

Proposed Sites Project Storage Policy

Per recommendation of Reservoir
Operations Work Group

August 15, 2019

Purpose and Need for Storage Policy (2)

- Describes the intended future operational rules for how the Reservoir Committee and each Sites Storage Partner can manage and control its share of water diversions to, storage in and releases from Sites Reservoir for delivery to each Partner.
- Provides water management flexibility for each Partner.
- Allows greater certainty for Partners related to Reservoir Storage operations and thereby encourages continued or greater Project participation by funding Partners.

Definitions and Roles (3-10)

Definitions

- Sites Participants
- Sites Storage Partners
- Active Storage
- Water Year
- Operations and Maintenance
 - Fixed
 - Variable

Roles

- Sites Project Authority
- Reservoir Project Committee
- State of California
 - California Water Commission
 - Department of Fish and Wildlife
 - Department of Water Resources
- United States of America
 - US Bureau of Reclamation

Water Storage by Appropriation (11)

- The Authority will be responsible for compliance with water right provisions and other conditions that control the appropriation of water.
- Appropriated water will be placed into Sites Reservoir and allocated into each storage space proportional to the acquired storage amount.
- Water account system will be developed and approved by the Reservoir Committee.
- Storage Partners will be responsible for OM&R associated with their storage space with flexibility to reduce the partners share of the allocated Sites appropriated water.

Water Storage from Other Sources (12)

- Storage Partners may request to place water from other sources (not appropriated under the Sites water right) into their storage space.
- The Reservoir Committee will take all reasonable efforts to facilitate these requests.
- Storage Partners placing water from other sources will be responsible for all associated OM&R.

Storage/Release Conflict Resolution (13)

- If there is a conflict between placing water into storage in Sites Reservoir from other sources of water and the release of water from Sites Reservoir at the same time, an “in lieu storage” option may be used by the parties involved provided the water rights issues are addressed.

Allocation of Losses (14)

- All losses of stored water (evaporation and seepage) will be calculated daily.
- Losses will be allocated daily to each Storage Partner proportionately to the amount in their storage.

Sharing/leasing of Storage Space (15)

- Storage Partners are allowed to share or lease their storage space if:
 - ✓ Sharing or leasing is coordinated with the Reservoir Committee for proper accounting.
 - ✓ Water stored by sharing or leasing will remain in storage until written instructions are received by the Reservoir Committee.
 - ✓ The sharing/leasing Storage Partner is responsible for collection of funds from the lease and remains responsible for all cost associated with their storage allocation.

Water Released from Storage (16)

- Each Storage Partner has complete discretion on the use of their storage allocation and the water stored therein.
- Each Storage Partner may schedule the release of water stored within their allocation by a request to the Reservoir Committee.
- Reservoir Committee will coordinate this request with the other Sites Storage Partners, State Water Project, Central Valley Project and any regulations related to the release of water.
- The Authority's intends that the non-consumptive use of water for environmental/public benefits will remain under the control of the Sites Authority and its Storage Partners for further allocation to other in-basin or out-of-basin uses.

Scheduling Stored Water Releases (17)

- By February 20, the Reservoir Committee will make a water storage forecast for each Sites Storage Partner for that water year based on physical storage to date and several examples of projected hydrologic conditions ranging from critically dry to far above normal.
- Storage Partner will provide the Reservoir Committee the monthly schedule and amounts of the water they wish to be released that calendar year based upon each of these forecasts 15 days after the receipt of these forecasts.
- Storage Partner schedules can be updated until June, and later if no harm to other Partners.

OM&R Cost Allocations (18)

- Split between Fix and Variable Accounts
- Fixed OM&R
 - Routine maintenance, repair, replacement, monitoring, staff costs
 - Responsibility of the Reservoir Committee – Paid (in advance) by each Storage Partner
 - Allocations proportional to the capital investment
- Variable OM&R
 - Pumping, release cost
 - Assessed to Storage Partner based on water moved into storage that year

Power Revenue (19)

- Not defined at this time

Future Policy Modification (20)

- Intended for use for future Sites Participation Agreements.
- To accommodate project evolutions, Policy modifications are allowed per the current Bylaws.
 - 75% required for approval of modifications.
- Recognize future changes to the Policy are likely to be necessary as the Project proceeds.

Conclusion

- On August 9, 2019 the Reservoir Operations Work Group unanimously recommended Policy approval by the Reservoir Committee and Authority.
- Next Steps (via Reservoir Operations Work Group).
 - Based on the Affordability Analysis, describe a process for converting the Sites cost allocation from the current method based on shares of Reservoir Releases to a proposed method based on shares of Reservoir Storage, and recommend whether to do so for the 2020 funding phase.
 - Develop Storage to Release ratios under varying operations so Members can bracket the possible acre-feet of yield outcomes from a given acre-foot of Storage investment.