

Requested Action:

Review and comment on the approach for updates to the Sites Water Storage Policy.

Detailed Description/Background:

In July 2020, the Reservoir Committee and Authority Board referred consideration of updates to the conditionally approved August 2019 Water Storage Policy to the Ad Hoc Engineering and Operations Workgroup. The Ad Hoc Engineering and Operations Workgroup established a small working group to assess changes to the policy and bring those recommended changes back to the Workgroup.

The small working group met in late September 2020 to begin efforts. The group discussed the background and reasons why the Storage Policy was developed along with additional detail on some of the sections and concepts in the policy. The group also explored possible changes to the policy.

In consideration of setting a foundation for the Reservoir Committee member's investment and then translating that foundation into contractual terms and operational terms, staff took an action item to identify the purpose and different components of the Storage Policy, Water Storage and Supply Contract, and Water Operations Plan. Staff feels that all three documents add value and have different purposes and is proposing the following key purposes for each document.

- Updated Storage Policy – Would include high-level or policy-level principles related to diversions, storage, releases and exchanges/transfers. Broadest and most general of the three documents.
- Water Storage and Service Contracts – Contracts between participants and the Authority. Identifies specific requirements for both the participants and the Authority related to participation, diversions, storage, releases, and exchanges/transfers. Will adhere to the Storage Policy's principles and will translate concepts in the Storage Policy into contractual terms and conditions.
- Operations Plan – Provides the detailed operational mechanics for implementing the Water Service Contracts. Would include specific details to operationalize diversions, storage, releases and exchanges/transfers. Would be consistent with the Storage Policy. The most detailed and specific of the three documents.

The following changes have been identified for the upcoming Storage Policy update:

- Removal or update of specific numbers related to participation, releases, etc.

- Confirmation of the storage for ecosystem benefits being equal priority to other investor storage. The storage for ecosystem benefits is to be managed under an agreement to be developed with CDFW.
- Clarifying maximizing diversions versus participant autonomy for diversions.
- Converting to participation as storage volume versus the current approach of using average annual deliveries.
- Identification of the Authority as the Sites water right holder per the current bylaws.
- Confirmation of Funks Reservoir and the Terminal Regulating Reservoir as points of delivery with clarification of responsibilities for water movement beyond these points.

Staff will continue to work with the small working group to make the changes identified above to the Storage Policy and anticipate bringing the revised policy to the Reservoir Committee and Authority Board in early 2021.

Prior Reservoir Committee Action:

July 16, 2020: Review and comment on the conditionally approved August 2019 Water Storage Policy and consideration of updates to align with Value Planning. Recognize the storage policy serves as the foundational document to 2021 key milestones of creating a Plan of Finance and Operations Plan and refer consideration of updates to the ad hoc Engineering and Operations Workgroup.

August 26, 2019: Presented and adopted, pending minor modifications included in Attachment A and pending home board legal review.

August 15, 2019: Draft Storage Policy presented and discussed at the Joint Workshop.

July 19 & 22, 2019: Draft Storage Policy was provided to for review to the Reservoir Committee and Authority Board meetings to allow all Sites Participants to review, discuss and comment.

Fiscal Impact/Funding Source:

None.

Staff Contact:

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Attachments:

None.