



Meeting: **Joint Reservoir Committee & Authority Board
Agenda Item 3.3**

March 18, 2022

Subject: **Amendment 3 Status and Outreach Update**

Requested Action:

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

Detailed Description/Background:

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. Decisions on participation levels are due on March 31, 2022. Tabulated preliminary final results will be provided at the meeting.

Outreach and Rebalancing

Following a series of informal discussions regarding potential participation, staff has accumulated interest from entities that are looking to secure new water supplies by participating in the Project. The letters of interests received to date are reflected in Item 2.4 on today's agenda. Staff met with the prospective new participants as a group on March 8 to provide an overview of the rebalancing effort, what is being considered in regard to these matters today, and possible next steps. Staff will continue to keep this group updated on progress and steps the Board takes to accommodate their interest in the Project.

Schedule

The following items will be considered by the Reservoir Committee and Authority Board at their respective monthly meetings:

- March: Opportunity Cost Fee for New Participants (Agenda Item 2.4) and receive finalized "Wait Listed" New Participants.
- April: Final update on participation levels for current participants based on executed agreements. Confirm priorities for "Wait Listed" New Participants.
- May: Consider inviting "Wait Listed" new participants based on available capacity to achieve Full Subscription.
- June: Receive update on Reclamation Investment and "Wait Listed" New Participants.

- September: Determine Final Participation Levels for Reclamation and invite “Wait Listed” New Participants to achieve Full Subscription (assumes voluntary reductions among current participants).
- October: Finalize Exhibit A of the Project Agreement with Participants and capacity shares for Amendment 3.

Prior Action:

February 2022: Reviewed and commented on Amendment 3 Project Agreement Approval Process including estimated participation levels, outreach and rebalancing, and schedule.

September 2021: Approved the Amendment 3 Project Agreement and Work Plan with a period of performance of January 1, 2022 to December 31, 2024 to initiate 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.