



Requested Action:

Reservoir Committee and Authority Board consider approval of “preliminary” Final Allocations of Available Storage, and proportionate shares of diverted water for Storage Partners and initiate the transition from yield-based to Storage-based participation which is to be reflected in the Benefits and Obligations Contracts

Detailed Description/Background:

In April, staff presented the proposed “preliminary” final allocation of available storage in Sites Reservoir, which also includes initiating the transition from a ‘yield’ based participation in the Project to ‘storage’ based participation. The transition to Storage-based participation is necessary for the contracting for benefits and obligations in the Sites Reservoir as cost allocation needs to be based on physical capacity attributes of the facilities. Capacity Interest assignment and cost allocation starting in Phase 3 will be Storage-based. This report presents the preliminary final allocation of Available Storage in Table 1 which is exactly the same as was presented last month for review and comment.

The following key considerations were made in arriving at the Storage Allocation for each Storage Partner shown in Table 1:

- Amendment 3 Participation was assumed for each local Partner. These “yield-based” participation levels were multiplied by 6.234 to arrive at the Storage Allocation. The 6.234 factor was determined according to the board adopted methodology.
- Over the past few months, discussions around Federal participation have led to an assumed storage allocation of 128 TAF (~9%) for Reclamation. This is short of their requested 16% but greater than the previous assumption of 7% and reflects the net adjustment resulting from dead pool and survey data information.
- The State’s participation continues to be assumed to be 244 TAF which reflects the information in the feasibility report accepted by the California Water Commission in December 2021.

These figures are intended to establish the basis for the pro-forma cost tables that are being prepared to provide updated cost information for the ‘soft call’.

All future participant requests for benefits in Sites are expected to be reported in the form of storage space and % of divertable water.

There are likely to be further updates to Table 1 as participants fine-tune their desired participation levels, and further updates occur on federal and state funding availability. The Final Table 1 will occur at the time of 'investor commitment' which will be the final opportunity for Participants to determine their final storage capacity in the Project which is also expected to include each Storage Partner approving the benefits and obligations contract.

Prior Action:

April 2023: Review allocations of Storage space and proportionate shares of diverted water for Participants based on conditional state and Federal Participation.

July 2021: Review of value creation from ownership in Sites Reservoir storage allocation.

April 2021: Approved methodology for allocating storage space in Sites Reservoir to local Storage Partners using the approach of 1 acre-foot participation to 6.234 acre-feet of storage space.

Fiscal Impact/Funding Source:

The acceptance of a preliminary final Table 1 does not change the commitments and participation reflected in the Amendment 3 Project Agreement.

Staff Contact:

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Attachments:

Attachment A: Table 1 – Updated “Preliminary Final” Storage Amounts by Participant

Table 1. Preliminary Final Allocation of Sites Reservoir Available Storage

As Approved by the Reservoir Committee and Authority Board on May 19, 2023

Participant Name	Amendment 3 Participation Level	Amendment 3 Storage Allocation	% Available Storage^{1, 2, 3}
Antelope Valley-East Kern WA	500	3,117	0.2%
City of American Canyon	4,000	24,936	1.8%
Coachella Valley WD	10,000	62,340	4.4%
Colusa County	10,000	62,340	4.4%
Colusa County WD	9,256	57,702	4.1%
Cortina WD	450	2,805	0.2%
Davis WD	2,000	12,468	0.9%
Desert WA	6,500	40,521	2.9%
Dunnigan WD	2,972	18,527	1.3%
Glenn-Colusa ID	5,000	31,170	2.2%
Irvine Ranch WD	1,000	6,234	0.4%
LaGrande WD	1,000	6,234	0.4%
Metropolitan Water District of SC	50,000	311,700	22.1%
Reclamation District 108	4,000	24,936	1.8%
Rosedale-Rio Bravo WD	500	3,117	0.2%
San Bernardino Valley Municipal WD	21,400	133,408	9.5%
San Geronio Pass WA	14,000	87,276	6.2%
Santa Clara Valley WD	500	3,117	0.2%
Santa Clarita Valley WA	5,000	31,170	2.2%
Westside WD	5,375	33,508	2.4%
Wheeler Ridge - Maricopa WSD	3,050	19,014	1.3%
Zone 7 WA	10,000	62,340	4.4%
State of California - Total	n/a	244,000	17.3%
Reclamation	n/a	128,020	9.1%
Available Storage Total	166,503	1,410,000	100.0%

Note:

1. Percent Available Storage equals Capacity Interest in Base Facilities for Participants, a term to be defined in the Benefits and Obligation Contracts (Contract) to represent the granting of capacity in Sites Owned Base Facilities to Participants by the Sites Authority. Base Facilities will be defined in the Contract.
2. Capacity Interest in Sites Owned Downstream Facilities, including the Dunnigan Pipeline, will be allocated amongst the subset of Participants using Downstream Facilities to convey water to their Secondary Point of Delivery based on their Storage Allocation. Downstream Facilities will be defined in the Contract.
3. This is the proportionate share of water diverted that would be available to the Participant for storage in their allocated space.
4. Assumed total storage space available is 1,470,000 acre-feet based on most current surveying data and allocation of "dead pool" of 60,000 acre-feet.