sitesproject.org

Reservoir Committee/Authority Board Meeting

July 24, 2026

Authority Board Chair:	Fritz Durst (Reclamation District 108)
Authority Board Vice Chair:	Jeff Sutton (Glenn-Colusa Irrigation District)
Reservoir Committee Chair:	Mike Urkov (Westside Water District)
Reservoir Committee Vice Chair:	Robert Cheng (Coachella Valley Water District)
Treasurer:	Jamie Traynham (Davis Water District)

Minutes

CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Chair Durst called the Authority Board (AB) and Reservoir Committee (RC) Meeting to order at 9:00 a.m., followed by Roll Call and the Pledge of Allegiance.

ROLL CALL/ATTENDANCE:

Authority Board: 7 members were present, constituting a quorum.

Reservoir Committee: 20 representatives (95.01%) were present, constituting a quorum.

INTRODUCTIONS:

Members of the Authority Board, Reservoir Committee and public introduced themselves.

AGENDA APPROVAL:

ACTION RC: Moved by Ms. Pryor, seconded by Mr. Navarrot, to approve the July 24, 2026, meeting agenda. **Motion carried unanimously.**

ACTION AB: Moved by Director Evans, seconded by Director Kaplan, to approve the July 24, 2026, meeting agenda. **Motion carried unanimously.**

ANNOUNCEMENT OF CLOSED SESSION

General Counsel (GC) Doud announced that the Authority Board of Directors and the Reservoir Committee Members would consider Closed Session Items 5.1 and 5.2.

PERIOD FOR PUBLIC COMMENT:

Chair Durst opened the period for public comment. Hearing no public comment, Chair Durst closed the period for public comment.

1. CONSENT AGENDA:

Reservoir Committee Vice Chair Cheng noted that the June 26, 2026, meeting minutes in item 4.1 referred to Reservoir Committee Chair Urkov as "Vice Chair" and requested the minutes be amended to reflect that Mr. Urkov is the Reservoir Committee Chair.

ACTION RC: Moved by Vice Chair Cheng, seconded by Ms. Pryor, to approve all items on the consent agenda, including the June 26, 2026, meeting minutes as amended. **Motion carried unanimously.**

ACTION AB: It was moved by Vice Chair Sutton, seconded by Director Kaplan, to approve all items on the consent agenda, including the June 26, 2026, meeting minutes as amended. **Motion carried unanimously.**

1.1 Reservoir Committee and Authority Board consider approval of June 26, 2026 Reservoir Committee and Authority Board Meeting Minutes.

1.2 Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority Treasurer's Report.

1.3 Reservoir Committee and Authority Board consider approval of the Sites Project Authority Payment of Claims.

2. ACTION ITEMS:

2.1 Reservoir Committee and Authority Board consider approval of a consulting agreement/contract with Pacific Land and Energy, LLC (Dan O'Connell) to provide Deputy External Affairs Manager services in the amount not to exceed $25,275/month for the period of August 1, 2026, through December 31, 2026.

Executive Director (ED) Brown introduced the item, explaining that the Deputy External Affairs Manager position is one of several key leadership positions identified in the Authority's organizational structure and previously included in the approved budget. He noted that filling the position is necessary to prepare the Authority for the next phases of project implementation.

Mr. Spesert explained that the Deputy External Affairs Manager would support the broader External Affairs program while leading the Authority's land acquisition efforts. He stated that the position would provide senior-level leadership for land acquisition, property management, public outreach, communications, and government affairs as the project transitions into construction.

Mr. Spesert reviewed the procurement process and stated that four proposals were received, three were determined to be responsive and interviewed, and the evaluation panel recommended Daniel O'Connell of Pacific Land and Energy, LLC as the most qualified candidate based on his experience in land development, right-of-way acquisition, as well as his established relationships within the project area. He explained that the proposed agreement would be effective August 1 through December 31, 2026, with compensation consistent with comparable public agency leadership positions.

Mr. Spesert further explained that Mr. O'Connell's initial responsibilities would focus on priority property acquisitions for early construction activities, implementation of the contingency acquisition program, and development of the Authority's land acquisition program in preparation for full project implementation.

Reservoir Committee Vice Chair Cheng asked whether the proposed duties represented a new function or work already being performed by existing staff. Mr. Spesert responded that he currently oversees those responsibilities, but the position would expand the Authority's capacity by transitioning leadership of land acquisition activities to the Deputy External Affairs Manager and, ultimately, the management of the larger acquisition program anticipated during construction.

Vice Chair Cheng also asked about the term of the agreement. Mr. Spesert confirmed that the agreement could be extended and ED Brown clarified that any extension would return to the Board for approval during the annual budget process.

ACTION RC: It was moved by Mr. Navarrot, seconded by Mr. Holley, to recommend approval of agenda item 2.1 to the Authority Board. **Motion carried unanimously.**

ACTION AB: It was moved by Director Parker, seconded by Vice Chair Sutton, to approve agenda item 2.1. **Motion carried unanimously.**

3. DISCUSSION AND INFORMATION ITEMS:

3.1 Receive and comment on the current draft of the Benefits & Obligations Contract, updated Bylaws, and amended and restated Joint Powers Agreement, which incorporate the direction provided at the June 26, 2026 board meeting as confirmed by the Participant Attorney Group.

ED Brown introduced the item, noting that staff had made substantial progress since the June 2026 workshop by incorporating Board direction and continuing discussions with the Participant Attorney Group. He explained that while additional work remained, the purpose of the discussion was to review the progress made, identify the remaining issues, and obtain Board direction on the final steps needed to complete the documents.

Mr. Robinette then summarized several issues that had been resolved since the June 2026 workshop, including standardizing contractual obligation language, clarifying participant delivery points and associated responsibilities, expanding provisions governing exchanges, addressing project wind-up and termination procedures, and continuing development of pro rata allocation equations intended to provide greater clarity for future project operations. He noted that participants had continued refining the mathematical calculations associated with pro rata provisions and that the additional work had helped identify areas requiring further clarification before finalizing the documents.

Mr. Robinette also explained that while documents were largely aligned with the state and federal partnership agreements, the California Water Commission funding agreement still required integration because certain funding provisions could affect the Benefits & Obligations Contract (B&O). Staff anticipated presenting the template funding agreement and recommended revisions at the August 2026 Board meeting.

Looking ahead, Mr. Robinette identified the remaining work necessary to finalize the documents, including operational assurances, potential participation changes and related financing considerations, water right conformance edits, final legal and clerical review, and completion of the Operations Plan. He stated that staff's objective was to finalize and ultimately "freeze" the documents once the remaining issues, water right proceedings, and participant commitments had been resolved.

Board members discussed the remaining work needed to finalize the B&O Contract, updated Bylaws, and Amended and Restated Joint Powers Agreement. Discussion focused on the California Water Commission funding agreement, including the State's anticipated approval rights related to amendments and participant sales or transfers of capacity.

Staff explained that the funding agreement had not yet been finalized and would be brought back to the Board for review along with any corresponding revisions to the B&O Contract.

The Board discussed development of the pro rata allocation equations that will implement the contract provisions governing project operations. Participants explained that while the contractual concepts were straightforward, the calculations required to administer storage, diversions, shortages, defaults, and other operational scenarios were significantly more complex. Board members supported continuing development of the equations through the Operations Plan and requested examples and workshop exercises to demonstrate how the calculations would function in practice.

Board members also discussed provisions related to water sales, capacity sales, exchanges, operational assurances, governance, and severability, requesting additional clarification and organization within the draft documents.

Additional discussion addressed implementation of operational exchanges, emergency drought supply provisions, and public benefit obligations. Participants requested further clarification regarding exchange timing, participant flexibility in using project water, emergency response planning, and reimbursement responsibilities associated with enforcement of project water rights.

Board members also discussed voting implications of future participant consolidation within Zone 3, consistency of definitions among the B&O Contract, Bylaws, Operations Plan, and Partnership Agreement, and the need for a comprehensive final review to ensure consistency across all project documents prior to execution.

The Board gave direction for Ad Hoc committee work as follows: (i) The Governance Ad Hoc is to evaluate the voting implications of Zone 3, (ii) the RC Chair is to establish an Ad Hoc workgroup to evaluate shared interests needed for reaching 100% participation. Both Ad Hocs are to bring back recommendations for Board consideration within their charge.

3.2 Receive a status update and provide feedback on the early draft of the Sites Project Baseline Report.

Mr. Robinette presented an early draft of the Project Baseline Report, explaining that additional time in the overall project schedule provided an opportunity to seek Board input before the document was finalized.

He stated that the report is intended to serve as a single source of consistent information to support participant and Board decision-making and is based on the table of contents previously presented in November. Mr. Robinette emphasized that the draft was provided to obtain feedback on the overall content and organization rather than the specific wording, noting that several sections remained under development.

Mr. Robinette continued by explaining that the report is organized around three primary questions: what participants receive through the project, what the project costs, and how those costs are paid. The draft describes the benefits associated with base storage capacity, downstream conveyance capacity, and reliable water supply created by the project, as well as broader public benefits including environmental water, flood management, recreation, and economic development. Staff also noted that the description of accessible storage would be updated to reflect current project information.

Mr. Robinette reported that the project construction cost estimate had not changed since the 2024 estimate and explained that the Plan of Finance remains the mechanism for projecting project expenditures over time. It was also stated that an updated project schedule and related cash flow information would be presented at a future meeting to support participants' capital improvement during planning and budgeting efforts.

Mr. Robinette also explained that sections addressing governance, operations, and schedule would continue to be refined as related project decisions, including the water right, are finalized. Participants were encouraged to provide comments regarding the information and topics they would like included in the report, rather than detailed editorial comments on draft language.

Board members expressed support for releasing the early draft and providing an opportunity for participant review before the report is finalized. Discussion focused primarily on identifying additional information that would improve the report as a decision-making resource for participants and their governing boards.

Board members recommended expanding the discussion of project benefits to better describe the value of emergency drought supplies, participant flexibility during drought conditions, and the opportunities created for future water transfers and exchanges.

Board members also requested additional discussion of operational considerations, including constraints affecting reservoir filling and

releases, downstream conveyance limitations, and the distinction between releases, deliveries, and transfers. Board members also requested appendices or supporting materials summarizing modeling assumptions, participant-specific delivery information, and annual model outputs where appropriate.

Additional comments included incorporating examples of value engineering savings achieved during project development, expanding discussion of project risks have been incorporated into cost estimates, and including updated participant cost information as project schedules are finalized.

4. Reports:

4.1 Chairpersons' Reports:

Reservoir Committee Chair Urkov reported that some of the North Sate participants had been meeting to discuss options for maintaining North State participation in the project. He stated that an Ad Hoc group would likely be convened with representatives from the Reservoir Committee to develop and evaluate potential approaches for continued participation.

Chair Durst reported that some of the representatives of the Authority Board and Reservoir Committee would be meeting with California Natural Resources Secretary Wade Crowfoot, the Governor's Office, the Department of Water Resources, the California Department of Fish and Wildlife, and Cal EPA to discuss the current status of the project, the path forward, and the project's significance to participating agencies and water districts.

4.2 Committee & Workgroup Chairpersons' Reports:

Mr. Kunde, as Chair of the Operations and Engineering Workgroup reported that at the July Workgroup meeting participants received an update on the first two years of Phase 3 activities, including design progress, upcoming land acquisition and pre-construction related activities. Mr. Kunde also noted that participants received a Conveyance Construction Manager at Risk update as well as an update on conveyance agreements.

Vice Chair Sutton, as Chair of the Legislative and Outreach Committee noted that the group met earlier in the month and received updates on activities related to the 2026 legislative priorities. Mr. Spesert added that

Landowner meetings originally planned for August would likely be moved to September.

4.3 **Authority Board & Reservoir Committee Participant Reports**:

Mr. Kunde reported on the recent water right activities, including comments submitted during the Administrative Hearing Officer's review process. He discussed concerns regarding the potential effects of the proposed permit terms on project yield and participant affordability, noting that the Administrative Hearing Officer had scheduled a supplemental hearing to further evaluate the potential impacts of the proposed permit conditions.

4.4 **Executive Director's Reports**:

ED Brown reported that the supplemental water right hearing noticed following the previous month's meeting was being held that day to allow additional information submitted in the Authority's comment letters to be entered into the administrative record. He noted that the Administrative Hearing Officer had determined the information would assist in evaluating the proposed terms and conditions of the water right permit and that the hearing was expected to be limited in scope.

ED Brown further reported that the Administrative Hearing Officer's revised schedule anticipates issuance of a revised draft order and permit on September 3, 2026, followed by a 30-day public comment period and consideration of the final order and permit by the State Water Resources Control Board on November 2 or 3, 2026.

5. CLOSED SESSION: 11:55 AM

5.1 Water Right Application 25517X01 (Govt. Code §54956.9(c) and §54956.9(d)(1)).

5.2 Conference with Real Property Negotiators (Gov. Code § 54956.8)

Property: [Colusa County] APNs 011-140-009, 011-190-015, 011-190-030 and 011-190-033

Agency negotiators: Jerry Brown, Kevin Spesert

Negotiating parties: Holthouse TIC, LLC

Under negotiation: Price and terms of payment

6. REPORT FROM CLOSED SESSION: 12:43 PM

GC Doud reported that no action was taken in closed session.

7. **Recap:**

7.1 Suggested Future Agenda Items.

None.

7.2 **Upcoming Meetings:**
Reservoir Committee & Authority Board
August 21, 2026 (9:00 a.m. – 12:00 p.m.)

Maxwell Project Office & Virtual

Chair Durst adjourned the Reservoir Committee and Authority Board Meeting at 12:45p.m.

_____
Fritz Durst, Authority Board Chair Mike Urkov, Reservoir Committee Chair

_____
Wendy Ambriz, Board Clerk

Current Voting Committee Participants (22):

	%	Participant		%	Participant
☒	3.47	American Canyon, City	☐	2.57	LaGrande WD
☐	2.42	Antelope Valley-East Kern WA	☒	17.29	Metropolitan WD
☒	5.28	Coachella Valley WD	☒	3.47	Reclamation District 108
☒	5.28	Colusa County	☒	2.42	Rosedale-Rio Bravo WSD
☒	5.05	Colusa County WD	☒	8.70	San Bernardino Valley MWD
☒	2.41	Cortina WD (1)	☒	6.48	San Gorgonio Pass WA
☒	2.87	Davis WD	☒	2.42	Santa Clara Valley WD
☒	4.22	Desert WA	☒	3.77	Santa Clarita Valley WA
☒	3.17	Dunnigan WD	☒	3.89	Westside WD
☒	3.77	Glenn-Colusa ID	☒	3.19	Wheeler Ridge-Maricopa WSD
☒	2.57	Irvine Ranch WD	☒	5.28	Zone 7 WA
				100.00	Total

20 Voting members represented at the start of the meeting
95.01% Represented participation percentage.

Representation has been delegated as follows:

(1) Proxy to Jamie Traynham, Davis WD

(‡) Not present after _____

Current Voting Authority Board (8)		**Primary**		**Alternate**
Colusa County	☒	Gary Evans	☐	Randy Wilson
Colusa County Water District	☐	Joe Marsh	☐ ☒	Hal Charter Shelly Murphy
Glenn-Colusa Irrigation District	☒	Jeff Sutton	☐	Logan Dennis
Reclamation District 108	☒	Fritz Durst	☐ ☐	Sean Doherty Hilary Reinhard
Placer County Water Agency/City of Roseville	☐	Pauline Roccucci	☒	Karen Alvord
Tehama-Colusa Canal Authority	☐	Bill Vanderwaal	☐	Jim Jones Zack Dennis
City of Sacramento/Sacramento County	☒	Lisa Kaplan	☐ ☐	Anne Sangar Brett Ewart
Westside Water District	☒	Doug Parker	☐ ☐	Zach Dennis Allen Myers

Associate Members (non-voting)		**Primary**		**Alternate**
Glenn County	☐	Tony Arendt	☒	Jim Yoder
Western Canal Water District	☐	Greg Johnson	☒ ☒	Ted Trimble Jenny Scheer
Zone 3	☒	Mike Urkov	☐	Jamie Traynham

Non-Voting Committee Participants (2)		**Primary**		**Alternate/Other**
Department of Water Resources	☒	David Gordon	☐	Lincoln King
Bureau of Reclamation	☐ ☒	Scott Taylor Allison Jacobson	☐	Jesse Sikora

Current Voting Reservoir Committee (22)		**Primary**		**Alternate**
American Canyon, City	☒	Jason Holley	☐	
Antelope Valley-East Kern WA	☐	Matt Knudson	☐	
Coachella Valley Water District	☒	Robert Cheng	☐	Petya Vasileva
Colusa County	☒	Mike Azevedo	☒	Daurice Kalfsbeek Smith
Colusa County Water District	☐	Halbert Charter	☒	Shelly Murphy
Cortina Water District	☐	Jim Peterson	☐ ☒	Chuck Grimmer Jamie Traynham
Davis Water District	☒	Jamie Traynham	☐	Tom Charter
Desert Water Agency	☒	Esther Saenz	☒	David Tate

Dunnigan Water District	☒	Jordon Navarrot	☐	
RD 108	☒	Jordon Navarrot	☒	Lewis Bair
Glenn-Colusa Irrigation District	☒	Logan Dennis	☒	Louis Jarvis
Irvine Ranch Water District	☒	Paul Weghorst	☒	Robert Huang
LaGrande Water District	☐	Zach Dennis	☐	
Metropolitan Water District	☒	Randall Neudeck	☐ ☒	Nina Hawk Sam Smalls
Rosedale-Rio Bravo Water District	☒	Trent Taylor	☐	Dan Bartel
San Bernardino Valley Water District	☒	Michael Plinski	☐	Heather Dyer
San Gorgonio Pass Water Agency	☒	Lance Eckhart	☐ ☐	Jennifer Ustation Emmett Campbell
Santa Clara Valley Water District	☒	Katherine Maher	☒	Cindy Kao
Santa Clarita Valley Water Agency	☐	Steve Cole	☒	Ali Elhassan
Westside Water District	☐	Allen Myers	☒	Mike Urkov
Wheeler Ridge-Maricopa Water Storage District	☒	Rob Kunde	☐ ☐	Sheridan Nicholas Eric McDaris
Zone 7 Water Agency	☒	Valerie Pryor	☐	Ken Minn

Authority Shared Seats		**Primary**		**Alternate**
Roseville	☐ ☐	George Hanson Joshua Alpine	☐ ☐	Sean Bigley Darin Reintjes
Sacramento County	☐	Kerry Schmitz	☐	

Sites Project Authority:

☒	Jerry Brown	☐	Ali Forsythe	☒	Kevin Spesert	☒	JP Robinette	☒	Shayleen O'Connell	☒	Wendy Ambriz	☒	Alan Doud				
☒	Kyle Hughes			☐	Rob Natoli	☐	Mario Manzo	☒	Conner McDonald	☒	Sarah Hodge						

Members of the Public

Name	*Representing*	*Name*	*Representing*
Chuck Adamson	OE3	Jesse Johnson	OE3
Paul Bews	Ghiradelli Associates	Masood Mesbah	Kleinfelder
Jeff Nelson	Parsons	Mike Gabaldon	Dewberry
Eric Strothan	Kleinfelder	Maria Muniozguren	Land Owner

Members of the Public

Name	*Representing*	*Name*	*Representing*
Juleah Cordi	Congressman Gallagher	Onalee-Elsberry-Crabtree	HDR
Michael Drennan	Parsons	David Haywood	GFT
Christy Scofield	Public	John Troughter	

Virtual Attendance

Virtual Attendance	**68**	
Sarah Hodge	Trent Taylor (External)	Andy Fecko (External)
Wendy Ambriz	Luu, Henry (External)	JP Robinette
Conference	read.ai meeting notes (Unverified)	Jacobson, Allison M (External)
15304546811 (Unverified)	15307523062 (Unverified)	Ryan Shaw
Tom Jacoubowsky	Ali Elhassan (External)	Joy Eldredge (External)
Jim Yoder (External)	Foss, Elizabeth (External)	Holland Stewart
Pamela Katleba-Jenkins Westside Water	Smalls,Samuel L	Esther Saenz (External)
Fritz Durst	Ryan,Russell E	Alan Boyce (External)
Anthony.Middleton	Molly R. Mattison	Logan Dennia (Unverified)
Joseph Sullivan (External)	Pryor, Valerie (External)	Elizabeth L. Cousins
Robert Huang (External)	Robins, Rhonda (External)	Fireflies.ai Notetaker Ricky Kahlon (Unverified)
Peterson, Stephen	Sara M. Katz (External)	Lewis Bair (External)
Conner McDonald	Alcott, Derrick@Wildlife	Cook, Matt (External)
Neudeck,Randall D	Brian Thomas (External)	Rude, Pete
Ben Frisius/Redding Air Service (Unverified)	Young, Amy@DWR (External)	Micko,Steve
David Tate (External)	Timothy J Saenz (External)	Rob Natoli
Phil Brun (External)	Michael Plinski (External)	Grace Lui
Louis Jarvis (External)	Kolkey, Jamie	Joe Feeney
Jerry Brown	Marcus Maltby (External)	Shelly Murphy (Unverified)
Jamie Traynham (Unverified)	Rivera, Itzia@DWR (External)	Mickey Nixon (External)
Robert Cheng	Cindy Kao (External)	Alvord, Karen
Lance Eckhart Pass Agency (External)	Robinson, Eric (External)	Jason Brown (External)
Deaver, Katerina@DWR (External)		Cheyanne Butcher (External)

Meeting: **Reservoir Committee & Authority Board Agenda Item 1.2** **August 21, 2026**

Subject: **Treasurer's Report**

Requested Action:

Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority Treasurer's Report.

Detailed Description/Background:

Attachment A incorporates financial statements through June 30, 2026, and a summary of financial transactions received through August 10, 2026.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Shayleen O'Connell

Primary Service Provider:

Starting Line Advisory - Accounting

Attachments:

Attachment A – Treasurer's Report

PREPARER: O'Connell MANAGER: O'Connell APPROVER: Brown

Treasurer's Report
July 31, 2026

RCB General Operating Checking Account		
Beginning Balance - July 1, 2026	$	6,801,522.42
Receipts / (Disbursements):		
Interest Earned		30,950.63
Cash Transfer from Savings Account		-
Cash Transfer from Federal Account		7,574,054.00
Grazing Lease Receipts		20,355.60
Accounts Payable		(1,490,390.70)
Cash Transfer to Savings Account		(3,383,799.43)
Banking Service Fees		(205.63)
Ending Balance - July 31, 2026		**9,552,486.89**
RCB Savings Account		
Beginning Balance - July 1, 2026		6,515,843.90
Receipts / (Disbursements):		
Interest Earned		22,742.87
Cash Transfer from General Operating Account		3,383,799.43
Cash Transfer to General Operating Account		-
Ending Balance - July 31, 2026		**9,922,386.20**
RCB Federal Fund Checking		
Beginning Balance - July 1, 2026		4,885.33
Receipts / (Disbursements):		
Federal Funding Receipts		7,574,054.00
Interest Earned		4,834.39
Cash Transfer to General Operating Account		(7,574,054.00)
Ending Balance - July 31, 2026		**9,719.72**
RCB State (WSIP) Fund Checking		
Beginning Balance - July 1, 2026		426.84
Receipts / (Disbursements):		
State Funding Receipts		-
Interest Earned		-
Ending Balance - July 31, 2026		**426.84**
Total Ending Cash Balance at July 31, 2026	**$**	**19,485,019.65**

Sites Project Joint Powers Authority
Cash Account Transactions
July 2026

Account	Type	Date	Num	Source Name	Memo	Amount	Balance
1001 · RC Operating Checking 2016							**6,801,522.42**
	Bill Pmt -Check	07/01/2026	2672	California Dept. of Fish & Wildlife		-12,352.88	6,789,169.54
	Bill Pmt -Check	07/10/2026	ACH	Advanced Document Concepts		-23.76	6,789,145.78
	Bill Pmt -Check	07/10/2026	ACH	Ag & Water Financial Consulting, LLC		-32,094.25	6,757,051.53
	Bill Pmt -Check	07/10/2026	ACH	Barnard Construction Co., Inc.		-82,954.55	6,674,096.98
	Bill Pmt -Check	07/10/2026	ACH	Best Best & Krieger, LLP		-13,068.00	6,661,028.98
	Bill Pmt -Check	07/10/2026	ACH	Brian G Thomas Consulting, LLC		-11,000.00	6,650,028.98
	Bill Pmt -Check	07/10/2026	ACH	Brown and Caldwell		-160,122.61	6,489,906.37
	Bill Pmt -Check	07/10/2026	ACH	County of Colusa		-4,500.00	6,485,406.37
	Bill Pmt -Check	07/10/2026	ACH	Dunn Consulting		-9,500.00	6,475,906.37
	Bill Pmt -Check	07/10/2026	ACH	Forsythe Group LLC		-37,034.13	6,438,872.24
	Bill Pmt -Check	07/10/2026	ACH	Fugro USA Land, Inc		-2,741.35	6,436,130.89
	Bill Pmt -Check	07/10/2026	ACH	HH Consultants LLC		-500.00	6,435,630.89
	Bill Pmt -Check	07/10/2026	ACH	Hodge Executive Services LLC		-11,396.00	6,424,234.89
	Bill Pmt -Check	07/10/2026	ACH	Hughes Consulting, LLC		-29,557.15	6,394,677.74
	Bill Pmt -Check	07/10/2026	ACH	ICF Jones & Stokes, Inc.		-355,929.35	6,038,748.39
	Bill Pmt -Check	07/10/2026	ACH	Integra Realty Resources		-6,500.00	6,032,248.39
	Bill Pmt -Check	07/10/2026	ACH	JEM Land Consulting		-3,853.25	6,028,395.14
	Bill Pmt -Check	07/10/2026	ACH	Lasswell Strategic Consulting		-2,500.00	6,025,895.14
	Bill Pmt -Check	07/10/2026	ACH	Maximum Pest Control		-130.00	6,025,765.14
	Bill Pmt -Check	07/10/2026	ACH	Mizuno Consulting, Inc		-3,500.00	6,022,265.14
	Bill Pmt -Check	07/10/2026	ACH	MM Water Resources, LLC		-33,261.00	5,989,004.14
	Bill Pmt -Check	07/10/2026	ACH	Montague DeRose and Associates, LLC		-5,356.25	5,983,647.89
	Bill Pmt -Check	07/10/2026	ACH	Natoli Consulting		-33,992.95	5,949,654.94
	Bill Pmt -Check	07/10/2026	ACH	Richardson & Company, LLP		-33,900.00	5,915,754.94
	Bill Pmt -Check	07/10/2026	ACH	Robinette Consulting LLC		-36,943.67	5,878,811.27
	Bill Pmt -Check	07/10/2026	ACH	Somach Simmons & Dunn		-33,475.22	5,845,336.05
	Bill Pmt -Check	07/10/2026	ACH	Spesert Consulting		-28,151.00	5,817,185.05
	Bill Pmt -Check	07/10/2026	ACH	Starting Line Advisory		-37,245.00	5,779,940.05
	Bill Pmt -Check	07/10/2026	ACH	The Catalyst Group, Inc.		-742.50	5,779,197.55
	Bill Pmt -Check	07/10/2026	ACH	The Ferguson Group, LLC		-22,000.00	5,757,197.55
	Bill Pmt -Check	07/10/2026	EFT	US Bank	credit card 8632	-1,614.01	5,755,583.54
	Bill Pmt -Check	07/10/2026	ACH	Water and Power Law Group PC		-937.50	5,754,646.04
	Bill Pmt -Check	07/10/2026	ACH	Water Ecology LLC		-852.50	5,753,793.54
	Bill Pmt -Check	07/10/2026	ACH	Waterology LLC		-41,722.00	5,712,071.54
	Bill Pmt -Check	07/10/2026	ACH	Young Wooldridge LLP		-16,179.90	5,695,891.64
	Deposit	07/14/2026		Black Rock Cattle, LLC	Deposit	20,355.60	5,716,247.24
	General Journal	07/15/2026	JUL26-SPA12		Transfer of Federal funds	7,574,054.00	13,290,301.24
	General Journal	07/15/2026	JUL26-SPA03		Transfer funds	-192,990.09	13,097,311.15
	Bill Pmt -Check	07/24/2026	EFT	ACWA JPIA		-800.00	13,096,511.15
	Bill Pmt -Check	07/24/2026	EFT	ACWA JPIA		-800.00	13,095,711.15
	Bill Pmt -Check	07/24/2026	EFT	ACWA JPIA		-800.00	13,094,911.15
	Bill Pmt -Check	07/24/2026	2674	Lone Peak Farms		-7,500.00	13,087,411.15
	Bill Pmt -Check	07/24/2026	2673	Mary C. Wells		-11,200.00	13,076,211.15
	Bill Pmt -Check	07/27/2026	ACH	Best Best & Krieger, LLP		-6,583.50	13,069,627.65
	Bill Pmt -Check	07/27/2026	ACH	Bodewell Group Associates, Inc.		-23,221.90	13,046,405.75
	Bill Pmt -Check	07/27/2026	ACH	CH2M Hill Engineers, Inc		-145,011.65	12,901,394.10
	Bill Pmt -Check	07/27/2026	ACH	CreativEnvironment Group		-27,114.61	12,874,279.49
	Bill Pmt -Check	07/27/2026	ACH	MBK Engineers Inc		-13,990.00	12,860,289.49
	Bill Pmt -Check	07/27/2026	ACH	Montague DeRose and Associates, LLC		-3,762.50	12,856,526.99
	Bill Pmt -Check	07/27/2026	ACH	Net2Phone Inc.		-149.22	12,856,377.77
	Bill Pmt -Check	07/27/2026	ACH	Nossaman LLP		-125,191.54	12,731,186.23
	Bill Pmt -Check	07/27/2026	ACH	Perkins Coie LLP		-12,150.00	12,719,036.23
	Bill Pmt -Check	07/27/2026	ACH	Stradling Yocca Carlson & Rauth		-5,135.00	12,713,901.23
	Bill Pmt -Check	07/27/2026	ACH	Theresa A Lightle		-1,350.00	12,712,551.23
	General Journal	07/28/2026	JUL26-SPA10		Transfer funds	-3,190,809.34	9,521,741.89
	General Journal	07/31/2026	JUL26-SPA04		Interest earned	30,950.63	9,552,692.52
	General Journal	07/31/2026	JUL26-SPA04		Analysis Charges	-205.63	9,552,486.89
Total 1001 · RC Operating Checking 2016						2,750,964.47	9,552,486.89
1002 · RC ICS Savings 9755							**6,515,843.90**
	General Journal	07/15/2026	JUL26-SPA03		Transfer funds	192,990.09	6,708,833.99
	General Journal	07/28/2026	JUL26-SPA10		Transfer funds	3,190,809.34	9,899,643.33
	General Journal	07/31/2026	JUL26-SPA05		Interest earned	22,742.87	9,922,386.20
Total 1002 · RC ICS Savings 9755						3,406,542.30	9,922,386.20
1003 · RC Federal Fund Checking 4683							**4,885.33**
	General Journal	07/15/2026	JUL26-SPA12		Transfer of Federal funds	-7,574,054.00	-7,569,168.67
	Deposit	07/15/2026			Deposit	7,574,054.00	4,885.33
	General Journal	07/31/2026	JUL26-SPA09		Interest earned - Fed Checking	4,834.39	9,719.72
Total 1003 · RC Federal Fund Checking 4683						4,834.39	9,719.72
1004 · RC State Fund Checking 9538							**426.84**
Total 1004 · RC State Fund Checking 9538							426.84
10200 · US Bank Checking							**0.00**
Total 10200 · US Bank Checking							0.00
TOTAL						**6,162,341.16**	**19,485,019.65**

Sites Project Joint Powers Authority
A/R Aging Summary
As of July 31, 2026

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
BOR	0.00	1,122,137.22	0.00	0.00	0.00	1,122,137.22
TOTAL	**0.00**	**1,122,137.22**	**0.00**	**0.00**	**0.00**	**1,122,137.22**

Sites Project Joint Powers Authority
A/P Aging Summary
As of July 31, 2026

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Advanced Document Concepts	29.83					29.83
AECOM Technical Services, Inc.	85,547.53					85,547.53
Ag & Water Financial Consulting, LLC	32,098.80					32,098.80
Best Best & Krieger, LLP	2,871.00					2,871.00
Brian G Thomas Consulting, LLC	11,000.00					11,000.00
Brown and Caldwell	90,459.73					90,459.73
CMD West	53,674.00					53,674.00
Cox, Castle & Nicholson LLP	15,954.30					15,954.30
Dunn Consulting	9,500.00					9,500.00
Forsythe Group LLC	36,687.50					36,687.50
HDR Engineering Inc	159,514.06					159,514.06
Hodge Executive Services LLC	15,148.23					15,148.23
Hughes Consulting, LLC	29,250.56					29,250.56
ICF Jones & Stokes, Inc.	263,836.22					263,836.22
JEM Land Consulting	4,290.00					4,290.00
Lasswell Strategic Consulting	2,500.00					2,500.00
Maximum Pest Control	65.00					65.00
Natoli Consulting	33,600.00					33,600.00
Robinette Consulting LLC	36,814.92					36,814.92
Somach Simmons & Dunn	49,067.25					49,067.25
Spesert Consulting	28,254.36					28,254.36
Starting Line Advisory	33,618.75					33,618.75
Waterology LLC	41,722.00					41,722.00
Young Wooldridge LLP	16,303.60					16,303.60
TOTAL	**1,051,807.64**					**1,051,807.64**

June 2026
Draft Financial Reporting

***Management Purposes Only**

(Draft prepared August 11, 2026)

**No assurance is provided on the financial statements. These statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States are not included. Figures included are subject to change.*

Sites Project Joint Powers Authority
Revenue & Expense by Fund
June 2026

	Authority		Reservoir		Total	
	June 26	Jan - June 26	June 26	Jan - June 26	June 26	Jan - June 26
Operating Revenue						
4000 · Authority Membership Dues	-	375,000	-	-	-	375,000
4200 · Federal Funding	-	-	1,733,397	3,570,940	1,733,397	3,570,940
4300 · State Funding	-	-	-	6,558,119	-	6,558,119
Total Operating Revenue	**-**	**375,000**	**1,733,397**	**10,129,059**	**1,733,397**	**10,504,059**
Operating Expense						
7101 · Governmental Affairs	-	-	31,500	189,000	31,500	189,000
7102 · Outside Services - Agencies	-	-	-	35,336	-	35,336
7103 · Regulatory Fees	-	-	-	282	-	282
7201 · Dues & Subscriptions	2,381	14,285	341	2,017	2,722	16,302
7202 · Insurance	274	1,354	-	-	274	1,354
7203 · Office Expense	3,881	20,395	1,965	6,469	5,846	26,863
7204 · Rent Expense	4,500	27,000	-	-	4,500	27,000
Professional Fees						
7301 · Legal	8,090	64,881	80,901	698,356	88,991	763,237
7302 · Contracts & Agreements	-	-	277,469	1,300,601	277,469	1,300,601
7303 · Financing Related Costs	-	-	9,119	26,200	9,119	26,200
7304 · Pre-Construction Services	-	-	129,358	732,689	129,358	732,689
7305 · Environmental Permits & Surveys	-	-	260,417	1,067,580	260,417	1,067,580
7306 · Environmental Compliance	-	-	33,422	220,273	33,422	220,273
7307 · Procurement Related Fees	-	-	41,762	256,389	41,762	256,389
7308 · Engineering	-	-	107,972	501,855	107,972	501,855
7310 · Community Outreach	-	-	145,793	433,877	145,793	433,877
7311 · Accounting & Audit	41,580	72,768	39,160	186,932	80,740	259,701
7312 · Other Outside Services	186	1,226	12,182	110,360	12,367	111,586
7313 · Project Management Support	9,901	56,896	423,696	3,116,467	433,597	3,173,364
Subtotal Professional Fees	**59,757**	**195,772**	**1,561,251**	**8,651,579**	**1,621,008**	**8,847,351**
7401 · Fee Title, Escrow & Incidental	-	-	10,275	32,840	10,275	32,840
7402 · ROW & Land Management	-	-	4,252	29,826	4,252	29,826
Total Operating Expense	**70,792**	**258,805**	**1,609,583**	**8,947,349**	**1,680,376**	**9,206,154**
Net Operating Revenue / (Expense)	**$ (70,792)**	**$ 116,195**	**$ 123,814**	**$ 1,181,710**	**$ 53,021**	**$ 1,297,905**
Non-Operating Revenue / (Expense)						
4700 · Interest Revenue	3,124	17,566	50,950	274,836	54,073	292,401
4800 · Lease Revenue	-	-	1,696	22,297	1,696	22,297
7700 · Banking Fees	-	(132)	-	(919)	-	(1,051)
Net Non-Operating Revenue / (Expense)	**3,124**	**17,433**	**52,646**	**296,214**	**55,770**	**313,647**
Net Revenue / (Expense)	**$ (67,669)**	**$ 133,628**	**$ 176,459**	**$ 1,477,924**	**$ 108,791**	**$ 1,611,552**

Sites Project Joint Powers Authority
Balance Sheet by Fund
As of June 30, 2026

	Authority	Reservoir	TOTAL
ASSETS			
Current Assets			
Checking/Savings			
1001 · RC Operating Checking 2016	981,552	5,819,971	6,801,522
1002 · RC ICS Savings 9755		6,515,844	6,515,844
1003 · RC Federal Fund Checking 4683		4,885	4,885
1004 · RC State Fund Checking 9538		427	427
Total Checking/Savings	981,552	12,341,127	13,322,678
Accounts Receivable			
1104 · Federal Funding Receivable		8,696,191	8,696,191
1105 · Real Estate Lease Receivable		20,356	20,356
Total Accounts Receivable		8,716,547	8,716,547
Other Current Assets			
1110 · Due From BOR Funding		8,696,191	8,696,191
1301 · Outside Agency Deposits		4,849,546	4,849,546
1303 · Prepaid Expense	15,682	7,237	22,919
Total Other Current Assets	15,682	13,552,974	13,568,656
Total Current Assets	997,234	34,610,648	35,607,882
Fixed Assets			
1609 · Land		4,892,204	4,892,204
1701 · Structures & Improvements		374,986	374,986
1709 · Accumulated Depreciation		-15,624	-15,624
Total Fixed Assets		5,251,565	5,251,565
TOTAL ASSETS	**997,234**	**39,862,213**	**40,859,447**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2001 · Accounts Payable	59,910	1,981,643	2,041,554
Total Accounts Payable	59,910	1,981,643	2,041,554
Credit Cards			
2005 · US Bank CC 3335	1,614		1,614
Total Credit Cards	1,614		1,614
Other Current Liabilities			
2110 · Due to Sites Project		8,696,191	8,696,191
2303 · Unearned Revenue Leases		18,659	18,659
2304 · Participant Reimb. Policy		9,039,559	9,039,559
Total Other Current Liabilities		17,754,410	17,754,410
Total Current Liabilities	61,524	19,736,053	19,797,577
Total Liabilities	61,524	19,736,053	19,797,577
Equity			
3000 · Unrestricted Fund Balance	687,406	16,833,694	17,521,101
3001 · Net Assets	114,675	1,814,542	1,929,217
Net Income	133,628	1,477,924	1,611,552
Total Equity	935,709	20,126,160	21,061,869
TOTAL LIABILITIES & EQUITY	**997,234**	**39,862,213**	**40,859,447**

Sites Project Joint Powers Authority
Transaction Detail By Account
June 2026

	Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
4200 · Federal Funding									
	General Journal	06/30/2026	JUN26-SPA07		FAA3 25% revenue accrual	Reservoir		1,733,397.00	1,733,397.00
Total 4200 · Federal Funding							0.00	1,733,397.00	1,733,397.00
7101 · Governmental Affairs									
7101401 · Lobbyist									
	Bill	06/30/2026	#INV6294	The Ferguson Group, LLC	Jun 2026 Service	Reservoir	22,000.00		-22,000.00
	Bill	06/30/2026	#Jun 2026	Dunn Consulting	Jun 2026 Service	Reservoir	9,500.00		-31,500.00
Total 7101401 · Lobbyist							31,500.00	0.00	-31,500.00
Total 7101 · Governmental Affairs							31,500.00	0.00	-31,500.00
7201 · Dues & Subscriptions									
7201202 · Dues & Subs (Other Costs/Fees)									
	General Journal	06/30/2026	JUN26-SPA06		Prepaid - Annual Agency Dues for 2026	Authority	2,380.83		-2,380.83
	General Journal	06/30/2026	JUN26-SPA06		Prepaid - PlanetBids, LLC Procurement portal subscription services	Reservoir	341.19		-2,722.02
Total 7201202 · Dues & Subs (Other Costs/Fees)							2,722.02	0.00	-2,722.02
Total 7201 · Dues & Subscriptions							2,722.02	0.00	-2,722.02
7202 · Insurance									
7202202 · Insurance (Other Costs/Fees)									
	General Journal	06/30/2026	JUN26-SPA06		Prepaid - ACWA JPIA Auto and Liability Insurance	Authority	177.59		-177.59
	General Journal	06/30/2026	JUN26-SPA06		Prepaid - ACWA JPIA Annual Property Insurance	Authority	96.01		-273.60
Total 7202202 · Insurance (Other Costs/Fees)							273.60	0.00	-273.60
Total 7202 · Insurance							273.60	0.00	-273.60
7203 · Office Expense									
7203202 · Office Exp (Other Costs/Fees)									
	Bill	06/01/2026	#1222972388	Net2Phone Inc.	Jun 2026 Service	Authority	148.72		-148.72
	Bill	06/01/2026	#68226	Maximum Pest Control	May 2026 Service	Authority	65.00		-213.72
	Bill	06/02/2026	#154445	Adept Solutions	Jun 2026 Service	Authority	210.55		-424.27
	Bill	06/02/2026	#154445	Adept Solutions	Jun 2026 Service	Reservoir	210.55		-634.82
	Bill	06/02/2026	#MSP-154446	Adept Solutions	Jun 2026 Service	Authority	756.00		-1,390.82
	Bill	06/02/2026	#MSP-154446	Adept Solutions	Jun 2026 Service	Reservoir	756.00		-2,146.82
	Bill	06/30/2026	#MSP-154554	Adept Solutions	Jul 2026 Service	Authority	756.00		-2,902.82
	Bill	06/30/2026	#MSP-154554	Adept Solutions	Jul 2026 Service	Reservoir	756.00		-3,658.82
	Bill	06/30/2026	#1544553	Adept Solutions	Pro-rated May to Jun and Jul 2026 Service	Authority	242.09		-3,900.91
	Bill	06/30/2026	#1544553	Adept Solutions	Pro-rated May to Jun and Jul 2026 Service	Reservoir	242.09		-4,143.00
	Bill	06/30/2026	#INV190968	Advanced Document Concepts	Jun 2026 Service	Authority	23.76		-4,166.76
	Bill	06/30/2026	#68511	Maximum Pest Control	Jun 2026 Service	Authority	65.00		-4,231.76
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Adobe, Inc.	Authority	19.99		-4,251.75
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Staples	Authority	167.36		-4,419.11
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Ganzellas	Authority	83.51		-4,502.62
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Caldwell Mini Mart	Authority	27.49		-4,530.11
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Granzellas	Authority	39.46		-4,569.57
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Primo Brands	Authority	44.51		-4,614.08
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Sams Club	Authority	139.37		-4,753.45
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Granzellas	Authority	99.48		-4,852.93
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Subway	Authority	349.95		-5,202.88
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Granzellas	Authority	75.99		-5,278.87
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	PayPal	Authority	207.50		-5,486.37
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Recology	Authority	43.43		-5,529.80
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Succeed.net	Authority	183.99		-5,713.79
	Credit Card Charge	06/30/2026	#07/02/2026	US Bank	Subway	Authority	131.98		-5,845.77
Total 7203202 · Office Exp (Other Costs/Fees)							5,845.77	0.00	-5,845.77
Total 7203 · Office Expense							5,845.77	0.00	-5,845.77
7204 · Rent Expense									
7204202 · Office Rent (Other Costs/Fees)									
	Bill	06/01/2026	#June 2026	County of Colusa	Jun 2026 Rent	Authority	4,500.00		-4,500.00
Total 7204202 · Office Rent (Other Costs/Fees)							4,500.00	0.00	-4,500.00
Total 7204 · Rent Expense							4,500.00	0.00	-4,500.00
7300 · Professional Fees									
7301 · Legal									
7301103 · Legal - Bond Counsel									
	Bill	06/30/2026	#433515	Stradling Yocca Carlson & Rauth	Jun 2026 Service	Reservoir	5,135.00		-5,135.00
Total 7301103 · Legal - Bond Counsel							5,135.00	0.00	-5,135.00
7301104 · Legal									

Sites Project Joint Powers Authority
Transaction Detail By Account
June 2026

	Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
	Bill	06/30/2026	#3027788	Somach Simmons & Dunn	Jun 2026 Service	Reservoir	33,475.22		-33,475.22
	Bill	06/30/2026	#20508	MBK Engineers Inc	Jun 2026 Service	Reservoir	1,918.00		-35,393.22
	Bill	06/30/2026	#7409002	Perkins Coie LLP	Jun 2026 Service	Reservoir	12,150.00		-47,543.22
Total 7301104 · Legal							47,543.22	0.00	-47,543.22
7301201 · Legal - General Counsel									
	Bill	06/30/2026	#136094	Young Wooldridge LLP	Jun 2026 Service	Authority	8,050.04		-8,050.04
	Bill	06/30/2026	#136094	Young Wooldridge LLP	Jun 2026 Service	Reservoir	8,050.05		-16,100.09
	Bill	06/30/2026	#136094	Young Wooldridge LLP	Jun 2026 Service	Authority	39.90		-16,139.99
	Bill	06/30/2026	#136094	Young Wooldridge LLP	Jun 2026 Service	Reservoir	39.91		-16,179.90
Total 7301201 · Legal - General Counsel							16,179.90	0.00	-16,179.90
7301701 · Legal - Priority Acqusitions									
	Bill	06/30/2026	#595951	Nossaman LLP	Jun 2026 Service	Reservoir	481.60		-481.60
Total 7301701 · Legal - Priority Acqusitions							481.60	0.00	-481.60
7301902 · Legal - CMAR Procurement (Res)									
	Bill	06/30/2026	#1064628	Best Best & Krieger, LLP	May 2026 Service	Reservoir	1,782.00		-1,782.00
Total 7301902 · Legal - CMAR Procurement (Res)							1,782.00	0.00	-1,782.00
7301908 · Legal - Conveyance									
	Bill	06/30/2026	#1064628	Best Best & Krieger, LLP	May 2026 Service	Reservoir	11,286.00		-11,286.00
	Bill	06/30/2026	#1067286	Best Best & Krieger, LLP	Jun 2026 Service	Reservoir	6,583.50		-17,869.50
Total 7301908 · Legal - Conveyance							17,869.50	0.00	-17,869.50
Total 7301 · Legal							88,991.22	0.00	-88,991.22
7302 · Contracts & Agreements									
7302107 · Program Baseline Report									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	11,548.29		-11,548.29
	Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	10,724.91		-22,273.20
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	8,733.01		-31,006.21
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	7,234.05		-38,240.26
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	13,803.19		-52,043.45
Total 7302107 · Program Baseline Report							52,043.45	0.00	-52,043.45
7302108 · B&O, Bylaws, JPA, Ops Plan									
	Bill	06/30/2026	#595952	Nossaman LLP	Jun 2026 Service	Reservoir	94,668.80		-94,668.80
Total 7302108 · B&O, Bylaws, JPA, Ops Plan							94,668.80	0.00	-94,668.80
7302109 · Other Key Agreements									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	5,141.28		-5,141.28
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	6,175.56		-11,316.84
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	3,623.03		-14,939.87
	Bill	06/30/2026	#595952	Nossaman LLP	Jun 2026 Service	Reservoir	22,497.60		-37,437.47
	Bill	06/30/2026	#595952	Nossaman LLP	Jun 2026 Service	Reservoir	2,545.60		-39,983.07
	Bill	06/30/2026	#595952	Nossaman LLP	Jun 2026 Service	Reservoir	4,820.42		-44,803.49
	Bill	06/30/2026	#595952	Nossaman LLP	Jun 2026 Service	Reservoir	177.52		-44,981.01
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	5,486.30		-50,467.31
Total 7302109 · Other Key Agreements							50,467.31	0.00	-50,467.31
7302501 · State & Federal Funding Agreeme									
	Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Reservoir	1,041.04		-1,041.04
	Bill	06/30/2026	#2001163540	AECOM Technical Services, Inc.	June 2026 Service	Reservoir	1,606.91		-2,647.95
Total 7302501 · State & Federal Funding Agreeme							2,647.95	0.00	-2,647.95
7302502 · CWA Permits									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	2,497.85		-2,497.85
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	1,261.41		-3,759.26
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	741.45		-4,500.71
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	16,550.24		-21,050.95
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	16,801.73		-37,852.68
Total 7302502 · CWA Permits							37,852.68	0.00	-37,852.68
7302503 · Other Key Permits Surveys Cmplc									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	12,153.66		-12,153.66
	Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	510.95		-12,664.61
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	8,184.99		-20,849.60
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	8,581.13		-29,430.73
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	6,759.05		-36,189.78
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	3,599.04		-39,788.82
Total 7302503 · Other Key Permits Surveys Cmplc							39,788.82	0.00	-39,788.82
Total 7302 · Contracts & Agreements							277,469.01	0.00	-277,469.01

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	Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
7303 · Financing Related Costs									
7303103 · Interim & Perm Finance Programs									
	Bill	06/01/2026	#5999SITES	Montague DeRose and Associates, LLC	Apr to May 2026 Service	Reservoir	5,356.25		-5,356.25
	Bill	06/30/2026	#6019SITES	Montague DeRose and Associates, LLC	Jun 2026 Service	Reservoir	3,762.50		-9,118.75
Total 7303103 · Interim & Perm Finance Programs							9,118.75	0.00	-9,118.75
Total 7303 · Financing Related Costs							9,118.75	0.00	-9,118.75
7304 · Pre-Construction Services									
7304301 · Consultant Project Management									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	1,566.78		-1,566.78
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir		16,815.38	15,248.60
	Bill	06/30/2026	#04.00201528 - 56	Fugro USA Land, Inc	Jun 2026 Service	Reservoir	2,461.35		12,787.25
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	6,811.66		5,975.59
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir		21,445.88	27,421.47
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	4,843.43		22,578.04
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir		34,291.85	56,869.89
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	7,137.35		49,732.54
	Bill	06/30/2026	#2001163540	AECOM Technical Services, Inc.	June 2026 Service	Reservoir	83,106.53		-33,373.99
	Bill	06/30/2026	#2001163540	AECOM Technical Services, Inc.	June 2026 Service	Reservoir	17.64		-33,391.63
Total 7304301 · Consultant Project Management							105,944.74	72,553.11	-33,391.63
7304306 · Consultant Project Mgmt 306									
	Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Reservoir	2,518.20		-2,518.20
	Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	6,730.69		-9,248.89
Total 7304306 · Consultant Project Mgmt 306							9,248.89	0.00	-9,248.89
7304903 · Reservoir CMAR Preconstruction									
	Bill	06/30/2026	#Jun 2026-5	Barnard Construction Co., Inc.	Jun 2026 Service	Reservoir	82,954.55		-82,954.55
Total 7304903 · Reservoir CMAR Preconstruction							82,954.55	0.00	-82,954.55
7304905 · Construction Power Agreements									
	Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	3,346.69		-3,346.69
Total 7304905 · Construction Power Agreements							3,346.69	0.00	-3,346.69
7304907 · Cal ISO Fee									
	General Journal	06/30/2026	JUN26-SPA06		Prepaid - Computershare Escrow Agent Fee	Reservoir	416.67		-416.67
Total 7304907 · Cal ISO Fee							416.67	0.00	-416.67
Total 7304 · Pre-Construction Services							201,911.54	72,553.11	-129,358.43
7305 · Environmental Permits & Surveys									
7305506 · Surveys									
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	4,884.72		-4,884.72
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	12,654.84		-17,539.56
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	66.69		-17,606.25
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	67.81		-17,674.06
Total 7305506 · Surveys							17,674.06	0.00	-17,674.06
7305509 · Develop & Submit Required Plans									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	346.77		-346.77
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	3,011.12		-3,357.89
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	5,784.23		-9,142.12
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	6,370.92		-15,513.04
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	1,282.63		-16,795.67
Total 7305509 · Develop & Submit Required Plans							16,795.67	0.00	-16,795.67
7305607 · Environmental Survey Work Const									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	14,901.83		-14,901.83
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	11,622.69		-26,524.52
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	23,664.24		-50,188.76
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	169,571.72		-219,760.48
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	1,336.28		-221,096.76
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	914.19		-222,010.95
	Bill	06/30/2026	#26-001-01-05	CMD West	May 2026 Service	Reservoir	3,936.00		-225,946.95
Total 7305607 · Environmental Survey Work Const							225,946.95	0.00	-225,946.95
Total 7305 · Environmental Permits & Surveys							260,416.68	0.00	-260,416.68
7306 · Environmental Compliance									
7306507 · Construction ITP Terms and Cond									
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	966.57		-966.57
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	9,879.73		-10,846.30
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	1,375.79		-12,222.09

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Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
Total 7306507 · Construction ITP Terms and Cond						12,222.09	0.00	-12,222.09
7306508 · Operations ITP Terms and Condit								
General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	1,757.40		-1,757.40
Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	11,293.20		-13,050.60
Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	3,665.15		-16,715.75
Total 7306508 · Operations ITP Terms and Condit						16,715.75	0.00	-16,715.75
7306605 · Environmental Compliance Plan D								
Bill	06/30/2026	#Sites 06-2026	CreativEnvironment Group	Jun 2026 Service	Reservoir	4,484.57		-4,484.57
Total 7306605 · Environmental Compliance Plan D						4,484.57	0.00	-4,484.57
Total 7306 · Environmental Compliance						33,422.41	0.00	-33,422.41
7307 · Procurement Related Fees								
7307602 · Mitigation Procurement								
Bill	06/30/2026	#Jun 2026	JEM Land Consulting	Jun 2026 Service	Reservoir	2,437.50		-2,437.50
Bill	06/30/2026	#26153	Water and Power Law Group PC	Jun 2026 Service	Reservoir	937.50		-3,375.00
Bill	06/30/2026	#Sites2026.2	Water Ecology LLC	Jun 2026 Service	Reservoir	852.50		-4,227.50
Bill	06/30/2026	#636990	Cox, Castle & Nicholson LLP	June 2026 Service	Reservoir	15,954.30		-20,181.80
Total 7307602 · Mitigation Procurement						20,181.80	0.00	-20,181.80
7307908 · Conveyance CMAR Procurement								
Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Reservoir	7,583.07		-7,583.07
Bill	06/30/2026	#110-2026	HH Consultants LLC	Jun 2026 Service	Reservoir	500.00		-8,083.07
Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	13,497.23		-21,580.30
Total 7307908 · Conveyance CMAR Procurement						21,580.30	0.00	-21,580.30
Total 7307 · Procurement Related Fees						41,762.10	0.00	-41,762.10
7308 · Engineering								
7308106 · Engineering Home Board Support								
Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	46,109.81		-46,109.81
Total 7308106 · Engineering Home Board Support						46,109.81	0.00	-46,109.81
7308801 · Storage, Pizameter Monitoring								
Bill	06/30/2026	#04.00201528 - 56	Fugro USA Land, Inc	Jun 2026 Service	Reservoir	280.00		-280.00
Total 7308801 · Storage, Pizameter Monitoring						280.00	0.00	-280.00
7308909 · Conveyance Engineering								
Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	5,611.30		-5,611.30
Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	21,811.13		-27,422.43
Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	34,159.88		-61,582.31
Total 7308909 · Conveyance Engineering						61,582.31	0.00	-61,582.31
Total 7308 · Engineering						107,972.12	0.00	-107,972.12
7310 · Community Outreach								
7310305 · Community Outreach								
Bill	06/30/2026	#INV3636	Bodewell Group Associates, Inc.	Jun 2026 Service	Reservoir	23,221.90		-23,221.90
Total 7310305 · Community Outreach						23,221.90	0.00	-23,221.90
7310601 · Cultural Compliance								
General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	29,018.22		-29,018.22
General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	14,089.66		-43,107.88
General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	33,195.24		-76,303.12
Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	19,069.41		-95,372.53
Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	27,198.88		-122,571.41
Total 7310601 · Cultural Compliance						122,571.41	0.00	-122,571.41
Total 7310 · Community Outreach						145,793.31	0.00	-145,793.31
7311 · Accounting & Audit								
7311202 · Accounting / Audit								
Bill	06/30/2026	114456	Richardson & Company, LLP	Jun 2026 Service	Authority	33,900.00		-33,900.00
Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Reservoir	1,226.94		-35,126.94
Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Reservoir	13,543.08		-48,670.02
Bill	06/30/2026	#SPA46203	Starting Line Advisory	Jun 2026 Service	Authority	7,680.00		-56,350.02
Bill	06/30/2026	#SPA46203	Starting Line Advisory	Jun 2026 Service	Reservoir	23,040.00		-79,390.02
Bill	06/30/2026	#TAL_Sites_003	Theresa A Lightle	Jun 2026 Service	Reservoir	1,350.00		-80,740.02
Total 7311202 · Accounting / Audit						80,740.02	0.00	-80,740.02
Total 7311 · Accounting & Audit						80,740.02	0.00	-80,740.02
7312 · Other Outside Services								
7312202 · Other Outside Services (Misc)								
General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	161.10		-161.10
Bill	06/30/2026	#Jun 2026	Lasswell Strategic Consulting	Jun 2026 Service	Reservoir	2,500.00		-2,661.10

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	Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
	Bill	06/30/2026	#2026-06	Mizuno Consulting, Inc	Jun 2026 Service	Reservoir	3,500.00		-6,161.10
	Bill	06/30/2026	#1012	The Catalyst Group, Inc.	Jun 2026 Service	Authority	185.63		-6,346.73
	Bill	06/30/2026	#1012	The Catalyst Group, Inc.	Jun 2026 Service	Reservoir	556.87		-6,903.60
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	2,314.00		-9,217.60
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	2,071.56		-11,289.16
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	1,078.11		-12,367.27
Total 7312202 · Other Outside Services (Misc)							12,367.27	0.00	-12,367.27
Total 7312 · Other Outside Services							12,367.27	0.00	-12,367.27
7313 · Project Management Support									
7313101 · Fixed Staff									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir		16,689.55	16,689.55
	Bill	06/30/2026	#1018	Ag & Water Financial Consulting, LLC	Jun 2026 Service	Reservoir	32,094.25		-15,404.70
	Bill	06/30/2026	#322	Brian G Thomas Consulting, LLC	Jun 2026 Service	Reservoir	11,000.00		-26,404.70
	Bill	06/30/2026	#6-26	Spesert Consulting	Jun 2026 Service	Reservoir	28,151.00		-54,555.70
	Bill	06/30/2026	#1013	MM Water Resources, LLC	Jun 2026 Service	Reservoir	33,261.00		-87,816.70
	Bill	06/30/2026	#1006	Natoli Consulting	Jun 2026 Service	Reservoir	33,992.95		-121,809.65
	Bill	06/30/2026	#1062	Robinette Consulting LLC	Jun 2026 Service	Reservoir	36,922.42		-158,732.07
	Bill	06/30/2026	#1062	Robinette Consulting LLC	Jun 2026 Service	Reservoir	21.25		-158,753.32
	Bill	06/30/2026	#75	Waterology LLC	Jun 2026 Service	Authority	4,172.20		-162,925.52
	Bill	06/30/2026	#75	Waterology LLC	Jun 2026 Service	Reservoir	37,549.80		-200,475.32
	Bill	06/30/2026	#SPA-202606	Forsythe Group LLC	Jun 2026 Service	Reservoir	37,034.13		-237,509.45
	Bill	06/30/2026	#2026-7	Hughes Consulting, LLC	Jun 2026 Service	Reservoir	29,557.15		-267,066.60
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir		14,908.53	-252,158.07
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir		10,857.08	-241,300.99
	Bill	06/30/2026	#26-001-01-06	CMD West	Jun 2026 Service	Reservoir	24,750.00		-266,050.99
	Bill	06/30/2026	#26-001-01-05	CMD West	May 2026 Service	Reservoir	24,988.00		-291,038.99
Total 7313101 · Fixed Staff							333,494.15	42,455.16	-291,038.99
7313102 · Extension of Staff & Incidental									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	56,408.56		-56,408.56
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir		14,651.51	-41,757.05
	Bill	06/30/2026	#1	Hodge Executive Services LLC	Jun 2026 Service	Reservoir	10,256.40		-52,013.45
	Bill	06/30/2026	#1	Hodge Executive Services LLC	Jun 2026 Service	Authority	1,139.60		-53,153.05
	Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Reservoir	127,093.32		-180,246.37
	Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Authority	4,587.40		-184,833.77
	Bill	06/30/2026	#SPA46203	Starting Line Advisory	Jun 2026 Service	Reservoir	6,525.00		-191,358.77
	Bill	06/30/2026	#20509	MBK Engineers Inc	Jun 2026 Service	Reservoir	12,072.00		-203,430.77
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	74,763.92		-278,194.69
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir		9,446.40	-268,748.29
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	60,906.03		-329,654.32
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	17.64		-329,671.96
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir		9,322.58	-320,349.38
	Bill	06/30/2026	#Sites 06-2026	CreativEnvironment Group	Jun 2026 Service	Reservoir	22,621.22		-342,970.60
	Bill	06/30/2026	#Sites 06-2026	CreativEnvironment Group	Jun 2026 Service	Reservoir	8.82		-342,979.42
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	69,296.70		-412,276.12
Total 7313102 · Extension of Staff & Incidental							445,696.61	33,420.49	-412,276.12
7313901 · Consultant Project Management									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	7,048.85		-7,048.85
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir		92,636.75	85,587.90
	Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Reservoir	2,508.48		83,079.42
	Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Reservoir	19.16		83,060.26
	Bill	06/30/2026	#17606268	Brown and Caldwell	26.05.22 to 26.06.25	Authority	1.92		83,058.34
	Bill	06/30/2026	#D3380605-06	CH2M Hill Engineers, Inc	Jun 2026 Service	Reservoir	2,509.06		80,549.28
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	4,672.63		75,876.65
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir		94,739.71	170,616.36
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir		1,100.13	171,716.49
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	3,874.73		167,841.76
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir		85,468.96	253,310.72
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir		22,187.34	275,498.06
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir		17.64	275,515.70
	Bill	06/30/2026	#2026-092809	ICF Jones & Stokes, Inc.	June 2026 Service	Reservoir	3,146.79		272,368.91
	Bill	06/30/2026	#2001163540	AECOM Technical Services, Inc.	June 2026 Service	Reservoir	816.45		271,552.46
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	1,834.01		269,718.45
Total 7313901 · Consultant Project Management							26,432.08	296,150.53	269,718.45

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	Type	Date	Num	Source Name	Memo	Class	Debit	Credit	Balance
Total 7313 · Project Management Support							805,622.84	372,026.18	-433,596.66
Total 7300 · Professional Fees							2,065,587.27	444,579.29	-1,621,007.98
7401 · Fee Title, Escrow & Incidental									
7401701 · Priority Acquisitions									
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir	1,589.39		-1,589.39
	General Journal	06/01/2026	JUN26-RJE01		To reclass Feb HDR tasks	Reservoir		1,589.39	0.00
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	1,711.08		-1,711.08
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir		5,135.34	3,424.26
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	2,155.62		1,268.64
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	11,543.33		-10,274.69
Total 7401701 · Priority Acquisitions							16,999.42	6,724.73	-10,274.69
Total 7401 · Fee Title, Escrow & Incidental							16,999.42	6,724.73	-10,274.69
7402 · ROW & Land Management									
7402302 · Consultant Project Management									
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir		6,325.44	6,325.44
Total 7402302 · Consultant Project Management							0.00	6,325.44	6,325.44
7402702 · Land Management									
	Bill	06/30/2026	#Jun 2026	JEM Land Consulting	Jun 2026 Service	Reservoir	1,415.75		-1,415.75
Total 7402702 · Land Management							1,415.75	0.00	-1,415.75
7402703 · Improvements to Seaters									
	General Journal	06/30/2026	JUN26-RJE02		To reclass Mar HDR tasks	Reservoir	3,424.26		-3,424.26
	General Journal	06/30/2026	JUN26-RJE03		To reclass Apr HDR tasks	Reservoir	4,169.82		-7,594.08
	Bill	06/30/2026	#1200845819	HDR Engineering Inc	June 2026 Service	Reservoir	1,567.20		-9,161.28
Total 7402703 · Improvements to Seaters							9,161.28	0.00	-9,161.28
Total 7402 · ROW & Land Management							10,577.03	6,325.44	-4,251.59
4700 · Interest Revenue									
	General Journal	06/30/2026	JUN26-SPA09		Interest earned - Fed Checking	Reservoir		1,918.53	1,918.53
	General Journal	06/30/2026	JUN26-SPA05		Interest earned	Reservoir		21,741.60	23,660.13
	General Journal	06/30/2026	JUN26-SPA04		Interest earned	Authority		3,123.75	26,783.88
	General Journal	06/30/2026	JUN26-SPA04		Interest earned	Reservoir		27,289.40	54,073.28
Total 4700 · Interest Revenue							0.00	54,073.28	54,073.28
4800 · Lease Revenue									
	General Journal	06/30/2026	JUN26-SPA08		Recognize lease revenue Black Rock Cattle LLC 6/1/2026-5/31/2027	Reservoir		1,696.30	1,696.30
Total 4800 · Lease Revenue							0.00	1,696.30	1,696.30
TOTAL							**2,138,005.11**	**2,246,796.04**	**108,790.93**

Meeting: **Reservoir Committee & Authority Board Agenda Item 1.3** **August 21, 2026**

Subject: **Payment of Claims**

Requested Action:

Reservoir Committee and Authority Board consider approval of the Sites Project Authority Payment of Claims.

