



Meeting: **Reservoir Committee Agenda Item 3.1**

October 22, 2021

Subject: **Amendment 3 Project Agreement Approval Process**

Requested Action:

Review and comment on the Amendment 3 Project Agreement Approval Process including estimated participation levels, outreach and rebalancing, and schedule.

Detailed Description/Background:

Estimated Participation Levels

A soft call Participant survey was conducted to seek input on the anticipated timing of home board review/approval of the Amendment 3 Project Agreement. The soft call survey closes on October 20th and results will be discussed at the October 22nd Reservoir Committee and October 27th Authority Board meetings.

Outreach and Rebalancing

Following a series of informal discussions regarding potential participation, staff is accumulating interest received from entities that are looking to secure new water supplies by participating in the project. Other agencies are considering their options and staff will keep you posted on a monthly basis of letters of interest received. At this stage it is too early to make commitments to new participation. Staff will bring a recommendation for addressing needs as more information becomes available.

For reference, the current approved priority system for evaluating new participation is as follows however the Board may wish to consider other approaches given that better definition around operating flexibilities and needs in the project are known as compared to what was known at the time these priorities were established:

1. The goal is total Sacramento Valley participation of ~25%. Priority is given to current, prior and new Sacramento Valley participants in that order.
2. Existing Reservoir Committee participating members (with sub -priorities by seniority).
3. Prior Reservoir Committee participating members (with sub-priorities by exit date).
4. Nonparticipants. Priority for new participants outside of Sacramento Valley

Schedule

Periodic updates will be provided by Authority staff over the next five months to keep the RC/AB apprised of individual agency status for consideration of approval. In addition, Authority staff is discussing new participation with interested agencies and will bring reports on this interest when appropriate.

To support communication with home boards, Authority staff has made relevant materials (e.g., Amendment 3 Project Agreement and Work Plan) available in the Participant Portal on the website. Staff will continue to populate the Portal with additional materials as they become available. Please convey to Authority Staff any specific material needs.

Prior Action:

September 22, 2021: Approved the Amendment 3 Project Agreement and Work Plan with a period of performance of January 1, 2022 to December 31, 2024 for the purpose of initiating Participant home board review, deliberation and execution of the agreement

Fiscal Impact/Funding Source:

The total estimated local funding (Reservoir Committee Cash Call) required for Amendment 3 is up to \$400/AF and will occur in three annual cash calls. The 1st cash call is for \$100/AF due April 1, 2022. The 2nd and 3rd cash calls are for “up to” amounts of \$140/AF due January 1, 2023 and \$160/AF due January 1, 2024, respectively. A work plan progress check-in will occur annually and assess the need for the “up to” amounts in the 2nd and 3rd cash calls. The decision to bank finance will occur as soon as early 2023. If the decision is made to initiate bank financing for all or a portion of participants, then a revised work plan and successor agreement will be developed to address the changing conditions. Also, results of rebalancing and Reclamation level of investment could affect future cash call timing and amounts.

Staff Contact: JP Robinette/Cheyenne Harris

Primary Service Provider: Brown and Caldwell

Attachment:

None.