



Topic: Reservoir Committee Agenda Item 4-5 2019 August 22

Subject: Phase 1 Unspent Funds and Contributed Credit Correction

Requested Action:

The Joint Budget and Finance Ad Hoc Work Group and Committee is scheduled to address this agenda item during an August 19, 2019 meeting which will be after the required posting of the Reservoir Committee August 22, 2019 Agenda Package. If the Joint Work Group and Committee accepts this staff report, they will discuss the staff report and make a recommendation to the Reservoir Committee to provide direction to staff regarding the disbursement of final Phase 1 unspent funds and correction to the remaining balance of contributed credit.

Detailed Description/Background:

The unspent Phase 1 funds were returned to Phase 1 participants on a pro-rata basis using the acre-feet of Class 1 and Class 2. The Phase 1 unspent Reservoir Committee funds balance was \$544,055.65, which was used as the basis for providing refunds. Based on disbursement of these Phase 1 unspent funds, the actual Phase 1 participation cost was calculated at \$46.83/acre-ft for Class 1 and \$23.41 acre-ft. for Class 2. The total acre-ft amount for all participants continuing through year end 2019 should be \$108.50/acre-ft (\$48.50 class 1 Phase 1 plus \$60 class 1 Phase 2). The unspent Phase 1 funds should have been applied against the long-term contributed credit rather than refunded. The booked liability to all entities that have a credit balance should be reduced and those who do not have a credit should be invoiced for the amount they received in a check.

Reductions in Phase 1 participation at the close of Phase 1 were converted to Contributed Credit. These amounts are booked as an obligation to eventually be repaid assuming the project continues and when sufficient funding exists that such reimbursements will not have an adverse impact on the financial viability or overall implementation of the Project.

The attached tables summarize the proposed changes. Attachment A summarizes how the amount of unspent Phase 1 funds should be allocated to each participant. Attachment B summarizes how the difference should be accounted for (i.e. either an invoice for those who did not change their participation amounts from phase 1 to Phase 2 (2019) or, for those who changed their participation amounts, be applied towards the amount of contributed credit). Attachment C summarizes the results associated with invoicing those who did not change their participation amounts from phase 1 to Phase 2 (2019) brings all participants having paid the same dollar per acre-ft of the Phase 1 study costs.

Prior Reservoir Committee Action:

Status: Final	Preparer: Robinette	Phase: 2	Version: A
Purpose: Sites Reservoir Committee Staff Report	QA/QC: Zuber	Date: 2019 August 22	
Caveat: Informational	Authority Agent: Trapasso	Ref/File #:	
Notes:		Page: 1	of 2

August 20, 2018: Based, in part, on the Reservoir Committee's recommendation, the Authority Board approved the Funding Credit and Reimbursement Policy, section 13 – Fair Share Funding Study – requiring a summary by participant of retirement of Class 2 and true up of Class 1 costs at end of Phase 1

March 22, 2019: Based, in part, on the Reservoir Committee's recommendation, the Authority Board delegated the responsibility to the Treasurer and successor Phase 2 Joint Budget and Finance Ad Hoc Work Group and Committee the responsibility to close the Phase 1 accounts

May 20, 2019: Based, in part, on the Reservoir Committee's recommendation, the Authority Board approved the disbursement of the Reservoir Committee's Phase 1 unspent funds and associated revision to the remaining balance of contributed credit.

Fiscal Impact/Funding Source:

The booked liability to all entities that have a credit balance will be reduced by the Phase 1 unspent funds amounts per participant based on the \$108.50/acre-ft. Those who do not have a credit will be invoiced for the amount they received in the original refund check. This will occur in December.

These invoices and credits will be equal to the total Phase 1 Reservoir Committee unspent funds of \$544,055.65.

Staff Contact:

Joe Trapasso

Attachments:

Attachment A – All Participant Summary Phase 1 Conversion and Voluntary Changes Allocations Revised.

Attachment B – All Participant Summary Phase 1 Close Out Disbursement Revised.

Attachment C – All Participant Summary Contribution Totals Revised.