Detailed Description/Background:

Attachment A presents the warrants to be drawn against the approved invoices received by the Sites Project Authority through August 10, 2026.

Attachment B summarizes the approved invoices received through August 10, 2026, and how the incurred costs are allocated between the Authority and Reservoir Committee.

The Budget and Finance Committee at the August 14, 2026, meeting recommended that the Reservoir Committee and Authority Board approve the payment of claims.

Fiscal Impact/Funding Source:

The total Payment of Claims is $1,444,179.79 with $31,289.19 of costs being assigned to the Authority and $1,412,890.60 assigned to the Reservoir Committee, as shown in Attachment B.

For the Reservoir Committee assigned amount, $1,412,890.60 is paid through the JPA/Sites account, as shown in Attachment B.

Staff Contact:

Shayleen O'Connell

Primary Service Provider:

Starting Line Advisory - Accounting

Attachments:

Attachment A – Report on Warrants to be Drawn for Payment of Claims

Attachment B – Payment of Claims Consultant and Vendor Invoice Table

PREPARER: O'Connell MANAGER: O'Connell APPROVER: Brown

Warrants Drawn Against
Sites Project Authority
August 21, 2026

Warrant Number	Date	Name		Amount
EFT	7/24/2026	ACWA JPIA	$	800.00
EFT	7/24/2026	ACWA JPIA		800.00
EFT	7/24/2026	ACWA JPIA		800.00
2673	7/24/2026	Mary C. Wells		11,200.00
2674	7/24/2026	Lone Peak Farms		7,500.00
ACH	7/27/2026	Best Best & Krieger, LLP		6,583.50
ACH	7/27/2026	Bodewell Group Associates, Inc.		23,221.90
ACH	7/27/2026	CH2M Hill Engineers, Inc		145,011.65
ACH	7/27/2026	CreativEnvironment Group		27,114.61
ACH	7/27/2026	MBK Engineers Inc		13,990.00
ACH	7/27/2026	Montague DeRose and Associates, LLC		3,762.50
ACH	7/27/2026	Net2Phone Inc.		149.22
ACH	7/27/2026	Nossaman LLP		125,191.54
ACH	7/27/2026	Perkins Coie LLP		12,150.00
ACH	7/27/2026	Stradling Yocca Carlson & Rauth		5,135.00
ACH	7/27/2026	Theresa A Lightle		1,350.00
ACH	8/7/2026	Adept Solutions		2,289.83
ACH	8/7/2026	Advanced Document Concepts		29.83
ACH	8/7/2026	AECOM Technical Services, Inc.		85,547.53
ACH	8/7/2026	Ag & Water Financial Consulting, LLC		32,098.80
ACH	8/7/2026	Best Best & Krieger, LLP		2,871.00
ACH	8/7/2026	Brian G Thomas Consulting, LLC		11,000.00
ACH	8/7/2026	Brown and Caldwell		90,459.73
ACH	8/7/2026	CMD West		53,674.00
ACH	8/7/2026	County of Colusa		4,500.00
ACH	8/7/2026	Cox, Castle & Nicholson LLP		15,954.30
ACH	8/7/2026	Dunn Consulting		9,500.00
ACH	8/7/2026	Forsythe Group LLC		36,687.50
ACH	8/7/2026	HDR Engineering Inc		159,514.06
ACH	8/7/2026	Hodge Executive Services LLC		15,148.23
ACH	8/7/2026	Hughes Consulting, LLC		29,250.56
ACH	8/7/2026	ICF Jones & Stokes, Inc.		263,836.22
ACH	8/7/2026	JEM Land Consulting		4,290.00
ACH	8/7/2026	Lasswell Strategic Consulting		2,500.00
ACH	8/7/2026	Maximum Pest Control		65.00
ACH	8/7/2026	Natoli Consulting		33,600.00
ACH	8/7/2026	Robinette Consulting LLC		36,814.92
ACH	8/7/2026	Somach Simmons & Dunn		49,067.25
ACH	8/7/2026	Spesert Consulting		28,254.36
ACH	8/7/2026	Starting Line Advisory		33,618.75
EFT	8/7/2026	US Bank		822.40
ACH	8/7/2026	Waterology LLC		41,722.00
ACH	8/7/2026	Young Wooldridge LLP		16,303.60
		TOTAL AMOUNT	**$**	**1,444,179.79**

**This report covers disbursements from July 24, 2026 through August 21, 2026. It includes any ACH, EFT and wire payments processed through the Agency's banking platforms as well as physical warrants (checks), issued to authorized payees. All payments were properly approved, coded, and presented for Board review in accordance with applicable policies. Supporting documentation for each transaction is retained in the Authority's accounting records.*

County of Colusa

Westside Water District

Colusa County Water District

Placer County Water Agency / City of Roseville

County of Glenn

Sacramento County Water Agency / City of Sacramento

Glenn-Colusa Irrigation District

Reclamation District No. 108

Tehama Colusa Canal Authority

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Sites — Payment of Claims - August 2026 Cycle A

Topic: Program Operations - Finance

Subject: Consultant / Vendor Invoices Received for Authority Board and Reservoir Committee Meetings

Purpose: To summarize the review of invoices for preparation of monthly Accountant and Treasurer's reports. The following invoices were received and reviewed for inclusion in Payment of Claims for the Authority Board and Reservoir Committee consideration at their monthly meeting:

	Vendor	Invoice ID	Period	Description	Approval	Invoice Total	Authority Board	Reservoir Committee	Ineligible
1	**ACWA JPIA** [1]	1184	1/1/26 to 1/1/27	POB Bond - Executive Director	SO	**$ 800.00**	$ 800.00	$ -	$ -
2	**ACWA JPIA** [1]	1185	1/1/26 to 1/1/27	POB Bond - Treasurer	SO	**$ 800.00**	$ 800.00	$ -	$ -
3	**ACWA JPIA** [1]	1186	1/1/26 to 1/1/27	POB Bond - Finance Manager	SO	**$ 800.00**	$ 800.00	$ -	$ -
4	**Best Best & Krieger, LLP**	1067286	Jun 2026 Service	Legal Counsel (Construction)	JR	**$ 6,583.50**	$ -	$ 6,583.50	$ -
5	**Bodewell Group Associates, Inc.**	INV3636	Jun 2026 Service	Communications	KS	**$ 23,221.90**	$ -	$ 23,221.90	$ -
6	**CH2M Hill Engineers, Inc**	D3380605-06	Jun 2026 Service	Engineering and Modeling Services	RN	**$ 145,011.65**	$ -	$ 145,011.65	$ -
7	**CreativEnvironment Group**	Sites 06-2026	Jun 2026 Service	Permitting and Agreements	AF	**$ 27,114.61**	$ -	$ 27,114.61	$ 8.82
8	**Lone Peak Farms**	PRF26.07.23-1	Jul 2026	Right of Way Land Payment	JB	**$ 7,500.00**	$ -	$ 7,500.00	$ -
9	**Mary C. Wells**	PRF26.07.23-2	Jul 2026	Right of Way Land Payment	JB	**$ 11,200.00**	$ -	$ 11,200.00	$ -
10	**MBK Engineers Inc**	20508	Jun 2026 Service	Water Rights Modeling	AF	**$ 1,918.00**	$ -	$ 1,918.00	$ -
11	**MBK Engineers Inc**	20509	Jun 2026 Service	Water Rights Modeling	AF	**$ 12,072.00**	$ -	$ 12,072.00	$ -
12	**Montague DeRose and Associates, LLC**	6019SITES	Jun 2026 Service	Municipal Advisor	JR	**$ 3,762.50**	$ -	$ 3,762.50	$ -
13	**Net2Phone Inc.**	1223104764	Jul 2026 Service	Phone Equipment	KS	**$ 149.22**	$ 149.22	$ -	$ -
14	**Nossaman LLP**	595951	Jun 2026 Service	Legal Services (Real Estate)	KS	**$ 481.60**	$ -	$ 481.60	$ -
15	**Nossaman LLP**	595952	Jun 2026 Service	Legal Services (Inter-Agency)	JB	**$ 124,709.94**	$ -	$ 124,709.94	$ 177.52
16	**Perkins Coie LLP**	7409002	Jun 2026 Service	Special Legal	AF	**$ 12,150.00**	$ -	$ 12,150.00	$ -
17	**Stradling Yocca Carlson & Rauth**	433515	Jun 2026 Service	Legal - Bond Counsel (Financing)	JR	**$ 5,135.00**	$ -	$ 5,135.00	$ -

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Sites — Payment of Claims - August 2026 Cycle A

Topic: Program Operations - Finance

Subject: Consultant / Vendor Invoices Received for Authority Board and Reservoir Committee Meetings

Purpose: To summarize the review of invoices for preparation of monthly Accountant and Treasurer's reports. The following invoices were received and reviewed for inclusion in Payment of Claims for the Authority Board and Reservoir Committee consideration at their monthly meeting:

	Vendor	Invoice ID	Period	Description	Approval	Invoice Total	Authority Board	Reservoir Committee	Ineligible
18	**Theresa A Lightle**	TAL_Sites_003	Jun 2026 Service	ERP Implementation Consulting	SO	**$ 1,350.00**	$ -	$ 1,350.00	$ -
	Total Payment of Claims - August 2026 Cycle A					**$ 384,759.92**	**$ 2,549.22**	**$ 382,210.70**	**$ 186.34**

Invoice Footnotes:

1 - This claim was authorized and paid through an off cycle payment procedure and is included for reporting purposes only.

Total Payments by Funding Account	Invoice Total	Authority Board	Reservoir Committee	Ineligible
JPA / RC Cash Account	**$ 384,759.92**	**$ 2,549.22**	**$ 382,210.70**	**$ 186.34**
WSIP Cash Account	**$ -**	**$ -**	**$ -**	**$ -**
FAA / WIIN Cash Account	**$ -**	**$ -**	**$ -**	**$ -**

Signed by: Jerry Brown 7B97DE187D5B42B... 7/23/2026

Jerry Brown, Executive Director *Date*

DocuSigned by: Jamie Traynham 62AE776539C549F... 7/23/2026

Jamie Traynham, Authority Board Treasurer *Date*

The payment of claims Consultant/Vendor Invoice Table has been prepared following the requirements in the Authority's Accounts Payable Approval Procedure and is ready for final review and approval by the Authority Treasurer and The Accounts Payable Approval Procedure included:

- **Project Controls and Accounting** conduct a comprehensive review of approved billing rates and tabulation details in each invoice,
- **Integration Leads and Authority Agents** review of hours billed to ensure they are appropriate for the work performed and the appropriate staff experience mix for the work conducted, and
- **Program Operations Manager's** oversight of the process and review of the Consultant / Vendor Invoice Table.

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Sites — Payment of Claims - August 2026 Cycle B

Topic: Program Operations - Finance

Subject: Consultant / Vendor Invoices Received for Authority Board and Reservoir Committee Meetings

Purpose: To summarize the review of invoices for preparation of monthly Accountant and Treasurer's reports. The following invoices were received and reviewed for inclusion in Payment of Claims for the Authority Board and Reservoir Committee consideration at their monthly meeting:

	Vendor	Invoice ID	Period	Description	Approval	Invoice Total	Authority Board	Reservoir Committee	Ineligible
1	**Adept Solutions**	154669	Aug 2026 Service	Software Licensing	KS	**$ 656.83**	$ 328.42	$ 328.41	$ -
2	**Adept Solutions**	MSP-154670	Aug 2026 Service	Managed IT Services	KS	**$ 1,633.00**	$ 816.50	$ 816.50	$ -
3	**Advanced Document Concepts**	INV193419	Jul 2026 Service	Printer	KS	**$ 29.83**	$ 29.83	$ -	$ -
4	**AECOM Technical Services, Inc.**	2001163540	June 2026 Service	Engineering Services	KH	**$ 85,547.53**	$ -	$ 85,547.53	$ 17.64
5	**Ag & Water Financial Consulting, LLC**	1019	Jul 2026 Service	Finance Manager	JB	**$ 32,098.80**	$ -	$ 32,098.80	$ -
6	**Best Best & Krieger, LLP**	1069175	Jul 2026 Service	Legal Counsel (Construction)	JR	**$ 2,871.00**	$ -	$ 2,871.00	$ -
7	**Brian G Thomas Consulting, LLC**	325	Jul 2026 Service	Owner's Advisor, Financing	JB	**$ 11,000.00**	$ -	$ 11,000.00	$ -
8	**Brown and Caldwell**	17608565	26.06.26 to 26.07.25	Project Controls	SO	**$ 90,459.73**	$ 1,853.56	$ 88,606.17	$ 150.38
9	**CMD West**	26-001-01-05	May 2026 Service	Real Estate Lead	JB	**$ 28,924.00**	$ -	$ 28,924.00	$ -
10	**CMD West**	26-001-01-06	Jun 2026 Service	Real Estate Lead	JB	**$ 24,750.00**	$ -	$ 24,750.00	$ -
11	**County of Colusa**	Aug 2026	Aug 2026 Rent	Office Rent	SO	**$ 4,500.00**	$ 4,500.00	$ -	$ -
12	**Cox, Castle & Nicholson LLP**	636990	June 2026 Service	Legal Services (Env. Mitigation)	AF	**$ 15,954.30**	$ -	$ 15,954.30	$ -
13	**Dunn Consulting**	Jul 2026	Jul 2026 Service	Legislative/Strategic Support	KS	**$ 9,500.00**	$ -	$ 9,500.00	$ 9,500.00
14	**Forsythe Group LLC**	SPA-202607	Jul 2026 Service	EPP Manager	JB	**$ 36,687.50**	$ -	$ 36,687.50	$ -
15	**HDR Engineering Inc**	1200845819	June 2026 Service	Project Integration	SO	**$ 159,514.06**	$ -	$ 159,514.06	$ -
16	**Hodge Executive Services LLC**	2	Jul 2026 Service	Executive Services Coordinator	JB	**$ 15,148.23**	$ 1,514.82	$ 13,633.41	$ -
17	**Hughes Consulting, LLC**	2026-8	Jul 2026 Service	Construction Office Lead	JB	**$ 29,250.56**	$ -	$ 29,250.56	$ -
18	**ICF Jones & Stokes, Inc.**	2026-092809	June 2026 Service	Permitting and Agreements	AF	**$ 263,836.22**	$ -	$ 263,836.22	$ 1,402.97
19	**JEM Land Consulting**	Jul 2026	Jul 2026 Service	Real Estate Services	KS	**$ 4,290.00**	$ -	$ 4,290.00	$ -
20	**Lasswell Strategic Consulting**	Jul 2026	Jul 2026 Service	Strategic Planning	SO	**$ 2,500.00**	$ -	$ 2,500.00	$ -
21	**Maximum Pest Control**	68788	Jul 2026 Service	Pest Spraying	KS	**$ 65.00**	$ 65.00	$ -	$ -

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Sites — Payment of Claims - August 2026 Cycle B

Topic: Program Operations - Finance

Subject: Consultant / Vendor Invoices Received for Authority Board and Reservoir Committee Meetings

Purpose: To summarize the review of invoices for preparation of monthly Accountant and Treasurer's reports. The following invoices were received and reviewed for inclusion in Payment of Claims for the Authority Board and Reservoir Committee consideration at their monthly meeting:

	Vendor	Invoice ID	Period	Description	Approval	Invoice Total	Authority Board	Reservoir Committee	Ineligible
22	**Natoli Consulting**	1007	Jul 2026 Service	Deputy E&C Manager	JB	**$ 33,600.00**	$ -	$ 33,600.00	$ -
23	**Robinette Consulting LLC**	1063	Jul 2026 Service	E&C Manager	JB	**$ 36,814.92**	$ -	$ 36,814.92	$ -
24	**Somach Simmons & Dunn**	INV3028035	Jul 2026 Service	Legal Counsel (Water Rights)	AF	**$ 49,067.25**	$ -	$ 49,067.25	$ -
25	**Spesert Consulting**	7-26	Jul 2026 Service	External Affairs Manager	JB	**$ 28,254.36**	$ -	$ 28,254.36	$ -
26	**Starting Line Advisory**	SPA46234	Jul 2026 Service	Accounting, ERP, Purchasing Lead	SO	**$ 33,618.75**	$ 6,485.44	$ 27,133.31	$ -
27	**US Bank**	8632-08/03/2026	26.06.02 to 26.07.02	Office Expenses	JB	**$ 822.40**	$ 822.40	$ -	$ -
28	**Waterology LLC**	76	Jul 2026 Service	Executive Director Services	JT	**$ 41,722.00**	$ 4,172.20	$ 37,549.80	$ -
29	**Young Wooldridge LLP**	INV137043-137056	Jul 2026 Service	Legal Counsel	SO	**$ 16,303.60**	$ 8,151.80	$ 8,151.80	$ 23.20
	Total Payment of Claims - August 2026 Cycle B					**$ 1,059,419.87**	**$ 28,739.97**	**$ 1,030,679.90**	**$ 11,094.19**

Invoice Footnotes:

Total Payments by Funding Account	Invoice Total	Authority Board	Reservoir Committee	Ineligible
JPA / RC Cash Account	**$ 1,059,419.87**	**$ 28,739.97**	**$ 1,030,679.90**	**$ 11,094.19**
WSIP Cash Account	**$ -**	**$ -**	**$ -**	**$ -**
FAA / WIIN Cash Account	**$ -**	**$ -**	**$ -**	**$ -**

Signed by: Jerry Brown 7B97DE187D5B42B... 8/7/2026

Jerry Brown, Executive Director *Date*

DocuSigned by: Jamie Traynham 62AE776539C549F... 8/7/2026

Jamie Traynham, Authority Board Treasurer *Date*

The payment of claims Consultant/Vendor Invoice Table has been prepared following the requirements in the Authority's Accounts Payable Approval Procedure and is ready for final review and approval by the Authority Treasurer and The Accounts Payable Approval Procedure included:

- **Project Controls and Accounting** conduct a comprehensive review of approved billing rates and tabulation details in each invoice,
- **Integration Leads and Authority Agents** review of hours billed to ensure they are appropriate for the work performed and the appropriate staff experience mix for the work conducted, and
- **Program Operations Manager's** oversight of the process and review of the Consultant / Vendor Invoice Table.

Meeting: **Reservoir Committee & Authority Board Agenda Item 1.4** **August 21, 2026**

Subject: **Second Quarter (Q2) 2026 Financial Report**

Requested Action:

Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority Second Quarter 2026 Budget Financial Report.

Detailed Description/Background:

This report covers the Q2 2026 budget year quarterly financial report and fulfills the Authority's Budget Policy requirement for quarterly financial update reports to the Reservoir Committee (RC) and Authority Board (AB).

Key takeaways of this report include:

Revenue Performance

Funds received in Q2 2026 totaled approximately $7.8 million, approximately $1.4 million below plan. The variance is primarily due to the timing of federal reimbursement revenue. A large federal reimbursement request submitted shortly after the end of Q2 was received in July 2026 and will be reflected in the Q3 financial report. Year-to-date funds received through June 30, 2026, totaled approximately $8.3 million.

Expenditure Performance & Cost Management

The Q2 2026 spending plan was approximately $7.0 million, compared with actual cash disbursements of approximately $5.1 million, or approximately $1.8 million below plan. The variance reflects identified and implemented efficiencies, deliberate pacing of Project activities to extend available funding as needed, and careful prioritization of critical-path work activities. Year-to-date cash disbursements through June 30, 2026, totaled approximately $9.4 million, or 31 percent of the $30.0 million FY 2026 budget.

Q2 expenses increased by approximately $0.8 million compared with Q1. The increase was primarily within Project 301, Preparing for Construction & Reservoir CMAR, and included priority activities such as cultural and environmental surveys and preconstruction services with the Reservoir and Roads CMAR contractor.

The FY 2026 budget includes an approximately $3.0 million CAISO payment, which was made in early July and is therefore not reflected in cash disbursements through June 30, 2026. The budget also includes approximately $4.0 million for one-time land purchases that have not yet occurred. Excluding these two significant one-time items from the budget comparison, year-to-

date expenditures are generally in line with, and slightly below, budgeted spending.

Cash Position & Funding Outlook

The Authority's bank account balance at June 30, 2026, was approximately $13.3 million, a decrease of approximately $80,000 during Q2. The balance remained relatively stable because State and federal reimbursement revenue largely offset planned Project expenditures. Staff anticipates another significant increase in reimbursement revenue during Q3, likely exceeding Q3 expenditures, and continues to advance priority activities while maintaining an adequate cash balance and planning for sufficient carryover to support early 2027 activities.

Contingency & Budget Adjustments

One allocation of unrestricted contingency occurred during Q2. A total of $490,000 was allocated to Project 301 to cover increased CAISO costs associated with network upgrades identified through the interconnection process. The activity was budgeted at approximately $2.5 million; however, CAISO's assessment identified additional required power-infrastructure improvements, increasing the total to approximately $3.0 million. The allocation reduced the unrestricted contingency balance from approximately $1.4 million to $946,000. An unbudgeted refund of the $674,000 CAISO Site Control Deposit is anticipated before the end of 2026, and staff plans to return the refunded amount to contingency, thereby restoring the contingency balance.

Budget Transfer Activity

A total of 12 budget transfers occurred during the quarter. The Budget Transfers table included in the attached Q2 2026 report also identifies 10 instances of increases to contract authority, in accordance with reporting requirements established under the Authority’s Delegation of Authority and corresponding policies.

Although adjustments were made among individual project budgets, there was no net change to the total FY 2026 budget of $30.0 million.

Estimated Cash Carryover & 2027 Funding Outlook

Initial expense and revenue forecasts currently project an estimated year-end 2026 cash balance of approximately $12.2 million. Staff will continue to refine forecast assumptions and closely monitor expenditure activity, reimbursement timing, and overall cash flow throughout the remainder of the year.

Staff is targeting a year-end cash balance sufficient to cover approximately six months of expenditures in 2027, consistent with the latest water-right permit and Benefits and Obligations Contract timeframes. Actual carryover availability

and duration will depend on final expenditure levels, reimbursement collections, the timing of Project activities, and Board direction regarding work plan priorities. A Work Plan Update, including review and adoption of the 2027 budget, will be brought to the Board in October 2026.

The Budget and Finance Committee reviewed the Q2 2026 Financial Report, and all comments provided by the Committee have been incorporated into the attached report.

Prior Action:

May 2026: Reservoir Committee and Authority Board consider acceptance of the Sites Project Authority's First Quarter 2026 Budget Financial Report.

Fiscal Impact/Funding Source:

The approved Amendment 3 Work Plan contains sufficient funds to continue financial reporting through December 31, 2026. Staff will continue to monitor budget status throughout the Amendment 3 period. Staff will continue to refine work plan projections and provide status updates to the Board biannually, with the next update planned for the FY27 Work Plan Update and Budget Review in Oct 2026.

Staff Contact:

Shayleen O'Connell
Marcus Maltby

Primary Service Provider:

Brown and Caldwell

Attachments:

Attachment A – Q2 2026 Financial Report

Quarterly Financial Report
Fiscal Year 2026 - Second Quarter Financial Report

Funds Received (rounded)

Figures provided below are on a cash basis

Funding Source	Q1	Q2	Q3	Q4	YTD	Budget
Reservoir Committee Cash Calls	$ -	$ -	$ -	$ -	$ -	$ -
Authority Board Dues	$ 365,000	$ 10,000	$ -	$ -	$ 375,000	$ 415,000
Federal WIIN Act Funding	$ -	$ 1,062,000	$ -	$ -	$ 1,062,000	$ 5,680,000
State Prop 1 (WSIP)	$ -	$ 6,558,000	$ -	$ -	$ 6,558,000	$ 10,949,000
Interest Income	$ 152,000	$ 140,000	$ -	$ -	$ 292,000	$ 470,000
Rental Income	$ 34,000	$ -	$ -	$ -	$ 34,000	$ -
Funds Received Total	**$ 551,000**	**$ 7,770,000**	**$ -**	**$ -**	**$ 8,321,000**	**$ 17,500,000**
Carryover from 2025					$ 15,400,000	$ 12,500,000
Estimated Total Available Funds in 2026					**$ 23,721,000**	**$ 30,000,000**

Cash Disbursements Activity (rounded)

Figures provided below are on a modified cash basis

Proj No.	Project Name	Q1	Q2	Q3	Q4	FYTD	Budget	% Spent
101	Key Agreements & Reports	$ 374,000	$ 427,000	$ -	$ -	$ 801,000	$ 1,302,200	62%
102	Key Permits & Environmental Agreements	$ 291,000	$ 212,000	$ -	$ -	$ 503,000	$ 729,572	69%
103	Interim & Permanent Finance Programs	$ 22,000	$ 22,000	$ -	$ -	$ 44,000	$ 418,000	11%
201	Home Board Support	$ -	$ 88,000	$ -	$ -	$ 88,000	$ 189,400	46%
301	Preparing for Construction & Reservoir CMAR	$ 556,000	$ 1,200,000	$ -	$ -	$ 1,756,000	$ 7,947,713	22%
302	Priority Acquisitions & Land Management	$ 48,000	$ 34,000	$ -	$ -	$ 82,000	$ 4,195,000	2%
303	Mitigation Related Activities & Support	$ 46,000	$ 84,000	$ -	$ -	$ 130,000	$ 390,000	33%
304	Environmental Compliance & Plan Development	$ 39,000	$ 59,000	$ -	$ -	$ 98,000	$ 265,000	37%
306	Conveyance CMAR	$ 384,000	$ 248,000	$ -	$ -	$ 632,000	$ 1,228,900	51%
901	Project Management Support	$ 2,561,000	$ 2,738,000	$ -	$ -	$ 5,299,000	$ 12,388,215	43%
999	Contingency	$ -	$ -	$ -	$ -	$ -	$ 946,000	0%
Total Cash Disbursements		**$ 4,321,000**	**$ 5,112,000**	**$ -**	**$ -**	**$ 9,433,000**	**$ 30,000,000**	**31%**

Bank Account Balance (rounded)

Balances below are captured from the last day of the period shown

	End 2025	Q1	Q2	Q3	Q4
Change in Account Balance from Previous Quarter		$ (3,457,000)	$ (80,000)	--	--
Actual Running Account Balance	$ 16,860,000	$ 13,402,000	$ 13,323,000	--	--

Unrestricted Contingency Balance (rounded)

Unrestricted Contingency Releases by Quarter

	Work Plan Budget	Q1	Q2	Q3	Q4	Current Balance
Contingency	$ 1,436,000	$ -	$ (490,000)	$ -	$ -	$ 946,000

Unrestricted Contingency Releases

Destination Project	Authorization Date	Description of Change	$ Authorized
301 - Preparing for Construction	6/26/2026	Assigned to cover increased CAISO cost associated with network upgrades identified through interconnection process	$ 490,000

Closed Contracts & Task Orders

Contracted Party	Start	Finish	Task Order ID	$ Authorized	$ Spent
none this period					

Net Budget Changes

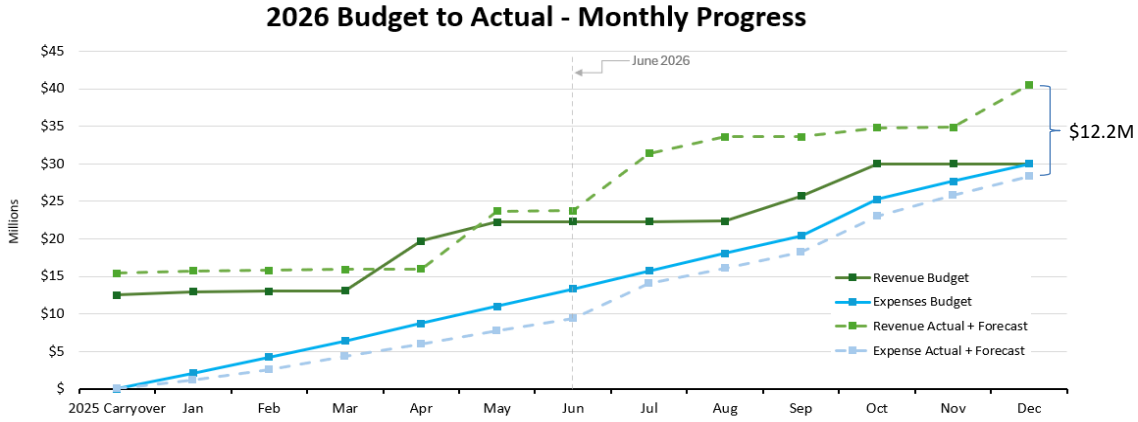
Net Budget Changes by Quarter

Proj No.	Project Name	Initial Budget	Q1	Q2	Q3	Q4	Currently Budget
101	Key Agreements & Reports	$ 665,000	$ 104,000	$ 533,200			$ 1,302,200
102	Key Permits & Environmental Agreements	$ 600,000	$ 80,000	$ 12,107			$ 692,107
103	Interim & Permanent Finance Programs	$ 1,200,000	$ -	$ (782,000)			$ 418,000
201	Home Board Support	$ 50,000	$ 50,000	$ 89,400			$ 189,400
301	Preparing for Construction & Reservoir CMAR	$ 7,650,000	$ (116,215)	$ 522,793			$ 8,056,578
302	Priority Acquisitions & Land Management	$ 4,220,000	$ -	$ (25,000)			$ 4,195,000
303	Mitigation Related Activities & Support	$ 430,000	$ (40,000)	$ -			$ 390,000
304	Environmental Compliance & Plan Development	$ 950,000	$ (394,000)	$ (277,500)			$ 278,500
306	Conveyance CMAR	$ 760,000	$ 67,000	$ 317,000			$ 1,144,000
901	Project Management Support	$ 12,039,000	$ 249,215	$ 100,000			$ 12,388,215
999	Contingency	$ 1,436,000	$ -	$ (490,000)			$ 946,000
	Total Contract Changes	**$ 30,000,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 30,000,000**

Quarterly Financial Report
Fiscal Year 2026 - Second Quarter Financial Report

Budget Changes by Event

Consultant/Vendor	Scope of Work Description	$ Authorized	Project		Change to Contract Auth	Notes
			From	To		
Water Power and Law	Mitigation procurement evaluation	$ 60,000	--	303	Y	
Uncommitted	Mitigation procurement evaluation	$ (60,000)	303	--	N	
AECOM	CWC Final Award Support	$ 24,207	--	102	N	
AECOM	Reallocating from anticipated underrun	$ (24,207)	301	--	N	
CMD West	Envir survey field work oversight	$ 20,000	--	301	Y	
Uncommitted	Envir survey field work oversight	$ (20,000)	301	--	N	
ICF	Envir survey & Section 106 PA support	$ 200,000	--	301	Y	
Uncommitted	Envir survey & Section 106 PA support	$ (200,000)	301	--	N	
BBK	Continued Conveyance CMAR procurement	$ 100,000	--	301	Y	
BBK	Continued Envir Mitigation procurement	$ 182,000	--	306	Y	
Young Wooldridge	Additional general counsel support	$ 100,000	--	901	Y	
Nossaman	Continued B&O and other Agreement support	$ 475,000	--	101	Y	
Nossaman	Reallocate from State and Federal Funding Support	$ (75,000)	102	--	N	
Uncommitted	Reallocate from Interim & Permanent Finance Support	$ (782,000)	103	--	N	
Hodge Executive Services	Executive Services	$ 105,000	--	901	Y	
BC	Reallocate from Executive Assistant budget (Marcia K.)	$ (105,000)	901	--	N	
BC	Additional CWC agmt adminstration and invoice support	$ 12,000	--	102	Y	
Uncommitted	Additional CWC agmt adminstration and invoice support	$ (12,000)	102	--	N	
Somach Simmons & Dunn	Water Right legal support	$ 150,000	--	901	Y	
MBK	Section 106 WP #1 and #2	$ (150,000)	901	--	N	
CH2M Hill	Additional effort related to Program Baseline Report	$ 58,200	--	101	Y	
CH2M Hill	Additional effort related to Draft Water Right & Operations BA/BiOps	$ 62,900	--	102	Y	
CH2M Hill	Additional effort related to Home Board Support	$ 89,400	--	201	Y	
CH2M Hill	Additional effort related to Colusa Basin Drain Modeling	$ 170,000	--	306	Y	
CH2M Hill	Reallocating from anticipated underrun	$ (25,000)	302	--	N	
CH2M Hill	Reallocating from anticipated underrun	$ (35,000)	306	--	N	
Uncommitted	Reallocating budget that is not anticipated to be needed in 2026	$ (277,500)	304	--	N	
Uncommitted	Reallocating budget that is not anticipated to be needed in 2026	$ (43,000)	301	--	N	
CAISO	Additional funds to cover increase in CAISO Readiness Deposit	$ 490,000	--	301	N	
Contingency	Anticipated CAISO refund will restore contingency balance	$ (490,000)	999	--	N	



	Year-to-date (June 2026)		Annual 2026 Budget	
	Budget	Actual	Budget	Actual+Forecast
Expense	$13,342,000	$9,434,000	$30,000,000	$28,315,000
Revenue**	$22,284,000	$23,722,000	$30,000,000	$40,506,000

Note: Provided values have been rounded for simplicity

**Revenue figures include 2025 Carryover funds for illustrative purposes only

Meeting: **Reservoir Committee & Authority Board Agenda Item 2.1** **August 21, 2026**

Subject: **Accept Mid-Year 2026 Budget Review and Workplan Status Update**

Requested Action:

Reservoir Committee and Authority Board accept the Mid-Year 2026 Budget Review and Work Plan status update and authorize a new task order for limited geotechnical work, funded primarily through the reprioritization of previously budgeted funds.

Detailed Description/Background:

The Sites Project Authority approved the FY26 Budget, including a revision to the Amendment 3 Work Plan, in October 2025. The budget and work plan projected work through December 31, 2026. As the Project nears the end of Phase 2and advances toward investor commitment, the Authority has implemented mid-year check-ins to facilitate timely adjustments during this critical stage. This report provides the 2026 mid-year budget and work plan status update. Overall, the updated outlook remains largely consistent with the current board approved 2026 budget, considers a maintenance of effort through end of June 2027, and recognizes that further Project decisions will depend on the anticipated September water-right outcome and investor commitment start.

Staff evaluated the work plan and budget adopted in October 2025 and found that the schedule, work priorities, and expense and revenue budgets remain largely consistent with the current 2026 board approved budget, with the following updates:

- Staff has identified additional and conserved cash flow that is available to support current phase activities and maintenance of effort through end of June 2027, if needed.
- Staff recommends authorizing a new task order for limited geotechnical activities as a 2026 work item, funded primarily through the reprioritization of previously budgeted funds.

The water-right permit schedule at a minimum compresses, and possibly extends the anticipated timing for investor commitment. More will be better understood when the revised draft water right is issued on September 3 per the most recent AHO schedule.

Available Funds

While staff is not proposing a change to the revenue budget, agreements reached in the Partnership Agreement negotiations with Reclamation have resulted in shifting $7.5 million of Federal funding to be available starting in 2026. The current federal funding agreement is being amended to allow continued access to federal funds

through June 2027 by October 1. This is considered new revenues to the A3 work plan and provides added funding to be able to sustain operations if needed, through end of June 2026.

Other non-material changes included in the Estimate at Completion are a reduction in AB membership reducing revenue by $40k as one AB member transitioned to a non-voting associate member, an increase in revenue of approximately $50k due to leasing out existing land for grazing, and potentially higher interest income due to higher cash balances in the bank. **Attachment A, Table 3** provides a status of the current revenue budget alongside estimated end-of-year values.

Table 3: Currently Adopted vs Proposed Revised 2026 Revenue Budget

Funding By Source	Adopted 10/2025	Current 2026 Budget	Change	Est. at Complete
RC Cash Call	--	--	--	--
Authority Board Seat Dues	$0.4M	$0.4M	--	$0.4M
Federal (WIIN Act/IIJA) Funding	$5.7M	$5.7M	--	$13.2M
State (Prop 1 [WSIP])	$10.9M	$10.9M	--	$10.9M
Rental Income	--	--	--	$0.05M
Bank Interest	$0.5M	$0.5M	--	$0.6M
Revenue Total	**$17.5M**	**$17.5M**	--	**$25.1M**

Note: Adopted 2026 budgets reflects budgets as approved at October 2025 Board meeting. Current 2026 Budget includes Board approved budget changes through July 2026 and estimated changes to be adopted in August 2026. Est. at Completion is staff current projected forecast.

Expense Budget

Staff continues to manage within the adopted FY26 expense budget of $30.0 million across 11 projects. As anticipated when the budget was adopted, staff has made adjustments throughout the year to the allocation of the budget and related contract authority as the Project has progressed and priorities have changed. These adjustments have been approved by the Board at monthly meetings or the Executive Director under delegated authority, as applicable. The table below compares the budget adopted in October 2025 with the current 2026 budget, including approved and proposed reallocations among projects, and presents the current estimate at completion of $28.8 million. All budget transfers are reported to the Budget and Finance Committee and approved by the Board in the Quarterly Financial Report. **Attachment A, Table 2**, provides additional budget detail, and **Attachment B** summarizes the Work Plan's key deliverables and anticipated completion dates.

The current 2026 budget remains at the Board-adopted total of $30.0 million. As the Project has progressed, staff has reallocated funding among projects and adjusted related contract authority. The most significant changes include deferring $1.0 million for interim and permanent financing activities to 2027, when the 2027 short-term

notes is expected to occur, and reallocating funding to other priority activities. All changes reflected in the current 2026 budget have been previously approved by the Board or the Executive Director under delegated authority, except for the proposed change related to the limited geotechnical work discussed below.

The current estimate at completion is $28.8 million, approximately $1.2 million below the adopted budget. The estimate at completion reflects staff's current projection of FY26 expenditures based on work completed to date and activities anticipated through year-end. The projected difference is primarily attributable to lower anticipated expenditures due to landowner appraisals for Priority Land Acquisition and Project Management Support, partially offset by other projected expenditures and the proposed limited geotechnical work.

Table 2: Adopted 2026 Budget, Current 2026 Budget and Estimate at Completion

#	Project Name	Adopted 10/2025	Current 2026 Budget	Change	Est. at Complete
101	Key Agreements & Reports	$0.7M	$1.3M	$0.6M	$1.2M
102	Key Permits & Environmental Agreements	$0.6M	$0.7M	$0.1M	$0.7M
103	Interim & Permanent Finance Programs	$1.2M	$0.2M	-$1.0M	$0.2M
201	Home Board Support	$0.1M	$0.2M	$0.1M	$0.2M
301	Preparing for Construction & Reservoir CMAR	$7.7M	$8.1M	$0.5M	$8.0M
302	Priority Acquisition & Land Management	$4.2M	$4.2M	- -	$3.2M
303	Mitigation Related Activities & Support	$0.4M	$0.4M	- -	$0.4M
304	Environmental Compliance & Plan Development	$1.0 M	$0.3M	-$0.7M	$0.3M
306	Conveyance CMAR	$0.8M	$1.2M	$0.5M	$1.2M
901	Project Management Support	$12.0M	$12.4M	$0.3M	$12.0M
999	Contingency	$1.4M	$0.9M	-$0.5M	$1.4M
	Expense Total	**$30.0M**	**$30.0M**	- -	**$28.8M**

Note: Adopted 2026 budget reflects budget as approved at October 2025 Board meeting. Current 2026 Budget includes Board approved budget changes through July 2026 and estimated changes to be adopted in August 2026. Est. at Completion is staff current projected forecast.

Staff recommends authorizing a new task order for limited geotechnical work on Authority owned property centered on collecting select data at the proposed Golden Gate Dam Right Abutment location that will inform the viability of significant value engineering options that have been identified by the early collaboration of the builder and designer. The proposed work tentatively includes four boreholes and the associated analysis, logging, and testing. The estimated level of effort for the field work and supporting activities is approximately $1.2 million and will be tracked and managed under Imperative 3, getting ready for construction (Project No. 301,

Preparing for Construction & Reservoir CMAR). The work will be funded primarily through the reallocation of projected underruns and deferred work within Project 301. Included in **Attachment C** is a table outlining specific project budget and consultant contract adjustments being requested for approval under this action.

Schedule and Cash Flow Management

The adopted work plan has a period of performance ending December 31, 2026; however, changes to the water-right schedule have extended the anticipated timing for investor commitment and the end of the current phase into 2027. Staff expects an update from the State Water Resources Control Board in September 2026, and further Project decisions will depend on the water-right outcome and investor commitment. In the interim, the updated outlook considers maintaining an appropriate level of effort through June 2027 with anticipated carry over into 2027 of approximately $12 million. This carry over is primarily the result of additional revenue from BOR. When the 2027 Work Plan Update and FY27 Budget are brought to the Board, staff will address the revised schedule assumptions, work priorities, funding needs, and the activities required to complete the current phase. Staff continues to explore management actions to reduce near-term expenditures. Preliminary estimates indicate that approximately $12 million in carryover funds will be required to maintain Project efforts through end of June 2027. The cash-flow curve in **Attachment A, Figure 1**, illustrates staff's adjustments to the changing schedule conditions.

The Budget and Finance Committee has reviewed the 2026 Mid-yr Work Plan Update and Budget Review and all comments have been incorporated into this report.

Prior Action:

November 2025 – Reservoir Committee and Authority Board approval to adjust the contract authority for Fiscal Year 2026 and adjust the five-year not-to-exceed (NTE) consultant contract authority for specified consultant contracts to align with the Board-adopted FY 2026 Budget, and to extend the related contracts through December 31, 2026.

October 2025 – Reservoir Committee and Authority Board approved the FY26 Budget and took related actions to the Amendment 3 Work Plan Update:

Fiscal Impact/Funding Source:

If approved, the requested action would update the FY26 Budget and contract authority while remaining within the total approved FY26 budget. The revised outlook considers maintenance of effort, if needed, through end of June 2027, including authorization of a new task order for limited geotechnical work funded primarily through the reprioritization of previously budgeted funds. The revised work plan cash flow projects an end-of-year balance of approximately $12 million. Staff will continue to monitor Project needs and strive to maintain the availability of existing funds

through end of June 2027; further Project decisions and any additional budget actions will depend on the anticipated September water-right outcome and investor commitment start.

Staff Contact:

Shayleen O'Connell

Primary Service Provider:

None

Attachments:

Attachment A – Annual Budget Summary Tables & Cash Flow Curve

Attachment B – Updated Amendment 3 Work Plan Deliverables

Attachment C – Proposed Budget and Contract Changes

Annual Budget Summary Tables and Cash Flow Curves

Table 1: Adopted Simplified A3 Budget vs Proposed Revised Simplified A3 Budget

Adopted Budget	**2025**	**2026**	**Total**
Expense	--	$30.0M	**$30.0M**
Revenue	$12.5M	$17.5M	**$30.0M**

Revised A3 Budget	**2025**	**2026**	**Total**
Expense	--	$30.0M	**$30.0M**
Revenue	$15.4M	$17.5M	**$32.9M**

Note: Budget includes actual and forecasted values. 2025 carryover funds are shown as FY25 revenue for cash illustrative purposes.

Table 2: Adopted 2026 Budget, Current 2026 Budget and Estimate at Completion

#	Project Name	Adopted 10/2025	Current 2026 Budget	Change	Est. at Complete
101	Key Agreements & Reports	$0.7M	$1.3M	$0.6M	$1.2M
102	Key Permits & Environmental Agreements	$0.6M	$0.7M	$0.1M	$0.7M
103	Interim & Permanent Finance Programs	$1.2M	$0.2M	-$1.0M	$0.2M
201	Home Board Support	$0.1M	$0.2M	$0.1M	$0.2M
301	Preparing for Construction & Reservoir CMAR	$7.7M	$8.1M	$0.5M	$8.0M
302	Priority Acquisition & Land Management	$4.2M	$4.2M	- -	$3.2M
303	Mitigation Related Activities & Support	$0.4M	$0.4M	- -	$0.4M
304	Environmental Compliance & Plan Development	$1.0 M	$0.3M	-$0.7M	$0.3M
306	Conveyance CMAR	$0.8M	$1.2M	$0.5M	$1.2M
901	Project Management Support	$12.0M	$12.4M	$0.3M	$12.0M
999	Contingency	$1.4M	$0.9M	-$0.5M	$1.4M
	Expense Total	**$30.0M**	**$30.0M**	- -	**$28.8M**

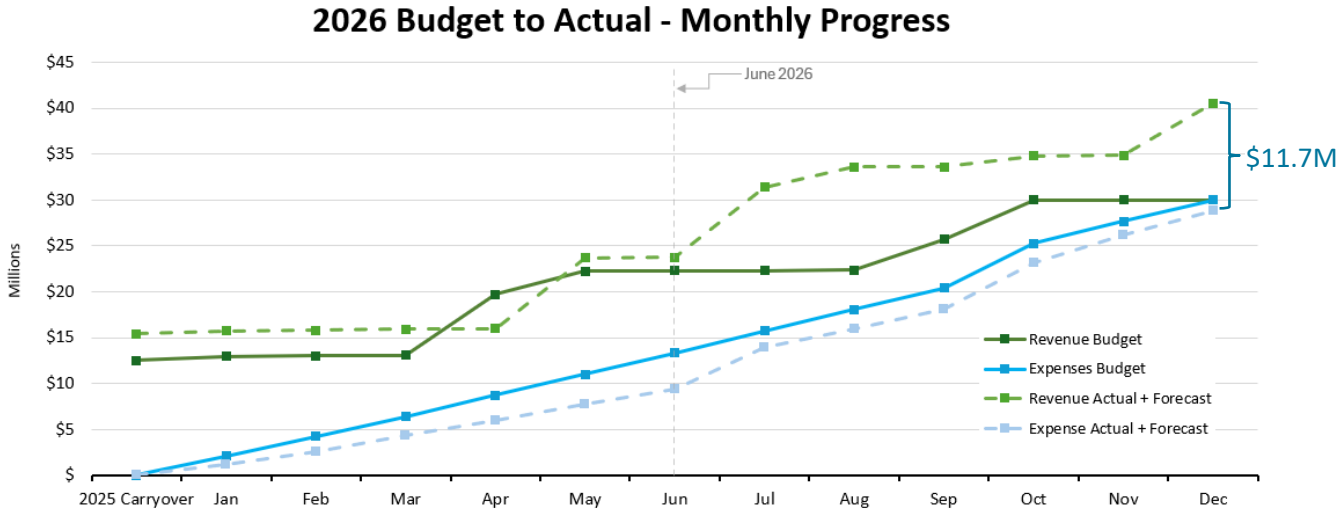
Note: Adopted 2026 budget reflects budget as approved at October 2025 Board meeting. Current 2026 Budget includes Board approved budget changes through July 2026 and estimated changes to be adopted in August 2026. Est. at Completion is staff current projected forecast.

Table 3: Currently Adopted vs Proposed Revised 2026 Revenue Budget

Funding By Source	Adopted 10/2025	Current 2026 Budget	Change	Est. at Complete
RC Cash Call	- -	- -	- -	- -
Authority Board Seat Dues	$0.4M	$0.4M	- -	$0.4M
Federal (WIIN Act/IIJA) Funding	$5.7M	$5.7M	- -	$13.2M
State (Prop 1 [WSIP])	$10.9M	$10.9M	- -	$10.9M
Rental Income	- -	- -	- -	$0.05M
Bank Interest	$0.5M	$0.5M	- -	$0.6M
Revenue Total	**$17.5M**	**$17.5M**	- -	**$25.1M**

Note: Adopted 2026 budgets reflects budgets as approved at October 2025 Board meeting. Current 2026 Budget includes Board approved budget changes through July 2026 and estimated changes to be adopted in August 2026. Est. at Completion is staff current projected forecast.

Figure 1: 2026 Cash Flow Curve



	Year-to-date (June 2026)		Annual 2026 Budget	
	Budget	Actual	Budget	Actual+Forecast
Expense	$13,342,000	$9,435,000	$30,000,000	$28,805,000
Revenue**	$22,284,000	$23,722,000	$30,000,000	$40,506,000

Note: Provided values have been rounded for simplicity

**Revenue figures include 2025 Carryover funds for illustrative purposes only

Attachment B - Update to Amendment 3 Work Plan Key Deliverables			
Deliverable	**Done?**	**Target Completion**	**Notes**
Initiate Application for Permit to Construct from DSOD	✓	Q3 2024	
~~Advance Engineering of Project Feature Encroachments to 65% Design Level in Support of Permitting~~		N/A	Superseded by reprioritization effort and permitting issuance did not require this level of design at thie time
Determine Procurement and Delivery Strategy	✓	Q3 2022	
Determine Overall Project Schedule	✓	Q4 2023	
Preliminary Engineering (30% design level) and P1A/P1B Geotechnical Investigations	✓	Q2 2024	Geotechnical activities reprioritized
Execute Benefits Contracts with DWR and CDFW		Q4 2026	Complete pending public review and conformance with final Water Right
Secure Final Funding with CWC		Q4 2026	Supplemnental Funding Determination approved in June 2026
Execute Final Operations Agreement with Facility Partners, State and Federal Agencies		Q4 2026	All parties have confirmed acceptance of terms, awaiting final water right to finalize
Secure Federal Funding		Q4 2026	Partnership Agreement being coordinated with B&O Contract
Executed Partnership Agreement with Reclamation		Q4 2026	Complete but pending conformance with final B&O Contract
Complete Loan Applications	✓	Q1 2023	
Determine Organization Structure	✓	Q3 2024	
Execute Benefits and Obligations Contracts		Q4 2026	
Obtain Environmental Permits Required for WSIP Final Award		Q4 2026	Awaiting CWA 401/404 permits
~~Develop Mitigation Acquisition Master Plan~~ ***Develop Draft Mitigation Strategic Plan***	✓	Q3 2023	
Receive Water Right Order and Permit		Q4 2026	
~~Obtain Local Agency Agreements and Permits~~ ***Developer Agreements with Counties***	✓	Q3 2025	

Attachment B - Update to Amendment 3 Work Plan Key Deliverables			
Deliverable	**Done?**	**Target Completion**	**Notes**
Complete Final EIR/EIS	✓	Q4 2023	
Develop Land Acquisition Plan	✓	Q3 2025	
Acquire Land (from willing sellers)*		Ongoing	
Reservoir CMAR Procurement Process and Strategy	✓	Q1 2024	
Finalize Initial Reservoir CMAR Pre-Construction Scope	✓	Q3 2025	
Reservoir CMAR Contract Award*	✓	Q1 2026	
Complete CAISO Phase I Studies*	✓	Q4 2025	
~~Initiate Golden Gate Dam Foundation Sub Project~~		N/A	
Prepare Comprehensive Risk Register Update	✓	Q1 2026	Instead, a risk analysis was performed in conjunction with the project cost estimate update and associated contingencies were included in the revised June 2025 estimate. A risk register will be created as an early Phase 3 activity.
Determine Construction Water Needs and Sources	✓	Q3 2025	
Determine Construction Power Needs and Sources*		Q4 2026	
Perform Construction Traffic Management Plan*		NA	Traffic management plan will be an evolving plan. Initial draft to be completed in Phase 3.
Secure Project-level Operations BiOps and other		Q4 2027	Sites already has programmatic coverage under the 2024 LTO, and operations found to be non-jeopardy. This is needed in ~2033 when Sites operations begin and specific take is needed.
Terrestrial Biological Mitigation Contract Execution*		Q1 2027	Procurement in progress. Staff expects to begin negotiations with a potential contractor in Q4, 2026 with contract execution in Q1 2027.
Begin Implementing required EIR, ITP, Section 106, and Water Right Conditions*		Ongoing	
Initiate Greenhouse Gas Emissions Plan*		2027	This activity has moved into Phase 3.

