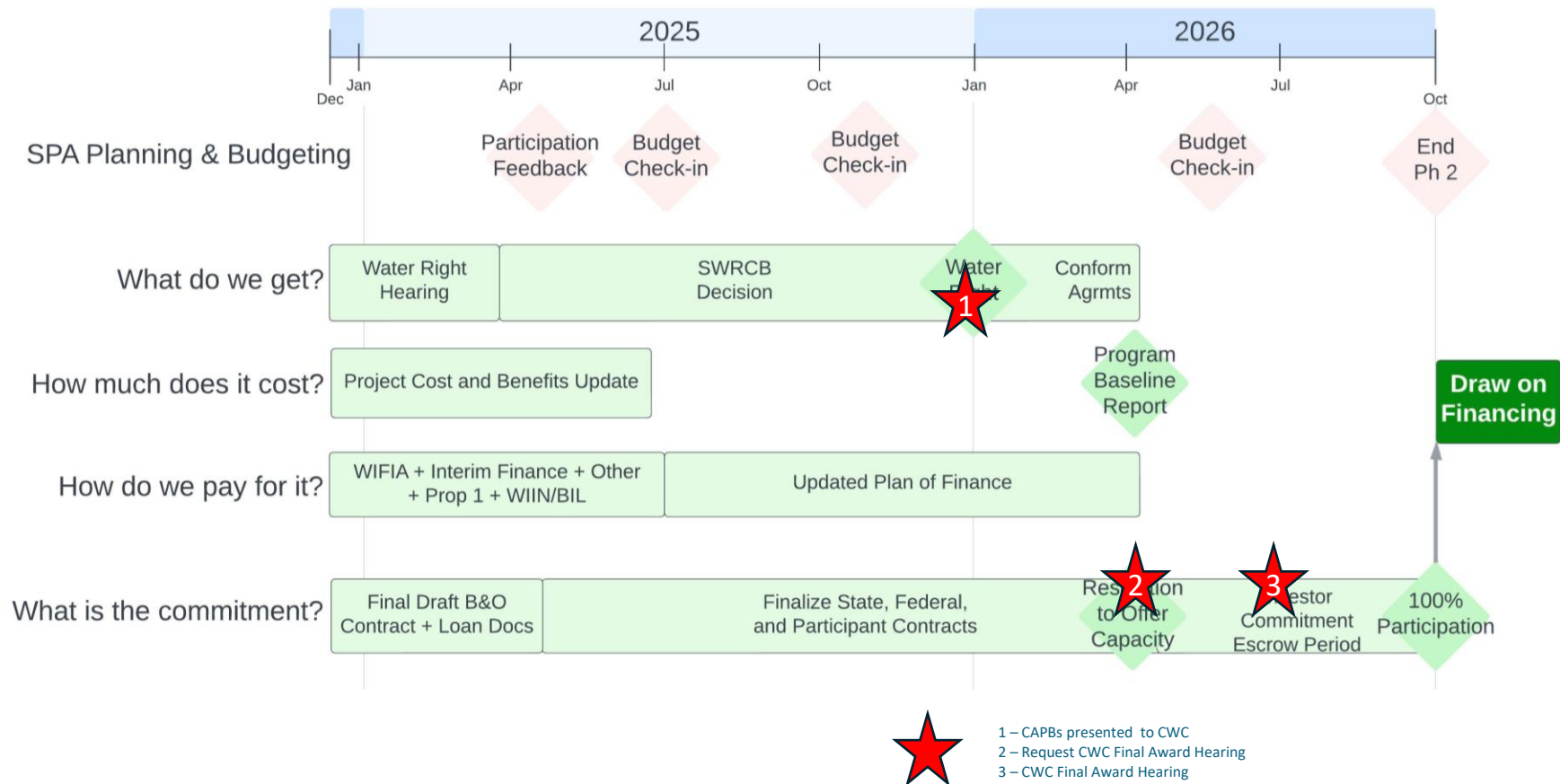


Reservoir Committee and Authority Board Meeting

Agenda Item 3-3: Assignment of Capacity

September 19, 2025

Late Water Right Schedule Projection w/ CWC Final Award Hearing Process



Three Sequential Steps to Get to Investor Commitment

1. Assignments/Delegations within Existing Participation
2. Addressing Reclamation's request for 16%
3. Activate Waitlist

Expected to be addressed by Participation Ad Hoc

Reclamation addressed in the negotiation of the Partnership Agreement

To align with the current schedule, steps 1 and 2 need to be completed NLT December 2025

Sites Phase 2 PA Assignment

Assignment of rights and duties under the Phase 2 Project Agreement require written consent of other PA Members and the Authority (not to be unreasonably withheld). PA Members may “assign, sell, trade or exchange” rights and duties to other PA Members. (Phase 2 PA, Sec. 12.)

Voting threshold for assignment approval is simple majority, but could be 75% if considered a material change under Sec. 12.3.10 of the Phase 2 Bylaws requiring 75% vote. (PA, Sec. 3(h).) If assignment results in new PA Member, 75% vote is necessary. (PA, Sec. 10.) Assume 75%.

Committee undertakes actions under the PA “subject to the direction of” each Project Agreement Member’s agency. (PA, Sec. 3(i).)

Road Map

First

September AB/RC Meeting: AB/RC members notified of action item regarding assignment.

Second

September/October Agency Board Cycle: Project Agreement Members confirm whether member agency is aware of and comfortable with assignment.

Third

October AB/RC Meeting: Action item regarding approval of assignment.

Fourth

Written consent memorialized in form of executed B&O Contract, 5th Amended JPA and Phase 3/4/5 Bylaws.

Questions?