All Participant Summary Phase 1 Conversion and Voluntary Changes Allocations Revised

Participant	Total Paid	Conversion (Class 2 to Class 1)	Voluntary Changes (Contribution Credit)	Partial Refund (Voluntary Changes)	Phase 1 unspent Funds	Remaining Voluntary Change Credit (long term liability)
American Canyon, City of	\$ 145,500.00	\$ 48,500.00			\$ (4,988.20)	\$ -
Antelope Valley-East Kern Water Agency	\$ 83,104.75		\$ (58,854.75)	\$ (10,832.99)	\$ (2,849.09)	\$ (45,172.67)
California Water Service	\$ 848,750.00		\$ (848,750.00)	\$ (156,223.59)	\$ (29,097.84)	\$ (663,428.57)
Carter MWC	\$ 24,250.00	\$ 7,275.00	\$ (16,975.00)	\$ (3,124.47)	\$ (831.37)	\$ (13,019.16)
Coachella Valley Water District	\$ 1,101,095.50	\$ -	\$ (616,095.50)	\$ (113,400.48)	\$ (37,749.05)	\$ (464,945.97)
Colusa County	\$ 485,000.00			\$ -	\$ (16,627.34)	\$ -
Colusa County Water District	\$ 1,557,383.50		\$ (980,476.00)	\$ (180,469.49)	\$ (53,392.05)	\$ (746,614.46)
Dept of Water Resources				\$ -		\$ -
Desert Water Agency	\$ 270,072.25	\$ 45,177.75		\$ -	\$ (9,258.93)	\$ -
Garden Highway MWC	\$ 97,000.00		\$ (97,000.00)	\$ (17,854.12)	\$ (3,325.47)	\$ (75,820.41)
Glenn-Colusa Irrigation District	\$ 970,000.00		\$ (727,500.00)	\$ (133,905.94)	\$ (33,254.68)	\$ (560,339.39)
Metropolitan Water District of S. CA	\$ 1,212,500.00	\$ 1,212,500.00		\$ -	\$ (41,568.35)	\$ -
Orland-Artois Water District	\$ 970,000.00		\$ (970,000.00)	\$ (178,541.25)	\$ (33,254.68)	\$ (758,204.07)
Pacific Resources MWC	\$ 485,000.00		\$ (485,000.00)	\$ (89,270.62)	\$ (16,627.34)	\$ (379,102.04)
Reclamation District 108	\$ 970,000.00		\$ (776,000.00)	\$ (142,833.00)	\$ (33,254.68)	\$ (599,912.32)
San Bernardino Valley Municipal Water District	\$ 1,246,522.75		\$ (208,622.75)	\$ (38,399.76)	\$ (42,734.75)	\$ (127,488.24)
San Geronio Pass Water Agency	\$ 581,709.00	\$ 97,291.00		\$ -	\$ (19,942.83)	\$ -
Santa Clara Valley Water District	\$ 997,232.75		\$ (221,232.75)	\$ (40,720.80)	\$ (34,188.30)	\$ (146,323.65)
Santa Clarita Valley Water Agency	\$ 207,749.75	\$ 34,750.25		\$ -	\$ (7,122.32)	\$ -
TC6: 4M Water District	\$ 24,250.00		\$ (24,250.00)	\$ (4,463.53)	\$ (831.37)	\$ (18,955.10)
TC6: Cortina Water District	\$ 14,550.00		\$ -	\$ -	\$ (498.82)	\$ -
TC6: Davis Water District	\$ 97,000.00		\$ -	\$ -	\$ (3,325.47)	\$ -
TC6: Dunnigan Water District	\$ 242,500.00		\$ (110,725.50)	\$ (20,380.48)	\$ (8,313.67)	\$ (82,031.35)
TC6: LaGrande Water District	\$ 48,500.00		\$ -	\$ -	\$ (1,662.73)	\$ -
TC6: Proberta Water District	\$ 145,500.00		\$ (145,500.00)	\$ (26,781.19)	\$ (4,988.20)	\$ (113,730.61)
Tehama-Colusa Canal Assoc				\$ -		\$ -
US Bureau of Reclamation				\$ -		\$ -
Western Canal Water District	\$ 169,750.00		\$ (169,750.00)	\$ (31,244.72)	\$ (5,819.57)	\$ (132,685.71)
Westside Water District	\$ 1,212,500.00		\$ (485,000.00)	\$ (89,270.62)	\$ (41,568.35)	\$ (354,161.03)
Wheeler Ridge-Maricopa Water Storage District	\$ 831,023.25		\$ (683,098.25)	\$ (125,733.21)	\$ (28,490.11)	\$ (528,874.93)
Yolo County Flood Control and Water Conservation District				\$ -		\$ -
Zone 7 Water Agency	\$ 831,023.25		\$ (346,023.25)	\$ (63,690.13)	\$ (28,490.11)	\$ (253,843.01)
Totals	\$ 15,869,466.75	\$ 1,445,494.00	\$ (7,970,853.75)	\$ (1,467,140.40)	\$ (544,055.65)	\$ (6,064,652.69)