Attachment B - Update to Amendment 3 Work Plan Key Deliverables			
Deliverable	**Done?**	**Target Completion**	**Notes**
Complete Environmental Compliance Implementation System *		Ongoing	Staff is developing the environmental compliance implementation system and has been defining system needs and developing system components.
Preliminary Project Baseline Report		Q4 2026	
Interim and Permanent Finance Programs*		Q4 2026	
Procure Conveyance CMAR*		Q1 2027	Active procurement

Note: Bold text represents new or modified deliverables from 2021 adoption of Amendment 3 Work Plan.
* Indicates outstanding deliverables in support of Imperative 3 – "Being Ready to Actually GO"

Attachment C: Description of Proposed Project Budget and Consultant Contract Changes

Consultant	Descripton	Project		Amount
		No.	Name	
Uncommitted	Develop & Submit Required Plans for Const.	301	Preparing for Construction & Reservoir CMAR	$ (243,685)
ICF	Enviro Survey Work - 2026 Botany	301	Preparing for Construction & Reservoir CMAR	$ (85,087)
HDR	Enviro Survey Work - 2026 Botany	301	Preparing for Construction & Reservoir CMAR	$ (25,000)
ICF	Enviro Survey Work - 2026 Raptor	301	Preparing for Construction & Reservoir CMAR	$ (24,539)
HDR	Enviro Survey Work - 2026 Raptor	301	Preparing for Construction & Reservoir CMAR	$ (28,012)
Barnard	Const. Review Haul Roads	301	Preparing for Construction & Reservoir CMAR	$ (175,000)
Barnard	Workshops	301	Preparing for Construction & Reservoir CMAR	$ (37,500)
Uncommitted	Const. Traffic Studies	301	Preparing for Construction & Reservoir CMAR	$ (70,000)
AECOM	Coordination with DSOD	301	Preparing for Construction & Reservoir CMAR	$ (30,000)
AECOM	In Person Meetings	301	Preparing for Construction & Reservoir CMAR	$ (80,000)
AECOM	Const. Power Agreements	301	Preparing for Construction & Reservoir CMAR	$ (40,000)
Uncommitted	Ground Breaking Ceremony	301	Preparing for Construction & Reservoir CMAR	$ (150,000)
AECOM	N-S Haul Road Design	301	Preparing for Construction & Reservoir CMAR	$ (136,177)
AECOM	Calls and Meetings	301	Preparing for Construction & Reservoir CMAR	$ (50,000)
AECOM	Review of GMP #1	301	Preparing for Construction & Reservoir CMAR	$ (50,000)
Montague DeRose	Interim and Permanent Finance Programs	103	Interim & Permanent Finance Programs	$ (175,000)
HDR	2026 Cultural Surveys	301	Preparing for Construction & Reservoir CMAR	$ (35,000)
Barnard	GGD Right Abutment Geotech	301	Preparing for Construction & Reservoir CMAR	$ 1,050,000
AECOM	GGD Right Abutment Geotech Logging and Testing	301	Preparing for Construction & Reservoir CMAR	$ 150,000
ICF	2026 Cultural Surveys	301	Preparing for Construction & Reservoir CMAR	$ 35,000
BC	Ph 3 Contract Development Support	301	Preparing for Construction & Reservoir CMAR	$ 150,000
BBK	Ph 3 Contract Development Support	301	Preparing for Construction & Reservoir CMAR	$ 50,000
			Net Change	**$ -**

Meeting: **Reservoir Committee & Authority Board Agenda Item 2.2** **August 21, 2026**

Subject: **Underwriting Services Request for Proposals for the 2027 Short Term Notes**

Requested Action:

Reservoir Committee and Authority Board authorize issuance of the Request for Proposals for underwriting services for the proposed Short-Term Notes to the 13 firms in the Authority's underwriting pool to be secured in 2027 after initiation of Phase 3/4/5.

Detailed Description/Background:

On August 25, 2025, the Authority issued a Request for Qualifications (RFQ) soliciting firms interested in providing interim/short-term financing for phase 3/4/5 of the Project. The Authority received a robust response from the marketplace, with fourteen firms submitting their qualifications and suggestions. All of the firms submitting were determined to be qualified within the areas of their expressions of interest and were determined to be eligible to be considered for future financial services.

The following 13 firms, from the 14 shortlisted firms, were determined to be qualified to provide underwriting services:

Barclays	PNC Bank
Blaylock Van, LLC	Raymond James & Associates
Bank of America	RBC
Goldman Sachs	US Bank
JP Morgan	Truist
Loop Capital	Wells Fargo
Morgan Stanley	

Proceeding with the procurement of underwriting services at this time is necessary to be ready in early 2027 with the cash needed to fund the 2027 Budget. The RFP is clear that should there be delays in the schedule to initiate Phase 3/4/5 (e.g. due to the water right or investor commitment) that the procurement would either be delayed or terminated. There is no obligation to proceed with the borrowing if initiation of Phase 3/4/5 does not occur within a reasonable timeframe.

The Authority needs to proceed with securing firms to provide underwriter services for short term notes funding which will be the primary funding mechanism for the cash necessary to cover expenses upon the initiation of Phase 3/4/5. The Authority plans to offer tax-exempt bond anticipation notes or other notes maturing in five years or less (the "2027 Notes") that will provide up to approximately $500 million of

tax-exempt interim funding. The $500m amount corresponds with the total Participant spend to occur prior to the Resolution to Construct that is contemplated in Section 3.2.2.

The 2027 Notes are anticipated to be repaid either by refinancings from other short term debt or with proceeds from publicly issued long-term Authority revenue bonds or draws on a Water Infrastructure Finance and Innovation Act (WIFIA) loan. The 2027 Notes are intended to provide short-term financing during the planning, design, and construction phases of the Sites Reservoir Project.

Submitted information will be evaluated by a selection committee determined by the Executive Director and they will ascertain and rank firm or firms as best meeting the needs of the Authority. The RFP identifies the following selection criteria:

- Proposed approach to structuring and other ideas
- Qualifications and experience of firm and key personnel
- Fees
- Submittal quality, organization and completeness

Only to the 13 firms in the Authority's pre-qualified list above will be eligible. Submission of proposals will be accepted only through PlanetBids which is the Authority's standard approach.

Anticipated RFP Schedule

- RFP issued – August 2026
- Proposals due – September 2026
- Proposal Review and Interviews (if needed) – September 2026
- Board and Reservoir Committee approve selection of Firm or Firms for Underwriting Services – October 2026

Prior Action:

October 2025: Staff Report 03-01, Interim Funding RFQ: Review and comment on the fourteen firms deemed qualified to provide interim financing for the next phase of the Sites Project and eligible to continue in the next steps of the procurement process.

Fiscal Impact/Funding Source:

There are sufficient funds within the approved FY26 Budget to cover the costs of securing underwriting services.

Staff Contact:

Shayleen O'Connell / Brian Thomas

Primary Service Provider:

Stradling, Montague DeRose

Attachments:

None

Meeting: **Reservoir Committee & Authority Board Agenda Item 2.3** **August 21, 2026**

Subject: **August 2026 Updated Overall Project Schedule and Spend Plan**

Requested Action:

Reservoir Committee and Authority Board consider approval of the updated Project Schedule and associated current dollar spend plan, which will be used to support development of the Project Baseline Report and inform the Plan of Finance.

Background:

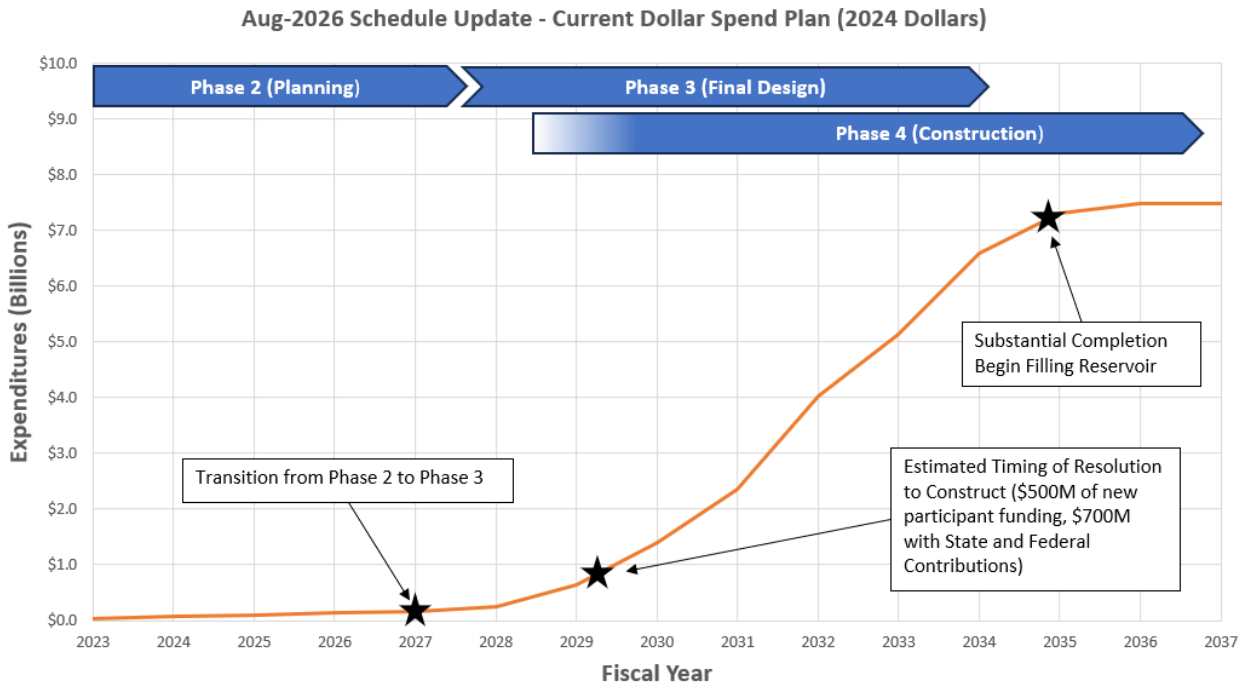
Since the Board approved the January 2026 schedule update, staff has continued to refine the Project Schedule based on delayed progress on the water right since the last report and ongoing planning, permitting, land acquisition planning, and designer and builder execution planning. This Staff Report presents the resulting August 2026 updated Project Schedule for Board approval.

The updated Project Schedule reflects a shift in the projected substantial completion date of approximately one year, from late 2033 to late 2034. This change is primarily attributable to the extended timeframe associated with the water right process, refined assumptions for land acquisition and other construction-enabling activities, recognition of the time required to build organizational capacity and scale project resources to support the magnitude of this project, and additional input from designer-builder teamwork that resulted in refinements to activity durations, sequencing, and overall project execution assumptions.

Spend Plan

The August 2026 updated Project Schedule was used to develop the current dollar spend plan shown in Figure 1 below, based on forecasting the expenditures of the core components of the 30% cost estimate using the schedule durations and sequencing. This spend plan will be used as an input to the Plan of Finance, which translates the current-dollar expenditure forecast into year-of-expenditure costs and participant cash flow projections.

Figure 1 - Current Dollar Spend Plan



Key Schedule Input

The updated schedule assumes that Phase 3/4/5 funding will be available by March 2027, allowing the 2027 Work Plan to be developed based on advancing critical construction-enabling activities beginning in early 2027, including land acquisition, environmental baseline surveys, geotechnical investigations, and organizational readiness, rather than being constrained by existing funding levels. Importantly, the March 2027 assumption of funding availability enables critical field and land access activities to occur during specific environmental compliance work windows in spring 2027. If these work windows are missed, then the overall schedule likely extends to later 2035 and associated escalation costs would be incurred.

Understanding the Critical Path

The updated schedule contains several near-critical paths, with the Saddle Dams currently identified as the last major facility to be completed. However, the more significant schedule driver is the progression of the construction-enabling activities that support all major facilities. These activities begin with land acquisition and access, continue through environmental compliance, design, investigations, and procurement, and culminate in execution of Guaranteed Maximum Prices (GMPs). The timely completion of these enabling activities establishes when major construction can proceed and therefore drives the overall schedule. As these enabling activities progress toward completion, the critical path will transition to one of several major construction packages.

Key Risks and Opportunities

The Risks and Opportunities identified in the January 2026 Schedule Update staff report remain valid. To manage these risks, Staff is focused on efficiently advancing construction-enabling activities, building an execution-focused organization, leveraging the CMAR delivery model to validate sequencing and constructability, and pursuing early work opportunities that advance construction and maintain the overall Project schedule.

Next Steps

By adopting this August 2026 schedule update, the Board is approving the overall Project Schedule and associated current dollar spend plan. These will support development of the Project Baseline Report as well as serve as inputs to the Plan of Finance, which will translate the current-dollar expenditure forecast into year-of-expenditure costs and participant-specific cash flow projections. Staff will actively manage the Project against the approved schedule and continue to identify opportunities to maintain or improve the overall Project completion date.

Prior Action:

January 2026 – Reservoir Committee and Authority Board consider approval of the updated project schedule including adjusting the project operational completion date from end of 2032 to end of 2033.

Fiscal Impact/Funding Source:

No fiscal impact.

Staff Contact:

JP Robinette/Kyle Hughes

Primary Service Provider:

Brown and Caldwell

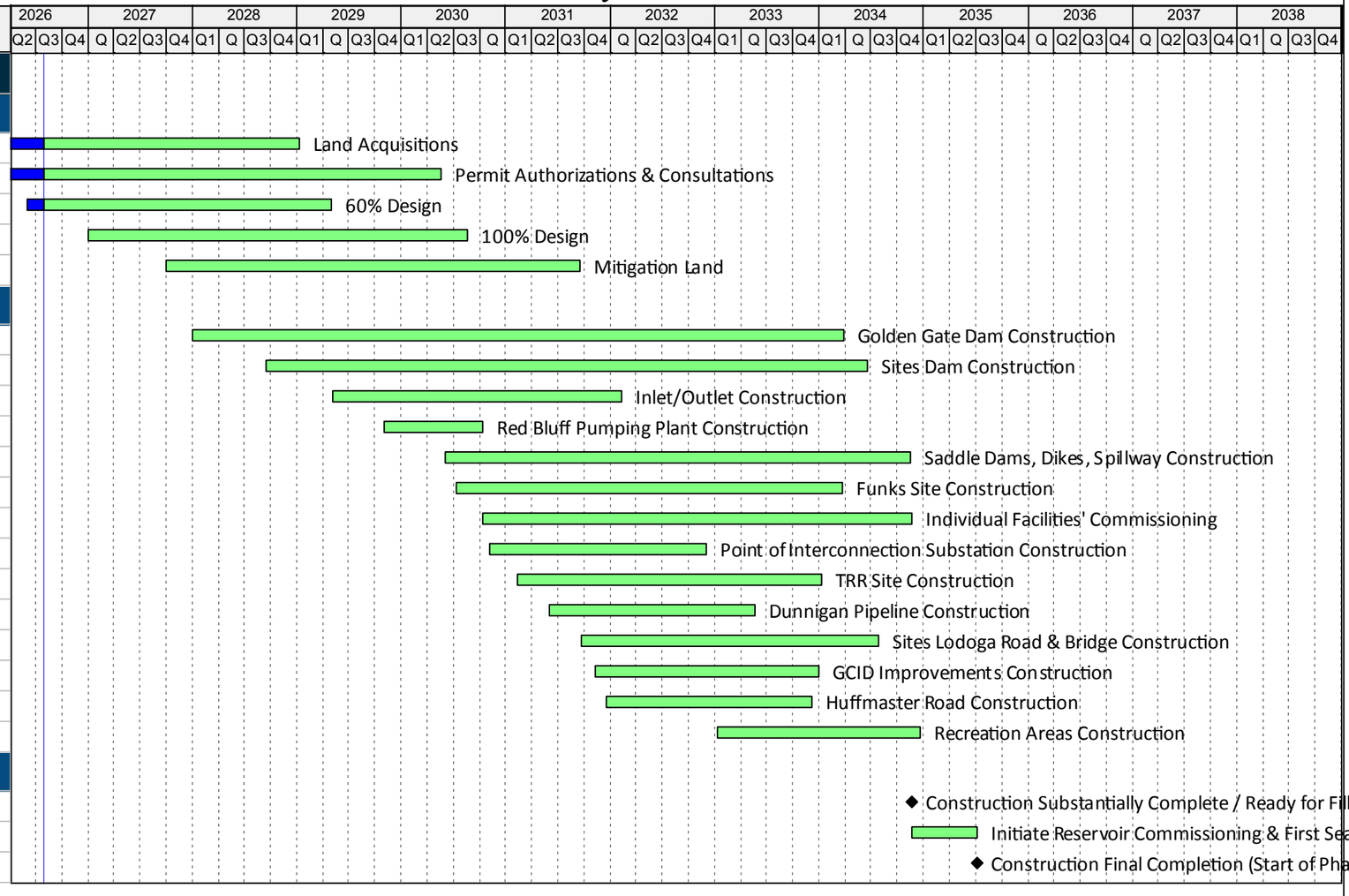
Attachments:

Attachment A – August 2026 Updated Schedule

Sites Reservoir Project

Pre-Construction & Construction Summary Schedule

#	Facility	Start	Substantial Completion
1	**Sites Reservoir: July 31, 2026 Update**	20.Nov.23 A	06.Jul.35
2	**Pre-Construction**	20.Nov.23 A	16.Sep.31
3	Land Acquisitions	20.Nov.23 A	10.Jan.29
4	Permit Authorizations & Consultations	13.Jan.25 A	20.May.30
5	60% Design	01.Jun.26 A	03.May.29
6	100% Design	04.Jan.27	21.Aug.30
7	Mitigation Land	30.Sep.27	16.Sep.31
8	**Construction**	31.Dec.27	20.Dec.34
9	Golden Gate Dam Construction	31.Dec.27	29.Mar.34
10	Sites Dam Construction	15.Sep.28	16.Jun.34
11	Inlet/Outlet Construction	04.May.29	09.Feb.32
12	Red Bluff Pumping Plant Construction	01.Nov.29	14.Oct.30
13	Saddle Dams, Dikes, Spillway Construction	03.Jun.30	17.Nov.34
14	Funks Site Construction	11.Jul.30	23.Mar.34
15	Individual Facilities' Commissioning	15.Oct.30	22.Nov.34
16	Point of Interconnection Substation Construction	06.Nov.30	01.Dec.32
17	TRR Site Construction	13.Feb.31	10.Jan.34
18	Dunnigan Pipeline Construction	04.Jun.31	20.May.33
19	Sites Lodoga Road & Bridge Construction	24.Sep.31	25.Jul.34
20	GCID Improvements Construction	11.Nov.31	28.Dec.33
21	Huffmaster Road Construction	18.Dec.31	06.Dec.33
22	Recreation Areas Construction	11.Jan.33	20.Dec.34
23	**Operations**	20.Nov.34	06.Jul.35
24	Construction Substantially Complete / Ready for Filling		20.Nov.34
25	Initiate Reservoir Commissioning & First Season of Filling	21.Nov.34	06.Jul.35
26	Construction Final Completion (Start of Phase 5 Operations)		06.Jul.35



Project ID: SRP / Project Name: Sites Reservoir: July 31, 2026 Update
Layout Name: Sites Summary / TASK filters: Less than 100%, New Activity, WBS Starts With_1.
Data Date: 31.Jul.26 / Print Date: 17.Aug.26

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Meeting: **Reservoir Committee & Authority Board Agenda Item 3.1** **August 21, 2026**

Subject: **August 2026 Update - Plan of Finance**

Requested Action:

Review and comment on August 2026 Plan of Finance update.

Detailed Description/Background:

An update to the Plan of Finance was presented to the Board and Reservoir Committee in January 2026 to assist Participants as they determine their commitment to the Sites Project (Project) and in preparation of approving the Benefits and Obligations Contract (B&O Contract). The August 2026 update provides revised financial forecasts and Project cash flows based on information available as of August 2026. The underlying total project construction cost estimate of $7.5 billion (in 2024 dollars and referred to as Governance Estimate) has not changed since the Board's June 2025 review.

The August update reflects three primary changes: (1) updated construction schedule with operational completion (i.e. initiate first fill) shifted one year to the end of 2034, with start-up, testing and punch list activities continuing into 2035; (2) updated escalation rates from 2024 to 2026 as actual escalation experienced was higher than projected; and (3) State WSIP funding has increased. Updated 2024–2026 escalation increases the $7.5 billion Governance Estimate to approximately $8.1 billion in 2026 dollars and, together with the revised schedule, to approximately $9.9 billion in escalated (YOE) dollars. Future escalation assumptions are unchanged, with construction costs continuing to escalate at a weighted average rate of approximately 3.7% annually.

In June 2026, the California Water Commission approved approximately $268.9 million in additional conditional supplemental funding, increasing total WSIP funding eligibility from approximately $1.094 billion to $1.363 billion. For 2027 through 2035, in escalated dollars, the August forecast assumes 13% of Project funding from the State, 16% from the Bureau of Reclamation and 71% from Participants, compared with a 73% Participant share in January. Efforts are being made to secure State payment terms to mitigate escalation effects, and there may be additional State funds made available if the final water right terms allow greater deliveries of public benefits.

The analysis continues to include three Participant financing scenarios: (1) interest-only during construction, (2) capitalized interest through construction, and (3) pay-as-you-go (self-funding). Interest rate assumptions are unchanged. Fixed O&M cost and escalation assumptions are also unchanged, but the timing shifts one year with the revised Project schedule. The update continues to

present costs using a standardized one-percent Base Capacity Interest, with and without associated Downstream Facilities Capacity Interest, and includes comparative tables showing changes from the January 2026 forecast.

The Plan of Finance will be incorporated as part of the Program Baseline Report and will continue to be refined as Project information is updated.

Prior Action:

January 2026: Reviewed and discussed the 2026 update to the Draft Plan of Finance and projected cash flows.

Fiscal Impact/Funding Source:

The Amendment 3 Work Plan includes sufficient funds to cover required resources and activities in support of the Plan of Finance and ultimately, the Benefits and Obligations Contract development.

Staff Contact:

Shayleen O'Connell

Primary Service Provider:

Montague DeRose

Attachments:

Attachment A – August 2026 Cash Flow Forecast and Plan of Finance Update

August 2026 Cash Flow Forecast and Plan of Finance Update

Purpose

The purpose of this report is to provide the Sites Authority and Reservoir Committee with an update to the January 2026 financial forecast and Project cash flows based on information available as of August 2026. The underlying construction cost estimate of $7.5 billion (in 2024 dollars) has not changed from the January 2026 forecast. The primary changes reflected in this update are an increase in escalation rates for 2024 through 2026 compared to those included in the January 2026 forecast, and a shift in the construction schedule, with substantial completion now anticipated in 2034 and start-up and punch list activities continuing through 2035. The updated forecast incorporates these changes into the timing and escalation of Project expenditures and the resulting financing and cash flow requirements. The analysis continues to present projected cash flows for the Project and the equivalent cash flow for a one percent Base Facilities Capacity Interest and associated Downstream Facilities Capacity Interest, if applicable, allowing Participants to evaluate the financial implications of different levels of participation.

Assumptions and Cost Drivers

Capital Cost. The most recent cost estimate used in the analysis is $7.5 billion (prepared in 2024 dollars and presented to the Board in June 2025 following Value Planning input), the "Governance Estimate" for the Project. This estimate is escalated to future year dollars for purposes of modeling financing and cash flow. In the January 2026 forecast, using the escalation factors and construction schedule assumed at that time, the total estimated cost of the Project (including construction, planning and design, land and right-of-way, environmental and permitting, and other activities such as project management and support, legal, etc.) totaled $9.4 billion in escalated dollars over the period 2027 through 2035. The January 2026 forecast was based on substantial completion in 2033, with initial operations beginning in 2034 and start-up costs (e.g., testing and punch list items) continuing through 2035. With the actual escalation experienced from 2024 through 2026 and the shift in the construction schedule, the estimated project cost in escalated dollars is approximately $9.9 billion over the period 2027 through 2035. The updated forecast assumes substantial completion in 2034 (i.e. initiate first fill), with start-up, testing, and punch list activities continuing through 2035 as the project becomes operational.

Table 1. Major Assumptions and Cost Drivers

	August 2026 Update	January 2026 Update	2023 Update
Construction Start Year	2027	2027	2025
Construction End Year	2035 (1)	2035 (2)	2031
Project Escalation Rates			
Planning and Design	3.0%	3.0%	2.00%
Construction:			
Reservoir	3.9%	3.9%	2.00%
Conveyance	3.5%	3.5%	2.00%
Land	7.0%	7.0%	2.00%
Fixed O&M	3.5%	3.5%	2.50%
Variable O&M (3)	3.5%	3.5%	2.50%
Power Costs	3.0%	3.0%	2.00%
Power Revenues	2.0%	2.0%	2.00%
Interest Rates			
Short-term (interim)	3.5%	3.5%	3.00%
Long-term Revenue Bonds	5.0%	5.0%	5.00%
WIFIA	4.0%	4.0%	3.75%
Investment Earnings	2.0%	2.0%	2.00%

(1) Substantial completion at the end of 2034. Includes start-up, testing and punchlist items in 2035

(2) Substantial completion at the end of 2033, with start-up, testing and punchlist items in 2034 and 2035

(3) Escalation rate applies to all variable O&M except power

Table 1. Major Assumptions

Capital Cost Escalation Factors.

Escalation and inflation assumptions impact future cash flow needs. *Table 1. Major Assumptions and Cost Drivers* shows the escalation rates and interest rates used in the August 2026 update compared to the January 2026 and 2023 updates. The future escalation assumptions used in the August 2026 update have not changed from the January 2026 update, with construction costs continuing to escalate at a weighted average rate of approximately 3.7% annually from 2027 through 2035.

What has changed since the January 2026 update is the escalation applied to bring the 2024 Governance Estimate forward to 2026 dollars. The January 2026 forecast assumed a weighted average construction escalation rate of approximately 3.7% annually beginning in 2024. In June 2026, the engineering team

completed an analysis of escalation experienced from Q1 2024 through April 2026 using the most recently available U.S. Bureau of Reclamation Construction Cost Trends and Bureau of Labor Statistics data. That analysis resulted in a blended escalation of approximately 4.45% annually from 2024 to 2026, escalating the $7.5 billion Governance Estimate in 2024 dollars to approximately $8.1 billion in 2026 dollars. This adjustment reflects actual escalation experienced from 2024 through 2026 that was higher than projected in the January 2026 forecast. It does not represent a change in the underlying 30% design cost estimate or in the future escalation assumptions, which remain consistent with the January 2026 update.

Construction escalation rates and the timing of construction remain important drivers of the ultimate cost of the Project. As shown in Table 2, under the current escalation assumptions, the approximately $8.1 billion Project cost in 2026 dollars is estimated to increase to approximately $9.9 billion in escalated dollars over the 2027 through 2036 period. A 100 basis point (one percent) increase in future escalation rates would increase the estimated escalated Project cost by approximately $540 million, to $10.5 billion, while a 100 basis point decrease would reduce the estimated cost by approximately $515 million, to $9.4 billion. These assumptions will continue to be reviewed and adjusted as work progresses to reflect then current conditions.

Table 2. Project Cost Sensitivity to Future Escalation Rates

	Project Cost from 2027 thru 2036			
	2026 Dollars	Escalated Dollars	Increase by 1 %	Decrease by 1%
Base Facilities	$ 7,713.6	$ 9,434.2	$ 9,949.6	$ 8,943.6
Downstream Facilities	413.0	502.0	527.3	477.8
Total	$ 8,126.6	$ 9,936.2	$ 10,476.9	$ 9,421.4

Table 2. Project Cost Sensitivity to Future Escalation Rates

Operating and Maintenance Costs (O&M). Consistent with the current draft of the B&O Contract, O&M costs are expected to be allocated as either Fixed O&M charges or Variable O&M charges. Fixed O&M Costs include labor, materials, chemicals, repair and replacements, as well as payments for in-lieu of property taxes, franchise fees, insurance, and legal and administrative costs. Variable O&M costs include the cost of power to pump water into and out of the reservoir, as well as conveyance (wheeling) through existing facilities operated by partners such as Glenn-Colusa Irrigation District and the Tehama-Colusa Canal Authority. As shown in *Table 1. Major Assumptions*, Fixed O&M and Variable O&M costs, other than power, are escalated at 3.5% per year. This reflects recent trends in labor, materials supplies and other non-labor costs. Power costs are assumed to increase 3.0% per year on average, while the increase in power sold from the Project is assumed to increase at 2.0% per year. Power costs are recovered through the Variable O&M charge and will depend on the water year and expected use of the reservoir (both for filling and withdrawals.) It is anticipated that normalized power cost will be determined to avoid

subjecting Participants to large annual swings in the billed O&M for this component. In addition, the model accounts for power sales, which help offset variable costs. Power cost and revenues are allocated in proportion to the quantity of water diverted and released by each agency. Reclamation will pay its share of actual fixed and variable O&M costs associated with its Capacity Interest in the project. The State is paying for delivery of public benefits and does not directly pay for O&M costs.

Interest Rates. The cost of financing (interest rates) is another important driver of annual costs (as well as the total cost of the Project) and assumptions have not changed from the *January 2026 update*. The interest rates used in the forecast and results in the attached tables, were based on historical averages. Actual interest rates will depend on the market at the time a financing is executed. Sites has received a positive indicative credit rating, which implies that the Authority should be able to borrow at competitive, investment grade interest rates. Further, Sites is negotiating a Master Loan Agreement with the Environmental Protection Agency through the Water Infrastructure Finance and Innovation Act (WIFIA) in which interest rates are set at the time the loan is executed and are based on then current Treasury rates. The financial model used to develop the cash flow forecasts and output in this memo does not include proceeds from a USDA loan. Sites also intends to utilize short-term borrowings to finance the Project during construction to help reduce overall interest costs, provide financing flexibility and reduce completion risks of financing. The assumed interest rate for short-term notes used in the financial model is 3.5%. Long-term revenue bonds are modeled with an interest rate of 5.0% and a repayment period of 40 years. The WIFIA loans are estimated to be repaid over a 35-year period and bear an assumed interest rate of 4.0%.

The cost of capital (interest rate) is an important driver in the annual cost of the Project as financing costs are the largest fixed cost that must be paid every year. If interest rates were 100 basis points higher than assumed for the WIFIA and revenue bonds, this would add about $50-60 million per year to the annual Financing Obligations needed to be paid by the Participants.

Participant, State and Bureau of Reclamation Shares.

As noted above, this analysis does not provide cash flow by Participant, since Participants are still evaluating their level of participation in the Project. However, the analysis delineates cash flow and contributions among the Participants, the State of California, and the Bureau of Reclamation (Bureau). The Base Facilities Capacity Interests remain substantially unchanged from the January 2026 update, with the Bureau assumed to have a 16% share of capacity, or 225,600 acre-feet, the State assumed to have 244,000 acre-feet, and the Participants collectively holding approximately 66.7%, or 940,000 acre-feet. The primary change in the allocation assumptions is the allocation of Downstream Facilities Capacity. For purposes of this update, the State's Downstream Facilities Capacity Share is held at 17.3% and the Bureau's share is held at 16.0%, with the remaining Downstream Facilities Capacity allocated among those Participants that require use of the Downstream Facilities for delivery of water, as shown in *Table 3. Allocation of Available Storage*.

Table 3. Storage and Capacity Interest

	Storage (AF)	Base Facilities Capacity Interest	Downstream Facilities Capacity Interest (1)
North of Delta Participants	176,721	12.5330%	2.1100%
South of Delta Particpants	763,679	54.1620%	64.5850%
State of California	244,000	17.3050%	17.3050%
Bureau of Reclamation	225,600	16.0000%	16.0000%
Total	**1,410,000**	**100.0000%**	**100.0000%**

(1) Downstream Capacity Interests are based on proportion of Base Capacity Interest for agencies that require use of Downstream Facilities. State and Bureau Downstream Capacity Interest is equal to Base Facilities Capacity *Interest.*

Table 3. Allocation of Available Storage

Construction Cash Flow

As noted above, the estimated cost of the Project from 2027 through 2035, including planning, design and construction, is approximately $8.1 billion in 2026 dollars and $9.9 billion in escalated dollars. *Figure 1. Project Cash Flow: 2027–2035* shows annual expenditures in 2024 dollars (as shown in the January 2026 update), 2026 dollars, and escalated dollars, and illustrates the effect of both the updated 2024-to-2026 escalation and the revised construction schedule. Annual expenditures are forecast to peak in 2031 at approximately $1.9 billion in 2026 dollars and $2.2 billion in escalated dollars, with a second significant period of expenditures occurring in 2033. Project expenditures then decline substantially in 2034 and 2035 as construction moves toward substantial completion and start-up, testing, and punch list activities are completed.

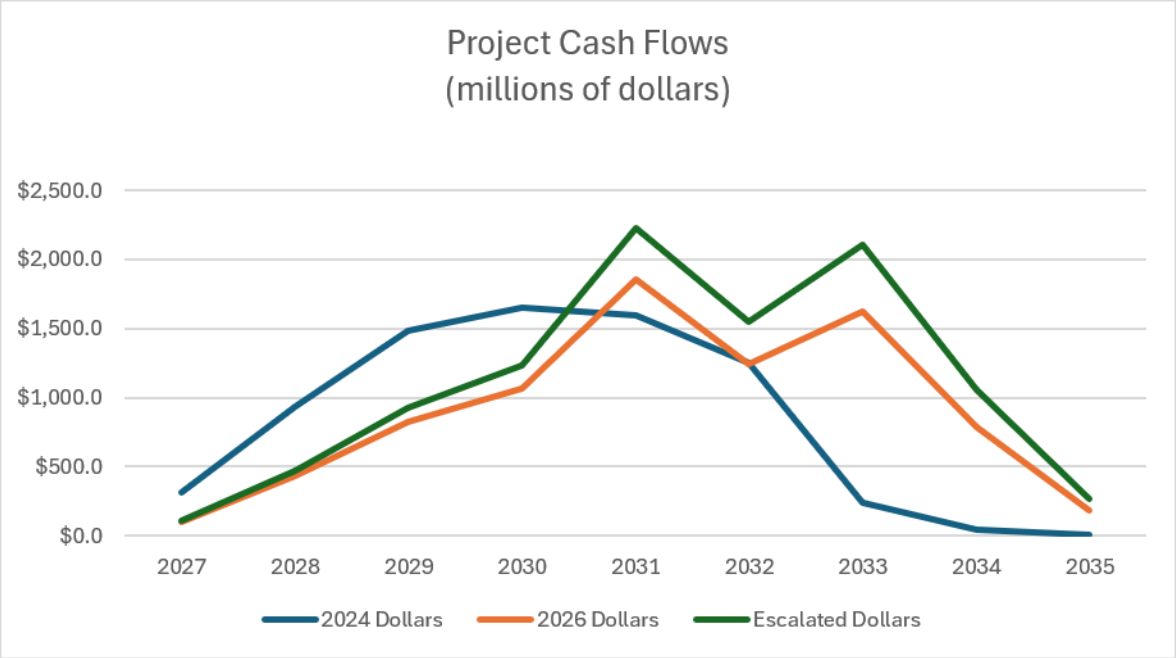


Figure 1. Project Cash Flow: 2027-2035

Construction Funding

There are three primary sources of construction funding: (1) State funding through the Water Storage Investment Program (WSIP), (2) Bureau of Reclamation funding utilizing appropriations through the Water Infrastructure Improvements for the Nation (WIIN) Act, and (3) Participant funding. *Table 4. Construction Funding by Source (Escalated Dollars)* summarizes the anticipated contribution from each funding source and compares the January 2026 and August 2026 forecasts. Participant funding includes financing proceeds and interest earnings on funds held in the construction fund (net funding). The Bureau is anticipated to contribute both cash and in-kind services to the Project, both of which are included in its contributed cost share.

One change from the January 2026 forecast is an increase in State funding available through WSIP. The January 2026 forecast assumed State funding equal to the then-current Maximum Conditional Eligibility Determination (MCED) of approximately $1.094 billion. In June 2026, the California Water Commission approved approximately $268.9 million in additional conditional supplemental funding for the Project to address inflation and additional public benefits, increasing the Project's total WSIP funding eligibility to approximately $1.363 billion. The supplemental funding is from available Proposition 1 and Proposition 4 funding. The August 2026 forecast reflects this increased State funding commitment, reducing the amount of Project costs that would otherwise need to be funded by Participants. Efforts are being made to secure

State payment terms to mitigate escalation effects, and there may be additional State funds made available if the final water right terms allow greater deliveries of public benefits.

Table 4. Construction Funding by Source (2027-2035)

	Aug. 2026 Update		Jan. 2026 Update	
	Dollars (millions)	Percent	Dollars (millions)	Percent
State of California	1,308	13%	1,040	11%
Bureau of Reclamation	1,584	16%	1,513	16%
Participants	7,044	71%	6,871	73%
Total	**9,936**	**100%**	**9,424**	**100%**

Table 4. Construction Funding by Source (escalated dollars)

Construction Financing for Participants

Each Participant will have the opportunity to provide its share of construction cost by participating in the Sites financing plan or self-funding (either with available cash or financing on its own). The Sites financing plan consists of interim financing through short-term debt such as short-term notes, commercial paper or bank loans to meet construction cash flow needs and long-term financing through a combination of WIFIA loans and revenue bonds. Sites has qualified for a USDA loan in the amount of $449 million. The financial model used to develop the cash flow forecasts and output in this memo does not include proceeds from a USDA loan

Three different construction financing scenarios have been included in the projected cash flows:

a. Interest only during construction. In this scenario, interest payments are made beginning in 2030. Due to cash flow and invoicing requirements under the B&O Contract, this scenario assumes that interest will be capitalized for three years on the initial borrowing, two years on the second borrowing and one year on the remaining interim construction loans. Interest is not capitalized on the WIFIA loan, while interest is capitalized for one year on revenue bonds used to repay the interim financing.
b. Capitalized interest through construction. In this scenario, interest is capitalized through 2033, with principal and interest payments due in 2034 on the WIFIA loan and principal and interest due on revenue bonds beginning in 2035.
c. Self-Funding (PAYGO). The final scenario shows annual cost if all Participants were to self-fund their share of construction costs through 2035.

Long-term debt in the form of WIFIA loans and tax-exempt revenue bonds is used to refund the interim financing in the first two scenarios. For presentation purposes, each of the scenarios is based on all Participants funding their share of construction costs in that manner, but Participants will be able to choose any of the three alternatives as Sites prepares to finance the Project. *Table 5. Total Sites Borrowing*

includes the principal/par amount of interim financing, WIFIA loans and Revenue Bonds used in the first two scenarios.

Table 5. Participant Financing
Aug. 2026 Update

(millions of dollars)

	Interim	WIFIA	Revenue Bonds	Total Long-term Debt
Interest Only	7,256.3	5,478.3	1,882.8	7,361.2
CAPI thru Construction	8,000.5	5,541.6	2,602.9	8,144.4

Table 5. Total Sites Borrowing

Capitalizing interest in both cases addresses invoicing requirements and helps mitigate cash flows and demands on Participants during construction. Capitalizing interest through construction increases the total financed amount by about 10.5%, or approximately $780 million. Long-term debt will take out short-term debt when the Authority determines it to be most advantageous. The following scenarios are examples of potential outcomes, assuming that interim debt is refinanced with long-term debt at the end of construction.

Total annual debt service for the interest only scenario is shown in *Figure 2. Annual Debt Service – Interest Only Scenario*. Annual debt service begins in 2030 to pay interest on the interim borrowing and continues through 2074, one year longer than in the January 2026 update. Level annual debt service is approximately $405 million under the August 2026 update, compared to approximately $400 million in the January 2026 update.

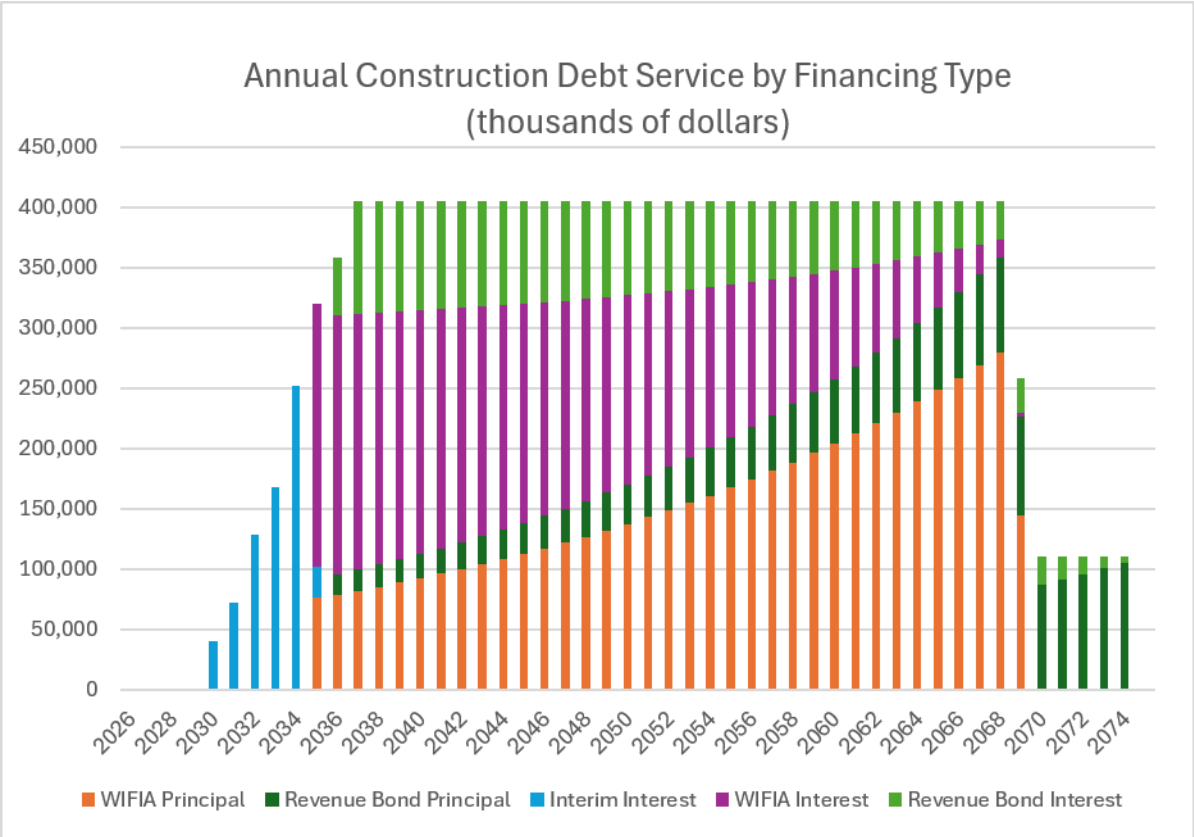


Figure 2. Annual Debt Service – Interest Only Scenario

Figure 3. Annual Debt Service – Capitalized Interest through Construction shows annual debt service for the second scenario, and annual debt service is about 11% ($50 million) higher due to funding more capitalized interest.

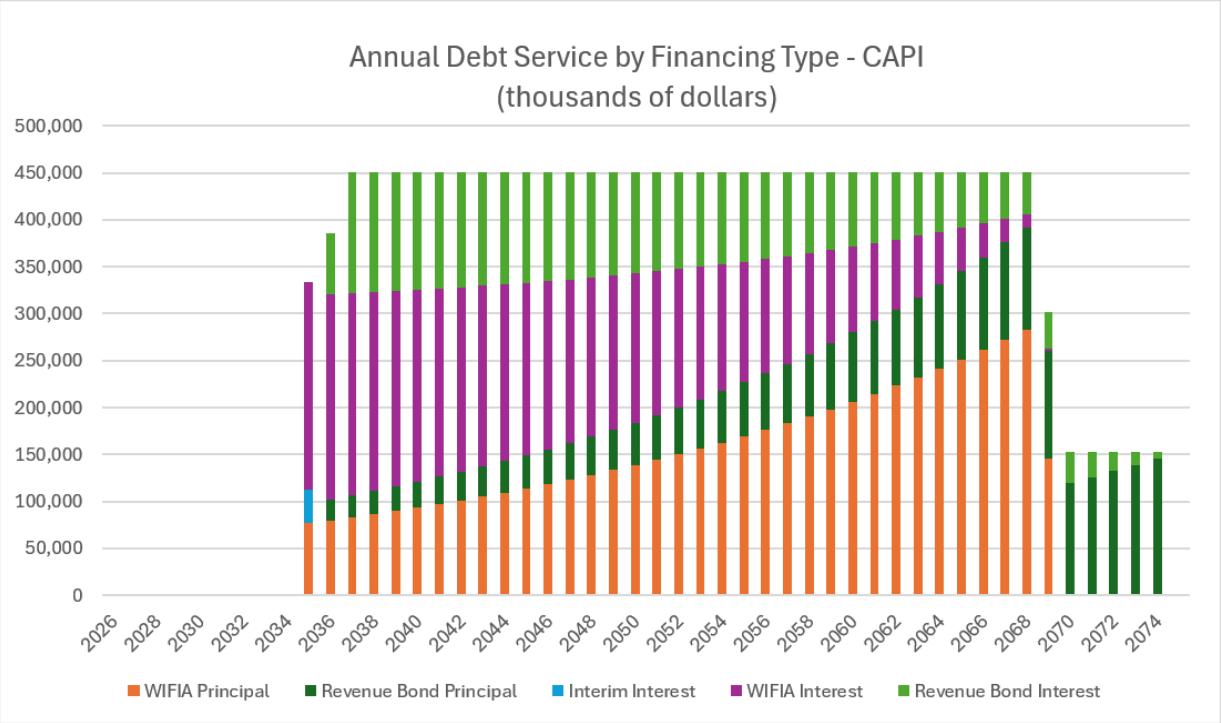


Figure 3. Annual Debt Service - Capitalized Interest through Construction

Operating and Maintenance Cost

Fixed O&M. Fixed O&M costs include items such as labor, materials, consulting costs, and other administrative costs that must be incurred regardless of the quantities of water diverted or released from the reservoir. In addition to these typical O&M costs, the Sites Authority will encounter other fixed costs such as payments for in-lieu of property taxes, franchise fees, insurance, and legal costs. *Figure 4. Annual Fixed O&M* shows the total projected Fixed O&M costs forecast for the Project. Fixed O&M costs are estimated to be $12.3 million in 2024 dollars and are escalated at 3.5% per year.

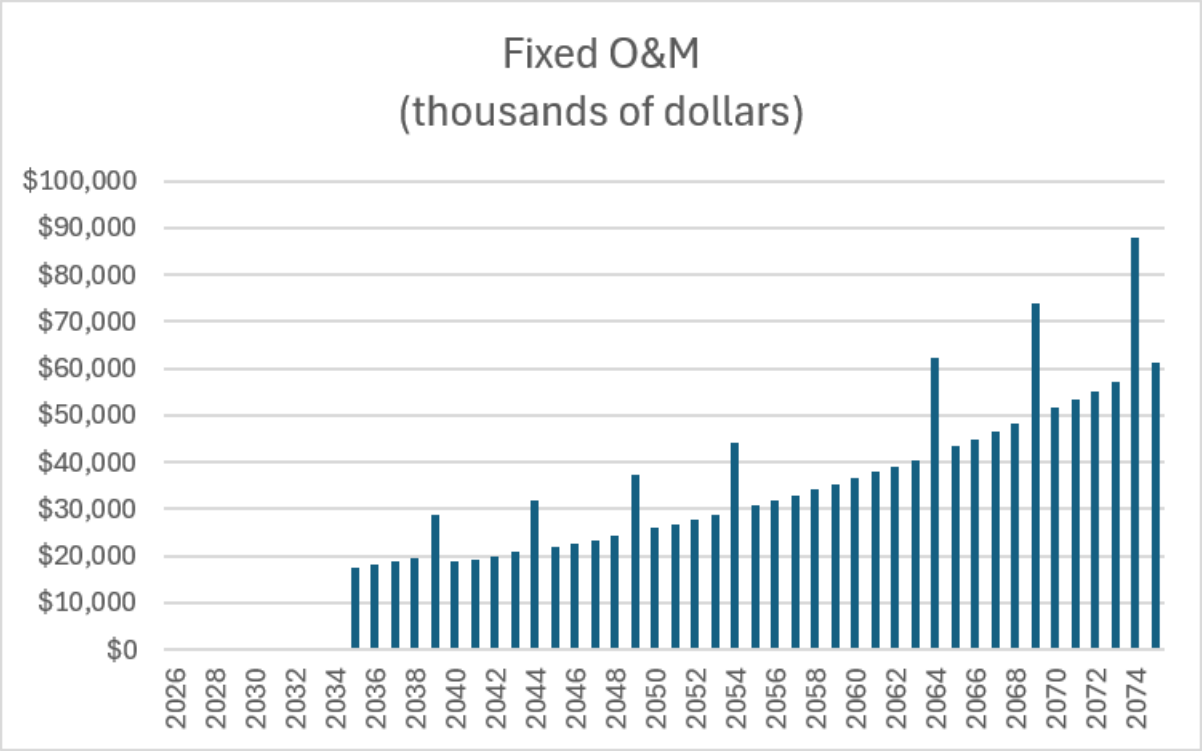


Figure 4. Annual Fixed O&M costs

The forecast includes major maintenance and repairs on the dams, inlet/outlet works and roads and bridges, at about five-year intervals. Fixed O&M costs billed to Participants are reduced by interest earnings on available funds and contributions by the State and the Bureau and increased by required contributions to reserve funds such as the Liquidity Reserve.

The August 2026 update does not change the Fixed O&M cost or escalation assumptions from the January 2026 update. The only change is the timing of these costs to reflect the revised Project schedule. Fixed O&M costs are now assumed to begin in 2035 rather than 2034, and the timing of major maintenance and repairs on the dams has similarly been shifted out one year.

Variable O&M costs are costs that change with the amount of water conveyed into and out of the reservoir. These costs include the cost of power and wheeling/conveyance) fees paid to others for use of the Colusa Basin Drain and facilities operated by GCID and TCCA. Variable costs are offset by power revenues that result from power generated as water is released from the reservoir. The current forecast assumes that Sites will be able to purchase power at wholesale rates and sell power into the wholesale market. *Table 5. Variable O&M Costs* has been updated from the January 2026 update to include each of the components in 2026 dollars and the associated escalation rate used in the forecast.

Table 6. Variable O&M ($/af)

	2026 Cost ($/AF)	Escalation
Power Cost	12.95	3.0%
Conveyance Cost - Fill		
GCID	13.07	2.0%
TCCA	15.00	2.0%
Conveyance Cost - Downstream		
TCCA	10.00	2.0%
RD 108 Operations	6.00	2.0%
Reclamation - Excess Capacity	4.00	2.0%
Power Revenues	15.73	2.0%

Table 6. Variable O&M Costs

Since variable costs are based on the actual amount of water moved on behalf of a given entity, the total variable cost paid by that entity will be dependent on how the entity uses the Sites Project. For instance, some entities might use the Project for dry year supply, while others may move water into and out of the reservoir each year to enhance yield. Variable cost in a given year will also reflect different water-year types as that affects the amount of water that is available for diversion and release.

Repair and Replacement Cost

R&R costs under $35 million are assumed to be funded on a pay as you go basis in the year incurred and will be billed one year in advance as a Fixed Project Cost to the Participants (net of any payments received the State and the Bureau). Major replacement costs greater than $35 million are assumed to be financed and recovered over the life of the 30-year debt. *Figure 5. Repair and Replacement Costs* shows projected debt service on major replacements beginning in 2054.

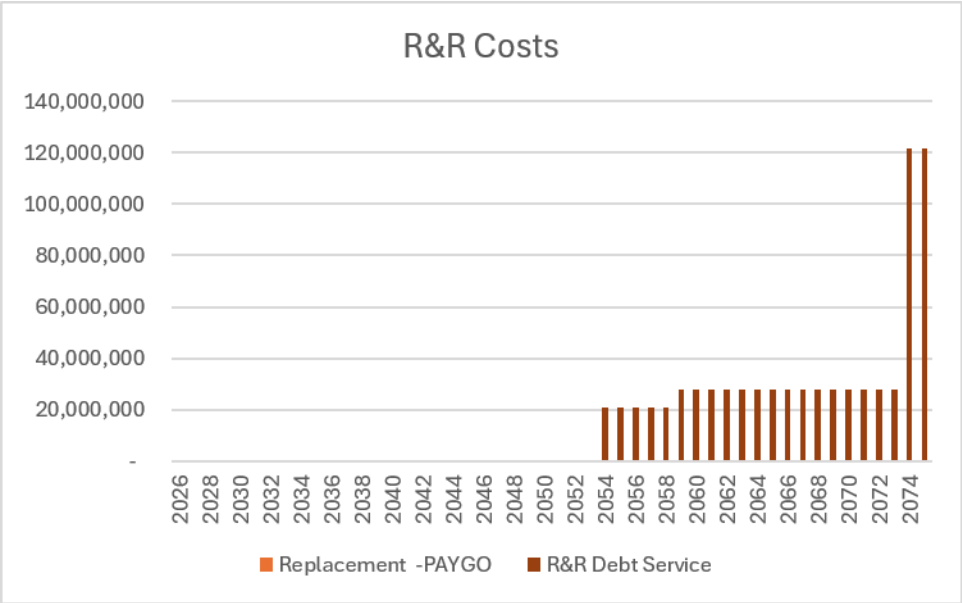


Figure 5. Repair and Replacement Costs

Project Expenditure Cash Flow Forecast – Participant's Fixed Obligations

Project expenditures include planning and design costs, construction costs, operating and maintenance costs, and repair and replacement costs. The State of California and the Bureau are expected to fund their share of planning and design costs and construction costs on a PAYGO basis – that is, payments will be made as expenditures are incurred. The Participants may elect to self-fund or have Sites finance these costs. The Participants' share of Construction cost and Fixed O&M cost is reduced by payments received from the State and the Bureau, as well as interest earnings on funds held by Sites. As noted in the previous discussion, Participants may elect to self-fund their share of Construction cost or participate in a Sites financing. Pursuant to the Benefits and Obligations Contract (B&O Contract), Financing Obligations, Fixed O&M, and Fixed Project Costs (including R&R) are to be paid by the Participants one year in advance of the time costs are incurred.

Interest Only Scenario. *Figure 6. Financing Obligations and Fixed O&M - Interest Only Scenario* presents the fixed obligations that would be paid each year by the Participants accounting for estimated payments from the State and Bureau, as well as interest earnings. These costs include Fixed O&M, R&R costs (both those funded on a PAYGO basis and those financed), and principal and interest on debt issued to fund construction. The largest component of these annual payments will be Financing Obligations beginning in 2029 to fund interest on the interim notes due in 2030. Annual payments for Financing Obligations (debt service) increased to approximately $405 million in 2036, an increase from $400 million from the January update. See Appendix Table A-4 for comparison of annual fixed obligation, interest only, between the January 2026 update and the August 2026 update.

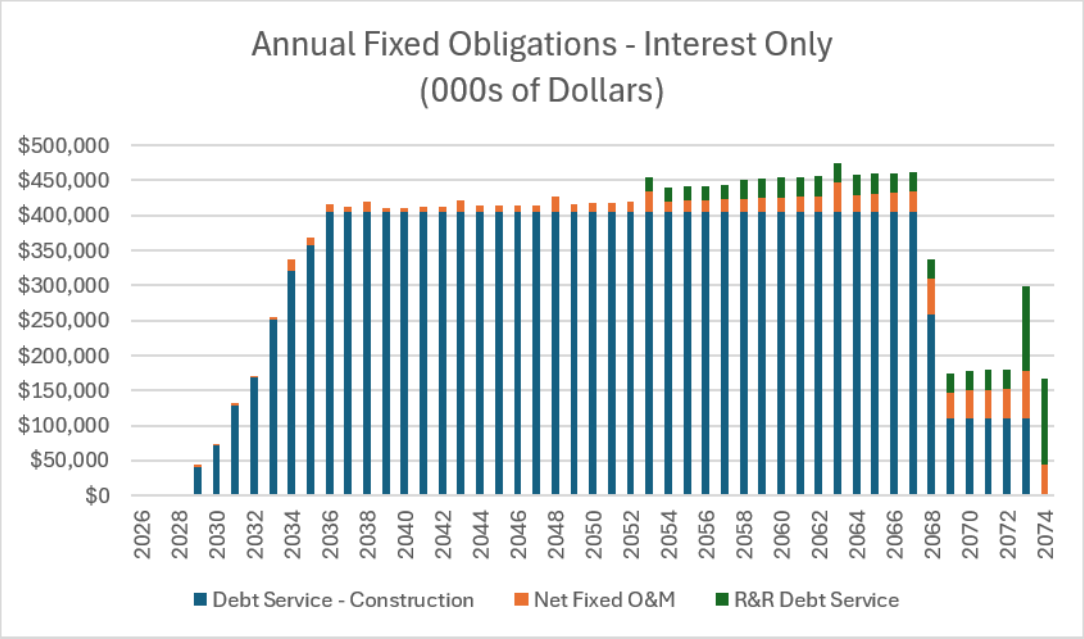


Figure 6. Financing Obligations and Fixed O&M, - Interest Only Scenario

Capitalized Interest through Construction. As shown in *Figure 7, Financing Obligations and Fixed O&M – CAPI through Construction,* Financing Obligations would be about 11% ($50 million) higher due to the need to fund additional capitalized interest. Fixed O&M is slightly different than in Figure 6, as required deposits to the Liquidity Reserve are different due to the difference in annual debt service due to capitalizing interest.

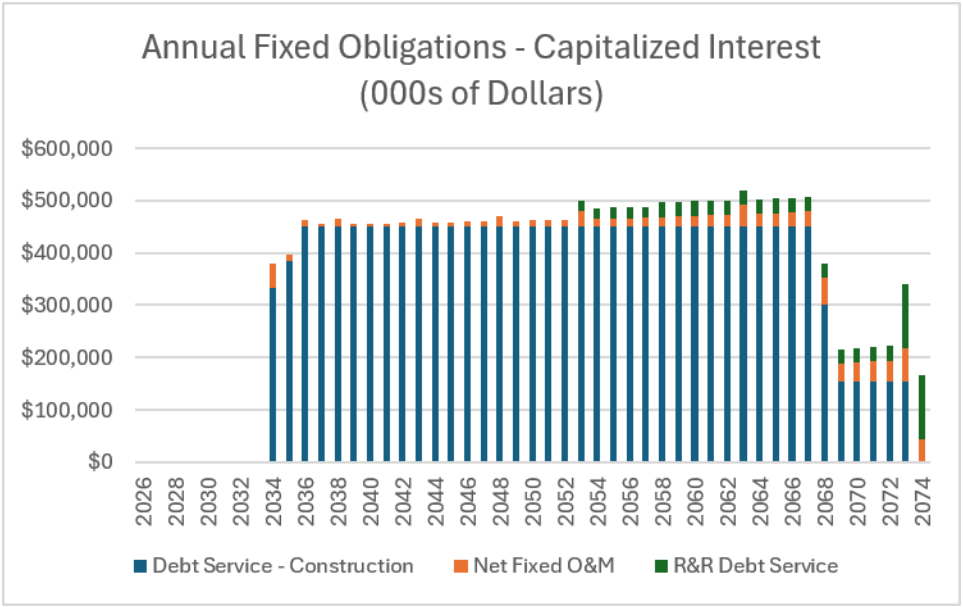


Figure 7. Financing Obligations and Fixed O&M – CAPI through Construction

Self-Funding (Paygo). As shown in *Figure 8. Self-Funding Fixed Obligations*, construction expenditures would be paid as incurred rather than financed. Once the Project is in operation, the primary ongoing fixed obligations would be Fixed O&M and debt service associated with major replacements. Under the August 2026 forecast, the Participants' annual self-funding requirements increase as construction progresses, with the highest annual requirement occurring in 2031 at approximately $1.6 billion, followed by approximately $1.5 billion in 2033. The revised cash flow reflects the shift in the construction schedule from the January 2026 update, including the movement of a greater portion of construction expenditures into the later years of the construction period.

If Participants elect to self-fund their share of construction costs, they would be expected to provide funding to Sites for their share of the applicable phase of construction approximately two months prior to Sites proceeding with a borrowing. For purposes of this cash flow forecast, it is assumed that self-funding would occur at or around the beginning of the year in which expenditures are made. Consistent with the revised Project schedule, ongoing Fixed O&M obligations begin one year later than assumed in the January 2026 update, and the timing of debt service associated with major repairs and replacements has also been shifted accordingly.

