

Agenda Item 03-03 Benefits and Obligations Contract Development

Reservoir Committee and Authority Board

February 17, 2023



The Final Guiding Principles....

Adopted November 2022

- ✓ Guide the **basic mechanics** for allocating benefits and costs, collecting payments, and remedying defaults prior to advancing further into WIFIA Loan application process
- ✓ Serve as the **foundation for drafting the Sites Reservoir Benefits and Obligations Contract** and will inform development of similar contracts for State and Federal participation

The Benefits and Obligations Contract

- Will serve as the **long-term commitment** of the Sites Authority to provide the Participant with its capacity rights in the Sites Reservoir system
- Represents what each Participant will need to take to its respective home board **to secure the necessary authority** to commit to its capacity share in the Sites Project

Proposed Contract drafting approach

- Same Contract for all Participants (with differences defined in payment annexes)
- Reference policies/technical information that can be updated without revisiting the Contract. Contract development is concurrent with development of other agreements and policies.
- Existing approved documents will be the foundation for the Contract
- Amendment 3 participation levels assumed (pending 'tentative' changes identified in mid-2023 soft call)

Discussion Questions



What additional feedback does your agency have on the proposed Contract drafting approach?



How should staff engage your agency in drafting Contract language?