



Meeting: **Reservoir Committee & Authority Board Agenda
Item 3.4**

October 16, 2026

Subject: **Investor Commitment Status Update and Sample Resolution to Accept
Offered Capacity**

Requested Action:

Review and comment on the status update on Acceptance of Offered Sites Capacity Interest. Acknowledge that the Staff provided Sample Resolution to Accept Offered Capacity Interest includes the required actions that each Participant must fulfill to be considered a completed acceptance.

Detailed Description/Background:

Investor commitment was initiated at the September 18, 2026 Board meeting by unanimous vote of the Reservoir Committee and Authority Board. A tracking document has been prepared to allow the Board to be informed of and monitor the progress towards achieving fully executed agreements and approvals required prior to the CWC considering final award approval, which is the final step in securing 100% participation and initiating Phase 3/4/5. The tracking document includes:

- Offered capacity interests (consistent with what's reflected in the exhibit A to the approved Resolution to Offer Capacity)
- Status and final quantity of accepted capacity interest among Participants and Reclamation to be updated as acceptance documents are received by the Authority.
- Status of Authority members and Associate Members approval of the Updated JPA and Bylaws

Regular monthly reports will be provided to the Board throughout the investor commitment period. This is an opportunity for Board members to comment on their individual agency process and timing which may be of assistance to others in their decision making.

Additionally, to assist in ensuring consistency of completing acceptance actions, Staff has prepared a sample resolution (Attachment B) for Participants use. Use of the sample resolution is suggested. However, please note that the actions outlined in the sample resolution are required from each Participant for acceptance of capacity and service in Sites Reservoir Project to be considered complete and sufficient for the Authority's purposes.

Prior Action:

September 2026: Reservoir Committee and Authority Board consider approval of Resolution 2026-02 to offer capacity in the Sites Reservoir Project based on substantial completion of Conditions Precedent and contingent on completing certain remaining items coincident with the anticipated approval of the Sites Water Right by the State Water Resources Control Board, anticipated to occur November 4, 2026.

Fiscal Impact/Funding Source:

Sufficient funds exist to cover expected activities during investor commitment unless there are delays beyond June 30, 2027.

Staff Contact:

Jerry Brown

Primary Service Provider:

Attachments:

Attachment A – Investor Commitment Period Accepted Capacity and B&O Contract
Execution Status Tracking Sheet

Attachment B – Sample Resolution to Accept Capacity Interest

Investor Commitment Period Tracking of Accepted Capacity and Executed Agreements and Approvals

Entity	Offered Capacity Allocations				Accepted Capacity Allocations				Date Received Acceptance Materials Deemed Complete
	Storage Capacity Interest (af)	Base Facilities Capacity Interest (%)	Base Facilities Holders with Downstream Capacity Interest	Downstream Facilities Capacity Interest (%)	Storage Capacity Interest (af)	Base Facilities Capacity Interest (%)	Base Facilities Holders with Downstream Capacity Interest	Downstream Facilities Capacity Interest (%)	
Antelope Valley-East Kern WA	3,117	0.221%	0.221%	0.264%					
City of American Canyon	24,936	1.77%	1.77%	2.11%					
Coachella Valley Water District	62,340	4.42%	4.42%	5.27%					
Colusa County	18,702	1.33%		0%					
Colusa CoWD	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%	2.87%	3.43%					
Dunnigan Water District	18,527	1.31%		0%					
GCID	6,234	0.442%		0%					
Irvine Ranch Water District	6,234	0.442%	0.442%	0.527%					
LaGrande Water District	6,234	0.442%		0%					
Metropolitan Water District RD108	311,700	22.1%	22.1%	26.4%					
	6,234	0.442%		0%					
Rosedale-Rio Bravo WSD	3,117	0.221%	0.221%	0.264%					
San Bernadino Valley MWD	133,408	9.46%	9.46%	11.3%					
San Geronio Pass Water Agency	87,276	6.19%	6.19%	7.38%					
Santa Clara Valley Water District	9,351	0.663%	0.663%	0.791%					
Santa Clarita Valley Water Agency	31,170	2.21%	2.21%	2.64%					
Westside Water District	23,204	1.65%		0%					
Wheeler Ridge-Maricopa WSD	12,780	0.906%	0.906%	1.08%					
Zone 7 Water Agency	62,340	4.42%	4.42%	5.27%					
Total	940,400	66.7%	55.9%	66.7%	0	0.0%	0.0%	0.0%	
State	244,000	17.3%	17.3%	17.3%					
Federal	225,600	16.00%	16.0%	16.0%					
Total	469,600	33.3%	33.3%	33.3%	0	0.0%	0.0%	0.0%	
Grand Total	1,410,000	100%	89%	100%	0	0%	0%	0%	
Authority Board									Signed JPA Received
City of Roseville									
City of Sacramento									
Colusa County									
Colusa County Water District									
Glenn-Colusa Irrigation District									
Placer County Water Agency									
Reclamation District 108									
Sacramento County Water Agency									
Tehama-Colusa Canal Authority									
Westside Water District									
Associate Members									
Colusa County Flood Control and Water Conservation District – Zone 3									
Glenn County									
Western Canal Water District									