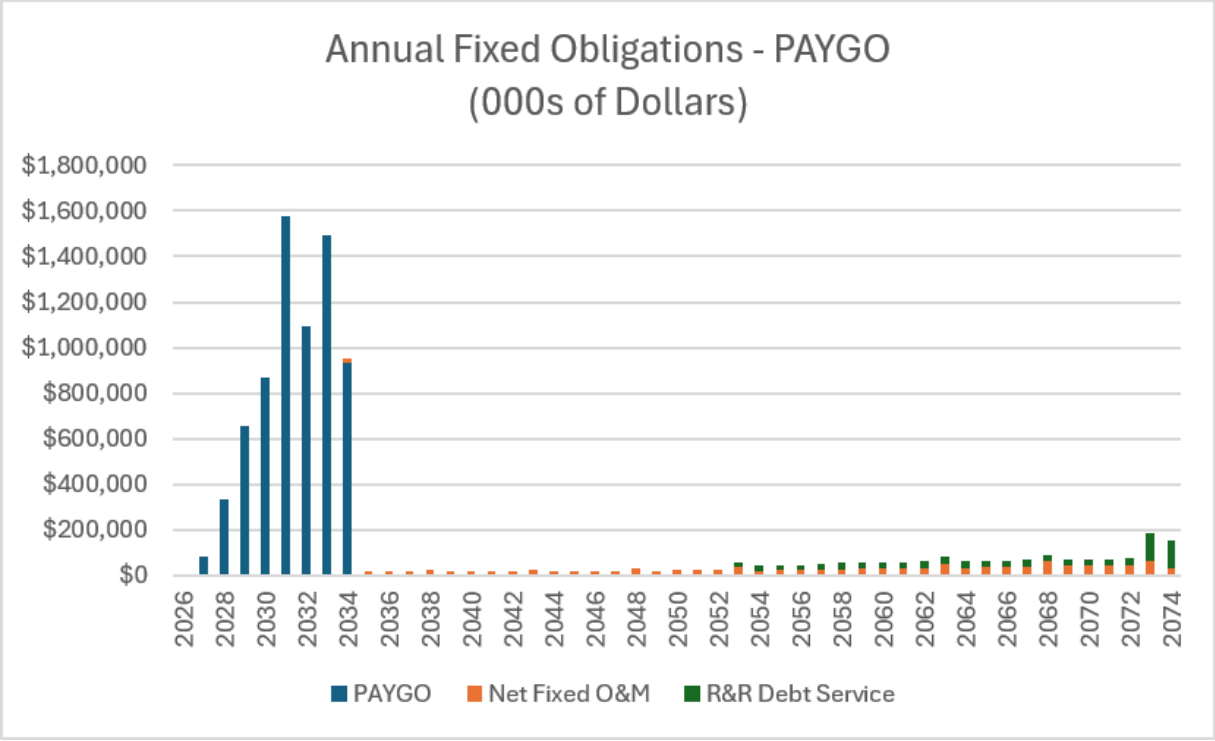


Figure 8. Self-Funding Fixed Obligations

Participant Fixed Obligations – One Percent Base Capacity Interest

Tables A-1 through A-3 in the Appendix show the projected Fixed Obligations for a Participant with a one percent Base Capacity Interest in the Project under the three different financing scenarios presented above. A one percent Base Capacity Interest is equal to 14,100 acre-feet of storage. The table shows annual cash flows (obligations) for an entity that has a one percent Base Capacity Interest without Downstream Capacity Share, and an entity that has a one percent Base Capacity Interest with its associated Downstream Capacity Share assuming the allocation of Downstream Capacity Share shown in Table 2. Under the B&O Contracts, Participants will be invoiced for their share of Financing Obligations and Fixed O&M Costs one year in advance of when Sites will be making the expenditures (e.g., principal and interest, labor and materials, etc.). For example, in the Interest Only Scenario, payments for the first year of debt service will be invoiced in 2029 for debt service payments due in 2030, along with payments to fund the Liquidity Reserve in 2030.

Agencies can use these tables to estimate the cost impacts of different levels of participation in the Project under different financing scenarios. For example, if an agency were contemplating investing in 7,050 acre-feet of storage (a 0.5% Base Capacity Interest) and participating in a Sites Financing under the Interest Only scenario, the annual cost would be calculated by multiplying the costs shown in Table A-1 by 0.5. The agency could then estimate variable cost by multiplying the unit cost shown in Table 6 above by assumed amounts of diversions and releases in acre-feet. This could be done for different water years and different hydrologic traces.

APPENDIX

CASH FLOW FORECAST

ONE PERCENT BASE CAPACITY INTEREST AND VARIABLE COST ($/af)

TABLE A- 1 ONE PERCENT BASE CAPACITY INTEREST – INTEREST ONLY

Table A-1. One Percent Capacity Interest - Interest Only

	Dollars in thousands							
	One Percent Base Capacity Only - Estimated Fixed Obligation				One Percent Base Capacity with Downstream Capacity - Estimated Fixed Obligation			
Year	Debt Service - Construction	Net Fixed O&M	R&R Debt Service	Total	Debt Service - Construction	Net Fixed O&M	R&R Debt Service	Total
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	576	53	-	628	613	53	-	667
2030	1,022	27	-	1,049	1,089	28	-	1,117
2031	1,833	50	-	1,883	1,953	51	-	2,004
2032	2,395	9	-	2,404	2,552	9	-	2,561
2033	3,578	53	-	3,631	3,812	54	-	3,866
2034	4,557	240	-	4,797	4,856	243	-	5,099
2035	5,093	155	-	5,247	5,426	157	-	5,583
2036	5,763	166	-	5,929	6,140	168	-	6,309
2037	5,763	95	-	5,858	6,140	97	-	6,237
2038	5,763	215	-	5,978	6,140	218	-	6,358
2039	5,763	79	-	5,842	6,140	80	-	6,221
2040	5,763	90	-	5,853	6,140	91	-	6,232
2041	5,763	98	-	5,860	6,140	99	-	6,239
2042	5,763	105	-	5,868	6,140	106	-	6,247
2043	5,763	242	-	6,005	6,140	245	-	6,385
2044	5,763	121	-	5,883	6,140	122	-	6,263
2045	5,763	131	-	5,894	6,140	133	-	6,273
2046	5,763	137	-	5,900	6,140	139	-	6,279
2047	5,763	146	-	5,909	6,140	148	-	6,288
2048	5,763	311	-	6,074	6,140	315	-	6,455
2049	5,763	164	-	5,926	6,140	166	-	6,306
2050	5,763	179	-	5,941	6,140	181	-	6,321
2051	5,763	192	-	5,954	6,140	194	-	6,334
2052	5,763	202	-	5,965	6,140	205	-	6,345
2053	5,763	422	310	6,494	6,140	427	310	6,877
2054	5,763	215	310	6,287	6,140	217	310	6,668
2055	5,763	228	310	6,301	6,140	231	310	6,681
2056	5,763	238	310	6,311	6,140	241	310	6,691
2057	5,763	257	310	6,329	6,140	260	310	6,710
2058	5,763	272	417	6,452	6,140	276	417	6,833
2059	5,763	286	417	6,466	6,140	290	417	6,847
2060	5,763	303	417	6,482	6,140	306	417	6,864
2061	5,763	317	417	6,497	6,140	321	417	6,878
2062	5,763	328	417	6,508	6,140	332	417	6,890
2063	5,763	616	417	6,796	6,140	624	417	7,182
2064	5,763	356	417	6,536	6,140	360	417	6,918
2065	5,763	382	417	6,562	6,140	387	417	6,944
2066	5,763	404	417	6,584	6,140	409	417	6,967
2067	5,763	421	417	6,601	6,140	426	417	6,984
2068	3,669	745	417	4,831	3,909	754	417	5,081
2069	1,575	517	417	2,509	1,678	523	417	2,619
2070	1,575	566	417	2,559	1,678	573	417	2,669
2071	1,575	587	417	2,580	1,678	595	417	2,690
2072	1,575	609	417	2,601	1,678	616	417	2,712
2073	1,575	966	1,827	4,368	1,678	978	1,827	4,483
2074	-	649	1,827	2,476	-	657	1,827	2,484
Total	215,004	12,945	11,462	239,411	229,092	13,106	11,462	253,660

TABLE A- 2 ONE PERCENT BASE CAPACITY INTEREST – CAPI THRU CONSTRUCTION

Table A-2. One Percent Capacity Interest- Capitalized Interest

	Dollars in thousands							
	One Percent Base Capacity Only - Estimated Fixed Obligation				One Percent Base Capacity with Downstream Capacity - Estimated Fixed Obligation			
Year	Debt Service - Construction	Net Fixed O&M	R&R Debt Service	Total	Debt Service - Construction	Net Fixed O&M	R&R Debt Service	Total
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
2034	4,747	669	-	5,416	5,058	677	-	5,735
2035	5,487	165	-	5,652	5,847	167	-	6,014
2036	6,413	180	-	6,594	6,834	183	-	7,016
2037	6,413	80	-	6,494	6,834	81	-	6,915
2038	6,413	201	-	6,614	6,834	203	-	7,037
2039	6,413	64	-	6,478	6,834	65	-	6,899
2040	6,413	75	-	6,489	6,834	76	-	6,910
2041	6,413	83	-	6,496	6,834	84	-	6,917
2042	6,413	90	-	6,503	6,834	91	-	6,925
2043	6,413	227	-	6,640	6,834	230	-	7,064
2044	6,413	106	-	6,519	6,834	107	-	6,941
2045	6,413	116	-	6,529	6,834	117	-	6,951
2046	6,413	122	-	6,536	6,834	124	-	6,957
2047	6,413	131	-	6,544	6,834	133	-	6,966
2048	6,413	296	-	6,709	6,834	300	-	7,133
2049	6,413	149	-	6,562	6,834	151	-	6,984
2050	6,413	164	-	6,577	6,834	166	-	7,000
2051	6,413	177	-	6,590	6,834	179	-	7,013
2052	6,413	187	-	6,601	6,834	190	-	7,023
2053	6,413	407	310	7,130	6,834	412	310	7,555
2054	6,413	200	310	6,923	6,834	202	310	7,346
2055	6,413	213	310	6,936	6,834	216	310	7,359
2056	6,413	223	310	6,946	6,834	226	310	7,369
2057	6,413	242	310	6,965	6,834	245	310	7,388
2058	6,413	257	417	7,088	6,834	261	417	7,512
2059	6,413	271	417	7,102	6,834	274	417	7,525
2060	6,413	288	417	7,118	6,834	291	417	7,542
2061	6,413	302	417	7,133	6,834	306	417	7,557
2062	6,413	313	417	7,144	6,834	317	417	7,568
2063	6,413	602	417	7,432	6,834	609	417	7,860
2064	6,413	341	417	7,171	6,834	345	417	7,596
2065	6,413	367	417	7,198	6,834	372	417	7,622
2066	6,413	389	417	7,220	6,834	394	417	7,645
2067	6,413	406	417	7,237	6,834	411	417	7,662
2068	4,295	730	417	5,443	4,577	740	417	5,734
2069	2,178	503	417	3,097	2,320	509	417	3,246
2070	2,178	553	417	3,147	2,320	559	417	3,297
2071	2,178	573	417	3,168	2,320	581	417	3,318
2072	2,178	595	417	3,189	2,320	602	417	3,339
2073	2,178	952	1,827	4,956	2,320	964	1,827	5,111
2074	-	642	1,827	2,468	-	650	1,827	2,476
Total	230,645	12,652	11,462	254,758	245,758	12,809	11,462	270,029

TABLE A- 3 ONE PERCENT BASE CAPACITY INTEREST – PAYGO

Table A-3. One Percent Capacity Interest- PAYGO

	Dollars in thousands							
	One Percent Base Capacity Only - Estimated Fixed Obligation				One Percent Base Capacity with Downstream Capacity - Estimated Fixed Obligation			
Year	PAYGO	Net Fixed O&M	R&R Debt Service	Total	PAYGO	Net Fixed O&M	R&R Debt Service	Total
2026	-	-	-	-	-	-	-	-
2027	1,183	-	-	1,183	1,261	-	-	1,261
2028	4,773	-	-	4,773	5,086	-	-	5,086
2029	9,299	-	-	9,299	9,908	-	-	9,908
2030	12,393	-	-	12,393	13,205	-	-	13,205
2031	22,488	-	-	22,488	23,962	-	-	23,962
2032	15,604	-	-	15,604	16,627	-	-	16,627
2033	21,254	-	-	21,254	22,646	-	-	22,646
2034	13,299	222	-	13,521	14,171	224	-	14,395
2035	-	211	-	211	-	214	-	214
2036	-	222	-	222	-	225	-	225
2037	-	228	-	228	-	231	-	231
2038	-	348	-	348	-	352	-	352
2039	-	211	-	211	-	214	-	214
2040	-	222	-	222	-	225	-	225
2041	-	230	-	230	-	233	-	233
2042	-	237	-	237	-	240	-	240
2043	-	374	-	374	-	379	-	379
2044	-	253	-	253	-	256	-	256
2045	-	263	-	263	-	266	-	266
2046	-	269	-	269	-	273	-	273
2047	-	278	-	278	-	282	-	282
2048	-	443	-	443	-	449	-	449
2049	-	296	-	296	-	300	-	300
2050	-	311	-	311	-	315	-	315
2051	-	324	-	324	-	328	-	328
2052	-	335	-	335	-	339	-	339
2053	-	498	310	808	-	504	310	814
2054	-	291	310	601	-	294	310	604
2055	-	360	310	670	-	365	310	675
2056	-	370	310	680	-	375	310	685
2057	-	389	310	699	-	394	310	704
2058	-	385	417	802	-	390	417	807
2059	-	399	417	816	-	404	417	821
2060	-	435	417	852	-	440	417	857
2061	-	449	417	866	-	455	417	872
2062	-	460	417	878	-	466	417	883
2063	-	749	417	1,166	-	758	417	1,175
2064	-	488	417	905	-	494	417	911
2065	-	514	417	931	-	521	417	938
2066	-	537	417	954	-	543	417	961
2067	-	553	417	971	-	560	417	977
2068	-	873	417	1,290	-	883	417	1,301
2069	-	583	417	1,000	-	590	417	1,008
2070	-	611	417	1,028	-	619	417	1,036
2071	-	632	417	1,049	-	640	417	1,057
2072	-	653	417	1,070	-	661	417	1,078
2073	-	912	1,827	2,739	-	923	1,827	2,750
2074	-	417	1,827	2,244	-	423	1,827	2,249
Total	100,295	16,836	11,462	128,592	106,866	17,045	11,462	135,373

TABLE A-4 ANNUAL FIXED OBLIGATION - INTEREST ONLY

	August 2026 Update			January 2026 Update		
Year	Debt Service - Construction	Net Fixed O&M	R&R Debt Service	Debt Service - Construction	Net Fixed O&M	R&R Debt Service
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	40,436	-	-	86,956	-	-
2030	71,806	3,558	-	141,274	7,652	-
2031	128,743	1,830	-	195,557	2,780	-
2032	168,259	3,399	-	239,583	1,615	-
2033	251,311	588	-	280,911	(482)	-
2034	320,108	3,567	-	397,905	10,976	-
2035	357,724	16,502	-	397,927	15,263	-
2036	404,795	10,791	-	397,950	2,892	-
2037	404,795	11,569	-	397,974	3,254	-
2038	404,795	6,812	-	397,999	9,660	-
2039	404,795	15,080	-	398,026	2,355	-
2040	404,795	5,706	-	398,054	2,990	-
2041	404,795	6,461	-	398,083	3,373	-
2042	404,795	6,967	-	398,114	3,788	-
2043	404,795	7,477	-	398,147	11,114	-
2044	404,795	16,925	-	398,181	4,630	-
2045	404,795	8,560	-	398,217	5,176	-
2046	404,795	9,265	-	398,255	5,424	-
2047	404,795	9,696	-	398,294	5,891	-
2048	404,795	10,311	-	398,336	14,705	-
2049	404,795	21,680	-	398,380	6,707	-
2050	404,795	11,538	-	398,426	7,575	-
2051	404,795	12,569	-	398,475	8,337	-
2052	404,795	13,462	-	398,526	8,887	-
2053	404,795	14,196	-	398,579	21,276	23,771
2054	404,795	29,276	20,667	398,636	9,356	23,771
2055	404,795	15,067	20,667	398,695	10,026	23,771
2056	404,795	15,988	20,667	398,757	10,599	23,771
2057	404,795	16,680	20,667	398,823	11,697	23,771
2058	404,795	17,968	20,667	398,892	12,495	32,010
2059	404,795	19,042	27,829	398,964	13,314	32,010
2060	404,795	19,985	27,829	399,040	14,131	32,010
2061	404,795	21,120	27,829	399,120	14,782	32,010
2062	404,795	22,110	27,829	399,204	15,218	32,010
2063	404,795	22,903	27,829	399,293	30,745	32,010
2064	404,795	42,749	27,829	399,386	16,640	32,010
2065	404,795	24,814	27,829	399,483	18,172	32,010
2066	404,795	26,611	27,829	399,586	19,392	32,010
2067	404,795	28,153	27,829	259,238	20,110	32,010
2068	257,719	29,311	27,829	118,896	37,371	32,010
2069	110,644	51,647	27,829	119,016	25,921	32,010
2070	110,644	35,826	27,829	119,141	28,885	32,010
2071	110,644	39,204	27,829	119,273	29,980	32,010
2072	110,644	40,646	27,829	119,412	31,146	32,010
2073	110,644	42,115	27,829	-	49,718	140,128
2074	-	66,781	121,827	-	33,452	140,128
2075	-	44,947	121,827	-	37,284	140,128

TABLE A-5 ANNUAL FIXED OBLIGATION -CAPITALIZED INTEREST

	August 2026 Update			January 2026 Update		
Year	Debt Service - Construction	Net Fixed O&M	R&R Debt Service	Debt Service - Construction	Net Fixed O&M	R&R Debt Service
2026	-	-		-	-	-
2027	-	-		-	-	-
2028	-	-		-	-	-
2029	-	-		-	-	-
2030	-	-		-	-	-
2031	-	-		-	-	-
2032	-	-		-	-	-
2033	-	-		-	-	-
2034	-	-		283,862	37,634	-
2035	333,433	45,402		443,222	18,684	-
2036	385,430	11,499		443,252	1,854	-
2037	450,502	12,529		443,283	2,258	-
2038	450,502	5,788		443,316	8,664	-
2039	450,502	14,074		443,351	1,358	-
2040	450,502	4,700		443,387	1,993	-
2041	450,502	5,456		443,425	2,375	-
2042	450,502	5,962		443,465	2,789	-
2043	450,502	6,472		443,507	10,121	-
2044	450,502	15,919		443,552	3,631	-
2045	450,502	7,554		443,598	4,177	-
2046	450,502	8,259		443,647	4,424	-
2047	450,502	8,690		443,699	4,892	-
2048	450,502	9,305		443,753	13,712	-
2049	450,502	20,675		443,810	5,706	-
2050	450,502	10,533		443,869	6,575	-
2051	450,502	11,563		443,932	7,336	-
2052	450,502	12,457		443,998	7,886	-
2053	450,502	13,190		444,068	20,283	23,771
2054	450,502	28,271	20,667	444,141	8,354	23,771
2055	450,502	14,061	20,667	444,218	9,024	23,771
2056	450,502	14,982	20,667	444,298	9,596	23,771
2057	450,502	15,674	20,667	444,383	10,693	23,771
2058	450,502	16,962	20,667	444,473	11,502	32,010
2059	450,502	18,037	27,829	444,566	12,312	32,010
2060	450,502	18,979	27,829	444,665	13,129	32,010
2061	450,502	20,115	27,829	444,769	13,779	32,010
2062	450,502	21,105	27,829	444,878	14,214	32,010
2063	450,502	21,897	27,829	444,992	29,741	32,010
2064	450,502	41,743	27,829	445,113	15,632	32,010
2065	450,502	23,809	27,829	445,239	17,163	32,010
2066	450,502	25,605	27,829	445,372	18,383	32,010
2067	450,502	27,147	27,829	445,512	19,100	32,010
2068	450,502	28,305	27,829	303,728	36,375	32,010
2069	301,729	50,658	27,829	161,952	24,954	32,010
2070	152,957	34,872	27,829	162,114	27,932	32,010
2071	152,957	38,266	27,829	162,285	29,026	32,010
2072	152,957	39,709	27,829	162,465	30,191	32,010
2073	152,957	41,177	27,829	162,654	48,762	140,128
2074	152,957	65,844	121,827	-	32,928	140,128
2075		44,432	121,827	-	37,192	140,128

TABLE A-6 ANNUAL FIXED OBLIGATION -PAYGO

	August 2026 Update			January 2026 Update		
Year	PAYGO	Net Fixed O&M	R&R Debt Service	PAYGO	Net Fixed O&M	R&R Debt Service
2026	-	-	-	-	-	-
2027	83,118	-	-	256,779	-	-
2028	335,309	-	-	788,698	-	-
2029	653,201	-	-	1,295,756	-	-
2030	870,562	-	-	1,506,642	-	-
2031	1,579,665	-	-	1,505,934	-	-
2032	1,096,094	-	-	1,221,382	-	-
2033	1,492,943	-	-	295,042	-	-
2034	934,191	-	-	-	12,408	-
2035	-	15,281	-	-	11,189	-
2036	-	14,592	-	-	11,761	-
2037	-	15,334	-	-	12,006	-
2038	-	15,764	-	-	23,952	-
2039	-	23,985	-	-	11,111	-
2040	-	14,611	-	-	11,747	-
2041	-	15,367	-	-	12,130	-
2042	-	15,873	-	-	12,545	-
2043	-	16,383	-	-	26,437	-
2044	-	25,831	-	-	13,389	-
2045	-	17,465	-	-	13,936	-
2046	-	18,170	-	-	14,184	-
2047	-	18,601	-	-	14,652	-
2048	-	19,216	-	-	31,263	-
2049	-	30,586	-	-	15,470	-
2050	-	20,444	-	-	16,339	-
2051	-	21,474	-	-	17,102	-
2052	-	22,368	-	-	17,653	-
2053	-	23,101		-	36,278	23,771
2054	-	34,400	20,667	-	15,102	23,771
2055	-	20,190	20,667	-	18,796	23,771
2056	-	24,893	20,667	-	19,370	23,771
2057	-	25,585	20,667	-	20,468	23,771
2058	-	26,873	20,667	-	20,220	32,010
2059	-	26,637	27,829	-	21,006	32,010
2060	-	27,579	27,829	-	22,901	32,010
2061	-	30,026	27,829	-	23,552	32,010
2062	-	31,016	27,829	-	23,989	32,010
2063	-	31,809	27,829	-	52,609	32,010
2064	-	51,654	27,829	-	25,424	32,010
2065	-	33,720	27,829	-	26,957	32,010
2066	-	35,516	27,829	-	28,179	32,010
2067	-	37,058	27,829	-	28,899	32,010
2068	-	38,216	27,829	-	61,412	32,010
2069	-	60,227	27,829	-	30,467	32,010
2070	-	40,285	27,829	-	32,040	32,010
2071	-	42,203	27,829	-	33,137	32,010
2072	-	43,645	27,829	-	34,306	32,010
2073	-	45,114	27,829	-	69,511	140,128
2074	-	63,150	121,827	-	21,313	140,128
2075	-	29,314	121,827	-	37,817	140,128

Meeting: **Reservoir Committee & Authority Board Agenda Item 3.2** **August 21, 2026**

Subject: **Sites Project Baseline Report – August 2026 Draft**

Requested Action:

Receive a status update and provide feedback on revised August 2026 draft of the Sites Project Baseline Report.

Detailed Description/Background:

The Sites Project Baseline Report (PBR) is being drafted to reflect the most current Project cost and schedule information and to provide Storage Partners a consistent, comprehensive, and transparent basis for the upcoming participation level and financial commitment decisions. This report is the second and final review prior to the adoption of the PBR which is scheduled for next month.

Cost and schedule revisions have been incorporated into the PBR, and the information is being covered in two agenda items this month: Item 2.1 addressing the updated schedule and Item 3.3 addressing the updated Plan of Finance. In addition, the new cost management terminology recommended through the Operations & Engagement (O&E) work group has been integrated into the PBR. The August 2026 draft of the PBR is attached to this staff report. Board feedback from the July 2026 meeting has been incorporated and revisions based on this feedback are outlined in Attachment B. No additional participant feedback was received outside of the July board meeting.

In addition to the cost and schedule updates, the O&E work group recommended that the PBR include:

- A discussion of the Resolution to Construct by the RMB to occur at the$500 million Participant spend threshold during the B&O period, including how the action may trigger wind-down provisions. As a reminder, Bylaws Section 10.2.3 states the following:

  Approval of contracts for consulting services, construction contractors, vendors, and other service providers related to Project implementation; provided, however, that notwithstanding any term or condition of these Bylaws to the contrary, if the vote against a Construction Contract referenced in Section 3.2.1 of the Benefits & Obligations Contract that causes the value of all construction contracts to exceed $500 million includes two (2) or more Reservoir Management Board representatives and the disapproving Reservoir Management Board representatives combined represent more than fifteen percent (15%) of the Reservoir Management Board's weighted vote, the Construction Contract shall not be approved.

- A review of the basis for the Governance Contingency portion of the project cost estimate and the risk analysis completed to support the amount determined.

To support finalizing the PBR in September, staff is working to incorporate the following two primary inputs:

1. **Affirm Participation levels for individual Participants**. To support this effort—and to inform preparation of the Resolution to Offer Capacity and the opening of the investor commitment period—Participants are requested to provide Authority staff the participation level that is planned to be your Staff recommendation to your governing board prior to the September 18 Board meeting. According to the process established by the Board last year in terms of initiating the waitlist, should there be any shortfalls in participation, this would be the trigger for the first round of waiting list opportunity as related to the investor commitment period.

2. **Updated water supply benefits**. Following issuance of the Revised Draft Water Right (anticipated September 3), staff will assess any water-supply effects from the proposed terms and these analyses will be incorporated into the PBR for the September 18 Board meeting.

Over the next several weeks, staff will continue refining PBR chapters and appendices (including the schedule and Plan of Finance update) and will incorporate Board feedback so that the PBR can be finalized on the targeted timeline and support upcoming Board actions regarding capacity offers and investor commitments. Participant comments on the PBR need to be provided by August 28th for their potential incorporation into the Final PBR.

Prior Action:

July 2026 - Receive a status update and provide feedback on the early draft of the Sites Project Baseline Report.

Fiscal Impact/Funding Source:

The development of the Project Baseline Report is within the approved FY26 Budget. Although, the Board needs to keep in mind and will need to intervene if there are excessive individual agency requests that do not serve the needs of multiple agencies. There is insufficient budget to customize the PBR to meet every need of every agency. The PBR and other prior records of the Sites Authority are intended to be inclusive of all the Authority provided documentation to agencies in making their investment decision.

Staff Contact:

JP Robinette

Primary Service Provider

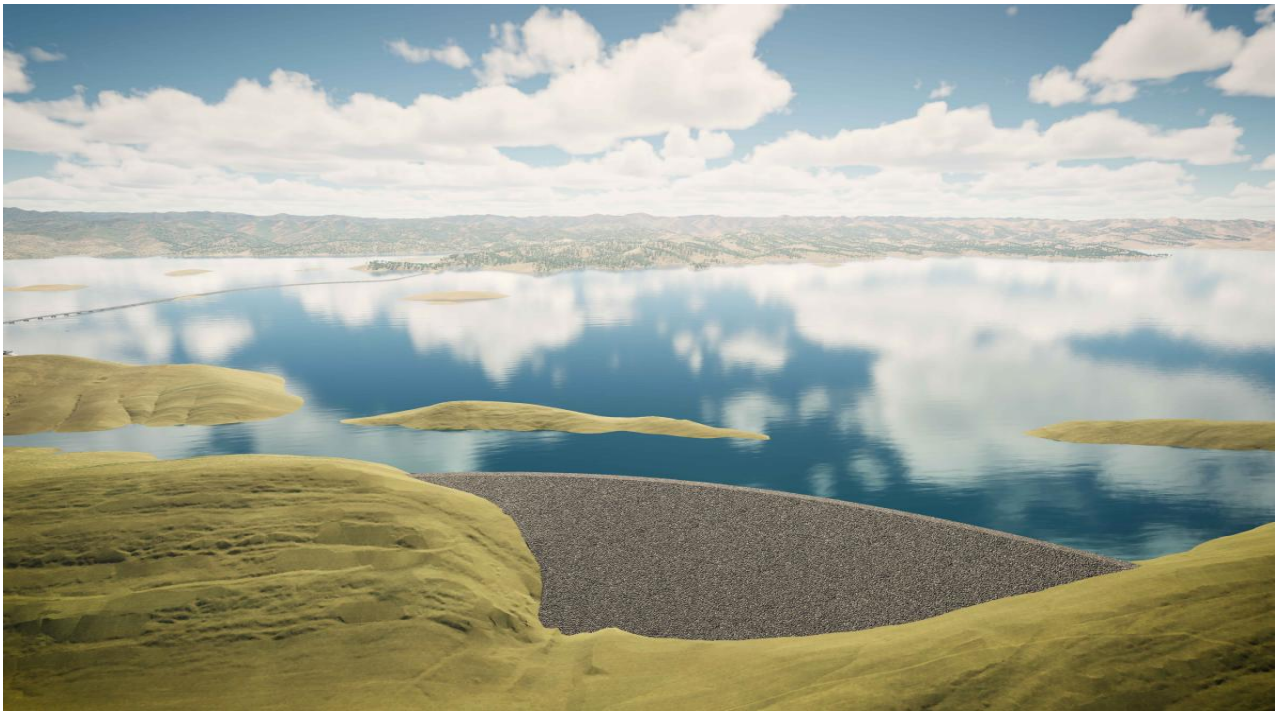
HDR

Attachments:

Attachment A – August 2026 Draft Sites Project Baseline Report

Attachment B – Sites Project Baseline Report Comment Response Matrix

Sites Reservoir Project Baseline Report



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[Reviewer note: Comments intended for the reviewer are shown in red italics and enclosed in brackets and indicate areas where further development is occurring or feedback is requested]

August 2026

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Version Record

Version	Date	Description of Change
1.0	September 1, 2026	Initial version created

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Attachments

A 30% Design Total Project Cost Estimate Summary
B Baseline Schedule
C Value Engineering Technical Memorandum
D Conveyance Capacity Summary
E Real Estate Summary *[next draft]*
F Loss Assumptions Summary

A note from the Chairperson of the Sites Authority Board

[To be populated in a future draft]

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Executive Summary

Sites Reservoir is a proposed multi-benefit water storage project located approximately 10 miles west of the Colusa County town of Maxwell. It will provide a reliable water supply for communities, farms, and the environment throughout California, especially during dry periods. The Sites Reservoir Project (Project) is supported by a coalition of local, state, and federal Storage Partners, bringing diverse experience and a solid financial backing as well as a marketplace of willing and able buyers and sellers. Together, these Storage Partners serve over 24 million Californians and 500,000 acres of farmland.

Terminology note: In this report, the term "Participants" refers to all the agencies who are participating in the Sites Project in return for a proportionate share of space in the reservoir, excluding federal and state government entities. The term "Partners" includes, collectively, the Storage Partners, the U.S. Department of the Interior, Bureau of Reclamation and the California Department of Fish and Wildlife.

This Baseline Report provides background information to support a shared understanding of the Project benefits, costs, and risks and should be viewed as establishing metrics for reporting to the Reservoir Management Board and the Authority Board as the Project evolves. Table 1 below establishes the Baseline Report Metrics.

Table E-1. Baseline Report Metrics

Baseline Report Metric	Baseline Report Value	Notes
New Water Storage	1.43 million acre-ft	accounts for deadpool
Top Speed Average Diversions	*[TBD]* af/year	*[pending water right]*
Dry Year Prioritization Ave Diversions	*[TBD]* af/year	*[pending water right]*
Top Speed Average Releases	*[TBD]* af/year	*[pending water right]*
Dry Year Prioritization Ave Releases	*[TBD]* af/year	*[pending water right]*
Management Estimate	$6.6B, 2024$	
Management Forecast	Set later	at construction resolution
Governance Estimate	$7.5B, 2024$	
Governance Forecast	$9.9B	used for annual cost analysis
Level Debt Service	$405M	interest-only during construction
Annual Fixed O&M Year 1 Ops	$17.6M, 2035$	subject to escalation
Project Operational Date	End 2034	begin filling

This Baseline Report answers questions of primary concern to Storage Partners at this time:

- Why is Sites Reservoir the right solution for today's water management challenges? (Chapter 2.0)
- How much water will Sites Reservoir provide? (Chapter 3.0)
- What facilities comprise the Project? (Chapter 4.0)
- How and when will Sites Water be diverted into, stored, and released from Sites Reservoir? (Chapter 5.0)
- How will Storage Allocation and Capacity Interest be managed? (Chapter 6.0)
- How much will the Project cost? (Chapter 7.0)

- How will the Project be funded and financed? (Chapter 7.0)
- What is the Project baseline schedule? (Chapter 8.0)
- What are the primary risks to the Project, and how will they be mitigated? (Chapter 9.0)

This Baseline Report provides the best information available as of the date of its publication to support Storage Partner decision making regarding participation in the Project. (Note: capitalized terms are defined in Section 10.0 of this report.)

E1. How much water will Sites Reservoir deliver to Storage Partners?

Sites Reservoir will hold approximately 1.5 million acre-feet. It will capture water from the Sacramento River when flows are high, store it for when it is needed, and return it to the Sacramento River during dry times for use by homes, businesses, farms, and the environment. This Baseline Report presents two operations scenarios: the "Dry Year Prioritization" scenario and the "Top Speed" scenario. These scenarios are described in Section *[to be developed]*. Table E-2 *[to be developed]* shows (1) the long-term average annual releases and transfers and (2) average releases and transfers in dry and critical years under the Dry Year Prioritization scenario and under the Top Speed scenario.

Table E-2. Long-term Average Annual Releases and Transfers and Dry and Critical Year Average Annual Releases under the Dry Year Prioritization Scenario and the Top Speed Scenario

Recipient or Purpose	Releases and Transfers (TAF/year)					
	Dry Year Prioritization Operation			Top Speed Operation		
	Average	Dry	Critical	Average	Dry	Critical
NOD Participants (includes American Canyon)						
Transfer release to NOD Demand						
Transfer release to SOD Demand						
SOD Participants						
CVP Operational Flexibility						
Wildlife Refuge Water Supply						
Total Releases and Transfers	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

Key:
NOD: North of Delta
SOD: South of Delta
CVP: Central Valley Project

E2. How much will it cost to construct and operate the Project?

The Project has advanced to approximately 30% design, supported by an Association for the Advancement of Cost Engineering (AACE) Class 3 cost estimate of approximately $7.5 billion in constant 2024 dollars (2024$); this is the "Governance Estimate" for the Project. This estimate reflects the best available design, technical, market, and construction information and includes contingencies appropriate for the Project's current maturity and inherent uncertainties and represents the total project cost estimate. It does not include the potential effects of prolonged external delays, inefficient stop-and-go design or construction, or significant future changes in scope or design.

The $7.5 billion (2024$) Governance Estimate includes a "Governance Contingency" of approximately $900 million (2024$). Contingencies were estimated by subject-matter experts analyzing potential risks and probability of occurrence for unknowns in the areas of: Geotechnical, Construction, Noncontract Costs, Real Estate, and Compensatory Mitigation. The Governance Contingency is a board-managed contingency that is reserved for governance-level cost control. The "Management Estimate" excludes the Governance Contingency, and currently sits at $6.6 billion (2024$). The Management Estimate includes a Management Contingency of approximately $500 million (2024$) to address unknowns related to design development and geotechnical risks.

The Project's Plan of Finance is a summary of key credit and financing structure components needed to support Project funding and delivery. As part of the Plan of Finance, the $7.5 billion in 2024 dollars Governance Estimate is escalated over the current Project schedule resulting in an estimated forecasted funding requirement of approximately $9.9 billion in year-of-expenditure dollars. This value represents the Governance Forecast.

[Additional discussion to be included on fixed and variable O&M cost components included in the Plan of Finance]

Additional information regarding cost-estimate development and cost management is provided in Chapter 7. The 30% Design Total Project Cost Estimate Summary, that includes Contract and Non-Contract cost components, is provided in Attachment A to this report.

E3. How will the Project be funded and financed?

The Project will be funded with a combination of direct federal funding, state funding, borrowing by the Sites Project Authority, and Participant self-funding (pay-as-you-go or PAYGO). Participants are all the agencies who are providing funding for the Sites Project in return for a proportionate share of space in the reservoir, excluding federal and state government entities. Participant costs will initially be funded with interim financing such as short-term notes (although some Participants may elect to self-fund their share of construction). WIFIA loans and tax-exempt revenue bonds will then be used to pay off the notes and other short-term borrowings. The estimated timing of funding commitments is included in the Plan of Finance.

The Project is a beneficiary-pays project:

- Participants and Reclamation are paying for storage space and water supply.
- The State is paying for flood management, environmental, recreation, and emergency water supply benefits.

Participants' and Reclamation's shares of Fixed Project Costs, Fixed O&M Costs and annual debt service (if any), are based on each party's Capacity Interest in the Benefits & Obligations Contract. Participants' and Reclamation's shares of variable O&M costs will be based on the actual costs incurred for moving water into and out of Sites Reservoir.

All Partners contribute to the costs of the Base Facilities. Only downstream users contribute to the costs of facilities required to deliver water downstream of the Base Facilities. Annual variable O&M costs will be based on the actual costs incurred for moving water into and out of Sites Reservoir.

The Plan of Finance evaluates three financing scenarios to estimate Participants' annual fixed obligations: interest-only during construction, capitalized interest through construction, and full pay-as-you-go. It outlines anticipated annual debt service obligations, cash flow requirements, and operating costs under each scenario. See the Plan of Finance for details.

The main cost drivers for borrowed funds are interest rates and construction schedule:

- Interest Rates. The cost of financing is an important driver of annual costs (as well as the total Project cost). The Sites Authority expects to issue debt with an investment grade rating and should be able to borrow at competitive interest rates. Further, Water Infrastructure Finance and Innovation Act (WIFIA) interest rates are set at the time the loan is executed and are based on U. S. Treasury rates, which are also cost-effective long-term rates. The assumed interest rates for short-term notes, long-term revenue bonds, WIFIA loans, and investment earnings are provided in the Plan of Finance.
- Construction Schedule. The estimated construction schedule is included in the Baseline Schedule (Attachment B to this report). If the estimated duration is reduced, costs of capitalized interest would be reduced. Conversely, if the estimated duration is increased, costs of capitalized interest would be increased.

E4. What is the Project baseline schedule?

The baseline schedule represents staff's best current understanding of the time required to complete final design (Phase 3), construct and commission the facilities (Phase 4), and place the Project into operation (Phase 5). Based on current assumptions, the Project is forecast to reach substantial completion in late 2034 with the first season reservoir filling and project commissioning occurring during the 2034 / 2035 water year. The schedule is a credible planning forecast rather than a commitment to a precise date and will become more reliable as financing, land access, field investigations, design, agency authorizations, and construction work packages advance. Additional information regarding the baseline schedule, including its assumptions, critical path, key risks, and governance oversight, is provided in Chapter 8. The Baseline Schedule is included in Attachment B to this report.

E5. What are the primary Project risks and how will they be mitigated?

Section 9.0 of this report identifies the primary cost, schedule, and benefit risks of the project along with the mitigation strategies that have been identified or implemented to date to mitigate these risks.

Risk management will be a significant and ongoing component of Project delivery and will require a proactive approach throughout design and construction. Risks will be identified, evaluated, monitored, and mitigated as the Project advances, with risk management integrated into cost, schedule, design, and construction planning. The CMAR delivery approach will support this effort by bringing contractor input into the process early, allowing construction risks, mitigation measures, cost and schedule impacts, and appropriate risk allocation to be evaluated before individual work packages advance into construction.

The specific framework for managing risk, including the use of contingency and associated levels of authority, will continue to be developed and implemented consistent with Board-approved policies and the applicable Delegation of Authority.

1.0 What is the purpose of this document?

This Baseline Report answers the following questions about the Sites Reservoir Project (Project):

- Why is Sites Reservoir the right solution for today's water management challenges? (Chapter 2.0)
- How much water will Sites Reservoir provide? (Chapter 3.0)
- What facilities comprise the Project? (Chapter 4.0)
- How and when will Sites Water be diverted into, stored, and released from Sites Reservoir? (Chapter 5.0)
- How will Storage Allocation and Capacity Interest be managed? (Chapter 6.0)
- How much will the Project cost? (Chapter 7.0)
- How will the Project be funded and financed? (Chapter 7.0)
- What is the Project baseline schedule? (Chapter 8.0)
- What are the primary Project risks and how will they be mitigated? (Chapter 9.0)

Terminology note: In this report, the term "Participants" refers to all the agencies who are participating in the Sites Project in return for a proportionate share of space in the reservoir, excluding federal and state government entities. The term "Partners" includes, collectively, the Storage Partners, the U.S. Department of the Interior, Bureau of Reclamation and the California Department of Fish and Wildlife.

This Baseline Report describes the current "state of the Project" and gives Partners information they need to make the financial commitment to build and operate the Project.

2.0 Why is Sites Reservoir the right solution for today's water management challenges?

2.1 What is the problem that the Project helps address?

The Project's Partners are on the front lines of California's water supply challenges:

- **A changing climate.** For several years, climate modeling has predicted that the future will be characterized by increasing variability, making for drier dry years and wetter wet years (see, e.g., PPIC 2018). Dry spells will last longer, and wet periods will be flashier. The timing of runoff will change, as well, with less snowfall and more rain. These changes result in the increased need to store water when it is available (DWR 2023).
- **Shortage of storage in the system.** Existing infrastructure does not capture the immense volume of runoff from atmospheric rivers. For example, a 2025 study by the Public Policy Institute of California (PPIC) found that existing reservoirs and conveyance facilities in Northern California were able to capture and export only 4 percent of the runoff during a three-week period of storms in February 2025 (PPIC Blog Post, 2/24/2025). This is a recurring pattern: during atmospheric river events in December 2025 through January 2026, water supply modeling shows that Sites Reservoir could have safely captured more than 168,000 acre-feet of water. If snowfall and snowpack reductions

continue as predicted by climate modeling, the criticality of capturing runoff when it is available increases significantly.

- **Reduced deliveries.** The majority of Storage Participants are Central Valley Project (CVP) or State Water Project (SWP) contractors. In recent years, these agencies have received less water under their contracts as compared to the long-term average. For example, the California Department of Water Resources' (DWR's) historical Table A allocations for State Water Project (SWP) Contractors shows a long-term average allocation is about 59 percent of contract amounts; in dry years this amount is much less. A congressional report on the Central Valley Project (CVP) (March 26, 2026) noted that the U.S. Department of the Interior, Bureau of Reclamation (Reclamation) has been unable to provide any water supplies to a majority of CVP agricultural water contractors in 4 of the past 12 years. These reduced allocations make it challenging to maintain existing levels of service or provide additional service, particularly in dry years and during droughts.
- **Increasing regulatory requirements.** Water managers are facing increased regulatory pressure, including the need to reach groundwater sustainability under California's Sustainable Groundwater Management Act (SGMA). Management actions such as increased managed aquifer recharge may create greater competition for surface water as well as demand for storage (PPIC 2024).
- **The need for diversified and adaptable water supply portfolios.** California water agencies are working hard to develop projects and programs to enhance local supplies, such as the Local Supply Exchange Framework in Southern California, the Watershed Connect regional infrastructure program in the Upper Santa Ana River watershed, and the Pure Water Silicon Valley program in Santa Clara County. Yet more is needed to meet the changing needs of urban, rural, disadvantaged and agricultural communities (CNRA, et al 2023).

[The final Project Baseline Report will include language referencing SB 72 / Goal 1 (9 million acre-feet of new supply/capacity) and the forthcoming California Water Plan, including how Sites Reservoir supports meeting that target.]

2.2 Why should the Project be part of the solution?

The Project helps meet our water supply challenges now and in the future because it:

- Is the first large storage facility to be built for the benefit of statewide beneficiaries in almost 50 years.
- Is a multi-benefit off-stream surface water storage project.
- Is a "dry year" project—water from Sites Reservoir will be available when other sources do not exist or are curtailed, and Sites Water can be moved through the Delta during dry years.
- Enhances the effectiveness of adaptation strategies that Partners are implementing, such as increased water recycling, increased desalination, expanded below-ground storage, and increased conservation.
- Will capture and store stormwater flows from the Sacramento River only when protective of river and Delta aquatic species.
- Provides water specifically dedicated for environmental purposes.
- Is climate-resilient and does not rely on the proposed Delta Conveyance Project.

Sites is the right project at the right time because it:

- Is supported by a coalition of Partners, bringing diverse experience and solid financial backing as well creating a easily accessible a marketplace of water buyers and sellers.

- Is a collaborative effort led and supported by local Sacramento Valley agencies.
- Is new infrastructure with a long useful life, based on proven technology without the need to dam any major rivers.
- Allows Partners to get more value out of past and ongoing water infrastructure projects.
- Helps keep agricultural lands in production.
- Gets more affordable with time, particularly after repayment of debt.

A coalition of Partners supports the Project because it is based on the equitable "beneficiary pays" principle:

- The amount of space each Partner gets is determined by the proportional share of its investment in the Project.
- Storage space can be leased or sold.
- Partners receive a proportional amount of the water diverted from the Sacramento River.
- Partners choose when and how to use some or all the water they have stored in their dedicated storage space in the reservoir. They can move it out each year in advance of winter, they can sell it, or they can store it until needed (subject to their contract with the Authority).
- Each Partner receives its proportional share of the water based on what is available in the Sites Reservoir and no Partner takes priority over another.

Figure 2-1. Sites Reservoir is supported by Californians in the north and the south. Local Participants are shown in blue on the map.

2.3 Why is the Sites Reservoir location particularly well suited for large-scale water storage?

The Sites Reservoir location offers a rare combination of natural and infrastructural advantages that make it highly efficient for large-scale water storage. The reservoir area is underlain by fine-grained soils derived from sedimentary rock and basin clays, which indicates low permeability (Sites Project Authority and Reclamation 2023). In addition, the site consists of a natural valley "bowl" formation that allows for substantial storage capacity with relatively modest embankment needs, resulting in a favorable construction efficiency measured by the required cubic yards of embankment per acre-foot of storage. Table 2-1 shows the Project requires only 11 cubic yards (CY) of embankment material per acre-foot (AF) of storage volume, which compares favorably to many existing and proposed reservoirs—particularly modern projects that often require significantly more embankment material per unit of storage. This

efficiency translates directly into reduced construction effort, and therefore cost, relative to the storage benefit delivered. Furthermore, the Project benefits from proximity to and integration with existing water conveyance infrastructure, reducing the need for entirely new large-scale conveyance systems.

Table 2-1. How Sites Reservoir Compares to Other Existing and Proposed Reservoirs in Terms of Embankment per Acre-Foot of Storage

Facility	Reservoir Storage Volume (AF)	Embankment Material Volume (CY)	Embankment / Storage (CY / AF)
New Melones Lake	2,400,000	16,000,000	7
Don Pedro Reservoir	2,000,000	16,750,000	8
Sites Reservoir*	1,500,000	17,200,000	11
Trinity Lake	2,447,000	29,251,000	12
Lake Oroville	3,500,000	80,000,000	23
Los Vaqueros Reservoir – 2012 Expansion	160,000	3,600,000	23
Calaveras Reservoir	97,000	3,478,000	36
San Luis Reservoir	2,000,000	77,656,000	39
Anderson Lake	89,000	4,339,000	49
Proposed Pacheco Reservoir Expansion*	140,000	14,000,000	100
Glade Reservoir* (Colorado)	170,000	18,069,000	106
Chimney Hollow Reservoir (Colorado)	90,000	12,000,000	133
Diamond Valley Lake	810,000	110,000,000	136

* Planned project

Equally important, because Sites Reservoir is an off-stream reservoir located in a predominantly rural setting, the Project has substantially less environmental and community impacts compared to traditional on-stream dam projects. By avoiding the need to dam a major river, the Project minimizes disruptions to natural flow regimes and aquatic ecosystems, contributing to a more defined and mitigable impact footprint. This is reflected in the successful completion of the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) processes, which have established a clear pathway for implementation. More broadly, many of California's most favorable on-stream reservoir sites have already been developed, and remaining opportunities tend to involve either greater environmental challenges or lower storage efficiency. In this context, Sites Reservoir stands out as a uniquely balanced solution—offering large-scale storage with a combination of construction efficiency, manageable impacts, and permitting viability that is difficult to replicate elsewhere.

2.4 Who are the current Partners?

The 24 current Partners are as follows:

- Antelope Valley-East Kern WA
- City of American Canyon
- Coachella Valley WD
- Colusa County
- Colusa County WD
- Cortina WD
- Davis WD
- Desert WA
- Dunnigan WD
- Metropolitan Water District of Southern California
- Reclamation District 108
- Rosedale-Rio Bravo WSD
- San Bernardino Valley Municipal WD
- San Gorgonio Pass WA
- Santa Clara Valley WD
- Santa Clarita Valley WA
- Westside WD
- Wheeler Ridge – Maricopa WSD

- Glenn-Colusa ID
- Irvine Ranch WD
- LaGrande WD
- Zone 7 WA
- State of California
- Bureau of Reclamation

Agencies that have expressed interest in becoming Participants should capacity become available are identified on a waiting list. They are:

- California American Water (Sacramento)
- City of Fairfield
- City of Mountain House
- City of Napa
- Dudley Ridge Water District
- Eastern Municipal Water District
- Glenn County
- La Cumbre Mutual Water Company
- Madera County Groundwater Sustainability Agency
- Pacific Resources Mutual Water Company
- Palmdale Water District
- Santa Clara Valley Water District
- Wheeler Ridge Maricopa Water Storage District
- Western Municipal Water District
- Westlands Water District
- Woodland Davis Clean Water Agency

The waiting list and interest in additional storage allocation by current Participants demonstrate a strong demand for Sites Reservoir storage capacity and provide a backstop should levels of participation change.

Reclamation is participating in the Project to realize additional water supply for agriculture and municipal and industrial purposes, CVP operational flexibility, benefits to anadromous fish, Incremental Level 4 water supply for Central Valley Project Improvement Act (CVPIA) refuges (and, potentially, other wetland benefits), and Delta ecosystem enhancement.

The State of California is providing Water Storage Investment Program (WSIP) funding through the California Water Commission (CWC) in exchange for ecosystem, recreation, emergency response, and flood control benefits. It is anticipated that DWR will administer the benefit agreements for flood reduction, recreation, and emergency response water supply, and that the California Department of Fish and Wildlife (CDFW) will administer the benefit agreement for ecosystem improvements. The State's Base Facilities Capacity Interest is sized to provide benefits proportional to the State's participation.

2.5 How is the Project governed?

[To be populated in a future draft. This section will be expanded upon to describe the various agreements and entities that govern the Project, but will not provide interpretation.]

[The language below describes the $500M Participant share/spend threshold in the B&O Contract, including the decision framework to construct vs. wind-up.]

The Benefits & Obligations (B&O) Contract establishes a decision point once cumulative Participant payments made after the B&O Contract effective date exceed $500 million. At that threshold, the Reservoir Management Board must adopt a one-time certified resolution authorizing the Project to continue. This milestone functions as a formal "go/no-go" checkpoint, confirming that Participants, through the Reservoir Management Board and Authority Board, have an opportunity to reassess the Project's feasibility, permitting status, costs, risks, and overall practicality before committing funding beyond the initial $500 million.

The decision made at this $500 million checkpoint is closely tied to the construct versus wind-up framework in the termination provisions of the B&O Contract. If the Reservoir Management Board determines that the Project remains feasible and practical, they may continue directing expenditures and proceed with construction in accordance with the conditions precedent to construction described in B&O Contract. Conversely, if they determine that the Project is infeasible, impractical, unable to proceed, or inadequately funded by Participants, the Authority Board and the Reservoir Management Board would decide, as a shared decision, to adopt a resolution to wind-up the Project and begin an orderly termination process. Subject to compliance with facility partners and state partners and federal partners, that process includes offering project assets first to Storage Partners, appointing a winding-up agent, liquidating or disposing of remaining assets, satisfying outstanding obligations, returning eligible unexpended funds, and distributing remaining proceeds based on participants' pro-rata cost shares.

3.0 How much water will the Project provide?

3.1 How much water will the Project deliver?

Sites Reservoir will capture water from the Sacramento River when it is plentiful and deliver it to Partner agencies when it is needed. Table 3-1 *[to be developed]* shows the long-term average annual deliveries to Partners, and average deliveries by year type.

Table 3-1. Long-Term Average Annual Deliveries to Project Partners by Water Year Type

Recipient or Purpose	Long-term average annual deliveries, all year types (acre-feet)	Long-term average annual deliveries (acre-feet) by year type				
		Critical	Dry	Below Normal	Above Normal	Wet
Dry Year Prioritization						
Sites Authority PWA Deliveries						
North of Delta						
South of Delta						
North Bay Aqueduct						
CVP Operational Flexibility						
Wildlife Refuge Water Supply						
North of Delta						
South of Delta						
Total Dry Year Prioritization Deliveries	**XX0,000**		**XX0,000**	**XX0,000**	**XX0,000**	**XX0,000**
Top Speed						
Sites Authority PWA Deliveries						
North of Delta						
South of Delta						
North Bay Aqueduct						
CVP Operational Flexibility						
Wildlife Refuge Water Supply						
North of Delta						
South of Delta						

Total Top Speed Deliveries	**XX0,000**		**XX0,000**	**XX0,000**	**XX0,000**	**XX0,000**

The range of benefits depends on how storage capacity and water are managed through the diversion-and-release cycle, as described in Section 6.7 of this report [to be developed]. This range is represented in Table 3-1 through inclusion of two modeling scenarios – one that prioritizes the use of Sites Water in dry years (Dry Year Prioritization) and one that seeks to use as much Sites Water as possible each year (Top Speed).

3.2 How does water from the Project enhance statewide water system flexibility?

The water transfer market created by Sites Reservoir is a significant Project benefit to Participants. "Zooming out" and looking at California's water system holistically, the Project will also enhance statewide water management flexibility because it:

- Adds long-term storage to California's integrated, interdependent water systems.
- Provides an opportunity for coordination with other reservoirs in the Central Valley to hold and release water.
- Provides opportunities for in-lieu surface water benefiting groundwater levels.
- Is adaptable operationally, i.e., it will be able to shift the timing of diversions, reservoir storage, and release operations to provide sustained benefits under both dry and wet year scenarios and variable climate conditions.

For example, the Project presents the potential to increase Folsom Lake storage levels to preserve additional cold water pool to achieve temperatures that are more suitable for juvenile steelhead and fall-run Chinook salmon spawning in the lower American River during dry and critical water-year types. The additional Folsom Lake storage is achieved by releasing Sites Reservoir water to assist with meeting CVP Delta objectives that are currently met through releases from Folsom Lake. Allowing more water to remain in Folsom Lake benefits water customers in the Sacramento Valley who receive their water from Folsom and the cold-water fishery on the lower American River. (Achieving these benefits will depend on the ability to exchange water per agreements to be developed with Reclamation.)

[The final Project Baseline Report will include language referencing SB 72 / Goal 1 (9 million acre-feet of new supply/capacity) and the forthcoming California Water Plan, including how Sites Reservoir supports meeting that target.]

3.3 What State and Federal benefits will the Project provide?

3.3.1 Federal ecosystem benefits

The Project will benefit anadromous fish, including endangered winter-run Chinook salmon, and other aquatic species by improving the temperatures in the Sacramento River. Water temperature maintenance would be accomplished by exchanging water dedicated to Reclamation's storage in Sites Reservoir for water conserved in Shasta Lake for the benefit of anadromous fish. This ecosystem benefit is a federal benefit paid for by Reclamation.

3.3.2 Water Storage Investment Program (WSIP) benefits

Wetland habitat enhancement

The Project is receiving funding under the State's Water Storage Investment Program (WSIP) due to the Project providing public benefits commensurate with State funding. To that end, the Project will enhance seasonal wetlands, permanent wetlands, and/or riparian habitat for aquatic and terrestrial species. The benefit can be achieved through delivery of Incremental Level 4 water under CVPIA or through delivery of water to enhance other seasonal wetlands, permanent wetlands, and riparian habitat under specific, measurable criteria.

Recreational opportunities

The Project will include two primary recreation areas and a day-use boat ramp, attracting recreational visitors yearly. Operation of recreational areas at the reservoir will result in an influx of dollars associated with seasonal recreation use. In the long term, the infusion of economic activity from the Project may build a foundation for economic diversification in the Colusa County-Glenn County region.

Emergency water supplies

The Project is receiving funding under the State's Water Storage Investment Program (WSIP) due to the Project providing public benefits commensurate with State funding. One of the public benefits identified for Sites Reservoir is the provision of supplemental water supplies for municipal and industrial (M&I) water agencies experiencing drought emergency conditions. For this benefit, Participants that are not experiencing emergency conditions may voluntarily dedicate a portion of their stored Sites Water for transfer to M&I Participants facing emergency shortages.

Flood Risk Reduction

The Project provides flood damage reduction benefits to Maxwell and surrounding areas. The Project will build new dams on Stone Corral Creek and Funks Creek that will capture flood flows from these creeks. This will help reduce the flood risk in Maxwell, surrounding agricultural lands, and sections of Interstate 5. The value of this flood risk reduction will increase over time as the value of the protected property increases and the likelihood and magnitude of large storms increases with climate change.

3.4 What other benefits will Sites Reservoir provide?

The regional economic benefits associated with construction of the Project will coincide with the estimated 8-year construction period. The annual workforce serving the project is estimated to range between 30 and 330 workers annually, with an average of approximately 160 jobs supported over the construction period. Long-term increases in regional employment are anticipated to come from jobs needed for project operations and maintenance (O&M) and related goods and services, and recreational opportunities.

Additional transportation improvements in Maxwell are anticipated to include lighted pedestrian crossings, stop signs, and other traffic calming features. The Project will also bring new and improved local access roads and a new bridge across the reservoir that will provide permanent reliable infrastructure for the traveling public; these roads will be crucial to supporting the economic activity resulting from the Project.

Other benefits from the Project include:

- **Increased agricultural output.** Future agricultural output statewide attributable to the Project is expected to be several million dollars per year.
- **Incidental power generation.** Project operations will generate power when water is released from Sites Reservoir at the Funks and Terminal Regulating Reservoir pumping generating plants. The power generated during the time of the year is when California typically needs more power to satisfy demand because of higher temperatures and thus it is expected Project-generated power would be sold on the market to a willing buyer.

4.0 What facilities comprise the Project?

4.1 What facilities comprise the Base Facilities and Downstream Facilities?

Sites Reservoir will be located approximately 10 miles west of the Colusa County town of Maxwell. Its location and main features are shown in Figure 4-1.

The Project facilities are characterized as either “Base Facilities” or “Downstream Facilities.” Base Facilities are used by all users. Downstream Facilities are used to convey water released from Sites Reservoir to downstream areas, such as back to the Sacramento River. (Please see Section 9 of this report for definitions of capitalized terms.)