All Participant Summary Phase 1 Close Out Disbursement Revised				
Participant	Participant Contribution %		Phase 1 Unspent Disbursement	
	Total Contribution Credit Prior to Rebalancing	% of Total Contribution Credit from All Partipating Agencies	Refund of Unspent Phase 1 Funds	Refund Method
American Canyon, City of	\$ 145,500.00	0.916855%	\$ (4,988.20)	Applied to Phase 2 second cash call, will be invoiced
Antelope Valley-East Kern Water Agency	\$ 83,104.75	0.523677%	\$ (2,849.09)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
California Water Service	\$ 848,750.00	5.348321%	\$ (29,097.84)	Paid, will reduced applied credit
Carter MWC	\$ 24,250.00	0.152809%	\$ (831.37)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
Coachella Valley Water District	\$ 1,101,095.50	6.938453%	\$ (37,749.05)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
Colusa County	\$ 485,000.00	3.056183%	\$ (16,627.34)	Applied to Phase 2 second cash call, will be invoiced
Colusa County Water District	\$ 1,557,383.50	9.813710%	\$ (53,392.05)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
Desert Water Agency	\$ 270,072.25	1.701836%	\$ (9,258.93)	Applied to Phase 2 second cash call, will be invoiced

	Participant Contribution %		Phase 1 Unspent Disbursement	
Garden Highway MWC	\$ 97,000.00	0.611237%	\$ (3,325.47)	Paid, will reduced applied credit
Glenn-Colusa Irrigation District	\$ 970,000.00	6.112367%	\$ (33,254.68)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
Metropolitan Water District of S. CA	\$ 1,212,500.00	7.640458%	\$ (41,568.35)	Applied to Phase 2 second cash call, will be invoiced
Orland-Artois Water District	\$ 970,000.00	6.112367%	\$ (33,254.68)	Paid, will reduced applied credit
Pacific Resources MWC	\$ 485,000.00	3.056183%	\$ (16,627.34)	Paid, will reduced applied credit
Reclamation District 108	\$ 970,000.00	6.112367%	\$ (33,254.68)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
San Bernardino Valley Municipal Water District	\$ 1,246,522.75	7.854850%	\$ (42,734.75)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
San Geronio Pass Water Agency	\$ 581,709.00	3.665586%	\$ (19,942.83)	Applied to Phase 2 second cash call, will be invoiced
Santa Clara Valley Water District	\$ 997,232.75	6.283971%	\$ (34,188.30)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
Santa Clarita Valley Water Agency	\$ 207,749.75	1.309116%	\$ (7,122.32)	Applied to Phase 2 second cash call, will be invoiced

