



Meeting: **Reservoir Committee & Authority Board**
Agenda Item 2.1

December 19, 2025

Subject: **Reassignments and Delegations of Capacity Among Existing Storage Partners**

Requested Action:

Reservoir Committee and Authority Board consider approval of storage capacity reassignments as follows: Wheeler Ridge-Maricopa Water Storage Replenishment District voluntarily reassigning 6,234 acre feet of storage allocation to Santa Clara Valley Water District.

Staff recommends a voting threshold for approval of 75% for Participants (i.e., Project Agreement (PA) members) and 75% for the Authority Board.

Detailed Description/Background:

In March 2025, the Board generally concurred with the prioritization and timeline for activating the waitlist to coincide with the start of and in conjunction with the investor commitment escrow period. As a reminder, the preceding steps in activating the waitlist involved existing participants having the ability to 1) assign/delegate capacity interest to other existing participants under Section 12 of the Project Agreement, and/or 2) delegate capacity interest toward achieving Reclamation's desired 16% share. The Board also formed a Participation Ad Hoc to facilitate these discussions. These steps have now progressed to the point that some of the existing Participants are ready to move forward with Board approval of Section 12 related assigns/delegates.

Please refer to the attached updated Table 1 from the Project Agreement describing the details of the proposed reassignments and delegations covered under the recommended action.

Wheeler Ridge to Valley Water have entered into a reassignment agreement. In addition, the Project Agreement requires that all assignments or delegated capacity be consented to in writing by the other PA Members and the Authority (not to be unreasonably withheld). Wheeler Ridge and Valley Water have requested that such written approval occur prior to investor commitment so that they can be assured of contractual certainty and the expeditious effectuation of their agreed upon terms for the reassignment (see attachment C).

It is requested that each PA member sign and return to Staff the attached "consent form" (attachment B) representing their agency's written consent of the reassignment from Wheeler Ridge to Valley Water no later than February 1, 2026.

Regarding other potential reassignments, productive discussions between North State Participants and Reclamation have been occurring, and the parties expect to next reach a final agreement on terms and conditions for reassignment.

Overall, the next steps in this process leading up to the start of investor commitment would be 1) achieving Reclamation's 16% participation, and 2) activation of the waiting list.

Staff is intending to update the attached Table 1 again prior to the start of investor commitment to reflect the storage and downstream allocation amounts that each agency staff anticipates recommending for approval to their home boards. If you are aware of any changes to what's shown on the attached Table 1, please be sure to immediately communicate with the Staff as soon as possible. As a reminder, expeditiously achieving investor commitment requires orderly and predictable decision making, and any delays would not benefit the project.

Prior Action:

September 2025 - Reviewed and commented on process and timing for the assignment of capacity among existing Participants.

March 2025 - Reviewed and discussed the prioritization and expected timeline for activating waitlist participation.

May 2023 - Approved "preliminary" Final Allocations of Available Storage, and proportionate shares of diverted water for Storage Partners and initiated the transition from yield-based to Storage-based participation, which is to be reflected in the Benefits and Obligations Contracts.

Fiscal Impact/Funding Source:

Representatives from Wheeler Ridge and Valley Water have volunteered to serve in an administrative capacity to avoid any distraction of Staff work from other higher priority activities. This will ensure this non-routine request has little to no impact on Staff efforts on the broader critical path project work.

Staff Contact: Jerry Brown

Attachments:

- A - Updated Table 1. Proposed Allocation of Sites Reservoir Available Base Storage and Downstream Allocations
- B - Written Consent Form for the Wheeler Ridge to Valley Water Reassignment
- C - Letter from Wheeler Ridge and Valley Water Requesting Approval of Reassignment



Entity	Base Allocations		Downstream Allocations	
	Storage Allocation	Storage Percentage Allocation	Storage Allocation	Downstream Allocations % Among All Partners
Antelope Valley-East Kern Water Agency	3,117	0.221%	3,117	0.269%
City of American Canyon	24,936	1.77%	24,936	2.15%
Coachella Valley Water District	62,340	4.42%	62,340	5.37%
Colusa County	62,340	4.42%	-	0%
Colusa Co WD	57,702	4.09%	-	0%
Cortina Water District	2,805	0.199%	-	0%
Davis Water District	12,468	0.884%	-	0%
Desert Water Agency	40,521	2.87%	40,521	3.49%
Dunnigan Water District	18,527	1.31%	-	0%
GCID	31,170	2.21%	-	0%
Irvine Ranch Water District	6,234	0.442%	6,234	0.537%
LaGrande Water District	6,234	0.442%	-	0%
Metropolitan Water District of Southern CA	311,700	22.1%	311,700	26.9%
RD108	24,936	1.77%	-	0%
Rosedale-Rio Bravo Valley Municipal	3,117	0.221%	3,117	0.269%
San Bernadino Valley Muni Water District	133,408	9.46%	133,408	11.50%
San Geronio Pass Water Agency	87,276	6.19%	87,276	7.52%
Santa Clara Valley Water District	9,351	0.663%	9,351	0.806%
Santa Clarita Valley Water Agency	31,170	2.21%	31,170	2.69%
Westside Water District	33,508	2.38%	-	0%
Wheeler Ridge-Maricopa Water Storage	12,780	0.91%	12,780	1.10%
Zone 7 Water Agency	62,340	4.42%	62,340	5.37%
Total	1,037,980	73.6%	788,290	68.0%
State	244,000	17.3%	244,000	21.0%
Federal	128,020	9.08%	128,020	11.0%
Total	372,020	26.4%	372,020	32.0%
Grand Total	1,410,000	100%	1,160,310	100%

Dead Pool = 60,000

Description of Uneven Haircut

1. Wheeler Ridge reduced from 19,014af
2. Valley Water increased from 3,117af

Note: Downstream Allocations based on pro-rata share of SOD participants, State and BOR. If NOD participants choose to participate in downstream allocations, resulting storage allocation would change.