The Project Base Facilities and Downstream Facilities are listed in Table 4-1.

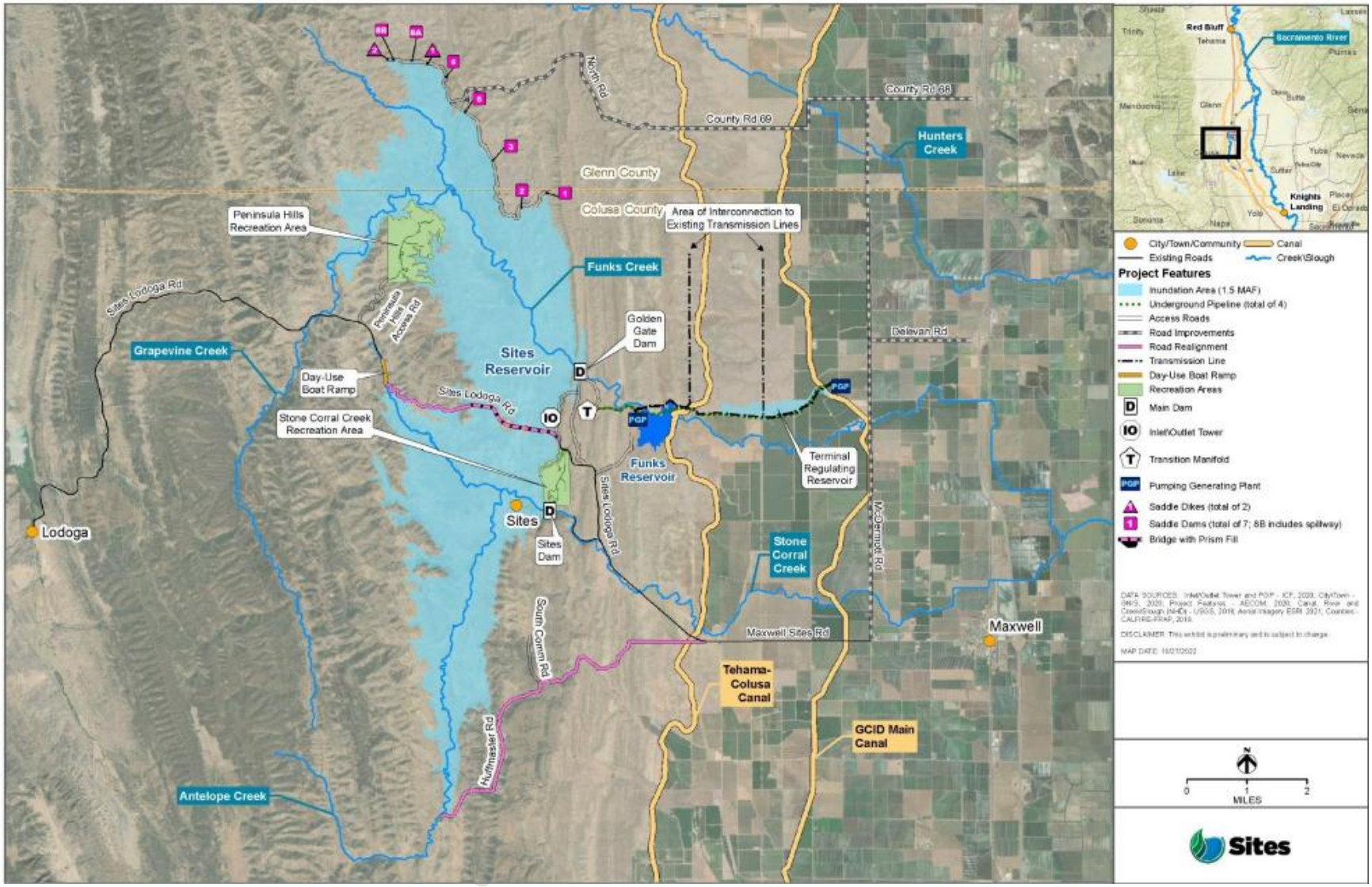


Figure 4-1. Location and Main Features of the Sites Reservoir Project (from the EIR/EIS)

Table 4-1. Base Facilities and Downstream Facilities

Facility Category	Sites Owned Facilities	Federal Facilities	Partner Facilities

Base Facilities	• Sites Reservoir
	• Sites Dam
	• Golden Gate Dam
	• Saddle dams/dikes
	• Terminal Regulating Reservoir
	• Terminal Regulating Reservoir Pumping Generating Plant
	• Funks Pumping Generating Plant
	• Power transmission lines
	• Electrical substations
	• Sites Lodoga Bridge
	• Other support facilities:
	  • Pipelines (Terminal Regulating Reservoir, Funks Reservoir)
	  • Spillway
	  • Inlet/outlet tower
	  • Transition manifold
	  • Maintenance and storage building
	  • Administration and operations building
	  • Access and O&M roads
	  • Recreation areas including day use boat ramp
		• Red Bluff Pumping Plant
		• Portion of Tehama-Colusa Canal from Red Bluff Diversion to Funks Reservoir
		• Funks Reservoir
			• Portion of Glenn Colusa Irrigation District Main Canal from the Hamilton
			• City Pump Station to the Terminal Regulating Reservoir
			• Hamilton City Pumping Plant

Downstream Facilities	• Dunnigan Pipeline and associated facilities	• Portion of Tehama-Colusa Canal from Funks Reservoir to the terminus of the Tehama-Colusa Canal	• Colusa Basin Drain south of Balsdon Weir • Knights Landing Outfall Gates

4.2 What value do Participants receive from the Project's use of existing infrastructure?

In 2019, the Project undertook a "value planning" process to identify and evaluate alternatives that could make the Project more affordable for participants. This effort culminated in recommendations for updates to project components including leveraging use of existing infrastructure, which was documented in the April 2020 Sites Project Value Planning Alternatives Appraisal Report. An important consideration for the recommendation was the cost difference between the original project (Alternative D) at $5.2 billion versus the value planning recommended project estimated at $3.0 billion, in constant 2018 dollars. The value planning analyses showed use of existing infrastructure brings significant opportunities – approximately $1 billion (2018$) in capital cost savings, reduced permit approval dependencies, and overall reduced schedule risks. The value of using existing infrastructure to meet Project objectives is likely understated due to recent unprecedented market changes and permit conditions, which could increase the Project's cost savings over previous estimates.

5.0 How and when will Sites Water be diverted into, stored, and released from the Reservoir?

5.1 How does water get conveyed into the reservoir?

Figure 5-1 is a facility schematic illustrating how water will flow into and out of Sites Reservoir. On the right side of the diagram is the Sacramento River, represented by the double blue line. Diversions from the Sacramento River and conveyance to Sites Reservoir will occur via (1) the existing Red Bluff Pumping Plant and fish screen, the Tehama-Colusa Canal, and Funks Reservoir and/or (2) Hamilton City Pump Station and fish screen, Glenn-Colusa Irrigation District (GCID) Main Canal, and Terminal Regulating Reservoir. Releases from the Sites Reservoir will occur primarily via (1) Funk Reservoir, the Tehama-Colusa Canal, Dunnigan Pipeline, Colusa Basin Drain and Knights Landing Outfall Gates where flows re-enter the Sacramento River for conveyance to Participants downstream the Knights Landing Outfall Gates and secondarily via (2) the Terminal Regulating Reservoir and GCID Main Canal to GCID Sites Storage Partners.

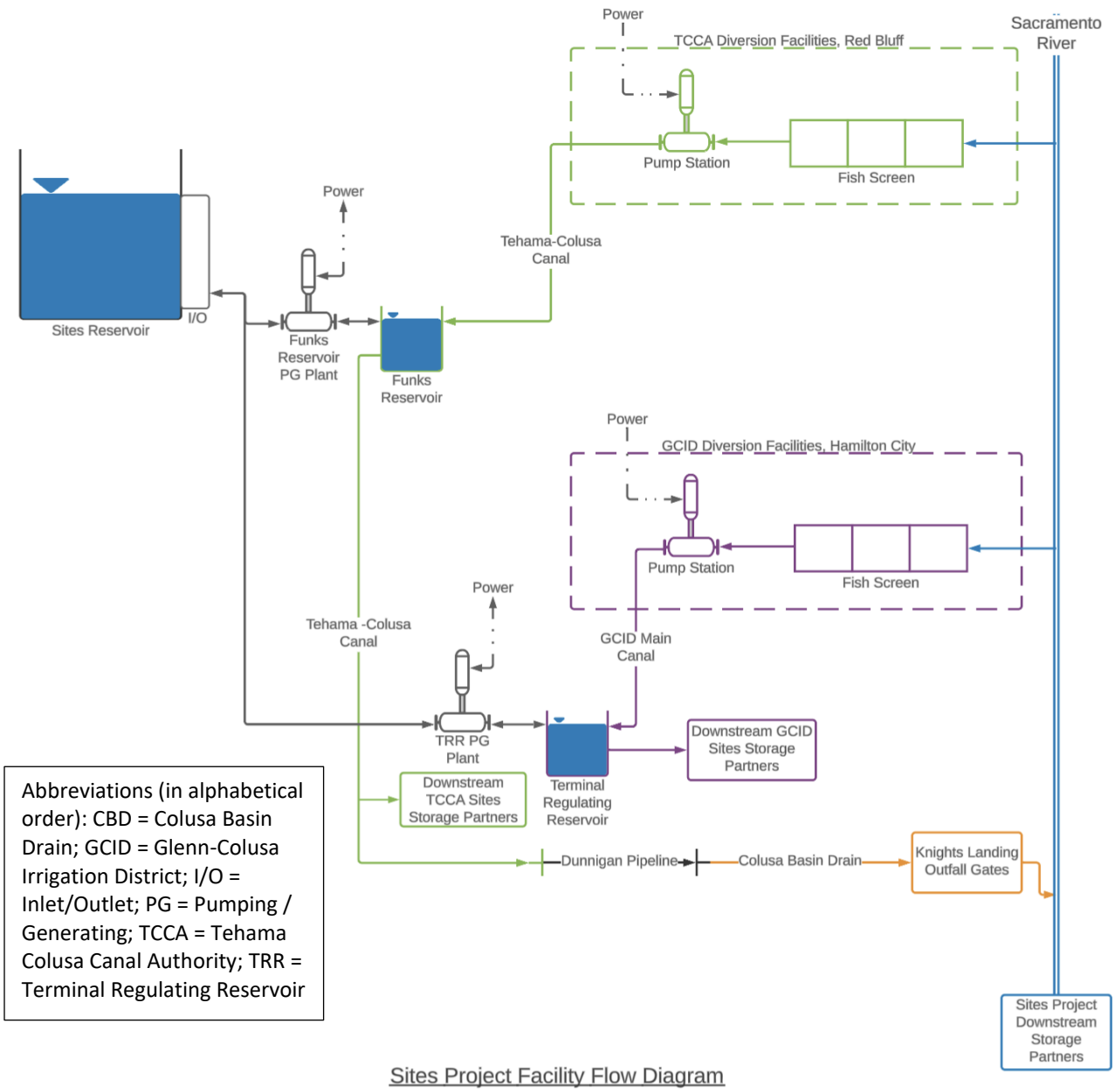


Figure 5-1. Sites Project Facility Flow Diagram

5.2 When can water be diverted into storage?

Project diversions from the Sacramento River to Sites Reservoir will generally occur in the winter and early spring but could occur any time Sacramento River flows meet the diversion criteria described in the Sites Reservoir Operations Plan (Operations Plan). Water from Funks and Stone Corral creeks can also be impounded in Sites Reservoir when conditions meet the diversion criteria described in the Operations Plan. Forecasting will be used to predict when Project diversions to storage are expected.

[A link to the adopted Operations Plan will be included in the final report.]

5.3 How much water will be diverted into the reservoir?

[To be developed: Figure 5-2 will show total long-term average diversions from the Sacramento River to Sites Reservoir.]

[Figure will be inserted here.]

Figure 5-2. Long-term average diversions from the Sacramento River to Sites Reservoir

5.4 How much water will Sites Reservoir hold?

The current estimate for Sites Reservoir storage capacity is 1,470,000 acre-feet based on the most recent survey data. Sites Reservoir storage space available to Storage Partners is 1,410,000 acre-feet after considering an operational inactive pool volume of 60,000 acre-feet. (Operational inactive pool is the portion of the water in the reservoir that the Authority is planning to retain to ensure water quality and environmental considerations are addressed at low reservoir elevations.)

5.5 How does water get conveyed from the reservoir to points of delivery?

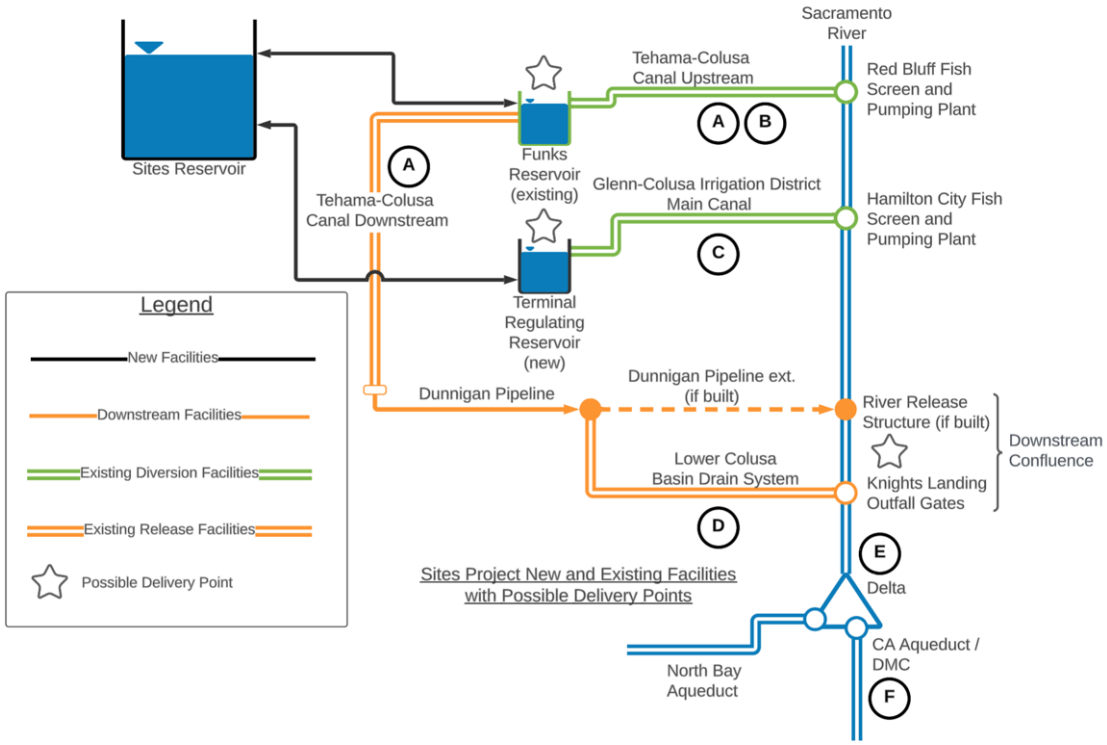
Sites Water will reach Storage Partners' points of deliveries as follows:

- **Releases for Storage Partners along the Tehama-Colusa Canal and GCID Main Canal:** Releases would be made to Funks Reservoir or the TRR and conveyed to the respective Storage Partner via the existing Tehama-Colusa Canal and GCID facilities.
- **Releases for Storage Partners along the Sacramento River north of Knights Landing:** Releases for Storage Partners along the Sacramento River north of Knights Landing would generally be made via exchange, as water from Sites Reservoir cannot be physically conveyed to any Storage Partner on the Sacramento River between Hamilton City Pump Station and Knights Landing. Real-time exchanges, primarily with GCID but also with Reclamation, would be used for these Storage Partners.
- **Releases for Storage Partners along the CBD and for those who will receive water downstream of Knights Landing:** Releases for these Storage Partners would be made to Funks Reservoir. This water would then be conveyed down the Tehama-Colusa Canal to the new Dunnigan Pipeline and released into the Colusa Basin Drain. The water would subsequently be conveyed down the CBD. Water destined for Storage Partners who receive water from the Sacramento River downstream of Knights Landing would be conveyed down the Tehama-Colusa Canal to the new Dunnigan Pipeline and released into the Colusa Basin Drain for release through the Knights Landing Outfall Gates back into the Sacramento River.
- **Releases for South-of-Delta Partners and for those who will receive water via the North Bay Aqueduct:** Releases for Storage Partners who are located south of the Delta, including water for Incremental Level 4 Refuge water supply benefits under WSIP, would be made to Funks Reservoir, conveyed down the TC Canal to the new Dunnigan Pipeline, and released into the CBD. This water would then be conveyed to the Sacramento River via the Knights Landing Outfall Gates. Once in the Delta, this water could be diverted at any of the South Delta pumping facilities (SWP's Banks

Pumping Plant, Reclamation's Jones Pumping Plant, the North Bay Aqueduct, or Contra Costa Water District's pumping plants) and conveyed to the respective Storage Partner using existing conveyance facilities and mechanisms. Releases for Storage Partners who are located south of the Delta, including water for Incremental Level 4 Refuge water benefits under WSIP, may also be made through exchanges with Reclamation and DWR.

Environmental releases will be made from Sites Reservoir into Funks and Stone Corral creeks. Releases into Funks Creek will be made through a new pipeline that terminates at Funks Creek below Golden Gate Dam; releases into Stone Corral Creek will be made through the permanent outlet at Sites Dam.

Figure 5-3 shows a schematic of the Project with the various delivery reports identified in the Benefits and Obligations Contract with Participants and the associated agreements to convey water.



LABEL	AGREEMENT
A	TCCA, FUA
B	Recl, Excess Capacity
C	GCID, FUA
D	Various, incl. RD108 Ops
E	DWR/Reclamation Ops Agmt
F	Reclamation, Excess Capacity DWR, Conveyance SLDMWA, Non-Federal OE

Figure 5-3. Delivery Points schematic with agreement labels

5.6 When can stored water be released?

Releases of Sites Water for uses south of the Delta will be exported through Delta Export Facilities consistent with the requirements for transfer of non-CVP/SWP project water. Currently, non-CVP/SWP project water can only be conveyed through the Delta Export facilities during July through November (often referred to as the "transfer window") consistent with the Record of Decision for the Long-Term Operation of the Central Valley Project and State Water Project. Sites Water will be exported during this July through November transfer window.

Sites Water releases and deliveries to Storage Partners in the Delta (including for rediversion at the Barker Slough Pumping Plant) and north of the Delta, including Reclamation (as an exchange partner or a Storage Partner) and DWR (as the acquirer or an exchange partner), can occur outside the transfer window but will be limited to periods when the Delta is in a Balanced Condition.

5.7 What are the ranges of transfer and delivery capabilities for North of Delta and South of Delta Participants?

5.7.1 What are the two scenarios under which transfer and delivery capabilities were modeled?

[To be developed: This section will elaborate on the two scenarios modeled to evaluate transfer and delivery capabilities—the Dry Year Prioritization scenario and the Top Speed Scenario.]

5.7.2 What are the ranges of releases and transfers under the two scenarios?

[To be developed: Table 5-1 will show the estimated project releases and transfers under the B Dry Year Prioritization Scenario and the Top Speed Scenario.]

Table 5-1. Long-term Average Annual Releases and Transfers and Dry and Critical Year Annual Releases and Transfers under the *Dry Year Prioritization* Scenario and the Top Speed Scenario

Recipient or Purpose	Releases and Transfers (TAF/year)					
	Dry Year Prioritization Operation			Top Speed Operation		
	Average	Dry	Critical	Average	Dry	Critical
NOD Members (includes American Canyon)						
Transfer release to NOD Demand						
Transfer release to SOD Demand						
SOD Members						
CVP Operational Flexibility						
Refuge Water Supply						
Total Releases and Transfers	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**

[To be developed: Results of the comparison between Dry Year Prioritization and Top Speed will be described here.]

5.7.3 What are the ranges of deliveries and transfers under the Baseline Operations Scenario and the Top Speed Operations Scenario?

[To be developed: Table 5-2 shows the estimated project deliveries and transfers under the Dry Year Prioritization Scenario and the Top Speed Scenario.]

Table 5-2. Long-term Average Annual Deliveries and Transfers and Dry and Critical Year Annual Deliveries and Transfers under the Dry Year Prioritization Scenario and the Top Speed Scenario

Recipient or Purpose	Deliveries and Transfers (TAF/year)					
	Dry Year Prioritization Operation			Top Speed Operation		
	Average	Dry	Critical	Average	Dry	Critical
NOD Members (includes American Canyon)						
Total NOD Transfer (end-point delivery)						
Transfer to NOD Demand (end-point delivery)						
Transfer to SOD Demand (end-point delivery)						
SOD Members						
CVP Operational Flexibility						
Refuge Water Supply						
NOD (Level 4)						
SOD (Level 4)						
Total Deliveries and Transfers	**XXX**	**XXX**	**XXX**	**XXX**	**XXX**	

[To be developed: Results of the comparison between Dry Year Prioritization and Top Speed will be described here.]

5.7.4 Is the Delta a constraint, and are there other south-of-Delta limitations?

Sites Reservoir has been evaluated as a stand-alone project; it will function independently, with or without a new Delta conveyance system. [Text to be added.] *[To be developed: Table 5-3 shows the percentages of months in July – November that release and delivery constraints control SOD deliveries.]*

Table 5-3. South-of-Delta delivery limitations under the Dry Year Prioritization Scenario and the Top Speed Operations Scenario – percentage of months that constraints control SOD deliveries

Delivery Control*	Dry Year Prioritization Operations	Top Speed Operations
High SWP allocation	XX%	X%
Sites storage supply for SOD Participants	XX%	XX%
Banks Pumping Plant at capacity	X%	XX%
California Aqueduct at capacity	XX%	XX%
Dunnigan Pipeline at physical capacity and real-time exchanges with GCID are “maxed out”	XX%	XX%
Limited conveyance availability through the Delta	X%	XX%
Long-term delivery	XX TAF	XX TAF

* Although it is possible that multiple controls may limit deliveries in the same month, only one control is identified per month.

[Content to be developed: analysis of controlling factors for deliveries.]

[Figure will be inserted here]

Figure 5-4. Remaining Transfer Amount, Banks Capacity, and Dunnigan Capacity

6.0 How will Storage Allocation and Capacity Interest be managed among Participants?

6.1 How is water in the reservoir allocated among Storage Partners?

Sites Water (water that is appropriated under the Sites Water Right) diverted from the Sacramento River is first used to fill the reservoir's inactive storage pool. After the inactive storage pool volume is filled, each Storage Partner will be allocated Sites Water based on its respective Base Facilities Capacity Interest or other Storage Allocation leased or acquired. If a Partner's Storage Allocation is not available or is full, then Sites Water from the Sacramento River will be allocated proportional to the Storage Allocation of all Storage Partners who have available Storage Allocation remaining. Sites Water will be allocated to Storage Partners after losses during diversions have been accounted for.

Important terms:

- **Base Facilities Capacity Interest:** The Capacity Interest of each Storage Partner in the Base Facilities specified in the Project Specific Information of the Storage Participant's respective contract.
- **Storage Allocation:** The maximum actual capacity allocated to a Storage Partner for storing Sites Water in the Project Facilities, measured and determined from time to time in accordance with the Sites Reservoir Operations Plan.

Regular losses of water held in storage in Sites Reservoir are expected to result from evaporation and seepage, facility testing and releases during testing, and unusual occurrences such as emergency releases and firefighting needs. These losses will be allocated to each Storage Partner in proportion to the amount of water in storage that day.

[A reference to the operations plan and a link to be included in this section as that document is finalized.]

6.2 How much control does each Storage Participant have over its storage space and water?

[To be populated in a future draft, Reference and links to the Benefits and Obligations Contracts, the Water Right, and the Operations Plan to be included in this section.]

6.3 How do Storage Participants track real-time operations and accounting?

[To be populated in a future draft.]

6.4 How do Participants make requests for storage opportunities or releases?

Each Participant and Reclamation will provide the Sites Authority with a request for Sites Water that the Participant or Reclamation seeks to have stored in the Project. Using seasonal forecasts of storage estimates and the information available on the dashboard, each Participant and Reclamation will also provide the Sites Authority with a requested schedule for releases of the Participant's or Reclamation's stored water. The details of this process are provided in the Operations Plan along with example forms (Attachment XX).

6.5 How will exchanges among Storage Partners work?

[To be populated in a future draft.]

6.6 How will lease and sell transactions work?

[To be populated in a future draft, will include references to the Benefits and Obligations Contract and will not provide interpretation.]

6.7 How do various management approaches influence the range of benefits available?

[To be developed: this section will describe the quantification of benefit resulting from various operational approaches, e.g., the computation and comparison of storage-to-release ratios for relatively more active vs relatively less active release/fill cycling.]

7.0 How much will the Project cost and how will it be funded?

7.1 What is the estimated cost of the Project?

The Project has advanced to approximately 30% design, supported by an Association for the Advancement of Cost Engineering (AACE) Class 3 cost estimate of approximately $7.5 billion in constant 2024 dollars, this is the "Governance Estimate" for the Project. This estimate reflects the best available design, technical, market, and construction information and includes contingencies appropriate for the Project's current maturity and inherent uncertainties and represents the total project cost estimate It does not include the potential effects of prolonged external delays, inefficient stop-and-go design or construction, or significant future changes in scope or design.

The cost estimate has not changed since the last update in mid-2025.

The $7.5 billion Governance Estimate includes a "Governance Contingency" of approximately $900 million in constant 2024 dollars. This value was estimated by subject-matter experts analyzing potential risks and probability of occurrence for unknowns in the areas of: Geotechnical, Construction, Noncontract Costs, Real Estate, and Compensatory Mitigation. The Governance Contingency is a board-managed contingency that is reserved for governance-level cost control. The "Management Estimate" is established by excluding the Governance Contingency from the total Project cost estimate, resulting in a Management Estimate of $6.6 billion in constant 2024 dollars. The estimate was developed using the best information available at the time, with input from subject-matter experts. Its credibility has subsequently been supported through comparison with pricing and technical information received during the Reservoir CMAR procurement process.

7.2 What is the difference between the "Management Estimate" and the "Governance Estimate"?

For purposes of managing Project costs, two estimates have been established: a Management Estimate and a Governance Estimate. Both are expressed in constant 2024 dollars and are based on the 30% design cost estimate. Both estimates also represent the total Project cost estimates that include costs for construction and non-contract costs. The basis for the total Project costs are:

- Cost Estimate for Noncontract Costs Technical Memorandum (Jeff Herrin, Dated May 9th, 2025)
- 30 Percent Construction Cost Estimate for Sites Reservoir Facilities TM (AECOM, dated March 10, 2025)Sites Reservoir HC Conveyance Facilities – Revised 30% Design Basis of Estimate (Jacobs, dated May 2, 2025)

The Management Estimate is $6.6 billion (2024$) and represents the funding level that Staff will manage toward. It includes contingencies within the estimate to address expected risks and uncertainties associated with design development and Project delivery, but excludes the Governance Contingency.

The Governance Estimate is $7.5 billion (2024$) and consists of the $6.6 billion (2024$) Management Estimate plus the $900 million (2024$) Governance Contingency described above. The Governance Contingency provides an additional level of cost protection and is controlled by the Board. A graphical representation is shown in Figure 7-1. Together, the two estimates provide a framework for managing Project costs toward the Management Estimate while maintaining additional contingency at the governance level to address broader Project cost exposure.

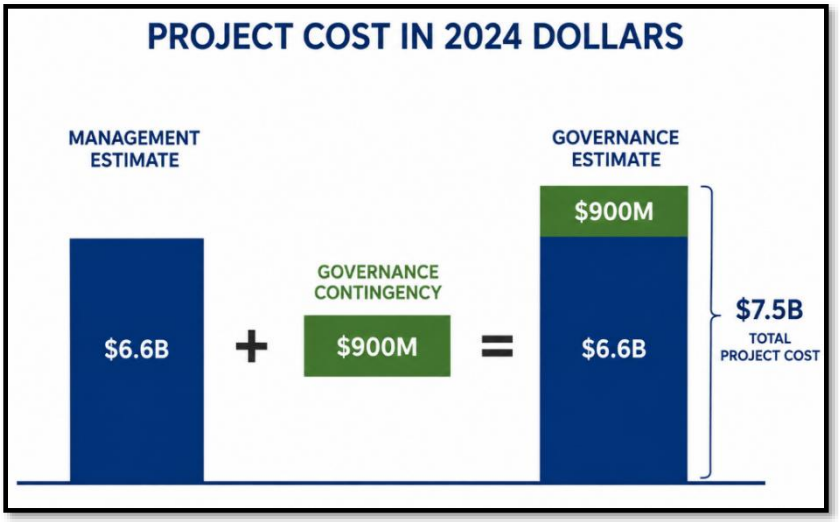


Figure 7-1. A graphical representation of Project costs (2024$)

7.3 How were the Management Estimate and Governance Estimate established?

The Management and Governance Estimates were established through multiple Value Planning Ad-hoc committee meetings in 2025. As part of those committee meetings, three cost scenarios were evaluated that reflected different assumptions regarding future cost savings and reductions in design contingency as the Project advances. The scenarios ranged from $6.1 billion to $6.6 billion in 2024 dollars for the Management Estimate, with each including an additional $900 million of Governance Contingency to establish the corresponding Governance Estimate.

The Project ultimately selected the more conservative $6.6 billion Management Estimate, providing a cost-management target that does not rely on achieving future cost savings to the same extent as the other scenarios. With the addition of the $900 million Governance Contingency, the resulting Governance Estimate is $7.5 billion in 2024 dollars.

7.4 What is contingency and how is it incorporated into the Project Costs?

Contingency is included within the Project cost estimates to account for risks and uncertainties that may affect costs as design and construction progress. Contingency values were estimated by subject-matter experts analyzing potential risks and probability of occurrence to quantify risk costs in the areas of: Geotechnical, Design, Construction, Noncontract Costs, Real Estate, and Compensatory Mitigation. The amount of that contingency recommended by subject-matter-experts was split between the Management Estimate and Governance Estimate.

The $6.6 billion Management Estimate includes approximately $518 million of contingency to address design development and identified geotechnical risks, such as greater quantities of excavation or more difficult excavation conditions. Whereas the $7.5B Governance Estimate includes an additional $900 million of Governance Contingency above the Management Estimate. This provides an additional level of cost protection for the Project, including potential geotechnical risks beyond those accounted for in the Management Estimate and other Project cost risks not otherwise accounted for within the Management Estimate. The Governance Contingency would remain under Board control and maintained separately from the Management Estimate until it is released for incorporation into the Management Estimate or an established Management Contingency via a Board action.

As the Project advances into construction, it is anticipated that a Management Contingency will also be established to address risks or costs that arise. This Management Contingency is envisioned to be managed within a Board directed delegated authority. The specific framework for establishing and managing this contingency will be developed as the Project advances.

7.5 How will Contingency be administered during the project?

Each GMP, or major discrete construction action, is expected to include a contingency amount based on the collective assessment of the risks applicable to that work package and their potential cost and schedule effects. This is expected to be a part of the Management Contingency. During construction, use of the Management Contingency will be governed by defined contractual and change-control procedures as the work progresses under the guidance of the approved policies and Delegation of Authority.

Separate from Management Contingency, Governance Contingency would remain under Board control and will only be made available for use with Board approval.

7.6 What is the Difference Between a Project “Estimate” and “Forecast”

The terms Estimate and Forecast are used to distinguish between two different ways of presenting Project costs. An Estimate represents the total estimated cost of the Project in constant, base-year dollars. The current Project cost estimates are expressed in constant 2024 dollars, which allows Project costs to be evaluated on a consistent basis without the effects of future escalation.

A Forecast represents those same Project costs in year-of-expenditure (YOE) dollars, meaning costs are escalated to the year they are expected to be incurred. The Forecast is influenced by both the cost estimate and the Project Schedule, which establishes the anticipated timing of expenditures.

This distinction allows the Project to evaluate and manage changes in the underlying cost of the work separately from changes resulting from the timing of expenditures and escalation.

7.7 What are the Management Forecast and Governance Forecast?

Similar to the Management and Governance Estimates, the Project maintains both a Management Forecast and a Governance Forecast. The difference is that the Forecasts express Project costs in year-of-expenditure dollars, incorporating escalation based on when costs are expected to occur.

The Management Forecast represents the year-of-expenditure equivalent of the Management Estimate and excludes the separately established Governance Contingency. It provides the working forecast of Project expenditures that the Project will manage toward. **The Management Forecast will be set at the Resolution to Construct the Project.**

The Governance Forecast includes the Management Forecast plus the year-of-expenditure value of the Governance Contingency. It therefore represents the broader forecast of total Project cost, including the additional cost protection provided through Governance Contingency. **The Governance Forecast is $9.9 Billion.**

Both forecasts will continue to be refined as the Project Schedule, design, delivery approach, and other Project information mature.

7.8 How will cost changes be measured?

Project cost performance will be measured against the Management Forecast and Governance Forecasts. As actual costs are incurred and individual work packages are developed, changes in the Project schedule and cost estimates will be reflected in updated forecasts and compared against the established Management and Governance Forecasts.

7.9 How will cost certainty improve as the Project advances?

As the Project progresses, cost estimates will be refined to reflect design advancement, improved understanding of site conditions, updated market information, and increasing contractor input. Under the CMAR delivery approach, the CMAR contractors will develop increasingly detailed cost estimates as design and construction planning advance, providing a more current understanding of anticipated construction costs.

For the CMAR delivery portions of the Project, which includes are major Project facilities (excluding the Dunnigan Pipeline), as work packages are advanced to 60%, the engineers cost estimates will replaced by Contractor Guaranteed Maximum Prices (GMPs) which are refined and updated at the 90% and final design levels. This transition to Contractor provided GMPs as a basis of cost estimation represents a significant improvement in cost certainty.

Ultimately, actual construction costs will provide the final measure of cost. The progression from engineering estimates, to increasingly detailed CMAR GMP estimates, to contractual pricing and actual costs will provide increasing cost certainty as the Project advances.

7.10 What opportunities for cost reduction have been identified to date?

Opportunities exist for reducing costs, as shown in the Value Engineering Technical Memorandum (Attachment C to this report). Cost optimization will remain an ongoing focus throughout final design and preconstruction as additional engineering information, geotechnical data, land access, and contractor pricing become available.

7.11 What are the estimates for operations, maintenance, repair, and replacement costs?

Operations and maintenance (O&M) costs and repair and replacement (R&R) costs are described in the Plan of Finance. O&M costs will be allocated to Participants and Reclamation as either fixed O&M charges or variable O&M charges. Fixed O&M costs include labor, materials, , repair and replacements, in-lieu of property taxes, franchise fees, insurance, and legal and administrative costs.

The annual fixed O&M costs (excluding replacement costs) are estimated to be $12.3 million in 2024 dollars, and these are escalated per year for the period 2034 through 2075. For the first planned year of operation, it is estimated that fixed O&M will be approximately $17.6 million in 2035 dollars.

Variable O&M costs are costs that change with the amount of water conveyed into and out of the reservoir. These costs include the cost of power and wheeling fees paid to others for use of the Colusa Basin Drain and facilities operated by GCID and TCCA. Variable costs are offset by power revenues that result from power generated as water is released from the reservoir. The current forecast assumes that the Project will be able to purchase power at wholesale rates and sell power into the wholesale market.

Since variable costs are based on the actual amount of water moved on behalf of a given entity, the total variable cost paid by that entity will depend on how the entity uses the Project. For instance, some entities might use the Project for dry year supply, whereas others may move water into and out of the reservoir each year to enhance yield. Variable cost in a given year will also reflect different water-year types as that affects the amount of water that is available for diversion and release. Overall, total average fixed and variable O&M remains consistent with prior work using wholesale power rates at approximately 15% of total annual costs.

Repair and replacement (R&R) costs under $35 million are assumed to be funded on a pay-as-you-go basis in the year incurred and will be billed one year in advance as a Fixed Project Cost to Participants (net of Reclamation and State payments for their share of such costs). Major replacement costs greater than $35 million are assumed to be financed and recovered over the life of the 30-year debt. The Plan of Finance provides more information on OM&R costs and how they will be paid.

7.12 How will the Project be funded and financed?

7.12.1 What are the main considerations and assumptions of the 2026 Plan of Finance?

The Project's Plan of Finance describes where the borrowed funds needed to construct the Project will be obtained and how they will be repaid. The Plan of Finance considers that:

- A broad diversity of Participants comprises the financing credit pool.
- Financing requirements and sources will vary throughout the life of the Project.
- Some Participants will use the pay-go (self-funding) approach and others will participate in group financing.
- Participants will meet the anticipated future financial obligations related to the Project in one of the following ways: include the costs of the Project on the Participant's DWR State Water Project Annual Statement of Charges; levy benefit assessments or other land-based charges on land located within a Participant's boundaries; or incorporate the costs into current water rates, charges and assessments.
- Banks or external agencies that lend to the Sites Authority, the credit rating agencies, and bond investors will all require strong security pledges from the Sites Authority before agreeing to lend or buy bonds to finance the Project.
- Project agreements will be based on a "take-or-pay" basis, meaning that each Storage Partner has the contractual obligation to pay for its predetermined share of the Project costs (including their share of annual debt service) regardless of the amount of water actually stored or delivered.

The Project's Plan of Finance assumes that:

- The Cost Estimate is as shown in Section 7.2 of this report, and includes all costs, e.g., construction, planning and design, land and right-of-way, environmental and permitting, and other activities such as project management, legal, and contingencies.
- The funding sources described in Section 7.5.2 are available to the Project.
- Escalation factors for the years [2027 through final completion] are as shown in the Plan of Finance.
- The Participant, State, and Reclamation base facilities capacity interests and downstream facilities capacity interests are as shown in the Plan of Finance.
- The Project baseline schedule is as shown in Attachment B to this report, including substantial completion of construction in [2034]; significant changes to the Project schedule will necessitate updates to the cost forecasts.

7.12.2 What is the mix of funding sources?

The Project will be funded with a combination of direct federal funding through the Bureau of Reclamation, state funding, borrowing by the Sites Authority, and Participant self-funding. Participant costs will initially be funded with interim financing such as short-term notes (although some Participants may elect to self-fund their share of construction). WIFIA loans and tax-exempt revenue bonds will then be used to pay off the notes and other short-term borrowings. The estimated mix of sources of funding is provided in Table 4 in the Plan of Finance.

7.12.3 What is the cash flow forecast over the construction period?

Annual expenditures are forecast to peak at approximately $1.9 billion (2026 dollars)/$2.2 billion (escalated dollars) in calendar years 2031 with a second significant period of expenditures occurring in 2033. See Figure 1 in the Plan of Finance for more information.

7.12.4 How are Project costs allocated among Storage Partners?

Sites is a beneficiary-pays project; this defines how costs are allocated among Storage Partners:

- Participants and Reclamation are paying for storage space and water supply.
- The State is paying for flood management, environmental and recreation benefits identified in the WSIP application.

Participants' and Reclamation's shares of the Project's construction costs are based on each party's Base and Downstream Capacity Interests. Participants' and Reclamation's shares of Variable O&M costs will be based on the actual costs incurred for moving water into and out of Sites Reservoir.

7.12.5 What will Participants' annual fixed obligations be?

The Plan of Finance evaluates three financing scenarios: interest-only during construction, capitalized interest through construction, and full pay-as-you-go to estimate Participants' annual fixed obligations. It outlines anticipated annual debt service obligations, cash flow requirements, and operating costs under each scenario. See the Plan of Finance for details.

7.12.6 How do Project costs differ for "Upstream Users" compared to "Downstream Users"?

[To be populated in a future draft.]

8.0 What is the Project baseline schedule?

8.1 What is the baseline schedule?

The current Project schedule (Attachment B) represents staff's best understanding of the time required to complete Phase 3 readiness activities, construct and commission the Project facilities, and operate the. The current Project Schedule assumes that operations and initial commissioning would start in the 2034 / 2035 water year.

The schedule represents the project's current best planning forecast and provides a credible basis for planning and decision-making. Its precision will continue to improve as land access is secured, field investigations are completed, design advances, agency authorizations are obtained, and construction packages and Guaranteed Maximum Prices (GMPs) are developed.

8.2 What are some of the key assumptions driving the schedule?

Below is a list of some of the key assumptions used for the schedule:

- Project funding is available as of March 2027 and Phase 3 activities in 2027 are not constrained by funding, particularly land acquisitions, environmental baseline surveys and geotechnical investigations.
- Landowners are willing to provide access agreements concurrent with the land purchase being finalized, which decouples the finalization of the purchase from starting the key schedule driving activities, particularly environmental baseline surveys and geotechnical investigations.
- Starting long lead early works projects, specifically the development of key access and haul roads, occurs early in the schedule.
- Once land access is secured, there is a two-year timeframe to complete the required environmental baseline surveys and obtain the various permit authorizations to allow construction in that area to begin.
- The majority of critical lands for construction are purchased by the end of 2027.
- Securing agency-approved mitigation lands or credit starts early in the schedule and does not pose a constraint on construction.
- Construction can occur efficiently on multiple fronts simultaneously, without being constrained.

8.3 What is the critical path of the schedule?

The critical path represents the longest sequence of dependent activities that determines the Project's forecasted operational date. The current schedule contains several near-critical paths because the Project comprises approximately 20 large, long-duration, and largely discrete subprojects that must be delivered within the same overall construction window. The top critical path and near-critical path packages include:

1. Sites Dam
2. Golden Gate Dam
3. Funk PGP
4. TRR PGP
5. Saddle Dams and Dikes
6. Sites Lodoga Bridge

These critical path package, as well as other near critical path packages, are sensitive to enabling activity progression. Delays is a packages enabling activities, including packages not listed here, could add it to the critical path.

In general, these subprojects share common predecessor activities (referred to as construction-enabling activities). These include project financing, land acquisition or access, environmental field surveys, environmental and cultural compliance, agency authorizations, design advancement, and early works. Delays to these shared enabling activities have the potential to affect multiple downstream subprojects and, collectively, the Project's operational date. At the current stage of the Project, the advancement of these construction-enabling activities is the most critical activity to maintaining the Project schedule. .

As the Project progresses, it is expected that multiple near-critical paths will continue to exist due to the highly concurrent nature of the work. As design advances, construction sequencing is refined, and contractor input is incorporated, the schedule will become increasingly detailed and precise, providing greater visibility into the relationships among these near-critical paths and the activities that ultimately govern the Project's operational date.

8.4 Will Phase 3 (Final Design) include construction?

Yes. The Schedule assumes that some critical early-works construction activities occur during Phase 3, and Phase 3 and Phase 4 will overlap as the Project transitions into full construction.

During Phase 3, certain early construction activities will be needed to prepare the Project for the larger-scale construction planned for Phase 4. These early work activities are expected to include construction-enabling improvements, such as developing access roads, haul roads and detour roads, needed to prior to starting subsequent major construction. For example, one of the Project's major access roads will connect the project site to Interstate 5 and is a predecessor to much of the Project's construction. This road will likely take one to two years to complete and advancing this work during Phase 3 will help position the Project for major construction activities in Phase 4. Another similar example is working with Utility in performing upgrades so the Project can receive construction grade power or moving utility lines within the construction areas.

8.5 Will there be an overlap between Phase 3 (Final Design) and Phase 4 (Construction)?

Yes. Transitioning from final design to construction is expected to occur progressively rather than at a single point in time. Under the CMAR delivery approach, individual facilities and work packages will advance through design and construction on different schedules. This allows construction to begin on portions of the Project where design, permitting, land access, and other prerequisites are sufficiently advanced, while final design continues on other portions of the Project. As a result, final design activities will continue into Phase 4 as construction expands across the Project.

8.6 When is the right time to begin Phase 4 (Construction)?

Phase 4 (Construction) should begin when the Project has reached a state of readiness that will allow for continuous, uninterrupted efficient construction. This would involve the purchasing of critical lands, completion of environmental baseline surveys of those lands, agency approvals and completion of cultural compliance activities for the beginning phases of work, significant design progression supported by geotechnical investigations, DSOD approvals of the design (where needed) and securing agency-approved compensatory mitigation lands. The objective is not necessarily to wait until every element of the Project is fully designed and authorized before beginning Phase 4. Rather, the work should be strategically phased to maintain a sufficient runway of executable construction packages.

Starting Phase 4 prematurely could expose the Project to interruptions, inefficient sequencing, contractor standby, repeated mobilization, and an extended construction duration. Conversely, delaying construction after sufficient readiness and financing have been established could unnecessarily increase escalation and defer Project benefits. The appropriate start is therefore the earliest point at which construction can be supported by an adequate and sustainable pipeline of construction-ready work.

8.7 How should Project delays be understood?

The schedule and cost consequences of a delay depend on both its cause and when it occurs. During Phase 3, a delay may primarily shift the start of construction and the operational date, with escalation and extended readiness costs as the principal financial effects. However, once major construction is underway, delays can have substantially greater financial consequences. During Phase 4, multiple contractors and large equipment fleets will be mobilized, extensive temporary facilities will be operating, and substantial labor, design, environmental-compliance, quality, construction-management, and other support resources will be in place. In addition to escalation costs increases, a constraint encountered during Phase 4 could also cause impacts to the direct costs resulting from: reduced productivity, standby, resequencing, extended overhead, contractual impacts, and lost opportunities to perform work concurrently.

Accordingly, a month of delay does not have a constant cost throughout the Project. Early delays will primarily affect the schedule, while delays during construction will affect the schedule and may also carry significant construction costs from delays (i.e. standby time, delay claims, etc.). Phase 3 is intended to identify and resolve constraints and build the runway for efficient construction.

8.8 How will the schedule be updated, and what oversight will the Sites Authority Board retain?

The Project Schedule will be actively managed and updated as the Project advances. During Phase 3, the Project's schedule management approach will evolve as individual project and work-package schedules are developed and integrated into the overall Program Schedule. This integrated scheduling framework will support management of the complex and multi-faceted nature of the Project and provide increasing detail and visibility into schedule performance, interfaces, and key milestones. Schedule performance will continue to be communicated to the Sites Authority Board through the Project's established reporting and governance processes.

9.0 What are the primary Project risks and how will they be mitigated?

A project of this magnitude, complexity, and duration presents cost, schedule, and benefit risks that will need to be carefully managed and mitigated. The following sections outline the risks and the mitigation strategies that will be implemented to mitigate the risks.

9.1 What are the primary cost risks?

The primary cost risks are:

- Potential increases in the Project's design scope and complexity.
- Differences in actual escalation and/or interest rates compared to assumed rates in the Plan of Finance.
- Schedule slippage, with its associated increased escalation costs and extension of other time dependent cost factors such as additional overhead costs to manage the construction.

- Schedule delays that cause impacts to the cost of direct work.
- Unforeseen conditions that result in additional construction effort, including geotechnical, subsurface risk.
- Abnormal material price escalation, such as supply chain related shortages, beyond normal market inflation

9.2 What engineering and construction mitigation actions will be taken?

Engineering and construction related opportunities to enhance cost performance include the following:

- Integrate CMAR Contractor input early for value engineering, constructability, cost and schedule verifications.
- Develop and negotiate GMPs proactively, starting at the 60% design levels with the support of an Independent Cost Estimator.
- Analyze the identified opportunities for reducing costs that are shown in the Value Engineering Technical Memorandum (Attachment C to the PBR).
- Perform Geotechnical investigations as soon as possible to assess subsurface conditions and the refine the contingency assumptions included in the Value Planning TM (available via weblink)
- Actively manage and optimize the overall project schedule to minimize duration and avoid delays, which often result in direct-cost impacts in addition to increased escalation exposure.
- Utilize early procurement of long-lead items to improve schedule performance and lock in pricing on major-cost items earlier (pumps, electrical equipment, tunnel liners, etc.).
- Use strategic contract provisions to address escalation and not pay upfront for a worst-case escalation scenario. Potentially, include indexed escalation provisions for diesel, steel, cement, fly ash, etc. Alternatively, where appropriate, lock in pricing and transfer the escalation risk to the contractor or supplier.
- Advance construction through early work packages rather than waiting for fully developed designs before beginning construction.

9.3 What finance and funding mitigation actions will be taken?

Funding & Financing related opportunities to enhance cost performance include the following:

- Complete detailed Budget and Cash Flow Management – Align Participant contributions with actual Project cash needs to minimize over-drawing Participant funds and avoid holding Participant dollars unnecessarily.
- Bring State funding in as early as possible – Maximize the use of State funds during construction to reduce and defer Participant cash requirements.
- Manage short-term financing strategically – Use lower-cost short-term financing where advantageous and consider rolling it rather than locking into higher long-term rates, while managing refinancing risk.
- Optimize WIFIA financing – Monitor WIFIA rates and draw timing and use WIFIA strategically to replace higher-cost debt when beneficial.
- Match borrowing to construction expenditures – Avoid borrowing significantly ahead of need and paying unnecessary interest or carrying costs.

- Continuously monitor escalation and affordability – Regularly update the Plan of Finance and stress-test escalation, interest rates, and construction timing so adjustments can be made before they materially affect Participant contributions.

9.4 What are the primary risks to schedule?

The principal risks to the baseline schedule are the following:

- Completion of Construction Enabling Activities in line with the schedule assumptions used in the Project Baseline Schedule, specifically:
    - Completion of Land Acquisitions and Access
    - Completion of Biological and Cultural surveys once Land access is granted
    - Obtaining permit authorizations
    - Securing Compensation Mitigation
- High degree of concurrency among the construction subprojects, which increases execution complexity and resource demands.
- The significant ramp in workload as phase 3 begins. Ramping up the Sites Owner team to align with CMAR and Designers, require onboarding and expanding the new standards, clarity, communication and resources.
- Onboarding a significant number of new resources while ramping into the next phase of work. Major new Resources will include:
    - Owner Delivery Support
    - Conveyance CMAR
    - Mitigation Contractor
    - Independent Cost Estimation

9.5 How will schedule risks be managed and mitigated?

To manage and mitigate schedule risk, the Sites Authority will:

- **Scale the Sites Authority's organization appropriately.** Once full Project funding is available, the Sites Authority will scale its organization proportional to the need to manage construction oversight, contract administration, regulatory compliance, and coordination across multiple active work fronts. A limited number of permanent staff will be augmented with task-specific contractors as needed.
- **Stay ahead of construction.** To allow for unencumbered and efficient construction, the Sites Authority will work to stay ahead of planned construction on several fronts, including land acquisition and access, biological and cultural surveys, permit authorizations, tribal consultations, amendments to the EIR/EIS, fulfillment of commitments required by the EIR/EIS, securing compensatory mitigation lands, and design.
- **Facilitate efficient regulatory reviews.** The Sites Authority will systematically organize data and information, develop templates, and standardize processes for providing complete packages of information to regulatory agencies.
- **Accelerated design development** will enable rapid advancement of design, which will, in turn, inform construction sequencing and cost development and support continued permit authorizations that require design maturity to assess impacts.
- **Continue to pursue early land acquisition and access to conduct biological and cultural surveys** through the Contingency acquisitions and continued landowner outreach.

- **Procurement and onboarding of Reservoir and Conveyance CMARs,** which allows for enhanced coordination and communication; early constructability reviews, cost estimates, and schedule input; and contractual incentives that encourage proactive project management.

9.6 What are the benefit risks and how will they be mitigated?

[To be included in future draft.]

10.0 Abbreviations and definitions

	[Under development]
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act
DWR	California Department of Water Resources
Project	Sites Reservoir Project
Reclamation	The Bureau of Reclamation, an entity within the U.S. Department of the Interior
Sites Authority	Sites Project Authority

[Note: Capitalized terms used in the definitions below are defined in the Sites Reservoir Operations Plan, v2.3, dated June 15, 2026.] *[Under development]*

Acre-foot: 43,560 cubic feet of water.

Applicable Laws: Applicable federal, state, and local laws, ordinances, rules, regulations, orders, and policies relating to the Project.

Acquirer: DWR, acting as acquirer of Sites Water from the Project in accordance with California Water Code Section 11575 and/or other Applicable Law on behalf of the SWP Storage Partners, as described in the draft Benefits & Obligations Contract.

Balanced Conditions in the Delta: When releases from upstream reservoirs plus unregulated flow approximately equals the water supply needed to meet Sacramento Valley in-basin uses plus exports. Balanced Conditions are determined by DWR and Reclamation.

Base Facilities: The Sites-Owned Facilities or other facilities available to all Partners.

Base Facilities Capacity Interest: (1) The undivided capacity right of each Storage Partner to store, convey and divert Water in each of the Sites Owned Facilities specified in the Project Specific Information of the Storage Partner's respective contract, and (2) the ability to utilize Partner facilities through the Sites Authority to convey and divert Water for the Project, in the pro-rata share set out for each Storage Partner in the Storage Partner's respective contract and subject to the Sites Water Right, Applicable Law, and Governmental Approvals.

Beneficiary Pays Principle: The principle for allocating all costs associated with delivering certain Project benefits, including public and non-public benefits, to the party receiving such benefits.

Benefits & Obligations Contract: The contract entered into by and between the Sites Authority and each Storage Partner (with the exception of Reclamation and the State) governing each Storage Partner's right to water service and Project water, storage capacity, and conveyance capacity, and related rights, duties, and obligations.

California Department of Fish and Wildlife (CDFW): CDFW is a state agency within the California Department of Natural Resources. It is responsible for managing fish, wildlife, and plant resources and habitats. CDFW is the state agency that administers the contract setting forth the terms for the Project to deliver Proposition 1 Water Storage Investment Program (WSIP) ecosystem benefits.

California Department of Water Resources (DWR): DWR is a state agency within the California Department of Natural Resources. It is responsible for owning, constructing, operating, and maintaining the SWP facilities and oversees these storage and conveyance facilities located throughout California. DWR is the state agency that administers the contract setting forth the terms for the Project to deliver Proposition 1 Water Storage Investment Program (WSIP) recreation and flood risk management benefits. DWR will be an ex-officio member of the Sites Authority per Water Code Section 79759.

Capacity Interest: (1) In the case of the Base Facilities, the Base Facilities Capacity Interest; and (2) in the case of the Downstream Facilities, the Downstream Facilities Capacity Interest, or either of them as the context applies.

Capital Costs: One-time expenditures that will benefit the Project for more than one financial year; the money necessary to move the Project from concept to implementation.

Carriage Water: The additional water needed for Delta outflow to compensate for the additional export of Sites Water to assure compliance with the water quality requirements of the CVP and SWP.

Completion: Determination by the Sites Authority Board and the Reservoir Management Board that the Project Facilities are complete for the purposes of providing water service, including water storage, intake, outlet, and conveyance, to Storage Partners.

Constant Dollars: The "apples to apples" view; a base year is selected, and all costs are expressed in that year's purchasing power (i.e., inflation is not considered).

Construction: All work to build or construct, rehabilitate, upgrade, make, form, manufacture, furnish, install, supply, deliver, landscape, equip, test, and commission any structure, building, or other improvement to real property included in the Project.

Delivery Point: With respect to each Storage Partner, the delivery point specified in the Project Specific Information in their respective contract.

Delta Export Facilities: The Harvey O. Banks Delta Pumping Plant, including Clifton Court Forebay, which is owned and operated by DWR, and the C.W. "Bill" Jones Pumping Plant, which is owned and operated by Reclamation.

Diversion Season: The period from September 1 through June 14, inclusive, when the Sites Authority would divert water into Sites Reservoir. No diversions can occur from June 15 to August 31, inclusive, regardless of river conditions or flow.

Downstream Facilities: The Sites-Owned Facilities or other facilities that are utilized by selected Storage Partners listed in the Project Specific Information of each Storage Partner's respective contract, as modified from time to time.

Downstream Facilities Capacity Interest: The undivided capacity right to convey Water in each of the Downstream Facilities granted by the Sites Authority and owned by the Storage Partners in accordance with their respective contract, in the pro-rata share set out for each Storage Partner specified in the Project Specific Information of each Storage Partner's respective contract, subject to the Sites Water Right, Applicable Law, and Governmental Approvals.

Financing Agreement: Any indenture, trust agreement, loan agreement, installment purchase agreement, or other financing document entered into by the Sites Authority in connection with any Project Obligations.

Financing Obligations: The obligations of a Financing Storage Partner to pay a percentage of the total Sites Financing Costs in accordance with the Benefits & Obligations Contract.

Financing Storage Partner: With respect and to the extent a Storage Partner participates in a Sites Financing, all Storage Partners other than Self-Funding Storage Partners.

Financing Participation Percentage: With respect to each Sites Financing, the applicable percentage determined in accordance with the formula provided in the Benefits & Obligations Contract.

Fixed O&M Costs: Any and all costs and expenses that are incurred irrespective of the amount of Sites Water diverted, stored, or released to the Storage Partners; any and all costs and expenses that are not Fixed Project Costs, Sites Financing Costs, or Variable O&M Costs.

Fixed Project Costs: (1) Development, design, construction, and capital costs of the Project, and (2) individual repair, replacement, rehabilitation, improvement, or regulatory compliance activities incurred after Completion to the extent not covered by Fixed O&M Costs.

Generally Accepted Accounting Principles: Such accepted accounting practice as conforms at the time to generally accepted accounting principles to public agencies in the United Sates of America, consistently applied.

Governmental Approvals: Any permit, license, consent, concession, court order, grant, franchise, authorization, waiver, certification, exemption, filing, lease, registration or ruling, variance or other approval, guidance, protocol, mitigation agreement, settlement agreement, agreement or memorandum of agreement/understanding, and any revision, modification, amendment, supplement, renewal, or extension of any of the foregoing, required by or with any Governmental Entity in order to perform the purposes of the Sites Operations Plan.

Governmental Entity: Any federal, state, local, or foreign government and any political subdivision or any governmental, quasi-governmental, judicial, public, or statutory instrumentality, administrative agency, authority, body, or entity other than the Sites Authority.

JPA Agreement: The Amended and Restated Joint Exercise of Powers Agreement, effective [*DATE*], by and among the parties set forth on the execution page thereof, as amended and supplemented from time to time.

Lender: Any lender, bondholder, noteholder, lessee, or other holder of any Project Obligations (including the State of California, Reclamation, or any department, bureau, or other affiliated entity thereof), as applicable, incurred in connection with a Sites Financing of the Project.

O&M Costs: Fixed O&M Costs and Variable O&M Costs, or either of them, as context requires.

Other Water: Water other than Sites Water that a Storage Partner may request the Sites Authority to store in and/or convey through Project facilities consistent with Governmental Approvals and Applicable Law.

Partner Agreement: Any agreement entered into between the Sites Authority and another entity in accordance with which the Sites Authority has the right to divert, release, and convey Water to or from the Project, as amended from time to time.

Partner Facilities: Any facilities used by the Sites Authority to convey Water to or from the Sites Owned Facilities in accordance with the Partner Agreements.

Primary Benefits: Water supply and water supply related environmental benefits, including water quality.

Project: The entire physical infrastructure and capital improvements to be designed, constructed, commissioned, and completed or contracted for use by the Sites Authority, including the Sites Owned Facilities and Partner Facilities, as reflected in the Project Specific Information, for the purpose of providing storage and conveyance of water for use by Storage Partners in accordance with their Capacity Interest, as such project may be modified from time to time.

