on meeting Prop 1 requirements. Assemble effective team of consultants and staff.
D3	Construction cost	<ul style="list-style-type: none"> Costs may increase as more information is developed. 	<ul style="list-style-type: none"> Project size and costs have been reduced. Implement geotechnical mitigation measures. Update risk assessment.

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