



Meeting: **Reservoir Committee & Authority Board Agenda
Item 3.2**

October 16, 2026

Subject: **Benefits & Obligations Contract, Bylaws and Joint Powers Agreement**

Requested Action:

Reservoir Committee and Authority Board receive update on finalizing the Benefits and Obligations Contract, Joint Powers Agreement, and Bylaws.

Detailed Description/Background:

Since September 2026, Staff have continued refining the documents based on the following items:

- DWR as the Acquirer Requested Changes on Behalf of SOC Sites Participants to further clarify the limited role that DWR has under the B&O and to further reflect in Appendix 9 the reserved rights DWR needs to maintain to act in its dual role as Acquirer and Operator of the SWP.
- Appendix 3 to clarify that the initial self-funding notice to be submitted is related to the planned 2027 Short Term Notes. Subsequent self-funding notices will need to be filed with future Authority financings.
- Appendix 7 (A&C's) revision being responsive to a Participant that agency's need to retain the flexibility for accounting for their Sites costs within their own financial statements.
- Completion of a final consistency review is still outstanding (i) a full consistency/definitions review across the "governance three-legged stool" (B&O, JPA, Bylaws); (ii) a full dispute-resolution review across documents; and (iii) broad FUA conforming changes. This activity will proceed depending on the Board feedback on agenda item 3.1 on today's agenda regarding Project Alignment Ad Hoc workgroup.
- No substantive changes were made to the JPA or the Operations Plan.

Additionally, a question was recently raised by a member of the public to the CWC questioning Zone 3's authority to sign the B&O and about securing LAFCO's authority to include in its service area coverage extending into Yolo County. Staff has reviewed the B&O with these issues in mind and has determined that the Appendix 5 Participant Opinion Letter should be sufficient to protect the Authority's interests in regard to the concerns raised by the public member. Staff will continue to monitor for any new information that might cause the need for other conditions or requirements in the B&O.

Remaining Step to Finalizing

- Incorporate Project Alignment Ad Hoc recommendations as needed, see Agenda Item 3.1 on today's meeting agenda.

It is expected that the final B&O Contract, updated Bylaws, amended JPA, and Operational Plan will be ready for approval at the Special Board Meeting scheduled for November 6, 2026, assuming the issuance of the water right occurs on November 4, 2026 as currently scheduled.

Prior Action:

September 2026: Reservoir Committee and Authority Board confirm Benefits & Obligations (B&O) Contract, updated Bylaws, amended and restated Joint Powers Agreement, and Operations Plan are substantially complete, with remaining items limited to recommendations from the Project Alignment Ad Hoc.

Fiscal Impact/Funding Source:

The Amendment 3 Work Plan includes finalizing the B&O Contract/Bylaws/JPA as a condition precedent to starting Phase 3/4/5. The approved FY26 budget includes sufficient funds (inclusive of amendments) to cover required resources and activities to finalize these documents.

Staff Contact:

JP Robinette (B&O Contract)
Jerry Brown / Alan Doud (JPA/Bylaws)
Ali Forsythe (Operations Plan)

Primary Service Provider:

Nossaman (B&O Contract) & Young Wooldridge (JPA/Bylaws)

Attachments:

None. B&O Package available for review at sitesproject.org/agreements/