Project Costs: The sum of Fixed O&M Costs, Fixed Project Costs, Variable O&M Costs, and Sites Financing Costs payable by the Storage Partners under the Benefits & Obligations Contract, or each of them, as the context requires.

Project Facilities: Collectively the Sites Owned Facilities and the Partner Facilities, or any of them as the context requires.

Project Obligations: Any bonds, notes, loans, or other evidences of indebtedness issued or incurred by or on behalf of the Sites Authority with respect to the Project.

Proposition 1 Water Storage Investment Program (WSIP): The $2.7 billion program administered by the California Water Commission to carry out the mandate of Proposition 1, passed in 2014, to fund water storage projects.

Proposition 1 Water Storage Investment Program (WSIP) Contract: The agreement between the Sites Authority and the State through the California Water Commission setting forth the terms of processes for realizing the benefits intended, reporting requirements, and so forth.

Reclamation Partnership Agreement: The agreement between the Sites Authority and the U.S. Bureau of Reclamation.

Reservoir Management Board: A committee of the Sites Authority Board composed of representatives of signatories to the Benefits & Obligations Contract. The Reservoir Management Board functions to

exercise the "Delegated Authorities" more specifically identified in Section 10 of the Bylaws, which are all such powers to operate the Project as are not Reserved Powers defined in the JPA Agreement.

Secondary Benefits: Flood control, recreation, and power generation benefits.

Secondary Delivery Point: A location beyond the Delivery Point, which, at the request of each Storage Partner, and subject to Applicable Laws and Governmental Approvals, the Sites Authority may take actions reasonably practicable to assist Storage Partners in conveying Water.

Self-Funding Storage Partner: A Storage Partner that satisfies all or a portion of its obligation to pay Fixed Project Costs through Self-Funding Storage Partner Cash Payments in accordance with the Benefits & Obligations Contract.

Sites-Owned Facilities: The new physical infrastructure and capital improvements for the Project to be designed, constructed, commissioned, completed, and owned by the Sites Authority, including dams, reservoir(s), pipelines, pump stations, and other facilities necessary or appropriate for providing new water supply and storage including the facilities listed in the Project Specific Information, but excluding facilities designed and built by parties to Partner Agreements that will be used for the Project in accordance with such Partner Agreements, Partner Facilities, and the real property required for the Project.

Sites Project Authority (Sites Authority): A California Joint Powers Authority operating under and by virtue of Section 6500 et seq. of the California Government Code and formed in accordance with the Sites Project Authority Joint Exercise of Powers Agreement, as such agreement may be modified from time to time, established for the purpose of designing, constructing, owning, operating, and maintaining the Sites Reservoir Project.

Sites Reservoir Operations Plan: The Sites Reservoir Operations Plan, including all attachments, as may be modified from time to time. Contents include operations planning, forecasting, and accounting; diversions and conveyance to Sites Reservoir; storage in Sites Reservoir; releases from Sites Reservoir; Sites Water sales and exchanges; coordination with CVP and SWP; and other considerations.

Sites Reservoir Project (Project): Dams, reservoirs, certain associated diversion and conveyance facilities, and other associated facilities, mitigation lands, and Sites Water Right owned and operated by the Sites Authority.

Sites Water: Water that is appropriated under the Sites Water Right.

Sites Water Right: The water right obtained and owned by the Sites Authority for the Project.

Storage Allocation: The maximum actual capacity allocated to a Storage Partner for storing Water in the Project Facilities, measured and determined from time to time in accordance with the Sites Reservoir Operations Plan.

Storage Partners: The governmental agencies, water organizations, and others who have funded and received a Storage Allocation in Sites Reservoir and the resulting water supply or water supply related benefits from the Project. Storage Partners include local agencies, the California Department of Fish and Wildlife, and the U.S. Department of the Interior, Bureau of Reclamation.

Stored Water: The amount of Water that a Storage Partner has stored in the Project Facilities at any given time, as measured from time to time by the Sites Authority in accordance with the Sites Operations Plan.

SWP Storage Partners: Those Storage Partners listed in the Project Specific Information which have elected to pay Project Costs through the Acquirer in connection with the California State Water Project.

Water: When capitalized [Water], Sites Water or Other Water conveyed through, or stored by, Storage Partners in Project Facilities.

Water Year: The period from October 1 through September 30.

Year of Expenditure: Also known as nominal dollars; the actual dollars based on the project schedule. Each cost element is escalating to the year it is spent (i.e., inflation is included in the calculation). This monetary value is often considered in cash flow, financing, and budget authority decisions.

11.0 References

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[Under development]

Resources available on the Sites Reservoir public website [will link each one]

Executed Resolution to Offer Capacity
Participant, State, and Reclamation base facilities capacity interests and downstream facilities capacity interests, as of June 2026
Plan of Finance
WIFIA Loan Master Agreement
Sites Water Right Permit Order
Operations Plan
Final Benefits & Obligations Contract
State Prop 1 Contracts for Administration of Public Benefits – CDFW and DWR
Reclamation Partnership Agreement
Facility Use Agreements with GCID & TCCA
RD 108 Operation Agreement
SPA-DWR-Reclamation Operations Agreement
Conveyance Capacity Technical Memorandum
30% Design Total Project Cost Estimate TM for Reservoir Package
30% Design Total Project Cost Estimate TM for Conveyance Package
Noncontract Cost TM
Value Planning TM
Conditions Precedent Status

Attachments follow this page:

A 30% Design Total Project Cost Estimate Summary
B Baseline Schedule
C Value Engineering Technical Memorandum
D Conveyance Capacity Summary *[next draft]*
E Real Estate Summary [*next draft*]
F Loss Assumptions Summary

Attachment A: 30% Design Total Project Cost Estimate Summary

Attachment A, the 30% Design Total Project Cost Estimate Summary, follows this page.

30% Design Total Project Cost Estimate Summary

Cost Estimate Components	Management Estimate (2024$)	Governance Estimate (2024$)	Reference
Reservoir	$2,435,000,000	$2,435,000,000	AECOM. 30 Percent Construction Cost Estimate Sites Reservoir Facilities Technical Memorandum, March 2025
Conveyance	$1,444,000,000	$1,444,000,000	Jacobs. Sites Reservoir Project HC Conveyance Facilities – Revised 30% Design Basis of Estimate, May 2025
Non-Contract	$1,244,000,000	$1,244,000,000	AECOM. Cost Estimate for Noncontract Costs Technical Memorandum, May 2025
Real Estate	$122,500,000	$122,500,000	Value Planning Ad Hoc Sub-Committee, March 2025
Compensatory Mitigation	$789,000,000	$789,000,000	Value Planning Ad Hoc Sub-Committee, March 2025
Contingency	$518,000,000	$1,428,000,000	Contingency Summary
Total	$6,600,000,000	$7,500,000,000	

Draft - Predecisional Working Document - For Discussion Purposes Only

Contingency Summary

Cost Estimate Components	Management Contingency (A)	Governance Contingency (B)
Reservoir & Conveyance *Geotechnical* *Design/Regulatory* *Construction*	$517,900,000 *$141,500,000 (50%)* *$376,400,000 (100%)* *$0 (0%)*	$612,800,000 *$141,500,000 (50%)* *$0 (0%)* *$471,300,000 (100%)*
Noncontract Cost	$0	$186,700,000
Real Estate	$0	$24,500,000
Compensatory Mitigation	$0	$85,800,000
Subtotal	$518,000,000	$910,000,000
Total Contingency*	$1,428,000,000	

*Total Contingency = Management Contingency + Governance Contingency = (A) + (B)

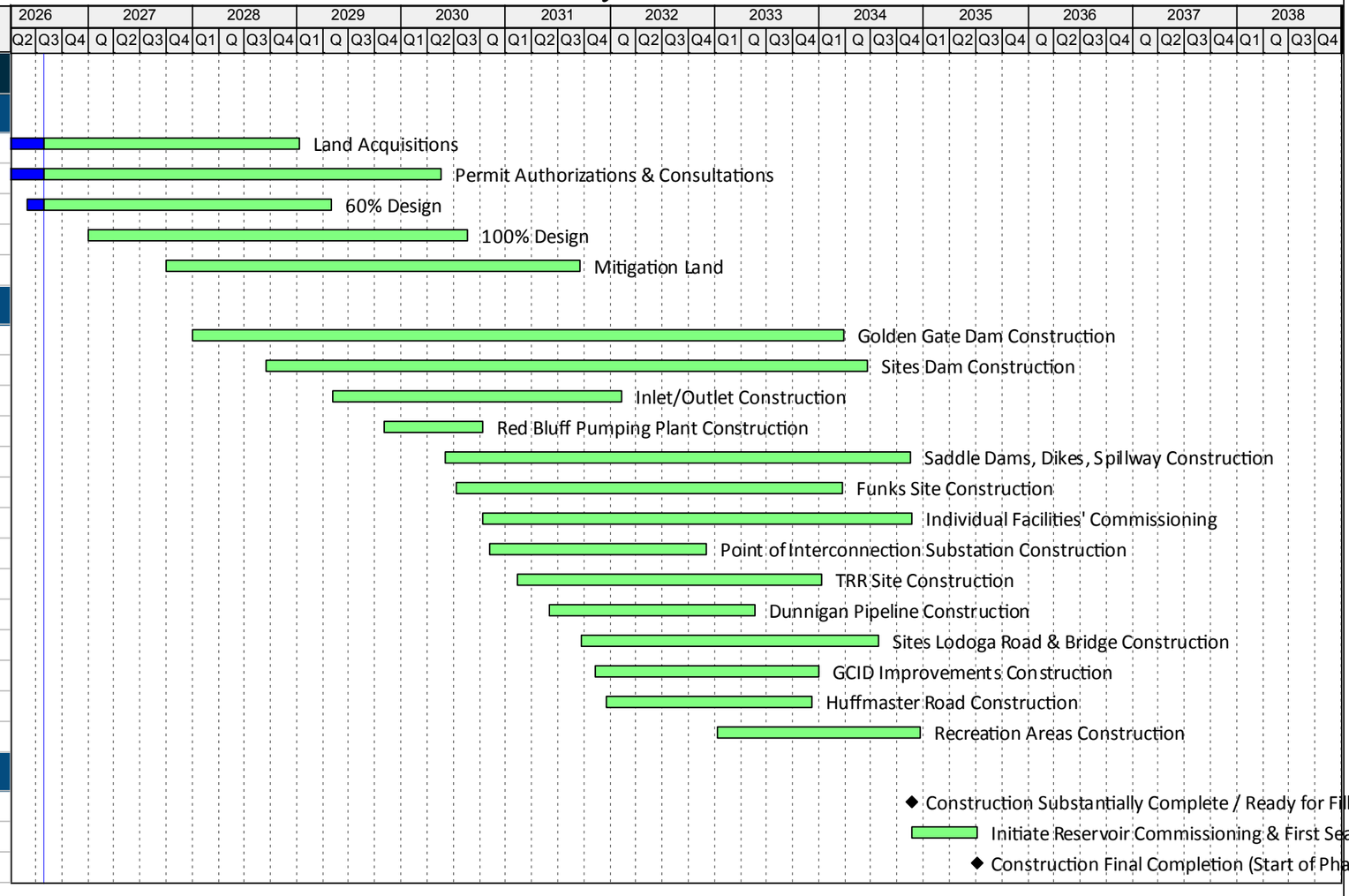
Attachment B: Baseline Schedule

Attachment B, the Sites Project Baseline Schedule, follows this page.

Sites Reservoir Project

Pre-Construction & Construction Summary Schedule

#	Facility	Start	Substantial Completion
1	**Sites Reservoir: July 31, 2026 Update**	20.Nov.23 A	06.Jul.35
2	**Pre-Construction**	20.Nov.23 A	16.Sep.31
3	Land Acquisitions	20.Nov.23 A	10.Jan.29
4	Permit Authorizations & Consultations	13.Jan.25 A	20.May.30
5	60% Design	01.Jun.26 A	03.May.29
6	100% Design	04.Jan.27	21.Aug.30
7	Mitigation Land	30.Sep.27	16.Sep.31
8	**Construction**	31.Dec.27	20.Dec.34
9	Golden Gate Dam Construction	31.Dec.27	29.Mar.34
10	Sites Dam Construction	15.Sep.28	16.Jun.34
11	Inlet/Outlet Construction	04.May.29	09.Feb.32
12	Red Bluff Pumping Plant Construction	01.Nov.29	14.Oct.30
13	Saddle Dams, Dikes, Spillway Construction	03.Jun.30	17.Nov.34
14	Funks Site Construction	11.Jul.30	23.Mar.34
15	Individual Facilities' Commissioning	15.Oct.30	22.Nov.34
16	Point of Interconnection Substation Construction	06.Nov.30	01.Dec.32
17	TRR Site Construction	13.Feb.31	10.Jan.34
18	Dunnigan Pipeline Construction	04.Jun.31	20.May.33
19	Sites Lodoga Road & Bridge Construction	24.Sep.31	25.Jul.34
20	GCID Improvements Construction	11.Nov.31	28.Dec.33
21	Huffmaster Road Construction	18.Dec.31	06.Dec.33
22	Recreation Areas Construction	11.Jan.33	20.Dec.34
23	**Operations**	20.Nov.34	06.Jul.35
24	Construction Substantially Complete / Ready for Filling		20.Nov.34
25	Initiate Reservoir Commissioning & First Season of Filling	21.Nov.34	06.Jul.35
26	Construction Final Completion (Start of Phase 5 Operations)		06.Jul.35



Project ID: SRP / Project Name: Sites Reservoir: July 31, 2026 Update
Layout Name: Sites Summary / TASK filters: Less than 100%, New Activity, WBS Starts With_1.
Data Date: 31.Jul.26 / Print Date: 17.Aug.26

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Attachment C: Value Engineering Technical Memorandum

The Value Engineering Technical Memorandum, dated June 15, 2026, follows this page.

Value Engineering Concepts Technical Memorandum

To:	J.P. Robinette, P.E. (Sites Project Authority)
CC:	-
Date:	June 15, 2026
From:	Kyle Hughes, P.E. (Sites Project Authority), Henry Luu, P.E. (HDR)
Quality Review:	-
Authority Agent Review:	Rob Natoli, P.E. (Sites Project Authority)
Subject:	30% Design Value Engineering Concepts

This document outlines value engineering (VE) concepts that have been identified by the Conveyance and Reservoir design teams (Jacobs and AECOM, respectively) as well as the Reservoir CMAR (Barnard). These concepts have been limited to items that have the potential to reduce project costs while maintaining the function and level of service as depicted within the Project's 30% design. The concepts identified in the table below have not been incorporated into the 30% cost estimate, which forms the basis of the project budget, because additional investigations and/or design development is required to determine their viability and quantify their cost savings. As the design and CMAR teams continue to advance project planning and design, it is anticipated that VE opportunities will continue to be identified, evaluated, and presented to the Sites Project Authority for approval prior to incorporating into the Project.

A few items to note:

1. The concepts identified in the tables below are not additive. The estimated savings associated with each concept are presented independently and should not be aggregated, as implementation of one concept may influence the applicability or savings potential of another.
2. Value engineering concepts for the Conveyance CMAR packages will be solicited as a part of the Conveyance CMAR procurement process. The list of potential Conveyance CMAR related valuing engineering concepts is anticipated to increase as the procurement process advances.

Table 1 – Items with Quantified Potential Savings

Concept (Potential Cost Savings)	Description and Notes
1. Golden Gate Dam Realignment ($100M - $200M)	Sites Reservoir is comprised of two large dams, several smaller saddle dams, and dikes. The largest of these structures is Golden Gate Dam. The current alignment of Golden Gate Dam could potentially be refined to reduce the embankment length and fill quantities. If a revised alignment were determined to be feasible and selected for implementation, embankment quantities could be reduced by approximately 35%, resulting in substantial cost savings. Additional geotechnical investigations are required to evaluate the feasibility of the revised alignment, along with coordination and approval from DSOD. This concept is planned to be evaluated early in Phase 3 (Final Design) of the project.
2. Raise reservoir physical dead pool from elevation 300 to 327 ($10M - $20M)	Raising the physical dead pool elevation to 327 feet from the current design elevation of 300 feet would result in a smaller inlet/outlet (I/O) structure and reduced excavation for the I/O approach channel. Although this change would reduce potential usable storage capacity of the reservoir by approximately 45 TAF, the impact would likely be negligible considering this elevation is within the reservoir operation dead pool and water quality restrictions would apply if the reservoir were ever drawn down to such a low level.
3. Optimize freeboard for saddle dam embankments ($10M - $50M)	DSOD criteria for establishing reservoir freeboard are based on the greater of: (1) five feet plus five percent of the retained height of the dam, or (2) an analysis of PMF surcharge and wind-wave runup. Due to the limited amount of natural runoff from the two creeks located within the reservoir area and the large reservoir area, the governing criterion for the project is the five feet plus five percent of retained height requirement, resulting in approximately 19 feet of required freeboard for both Golden Gate Dam and Sites Dam. This 19-foot freeboard requirement has also been applied to the saddle dams to maintain consistency and provide a uniform crest elevation across all embankments. However, the saddle dams could be viewed as unique structures warranting independent freeboard evaluations that may result in lower freeboard requirements. If DSOD were to accept a reduced

	freeboard for the saddle dams, the required embankment quantities could be reduced, resulting in lower construction costs.
4. Reduced grout cap thickness ($5M - $10M)	The current design assumes a 3-foot-thick concrete grout cap will be constructed along the current alignment of Golden Gate Dam and Sites Dam. The purpose of the grout cap is to provide a working surface for grouting drill rigs. It may be feasible to reduce the thickness of the grout cap to 2 feet, which would reduce concrete quantities and associated costs.
5. Produce aggregate base from onsite materials ($20M - $35M)	Due to the extensive roadwork required, a significant quantity of aggregate base material will be needed. The current estimate assumes this material will be purchased from an offsite source and trucked to the project. However, it may be possible to produce this material onsite from project rock borrows, resulting in monetary savings from reduced hauling costs, as well as non-monetary benefits from reduced community impacts and reduced air pollution. Additional geotechnical investigations of native rock will be necessary to determine whether this option is feasible. The stated savings is based on an assumed quantity of rock being produced onsite, quantity adjustments will have an impact on the stated savings.
6. Produce dam embankment drain materials onsite ($30M - $60M)	Modern embankment dam designs with clay cores typically incorporate filter and drain zones downstream of the core to protect against internal erosion and control seepage. These materials must meet stringent gradation and quality requirements to ensure long-term performance. This value engineering (VE) concept proposes producing the drain zone material from onsite rock borrows, provided that rock with adequate durability and other required engineering properties is found within the onsite rock borrows. If the native rock is determined to be suitable, substantial cost savings could be realized due to the large quantities required and the reduction in material hauling costs. Additional non-monetary benefits would include reduced truck traffic, lower community impacts, and decreased air pollutant emissions. If this VE is determined to be technically feasible, the resulting cost savings would depend on the total volume of rock quarried from the project borrow sources. Further geotechnical investigations and material testing of the native rock

	will be necessary to determine whether this option is feasible.
7. Alternative dynamic movement joints along proposed Funks Pipeline ($50M - $60M)	The Funks Pipeline 30% design considered use of Victaulic Dynamic Movement Joints to mitigate deformation along potential fault locations. Other manufacturer provide similar functions such as NW Pipeline Infrashield System. Replacing the currently assumed Victaulic Dynamic Movement Joints with NW Pipe Infrashield System could result in cost savings, however DSOD review and acceptance of the Infrashield System is required.
8. Remove fire water tank at Funks PGP ($1M - $3M)	The proposed fire water tank is required for fire suppression in event of an emergency. A potential alternative is to supply fire suppression water from Funks Reservoir. This would result in eliminating the need for a fire water tank (currently sized for 250,000 gallons). This concept is a policy decision to be considered in Phase 3.
9. Reduce TRR capacity from 600 AF to 450 AF ($30M - $40M)	This concept would reduce the TRR storage volume from 600 acre-foot to 450 acre-foot thereby saving approximately 25% in assumed excavation cost. The risk is reduced operational flexibility, particularly in an emergency scenario where peak diversion flow of 1,800 cfs for 4 hours must be stored within the GCID Main Canal system. This VE concept requires further coordination and approval from GCID.
10. Remove TRR Check Structure #2 and reduce inlet/outlet channel length ($10M - $12M)	It is possible to operate the TRR without Check Structure #2 (as proposed in the 30% design) with minor impacts to future operation flexibility. This concept would have no impact on current project operation assumptions. Removal of Check Structure #2 would also allow for a reduced U-channel length that connects GCID Canal to TRR by about 600 feet.

Table 2 – Items without Quantified Potential Savings

1. Replace Sites-Lodoga Bridge with a road around the southern tip of Sites Reservoir	The current project design includes rerouting public roads, two bridge spans and a causeway to cross the reservoir and maintaining public access connectivity following project construction. While the bridge provides the most direct route, it is also a major project feature with an estimated cost of approximately $500 million. This VE concept would evaluate eliminating the bridge crossing and instead utilizing a roadway alignment around the south side of the reservoir rim. This alternative would leverage the planned Huffmaster Road improvements and continue around the south and eastern sides of the reservoir. Preliminary evaluations indicate this approach could reduce risk and costs relative to the bridge alternative. In addition, eliminating the bridge crossing could provide greater flexibility for future reservoir expansion by removing a major infrastructure constraint within the inundation area, a limitation that has constrained expansion opportunities at other reservoirs. A key consideration associated with this concept is the potential increase in travel distance and travel time for local residents and other roadway users. Any evaluation of this alternative would need to carefully consider community impacts, emergency access requirements, operational considerations, and stakeholder input, in addition to potential cost savings and future flexibility. Based on the high dollar value nature of constructing the approach roads, causeway and bridge (around $500M) and the ability to leverage the planned Huffmaster Road, this VE concept has the ability to reduce risk and present significant savings. Further engineering studies, traffic analyses, environmental evaluations, and stakeholder coordination would be required to determine whether this alternative is feasible and appropriate for implementation.
2. I/O Structure Reconfiguration	The inlet-outlet structure conveys water into and out of the reservoir, enabling reservoir filling and operational releases. The current design utilizes a sloping intake structure with multiple ports and associated valves

	located at different elevations. This is a complex and costly structure that requires thorough constructability reviews. The baseline estimate assumes a total installed cost of approximately $720M. As of the preparation of this document, a thorough constructability review of the I/O structure has not been completed; however, preliminary evaluations indicate at least two possible significant cost saving scenarios: 1. Changing the structure to a shaft-and-tower design has the potential to be simpler to and less expensive to construct, pending additional design progression and constructability reviews. 2. Moving the I/O structure closer to Golden Gate Dam to reduce the large diameter I/O tunnel length. This would necessitate shifting the alignment of Golden Gate Dam and would also necessitate extending the Funks and TRR pipelines to the new locations, offsetting some of the costs. The Reservoir CMAR, working in collaboration with AECOM and Jacobs, will continue to evaluate opportunities to optimize the design and reduce construction costs while maintaining the required functionality and performance objectives.

Attachment D: Conveyance Capacity Summary

[*To be provided in the next draft.*]

Attachment E: Real Estate Summary

[To be provided in the next draft.]

Attachment F: Loss Assumptions Summary

Attachment F, the Loss Assumptions Summary Table from the 2023 Staff Report, follows this page.

Loss Assumptions Summary Table

Facility Use	Facility	Modeled Loss	Applied Loss
Diversion Conveyance	TC Canal	1% year-round	Difference of measured diversions and total pumped into Reservoir through I/O Tower
	GCID Main Canal	2% or 13% seasonally	
Reservoir	Evaporation	10% of diversions long-term average	Refined with future measurements
	Seepage/other	~1-2% for 1.8 MAF reservoir	
Delivery Conveyance	CBD and Knights Landing Ridge Cut	None modeled	Difference of measurements at Dunnigan Pipeline and KLOG or Wallace Weir
	NOD Deliveries	None modeled	Pending wheeling agreements
	Yolo Bypass	13% loss April – October	n/a
	North Bay Aqueduct	13% via Yolo Bypass	Consistent with State Water Contract or DWR Wheeling Agreement
		23% long-term average Carriage Water (CW) via Delta	Consistent with State Water Contract
	Delta Export Facilities	23% long-term average CW	Consistent with current practices for calculating CW

Sites Project Baseline Report
July 24, 2026 Board Direction – Comment Response Matrix

	Location	Comment	Action
1.		Recognize that emergency supplies for drought from the project area non-public benefit because the Participants control this water. State cannot tell them not to use it as has occurred in previous state declared droughts.	Added a comment in Section 3.3.2.
2.		Add that the water transfer market created by Sites is a significant project benefit to Participants	Added sentence to Section 3.2.
3.		Broaden the narrative on the limitations and constraints on diversions and release. Write this more from the perspective of the Participant than the Authority.	Added a placeholder for text in Section 5.7.4.
4.		Add an attachment to the PBR of the tech memo describing all the loss assumptions throughout the system and the potential for the actual values to be more or less.	Added “Loss Assumptions Summary” to list of attachments.
5.		Add a reference to the location of the detailed model runs output for “top speed” and “dry year prioritization”.	Added a placeholder in the Executive Summary and in Section 5.7.1.
6.	Section 4	In Section 4 identify the approximate dollar savings that Participants are getting from the use of existing infrastructure. This is meant to identify the value of past investments by north state water districts that are helping to make this project feasible.	Added a placeholder for a possible new Section 4.2.
7.		Consider incorporating a section called “Risk Management”, not project risk.	A new Section 9 is under development.

Meeting: **Reservoir Committee & Authority Board Agenda Item 3.3** **August 21, 2026**

Subject: **Update on WIFIA and USDA Loans**

Requested Action:

Receive an update on the status of the Water Infrastructure Finance and Innovation Act (WIFIA) loan and the U.S. Department of Agriculture (USDA) loan. Provide Board concurrence on staff's planned approach with USDA regarding potential revisions to the USDA Letter of Conditions.

Detailed Description/Background:

The WIFIA and USDA loans are anticipated federal loan components of the Authority's long-term financing plan for Participants electing to participate in Authority-provided financing. The Authority's objective is to i) preserve access to favorable federal financing, and ii) ensure that the terms, timing, and administrative requirements of federal loans remain competitive with similar municipal instruments and are workable for the Project and participating agencies. Whatever the sum of these two loans does not cover would be provided for by municipal revenue bonds.

WIFIA Loan Status

There has been no material change in the status of the WIFIA loan since the Authority's last update to board in November 2025. Staff plans to continue working with the U.S. Environmental Protection Agency (USEPA) to further discuss and resolve the few remaining outstanding business and agreement issues.

A WIFIA loan has been a component of the Project financing plan since 2023. The Authority submitted its Letter of Interest and has worked with USEPA on the terms and conditions of a WIFIA Master Agreement and initial loan. The WIFIA Ad Hoc Committee has provided input regarding the business terms, and the Authority and USEPA have made substantial progress on the agreement structure.

The Authority previously communicated the updated Project cost estimate to USEPA and received verbal confirmation that a total WIFIA loan amount equal to 49 percent of the June 2025 cost estimate is acceptable to USEPA. Since July 2025, USEPA has not engaged in further discussions on the WIFIA Master Agreement while waiting until specified Project and Participant milestones were completed, including execution of the Benefits and Obligations Contracts by Participants and delivery of key federal, state, and water-right documentation.

Items requiring further discussion with USEPA include:

- The current draft could allow a bankruptcy-related event involving a Participant representing at least five percent of WIFIA borrowing to trigger an

event of default under the Master Agreement. This could cross-default the Authority's other debt, prevent additional WIFIA draws, and restrict additional non-WIFIA debt; the Authority's position is that this provision is inappropriate given the contractual structure between the Authority and Participants.

- The parties have conceptually agreed that most sales, transfers, or assignments of Capacity Interests or Defaulted Interests to parties other than non-defaulting Participants would require notice rather than USEPA consent. However, USEPA proposes a 90/60-day consent process if the sale or transfer is larger than 5% of all Base Facilities Capacity Interests and would result in the downgrade of the WIFIA loan's credit rating. The Authority has requested that USEPA's failure to respond within that period be deemed consent.

Staff will continue working with USEPA to discuss and resolve the few remaining issues and finalize the WIFIA Master Agreement when the required Project documents and Participant commitments are in place. Finalizing the Master Agreement and an initial loan would establish financing availability but would not, by itself, require the Authority to draw loan proceeds.

USDA Loan Status and Proposed Alignment

Staff is reviewing USDA's Letter of Conditions and plan to seek revisions necessary to ensure that the USDA loan remains consistent with the Project's financing structure and viable for the Project and participating agencies.

As part of this effort, staff recommends we propose to USDA that the USDA loan terms be aligned, to the extent feasible and acceptable to USDA, with the WIFIA loan structure. Potential alignment is intended to reduce conflicting requirements, support coordinated administration of the federal loans, and provide a financing structure that can operate effectively with the Benefits and Obligations Contracts and the Authority's overall plan of finance. Should USDA not be in a position to accept WIFIA like terms, it would be more advantageous for the Project to forego the USDA loan and rely on municipal revenue bonds instead.

Upon receiving Board concurrence, Staff will proceed to propose terms aligning the federal loans and return to the Board with additional information and any recommended actions before the Authority makes a binding commitment or takes other action requiring Board approval.

Next Steps

- Continue discussions with USEPA regarding the remaining WIFIA conditions and agreement provisions.

- Engage USDA regarding potential revisions to the Letter of Conditions to align the USDA loan with the WIFIA loan

- Provide a Board Update on the status of the loan terms during investor commitment.

Prior Action:

March 2025 – Receive an update on the status of the Water Infrastructure and Finance Act (WIFIA) loan application and a report on aspects of the anticipated financing structure.

January 2023 – Receive an update on the USDA's Rural Development Loan.

Fiscal Impact/Funding Source:

The costs of developing and negotiating the Authority's financing arrangements, including the WIFIA and USDA loans, are included in the Authority's adopted budget. No loan proceeds will be drawn and no binding financing commitment will be made solely as a result of receiving this status update.

Staff Contact:

Shayleen O'Connell/Brian Thomas/JP Robinette

Primary Service Provider:

Stradling/Montague DeRose and Associates

Attachments:

None

Meeting: **Reservoir Committee & Authority Board Agenda Item 3.4** **August 21, 2026**

Subject: **Guiding Principles and Priority Areas for California Water Commission Final Funding Agreement**

Requested Action:

Review and provide input on guiding principles and priority areas for negotiations with the California Water Commission (CWC) on the Water Storage Investment Program (WSIP) Final Funding Agreement.

Detailed Description/Background:

In addition to executing the Contracts for Public Administration with CDFW and DWR to secure the State Prop 1 funding, the Authority will need to execute a Final Funding Agreement (FFA) with the California Water Commission. The FFA will establish the administrative terms and conditions for disbursing the state funding to the Project, whereas the CAPBs cover the operational and technical terms associated with the delivery of the public benefits.

In 2023, the Prop 1 Storage Project sponsors including Authority Staff, worked with CWC to develop a "template" Final Funding Agreement. With the B&O nearing completion and investor commitment taking place prior to the securing of the final terms of the FFA, conceptually understanding the Authority's expected obligations to the State provides for full knowledge of risks.

Attachment A reflects:

1. A set of overarching principles to guide the Authority's future negotiation of the FFA. The FFA will not be finalized until all the B&Os are signed and the CWC has authorized the final award. Participants need to understand and weigh the risks of the State's participation in the project ahead of signing the B&Os given that any shortfalls in funding from the State are backstopped by the Participants and Reclamation. The proposed principles are consistent with the approach that was taken in negotiating the Partnership Agreement with Reclamation and were achieved in that agreement.

2. A comparison of the "template" FFA with current draft B&O/Bylaws/JPA to determined potential areas of concern. The Authority intends to prioritize these items and will attempt to resolve the highest priority items with CWC staff in line with the Authority's overarching principles ahead of the Commission's final award, if possible. Getting Board feedback ahead of these discussions would be beneficial to pre-emptively address questions you might expect from your Board's about the State contracts when getting your signing authorization for the B&O.

The CWC staff will not be in a position to final negotiate changes to the FFA until after the Commission funding award decision occurs which is the last step in investor commitment. It is suggested that Participants will need to assess the risks allocated in the FFA individually as part of making their investor commitment.

The FFA is entered into after the Commission makes the decision to make the final award of funds to the Project which is anticipated to occur as early as December 2026. This means the FFA will not be executed until after the initiation of the Authority's bank financing, however, the Commission's action of final award secures the State's commitment to fund the Project.

Prior Action:

None

Fiscal Impact/Funding Source:

Negotiation of the WSIP Final Funding Agreement is to be conducted within the budgeted funds currently authorized by the Board.

Staff Contact:

Jerry Brown/Nossaman

Attachments:

Attachment A – Guiding Principles and Priority Areas for the CWC Final Funding Agreement and Areas of Concern with the "Template" FFA

SITES AUTHORITY KEY TERMS
in the Negotiations of the CWC Final Funding Agreement
August 21, 2026

The overarching negotiating principles for the Authority in developing the CWC Final Funding Agreement and Exhibits are proposed to be:

a) *ensure the Authority's obligations to the State to receive the Prop 1 funds do not create a parallel governance structure or provide for State approval or veto of matters that the Participants and the Authority have expressly reserved powers under the Benefits and Obligations Contract, the Amended Joint Powers Agreement and the Updated Bylaws;*

b) *provide for the State's ability to receive public benefits from the Project meeting the terms of the CAPBs and upon receiving commensurate funding the Authority is committed to fulfill its delivery of public benefits obligations;*

c) *ensure the State's commitment to pay its obligations is secured and that either the timing or amounts paid reflect the State's share of escalated construction cost to the extent acceptable to the Authority, and;*

In comparing the July24 drafts B&O/Bylaws/JPA with the 2023 "template" Final Funding Agreement and Exhibits, Authority Staff have identified the following areas of potential concern relative to meeting the Authority's overarching objective. The priorities are from Staff perspective.

<u>Highest Priority Items of Concern</u>

1) Final Funding Agreement *Paragraph 2, Term of Agreement*, the length of the Agreement needs to clearly recognize that upon the term of the CAPBs expiring, the Authority is under no further obligation to make public benefits available for the Project.

2) Final Funding Agreement *Paragraph 14, Withholding of Disbursements By State,* withholding of funds by the State cannot indirectly pressure operational or governance decisions except to the extent that these decisions affect the delivery of public benefits.

3) Final Funding Agreement *Paragraph 15, Default Provisions,* the State should not have an independent ability to determine the Project in default. This is for the Authority to solely determine. Also, the State remedies, should the Authority declare default, should only be applied to the protection of the State's portion of the investment.

4) Final Funding Agreement *Paragraph 19, Operation and Maintenance of Project*, State's rights to ensure O&M should be commensurate with funds made available for these purposes. The standards accepted by the Authority for O&M of Partner Facilities should be sufficient for the State.

5) Final Funding Agreement *Paragraph 20 – Notification of State,* The operational and governance decisions of the Authority should be sufficient notifications to the State and the State should not have separate approval rights over Authority decisions.

6) Exhibit D, Standard Conditions *Paragraph D.21 Indemnification,* A statement similar to the Harvest Water Project Agreement should be added to exempt the Authority indemnifying for negligent acts by the State.

7) Exhibit D, Standard Conditions *Paragraph D.26 Modification of Overall Work Plan,* State approval of extending the schedule should not be required since they are paying for delivered public benefits. Also, if there are State approvals mutually agreed upon, they must be provided by the State within a reasonable amount of time and cannot impact the project delivery. Failure by the State to respond would deem consent.

8) Exhibit D, Standard Conditions *Paragraph D.31 Prohibition of Disposal of Project Without State Permission,* The State should be able to provide input on "wind-up" decisions by the Authority, however the State does not have voting rights and the decision made under the B&O is final and cannot be overridden by the State. The State should not have rights to override the Authority's Project related financial decisions through this Agreement.

9) Exhibit D, Standard Conditions *Paragraph D.38 Successors and Assigns*, The State should not have the ability to approve assignment except to the extent of its proportional share or interest. This otherwise has the potential to override the Project governance structure.

10) Exhibit D, Standard Conditions *Paragraph D.41 Termination Without Cause*, The State's ability to terminate the Agreement needs to align with the B&O and failure of the State to make timely payment should be cause for State default and immediate loss of all public benefits.

11) Exhibit K, Land Access and Acquisition Requirements, *Exhibit Throughout,* There needs to be confirmation that as long as the Authority purchases all lands without the use of State funds, that none of these conditions would apply. The Authority's purchase of lands should be acceptable as local match when seeking reimbursement.

<u>Remaining Items of Concern</u>

12) Final Funding Agreement *Paragraph 23 – Standard Provisions and Integration,* The order of precedence of the exhibits and the funding agreement to the CAPBs and other state standards in case of conflicts requires clarification regarding the relationship of these documents to the B&O/Bylaws/JPA.

13) Exhibit D Standard Conditions *Paragraph D.15 Disposition of Equipment,* The State cannot be allowed to commandeer inventory of the Authority except to the extent that such equipment was specifically purchased for the sole provision of delivering public benefits.

14) Exhibit D Standard Conditions *Paragraph D.17 Easements,* Any encumbrances on fee title properties for conservation purposes needs to be recognized to be governed under the Authority's permits and approvals requiring such encumbrances and not the State.

15) Exhibit D, Standard Conditions *Paragraph D.30 Priority Hiring Considerations,* The Authority has its own established hiring considerations which should not be overridden or added to by the State.

16) Exhibit D, Standard Conditions *Paragraph D.34 Retention,* All amounts retained by the State need to be payable upon completion of interim project milestones and cannot be held until final completion since the State is not paying based on actual project costs. Additionally, there needs to be concurrence upfront on the timing of reimbursements by the State.

Meeting: **Reservoir Committee & Authority Board Agenda Item 3.5** **August 21, 2026**

Subject: **Discuss Approach to Colusa Drain Mutual Water Company Agreement**

Requested Action:

Receive a status update on discussions related to an agreement with the Colusa Drain Mutual Water Company (CDMWC) to address their concerns related to the Sites Project water right and releases of Sites Project water into the Colusa Basin Drain.

Detailed Description/Background:

The Authority has committed to entering into an Operations Agreement with CDMWC to ensure that senior water rights held by shareholders within the CDMWC are not impacted by the Project. Staff has been working with CDMWC since 2023 to identify terms and conditions to achieve this outcome. Board feedback on the key components of an agreement would be beneficial to ensuring the final agreement achieves the outcomes desired by both parties.

The proposed agreement follows and is generally envisioned to be consistent with the approach used in the Authority's agreement with Maxwell Irrigation District for operations affecting Funks and Stone Corral Creeks. One key area that differs is that there will be a term committing the Authority to continued coordination with the CDMWC on use of the Drain to convey Sites Water consistent with the principles established and adopted by the Board in Resolution 2023-01.

The agreement addresses two primary components of Sites Project operations: (1) timing and quantity releases of flows to Funks and Stone Corral Creeks; and (2) timing and quantity of releases of Sites Project water through the Dunnigan Pipeline into the Colusa Basin Drain for conveyance to the Sacramento River.

Key components of the proposed agreement include:

- **Water Right Protections.** The Authority would commit to avoid injury to certain water rights held by CDMWC and its shareholders associated with Project operations on Funks and Stone Corral Creeks. The agreement would formalize previous Authority commitments to protect senior water rights and subordinate the Authority's water right to certain specifically identified CDMWC shareholder water rights.
- **Standard Operating Procedures.** The Authority and CDMWC would closely coordinate during Project operations through Standard Operating Procedures (SOPs) addressing communication protocols, data sharing, advance notification of Project diversions and releases, and procedures for identifying and

addressing potential impacts. This is consistent with the approach taken within other similar executed agreements with water right holders downstream of Sites Reservoir.

- **Funks and Stone Corral Creeks Operations Plan.** Prior to diversion of water from the creeks to storage, the Authority would develop an operations plan in coordination with CDMWC, Maxwell Irrigation District, and other interests. The plan would establish a technically feasible operational framework, including monitoring and measurement, intended to avoid injury to certain existing water rights. But, importantly, the use of Sites storage to regulate downstream creek flows to the benefit of the right holder is not something the Authority has been willing to discuss.

- **Colusa Basin Drain Operations Coordination Plan.** Prior to releasing Sites Project water from the Dunnigan Pipeline into the Colusa Basin Drain, the Authority would develop an operations coordination plan with CDMWC. The plan would identify operations factors of potential mutual interest including seasonal flow rates, water-surface elevations, and Project-related flow and water-quality considerations. The agreement provides four years following execution to prepare a draft plan and up to an additional year for both agencies to adopt the final plan.

- **Protection of CDMWC Shareholder Water Rights and Sites Project Water.** The agreement recognizes that Sites Project water released from storage into the Colusa Basin Drain remains water developed under the Authority's water right for use by the Authority and Project participants and is not made available for diversion by CDMWC, its shareholders, or other water right holders along the Colusa Basin Drain.

- **Stakeholder Coordination.** The Authority would establish a Lower Colusa Basin Drain Advisory Group consisting of the Authority, CDMWC, Glenn-Colusa Irrigation District, Reclamation District 108, landowner representation, and other interests to provide input regarding planning and operational decisions potentially affecting downstream water users.

- **Dispute Resolution.** The agreement establishes a process intended to resolve operational questions and concerns at the lowest level possible, with an escalation process that includes senior-level coordination and non-binding mediation before either party pursues available legal remedies.

The proposed agreement presents an opportunity to provide greater certainty regarding the Authority's future operations on Funks and Stone Corral Creeks and within the Colusa Basin Drain and to establish agreed-upon processes for addressing concerns before and during Project operations. Formalizing these commitments may also reduce future water-right and operational disputes while preserving the Authority's ability to use the Colusa Basin Drain to convey Sites Project water.

Staff has prepared a draft agreement with CDMWC and will coordinate with Colusa County, Glenn-Colusa Irrigation District, Reclamation District 108, and Tehama-Colusa Canal Authority to obtain additional input. Staff anticipates returning to the Reservoir Committee and Authority Board with a final agreement for consideration in the October 2026 timeframe.

Prior Action:

March 2024 – Reservoir Committee and Authority Board consider authorizing the Executive Director to execute operations agreements with Maxwell Irrigation District (Maxwell ID) and Colusa Drain Mutual Water Company (Colusa Drain MWC).

Fiscal Impact/Funding Source:

Activities to complete this Agreement can be accomplished within the revised Amendment 3 Work Plan amounts. Future implementation of components of the agreement, such as preparing plans along with flow monitoring and measurement, will result in non-contract costs to the Project in Phase 3 and throughout Project operations that will be included in future budgets.

Staff Contact:

Ali Forsythe

Primary Service Provider:

Somach/MBK

Attachments:

None

Sites Reservoir Project Monthly Status Report

Monthly Status Summary:

The development of the Sites Project continues to make progress in the critical areas, including the following activities:

Construction:

- Advanced value engineering concepts with Barnard.
- Performed a workshop with Barnard relating to schedule timeframes, specifically timing of enabling activities necessary to starting construction.
- Continued advancing Reservoir and Roads CMAR coordination

Engineering:

- Continue supporting development of the Program Baseline Report.
- Continuation of the Conveyance CMAR procurement, Three Statements of Qualifications were received on August 12th.
- Continued TCC, GCID main canal, and CBD hydraulic analysis work for Conveyance Capacity TM and supporting Facility Use Agreements.
- Ongoing Project Delivery planning and coordination.
- Facilitated ongoing DSOD coordination.

Coordination with Reclamation:

- Partnership Agreement negotiations concluded with a pencils down version completed for consideration at the June Authority Board / Reservoir Committee meeting. This pencils down version of the Partnership Agreement will be assessed as changes are made to the Benefits and Obligations Contract.
- Excess Capacity Contract negotiations continued in July.
- Continued coordination with Reclamation on submittal of the BA for project operations.

Environmental Planning and Permitting:

- Continued coordination with the local air districts on the development of a Memorandum of Understanding to implement the Final EIR/EIS Mitigation Measure AQ-1.2.
- Continued efforts on the water rights permitting process. Comments on the March 20, 2026 draft water right permit and associated order were submitted on May 22.

Limited supplemental hearing was held on July 24, supplemental briefs were due by August 10, and the Authority's response by August 17. Revised Draft Decision and Draft Permit anticipated September 3, for 30-day written comment period. Board consideration and adoption could occur in early November. SWRCB Supplemental Hearing Notice

- Continued efforts on the Project's project-level Operations Federal ESA consultation.
- Continued coordination meetings with the Army Corps of Engineers, U.S. Environmental Protection Agency, and State Water Resources Control Board on the Project's Section 404 and Section 401 permit applications. The State Water Board released a draft of the Section 401 permit with comments due on June 26.
- Continued coordination with CDFW and DWR on the Project's Prop 1 Public Benefits Agreements.
- Continued coordination with design and engineering team on Project Delivery planning.
- Continued efforts on the Project-level Eagle Act permit.
- Continued drafting the first Section 106 work plan describing initial construction activities planned in 2027.
- Continued biological and cultural survey field work and associated reporting.

Operations:

- Continued CalSim 3 modelling efforts as the team has completed the Sites CalSim 3 model platform and is running analyses for the Participation decisions, including the Contracts for Administration of Public Benefits. The analysis for the Operations BA is completed, and the team has finalized the write up and associated BA appendices.

Partner Engagement, Public Outreach & Real Estate:

- Continued ongoing coordination with landowners who are part of the Early Acquisition Program and Priority Early Construction Program.
- Began the appraisal process for parcels associated with the Contingency Acquisition Program and continued discussion with landowners participating in the program. Continued coordination with landowners to discuss Temporary Right Of Entry for geotechnical, biological, environmental and cultural field activities and other real estate actions.
- Ongoing discussions with Colusa, Glenn and Yolo counties on the Developer Agreement as well as the Impact Alleviation Agreements with potentially affected public services during construction and/or operations.

- Ongoing coordination with GCID and TCCA regarding development of the respective Facilities Use Agreements.

Program Management & Administration:

- Ongoing coordination regarding updated drafts of Benefits & Obligations Contract, Joint Powers Agreement, and Phase 3/4/5 Bylaws.

This summary updates the RC & AB's requests from the July 2026 board meeting.

Action Item	Status
For negotiation of CWC Funding Agreement, ensure that CWC review/approval of storage sales or leases includes the following: 1. Approval will not be unreasonably withheld 2. State timeline to make its approval should not impair the schedule for the sale/lease 3. The approval does not give the State any bumping rights over Participants for the sold/leased capacity interest	In Progress See August 21 Board Meeting Item 3.4.
Staff to review CWC Funding Agreement Template and identify any areas of conflict or other issues with the B&O and present results at August Board meeting.	Completed. See August 21 Board Meeting Item 3.4.
For the August meeting B&O discussion – • Participants asked to submit comments by August 3. • Staff to incorporate feedback from July 24 meeting and comments submitted by participants • Provide revised drafts approximately 10 days in advance of August 21 meeting. • Provide opportunity for board members to review pro rata equations and discuss how they will function. • Incorporate proposed language for making the pro rata equations part of the Ops Plan. • Convene a new ad hoc to discuss North State participation and SOD conveyance assurances. • Conduct a meeting of the Governance Ad Hoc to evaluate the voting considerations related to the consolidation of water districts to the Zone 3. • Address apparent numbering issue where the section specific to "water sales" was omitted from the July24 draft • For Section 4.1.3, confirm Reclamation is part of beneficiary's paying to enforce water right. • Perform a thorough consistency review between terms used in the B&O, Bylaws, and JPA. Make all	See Comment Response Matrix provided as an attachment to August 21 Board Meeting Item 7.1.

terms as consistent as possible between the three documents. • Confirm that Dispute Resolution provisions in Bylaws and B&O are not in conflict. This is a pre-freeze activity.	
Program Baseline Comments for consideration: • Recognize that emergency supplies for drought from the project are a non-public benefit because the Participants control this water. • Add that the water transfer marketplace created by Sites is a significant project benefit to Participants • Broaden the narrative on the limitations and constraints on diversions and release. Write this more from the perspective of the Participant. • Add an attachment to the PBR of the tech memo describing all the loss assumptions throughout the system and the potential for the actual values to be more or less. • Add a reference to the location of the detailed model runs output for "top speed" and "dry year prioritization". • In Section 4 identify the approximate dollar savings that Participants are getting from the use of existing infrastructure. This is meant to identify the value of past investments by north state water districts that are helping to make this project feasible. • Consider incorporating a section called "Risk Management", not project risk. • Include in the POF the information about the cost per 1% of participation.	Completed. See August 21 Board Meeting Item 3.2.
Schedule a special Engineering and Operations Workgroup meeting for August 12.	Held Special Engineering and Operations Workgroup meeting on August 12. Agenda items included: 1. Discuss cost management terminology for use in development of the Program Baseline Report. 2. Review the overall program schedule and cash flow. 3. Discuss Phase 3 goals for the purpose of developing 2027 and 2028budgets.

	4. Review sample pro rata equations from the Benefits and Obligations Contract. 5. Review operations modeling
Schedule Maxwell and Dunnigan Landowner Meetings for September. Timing delayed to align with water right draft.	Landowner meetings are planned for late-September to align with water right process

Work Plan Schedule Summary of Changes

The Amendment 3 Work Plan project schedule is maintained and updated quarterly. Changes to the previous June 7, 2026 quarterly schedule affecting the rolled-up summary schedule are indicated by gray milestone diamonds.

Final Draft Water Right Permit Issued by SWRCB – Completion date pushed out 7 weeks.

Justification: Completion date moved out to reflect available information from SWRCB

Execute TCCA & GCID Facilities Use Agreements – Completion date pushed out 8 weeks.

Justification: Completion date moved out to coincide with September board meeting and additional time is needed to negotiate the agreements.

Preliminary Final Project Baseline Report (Class 3 Estimate & Plan of Finance) – Completion date moved out 8 weeks.

Justification: This is linked to the Water Right Permit and has moved out accordingly.

Resolution to Offer Capacity & Service – Completion date moved out 8 weeks.

Justification: This has also moved out with the Water Right Permit.

Close of Investor Commitment Escrow – Completion date moved out 3 weeks.

Justification: This is linked to conforming Federal and State Agreements to the Water Right Permit and has moved out accordingly.

Construction Substantially Complete – Completion date moved out 7 months.

Justification: Linked to Saddle Dams, which have been pushed out during review of construction schedule. Other facilities have been prioritized ahead of Saddle Dams.

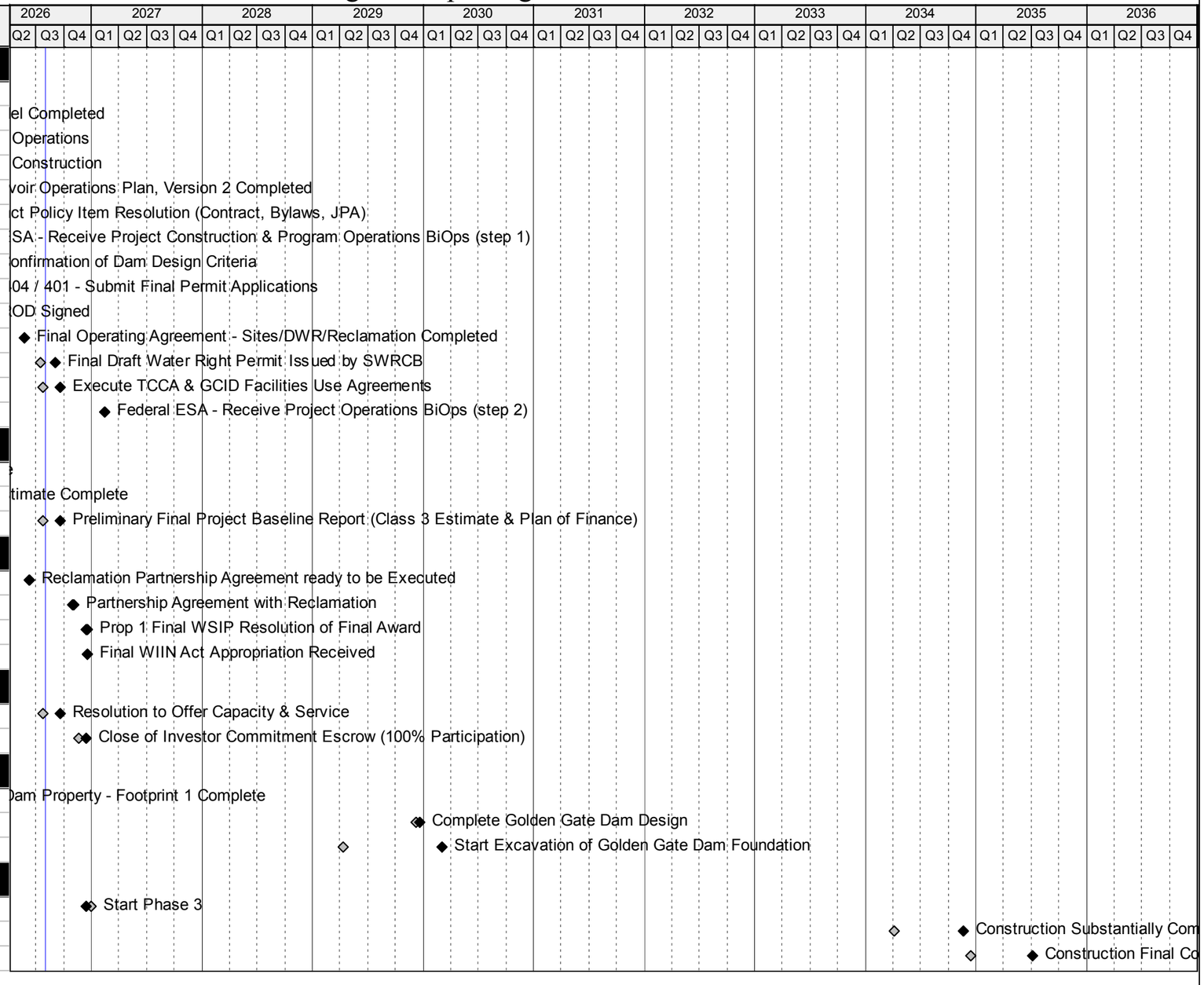
Construction Final Completion (Start of Phase 5 Operations) – Completion date moved out 6 months.

Justification: Tied to Construction and moved out because of the above.

Sites Reservoir Project

Work Plan Progress Reporting

#	Milestone	Date
1	**What do we get?**	
2	Final EIR / EIS - Complete	02.Nov.23 A
3	Participant Specific Model Completed	26.Jul.24 A
4	Receive CESA ITP - Operations	18.Oct.24 A
5	Receive CESA ITP - Construction	18.Oct.24 A
6	Sites Reservoir Operations Plan, Version 2 Completed	16.May.25 A
7	B&O Contract Policy Item Resolution (Contract, Bylaws, JPA)	16.May.25 A
8	Federal ESA - Receive Project Construction & Program Operations BiOps (step 1)	16.Jul.25 A
9	DSOD Confirmation of Dam Design Criteria	07.Aug.25 A
10	CWA 404 / 401 - Submit Final Permit Applications	15.Sep.25 A
11	ROD Signed	23.Jan.26 A
12	Final Operating Agreement - Sites/DWR/Reclamation Completed	22.May.26 A
13	Final Draft Water Right Permit Issued by SWRCB	03.Sep.26
14	Execute TCCA & GCID Facilities Use Agreements	18.Sep.26
15	Federal ESA - Receive Project Operations BiOps (step 2)	12.Feb.27
16	**What does it cost?**	
17	30% Project Plans Complete	26.Apr.24 A
18	Class 3 Estimate Complete	10.Jun.25 A
19	Preliminary Final Project Baseline Report (Class 3 Estimate & Plan of Finance)	18.Sep.26
20	**How do we pay?**	
21	Reclamation Partnership Agreement ready to be Executed	08.Jun.26 A
22	Partnership Agreement with Reclamation	02.Nov.26
23	Prop 1 Final WSIP Resolution of Final Award	15.Dec.26
24	Final WIIN Act Appropriation Received	18.Dec.26
25	**Resolution to Offer Capacity & Service**	
26	Resolution to Offer Capacity & Service	18.Sep.26
27	Close of Investor Commitment Escrow (100% Participation)	15.Dec.26
28	**Golden Gate Dam**	
29	Golden Gate Dam Property - Footprint 1 Complete	25.Mar.25 A
30	Complete Golden Gate Dam Design	18.Dec.29
31	Start Excavation of Golden Gate Dam Foundation	04.Mar.30
32	**Construction**	
33	Start Phase 3	15.Dec.26
34	Construction Substantially Complete / Ready for Filling	20.Nov.34
35	Construction Final Completion (Start of Phase 5 Operations)	06.Jul.35



Meeting: **Reservoir Committee & Authority Board Agenda Item 7.1** **August 21, 2026**

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

Requested Action:

Receive and comment on the August21 draft of the Benefits & Obligations Contract, updated Bylaws, and amended and restated Joint Powers Agreement, which incorporate the direction provided at the July 24, 2026 board meeting. Provide Board direction on the Zone 3 voting structure.

Detailed Description/Background:

At the Authority Board's May 8, 2026 workshop, the Board provided direction on key business and governance concepts in the contract documents. Staff subsequently issued updated drafts and posted them on June 15, 2026. Following the Authority Board's June 26, 2026 agenda item and direction provided by the Board, the Authority posted updated redline drafts on July 14, 2026 on the Sites website reflecting Staff's interpretation of the agreements in principle reached at the June workshop.

Since July, Staff have continued refining the documents based on the comments compiled in Attachment D (Sites Participant Comment Matrix on B&O Agreement Addressing Workshop Comments). A revised version was posted on August 11 for review. Additional revisions have taken place since then and are incorporated in the August 21, 2026 version attached to this agenda item. There have been no changes to the Bylaws or JPA since the July 24, 2026 versions and those versions have been attached for reference. Collectively, these documents represent the current working versions and it appears that they are nearing completion.

Revisions since the July 24 draft B&O Contract include:

1. The B&O draft incorporates the July discussion feedback and follow-up as reflected in the Participant Comment Matrix (Attachment D), including clarifications and conforming edits to improve alignment across the B&O, Bylaws, and JPA.

2. No additional new comments have been received from Participants since the July discussion, aside from continued coordination with counsel and follow-up discussions as needed to implement the July24 direction.

3. No substantive changes were made to the JPA or Bylaws.

4. Staff continues to track and incorporate non-substantive cleanups (e.g., numbering/cross-references) and limited targeted updates that are ready for inclusion without re-opening settled terms.

5. The pro rata equations topic was discussed with the O&E Committee. Per the July discussion and the O&E Work Group, the attachment showing pro rata equations will be attached to the Operations Plan and finalized closer to the Resolution to Construct.

Remaining Items to be Addressed in September drafts:

- Incorporate Project Alignment Ad Hoc recommendations: The Project Alignment Ad Hoc has met two times since July 24. The group has identified options for addressing shared interests and next steps include preparing a set of recommendations for Board consideration to include in the final drafts.

- Incorporate Zone 3 consolidation voting recommendations: The Governance Ad Hoc reviewed the issues and has developed a recommendation on the Zone 3 consolidation voting structure (Attachment E). With the concurrence of the Board, the recommended language will be incorporated into the September drafts accordingly. Additionally, the participation structure of Zone 3 is described in Attachment F.

