



Requested Action:

Reservoir Committee and Authority Board consider approval for numerical representations in Table A, “Final Allocation of Available Storage in Sites Reservoir” and other materials as follows:

1. Storage capacity allocation in acre-feet to the nearest whole number or integer part using amounts previously adopted by the Board in May 2023, when the transition was made from “yield based” participation to “storage based” participation.
2. Percentage share of storage as whole and/or decimal number to three significant digits.
3. Percentage share of downstream facility capacity allocation as a whole and/or decimal number to three significant digits.

Detailed Description/Background:

In May 2023, the Board adopted the “preliminary” final allocation of available storage in Sites Reservoir (Table A). This action established that all Project considerations going forward for project participation are ‘storage’ based. The proposed action is meant to provide clarity such that minor, but potentially meaningful, differences in reporting of capacity rights and sharing of project costs are not lost in excessive rounding.

Storage Allocation

Storage-based participation represented as acre-feet of useable storage space in the reservoir is the basis for the contracting for benefits and obligations and is to be based on the physical capacity attributes of the to be built facilities.

As currently planned, the total usable space totals 1,410,000 acre-feet. This space has been allocated among the current group of participants as shown in Table A (attached). With the completion of investor commitment, 100% of 1,410,000 acre-feet of space will be allocated among the Storage Partners consistent with the executed agreements. In determining the storage allocations among the signatories, it is recommended to represent these amounts to the nearest whole number or integer part. This level of detail is consistent with standard industry practices for project level water and financial accounting, cost allocation, and capacity modeling.

Percentage Shares of Base Facilities

As part of ongoing reporting and stakeholder communications related to participant capacity interest in the Sites Project, staff recommends standardizing the representation of percentage shares to three significant digits (e.g. 12.3%, 3.45%, 0.678%) for clarity, precision, and consistency in materials. This level of precision reflects the meaningful differences between Storage Partner shares (smallest to largest) while avoiding false precision that can mislead interpretation. This reporting convention does not alter or affect the contractual definition of capacity interest, which is expressed in terms of a Storage Partner's allocated storage space in acre-feet. The calculation to arrive at percentage share is allocated storage space divided by total useable storage space in the reservoir. Attachment B illustrates a scenario that supports this rationale.

It is noted that the calculated ratio (allocated storage space divided by total usable storage space) is what will drive cost and water allocation to ensure a true sum of 100%. The three significant digit values are for representation only and due to rounding error do not sum to 100%.

Percentage Shares of Downstream Facilities

The allocation of space in the downstream facilities is based on storage allocation but because not all Storage Partners are paying for the downstream facilities costs, the percentage share is a function of the total storage allocation of those participating and not the total storage allocation in the reservoir. To maintain consistency with representation of base facilities, it is recommended that percentage share downstream facilities be standardized to three significant digits. For clarity of the calculation, Attachment B also includes a scenario demonstration for percentage shares of downstream facilities.

Prior Action:

May 2023: Approved preliminary final allocations of available storage.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Jerry Brown

Attachments:

Attachment A: Updated Table A - "Preliminary" final allocation of available storage in Sites Reservoir

Attachment B: Scenarios for Demonstration of Percentage Shares

Table 1. Proposed Allocation of Sites Reservoir Available Storage

(Revised June 20, 2025 per Board Agenda Item 2.3)

Participant Name	Amendment 3 Participation Level	Amendment 3 Storage Allocation	% Available Storage ^{1, 2, 3}
Antelope Valley-East Kern WA	500	3,117	0.221%
City of American Canyon	4,000	24,936	1.77%
Coachella Valley WD	10,000	62,340	4.42%
Colusa County	10,000	62,340	4.42%
Colusa County WD	9,256	57,702	4.09%
Cortina WD	450	2,805	0.199%
Davis WD	2,000	12,468	0.884%
Desert WA	6,500	40,521	2.87%
Dunnigan WD	2,972	18,527	1.31%
Glenn-Colusa ID	5,000	31,170	2.21%
Irvine Ranch WD	1,000	6,234	0.442%
LaGrande WD	1,000	6,234	0.442%
Metropolitan Water District of SC	50,000	311,700	22.1%
Reclamation District 108	4,000	24,936	1.77%
Rosedale-Rio Bravo WD	500	3,117	0.221%
San Bernardino Valley Municipal WD	21,400	133,408	9.46%
San Geronio Pass WA	14,000	87,276	6.19%
Santa Clara Valley WD	500	3,117	0.221%
Santa Clarita Valley WA	5,000	31,170	2.21%
Westside WD	5,375	33,508	2.38%
Wheeler Ridge - Maricopa WSD	3,050	19,014	1.35%
Zone 7 WA	10,000	62,340	4.42%
State of California - Total	n/a	244,000	17.3%
Reclamation	n/a	128,020	9.08%
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 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 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 made available to the Participant.

ATTACHMENT B - Scenario Analysis: Precision in Reporting vs. Contractual Allocation, Base and Downstream Facilities

This scenario analysis demonstrates how using greater precision (three significant digits) in reporting percentage shares of capacity interest does not affect any participant's actual outcome. Contractual rights and obligations are based solely on each participant's allocated storage space in acre-feet, rounded to the nearest whole number, not the reported percentage precision.

Assumptions and Scenario for Base Facilities

Total useable storage space in the reservoir: 1,410,000 acre-feet

Contractual allocations are based on storage interest rounded to the nearest whole acre-foot.

Four hypothetical participants: A, B, C, and D

Participant	Allocation of Storage Space (Contractual)	% of Total (Rounded to 1 Decimal)	% with 3 Significant Digits
A	375,000	26.6%	26.6%
B	120,000	8.5%	8.51%
C	12,300	0.9%	0.872%
D	9,870	0.7%	0.700%

Assumptions for Scenario for Downstream Facilities

Total hypothetical storage space allocation among those participating in the downstream facilities: 517,170 acre-feet

Four hypothetical participants: A, B, C, D

Participant	Allocation of Storage Space (Contractual)	% of Total (Rounded to 1 Decimal)	% with 3 Significant Digits
A	375,000	72.5%	72.5%
B	120,000	23.2%	23.2%
C	12,300	2.4%	2.38%
D	9,870	1.9%	1.91%
Total	517,170		

Key Observations

1. Contractual Allocation (AF) Remains Unchanged - Regardless of the reporting precision, the contractual entitlement in acre-feet remains the same.
2. No Effect on Costs, Rights, or Deliveries - Percentage representation does not impact delivery entitlements or cost obligations, which are based on the contractual allocation.
3. Greater Precision Improves Transparency - Three-digit precision clarifies differences among smaller participants.

Conclusion

Using three significant digits in reporting improves the clarity of communications, particularly for Storage Partners with smaller allocations, but it does not change the outcome for any Storage Partner. All contractual rights and obligations remain defined by the allocated storage space in acre-feet, rounded to the nearest whole number.