



Meeting: **Reservoir Committee & Authority Board Agenda
Item 2.2**

September 18, 2026

Subject: **Conditions Precedent Reporting**

Requested Action:

Reservoir Committee and Authority Board confirm conditions precedent are sufficiently met for start of investor commitment.

Detailed Description/Background:

Since August 2023, the Conditions Precedent Report has been presented to the Board on a quarterly basis as a status update on the critical items the Authority Board and Reservoir Committee have identified as necessary for their agency's execution of the Benefits & Obligations Contract. Also presented was a Storage Partner Approvals Coordination Table to represent the permits and approvals needed across all of the Storage Partners, Participants/Reservoir Committee members, State/California Water Commission, and Federal/Bureau of Reclamation. Having a common list of expected deliverables ensures Sites Staff, consultants, and all Storage Partners prioritize efforts in the right places.

This report updates on the progress of items listed in Attachment A since the June 2026 report. Importantly, this is the last report to precede the decision to proceed with the Investor Commitment Period.

Staff believes all the items have been substantially completed to proceed with initiating the investor commitment period.

The following activities remain and are expected to be completed within the next 30-60 days:

Final Water Right Permit and Order – The revised draft order and permit were issued on September 3 and the final water right permit and order is scheduled to be considered for approval on November 4.

Clean Water Act Section 401 and 404 Permits – The State Water Board is expected to issue a draft 401 certification by September 15. It is expected that the Army Corps will issue the 404 permit within 2-3 weeks following issuance of the 401 permit.

Excess Capacity Agreement with Reclamation – see agenda item 02-01 on today's Board meeting agenda.

The Final Biological Opinion for Project-level Operations is expected to be completed after the investor commitment period.

Prior Action:

June 2026 – Received a quarterly update.

Fiscal Impact/Funding Source:

The Amendment 3 Work Plan includes sufficient budget to cover required resources and activities to achieve the supporting deliverables as listed in the Storage Partners Approvals Coordination Table. The current adopted 2026 budget projects all existing sources of funds being fully expended by December 2026.

Staff Contact:

Ali Forsythe/JP Robinette/Jerry Brown

Primary Service Provider:

None

Attachments:

Attachment A – Activities to be Completed Prior to Resolution of Offer of Capacity and During Investment Commitment Escrow, Status Update

Attachment B – Storage Partners Approvals Coordination Table – dated September 2026



**Activities to be Completed Prior to Resolution to Offer Capacity & Service and During Investor Commitment Escrow
Status Update as of September 2026**

Activity / Agreement	Target Completion	Status	Notes / Critical Issues
Contract and Supporting Documents:			
Benefits and Obligations Contract	Oct 2026	Substantially Complete	Project Alignment Ad Hoc recommendations pending
Phase 3, 4, 5 Bylaws	Oct 2026	Substantially Complete	
Amended Joint Exercise of Powers Agreement	Oct 2026	Substantially Complete	
Sites Reservoir Operations Plan (Version 3)	Oct 2026	Substantially Complete	
Actions:			
CEQA Notice of Determination	Nov 2023	Completed	
NEPA Record of Decision	Feb 2026	Completed	
Project Baseline Report including Updated Class 3 Cost Estimate and Updated Plan of Finance Forecast Tables	Sept 2026	Substantially Complete	
Resolution to Offer Capacity & Service	Sept 2026	Substantially Complete	
Permits and Approvals:			
Water Right decision by SWRCB	Nov 2026 (Final)	On Track	Final Draft received in Sept; Final anticipated in Nov.
State Construction and Operations Incidental Take Permits	Oct 2024 Oct 2024	Completed	
Federal Project Construction Biological Opinion	Jul 2025	Completed	
Federal Programmatic Operations Biological Opinion (Step one)	Dec 2024	Completed	
National Historic Preservation Act – Section 106 Programmatic Agreement	Feb 2026	Completed	
DSOD Confirmation of Dam Design Criteria	Aug 2025	Completed	
County Developer Agreements (Colusa, Glenn, and Yolo)	Jul 2026	Completed	
Clean Water Act – Section 401	Sept 2026	Completed	Received September 10
Clean Water Act – Section 404	Sept 2026	Substantially Complete	Was pending 401 approval.
CVFPB Encroachment Permit	Aug 2028	On Track	Need to advance engineering/design to 65% to submit for permit
USC Section 408 Approval	Aug 2028	On Track	Need to advance engineering/design to 65% to submit for permit
Eagle Long Term Permit	Feb 2027	Revised	Existing permit extended to Aug 2028. Replacement



