



Requested Action:

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

Detailed Description/Background:

Decisions on participation levels and executed Amendment 3 Project Agreements were due on March 31, 2022. Tabulated final results will be provided at the meeting.

Outreach and Rebalancing

Current participants have all reported back to the Authority, with 166,703af expected subscription of the 167,620af of release capacity available. With these results, there is approximately 1000af of unsubscribed capacity. Staff has also accumulated letters of interest and a created “waiting list” that are looking to secure new water supplies by participating in the Project totaling 33,000 af.

In March, the RC and AB approved a waiting list for new participants who had submitted letters of interest prior to March 31. The waiting list participants are locked in at a \$15.21/af opportunity cost fee and will not be subject to future opportunity cost fees. Additionally, the Authority will endeavor to include these participants in the water right application.

The RC and the AB discussed considerations for prioritizing the “waiting list” last month. Given the results of rebalancing, it is not urgent to prioritize. Instead, the Staff will be reaching out to existing participants for interest in making voluntary reductions to accommodate increased Reclamation investment and “waiting list” capacity.

Staff met with the prospective new participants as a group on March 8 to provide an overview of the rebalancing effort 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 with the next update planned in early May.

Schedule

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

- April: Final update on participation levels for current participants based on executed agreements.
- May: Budget and Finance Committee evaluations of prioritization of “Wait Listed” New Participants.
- June: Receive update on Reclamation Investment and “Wait Listed” New Participants. Confirm priorities for “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:

March 2022: Approved an opportunity cost fee for 2022 of \$15.21/af for new participants and approved establishing key terms of a waiting list for new participants who have submitted letters of interest prior to March 31, 2022.

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:

None.

Staff Contact:

JP Robinette/Cheyenne Harris

Primary Service Provider:

Brown and Caldwell

Attachment:

None.