AUTHORITY BOARD MEETING JULY 22, 2020 STORAGE POLICY



Background

- Reservoir Committee conditionally approved the Storage Policy in August 2019
- Policy describes how participants can manage diversions, storage, and releases
- Has not been updated since the Value Planning process, and therefore contains some outdated information and areas for further consideration
- Policy is a foundational building block to accomplishing 2021 milestones

Current Policy

- Foundational Components:
 - Sites participants are purchasing storage space in a reservoir that can be used at their discretion, subject to permitting and operating constraints
 - Water supply benefits derived from allocated space will depend in large part on how each Storage Partner manages its space
- Subject to Further Discussion:
 - Sites Authority holds water rights and responsible for operations
 - Reservoir Committee responsible for accounting

Potential Areas for Changes

- Value Planning identified individual participant constraints and needs which the Reservoir Committee may wish to consider in the policy
- May be considerations related to State and Federal participation
- Staff recommends delegating refinement of Policy to ad hoc Reservoir Operations & Engineering Workgroup

The Foundation of the Sites Project

Storage Policy

Overall principles that form the foundation of member benefits and beneficiary pay concepts

Plan of Finance

Governance
Ownership
Financing
Performance
Risk/Liability
Terms &
Conditions
Beneficiary Pays

Operations Plan

Identifies the mechanisms to implement the Storage Policy principles and contractual obligations

Adopting the Plan of Finance addressing these topics could be the mechanism to represent 75% local cost share commitment for Prop 1 which is req'd by 1/1/22

Permit conditions and ops agreements

Next Steps

- Refer to Reservoir Operations and Engineering Workgroup for policy updates
 - Target revisions and determine if further work is needed in 2 months
 - Individual agency legal review
- Initiate Plan of Finance development
 - Review approach at September meeting
- Continue to develop Operations Plan along with permits and operating agreements

