



Meeting: **Joint Reservoir Committee & Authority Board**
Agenda Item 2.1

September 22, 2021

Subject: **DWR SWP Statement of Charges Payment Agreement**

Requested Action:

Consider authorization for the Executive Director to execute a three-party Agreement between the Authority, DWR and Sites Participants that are also State Water Contractors to include in the State Water Project (SWP) Annual Statement of Charges (SOCs) planning costs for the Sites Reservoir Project.

Detailed Description/Background:

Sites Participants have been in discussions with DWR to pay their Sites Reservoir Project planning costs (i.e., cash calls) through their DWR SOC's. DWR has prepared an agreement to facilitate this approach and is seeking the Authority's approval since the Authority will be receiving funds from DWR instead of directly from the Sites participants, as applicable, through this agreement.

The Agreement addresses the inclusion of the Sites Amendment 3 planning costs for the calendar years 2022, 2023, and 2024. It becomes effective upon execution by the Agencies, SPA, and DWR and terminates on December 31, 2024, or upon final payment to SPA for all costs attributable to the Agreement, which every occurs later. The term of the Agreement can be extended by mutual agreement by DWR, SPA and one or more of the Agencies.

Payments to DWR through the SOC are scheduled to start in January 2022, or execution of the SPA's Amendment 3, whichever occurs last. DWR will transmit the payment amounts to SPA within 60 days from the date of the last payment received from the Agencies each calendar year.

The Authority Staff and Legal Counsel have reviewed the terms of the agreement and do not feel that the conditions represent any new risks or issues for other participants or the project as a whole.

Prior Action:

None.

Fiscal Impact/Funding Source:

No financial impact to the Authority. Payments from the subject Participants yearly cash calls will be received from DWR and not from the Participants and

timely payment provisions ensure no cash flow impacts on the Authority or other participants.

Staff Contact:

Joe Trapasso

Primary Service Provider:

None.

Attachment:

None.