



Water Storage Investment Program

Consideration of Use of Remaining Funds
for Existing Projects' MCEs

California
WATER COMMISSION

March 2022

Today's Discussion

- At February meeting Commission considered whether to move forward with a second solicitation or to look into adjusting MCED for existing projects.
- Currently, there is \$63.9 million remaining.

Past Commission MCED decisions

- March 2019 Commission passed a non-binding resolution with preferences for any funds that became available.
- January 2021 Commission made adjustments after a project withdrew:
 - Two rank 3 projects' MCEs adjusted to request amount.
 - All seven project MCEs increased with 2.5% inflation increase.

Past MCED adjustments

Project Name	MCED 2018	January 2021 Rank 3 Adjustment	January 2021 Inflation Adjustment 2.5%	MCED 2021
Chino Basin Program	\$206,900,000		\$5,172,500	\$212,072,500
Harvest Water Program	\$280,500,000		\$7,012,500	\$287,512,500
Kern Fan Project	\$67,537,315	\$18,122,685	\$2,141,500	\$87,801,500
Los Vaqueros Reservoir	\$459,000,000		\$11,475,000	\$470,475,000
Pacheco Reservoir	\$484,550,000		\$12,113,750	\$496,663,750
Sites Project	\$816,377,686		\$20,409,442	\$836,787,128
Temperance Flat	\$171,330,000	--	--	--
Willow Springs Water Bank	\$95,405,999	\$27,884,001	\$3,082,250	\$126,372,250
Total	\$2,581,601,000	\$46,006,686	\$61,406,942	\$2,517,684,628
Remainder	--	--	--	\$63,916,372

Today's Discussion

- Today we will look at options:
 - Option 1: Inflation adjustment to existing project MCEDs.
 - Option 2: Adjust remaining Rank 3 project as well an inflation adjustment to seven existing projects.
 - Option 3: Commission can also defer decision.
- Options 1 and 2 would utilize entire \$63.9 million.

Option 1: Inflation Increase 2.5%

Project Name	MCED 2021	Additional 2.5% Adjustment	Resulting 2022 MCED
Chino Basin Program	\$212,072,500	\$5,383,877	\$217,456,377
Harvest Water Program	\$287,512,500	\$7,299,070	\$294,811,570
Kern Fan Project	\$87,801,500	\$2,229,014	\$90,030,514
Los Vaqueros Reservoir	\$470,475,000	\$11,943,932	\$482,418,932
Pacheco Reservoir	\$496,663,750	\$12,608,785	\$509,272,535
Sites Project	\$836,787,128	\$21,243,486	\$858,030,614
Willow Springs Water Bank	\$126,372,250	\$3,208,208	\$129,580,458
Total	\$2,517,684, 628	\$63,916, 372	\$2,581,601,000

Option 2: Rank 3 Adjustment and Inflation Increase 1.5%

- In 2018, Sites Project MCED \$100 million less than request
- Rank 3 adjustment of \$25 million to Sites Project original MCED to account for revised reservoir size
- Leaves approximately \$38 million available for inflation adjustment for existing projects

	MCED 2018 (Table 1)	January 2021 2.5% Inflation Adjustment (Table 1)	Rank 3 Correction	2.5% inflation on Rank 3 Correction	Rank 3 Corrected MCED
Sites Project	\$816,377,686	\$20,409,442	\$25,000,000	\$625,000	\$862,412,128

Option 2: Inflation Increase 1.5%

Project Name	MCED 2021	Additional 1.5% inflation increase	Resulting 2022 MCED
Chino Basin Program	\$212,072,500	\$3,192,905	\$215,265,405
Harvest Water Program	\$287,512,500	\$4,328,709	\$291,841,209
Kern Fan Project	\$87,801,500	\$1,321,915	\$89,123,415
Los Vaqueros Reservoir	\$470,475,000	\$7,083,343	\$477,558,343
Pacheco Reservoir	\$496,663,750	\$7,477,633	\$504,141,383
Sites Project	\$862,412,128*	\$12,984,241	\$875,396,369
Willow Springs Water Bank	\$126,372,250	\$1,902,626	\$128,274,876
Total	\$2,543,309,628	\$38,291,372	\$2,581,601,000

*Rank 3 adjustments made

Commission Decision

- Option 1: Inflation increase to existing projects of 2.5%.
- Option 2: Adjustment to Sites Project plus 1.5% inflation increase to existing projects.
- Option 3: Defer decision to later date.



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