- Evaluate B&O changes to align with the State funding agreement: See August 21 Board Meeting Agenda Item 3.4. This item is more pre-emptive and is not expected to result in changes to the B&O at this time, as the State funding agreement does not get finalized until after the CWC approves a final award after the B&O contracts are signed.

- Complete a final consistency review: To preserve schedule and avoid rework as final terms are settled, Staff has not yet completed (i) a full consistency/definitions review across the “governance three-legged stool” (B&O, JPA, Bylaws); (ii) a full dispute-resolution review across documents; or (iii) broad FUA conforming changes. These tasks will be completed for the September drafts.

Remaining Steps

Staff plans to post a final revised version approximately 10 days in advance of the September board meeting to support initiation of the investor commitment period unless otherwise directed by the Board. Staff will continue to monitor and respond to any incoming comments and will reconvene the core working group as needed to assess what can be incorporated without delaying the posting schedule. Participant comments are requested as soon as possible, but by Sep 2 for inclusion in the next drafts.

Prior Action:

July 24, 2026: Receive and comment on the current draft of the Benefits & Obligations Contract, updated Bylaws, and amended and restated Joint Powers Agreement, which incorporate the direction provided at the June 26, 2026 board meeting as confirmed by the Participant Attorney Group (PAG).

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:

Attachment A – August 21, 2026 Draft Benefits and Obligations Contract

Attachment B – July 24, 2026 Draft Phase 3/4/5 Bylaws

Attachment C – July 24, 2026 Draft Joint Powers Agreement

Attachment D – Sites Participant Comment Matrix on B&O Agreement Addressing Workshop Comments on July 24

Attachment E – Proposed Voting Rights Associated with the Consolidations of Six Project Agreement Members to the Colusa County Flood Control and Water Conservation District, Zone 3

Attachment F – Zone 3 Participation Structure

[Note: The Benefits and Obligations Contract is being provided as a penultimate draft, and the draft remains subject to limited further revision and negotiation among the parties involved.]

Draft Sites Reservoir Benefits & Obligations Contract

Among

Participants, Acquirer and Sites Authority

Dated as of [_____], 2026

[Board Report Draft: August 17, 2026]

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Appendix 9 Additional Terms for the Acquirer and SWP Participants

Draft Sites Reservoir Benefits & Obligations Contract Between the Sites Authority, each Participant in Appendix 2 and the Acquirer

This Sites Reservoir Benefits & Obligations Contract (this "**Contract**"), among the Participants listed in Appendix 2, the Acquirer and the Sites Project Authority ("**Sites Authority**"), sets forth the rights and obligations of the Parties with respect to the Project. Unless the context otherwise requires, capitalized acronyms, abbreviations and terms used in this Contract shall have the meanings given in Appendix 1.

RECITALS

A. The Sites Authority is a California Joint Powers Authority operating under and by virtue of Section 6500 et seq., of the California Government Code and formed in accordance with the Sites Authority JPA Agreement. The Sites Authority was established for the purpose of designing, constructing, owning, operating and maintaining the Project. The JPA Agreement together with the Phase 3-4-5 Bylaws are in full force and effect as of or prior to the date of this Contract.

B. The Project Facilities consist of Sites Owned Facilities and Partner Facilities.

C. Partner Facilities currently include facilities: (i) owned in whole or in part by Reclamation, the Glenn-Colusa Irrigation District and Reclamation District 108, and (ii) operated, maintained and/or repaired by the Tehama-Colusa Canal Authority, the Glenn-Colusa Irrigation District, and Reclamation District 108. Use of these Partner Facilities for Project purposes is subject at all times to Section 2.6 of the JPA Agreement, which prohibits the Sites Authority from entering into any agreements or otherwise taking any action that will, directly or indirectly, decrease, restrict, or in any manner alter, modify or limit water rights, water supplies or contractual entitlements to water of the Tehama-Colusa Canal Authority, the Glenn-Colusa Irrigation District, and Reclamation District 108 (and, in the case of the Tehama-Colusa Canal Authority, the water agencies it serves) or the operations of their Partner Facilities or any facilities they operate under contract without the express written consent of the Tehama-Colusa Canal Authority, the Glenn-Colusa Irrigation District, or Reclamation District 108, depending on which facilities are at issue.

D. In compliance with the California Environmental Quality Act ("**CEQA**") and its implementing guidelines, the Sites Authority released a Final Environmental Impact Report ("**Final EIR**") for the Project on November 2, 2023. The Sites Authority certified the Final EIR and approved the Project with Board Resolution 2023-02 at its November 17, 2023 meeting.

E. Subject to compliance with Applicable Law and Governmental Approvals (including CEQA and NEPA), the Sites Authority intends to (i) design and construct the Sites Owned Facilities and certain other facilities, (ii) own the Project Assets, excluding the Partner Facilities, (iii) operate and maintain the Sites Owned Facilities; and (iv) contract with certain entities for the use, operations and maintenance of and improvements to and conveyance through existing Partner Facilities, in each case, for the benefit of the Storage Partners and in accordance with this Contract.

F. The Sites Authority will grant each Storage Partner, and each Storage Partner will own a Base Facilities Capacity Interest. Each Participant will receive certain benefits and have certain obligations in accordance with this Contract. The Sites Authority will also grant to each Storage Partner who elects to acquire Downstream Facilities Capacity Interest, and such Storage Partners shall own a Downstream Facilities Capacity Interest in accordance with this Contract.

G. The Sites Authority expects to obtain the Sites Water Right and will provide water service to the Participants in accordance with this Contract and in accordance with the direction of the Participants, consistent with Section 4.12 of this Contract.

H. DWR operates and maintains the State Water Project pursuant to the laws of the State of California, involving the development and conveyance of water supplies to water supply agencies throughout the State of California. DWR, as the Acquirer, will acquire Sites Water, and certain other benefits from the Project for the benefit of the SWP Participants as further described in Section 1.3 and Appendix 9 of this Contract, and will convey such acquired Sites Water through the State Water Project Facilities. Conveyance of Sites Water through the State Water Project Facilities is not covered by this Contract and will be addressed in separate agreements.

I. The Sites Authority intends to enter into certain agreements and contracts with State and Federal agencies pursuant to which the State and Reclamation will receive certain benefits (including water service) and have certain obligations related to the Project. These include the: (i) Reclamation Partnership Agreement; (ii) State and Federal Operations Agreement; (iii) Contracts for Administration of Public Benefits with State Agencies; (iv) Proposition 1 Water Storage Investment Program Funding Agreement with the California Water Commission; and (v) an Excess Capacity Agreement with Reclamation related to the Tehama-Colusa Canal.

J. The governance powers delegated to the Reservoir Management Board described in Section 4.12 of this Contract are a material benefit to the Participants and important to the Participants' decision to enter into this Contract and to commit to the investments described therein.

In consideration of the above Recitals and of the mutual promises and agreements contained in this Contract, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1. CONTRACT APPLICABILITY; DEFINITIONS AND INTERPRETATION

1.1 Contract and Relationship with JPA Agreement

1.1.1 This Contract means the contractual relationship among the Parties:

(a) for Self-Funding Participants, constituted by:

(i) this Contract and all Appendices and Exhibits (excluding Section 5.3 and Appendix 7, except to the extent set out in Section 1.1.1(a)(iii));

(ii) Section 5.5 only to the extent that a Participant satisfies all or a portion of its Fixed Project Cost Funding Obligations through Self-Funding Participant Cash Payments, and then only for the term of any payments for Fixed Project Costs using proceeds from such Self-Funding Participant Cash Payments; and

(iii) the applicable payment appendix in Appendix 7A, Appendix 7B or Appendix 7C, identified for each Participant in the Project Specific Information; or

(b) for Financing Participants constituted by:

(i) this Contract and all Appendices and Exhibits (excluding Section 5.5 and Appendix 7 except to the extent set out in Section 1.1.1(a)(iii));

(ii) Section 5.3 only to the extent that it satisfies all or a portion of its Fixed Project Cost Funding Obligations through participation in a Sites Financing. With respect to a Financing Participant, the terms of Section 5.3 are not in effect at such times as there is no outstanding Sites Financing or the Sites Authority is not in the process of entering into a Sites Financing in which such Participant is or will be participating; and

(iii) the applicable payment appendix in Appendix 7A, Appendix 7B or Appendix 7C, identified for each Participant in the Project Specific Information.

(c) for the Acquirer and SWP Participants constituted by:

(i) Appendix 9 and those other provisions of this Contract consistent with Appendix 9. Notwithstanding Section 1.1.3, if there is an inconsistency or conflict between Appendix 9 and any other provision of this Contract, including other Appendices or exhibits, related to the rights, obligations or liabilities of the Acquirer or SWP Participants pursuant to this Contract, the provisions in Appendix 9 shall govern.

1.1.2 Where the Sites Authority or the Sites Authority Board is authorized to take actions with respect to the Project under this Contract, such authorization extends to any committee of the Sites Authority to the extent such responsibility for such actions has been lawfully delegated to such committee by the Sites Authority Bylaws or by an action of the Sites Authority Board, including to the Reservoir Management Board.

1.1.3 The Sites Authority Bylaws, the JPA Agreement and this Contract are to be interpreted in a manner that attempts to reconcile each with one another and affords the terms of each the fullest possible effect. In no event shall any such interpretation be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. If there is an ambiguity, discrepancy, inconsistency or conflict between this Contract and the JPA Agreement or the Sites Authority Bylaws, then subject to Section 1.1.4, the following order of precedence from highest to lowest shall apply:

(a) this Contract;

(b) the Sites Authority Bylaws; and

(c) the JPA Agreement.

Notwithstanding anything in the foregoing to the contrary, in the event of any conflict between the JPA Agreement and either the Sites Authority Bylaws or this Contract, the JPA Agreement shall control as to Section 2.6 of the JPA Agreement, which provides as follows:

> "GCID, RD 108 and TCCA Operations: The Authority Members anticipate that the Project will be within or adjacent to GCID, RD 108, and/or TCCA districts with at least a portion of the conveyance of water into the Sites Reservoir to be accomplished by wheeling water through GCID's Main Canal, facilities that

currently exist or that might in the future be constructed within the boundaries of RD 108, and/or the Tehama-Colusa Canal. Notwithstanding anything to the contrary in the Bylaws, the Benefits & Obligations Contract, or any other Authority document, record or instrument concerning Project operations or governance, as the same may now exist or be amended from time to time, in no event shall the Authority have the power, except with the express written consent of GCID, RD 108 and/or TCCA, depending on which facilities are at issue, to enter into any agreements or otherwise take any action that will, directly or indirectly, decrease, restrict, or in any manner alter, modify or limit water rights, water supplies or contractual entitlements to water of GCID, RD 108 and/or TCCA (and, in the case of TCCA, the water agencies it serves) or the operations of their facilities or any facilities they operate under contract."

1.1.4 The Sites Authority Board, each Participant and the Acquirer shall undertake prompt and good faith efforts to eliminate any ambiguity, discrepancy, inconsistency or conflict that may exist or arise among the documents described in Section 1.1.3 in a manner consistent with the governance structure for the Project described in Section 4.12.

1.2 Interpretation

In this Contract, unless the context otherwise requires:

1.2.1 the singular includes the plural and vice versa;

1.2.2 references to statutes or regulations include all statutory or regulatory provisions consolidating, amending or replacing the statute or regulation referred to;

1.2.3 the words "including," "includes" and "include" are deemed to be followed by the words "without limitation";

1.2.4 a reference to a Section is a reference to a Section of this Contract;

1.2.5 a reference to any entity includes such entity's successors and permitted substitutes and assigns; and

1.2.6 words of any gender used in this Contract shall include each other gender where appropriate.

1.3 Role of DWR in Project

1.3.1 By entering into this Contract, DWR agrees to fulfill the role of the Acquirer for the benefit of the SWP Participants and receive the benefits and perform the obligations set forth in Appendix 9, provided that DWR's obligations under this Contract are limited such that DWR's only financial obligation to the Sites Authority or any other Party to this Contract pursuant to this Contract is to pay such sums to the Sites Authority as DWR receives from the SWP Participants in payment of that portion of their State Water Project annual charges traceable to this Contract as determined by DWR. Except where the Acquirer has a right, obligation or liability expressly stated in this Contract, including Appendix 9, DWR shall have no rights, obligations or liabilities under this Contract.

1.3.2 Deliveries of Sites Water to Participants and other entities may utilize the State Water Project conveyance facilities, subject to terms and conditions agreed upon by DWR and such Participants or other entities and memorialized in other agreements. This Contract does not authorize or create a right to any such deliveries.

1.3.3 DWR and the Sites Authority may consider potential exchanges of water between the Sites Reservoir Project and the State Water Project, if agreed to by DWR pursuant to the terms and conditions of a separate Sites-SWP Exchange Agreement. This Contract does not authorize or create a right to any such exchanges.

1.3.4 DWR is an ex-officio member of the Sites Authority per California Water Code Section 79759, and this Contract does not affect or limit DWR's relevant statutory authorities.

1.3.5 DWR may participate in water rights proceedings involving the Project or enter into contracts with the Sites Authority, and this Contract does not affect or limit DWR's ability to engage in these activities, including taking positions that are adverse to or differ from the positions of the Sites Authority or any of the Participants; provided that such activities are not inconsistent with DWR's obligations under this Contract.

1.3.6 As a condition of funding under Proposition 1 in the California Water Code, the Sites Authority shall enter into Contracts for Administration of Public Benefits, including with DWR, provided certain requirements are satisfied. The responsibilities to enter into Contracts for Administration of Public Benefits are separate from DWR's role as an ex-officio member of the Sites Authority or DWR's role as the Acquirer under this Contract, and this Contract neither constitutes a Contracts for Administration of Public Benefits nor affects DWR's ability to enter into such agreements.

1.3.7 DWR has other responsibilities under State law for water management in the State, including relating to flood management and dam safety, that may relate to the Project, and this Contract does not affect or limit DWR's responsibilities under these laws.

1.4 Colusa County / Sites Authority MOU

This Contract incorporates the Colusa County / Sites Authority MOU in its entirety by reference.

SECTION 2. TERM; PRIOR AGREEMENTS; RESERVOIR MANAGEMENT BOARD; PAYMENT APPENDICES

2.1 Term

2.1.1 This Contract shall take effect upon:

(a) due execution of:

(i) the Contract by the Sites Authority, each of the Participants and the Acquirer; and

(ii) State and Federal Contracts by the Sites Authority, Reclamation and the State,

collectively representing 100% of the Base Facilities Capacity Interest;

(b) delivery to the Sites Authority by each Participant of (i) an opinion from an attorney or firm of attorneys in substantially the applicable form attached as Appendix 5 and authorization as required by Section 15.13; and (ii) an executed version of the Payment Appendix applicable to such Participant in substantially the form attached as Appendix 7A, Appendix 7B or Appendix 7C (as applicable);

(c) due execution by the Sites Authority of this Contract and delivery to such Participants of an opinion for the Sites Authority of special counsel and general counsel to the Sites Authority, in substantially the form of Appendix 6; and

(d) the California Water Commission makes a final award to the Authority generally consistent with or greater than the Maximum Conditional Eligibility Determination.

2.1.2 This Contract shall:

(a) be dated and commence as of the signature and delivery date of the last executing and delivering Participant under Section 2.1.1 (the "**Effective Date**"); and

(b) as to each Participant and the Acquirer, and subject to the terms and conditions of the Sites Authority Bylaws and this Contract, continue for so long as each of that Participant and the Sites Authority continue to have their obligations under this Contract.

2.1.3 Section 1, Section 2, Section 3.4, Section 3.5, Section 5, Section 6, Section 7, Section 8, Section 9, Section 10, Section 11, Section 12, Section 13, Section 14, Section 15 and Section 3.1 of this Contract shall be perpetual unless terminated in accordance with this Contract. Section 3.1, Section 3.2, and Section 3.3 shall be in effect until Completion.

2.1.4 Notwithstanding the Effective Date of this Contract being fixed on the date that all Participants, the Acquirer, the Sites Authority, Reclamation and the State (in their capacities as signatories to the State and Federal Contracts), have complied with Section 2.1.1, it is agreed by each Participant that in consideration for the Sites Authority's signature to this Contract, and for its commitment to use commercially reasonable efforts to obtain the commitment of all Participants, the State and Reclamation (in their capacities as signatories to the State and Federal Contracts), to the Project, each Participant upon its execution and delivery of this Contract to the Sites Authority along with the required authorization and opinion described in Section 15.13 and any required evidence of compliance as required by Section 2.1.1 shall be immediately bound not to withdraw its respective offer made to enter into this Contract as executed and/or supplemented or to decrease or terminate its Base Facilities Capacity Interest and/or Downstream Facilities Capacity Interest for a period of 180 days from the date of the execution of this Contract by such Participant or such longer period agreed between Sites Authority and each Participant.

2.2 Prior Agreements

2.2.1 All Interim Agreements are terminated and of no further force and effect upon the Effective Date and all obligations identified in the Interim Agreements have been fulfilled. Such Interim Agreements shall have no force or effect on this Contract or the construction, and operation of the Project, including its governance.

2.2.2 Any unexpended funds made available to the Sites Authority in accordance with such Interim Agreements shall be transferred into the Revenue Fund and credited by the Sites

Authority to amounts payable by applicable Storage Partners under this Contract for their respective Fixed Project Costs.

2.3 Reservoir Management Board

2.3.1 By executing this Contract, each Participant (i) shall designate a representative to become a member of the Reservoir Management Board, who shall actively participate in the Reservoir Management Board on behalf of such Participant, each in accordance with the JPA Agreement and the Sites Authority Bylaws, and (ii) agrees not to challenge the governance structure of the Sites Authority, specifically its delegation of powers and authority to the Reservoir Management Board.

2.3.2 The Sites Authority Board agrees not to challenge the governance structure of the Sites Authority, specifically, its delegation of powers and authority to the Reservoir Management Board.

2.3.3 The Sites Authority recognizes that the governance powers delegated by it to the Reservoir Management Board, which powers give Participants meaningful governance protections over their respective investments in the Project, is a primary and material benefit to each Participant and a primary and material inducement to each Participant's decision to enter into this Contract and to commit to fund the Project.

2.4 Payment Appendices

2.4.1 Subject to Section 2.4.2, if at any time a Participant elects to change its source of payment for Fixed Project Costs which election shall be subject to the Sites Authority's approval, in its reasonable discretion, such Participant shall provide to the Sites Authority an executed version of the applicable Payment Appendix reflecting such change.

2.4.2 If any Project Obligation under a Financing Agreement is outstanding (but only to the extent required under such Financing Agreement), a Participant's election to change its source of payment for Fixed Project Costs shall be subject to the terms of such Financing Agreement, including the right of the applicable Lender to consent to such change, if any.

SECTION 3. PROVISIONS APPLICABLE TO DEVELOPMENT, CONSTRUCTION AND OWNERSHIP

3.1 Obligation of the Sites Authority to Construct and Complete the Project

3.1.1 Subject to compliance with all Applicable Law and Governmental Approvals, the Sites Authority agrees to use commercially reasonable efforts to construct and complete the Project in accordance with the Approved Design Documents, provided that (i) each Participant provides its share of all required funding under this Contract; (ii) the Sites Authority is not prohibited by Applicable Law from proceeding; and (iii) the Sites Authority and the Reservoir Management Board have not mutually determined the Project to be infeasible and impractical.

3.1.2 By this Contract taking effect and the Sites Authority accepting payments for Project Costs under this Contract, the Sites Authority does not warrant that it will construct and achieve Completion.

3.2 Conditions Precedent to Construction

3.2.1 Subject to Section 3.2.2, the Sites Authority shall commence construction, through execution of a Construction Contract of all or a portion of the Project, upon satisfaction of the following conditions:

(a) the Sites Authority's execution of initial Construction Contract, provided such action is permitted under the Sites Authority Bylaws, Applicable Law, Governmental Approvals and any necessary Partner Agreements; and

(b) receipt by the Sites Authority of (i) a certified resolution of the Reservoir Management Board confirming commencement of all or a portion of construction under that Construction Contract; and (ii) Governmental Approvals and any necessary Partner Agreements required to commence all or a portion of construction by the Sites Authority.

3.2.2 Where the total amount of Participants' payments under this Contract from and after the Effective Date exceeds $500,000,000, the Reservoir Management Board shall provide a one-time certified resolution authorizing the Board to make further payment of expenses of the Project in accordance with the Sites Authority Bylaws before any further expenses may be incurred by Participants.

3.3 Construction Progress Reports

The Sites Authority will provide Participants with construction progress reports in a form and substance approved by the Reservoir Management Board.

3.4 Ownership of Project Assets

Subject to Section 3.5 and Section 3.6, the Sites Authority shall own all Project Assets.

3.5 Base Facilities Capacity Interest

The Sites Authority hereby grants to each Participant, and each Participant shall own, a Base Facilities Capacity Interest in the amounts described in the Project Specific Information and otherwise in accordance with this Contract.

3.6 Downstream Facilities Capacity Interest

The Sites Authority hereby grants to those Participants indicated in the Project Specific Information as holding a Downstream Facilities Capacity Interest, and such Participants shall own, a Downstream Facilities Capacity Interest in the amounts described in the Project Specific Information and otherwise in accordance with this Contract.

3.7 Updates to Project Specific Information and Sites Operations Plan

3.7.1 The Parties agree that the Project Specific Information and the Sites Operations Plan may be updated from time to time as provided below to reflect changes or issues impacting the Project without amending the terms of this Contract.

3.7.2 No less frequently than annually, the Sites Authority will update:

(a) the Project Specific Information to reflect (i) any changes in each Storage Partner's Capacity Interest percentage(s) as a result of sale or acquisition of Capacity Interest in accordance with Section 8, any acquisition or disposition of Capacity Interest in accordance with Section 10, or any other changes in Capacity Interest in accordance with this Contract; and (ii) other changes to the Project Specific Information to reflect changes or issues impacting the Project; and

(b) Appendix 8 to reflect changes, if any, to the Sites Operations Plan made in the prior year.

SECTION 4. PROVISIONS APPLICABLE TO OPERATIONS AND MAINTENANCE

4.1 Obligation of the Sites Authority to Operate and Maintain the Project

4.1.1 The Sites Authority shall develop, operate and maintain the Project for the benefit of all Storage Partners in good faith and in accordance with Good Industry Practice. This duty applies to all aspects of Project development, permitting, and operations including: negotiating, entering into and enforcing Partner Agreements, or easements or other instruments for the use of third-party facilities and/or real property; negotiating and entering into regulatory permits; operating and maintaining the Project; timely communicating with Storage Partners regarding anticipated or actual Project diversions and releases of water; and timely communication with all Storage Partners of anticipated or actual problems or concerns with regard to the Project and potential remedies for the same.

4.1.2 Subject to compliance with all Applicable Law and Governmental Approvals, the Sites Authority agrees to diligently operate and maintain the Project Facilities, administer and maintain all Partner Agreements necessary for Project operations, and ensure compliance with such Partner Agreements, in accordance with this Contract, the Sites Operations Plan, Applicable Law, and Good Industry Practice, provided that (i) the Participants and the Acquirer provide all funding required under this Contract for operations and maintenance; and (ii) the Sites Authority and the Reservoir Management Board have not mutually determined the continued operation of the Project is infeasible and impractical.

4.1.3 The Sites Authority shall take diligent and commercially reasonable steps to protect, preserve, maintain, and defend the Sites Water Right, from impairment, diminution, loss, forfeiture, abandonment, adverse claims, or any other action or condition that may negatively affect the quantity, quality, priority, validity, enforceability, ability to convey or beneficial use thereof and implement the policy direction of the Reservoir Management Board and the Sites Authority Board in accordance with this Contract. Upon becoming aware of any actual or threatened impairment, injury, loss, or interference with the Water Rights, Sites Authority shall promptly investigate the matter and pursue such administrative, regulatory, judicial, or other remedies as are reasonably necessary to mitigate losses, recover damages, seek appropriate relief, enforce the Water Rights, and prevent or minimize future losses or impairment. Any costs to the Sites Authority associated with such actions shall be payable by Storage Partners and follow Beneficiary Pays Principles. Nothing in this Section shall require Sites Authority to commence or continue litigation if, after consultation with legal counsel, Sites Authority reasonably determines that such action is not likely to provide a material benefit to the Water Rights or Participants provided, however, that Sites Authority shall first consider and pursue other reasonable measures to protect the Water Rights and prevent further loss.

4.1.4 The Parties agree that maximizing diversions and beneficial use under the Sites Water Right is in the best interest of all Parties. Subject to compliance with all Applicable Law, Governmental Approvals, Good Industry Practice and Section 8, the Sites Authority and the Participants agree to take reasonable steps to optimize the diversion and beneficial use of Sites Water.

4.2 Sites Operations Plan

4.2.1 Each Party acknowledges and understands that the storage and conveyance of Water through the Project Facilities and applicable Partner Facilities consistent with each Storage Partner's Capacity Interests will be implemented in accordance with the Sites Operations Plan. The Sites Authority shall administer Partner Agreements as necessary to implement such storage and conveyance.

4.2.2 The initial form of the Sites Operations Plan approved by the Reservoir Management Board and the Sites Authority (as applicable) in accordance with the Sites Authority Bylaws is included as Appendix 8. Following a change to the Sites Operations Plan in accordance with Section 4.2.5, the updated Sites Operations Plan will be attached to this Contract in accordance with Section 3.6.

4.2.3 The Sites Operations Plan is intended to implement and provide detail to the terms of this Contract, including administration of Partner Agreements and use of Partner Facilities necessary to achieve expected Project benefits to the extent feasible, and shall not modify or amend this Contract in a manner that results in a material adverse effect on a Participant's rights under this Contract or the State or Federal Contracts (as applicable) to control its respective Base Facilities Capacity Interests or Downstream Facilities Capacity Interest, or its ability to have Sites Water or Other Water diverted into, stored in, released or conveyed through the Project Facilities on a pro-rata and substantially similar basis with other Storage Partners taking into account each Storage Partner's applicable Capacity Interests as calculated in accordance with the Sites Operations Plan. In the event of any inconsistency between the Sites Operations Plan and this Contract, the terms of this Contract shall prevail. All Participants and the Acquirer shall be subject to uniform operational standards regarding diversion, storage, release, and conveyance of Water through Project Facilities, except where expressly modified by Base Facilities Capacity Interests, Downstream Facilities Capacity Interests, or specific contractual rights under this Contract. The State and Federal Capacity Interest shall be subject to operation standards described in their respective contracts.

4.2.4 This Contract requires pro-rata calculations in Sections 4.2.3, 4.3.4, 4.4.3, 6.13.2, 8.1.1, 8.2.1, 10.3.2, 10.3.6, 10.3.7 and 11.1. The Reservoir Management Board shall approve equations for each of those pro-rata allocation calculations, with examples applying these equations, as an addition to the Sites Operations Plan before the Reservoir Management Board approves a resolution confirming commencement of all or a portion of construction of the Project pursuant to Section 3.2.1 of this Contract.

4.2.5 Subject to the Sites Authority Bylaws (including, in particular, Section 10.3), and the JPA Agreement (including, in particular, Section 2.3), changes to the Sites Operations Plan are subject to approval by the Reservoir Management Board as described in the Sites Authority Bylaws. Prior to any such approval, the prior version of the Sites Operations Plan shall remain in full force and effect.

4.3 Use of Capacity Interests

Subject to special provisions in Appendix 9 for the SWP Participants, each Participant acknowledges and agrees:

4.3.1 that its Capacity Interests shall only be used for the storage and conveyance of Sites Water, or storage and conveyance of Other Water which may be stored in and conveyed through the Project Facilities in accordance with Applicable Law, Governmental Approvals and the Sites Operations Plan;

4.3.2 that except as set out in this Section 4 or in Section 8, it may not use another Storage Partner's Capacity Interests for the storage and conveyance of Sites Water or Other Water, that it shall utilize Sites Water in accordance with Applicable Law and Governmental Approvals and shall timely provide any information the Sites Authority may need to comply with Applicable Law and Governmental Approvals as described in the Sites Operations Plan, provided that Storage Partners with unused conveyance capacity shall permit other Storage Partners to use such unused conveyance capacity in accordance with Applicable Law and the Sites Operations Plan;

4.3.3 that it shall make reasonable efforts to optimize diversion and beneficial use of Sites Water during the Sites Water Right Development Period and shall not interfere with the Sites Authority's efforts to optimize diversion and beneficial use of Sites Water during the Sites Water Right Development Period;

4.3.4 Storage Partners who hold a Downstream Facilities Capacity Interest have first priority to use Downstream Facilities, including any Available Downstream Capacity. Unless otherwise agreed between Sites Authority and the holder of Downstream Facilities Capacity Interest, where use of Downstream Facilities exceeds a Storage Partner's Downstream Facilities Capacity Interest, the Storage Partner (excluding the State) shall incur wheeling costs on a per Acre-foot basis determined as described in the Operations Plan, which wheeling fee shall be credited to those holders of Downstream Facilities Capacity Interest who provided the Available Downstream Capacity. Where Available Downstream Capacity is insufficient to meet demands, such capacity shall be apportioned pro-rata based on the relative Downstream Facilities Capacity Interest, as calculated in accordance with the Sites Operations Plan; and

4.3.5 Storage Partners who do not hold a Downstream Facilities Capacity Interest shall have second priority access to use of the Available Downstream Capacity except to the extent that such Downstream Facilities Capacity Interest is leased or acquired in accordance with Section 8 of this Contract. If conveying Water under a second priority access to use of Available Downstream Capacity, the Storage Partner shall incur wheeling costs on a per Acre-foot basis determined as described in the Operations Plan, which wheeling fee shall be credited to those holders of Downstream Facilities Capacity Interest who provided the Available Downstream Capacity.

4.4 Storage and Release of Sites Water

4.4.1 Subject to Applicable Laws and Governmental Approvals, the diversion of Sites Water to storage will take priority over the release of Water. Sites Water diverted from the Sacramento River by the Sites Authority will first be used to fill the Inactive Storage Pool. After the Inactive Storage Pool is filled, Sites Water diverted by the Sites Authority will be allocated to Storage Partners in Sites Reservoir based on each Storage Partner's Base Facilities Capacity

Interest up to the Storage Partner's Storage Allocation, including any Storage Allocation leased, or acquired by such Storage Partner in accordance with Section 8 of this Contract; provided that an allocation of Sites Water to the SWP Participants shall be subject to special provision in Appendix 9. If a Storage Partner's Storage Allocation is not available or is full, then diverted Sites Water will be allocated to the remaining Storage Partners who have available Storage Allocation in proportion to their Base Facilities Capacity Interest. Notwithstanding the foregoing, Sites Water originating from Funks Creek and its tributaries, Stone Corral Creek and its tributaries, and the watershed of Sites Reservoir shall be allocated consistent with the Colusa County/Sites Authority MOU.

4.4.2 In accordance with the timing and process described in the Sites Operations Plan and Section 4.3, each Participant shall provide the Sites Authority with (i) a projected request for Sites Water the Participant seeks to have stored in the Project ("**Storage Opportunity Request Form**"), which, when added to such Participant's Stored Water, shall not exceed the sum of (a) that Participant's Storage Allocation; and (b) any other Storage Allocation leased or acquired by such Participant in accordance with Section 8 of this Contract; and (ii) a projected schedule for releases of such Participant's Stored Water ("**Release Request Form**").

4.4.3 Upon receipt of each Participant's Storage Opportunity Request Form, Release Request Form, and any other forms required in the Sites Operations Plan, the Sites Authority will review each Participant's proposed schedules and make necessary modifications in the manner provided in the Sites Operations Plan to ensure that the amounts, times, and rates of delivery of Sites Water to the Participant will be consistent with the Participant's Capacity Interests, Storage Partner's Stored Water, Storage Allocation and the Sites Authority's overall delivery ability, considering the then current delivery schedules of all Storage Partners. The Sites Authority will not unreasonably withhold any decisions made pursuant to this subsection and will not make a decision that results in a material adverse effect on a Storage Partner's rights under this Contract or the State and Federal Contracts (as applicable) to control its Capacity Interests, or its ability to have Water diverted into, stored in, or released through the Project Facilities in accordance with its Capacity Interests on a pro-rata and substantially similar basis with other Storage Partners, as calculated in accordance with the Sites Operations Plan.

4.4.4 All Storage Partners shall bear the risk of loss of Sites Water and any shortfall or reduction in Sites Water as set out in the Sites Operations Plan.

4.4.5 The Project provides water supply and water supply related environmental benefits, including water quality benefits, as well as flood control, recreation, and power generation benefits. The Project will be operated so as to maximize the water supply and water supply related environmental benefits while continuing to provide the flood control and recreational benefits.

4.5 Other Water

4.5.1 Subject to Applicable Law and Governmental Approvals, all Storage Partners may store Other Water in, or convey Other Water by use of the Storage Partner's respective Capacity Interests in the Project Facilities as described in the Sites Operations Plan. The use of Project Facilities for Other Water must not negatively impact other Storage Partners' rights as set forth in this Contract or the State and Federal Contracts (as applicable) and shall be subject to the approval of the Sites Authority and the Reservoir Management Board as described in the Sites Authority Bylaws, whose approval shall not be unreasonably withheld. Any costs to the Sites Authority associated with Other Water shall follow Beneficiary Pays Principles, including if the

Sites Authority is required to take actions to comply with Applicable Law or obtain or modify any new or existing Governmental Approvals.

4.5.2 The diversion and conveyance of Sites Water into Sites Reservoir will be prioritized over the diversion and conveyance of Other Water into Sites Reservoir.

4.5.3 Other Water shall accrue losses in a substantially similar manner as Sites Water, and the Storage Partner seeking to store or convey Other Water shall bear the risk of loss of the Other Water and any shortfall or reduction in Other Water.

4.6 Release of Water

4.6.1 Subject to Applicable Law, Governmental Approvals, the terms of this Contract, Project operational constraints and Partner Agreements, Participants retain discretion over release scheduling for Water held within their Capacity Interests.

4.6.2 The delivery point for Water shall be either Funks Reservoir, the Terminal Regulating Reservoir or the downstream confluence with the Sacramento River Knights Landing Outfall Gates (the "Sacramento River Delivery Point") and shall be specified by each Storage Partner in its Release Request Form ("Delivery Point"). The Sites Authority's obligations and responsibilities for Water terminate at the applicable Delivery Point provided that:

(a) the Sites Authority shall comply with any water rights permit or license requirements relating to the re-diversion of Sites Water through the Delta and will conform to any applicable facility usage agreements and operations agreements;

(b) without limiting Section 4.1.3, the risk of loss, cost of use and any shortfall or reduction in Water between the Funks Reservoir and Terminal Regulating Reservoir, as applicable, and the Sacramento River Delivery Point shall be borne by Participants using such Delivery Point and follow Beneficiary Pays Principles; and

(c) Section 4.6.11 shall apply with respect to Sites Authority liability for deliveries to the Sacramento River Delivery Point in the same manner as it applies to deliveries to Secondary Delivery Points.

4.6.3 For releases of Water to the Sacramento River Delivery Point, the Sites Authority, following the approval of the Reservoir Management Board and the Sites Authority Board, as necessary, shall negotiate, enter into, and enforce any agreements necessary to convey Water from Funks Reservoir to the Sacramento River Delivery Point, including a Partner Agreement with the Tehama-Colusa Canal Authority and agreements or real property instruments executed with public agencies and landowners along the stretch of the Colusa Basin Drain between the Dunnigan Pipeline and the Sacramento River Delivery Point. **[Note to Participants: The Sites Authority continues to discuss with Facility Partners the potential for a recital or side letter that acknowledges historical available capacity and OM&R standards]**

4.6.4 If the Reservoir Management Board and Sites Authority Board, as applicable, determine that the Colusa Basin Drain is inadequate to reliably convey Water to the Sacramento River Delivery Point, the Sites Authority shall undertake reasonable efforts to secure improved conveyance through existing Downstream Facilities and/or will study, plan, design, and construct new downstream facilities, such as a Dunnigan Pipeline extension to the Sacramento River upon

designating funding for these purposes. As provided in Section 4.6.5 below, any costs borne by the Sites Authority in connection with these efforts shall follow Beneficiary Pays Principles. The Parties understand and agree that Downstream Facilities improvements related to Partner Facilities may be subject to the requirements of Section 2.6 of the JPA Agreement.

4.6.5 All releases of Water to the Sacramento River Delivery Point are subject to Applicable Law, Governmental Approvals and Partner Agreements and Section 4.13. Each Storage Partner shall bear the costs (monetary or otherwise) and risk of reasonable loss or reduction in moving their own Water between Funks Reservoir and/or the Terminal Regulating Reservoir and the Sacramento River Delivery Point. Any costs borne by the Sites Authority associated with delivering Water from Funks Reservoir and/or the Terminal Regulating Reservoir to the Sacramento River Delivery Points shall follow Beneficiary Pays Principles. The Parties understand and agree that Downstream Facilities improvements related to Partner Facilities may be subject to the requirements of Section 2.6 of the JPA Agreement.

4.6.6 The Sites Authority, upon direction from the Reservoir Management Board, will analyze, explore, evaluate, investigate, develop and report data in a timely manner to the Storage Partners to determine losses of Sites Water. Upon direction and designated funding from the Reservoir Management Board and the Sites Authority Board as applicable, the Sites Authority shall develop and implement strategies to address losses of Sites Water between Funks Reservoir and/or the Terminal Regulating Reservoir and the Sacramento River Delivery Point.

4.6.7 The Sites Authority will convey released Water through Project Facilities in accordance with the provisions of this Contract and undertake all commercially reasonable measures, consistent with Applicable Law and Partner Agreements, to manage, control, and protect Sites Water to the applicable Delivery Point.

4.6.8 Storage Partners may specify a Secondary Delivery Point(s) in their respective Release Request Form as described in the provisions of this Contract, subject to reasonable approval by the Sites Authority. The Sites Authority shall use commercially reasonable efforts to (i) negotiate, enter into and enforce Partner Agreements and (ii) assist Participants in conveying their Water to an approved Secondary Delivery Point(s). Such actions taken by the Sites Authority are subject to Applicable Law, Governmental Approvals, Partner Agreements and Section 4.1.2(i). All costs of use (monetary or otherwise), the risk of loss and any shortfall or reduction in Water between the Delivery Point and the approved Secondary Delivery Point(s) shall be borne by Participants using such Secondary Delivery Point and follow Beneficiary Pays Principles. Section 4.6.11 shall apply with respect to Sites Authority liability for deliveries to an approved Secondary Delivery Point in the same manner as it applies to deliveries to the Sacramento River Delivery Point.

4.6.9 In the event that requests by Storage Partners for the conveyance of Water to, or release of Water from, the Project exceed available conveyance capacity at any Project Facilities, such request will be considered and determined by the Sites Authority in accordance with the provisions of this Contract; provided that Storage Partners have a right to use facilities necessary to convey Water to the Delivery Point in proportion to their Base Facilities Capacity Interest; and to Downstream Facilities in proportion to their Downstream Facilities Capacity Interest.

4.6.10 The Sites Authority may temporarily discontinue or reduce the conveyance of Water to, and release of Water from, the Project Facilities, if necessary, as described in the Sites Operations Plan.

4.6.11 Without limiting Section 4.1.3, each Participant shall indemnify the Sites Authority, its directors, officers, employees, agents, and assigns on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury, or death arising in connection with the control, carriage, handling, use, disposal, or distribution of Water beyond the Funks Reservoir and/or the Terminal Regulating Reservoir, except for any damage or claim arising in connection with (i) acts or omissions of the Sites Authority or any of its directors, officers, employees, agents, and assigns with the intent of creating the situation resulting in any damage or claim; (ii) willful misconduct of the Sites Authority or any of its directors, officers, employees, agents, and assigns; (iii) negligence of the Sites Authority or directors, officers, employees, agents, and assigns; (iv) damage or claims resulting from a malfunction of Project Asset.

4.7 Power Generation

To the extent power, energy or other services are generated by Project Facilities, sales of such power, energy and all other services will be managed by the Sites Authority. Any revenues received by the Sites Authority for the sale or other disposition of power, energy or other services shall be used to offset Variable O&M Costs (including funding of reserves in accordance with the Sites Authority Policies), and to the extent that such revenues exceed Variable O&M Costs in a Fiscal Year, any remaining revenues will be used to offset Fixed O&M Costs. Any such revenues will be allocated by the Sites Authority to Storage Partners in proportion to the amount of Water released on behalf of the Storage Partners during the Fiscal Year.

The Parties acknowledge and agree that the release of Water has a higher priority than the generation of power by Project Facilities and power generation is not guaranteed to Storage Partners with the release of Water.

4.8 Entry and Inspection

The Sites Authority and the Participants each agree that Participants shall be allowed, at reasonable times and upon reasonable prior notice, and at the Participant's expense, to enter onto the Sites Owned Facilities for reasonable purposes (including dam safety), in accordance with the Sites Authority's reasonable safety regulations and policies and subject to Applicable Law and Governmental Approvals.

4.9 Measurement of Water

The Sites Authority shall measure, or cause to be measured, Water and shall keep and maintain accurate and complete records of diversions, storage and release of Water in accordance with Good Industry Practice.

4.10 Excused Performance

4.10.1 Upon the occurrence of an event of Force Majeure that materially and adversely impacts performance of a Parties obligations under this Contract, (a) the Sites Authority shall be excused from its obligations under this Contract for the period during which it is unable to comply with such obligations as a result of such event of Force Majeure, and (b) the Participants and the Acquirer shall be excused from their obligations under this Contract for the period during which they are unable to comply with such obligations as a result of the event of Force Majeure, other than the payment of Project Costs described in Section 6 of this Contract, which obligations are not subject to reduction or abatement.

4.10.2 Any excuse of obligations in accordance with this Section 4.10 is subject to the proviso that, upon obtaining knowledge of an event of Force Majeure, such Party: (a) promptly notifies the Sites Authority and/or the other Party or Parties of the event of Force Majeure; (b) provides reasonable details and updates relating to such event of Force Majeure; and (c) implements mitigation measures to the extent commercially reasonable.

4.11 Shortages and Water Quality

4.11.1 If for any reason other than those described in this Section 4.11 there is a reduction in the Sites Water diversions or releases or other circumstances, which, notwithstanding preventive or remedial measures that the Sites Authority may or may not take in its sole discretion, threatens a permanent or sustained material reduction in the supply of Sites Water, including reductions resulting from loss of reservoir capacity, Inactive Storage Pool conditions, infrastructure impairment, regulatory restrictions, sedimentation, or other long-term operational limitation to be made available to the Storage Partners, the Sites Authority will adjust the storage, diversion and release of Sites Water in proportion to each Storage Partner's applicable Capacity Interest.

4.11.2 Neither the Sites Authority nor any of its directors, officers, agents, or employees shall be liable for any damage, direct or indirect, arising from the shortages in the amount of Water to be made available to the Participants under this Contract caused by non-availability of Water to the Sites Authority under the Sites Water Right (as applicable to Sites Water), Applicable Law, Governmental Approval or caused by drought, or any other cause beyond the Sites Authority's control.

4.11.3 The Sites Authority makes no representation, warranty or guarantee of the quality of Water delivered under this Contract.

4.12 Governance

4.12.1 The Parties agree that:

(a) the Sites Authority Board has reserved certain powers, as described in the JPA Agreement;

(b) the Reservoir Management Board has been delegated exclusive decision-making authority for specified activities, identified as "Delegated Authorities" in Section 10.2 of the Sites Authority Bylaws, which shall not be amended without approval of the Reservoir Management Board;

(c) the Sites Authority and the Reservoir Management Board have shared decision-making authority for specified activities, as described in the Sites Authority Bylaws;

(d) the Sites Authority Bylaws and the JPA Agreement set out voting procedures for amendment thereof that shall be complied with by all Parties;

(e) any Participant shall have the option to serve as an Associate Member of the Sites Authority Board, subject to the rights and limitations set forth in the Sites Authority Bylaws;

(f) no change can occur and no modification can be made to the governance structure described in this Section 4.12 and collectively established by this Contract, the JPA Agreement, and the Sites Authority Bylaws, except in the manner provided for in the Sites Authority Bylaws;

(g) if the delegation of powers or authorities by the Sites Authority Board to the Reservoir Management Board or the governance structure described in this Section 4.12 and collectively established by this Contract, the JPA Agreement, and the Sites Authority Bylaws, is held invalid by a court having jurisdiction, then the Parties shall promptly meet and make efforts to negotiate a substitute for such provision or part, which shall, to the greatest extent legally permissible, effect the original intent of the Parties, including (as applicable) an appropriate assignment of powers, authorities, and duties to Participants to protect their investments in the Project, resulting from such invalidated portion; and

(h) if the delegation of powers or authorities by the Sites Authority Board to the Reservoir Management Board or the governance structure described in this Section 4.12 and collectively established by this Contract, the JPA Agreement, and the Sites Authority Bylaws is held invalid by a court having jurisdiction, then, unless otherwise mutually agreed pursuant to subsection (g) above, for any action(s) or decisions specified in this Contract or the Sites Authority Bylaws as requiring the approval, consent or decision of the Reservoir Management Board, such action or decision will instead require the approval or consent of a weighted share of the Participants as specified in this Contract or the Sites Authority Bylaws, where the weighted share of each Participant shall be calculated as (a) one divided by the total number of Participants, multiplied by 50, plus (b) the Base Facilities Capacity Interest of each Project Participant divided by the total Base Facilities Capacity Interest of all Participants identified in Appendix 2, multiplied by 50, such that the weighted total of all Participant shares shall total 100. This requirement shall apply to, without limitation and at a minimum, Sections 3.2.1(b), Section 3.2.2, 4.2.4, 4.5.1, 4.6.4, 4.15.1, 8.1.1(c), 8.1.3, 8.2.1(a)(vi) & (c), 8.2.4, 10.2.1 and 11.1.1(a).

4.13 Maintenance and Compliance with Partner Agreements

The Sites Authority shall (i) enter into, (ii) maintain, and (iii) ensure compliance with, each applicable Partner Agreement necessary for the operation of the Project in accordance with this Contract, the Sites Operations Plan, Applicable Law and Good Industry Practice.

In performing its obligations under this Contract, the Sites Authority shall use commercially reasonable efforts, consistent with Good Industry Practice and subject to applicable technical, legal, and third-party constraints, to ensure that the terms of the Partner Agreements are complied with. Any amendment to a Partner Agreement shall be subject to the approvals specified in the Sites Authority Bylaws.

The Sites Authority shall undertake all reasonable measures, consistent with Applicable Law, Governmental Approvals and Partner Agreements, to manage, control, and protect Water through the applicable Delivery Point.

4.14 SWP Participant Operations Coordination

Each SWP Participant shall coordinate with Acquirer and the Sites Authority regarding annual scheduling, conveyance, use, and operational planning for its Capacity Interests and Sites Water, all in accordance with Appendix 9.

4.15 Capital Improvement Plan

4.15.1 Every year starting at the Completion, the Sites Authority shall generate a five year forecast for all capital improvements including capital cost estimates for each improvement, any operating cost changes associated with the capital expenditure, and project funding prioritization for the Project Facilities subject to approval by the Reservoir Management Board and the Sites Authority (as applicable) as described in the Sites Authority Bylaws ("**Capital Improvement Plan**"). The approved Capital Improvement Plan shall be reflected in the annual budget. The Sites Authority shall make good faith efforts to include any activities that the Sites Authority reasonably anticipates would require amendment to the adopted annual budget for Project Costs for each Fiscal Year.

4.15.2 The Parties agree that additional activities, work or services may be required that were not contemplated in the Capital Improvement Plan. The Parties therefore agree to use commercially reasonable efforts and take reasonable actions to address and resolve any such increased or additional activities, work or services, and associated expenses.

4.16 Drought Emergency Supplies Requirement

4.16.1 The Parties acknowledge that the Sites Authority has entered a Contract for Administration of Public Benefits with DWR ("**CAPB-DWR**") and is to receive State Proposition 1 funds relating to the Sites Project delivering public benefits associated with drought emergency response and associated adaptive management requirements.

4.16.2 The Participants agree to perform the following tasks related to supporting the Sites Authority's demonstrating compliance with the CAPB-DWR:

(a) Prepare and incorporate a Drought Emergency Response Program ("**DERP**") into the Sites Operations Plan which shall be activated and administered by the Sites Authority. No Participant is obligated to dedicate, reserve, or release its Sites Water for public benefit purposes except as independently determined by such Participant.

(b) Reasonably cooperate with any actions and provide any information reasonably necessary for the Sites Authority to demonstrate compliance with the CAPB-DWR, including implementing any associated reporting, accounting and monitoring.

(c) Reasonably cooperate in the implementation of adaptive management obligations contained in the DERP. The Parties recognize that implementation of adaptive management actions does not imply or warrant guaranteed achievement of any specific delivery quantity, operational outcome, or drought emergency response target in any individual year or series of years.

(d) Consistent with the CAPB-DWR, to the extent that a Participant chooses to relocate its Sites Water from Sites Reservoir to another storage location south of

the Sacramento-San Joaquin Delta ("SOD") in non-emergency years for the purpose of making Sites Water available from SOD storage in subsequent emergency years, and Participant is able to demonstrate that previously relocated Sites Water was physically delivered from such SOD storage during the subsequent emergency year, the Sites Authority shall seek DWR approval under the CAPB-DWR to account for such deliveries as contributing to the target volume in the emergency year such Sites Water is delivered.

4.16.3 Nothing in any Public Benefit Agreement or adaptive management process shall be construed to amend this Contract or alter the allocation of rights, responsibilities or Capacity Interests established under this Contract except through an amendment approved in accordance with Section 15.12.

SECTION 5. FINANCING OF THE PROJECT

5.1 The Sites Authority Financing of the Project

The Sites Authority:

5.1.1 agrees to provide Sites Financing for Fixed Project Costs, provided that each Financing Participant and the Acquirer (as applicable) shall pay Sites Financing Costs relating to such Sites Financing allocable to the Participant in accordance with Section 6.4;

5.1.2 may incur Project Obligations from time to time for the purpose of financing or refinancing the Fixed Project Costs on an interim or permanent basis; and

5.1.3 in incurring Project Obligations, will use commercially reasonable efforts to obtain cost effective financing for the Fixed Project Costs on reasonable terms and conditions consistent with this Contract and with the approval of the Reservoir Management Board.

5.2 Notice of Expected Incurrence of Sites Financing

5.2.1 The Sites Authority will provide written notice to the Participants substantially in the form of Appendix 4 of the expected incurrence of (i) the first Sites Financing, at least 30 days, but not more than 60 days prior to, or (ii) any other Sites Financing at least 150, but not more than 180 days prior to (A) the expected date of the incurrence of such Sites Financing, or (B) if the Project Obligations are expected to be sold in the public capital markets, the Business Day prior to the scheduled date on which the offering document (which may be a preliminary offering document) relating to such Sites Financing is anticipated to be made available to potential investors, that includes:

(a) the anticipated date of the incurrence by the Sites Authority of such Sites Financing (a "**Proposed Sites Financing Incurrence Date**");

(b) a description of the proposed financing structure, expected method of sale, expected term, pro-forma cash flows and each Participant's estimated share of the Fixed Project Costs to be financed or refinanced from the proceeds of such proposed Sites Financing;

(c) each Participant's estimated annual Sites Financing Costs relating to the proposed Sites Financing; and

(d) the amount that the Participant would be required to deposit with the Sites Authority if the Participant elects to self-fund such costs in accordance with Sections 5.4 and 5.5,

(each such notice constituting a "**Sites Financing Incurrence Notice**").

5.3 Provisions Applicable to Financing Participants

5.3.1 This Section 5.3 shall be applicable to each Financing Participant participating in a Sites Financing.

5.3.2 No later than 30 days following a request by the Sites Authority, each Financing Participant shall:

(a) provide to the Sites Authority such information and disclosure as may be reasonably required by the Sites Authority in connection with the incurrence of a Sites Financing;

(b) provide to the Sites Authority such information regarding that Participant as the Sites Authority may reasonably require in order to comply with (i) any reporting obligations under any Sites Financing; or (ii) the obligations of the Sites Authority under any continuing disclosure undertaking entered into in connection with the incurrence of a Sites Financing;

(c) deliver to the Sites Authority all certificates and Participant counsel opinions reasonably required by the Sites Authority or bond counsel to the Sites Authority in connection with the sale and closing of such Sites Financing; and

(d) execute and deliver to the Sites Authority such additional documents, including any necessary further assurances in relation to the incurrence of any Sites Financing as the Sites Authority may reasonably request, provided that all such documents will be provided in accordance with Applicable Law.

5.4 Participant Self-Funding Election

5.4.1 Each Participant may elect to self-fund all or a portion of the Participant's share of Fixed Project Costs proposed by the Sites Authority to be financed or refinanced in accordance with a Sites Financing Incurrence Notice.

5.4.2 Such election shall be made by delivering written notice to the Sites Authority, substantially in the form attached as Appendix 3 (each, a "**Self-Funding Notice**"), on or before the 90th day prior to (i) the anticipated date of the applicable Sites Financing Incurrence Date or (ii) if the Project Obligations are expected to be sold in the public capital markets, the Business Day prior to the scheduled date on which the offering document relating to such Sites Financing is anticipated to be made available to potential investors, as applicable (a "**Self-Funding Election Date**"), setting forth the amount of Fixed Project Costs that the Participant proposes to finance or refinance from the proposed Sites Financing and any share of Fixed Project Costs that the Participant proposes to self-fund.

5.4.3 A Participant making an election in a Self-Funding Notice to self-fund only a portion of the applicable Fixed Project Costs assignable to that Participant with respect to Sites

Financing shall be treated both as a Financing Participant and a Self-Funding Participant under this Contract with respect to such Sites Financing.

5.4.4 A Participant shall not be permitted to withdraw, change or otherwise terminate a Self-Funding Notice with respect to such self-funded portion of a Sites Financing after the applicable Self-Funding Election Date; provided that a Participant may increase its self-funded portion of a Sites Financing after the Self-Funding Election Date if the financing structure, terms, or conditions set forth in the good faith estimates accompanying the resolution of the Sites Authority authorizing such financing deviate materially from those provided in the Financing Incurrence Notice; provided further that an election of a Participant to increase its self-funded portion pursuant to this Section 5.4.4 must be made within 10 days after the consideration of the resolution of the Sites Authority authorizing such financing.

5.4.5 The execution of a master agreement by the Sites Authority in connection with the United States Environmental Protection Agency's Water Infrastructure Finance and Innovation Act loan program, any other State, federal or other public agency loan or any agreement relating to short-term or interim borrowing, including revolving credit agreements, lines of credit and commercial paper notes, shall constitute a Sites Financing for purposes of this Section 5, regardless of when funds are drawn thereunder.

5.5 Provisions Applicable to Self-Funding Participants

5.5.1 This Section 5.5 shall apply to each Self-Funding Participant to the extent such Participant complies with such Participant's obligation to pay the Fixed Project Costs identified in the respective Participant's Self-Funding Notice through Self-Funding Participant Cash Payments.

5.5.2 Each Self-Funding Participant shall deposit cash with the Sites Authority in the amount specified in the Self-Funding Notice provided by the Self-Funding Participant to the Sites Authority under Section 5.4.2 (each, a "**Self-Funding Participant Cash Payment**"), by the date that is 60 days prior to (i) the applicable Sites Financing Incurrence Date, or (ii) if the Project Obligations are to be sold in the public capital markets, the Business Day prior to the scheduled date on which the offering document (which may be a preliminary offering document) relating to such Sites Financing is anticipated to be made available to potential investors (the "**Self-Funding Participant Cash Payment Date**"); provided that if the Self-Funding Cash Payment is not received by the Self-Funding Participant Cash Payment Date, the Participant will be provided with a grace period of 45 days after the Self-Funding Participant Cash Payment Date for the Participant to make such Self-Funding Participant Cash Payment. If payment of the Self-Funding Participant Cash Payment is made within such grace period, such Participant will be treated as a Self-Funding Participant.

5.5.3 The Sites Authority will deposit each Self-Funding Participant Cash Payment in an individual account or accounts for each Self-Funding Participant established and held by the Sites Authority separate and apart from the Sites Authority's other funds and accounts, and shall apply such amount, including the investment earnings thereon, to pay such Self-Funding Participant's share of the cost of the applicable Fixed Project Costs in accordance with Section 6.5 or to pay costs of any refinancing, as applicable. Such accounts and any investments shall be held in compliance with Applicable Law.

5.5.4 In the event that the Self-Funding Participant Cash Payment is not received prior to the expiration of the grace period described in Section 5.5.2, such Participant shall constitute

a Financing Participant with respect to such Sites Financing and be obligated to pay Sites Financing Costs relating to such Sites Financing.

5.5.5 To the extent a Self-Funding Participant meets its obligation under this Contract to pay Fixed Project Costs through Self-Funding Participant Cash Payments, such Participant hereby represents, warrants, and covenants that such Self-Funding Participant Cash Payments shall and will be delivered to the Sites Authority free and clear of any prior lien.

5.5.6 At the time of disbursement of any proceeds of Project Obligations there will be a disbursement of proceeds from the accounts holding the Self-Funding Participant Cash Payments made by Self-Funding Participants, and in each instance, the disbursement of proceeds of Project Obligations and the disbursement of proceeds from the accounts holding the Self-Funding Participant Cash Payments made by the Self-Funding Participants shall be made proportionately based on each such Participant's Capacity Interests. In the event that a Participant is both a Financing Participant and a Self-Funding Participant, the allocation of the proceeds of Project Obligations and the disbursement from the account holding such Participant's Self-Funding Participant Cash Payment to the payment of such Participant's share of Fixed Project Costs, will be made in proportion to such Participant's Self-Funding Participant Cash Payment and the Participant Fixed Project Costs to be financed from the proposed Sites Financing identified in such Participant's Self-Funding Notice relative to the Total Participant Obligation set forth in such Participant's Self-Funding Notice; provided that if a Participant that is both a Financing Participant and a Self-Funding Participant elects to increase its self-funded portion of Fixed Project Costs after the Self-Funding Election Date pursuant to Section 5.4.4, the amounts used to determine the allocation between the proceeds of Project Obligations and disbursements from the account holding such Participant's Self-Funding Participant Cash Payment will be adjusted to take into account the increase to such Participant's self-funded portion of Fixed Project Costs.

5.5.7 If, following (i) Completion or (ii) to the extent a Participant elects to self-fund its share of Fixed Project Costs of additional Project Facilities following Completion, the completion of the additional Project Facilities funded, in part, with a Sites Financing that such Participant elected not to participate in, there is any portion of any Self-Funding Participant Cash Payments (and investment earnings thereon) remaining unspent by the Sites Authority, then such unspent Self-Funding Participant Cash Payments (including investment earnings thereon) shall be returned by the Sites Authority to the applicable Self-Funding Participants, or, at the written direction of each such Self-Funding Participant shall be paid to the Sites Authority and credited to future Fixed Project Costs of the applicable Self-Funding Participant under this Contract.

SECTION 6. PAYMENT OF PROJECT COSTS

6.1 Overview of Project Costs

6.1.1 Subject to the special provisions for SWP Participants in Appendix 9, each Participant shall be required to pay Project Costs as follows:

(a) Financing Obligations as set out in Section 6.4 for Financing Participants;

(b) Fixed Project Costs, calculated in accordance with Section 6.5;

(c) Fixed O&M Costs, calculated in accordance with Section 6.6; and

(d) Variable O&M Costs, calculated in accordance with Section 6.7.