RESOLUTION NO. 2026-__

RESOLUTION OF THE BOARD OF DIRECTORS OF [AGENCY] ACCEPTING THE SITES PROJECT AUTHORITY'S OFFER OF BASE FACILITIES CAPACITY INTEREST AND DOWNSTREAM FACILITIES CAPACITY INTEREST, AND ELECTING TO PARTICIPATE IN PHASES 3, 4, AND 5 OF THE SITES RESERVOIR PROJECT, SUBJECT TO AND IN ACCORDANCE WITH THE BENEFITS AND OBLIGATIONS CONTRACT

WHEREAS, the [agency] is a [description of agency and establishment authority];

WHEREAS, the [agency] has participated in the Sites Reservoir Project (the "Project") as a signatory to the Sites Project Authority ("Authority")'s Phase 2 Project Agreement;

WHEREAS, pursuant to the Phase 2 Project Agreement, [agency] appointed a representative to serve on the Authority's Reservoir Committee, which has acted in an advisory capacity to the Authority's Board of Directors to promote the interests of the Participants;

WHEREAS, during a duly noticed and held joint meeting of the Reservoir Committee and Authority Board on September 18, 2026, the Reservoir Committee unanimously recommended that the Authority Board adopt that certain Resolution No. 2026-02, a Resolution to Offer Capacity and Service in the Sites Reservoir Project (the "Authority Resolution"), and the Authority Board adopted the Authority Resolution by a unanimous vote;

WHEREAS, the approvals provided by this Resolution are intended to be implemented as part of the Authority's coordinated commencement of Phase 3/4/5 and are subject to the terms, conditions, and effectiveness provisions contained in the Project Benefits and Obligations Contract ("B&O Contract") and other applicable Project agreements.

WHEREAS, by initiating investor commitment, the Authority has requested that all Authority Members and Associate Members of the Authority act to approve the Updated Joint Powers Agreement ("JPA") and Bylaws, which must be completed concurrent with the execution of B&O Contract by Participants;

WHEREAS, by initiating investor commitment, the Authority has requested that the Bureau of Reclamation approve and sign the Partnership Agreement which must be completed concurrent with the execution of the B&O Contract by Participants;

WHEREAS, upon the approval of the Updated JPA and Bylaws, B&O Contract and Partnership Agreement by Participants, Reclamation, and JPA members (as applicable), the Authority will seek final State Prop 1 funding award approval from the California Water Commission which, upon such approval being made will represent completion of investor commitment and achievement of 100% participation in the Project;

WHEREAS, the Authority Resolution identifies the steps the Authority, the Participants, and others have taken to advance the Project to the point Phase 2 (planning and permitting) is

deemed completed and Phases 3 (final design), 4 (construction), and 5 (commissioning and operations) are to be initiated upon fulfilling 100% participation in the Project;

WHEREAS, the Authority has set a deadline of (date/year) for completing such approvals with delinquent parties being at risk of relinquishing their ability to accept the offered capacity;