	Participant Contribution %		Phase 1 Unspent Disbursement	
TC6: 4M Water District	\$ 24,250.00	0.152809%	\$ (831.37)	Paid, will reduced applied credit
TC6: Cortina Water District	\$ 14,550.00	0.091686%	\$ (498.82)	Applied to Phase 2 second cash call, will be invoiced
TC6: Davis Water District	\$ 97,000.00	0.611237%	\$ (3,325.47)	Applied to Phase 2 second cash call, will be invoiced
TC6: Dunnigan Water District	\$ 242,500.00	1.528092%	\$ (8,313.67)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
TC6: LaGrande Water District	\$ 48,500.00	0.305618%	\$ (1,662.73)	Applied to Phase 2 second cash call, will be invoiced
TC6: Proberta Water District	\$ 145,500.00	0.916855%	\$ (4,988.20)	Paid, will reduced applied credit
Western Canal Water District	\$ 169,750.00	1.069664%	\$ (5,819.57)	Paid, will reduced applied credit
Westside Water District	\$ 1,212,500.00	7.640458%	\$ (41,568.35)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
Wheeler Ridge-Maricopa Water Storage District	\$ 831,023.25	5.236617%	\$ (28,490.11)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
Zone 7 Water Agency	\$ 831,023.25	5.236617%	\$ (28,490.11)	Applied to Phase 2 second cash call, will be applied to contributed credit instead
Totals	\$ 15,869,466.75	100.000000%	\$ (544,055.65)	

Participant: SUMMARY OF ALL

Phase 1

Transaction History								
Billing Status	Priority	Key Date	Class 1 (\$48.50)		Class 2 (\$24.25)		Totals	
			Qty	\$\$	Qty	\$\$	Qty	\$\$
Paid			250,000	12,125,000	154,411	3,744,467	404,411	\$ 15,869,466.75
Participation Variance	Voluntary Changes	2/26/19	(116,946)	(5,671,881)	(94,803)	(2,298,973)	(211,749)	\$ (7,970,853.75)
Paid	Conversion (Class 2 to Class 1)	2/26/19	59,608	2,890,988	(59,608)	(1,445,494)	0	\$ 1,445,494.00
Participation Level at end of Phase 1			192,662	\$ 9,344,107.00	0	\$ -	192,662	\$ 9,344,107.00

Paid	Retired CR Policy (partial refund per policy)	4/1/2019		\$ (807,890.22)		\$ (569,979.56)		\$ (1,377,869.78)
Paid	Retired CR Policy (Pacific Resources)	6/1/2019		\$ -		\$ (89,270.62)		\$ (89,270.62)
Remaining Contributed Credit				\$ (4,863,990.78)		\$ (1,639,722.57)		\$ (6,503,713.35)

Refund					
Billing Status	Priority	Target Date	Class 1	Class 2	Total
			\$\$	\$\$	\$\$
Refund Pending	Unspent Phase 1 Funds	7/1/19			\$ (544,055.65)
Unspent Phase 1 Refund					\$ (544,055.65)

Deduct from Liability

\$ 439,060.66

Remaining Contributed Credit \$ (6,064,652.69) (A+B)

Per AF

TOTAL PHASE 1 CONTRIBUTION \$ 47.95 \$ 9,239,112.01 C

Phase 2

Phase 2 Commitment						
Billing Status	Invoice	Due Date	Class 1 (\$60)		Totals	
			Qty	\$\$	Qty	\$\$
Committed	First 2019 Cash Call (\$37)	4/1/19	192,662	\$ 7,128,494.00	192,662	\$ 7,128,494.00
Committed	Voluntary Changes - Phase 1 True-up @ \$48.50	3/22/19	230	\$ 11,155.00	230	\$ 11,155.00
Committed	Voluntary Changes - Phase 2 First Call @ \$37	4/1/19		\$ 8,510.00		\$ 8,510.00
Committed	Second 2019 Cash Call (\$23)	7/1/19	192,892	\$ 4,436,516.00	192,892	\$ 4,436,516.00
Phase 2 Commitment Total			192,892	\$ 11,584,675.00	192,892	\$ 11,584,675.00

Per AF

TOTAL PHASE 2 CONTRIBUTION \$ 60.06 \$ 11,584,675.00 D

Qty	Per AF	\$\$
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192,892 \$ 107.96 \$ 20,823,787.01 (C+D)

To Be Billed: \$ 104,994.99

\$48.50 + \$60.00 = \$ 108.50

SITES INVESTMENT TO DATE: \$ 108.50 \$ 20,928,782.00