

Topic: **Reservoir Committee Agenda Item 4-1** **2018 Feb 15**

Subject: **Phase 1 Rebalancing Process**

Requested Action:

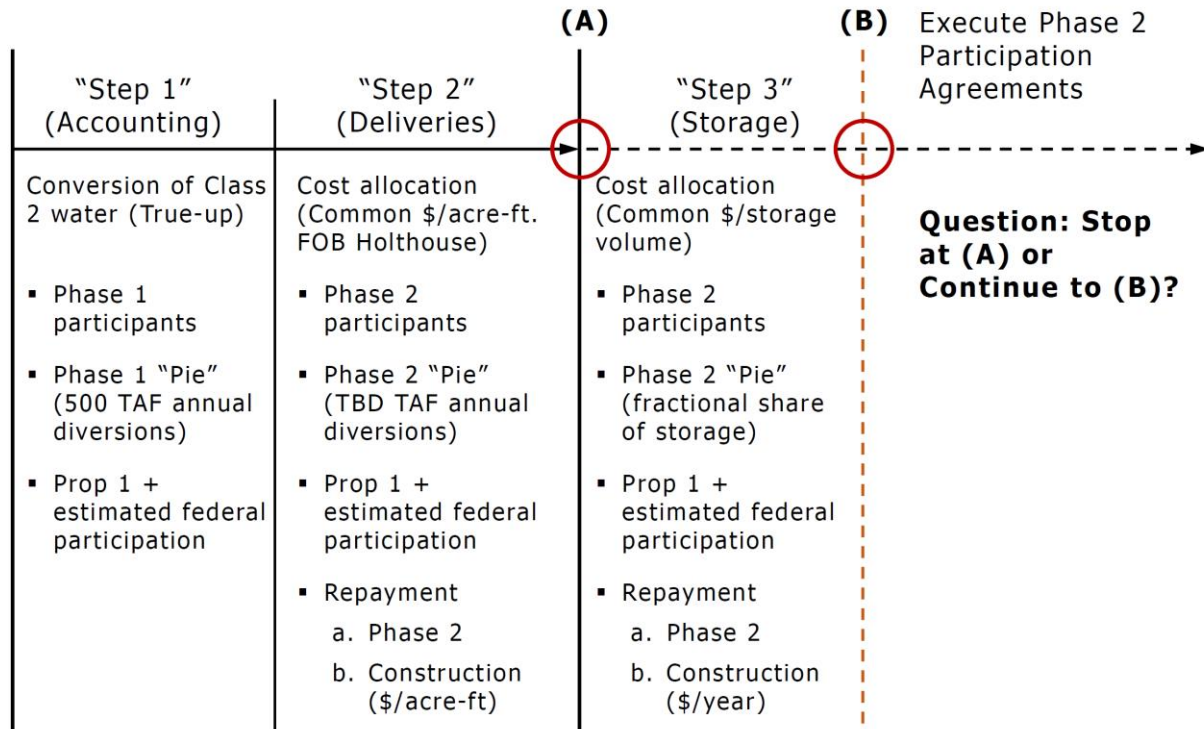
No action requested. Informational report.

Detailed Description/Background:

At the end of Phase 1, participants will be allowed to revisit their participation level to be used as the basis for allocating the Phase 2 study costs (at the end of Phase 2, a similar rebalancing process is planned). Originally, the allocation of Phase 2 costs would be based on either diversion into storage or deliveries (FOB Holthouse) with all participants making payments based on the same unit cost (\$/acre-ft.). At a minimum, the Phase 1 Rebalancing Process is planned to be conducted in two “steps” (refer to figure 1).

However, the merits of allocating these costs based on storage is also being evaluated for both the long-term (repayment of construction costs) and near-term (Phases 2 & potentially Phase 3). Using storage, each participant would make their payments based on the same unit cost (\$/volume of storage).

Figure 1: Rebalancing Steps



Prior Reservoir Committee Action:

None.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Jim Watson

Attachments:

None.