WHEREAS, among the steps the Authority identified in the Authority Resolution was compliance with the California Environmental Quality Act ("CEQA") through certification of the Sites Reservoir Project Final Environmental Impact Report/Environmental Impact Statement (the "Final EIR") and related actions and approvals, including the adoption of the proposed CEQA "Findings," Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program ("MMRP"), and the Authority Board's approval of the Project, which were upheld in litigation in favor of the Authority and the Project, pursuant to *Friends of the River, et al. v. Sites Project Authority, et al.* (3d Dist. Ct. App., Sept. 20, 2024, No. C101361);

WHEREAS, the Final EIR identifies [agency] as a Responsible Agency under CEQA and in this capacity is relying upon the Final EIR in approving its action;

WHEREAS, after consideration of the Project's anticipated benefits, costs, risks, obligations, and the terms and conditions of the B&O Contract, the Board has determined that accepting the Authority's offer and continuing the [agency's] participation in the Project is in the best interests of [agency] and its customers;

WHEREAS, the Authority Resolution confirms that the Project is at a point where it is appropriate for the Authority to offer Base Capacity Interest and Downstream Capacity Interest to the parties and in quantities reflected in Exhibit A to the Authority Resolution; and

WHEREAS, through adoption of the Authority Resolution, the Authority Board offered [agency] Base Facilities Capacity Interest in the amount of _____, and Downstream Facilities Capacity Interest of _____.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the [agency] as follows:

1. The foregoing findings are true and correct, as are the findings set forth in the Authority Resolution.
2. Pursuant to State CEQA Guidelines section 15096, the Board of Directors has considered the Final EIR along with the Findings, Statement of Overriding Considerations, the MMRP, and the whole of the record of certification of the Final EIR, and CEQA Addendum No. 1 and exercises its independent judgment to find that as to those potential Project impacts within the [agency's] powers and authorities as a responsible agency, that the Final EIR contains a complete, objective, and accurate reporting of the Project's potential environmental impacts and that mitigation measures have been identified that avoid and/or substantially lessen any of the potentially significant effects of the implementation of the Project.

3. The Board hereby accepts the Authority's offer of Base Facilities Capacity Interest and Downstream Facilities Capacity Interest and elects to participate in Phases 3, 4 and 5 of the Project, subject to and in accordance with the B&O Contract and the Capacity Interests identified below.
4. The Board approves the B&O Contract, presented to the Board, and authorizes the [title of authorized officer] to execute and deliver the B&O Contract on behalf of the [agency]. The duly authorized appointee, in consultation with legal counsel, is authorized to approve such non-substantive, technical, confirming, or clarifying changes to the B&O Contract and its appendices as may be necessary or appropriate to complete execution, provided such changes do not materially alter [agency's] Capacity Interest, financial obligations, or substantive rights.
5. The Board approves [agency's] selection of a Base Facilities Capacity Interest of []% and a Downstream Facilities Capacity Interest of []% as reflected in the complete Notice of Selected Base Facilities Capacity Interest and Downstream Facilities Capacity Interest presented to the Board. The Board authorizes the [title of authorized officer] to execute, if required, and submit that Notice to the Authority on behalf of [agency].
6. As it relates to the first \$500,000,000 of Fixed Project Costs only, the Board approves [agency's] election to self-funded [all of such Participant Fixed Project Costs] / [a portion of its Participant Fixed Project Costs in the amounts of \$[]], as specified in the completed Appendix 3 Notice of Self-Funding Election presented to the Board, and authorizes the [title of authorized officer] to execute and submit that Notice to the Authority on behalf of [agency].
7. The Board directs [agency's] legal counsel to prepare and execute the opinion letter required by Appendix 5 to the B&O Contract and authorizes the [title of authorized officer] to submit the completed opinion letter to the Authority on behalf of [agency].
8. The Board approves the completed Appendix [7A, 7B, or 7C, as applicable] to the B&O Contract presented to the Board and authorizes the [title of authorized officer] to execute and deliver that Appendix to the Authority on behalf of [agency].
9. The Board hereby authorizes XXX as [agency's] duly authorized representative on the Reservoir Management Board and hereby designates such individual with authority to cast [agency's] vote on matters coming before the Reservoir Management Board in accordance with the B&O Contract and applicable governing documents. The duly authorized representative may designate one or more of [agency's] employees to serve as alternates and exercise such authority in the representative's absence of as otherwise permitted under the B&O Contract.