Activity / Agreement	Target Completion	Status	Notes / Critical Issues
			permit provided within a year.
Memoranda of Understanding related to CEQA Compliance and Air Board permits	Sept 2026	Substantially Complete	
Master Lake and Streambed Alteration Agreement	Jul 2025	Completed	
Executed Agreements:			
Facilities Use Agreements – TC Canal System	Oct 2026	In Progress	Awaiting Project Alignment Ad Hoc recommendations
Facilities Use Agreements – GCID System	Oct 2026	In Progress	Awaiting Project Alignment Ad Hoc recommendations
RD 108 Operations Agreement for Lower Colusa Basin Drain Operations	Oct 2026	In Progress	Awaiting Project Alignment Ad Hoc recommendations
Excess Capacity Agreement with Reclamation	Sept 2026	On Track	
Lower Colusa Basin Drain System Term Sheets	Mar 2025	Completed	Completed KLOG; No longer need to use Wallace Weir for Ecosystem Benefits Agreement
Operating Agreement with DWR and Reclamation	May 2026	Substantially Complete	Conform and execute after issuance of final water right. Letter of Acknowledgments received
Lower Colusa Basin Drain - Additional Information for Investor Commitment - Letter of Mutual Understanding - Technical Memorandum – Use of Lower Colusa Basin Drain vs. extending the Dunnigan Pipeline to the Sacramento River - Add assumption for losses in CBD to operations model - Develop itemized cost estimate for CBD improvements rather than using a contingency (refined) - Verify that modeled local facility capacity is adequate and understand opportunities for increased capacity at times to accommodate planned Sites releases	Jun 2026	Completed	Conveyance Capacity TM that documents this additional information will be provided with the Project Baseline Report.
Conditions To Occur During Investor Commitment Escrow:			
B&O Contract executed by all parties			
Final Public Benefit Agreements with CDFW and DWR	Oct 2026	Pending Execution	



Activity / Agreement	Target Completion	Status	Notes / Critical Issues
• Donation Agreement with Reclamation for Pumping and Conveyance of Incremental Level 4 Refuge Water • Exchange Agreement with DWR • MOU with Water Agencies conveying NOD Refuge water			
Prop 1 Resolution of Final Award by CWC	Dec 2026	On Track	
Final Prop 1 Funding agreement executed by CWC Staff	Mar 2027	On Track	
Partnership Agreement with Reclamation	Jun 2026 - Final draft Nov 2026 - Final sign-off	Substantially Complete	Complete pending conformance with final B&O Contract and Final Water Right
Reimbursement Agreement within the CVP for Sites Project costs	--	--	Reclamation has determined this to be not necessary at this time
Execution of Loan Agreements for Project Financing	Mar 2027	On Track	To occur after close of Investor Commitment Escrow
Final Biological Opinion for project level operations (Step Two)	Summer 2027	On Track	Continuing to coordinate with Reclamation and fisheries agencies

Notes:

Agreements, permits, and other activity will be posted on the following pages when completed and as appropriate:

sitesproject.org/agreements/

sitesproject.org/permitting/

sitesproject.org/environmental-review/

Agreement / Permit Name	Needed for Offer of Capacity	Needed for CWC Funding Agreement	Needed for Reclamation Partnership Agreement	Status
Complete CEQA - Notice of Determination	Yes	Yes	No	Completed
Complete NEPA and Sign ROD	Yes	Yes	Yes	Completed
Sites / Reclamation / DWR Operations Agreement	Yes	Yes	Yes	Conform and execute after issuance of final water right
Partnership Agreement	Yes	Yes	Yes	Complete pending conformance with final B&O Contract
Sites Reservoir Benefits and Obligations (B&O) Contracts PLUS all Necessary Annexes	Yes	Yes	Yes	Going to Board for Approval 9/2026
Revisions to JPA and Bylaws	Yes	Yes	Yes	Going to Board for Approval 9/2026
Sites / GCID Facilities Use Agreements	Yes	Yes	Yes	Going to Board for Approval 10/2026
Sites / TCCA Facilities Use Agreements	Yes	Yes	Yes	Going to Board for Approval 10/2026
Biological Assessment/Biological Opinion Construction and Programmatic Operations (Step 1)	Yes	Yes	Yes	Completed
State Incidental Take Permit – Operations	Yes	Yes	Yes	Completed
State Incidental Take Permit – Construction	Yes	Yes	Yes	Completed
National Historic Preservation Act – Section 106 Programmatic Agreement	Yes	Yes	Yes	Completed
Master Lake and Streambed Alteration Agreement	Yes			Final permit issued
Water Right Permit SWRCB Decision	Yes	Yes	Yes	Final Draft received Sept 2026; Final anticipated in Nov 2026.
Colusa County Developer Agreements – Agreements on Zoning Changes, Road Maintenance and Ownership, Taxes, Etc	Yes	Yes	Yes	Completed
Yolo County Developer Agreements – Agreements on Zoning Changes, Road Maintenance and Ownership, Taxes, Etc	Yes	Yes	Yes	Completed
Glenn County Developer Agreements – Agreements on Zoning Changes, Road Maintenance and Ownership, Taxes, Etc	Yes	Yes	Yes	Completed
WSIP Public Benefits – Ecosystem	Yes	Yes	Yes	Complete pending public review and conformance with final water right
WSIP Public Benefits – Flood and Recreation (Proposed New Benefit - Drought Emergency Supplies	Yes	Yes	Yes	Complete pending public review and conformance with final water right
WSIP Final Funding Resolution by CWC	Yes	Yes	Yes	To be scheduled upon execution of 100% contracts for non-public benefits
WIFIA Master and Loan Agreement(s)	Yes	No	No	Final Loan Terms Reviewed with Sites Board at August 2026 BOD mtg. Target completion March 2027
Lower Colusa Basin Drain – Knights Landing Outfall Gates Operations Term Sheet	Yes	Yes	No	Completed

