

Agenda Item 02-01 Draft Benefits & Obligations Contract

Reservoir Committee and Authority Board

June 16, 2023



The Benefits & 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

Today's Requested Action

Authorization to initiate Participant review of Draft 1 (**focused on substantive issues**)

- Goal is to include the necessary components such that the detailed review of language can occur during review of Draft 2.

Key Concepts reflected in the Contract

slide 1 of 2



The Sites Authority is proposing to construct and own certain facilities.



The Participants will own capacity in such facilities (Capacity Interest).



The Sites Authority will operate such facilities for the benefit of the Participants in accordance with the Contract and pursuant to direction from the Participants as delegated by the Authority Board.

Key Concepts reflected in the Contract

slide 2 of 2



The Sites Authority will contract to use certain facilities for the benefit of the Participants as delegated by the Authority Board.



The Sites Authority expects to receive a water right and to provide water service to the Participants in accordance with the Contract and pursuant to the direction of the Participants as delegated by the Authority Board.

Relationship to supporting documents

Foundation for Drafting

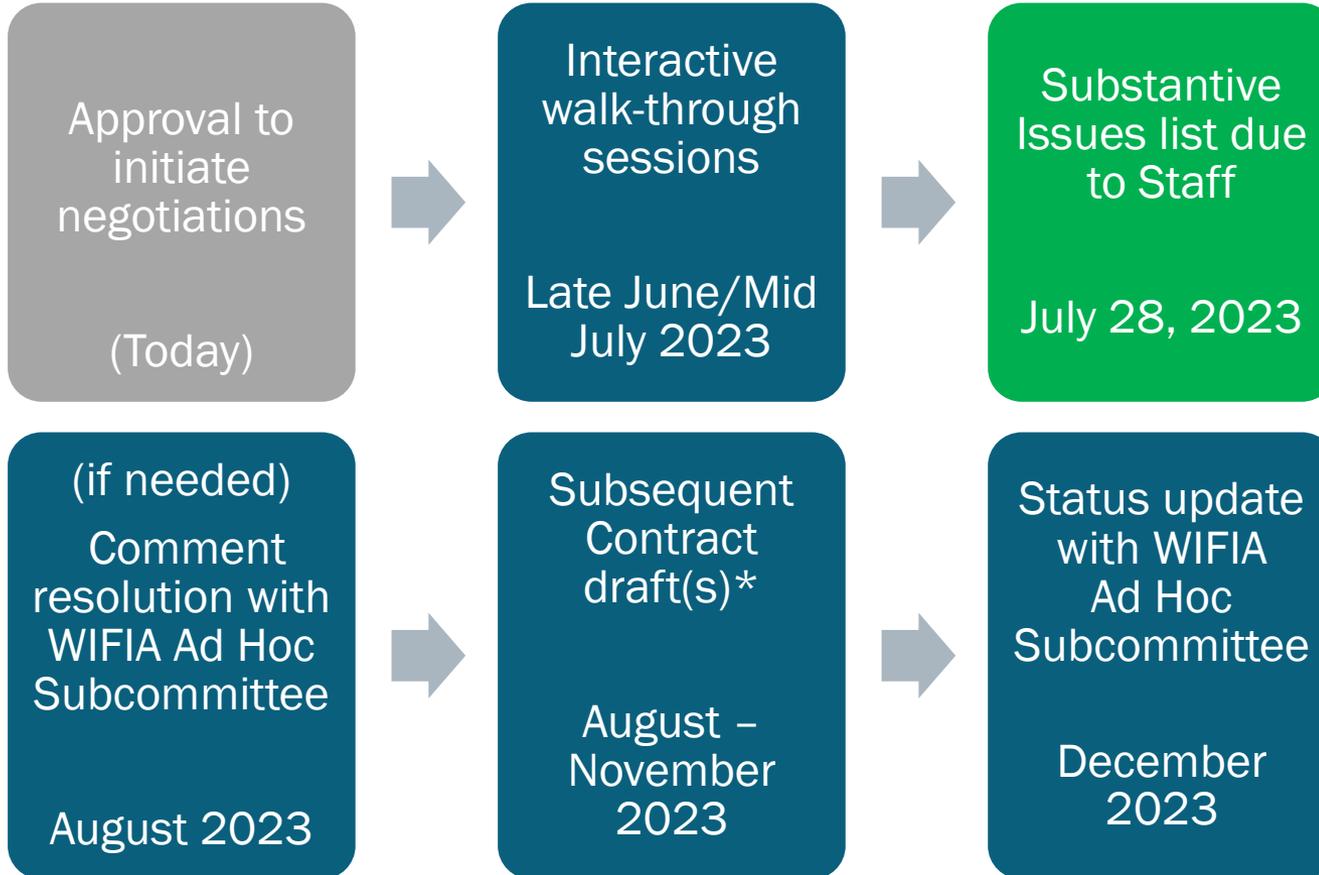
- ✓ Final Adopted Guiding Principles
- ✓ Master Resolution
- ✓ WIFIA Reserve Policy

Materials to be developed alongside Contract

- Operations Plan (Version 2)
- Amended Governance Documents (JPA Agreement, Bylaws)
- Finance policies/documents (WIFIA Master Agreement and WIFIA Loan 1)

Contract development activities

target final form of Contract and supporting documents by mid-2024



* Will include draft amendments to JPA Agreement and Bylaws. Ongoing development Operations Plan Version 2 and financing documents

Near Term Next Steps

June 2023

- General Counsel will distribute Contract via email to Participants (confidential, subject to common interest).
- (if needed) Participant will notify respective legal counsel of Contract review approach.

July 2023

- Interactive walk-through sessions
- By July 28: Participants provide substantive issues list to staff

Questions?