December 19, 2025

Subject: Written Approval of Sites Reservoir Committee Members of Santa Clara/Wheeler Ridge Assignment of Project Shares

Current Sites South of Delta Participants Santa Clara Valley Water District and Wheeler Ridge-Maricopa Water Storage District have agreed to assign 6,234 acre-feet of Sites Reservoir Storage Allocation from Wheeler Ridge to Santa Clara.

Reference is made to the Sites Reservoir staff memorandum dated December 19, 2025 for Agenda Item 2.1 of the December 19, 2025 Joint Meeting of the Sites Authority and Reservoir Committee.

This Assignment is provided for in Section 12 of the current Sites Reservoir Project Agreement (Project Agreement) which states in part: "... the rights and duties of the Project Agreement Members may not be assigned or delegated without the written consent of the other Project Agreement Members and the [Sites Project] Authority, which consent shall not be unreasonably withheld."

To reflect this Assignment, Exhibit A to the Project Agreement shall be amended to read as follows:

Participant	Annualized Acre-Foot	Storage Allocation (AF)	Percent
Santa Clara Valley Water District	1,500	9,351	0.8902
Wheeler Ridge-Maricopa Water Storage District	2,050	12,780	1.2098

There are no other changes to the Project Agreement. This Assignment will have no impact on the benefits, obligations, and Storage Allocation of any other Reservoir Committee Member.

Your Agency is requested to approve this Santa Clara/Wheeler Ridge Assignment by signature below. Because additional assignments are anticipated, your Agency may wish to authorize an appropriate person, such as the General Manager, to approve future assignments that only change the Participant's respective participation quantities in Exhibit A. Please select one or both boxes below.

- ☐ Agency approves the Project Agreement amendment to reflect the Santa Clara/Wheeler Ridge Assignment.
- ☐ Agency authorizes its _____ (title/position; e.g., General Manager) to approve additional Section 12 assignments.



Questions may be directed to Robert Kunde (rkunde@wrnwsd.com) or Katherine Maher (kmaher@valleywater.org).

Return this executed form, via email or physical copy, to:

Sites Project Authority, Attn: Board Clerk (boardclerk@sitesproject.org), or mail: P.O. Box 517,
Maxwell, CA 95955

Sincerely,

(Signature)

(Printed Name)

Title: _____

Agency: _____

Date: _____





December 12, 2025

by email: JBrown@SitesProject.org

Sites Project Authority and Reservoir Project Committee
Attn: Jerry Brown, Executive Director
Maxwell, CA

Subject: Partial Assignment of Sites Project Phase 2 Participation from Wheeler Ridge to Valley Water (6234 Acre-Feet of Reservoir Storage Allocation = 1000 Annualized Acre-Feet)

Ladies and Gentlemen of the Sites Project Agencies:

Current Sites South of Delta Members Santa Clara Valley Water District (Valley Water) and Wheeler Ridge-Maricopa Water Storage District (Wheeler Ridge) have agreed to assign 6,234 Acre-Feet of Reservoir Storage Allocation = 1000 Acre-Feet of Annualized Acre-Feet (requested yield basis) from Wheeler Ridge to Valley Water per an executed Assignment and Assumption Agreement (Assignment Agreement). This will change Valley Water's Storage Allocation from its current 3,117 acre-feet to 9,351 acre-feet, and Wheeler Ridge's Storage Allocation from its current 19,014 acre-feet to 12,780 acre-feet with corresponding changes to their Annualized Acre-Feet - all as more particularly described in the Assignment Agreement. No other changes to the Project Agreement are proposed or necessary.

This Assignment will have no impact on the benefits, obligations, Storage Allocation and Annualized Acre-Feet of any other Reservoir Committee Member.

This Assignment is provided for in Section 12 of the current Sites Reservoir Project Agreement (Project Agreement) which states in part: *"... the rights and duties of the Project Agreement Members may not be assigned or delegated without the written consent of the other Project Agreement Members and the [Sites Project] Authority, which consent shall not be unreasonably withheld."*

Per the Assignment Agreement, Valley Water is assigned and assumes all past and future obligations associated with this 6,234 acre-foot Storage Allocation = 1000 acre-feet of Annualized Acre-Feet, so any future obligations related thereto, including additional charges (there are none currently provided for in the Project Agreement) and/or credits (e.g. under the Sites Credit Reimbursement Policy) are the responsibility of Valley Water. However, future

charges/credits associated with Wheeler Ridge's remaining 12,780 acre-feet Storage Allocation = 2050 of Annualized Acre-Feet, as well as any future credit for Wheeler Ridge Phase 1 amounts under the Credit Reimbursement Policy, remain with Wheeler Ridge.

Valley Water and Wheeler Ridge hereby request the Sites Project Authority and Reservoir Committee approve this Assignment and seek the written approval of all Reservoir Project Committee Members. A "Sample Letter" form is attached for the convenience of Members. Valley Water and Wheeler Ridge are willing to assist the Sites Project in any way with outreach to Reservoir Committee Members. The desired target for all Reservoir Committee Member approvals is February 1, 2026.

A copy of the Assignment Agreement is available upon request.

Sincerely,

A handwritten signature in blue ink that reads "Robert Kunde".

Robert Kunde
Wheeler Ridge

A handwritten signature in blue ink that reads "Cindy Kao".

Cindy Kao, Ph.D., P.E.
Valley Water

Attachment: Sample Letter