Water Bank, Phase 1 Project Committee Meeting
September 16, 2020
Overview

1. Welcome
2. Update on Water Bank
3. Phase 2 Discussion
4. Action Items/Next Steps
Update on Water Bank
Original Water Bank Development Phases as Proposed from 2019

**PHASE 1 – Pre-Feasibility Activities**  
*through June 2020*

- Model and Tool Development
- Water Market Analysis and Partner Engagement
- Asset Development and Investment Evaluation
- Initial Governance and Implementation Options
- Stakeholder Engagement

**PHASE 2 – Final Feasibility and Program Acceptance**  
*July 2020 – January 2022*

- Financial Feasibility
- Governance Structure
- Environmental Compliance
- External Partners Agreements
- Monitoring, Accounting, Reporting, and Adaptive Management
- Stakeholder Engagement
A Water Bank would operate as a hybrid of two programs:

- Multi-year storage
- Storage before recovery
- Loss factor over length of storage
- Monitoring and mitigation

Single year transfers:
- Storage is not required
- One-time loss factor
- Monitoring and mitigation
Phase 2 Discussion
Getting to Fully Operational Bank

A lot of information and analyses are still needed.

Reclamation Requirements
• 14 specific information needs to provide when requesting approval of a federally recognized bank

Local Needs/Requirements
• Other information/analyses needs to inform participating agencies
<table>
<thead>
<tr>
<th>Category</th>
<th>Task</th>
<th>2021</th>
<th>2022</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical</td>
<td>Confirm Operational Assumptions</td>
<td>$ 50,000</td>
<td></td>
<td>Reaffirms local agencies' level of participation in Water Bank operations</td>
</tr>
<tr>
<td></td>
<td>Temperature Modeling</td>
<td>$ 50,000</td>
<td></td>
<td>Assumes use of existing model. Could be up to $250K, if have to develop model</td>
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<tr>
<td></td>
<td>Stream Depletion Factor</td>
<td>$ 100,000</td>
<td></td>
<td>Supports state/federal agency review and assumes a model run</td>
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<tr>
<td></td>
<td>Water Accounting Framework</td>
<td></td>
<td>$ 200,000</td>
<td>Work with GSAs during GSP development. Assumes a model run</td>
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<tr>
<td></td>
<td>Monitoring/Mitigation Plans</td>
<td></td>
<td>$ 50,000</td>
<td>Develop generic components that can be used for annual transfers</td>
</tr>
<tr>
<td>Environmental</td>
<td>CEQA/NEPA Scoping</td>
<td>$ 50,000</td>
<td></td>
<td>Determines level of analysis and assumptions</td>
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<td></td>
<td>CEQA/NEPA Documents</td>
<td>$ 100,000</td>
<td>$ 300,000</td>
<td>Assumes Environmental Assessment for NEPA. Cost could range higher for greater level of assessment</td>
</tr>
<tr>
<td>Institutional</td>
<td>Governance</td>
<td>$ 25,000</td>
<td>$ 25,000</td>
<td>Assumes RWA-managed program. Work is to address policy-related issues (e.g., fees from transfers, environmental commitments to Water Bank, etc.)</td>
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<td></td>
<td>Legal Support</td>
<td>$ 25,000</td>
<td>$ 25,000</td>
<td>Development/review of contracts</td>
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<tr>
<td>Miscellaneous</td>
<td>Outreach/Engagement</td>
<td>$ 30,000</td>
<td>$ 20,000</td>
<td>Limited materials development. Significant local stakeholder engagement</td>
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<td>Committee Support</td>
<td>$ 50,000</td>
<td>$ 50,000</td>
<td>Assumes up to 8 meetings per year</td>
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<td>USBR Participation</td>
<td>$ 20,000</td>
<td>$ 30,000</td>
<td>Funds USBR staff to provide guidance on Water Bank criteria and NEPA</td>
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<tr>
<td></td>
<td>Total</td>
<td>$ 500,000</td>
<td>$ 700,000</td>
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Phase 2 Near-Term Budget Needs

• Propose to develop Phase Program Agreement that identifies full not-to-exceed budget, but collects funds over two years

• Estimated $500k to be collected for first year (2021)

• Have $90k unauthorized under Phase 1 that can be reallocated to other Water Bank priorities, *with water bank committee’s approval*
Action Items/Next Steps
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- **Sept/Oct** – Develop Draft Phase 2 program agreement with funding plan
- **Nov** – Next committee meeting
- **Dec** – Finalize Phase 2 program agreement