

CWC EFA Amendment to Increase Funds Available and a Time Extension

Recommend to the Reservoir Committee and Authority Board to authorize the Executive Director to submit a request to the California Water Commission (CWC) requesting a time extension and an increase to the funds available through the existing Early Funding Agreement (EFA).

Background:

Sites Project Authority entered into an EFA with CWC to provide financial assistance for planning related activities for the Sites Reservoir Project. Funds available to the Project through the EFA are currently limited to 5% of the Commission's Maximum Conditional Eligibility Determination (MCED) of the Proposition 1 award. An initial MCED of \$816,377,686 was conditionally committed to the Project in 2018, of which the early funding portion awarded totaled \$40,818,884. Since the initial award, CWC has provided the Project with two inflation increases, of 1.5% and 2.5%, along with a rank 3 adjustment of \$25,625,000 bringing the current MCED to \$875,396,369. The proposed amendment would bring the funds available to the Project through the EFA back to 5% of the MCED, an increase of available project revenue totaling approximately \$2.95M. Two other Prop 1 projects have had their similar request approved without issue and we expect the same for Sites since the original funds are expected to be 100% spent before the end of this year. The table below shows the sequence of Prop 1 award adjustments along with the proposed amendment.

	Commission MCED	Early Funding Limit	% of MCED	Notes
Initial Award	\$816,377,686	\$40,818,884	5.0%	
01/2021 Adjustment	\$836,787,128	\$40,818,884	4.9%	2.5% inflation adjustment
03/2022 Adjustment	\$875,396,369	\$40,818,884	4.7%	Rank 3 adjustment and 1.5% inflation adjustment
<i>Proposed Amendment</i>	\$875,396,369	\$43,769,818	5.0%	

The current EFA requires all work to be completed by June 30th, 2023 and requested funds to be invoiced prior to September 30th, 2023. In addition to increasing the amount of early funding available, the proposed amendment would seek to extend the schedule to reflect work to be completed by December 31, 2024 and invoiced prior to March 31st, 2025.