Lower Colusa Basin Drain - Letters of Mutual Understanding	Yes	No	No	Completed
Lower Colusa Basin Drain - Additional Information for Investor Commitment	Yes	No	No	Completed as reviewed by Sites Board at June 2026 BOD mtg, agenda item 03-04
Lower Colusa Basin Drain - White Paper Evaluation (Flowage Easements)	Yes	Yes	No	Completed
Lower Colusa Basin Drain: Real Estate Term Sheet (Dunnigan Pipe Outlet Structure into CBD)	Yes	Yes	No	Completed
USC Section 408, if needed	Partial, based on conceptual approval	Partial, based on conceptual approval	No	This activity has not started. We need 60% design to start the permitting process.
Central Valley Flood Protection Board Encroachment Permit	Partial, based on conceptual approval	Partial, based on conceptual approval	No	This activity has not started. We need 60% design to start the permitting process.
Biological Assessment/Biological Opinion Project-level Operations (Step 2)	No	Yes	Yes	Program Level Coverage Deemed Sufficient, Target completion of Project Level Coverage Summer of 2027
Excess Capacity Agreement(s) (formerly called 'Warren Act' ; 'Conveyance Agreements' contract(s))	Yes	Partial, for refuge water deliveries	No	Going to Board for Approval 9/2026
Land Lease/License Agreement for use of Federally Owned Property	No	No	No	
Agreements Necessary for Pumping and Conveyance of IL4 Refuge Water - DWR Conveyance Agreement and Reclamation Donation Agreement	No	Yes	No	Complete, Being Executed
Agreements Necessary for Pumping and Conveyance of IL4 Refuge Water - MOUs with Water Agencies Conveying NOD Refuge Water	No	Yes	No	Richvale/Sites & Western Canal/Sites Executed
Design and Construction Agreement to Add Pumping Capacity at Red Bluff PP	No	No	No	
Power Agreement(s)	No	No	No	
Sites / RD108 Lower Colusa Basin Drain Operations Agreement	No	No	No	Going to Board for Approval 10/2026
Eagle Take Permit / Eagle Conservation Plan	No	No	Yes	Existing permit extended, Long term Permit Target Completion Feb 2027
Clean Water Act Section 404, wetlands and waters of the US (must have a Section 401 to get a 404)	No	Partial, based on conceptual approval	No	Permit issuance expected before 10/15/26
Clean Water Act Section 401 and Porter Cologne Water Quality Control Act	No	Partial, based on conceptual approval	No	Permit issued
Waste Discharge Requirements	No	No	No	
County General Plan and Zoning Changes	No	No	No	
WSIP Final Funding Agreement (CWC staff approval)	No	No	Yes	To be finalized and executed after CWC Final Funding Award

Lake and Streambed Alteration Agreement (Master)	No	Partial, based on conceptual approval	No	Completed
MOUs related to CEQA compliance (Air Districts)	No	Yes (Construct) No (Operate)	No	In Progress. Target Completion in October 2026.
Encroachment Permits	No	No	No	
Transportation Permits	No	No	No	
Permit to Construct/Operate	No	Partial, based on conceptual approval	No	
Interconnection Agreement	No	No	No	Sites is in CalSO Cluster 15
Exemption from FERC	No	No	No	
Lower Colusa Basin Drain – Knights Landing Outfall Gates Operations Agreement	No	No	No	Term Sheet with DWR executed
Lower Colusa Basin Drain - Wallace Weir Operations Agreement	No	No	No	No longer needed by Project
Lower Colusa Basin Drain - Real Estate Agreement (Flowage Easements)	No	No	No	Completed
Lower Colusa Basin Drain: Real Estate Agreement (Dunnigan Pipe Outlet Structure into CBD)	No	No	No	Completed
Lower Colusa Basin Drain: Long Term Maintenance Agreement	No	No	No	Replaced by "Sites / RD108 Lower Colusa Basin Drain Operations Agreement"
Reimbursement Agreements within the CVP	N/A	N/A	N/A	Reclamation determined these are not necessary
Lower Colusa Basin Drain - Wallace Weir Operations Term Sheet	N/A	N/A	N/A	Yolo Bypass no longer a Prop 1 public benefit