6.2 Estimated Charges

6.2.1 On or before March 1 of each Fiscal Year or such other date agreed in the Sites Authority Policies, the Sites Authority shall provide (i) each Participant, and (ii) the Acquirer and the SWP Participants, in the case of the SWP Participants ((i) and (ii) together, to be referred to as the "**Billing Party(ies)**") with an estimated statement of anticipated Project Costs required to be paid by each Participant in (i) the following Fiscal Year and (ii) under this Contract, which statement may be used by the Billing Parties for budgeting purposes.

6.2.2 In accordance with the timing required by the JPA Agreement, the Reservoir Management Board shall prepare and recommend, and the Sites Authority Board will adopt a budget for Project Costs for the following Fiscal Year. Such budget shall include any costs associated with the Capital Improvement Plan.

6.3 Billing Statements

6.3.1 Within 30 days after the Effective Date and thereafter, on or before [January][1] and [July][1] of each Fiscal Year or such other dates as may be provided in the Sites Authority Policies, the Sites Authority will provide each Billing Party with a billing statement ("**Billing Statement**") setting forth:

(a) from the Effective Date until the termination of this Contract, for Financing Participants, for the Participant's share of the Participant's Financing Obligations due for the applicable six-month period, calculated in accordance with Section 6.4;

(b) from the Effective Date until the termination of this Contract, for Self-Funding Participants, for the Participant's share of Fixed Project Costs due for the applicable six-month period, calculated in accordance with Section 6.5; provided, to the extent all or a portion of such costs have been self-funded with a Self-Funding Cash Payment, then such amounts shall be deducted from the applicable account established for the respective Self-Funding Participants in accordance with Section 6.8.1(b);

(c) from twelve months prior to completion of construction of the Project until the termination of this Contract, for all Participants, the Participant's share of Fixed O&M Costs, due for the applicable six-month period calculated in accordance with Section 6.6; and

(d) from six months prior to completion of construction of the Project until the termination of this Contract, for all Participants, the Participant's share of Variable O&M Costs due for the applicable six-month period calculated in accordance with Section 6.7.

6.3.2 Project Costs billed to each Billing Party and included on any Billing Statement shall be billed as follows:

(a) Fixed O&M Costs, Financing Obligations and Fixed Project Costs shall be billed one-year in advance; and

(b) Variable O&M Costs shall be billed for the applicable six-month period commencing on the succeeding [January][1] or [July][1].

6.3.3 Each Billing Statement shall:

(a) be consistent with the approved Sites Authority budget;

(b) be based upon Project Costs incurred by the Sites Authority during the current Fiscal Year and planned Project Costs for the upcoming Fiscal Year;

(c) take into account applicable credits received by the Sites Authority and estimated investment earnings on moneys related to the Project held by the Sites Authority, provided that amounts paid to the Sites Authority for Fixed Project Costs shall not be invested at a yield or in any manner which would result in interest on any Project Obligations being includable in gross income for federal income tax purposes; and

(d) be accompanied by reasonable supporting documentation showing the basis of the Project Costs shown on the Billing Statement.

6.4 Financing Obligations

Each Financing Participant's Financing Obligations shall be determined in accordance with the following formula:

FO = [BFO x BFPP] + [DFO x DFPP]

Where:

FO = Financing Obligations

BFO = Financing Obligations allocable to Base Facilities

BFPP = Base Facility Financing Participation Percentage

DFO = Financing Obligations allocable to Downstream Facilities

DFPP = Downstream Facility Financing Participation Percentage

6.5 Fixed Project Costs

Each Participant's Fixed Project Costs shall be determined in accordance with the following formula:

FPC = [BFC x BCI] + [DFC x DCS]

Where:

FPC = Participant Fixed Project Costs

BFC = Fixed Project Costs allocable to Base Facilities

BCI = Each Participant's Base Facilities Capacity Interest

DFC = Fixed Project Costs allocable to Downstream Facilities

DCS = Each Participant's Downstream Facilities Capacity Interest,

in any case to the extent that such Fixed Project Costs are not also included in such Participant's Financing Obligations.

6.6 Fixed O&M Costs

Each Participant's Fixed O&M Costs shall be determined in accordance with the following formula:

FOMC = [BFOMC x BCI] + [DFOMC x DCS]

Where:

FOMC = Fixed O&M Costs

BFOMC = Fixed O&M Costs allocable to Base Facilities

BCI = Each Participant's Base Facilities Capacity Interest

DFOMC = Fixed O&M Costs allocable to Downstream Facilities

DCS = Each Participant's Downstream Facilities Capacity Interest

6.7 Variable O&M Costs

Each Participant's Variable O&M Costs shall be determined in accordance with the following formula:

VOMC = [(PWP / TWP) x BPVOMC] + [(PWR / TWR) x BRVOMC] + [(PWRD/TWRD) x DVOMC]

Where:

VOMC = Variable O&M Costs

PWP = Water conveyed into Sites Owned Facilities attributable to a Participant

TWP = Total Water conveyed into Sites Owned Base Facilities

BPVOMC = Variable O&M Costs allocable to Water conveyed into Base Facilities

PWR = Water released from Sites Owned Base Facilities attributable to a Participant

TWR = Total Water released from Sites Owned Base Facilities

BRVOMC = Variable O&M Costs allocable to Water released from Base Facilities

PWRD = Water released from Sites Owned Base Facilities that flows into Downstream Facilities attributable to a Participant

TWRD = Total Water released from Sites Owned Base Facilities that flows into Downstream Facilities

DVOMC = Variable O&M Costs allocable to Downstream Facilities

6.8 Due Date and Method of Payments by Participants

6.8.1 Within 30 days after receipt of each Billing Statement:

(a) each Financing Participant shall pay the charges for Project Costs shown on the Billing Statement; and

(b) each Self-Funding Participant shall pay the charges for Project Costs shown on the Billing Statement (which shall reflect such Self-Funding Participant's Self-Funding Participant Cash Payments). The Sites Authority shall withdraw from Self-Funding Participant Cash Payments on deposit in the account established for such Self-Funding Participant the Fixed Project Costs that such Self-Funding Participant has elected to self-fund in accordance with the applicable Self-Funding Election.

6.8.2 Each Participant shall make payments under this Contract whether or not the Project is completed or operable and notwithstanding the suspension, interruption, interference, reduction or curtailment of operation of the Project or of water service in whole or in part for any reason.

6.8.3 Payments under this Contract by each Participant or withdrawals from any account established for a Self-Funding Participant are not subject to any reduction, whether offset or otherwise, and are not conditioned upon performance by the Sites Authority or any other Participant under this Contract or any other agreement.

6.8.4 The obligation of each Participant to make payments under this Contract (including Financing Obligations with respect to each Financing Participant) is absolute, irrevocable and unconditional irrespective of: (i) any change in the time, manner or place of payment of its obligations under this Contract (including the terms in Section 6.8.1 of this Contract) or any other amendment or waiver of or any consent to departure from any of the terms of this Contract or the Project Obligations; (ii) any release or amendment or waiver of, or consent to departure from, any State and Federal Contract, (iii) any taking, exchange, sale or release of any collateral, for any Project Obligation or any manner of application of collateral, or proceeds thereof, to any Project Obligation; (iv) any change, restructuring or termination of the existence of the Sites Authority or any Participant; (v) any present or future law, regulation or order of any jurisdiction or of any agency thereof purporting to increase, reduce, amend, restructure or otherwise affect any term of this Contract or the Project Obligations; and (vi) any other setoff, defense or counterclaim whatsoever with respect to this Contract, the Project Obligations or the transactions contemplated thereby which may constitute a legal or equitable defense available to, or discharge of, the Sites Authority or any Participant.

6.8.5 Subject to Section 10.3.6, each Participant shall:

(a) not be liable under this Contract for the obligations of any other Participant; and

(b) be solely responsible and liable for performance of its obligations under this Contract.

6.8.6 The obligation of each Participant to make payments under this Contract is a several obligation and not a joint obligation with those of the other Participants.

6.9 Interest on Late Payments

6.9.1 Any amount of the Project Costs billed in a Fiscal Year by the Sites Authority under this Section 6, which remains unpaid 30 days after the due date in Section 6.8.1, as applicable, shall bear interest from such day at the per annum interest rate equal to the then-current rate on the LAIF until paid.

6.9.2 Interest paid under Section 6.9.1 by a Financing Participant shall not change the Financing Participation Percentage of such Financing Participant, but shall be applied to the payment of Sites Financing Costs of all Financing Participants other than the Financing Participant paying such interest in accordance with the applicable Financing Agreement.

6.10 Annual True-Up

6.10.1 No later than 180 days after the end of each Fiscal Year, the Sites Authority will evaluate the Project Costs paid by or deducted from the deposit made by each Participant under this Contract against the actual Project Costs for the Fiscal Year and will credit any overpayment by any Participant to such Participant's payment for the following Fiscal Year; provided, however, that to the extent any Project Costs have not been finally determined within 180 days after the end of a Fiscal Year, following the final determination of such Project Costs, the Sites Authority will promptly, and in no case later than 60 days after finalization of Project Costs, credit any overpayment by any Participant to such Participant's payment for the following Fiscal Year.

6.11 Supplemental Billing

6.11.1 Billing Statements sent to each Billing Party will be based on the factors identified in Section 6.3. In the event that the amounts paid by the Participants are insufficient to pay the actual Project Costs, as applicable, for the applicable Fiscal Year, the Sites Authority may issue supplemental Billing Statements to the Billing Parties apportioned in accordance with the terms in this Section 6, and such amounts will be due and payable by the Participants within 90 days after receipt of such Billing Statement; provided, however, that the Sites Authority shall not issue supplemental Billing Statements for any charges 3 years or more after the underlying costs for such supplemental Billing Statements were incurred by the Sites Authority, unless the Sites Authority did not know, and would not have known through exercise of reasonable care, that such underlying costs would require supplemental Billing Statements during such 3 year period.

6.11.2 If the Sites Authority becomes aware of circumstances which may result in the need to issue supplemental Billing Statements to the Billing Parties, the Sites Authority will notify the Billing Parties of such circumstances as promptly as reasonably possible.

6.12 Contest of Accuracy of Charges

If a Billing Party questions or disputes the correctness of any Billing Statement by the Sites Authority, such Billing Party shall pay the Sites Authority the amount claimed when due and shall within 30 days after receipt of such Billing Statement request an explanation from the Sites

Authority. If the bill is determined to be incorrect, the Sites Authority will adjust the bill to such Billing Party in the next applicable Billing Statement. If the Sites Authority and the Billing Party fail to agree on the correctness of a bill within 30 days after Billing Party has requested an explanation, the Sites Authority and such Billing Party shall use the dispute resolution process in accordance with Section 12.

6.13 Payments Under the State and Federal Contracts

6.13.1 The Sites Authority shall promptly collect all amounts due from the California Water Commission and Reclamation under the payment provisions of the State and Federal Contracts and shall enforce, and take all commercially reasonable steps, actions and proceedings for the enforcement of all payment obligations of the California Water Commission and Reclamation under the State and Federal Contracts.

6.13.2 In the event of a shortfall in the collection of amounts due under the State and Federal Contracts that requires the Participants to make supplemental payments pursuant to the supplemental billing provisions set forth in Section 6.11, to the extent that amounts are subsequently collected from the California Water Commission or Reclamation, as applicable, the Sites Authority shall apply such amounts either: (i) to directly reimburse such Participants; or (ii) as a credit to the next amount due by such Participants under this Contract, in each case, in an amount equal to the supplemental payment made by a respective Participant due to the shortfall in the collection of amounts due under the State and Federal Contracts. If such amounts collected from the California Water Commission or Reclamation, as applicable, are not sufficient to reimburse the Participants in full, the Sites Authority shall apportion the amount collected pro-rata based on their Pro-rata Cost Share in accordance with the Sites Operations Plan.

SECTION 7. SITES AUTHORITY FINANCIAL COVENANTS

7.1.1 The Sites Authority will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Project, which records shall be available for inspection by each Participant upon at least 2 Business Days written notice, at reasonable hours and under reasonable conditions.

7.1.2 The Sites Authority will prepare within 270 days, or such other longer time period approved by the Sites Authority Board, after the close of each Fiscal Year (commencing with the Fiscal Year ending [December 31, 2027]) financial statements of the Sites Authority for the preceding Fiscal Year prepared by a recognized independent auditor in accordance with Generally Accepted Accounting Principles, together with an accountant's report on such financial statements. The Sites Authority will promptly furnish a copy of such accountant's report to each Participant. If requested by Participants holding at least [_%] of the Base Facilities Capacity Interest, the independent auditor will also audit annual invoices for that fiscal year.

7.1.3 The Sites Authority will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Master Resolution required to be observed and performed by the Sites Authority and shall apply amounts received pursuant to this Contract in accordance with the Master Resolution.

7.1.4 The Sites Authority shall maintain all records related to the Project for a minimum period of 10 years after Completion, or, in the case of records related to any Project Obligations, for a period as required by the terms of such Project Obligations.

SECTION 8. LEASING, SALE, TRANSFER AND ASSIGNMENT OF CAPACITY INTERESTS AND SALES OF WATER

8.1 Lease of Capacity Interests by Participants

8.1.1 Participants may lease Capacity Interests to other Storage Partners and to other entities subject to the following conditions:

(a) each Participant may negotiate in its discretion the commercial terms of the lease of its Capacity Interests ("**Lease Negotiated Terms**") provided that:

(i) the Lease Negotiated Terms must not negatively impact other Participants' rights to store or convey Water in accordance with this Contract, or the rights of Storage Partners to store or convey Water in accordance with the State and Federal Contracts (as applicable);

(ii) any lease of Capacity Interests must be consistent with the Sites Water Right, Governmental Approvals and Applicable Law;

(iii) subject to Section 8.1.2, a lease of Capacity Interest shall not impact or limit a Participant's rights or obligations to the Sites Authority under this Contract and each Participant shall remain responsible for all of its obligations to the Sites Authority under this Contract;

(iv) no lease of Capacity Interests can cause or be construed to cause a reduction in any Project Obligation bond credit rating or put the tax-exempt borrowing status of the Sites Authority in violation of the Internal Revenue Code of 1986, as amended, as reasonably determined by the Sites Authority;

(v) no agreement for a lease of a Participant's Capacity Interests shall be for a term of longer than 10 years, nor shall it provide for any renewal of a term in a manner that would result in a lease having an effective term in excess of 10 years, unless such lease and/or renewal exceeding 10 years is approved pursuant to the same procedure and conditions that apply to the sale of a Capacity Interest as provided in Section 8.2; provided, however, that the preceding 10-year limitation shall not apply to Colusa County's lease of storage for "creek water", as that term is described and used in the Colusa County / Sites Authority MOU. If any lease of Base Facilities Capacity Interest is to a Participant with a Downstream Facilities Capacity Interest, the Sites Water may be conveyed on a first priority basis up to the Downstream Facilities Capacity Interest. Should the Participant wish to convey more Sites Water than its Downstream Facilities Capacity Interest allows, this would be on a second priority basis and would incur wheeling costs on a per Acre-foot basis determined as described in the Operations Plan. Leases to non-Participants would be provided access to Downstream Facilities on a second priority basis and would incur wheeling costs on a per Acre-foot basis determined as described in the Operations Plan, which wheeling fee shall be credited to those holders of Downstream Facilities Capacity Interest who provided the Downstream Facilities capacity;

(vi) prior to any lease by a Participant of Base Facilities Capacity Interest and Downstream Facilities Capacity Interest, the leasing Participant shall provide to the Sites Authority such information and documents as reasonably requested by the Sites Authority, except for any commercial terms which may be held confidential from public disclosure in accordance with Applicable Law; and

(b) any lease of Base Facilities Capacity Interest and Downstream Facilities Capacity Interest (as applicable) shall be confirmed with staff of the Sites Authority to maintain proper accounting and verify that Project operations will not be adversely affected;

(c) any lease agreement for Capacity Interest must acknowledge that conveyance constraints will limit withdrawals from the Project Facilities from time to time, and must specify how Project Facilities losses will be accounted for between the lessee and lessor; and such provisions shall be consistent with this Contract, the then-current Sites Operations Plan and any other requirements established by the Reservoir Management Board and the Sites Authority;

(d) as a condition of any Participant leasing all or a portion of its Capacity Interest, the Participant must first pay any amounts due to the Sites Authority under this Contract and receive written confirmation of such from the Sites Authority;

(e) where a Participant proposes to lease Base Facilities Capacity Interest and Downstream Facilities Capacity Interest to a non-Storage Partner, and receives a bona fide offer for the same, the leasing Participant must first provide written notice of such offer ("Lease Offer Notice") to the other non-leasing Storage Partners holding a Capacity Interest in the same Project Facilities (the Base Facilities or the Downstream Facilities, as applicable) including a term sheet with all material terms of the proposed lease, including, the duration of the lease. The Storage Partners shall have a "right of first refusal" with respect to the lease of such Capacity Interest on the terms provided in the Lease Offer Notice. Each Storage Partner shall respond to such terms in writing within 60 days of receipt of the Lease Offer Notice or such longer time proposed by the leasing Participant, and a failure to so respond shall be deemed a waiver of such Storage Partner's right to first refusal with regard to the transaction set forth in the Lease Offer Notice. If the terms presented to the Storage Partners in the Lease Offer Notice are changed in any material way following provision of the Lease Offer Notice to the non-leasing Storage Partners, the leasing Participant will provide a revised Lease Offer Notice and the non-leasing Storage Partners shall again have a "right of first refusal" on the new terms in the revised Lease Offer Notice. In the event that more than one non-leasing Storage Partner timely notifies the leasing Participant of such non-leasing Storage Partner's interest in leasing the Capacity Interest upon the terms set forth in the Lease Offer Notice, the Capacity Interest shall be apportioned pro-rata based on the non-leasing Storage Partner's applicable Capacity Interest in each of the Base Facilities and Downstream Facilities as calculated in accordance with the Sites Operations Plan unless the non-leasing Storage Partners agree otherwise. While the Sites Authority may act in an administrative role with respect to such leases, the Sites Authority will not have any authority to set prices or terms except as set forth in Section 8.1.1(a);

(f) the Participant must provide notice to the Sites Authority of the final lease within 5 days of execution and shall ensure that appropriate communication protocols are in place so that the Sites Authority is able to convey Water on behalf of the lessee; and

(g) Downstream Facilities Capacity Interest can only be leased to another Participant with Base Facilities Capacity Interest or to an entity leasing Base Facilities Capacity Interest.

8.1.2 In the event that a Participant leases its Base Facilities Capacity Interest and Downstream Facilities Capacity Interest as described in Section 8.1.1(a), such leasing Participant shall remain signatory to this Contract and shall continue to be liable and responsible for all of its obligations under this Contract, and shall not be relieved of any such obligations as a result of such lease.

8.1.3 The Participant leasing Capacity Interest shall receive Sites Authority and Reservoir Management Board approvals, as necessary, prior to executing any agreements for lease of Capacity Interest requiring such approvals under this Contract. The provisions for leasing specified in this Section 8.1 and Appendix 9, if applicable, constitute all provisions necessary for the Sites Authority Board and Reservoir Management Board approving a lease, and such approvals shall not be unreasonably withheld, conditioned or delayed.

8.2 Sale of Capacity Interest by Storage Partners

8.2.1 Subject to special provisions for the SWP Participants in Appendix 9, Participants may sell all or a portion of their Base Facilities Capacity Interest and/or Downstream Facilities Capacity Interest to other Storage Partners and to other entities subject to the following conditions:

(a) each Participant may negotiate in its discretion the commercial terms of the sale of its Capacity Interest ("Sale Negotiated Terms") provided that:

(i) the Sale Negotiated Terms must not negatively impact other Participants' rights to store or convey Water in accordance with this Contract, or the rights of Storage Partners to store or convey Water in accordance with the State and Federal Contracts (as applicable);

(ii) any sale of Capacity Interest must be consistent with the Sites Water Right, Governmental Approvals and Applicable Law;

(iii) subject to Section 8.2.2, a sale of Capacity Interest shall not impact or limit a Participant's rights or obligations to the Sites Authority under this Contract and each Participant shall remain responsible for all of its obligations to the Sites Authority under this Contract;

(iv) no sale of a Participant's Capacity Interest can cause or be construed to cause a reduction in any Project Obligation bond credit rating or put the tax-exempt borrowing status of the Sites Authority in violation of the Internal Revenue Code of 1986, as amended, as reasonably determined by the Sites Authority;

(v) subject to Section 8.2.3, prior to any sale by a Participant of Capacity Interest, the selling Participant shall provide to the Sites Authority such information and documents as reasonably requested by the Sites Authority, except for any commercial terms which may be held confidential in accordance with Applicable Law; and

(vi) any sale must be approved by the Reservoir Management Board and the Sites Authority (as applicable) consistent with this Section 8.2.1(a) and the Sites Authority Bylaws, such approval not to be unreasonably withheld or delayed by the Sites Authority;

(b) any sale of Capacity Interest shall be confirmed with staff of the Sites Authority including (i) verifying that Project operations and Water accounting may be maintained; and (ii) providing notice of the proposed buyer's credit rating. Any sale to a party with a lower individual credit rating than the proposed seller that represents 5% or greater of all Base Facilities Capacity Interest or Downstream Facilities Capacity Interest, as applicable, will be subject to Sites Authority approval;

(c) any sale agreement for Capacity Interest must acknowledge that conveyance constraints will limit withdrawals from the Project Facilities from time to time, and must specify how Project Facilities losses will be accounted for; and such provisions shall be consistent with this Contract, the Sites Operations Plan and any other requirements established by the Reservoir Management Board and the Sites Authority;

(d) as a condition of any Participant selling all or a portion of its Capacity Interest, and of the Sites Authority signing the Contract with the purchaser of the Capacity Interest, the Participant must first pay any amounts due to the Sites Authority under this Contract and receive written confirmation of such from the Sites Authority;

(e) where a Participant proposes to sell Capacity Interest to a non-Storage Partner, and receives a bona fide offer for the same, the selling Participant must first provide written notice of such offer ("Sale Offer Notice") to the other Storage Partners including a term sheet with all material terms of the proposed sale. The Storage Partners shall have a "right of first refusal" with respect to the sale of such Capacity Interest on the terms provided in the Sale Offer Notice. Each Storage Partner shall respond to such terms in writing within 60 days of receipt of the Sale Offer Notice or such longer time proposed by the selling Participant, and a failure to so respond shall be deemed a waiver of such Storage Partner's right to first refusal with regard to the transaction set forth in the Sale Offer Notice. If the terms presented to the Storage Partners in the Sale Offer Notice are changed in any material way following provision of the Sale Offer Notice to the non-selling Storage Partners, the selling Participant will provide a revised Sale Offer Notice and the non-selling Storage Partners shall again have a "right of first refusal" on the new terms in the revised Sale Offer Notice. In the event that more than one non-selling Storage Partner timely notifies the Selling Participant of such non-selling Storage Partner's interest in purchasing the Capacity Interest upon the terms set forth in the Sale Offer Notice, the Capacity Interest shall be apportioned pro-rata based on the non-selling Storage Partner's applicable Capacity Interest in each of the Base Facilities and Downstream Facilities as calculated in accordance with the Sites Operations Plan unless the non-selling Storage Partners agree otherwise. While the Sites Authority may act in an administrative role with respect to such sales, the Sites Authority will not have any authority to set prices or terms except as set forth in Section 8.2.1(a); and

(f) the Participant must provide notice to the Sites Authority of the final sale within 5 days of execution.

8.2.2 In the event that a Participant sells all or a portion of its Capacity Interest as described in Section 8.2, such selling Participant shall remain liable and responsible for all of its

obligations under this Contract related to such Capacity Interest until such time as the purchaser of such Capacity Interest has entered into this Contract.

8.2.3 If any Project Obligation under a Financing Agreement is outstanding (but only to the extent required under such Financing Agreement), any sale by a Participant of all or a portion of its Capacity Interest shall be subject to the terms of such Financing Agreement, including the right of the applicable Lender to consent to such sale, if any.

8.2.4 The Participant selling Capacity Interest shall receive Sites Authority and Reservoir Management Board approvals, as necessary, prior to executing any agreements for sale of Capacity Interest requiring such approvals under this Contract. The provisions for sale specified in this Section 8.2 and Appendix 9, if applicable, constitute all provisions necessary for the Sites Authority Board and Reservoir Management Board approving a sale, and such approvals shall not be unreasonably withheld, conditioned or delayed.

8.3 Delivery of Sites Water via Exchanges of Sites Water (Other than Exchanges under Section 8.4)

8.3.1 Subject to special provisions for the SWP Participants in Appendix 9, Participants may Exchange their Sites Water component of their Base Facilities Capacity Interest to other Storage Partners or other entities.

8.3.2 The terms of Exchanges of Sites Water are at the sole discretion of the Participant(s), provided that:

(a) terms must not negatively impact other Participants' rights as described in this Contract, the Sites Water Right or the rights of other Storage Partners as set out in their respective contracts;

(b) notice of any Exchange shall be provided to the staff of the Sites Authority so that Project operations and Water accounting may be maintained;

(c) any costs to the Sites Authority associated with any Exchange shall follow Beneficiary Pays Principles; and

(d) a Participant may not transfer or assign its Capacity Interest or any other rights or obligations under this Contract as part of any Exchange, except as set forth in Section 8.2.

8.3.3 Other Water may also be sold or exchanged if the terms of any Exchange is consistent with Section 8.2.2 above, and otherwise meets all legal requirements.

8.4 Delivery of Sites Water via Exchanges of Water with SWP or CVP Supplies

8.4.1 The operation of the Project includes the potential for delivery of Sites Water to the Participants via operational exchanges of Sites Water with (i) DWR for the State Water Project water, or (ii) Reclamation for the Central Valley Project water, subject to the Sites Authority's separate agreements with DWR and Reclamation, respectively.

8.4.2 Subject to Applicable Law, any Participant that is a SWP contractor may request the Sites Authority to include that Participant's Sites Water in an exchange between the Sites

Authority and DWR pursuant to the Sites-SWP Exchange Agreement, and the Sites Authority will facilitate such exchanges provided they are consistent with the requirements of the Sites-SWP Exchange Agreement.

8.4.3 Subject to Applicable Law, any Participant that is a CVP contractor may request the Sites Authority to include that Participant's Sites Water or Other Water in an exchange between the Sites Authority and Reclamation, and the Sites Authority will facilitate such exchanges provided they are consistent with a separate agreement(s) with Reclamation for such exchanges.

8.4.4 Sites shall not initiate or implement any operational exchange of Sites Water with SWP water or CVP water from a Participant's storage space (or by not diverting Sites Water into a Participant's storage space) without that Participant's written consent to the inclusion of its Sites Water in such operational exchange.

8.4.5 Any Participant that has consented to an operational exchange of its Sites Water with DWR or Reclamation under this Section 8 shall bear all costs (monetary or otherwise), the risk of loss and any shortfall or reduction in Water caused by or incurred in the performance of such exchange.

8.5 Sale of Sites Water

8.5.1 Subject to special provisions for the SWP Participants in Appendix 9, Participants may sell their Sites Water component to their Base Facilities Capacity Interest to other Storage Partners or other entities.

8.5.2 The terms of sales of Sites Water are at the sole discretion of the Participant(s), provided that:

(a) terms must not negatively impact other Participants' rights as described in this Contract, the Sites Water Right or the rights of other Storage Partners as set out in their respective contracts;

(b) notice of any sale shall be provided to the staff of the Sites Authority so that Project operations and Water accounting may be maintained;

(c) any costs to the Sites Authority associated with any sale shall follow Beneficiary Pays Principles; and

(d) A Participant may not transfer or assign its Capacity Interest or any other rights or obligations under this Contract as part of any sale of Sites Water, except as set forth in Section 8.2.

8.5.3 Other Water may also be sold if the terms of any sale otherwise meet all legal requirements.

8.6 Maintenance of Tax-Exempt Status of Project Obligations

Notwithstanding any other provision of this Contract, no Participant shall sell any portion of its Capacity Interest, directly or indirectly, or effect a change in the ownership of its Capacity Interest in any other manner, or take or permit to be taken any other action or

actions, which would result in any of Project Obligations being treated as an obligation not described in Section 103(a) of the Internal Revenue Code of 1986, as amended, by reason of classification of such Project Obligations as a "private activity bond" within the meaning of Section 141 of said Code or for any other reason; provided, however, that in the event a Sites Financing is accomplished under terms that make the Interest thereon subject to federal income taxation, the foregoing restrictions will be inapplicable to the portion of the Project so financed.

SECTION 9. MODIFICATIONS FOR CAPITAL IMPROVEMENTS

9.1 Subject to Section 9.2, the Sites Authority or any Participant may request capital improvements to provide an added benefit to the Project. Such capital improvements shall be subject to approval by the Sites Authority and the Participants in accordance with Section 4.12. The Sites Authority will prepare and distribute a document detailing the anticipated Project Costs and benefits of the proposed capital improvements.

9.2 Participants may not opt out of costs of necessary capital improvements required to maintain initial Project functions and that provide benefits initially contemplated for the Project.

9.3 In the event that such proposed capital improvements are not approved in accordance with Section 4.12, a subset of Participants may elect to continue with the capital improvements. Those Project Costs and benefits associated with such capital improvements shall be allocated only to the subset of Participants electing to proceed with the capital improvements in accordance with an agreement among the Sites Authority and such Participants.

SECTION 10. DEFAULT

10.1 Written Demand

10.1.1 Subject to special provisions for the SWP Participants in Appendix 9, if a Participant fails to (i) make any payment in full when due under this Contract or (ii) perform any other obligation under this Contract, the Sites Authority shall make written demand upon such Participant. If a failure described in this Section 10.1.1 is not remedied within 30 days from the date of such demand, such failure shall constitute a default at the expiration of such period; provided that if a failure described in Section 10.1.1(ii) cannot be remedied within 30 days from the date of such demand but (A) the defaulting Participant commences remedial action within such 30-day period and diligently pursues the remedy of such default until the remedy is complete and (B) such failure is remedied within 90 days from the date of the initial demand, such failure shall not constitute a default under this Contract. Notice of any such demand shall be provided to each other Participant by the Sites Authority.

10.1.2 Upon failure of the Sites Authority to perform any obligation of the Sites Authority under this Contract, a Participant may make written demand upon the Sites Authority. If such failure is not remedied within 30 days from the date of such demand, such failure shall constitute a default at the expiration of such period. Notice of such demand shall be provided to all other Participants and the Acquirer by the Participant making such written demand.

10.1.3 In addition to any default resulting from breach by the Sites Authority or a Participant of any agreement, condition, covenant or term of this Contract, if the Sites Authority

or a Participant files any petition or institutes any proceedings under any law, state or federal, dealing with or relating to the subject of bankruptcy or insolvency or under any amendment of such law, either as a bankrupt, as an insolvent, as a debtor or in any similar capacity, wherein and whereby the Sites Authority or a Participant asks or seeks or prays to be adjudicated as bankrupt, or is to be discharged from any or all of its debts or obligations, or offers to its creditors to effect a composition or extension of time to pay its debts, or asks, seeks or prays for a reorganization or to effect a plan of reorganization or for a readjustment of its debts or for any other similar relief, or if the Sites Authority or a Participant shall make a general or any assignment for the benefit of its creditors, then, in each and every such case, the Sites Authority or such Participant, as applicable, shall be deemed to be in default under this Contract.

10.2 Suspension or Termination of Rights; Continuing Obligations

10.2.1 Upon the occurrence and continuance of a default as provided in Section 10.1.1 or in Section 10.1.3, Reservoir Management Board or the Sites Authority Board (as applicable), may give notice of suspension or termination of the defaulting Participant's:

(a) right to participate or vote as a member of the Reservoir Management Board;

(b) Capacity Interest, such Participant's interest in Water and such Participant's right to convey Water; and/or

(c) right to the services obligated to be provided by the Sites Authority relating to the operation of the Sites Project, as provided in the Sites Operations Plan,

which notice shall be effective within 30 days after receipt unless such termination or suspension shall be enjoined, stayed or otherwise delayed by judicial action. The Sites Authority Board shall make determinations under this Section 10.2 pertaining to the Sites Authority Board and the Reservoir Management Board, and the Reservoir Management Board shall make determinations under this Section 10.2 pertaining to the Reservoir Management Board. In the event of a suspension under this Section 10.2.1, the suspension shall remain in effect until the default has been cured to the reasonable satisfaction of the Sites Authority Board or the Reservoir Management Board, as applicable, and notice of such cure and termination of the suspension has been provided to the Participant.

10.2.2 Irrespective of such suspension or termination, the defaulting Participant shall remain liable to the Sites Authority to pay the full amount of Project Costs allocated to such Participant in accordance with Section 6; provided that the Sites Authority shall act reasonably and in good faith to mitigate any damages caused by such Participant's default.

10.3 Disposition of Defaulting Participant's Capacity Interest, Interest in Water and Right to Convey Water

10.3.1 Upon a default and the termination of such Participant's Capacity Interest in accordance with Section 10.2.1(b), the Sites Authority shall use commercially reasonable efforts to facilitate a sale, for such Participant's account, of all or a portion of the Participant's Capacity Interest, interest in Water and right to convey Water (the "**Defaulted Interests**") for all or a portion of the remainder of the term of this Contract.

10.3.2 The other non-defaulting Storage Partners holding a Capacity Interest in the same Project Facilities (the Base Facilities and/or the Downstream Facilities, as applicable) shall

have a "right of first offer" to assume all or a portion of the defaulting Participant's Defaulted Interests and that Participant's related obligations under this Contract, at a price mutually agreed between the defaulting Participant and the Storage Partner purchasing all or a portion of the defaulting Participant's Defaulted Interests. In the event that more than one non-defaulting Storage Partner wish to acquire the Defaulted Interests on the same terms, the Defaulted Interests shall be apportioned pro-rata based on the non-defaulting Storage Partner's applicable Capacity Interest in each of the Base Facilities and/or Downstream Facilities as calculated in accordance with the Sites Operations Plan unless the non-defaulting Storage Partners agree otherwise.

10.3.3 Subject to Section 10.3.4, in the event that the Sites Authority is unable to facilitate a sale of all of the defaulting Participant's Capacity Interest, interest in Water and right to convey Water to other non-defaulting Storage Partners in accordance with Section 10.3.2, the Sites Authority may make such Defaulted Interests available to entities other than the non-defaulting Participants, and may enter into an agreement with such entities for the purchase of all or a portion of the defaulting Participant's Defaulted Interests and the assumption of the related obligations under this Contract.

10.3.4 If any Project Obligation under a Financing Agreement is outstanding (but only to the extent required under such Financing Agreement), any sale of a defaulting Participant's Capacity Interest to entities other than the non-defaulting Storage Partners shall be subject to the terms of such Financing Agreement, including the right of the applicable Lender to consent to such sale, if any.

10.3.5 Notwithstanding any other provisions of this Contract, and to the extent applicable, the Sites Authority shall not facilitate a sale of any portion of a defaulting Participant's Defaulted Interests, directly or indirectly, in any manner that would adversely affect the exclusion from gross income of interest on any Sites Financing for federal income tax purposes.

10.3.6 In the event that the Sites Authority is unable to enter into an agreement with entities for the purchase of all or a portion of the defaulting Participant's Defaulted Interest and the assumption of the related obligations under this Contract under Section 10.3.3, the Defaulted Interests shall, subject to Section 10.3.7, be apportioned pro-rata based on the remaining non-defaulting Participants' applicable Base Facilities Capacity Interest and/or the Downstream Facilities Capacity Interest as calculated in accordance with the Sites Operations Plan unless (i) the non-defaulting Participants agree to an alternative apportionment of such Defaulted Interests; or (ii) any non-defaulting Participants agreed to assume all or a portion of the defaulting Participant's Defaulted Interests under Section 10.3.2, in which case the maximum pro-rata share apportioned to such Participant shall be the difference (if any) between the proposed pro-rata apportionment under this Section 10.3.6 and any amount assumed under Section 10.3.2. Notwithstanding the relevant apportionment agreed among the non-defaulting Participants, the foregoing re-allocation will result in a proportional increase in each Participant's Capacity Interest and the related rights and obligations, but in no event shall such re-allocation result in less than 100% of the total Capacity Interests and related rights and obligations (including the defaulting Participant's Defaulted Interest) being allocated among (iii) non-defaulting Participants and (iv) such other entities to which the Sites Authority has successfully transferred such Capacity Interest.

10.3.7 A non-defaulting Participant's pro-rata share apportioned under Section 10.3.6 may not be increased by more than 50% of the Participants' applicable Base Facilities Capacity Interest and/or the Downstream Facilities Capacity Interest (excluding any Base Facilities

Capacity Interest and/or the Downstream Facilities Capacity Interest voluntarily acquired under Section 10.3.2 by such non-defaulting Participant).

10.3.8 Notwithstanding that all or any portion of the defaulting Participant's Capacity Interest, interest in Water and right to convey Water is so sold, such Participant shall remain liable to the Sites Authority to pay the full amount of its share of costs under this Contract as if such sale has not been made, except that such liability shall be discharged to the extent that the Sites Authority shall receive payment from the buyer thereof for that share of costs.

10.4 Enforcement of Remedies

10.4.1 In addition to the other remedies set forth in this Section 10, upon the occurrence of an event of default in accordance with this Contract, any Party shall be entitled to proceed to protect and enforce the rights vested in such Party by this Contract by such appropriate judicial proceeding as such Party shall deem most effectual, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained herein or to enforce any other legal or equitable right vested in such Party by this Contract or by law. The provisions of this Contract and the duties of each Party, their respective boards, officers or employees shall be enforceable by the other Parties by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction, with the losing Party paying all costs and attorney fees of the prevailing Party.

10.4.2 Without limiting the generality of the foregoing, the Sites Authority, the Participants or Acquirer, as applicable, shall have the right to bring the following actions:

(a) Accounting. By action or suit in equity to require the Sites Authority Board or the Participants, its officers and employees and its assignee to account as the trustee of an express trust.

(b) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of any Party.

(c) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce its rights against the other Party hereto (and its board, officers and employees) and to compel the other Party hereto to perform and carry out its duties and obligations under the law and its covenants and agreements as provided herein.

(d) Specific Performance.By action or suit in equity to compel a Party to specifically perform under this Contract, including, without limitation, to uphold Section 4.12.1 of this Contract

10.5 Waiver

10.5.1 The waiver by any Party of any breach by any other Party of any agreement, condition, covenant or term under this Contract shall not operate as a waiver as to any subsequent breach of the same or any other agreement, condition, covenant or term under this Contract.

SECTION 11. TERMINATION

11.1 Termination Because of Infeasibility

11.1.1 Without limiting Section 11.1.2, this Contract may be terminated in the following manner:

(a) If the Sites Authority and the Reservoir Management Board determine, in accordance with Section 4.12 (including as provided in Section 3.1), that the Project is required to be terminated because of infeasibility, impracticality, inability, failure of the Participants to fund the Project as provided in Section 6, or failure of the Sites Authority to construct the Project as provided in Section 3, the Sites Authority shall adopt a resolution to wind-up the Project (a "**Wind-Up Resolution**").

(b) Upon adoption of a Wind-Up Resolution by the Sites Authority, and subject to compliance with Partner Agreements, State and Federal Contracts, and the Proposition 1 Water Storage Investment Program Funding Agreement, the Sites Authority shall first offer to sell the Project Assets to the Storage Partners (excluding the Partner Facilities, at a fair market value as determined by a majority of a panel of 3 licensed appraisers, including (i) any partially constructed or completed physical works or assets that divert Sites Water into or release Sites Water from the Sites Owned Facilities and (ii) any other non-physical rights, interests, or obligations related to the Project. If any Storage Partners accept such offer for any or all of the offered interests, then the Sites Authority and such purchasing Storage Partners shall work in good faith to close upon the sale of such interests within 180 days after the appraiser panel's determination of fair market value.

(c) Upon adoption of a Wind-Up Resolution by the Sites Authority, the Sites Authority shall appoint a winding-up agent (the "**Winding-Up Agent**"). The Winding-Up Agent shall, upon expiration of the time for the Storage Partners to accept the offer described in Section 11.1.1(b), prepare a plan for disposition of the Project Assets, which shall include plans for mitigating or remediating any hazardous or unsafe conditions located on the Project site that are a direct result of the construction of the Project, and upon approval of the Sites Authority, implement the disposition of the Project Assets in accordance with the plan for disposition, including the disposition of unexpended and unobligated funds of the Sites Authority and the Storage Partners. Non-cash assets shall be liquidated by the Winding-Up Agent in a commercially reasonable manner. Proceeds from the disposition of Project Assets and any other cash or cash equivalents then held by the Sites Authority shall first be used, based on the Pro-rata Cost Share, to pay the following amounts in the following order of priority (i) repay debts of the Sites Authority incurred for funding the Project; provided, however, that any moneys contributed by a Self-Funding Participant and held at the time of a winding-up shall not be used to repay debts of the Sites Authority incurred for funding the Project, (ii) pay the costs of mitigating or remediating hazardous or unsafe conditions located on the Project site pursuant to the plan for disposition of the Project Assets, and (iii) distribute cash to the Participants that had satisfied their capital funding obligations in accordance with Section 6, provided that any unexpended funds which the Sites Authority received from Storage Partners will be returned to the applicable Storage Partner. Any remaining funds shall then be distributed to the Storage Partners

based on their Pro-rata Cost Share. Subject to the Sites Authority Records Management Policy, Storage Partners shall be entitled to copies of any work products developed by the Sites Authority or its consultants on behalf of the Storage Partners, and the Sites Authority shall convey to the Storage Partners, as tenants in common with all other Storage Partners who are not in default of this Contract, a pro-rata interest based on the Pro-rata Cost Share in all real and personal property remaining after implementation of the plan for disposition of the Project Assets in accordance with this Section 11.1.

(d) Upon completion of the winding-up process described in this Section 11.1, the Sites Authority shall adopt a resolution of termination of the Project. Upon the adoption of such resolution, all Capacity Interests shall be terminated.

11.1.2 Notwithstanding any other provision of this Contract, so long as any Project Obligation under a Financing Agreement is outstanding (but only to the extent required under such Financing Agreement), the termination of this Contract (including under Section 11.1.1 or Section 11.2) shall be subject to the terms of such Financing Agreement, including the right of the applicable Lender to consent to such termination, if any.

11.2 Acquirer Termination

The Acquirer may terminate its role under this Contract upon determination that continued participation materially adversely impacts the SWP or SWP contractors that are not SWP Participants. Upon such termination, SWP Participants shall convert to direct Participant status and assume corresponding direct rights and obligations under this Contract.

SECTION 12. DISPUTE RESOLUTION

12.1 Informal Dispute Resolution before Mediation

12.1.1 The Participants, the Sites Authority and the Acquirer (as applicable to their rights, obligations and liabilities under this Contract) agree to undertake good faith efforts to resolve any dispute arising in connection with this Contract by meeting within 60 days after the date that notice of such dispute is provided in writing prior to resorting to formal means of dispute resolution, including disputes related to the Sites Operations Plan.

12.1.2 If any dispute is not capable of resolution by and among the representatives of the Participants, Sites Authority and the Acquirer authorized to administer this Contract, the authorized representative of the applicable Participants, the authorized representative of the Acquirer, as applicable, and the Sites Authority's Board Chair or his/her authorized representative (who shall be the Executive Director of the Sites Authority or a member of the Sites Authority Board) shall meet and confer in an effort to resolve any such dispute.

12.1.3 If such efforts between the applicable Participants' principals, the Sites Authority's designee and the Acquirer's designee do not resolve the dispute within 60 days after the commencement of a meeting described in Section 12.1.1, the applicable Participants, the Sites Authority and the Acquirer shall have such other remedies available to them as are provided for in this Contract or as otherwise exist at law or in equity.

12.1.4 No other means of dispute resolution, including mediation, arbitration and litigation, shall be available to the Participants, the Sites Authority and the Acquirer unless they have exhausted the process provided for in this Section 12.1.

12.2 Mediation

12.2.1 If a dispute arises among one or more Participants, the Sites Authority and the Acquirer relating to or arising from a Party's rights or obligations under this Contract that cannot be resolved through informal discussions and meetings as described in Section 12.1, the Parties involved in the dispute shall be required to first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation under the rules of JAMS, AAA, or any other neutral organization agreed upon by the Parties before having recourse in a court of law. Mediation shall be commenced by sending a notice of demand for mediation to the other Parties involved in the dispute.

12.2.2 A single mediator that is acceptable to all Parties involved in the dispute shall be used to mediate the dispute. The mediator will be knowledgeable in the subject matter of this Contract, if possible, and chosen from lists furnished by JAMS, AAA, or any other agreed-upon mediator.

12.2.3 The expenses of witnesses for either side shall be paid by the Party producing such witnesses. All mediation costs, including required travel and other expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be equally shared by the Parties to the dispute unless otherwise directed by the mediator.

12.3 Conduct of Mediation

12.3.1 Mediation will be conducted in an informal manner. Discovery shall not be allowed except in accordance with the Public Records Act. The discussions, statements, writings and admissions and any offers to compromise during the proceedings will be confidential to the proceedings (pursuant to California Evidence Code §§ 1115 —1128; 1152) and will not be used for any other purpose unless otherwise agreed by the applicable Parties in writing. The applicable Parties may agree to exchange any information they deem necessary.

12.3.2 The Parties involved in the dispute shall have representatives attend the mediation who are authorized to settle the dispute, though a recommendation of settlement may be subject to the subsequent approval of each Party's governing body. Any involved Party may have attorneys, witnesses or experts present.

12.3.3 Any resultant agreements from mediation shall be documented in writing. The results of the mediation shall not be final or binding unless otherwise agreed to in writing by the Parties to the dispute. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.

12.4 Nothing in this Section 12 shall relieve the Parties from performing their obligations under this Contract. The Parties shall be required to comply with this Contract, including the performance of all disputed activity and disputed payments, pending the resolution of any dispute under this Contract.

12.5 Any offers to compromise before or after mediation proceedings will not be used to prove a Party's liability for loss or damage unless otherwise agreed by the Parties in writing (pursuant to California Evidence Code §1152).

SECTION 13. LIABILITY

13.1 Sites Authority Liability

Any and all obligations of the Sites Authority that may arise under this Contract, whether financial or otherwise, shall be payable solely from the revenues, income, rents and receipts earned by the Sites Authority. Nothing in this Contract shall be deemed to prevent the Sites Authority from making any payments from any other legally available source. In no event shall the Sites Authority be required to spend any money from revenue from taxes, assessments, fees or charges in violation of Applicable Law or Governmental Approvals in the performance of its obligations under this Contract. The obligations of the Sites Authority under this Contract do not constitute a debt or indebtedness of the Sites Authority within the meaning of any constitutional or statutory provision or limitation, and shall not be considered or held to be a general obligation of the Sites Authority.

13.2 Participant Liability

In no event shall any Participant be required to spend any money from taxes in violation of Applicable Law or Governmental Approvals in the performance of its obligations under this Contract.

13.3 Consequential Damages

No Participant shall be liable to another Participant or to the Sites Authority, and the Sites Authority shall not be liable to the Participants for consequential, indirect, punitive, or special damages arising under this Contract.

SECTION 14. INSURANCE

14.1 The Sites Authority will procure and maintain or cause to be procured and maintained, at a minimum, the following insurance with responsible insurers in such amounts and against such risks (including damage to or destruction of the Project Assets) as are usually covered in connection with facilities that are similar to the Project Assets (so long as such insurance is commercially available from reputable insurance companies at reasonable rates): (a) insurance on the Project Assets, excluding coverage for earthquake damage or destruction; (b) workers' compensation insurance in statutorily-prescribed amounts; and (c) commercial general liability insurance covering against claims of bodily injury and property damage. The Participants and the Acquirer shall be named as additional insureds under all insurance policies maintained pursuant to this section, and such insurance policies shall be primary and noncontributing with any and all insurance carried by the Participants or the Acquirer.

SECTION 15. MISCELLANEOUS

15.1 Relationship of Parties

In the exercise of their respective rights and obligations under this Contract, the Sites Authority, the Participants and the Acquirer each act in an independent capacity, and none is to be considered the officer, agent, contractor or employee of another.

15.2 Severability

15.2.1 Without limiting the application of Sections 4.12(g) and 4.12(h), if any provision or part of this Contract is ruled invalid (including, without limitation, invalidity of the Sites Authority and Reservoir Management Board governance structure provided for in this Contract, the JPA Agreement and Sites Authority Bylaws due to court order or any change in law) by a court having proper jurisdiction, then the Parties shall:

(a) promptly meet and make efforts to negotiate a substitute for such provision or part, which shall, to the greatest extent legally permissible, effect the original intent of the Parties, including (as applicable) an appropriate assignment of duties to the members of the Reservoir Management Board, and other adjustments to obligations to be performed or payments to be made in accordance with this Contract to account for any change in the services rendered in accordance with this Contract resulting from such invalidated portion; and

(b) if necessary or desirable, apply to the court or other decision maker (as applicable) that declared such invalidity for an interpretation of the invalidated portion to guide the Parties' negotiation.

15.2.2 The invalidity or unenforceability of any such provision or part shall not affect the validity or enforceability of the balance of this Contract, which shall be construed and enforced as if this Contract did not contain such invalid or unenforceable provision or part.

15.3 Notices

15.3.1 Any notices required or permitted under this Contract shall be in writing and sufficiently given if made in writing and (a) delivered personally, (b) sent by registered or certified mail, postage prepaid, or (c) sent by email communication, in each case addressed to the respective Parties at the addresses indicated in the Project Specific Information. Notice required to be given to all Participants and/or the Acquirer under this Contract shall be given to the addresses indicated in the Project Specific Information or to such other addresses as the Participants may provide to the Sites Authority, the other Participants and the Acquirer from time to time.

15.3.2 Any Participant or the Acquirer may from time to time change the address to which notice may be provided by providing notice of the change to the Sites Authority who will update the address in the Project Specific Information to reflect such change.

15.4 Other Agreements Not Prohibited

Other agreements by and between the Parties of this Contract or any other entity are neither prohibited nor modified in any manner by execution of this Contract.

15.5 Assignment

15.5.1 The Sites Authority may pledge and assign to any Lender or trustee for bonds or other Financing Agreements, all or any portion of the payments received under this Contract from each Participant (other than payments from a Self-Funding Participant) and the Sites Authority's other rights and interests under this Contract. Each Participant hereby consents to such pledge and assignment. Such pledge and assignment by the Sites Authority shall be made effective for such time as the Sites Authority shall determine and otherwise as required under the relevant Financing Agreement and provide that the applicable Lender or trustee under the terms set forth in such Financing Agreement shall have the power to enforce this Contract in accordance with Section 15.15.2 in the event of a default by the Sites Authority under such Financing Agreement.

15.5.2 Except as otherwise provided in Section 15.5.1, the rights, titles, and interests of any Party to this Contract shall not be assignable or transferable without the consent of the Sites Authority and the governing body of each Party to this Contract.

15.6 Section Headings

The section headings in this Contract are for convenience of the Parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Contract.

15.7 Governing Law and Venue

This Contract shall be governed by and construed in accordance with the laws of the State of California, any applicable federal law, the JPA Agreement, the Sites Authority Bylaws and the ordinances, regulations, codes, and executive orders enacted and/or promulgated pursuant thereto. The venue for any litigation between the Parties from any dispute arising in connection with this Contract shall be in the County of Colusa.

15.8 Construction of Language

It is the intention of the Parties to this Contract that if any provision of this Contract is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

15.9 Successors

This Contract shall be binding upon and inure to the benefit of the Sites Authority and each Participant and each of their permitted successors, assigns, and legal representatives.

15.10 Enforcement

The Parties are hereby authorized to take any and all legal or equitable actions, including an injunction and specific performance, necessary or permitted by law to enforce this Contract. Without limiting the generality of the foregoing, the Parties agree that specific performance shall be an available remedy in the event of a breach for failure to uphold Section 4.12.1 of this Contract regarding the Sites Authority's governance structure, including the delegation of the exclusive decision-making authority to the Reservoir Management Board for activities specifically identified in the Sites Authority Bylaws.

15.11 Integration

This Contract, together with its incorporated documents and references, constitutes the entire agreement and understanding of the Parties and supersedes all prior agreements and understandings between the Parties relating to the subject matter of this Contract. Except as expressly provided in this Contract, this Contract may not be interpreted, modified or changed by reference to other documents, understandings or agreements, whether written or oral, unless the interpretation, modification or change is subsequently agreed to in writing by the Parties to this Contract.

15.12 Amendment

15.12.1 Except as otherwise may be provided in this Contract, including Section 3.6, neither this Contract nor any provision under this Contract may be modified or amended except with the written consent of (1) the Sites Authority, (2) at least 75% of the weighted vote of the Participants as specified in the Sites Authority Bylaws; provided, however, that:

(a) if any Financing Agreement is outstanding, any amendment to this Contract will be subject to the terms and conditions set forth in any such Financing Agreement;

(b) this Contract may not be amended without a Participant's written consent if the Contract is to be amended in a manner that results in a material adverse impact on the rights of such Participant under this Contract to control its Capacity Interest or have Water diverted into, stored in, or released from the Project Facilities under its Capacity Interest on a pro-rata and substantially similar basis with other Participants;

(c) this Contract may not be amended in a manner that would cause the Sites Authority to violate Applicable Law or provisions of any Governmental Approvals; and

(d) the Acquirer's prior written consent shall be required for any amendment to Sections 1.1.1(c), 1.3 and 11.2 of the Contract.

15.12.2 If at any time a Party believes that, due to any significant change in circumstances, compliance with this Contract by such Party would produce grossly inequitable results or subject it to financial hardship of extraordinary magnitude, such Party may by written notice call on the Reservoir Management Board to review and discuss the effects of such change of circumstances. Within 30 days after receipt of such notice, the Reservoir Management Board shall meet to consider how to deal with such inequities or hardship in a manner which is fair for all Parties in view of all changes and circumstances, and shall attempt to eliminate promptly any such inequity or hardship through good faith negotiations. If the Parties agree on a method to eliminate such inequity or hardship, then this Contract shall be amended in accordance with Section 15.12.1, as appropriate, except as provided in Section 15.12.3.

15.12.3 The Sites Authority shall enforce the provisions of this Contract and duly perform its covenants and agreements contained in this Contract. The Sites Authority will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with this Contract which will in any manner materially impair or materially adversely affect the rights of the Sites Authority under this Contract or the rights of the members of the Reservoir Management Board or the Participants.

15.13 Authorization and Opinion

15.13.1 Each Participant attaches to this Contract a true and correct copy of such Participant's records authorizing the officers, whose names appear on this Contract, to enter into this Contract.

15.13.2 Each Participant further attaches an opinion of an attorney or firm of attorneys as described in Section 2.1.1(b).

15.14 Counterparts; Electronic Execution

This Contract may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures may be delivered by facsimile transmission or by e-mail in a portable document format (e.g. "pdf," "tif," "jpg" or "DocuSign") or other electronic format and the signatures on such copies shall be deemed to be effective and valid as original signatures.

15.15 Third-Party Beneficiaries

15.15.1 All of the covenants contained in this Contract are for the express benefit of each Party, and any Participant shall have the right as a third-party beneficiary to initiate and maintain suit to enforce the obligations of other Participants hereunder. Except as provided by this Section 15.15, this Contract is not intended to benefit any third parties, and any other third-party beneficiaries are expressly disclaimed.

15.15.2 Notwithstanding Section 15.5.1, any Lender shall have the right as a third-party beneficiary to initiate and maintain suit to enforce this Contract to the extent provided in any Project Obligations or Financing Agreement. Without limiting the generality of the foregoing, so long as any Project Obligation under a Financing Agreement is outstanding (but only to the extent provided under such Financing Agreement), and only while such Financing Agreement is in effect, upon the occurrence of an event of default under such Financing Agreement, the applicable Lender, under the terms of such Financing Agreement, may exercise the enforcement rights in Section 10 of this Contract, including but not limited to the right to enforce any invoicing made by the Sites Authority to a Participant in accordance with this Contract. Each Participant hereby consents to such Lender's rights as a third-party beneficiary under this Contract as provided in this Section 15.15.2.

15.16 Advice of Counsel

The Parties acknowledge that they have the right to be advised by counsel with respect to the negotiations, terms, and conditions of this Contract, and that the decision of whether or not to seek the advice of counsel with respect to this Contract is a decision which is the sole responsibility of each of the Parties. This Contract is the product of negotiation and therefor shall not be construed against any Party.

15.17 Compliance with Laws and Financing Agreements

15.17.1 The Parties shall comply with all Applicable Law and Governmental Approvals.

15.17.2 Prior to the execution and delivery of a Financing Agreement by the Sites Authority, the Sites Authority shall provide the Participants with a substantially final draft of such

Financing Agreement (but only to the extent required under such Financing Agreement). If required as a condition to the effectiveness of such Financing Agreement, each Financing Participant participating in the Sites Financing to which such Financing Agreement relates shall provide acknowledgment of (a) the receipt of such Financing Agreement and (b) such other matters as required by such Financing Agreement, including without limitation, the pledge and assignment by the Sites Authority to the applicable Lender, the applicable Lender's right to enforce this Contract as a third-party beneficiary, other various consent rights of the applicable Lender described in this Contract, as applicable, and other rights of the applicable Lender as they may relate to this Contract and the rights and obligations of the Parties, in each case as set forth in such Financing Agreements.

15.17.3 Each Financing Participant participating in the Sites Financing to which any Financing Agreement relates and the Sites Authority shall cooperate with any Lender with third party beneficiary rights with respect to this Contract in enforcing compliance with the terms of this Contract (including the requirements set forth in Section 15.17.2).

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the Parties have caused this Contract to be executed and attested by their proper officers duly authorized on the day and year set forth below, making this Contract effective on the Effective Date.

By:_____
Name:
Title:

SITES PROJECT JOINT POWERS AUTHORITY

By:_____
Name:
Title:

[INSERT PARTICIPANT]

STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES

By:_____
Name:
Title:

[INSERT PARTICIPANT]

By:_____
Name:
Title:

GENERAL COUNSEL TO THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES, as to form and sufficiency

By:_____
Name:
Title:

[INSERT PARTICIPANT]

[INSERT PARTICIPANT]

By:_____
Name:
Title:

APPENDIX 1

DEFINITIONS

Unless the context otherwise requires, definitions for certain capitalized acronyms, abbreviations and terms used in this Contract have the meanings given in this Appendix 1.

AAA: Means American Arbitration Association.

Acre-foot: Means 43,560 cubic feet of water.

Acquirer: Means DWR, acting as acquirer of certain capacity rights in the Sites Reservoir Project as described in the Project Specific Information, including the associated Sites Water, in accordance with California Water Code Section 11575 and/or other Applicable Law to meet needs of the SWP Participants and otherwise responsible for performing the functions set out in Section 1.3 and Appendix 9 of this Contract.

Applicable Law: Means applicable federal, state and local laws, ordinances, rules, regulations, orders, and policies relating to the Project.

Approved Design Documents: Means for each of the anticipated Sites Owned Facilities, the most recently approved submittal of the Design Documents or final Design Documents prepared by the applicable designer and approved by the Sites Authority.

Associate Member: Has the meaning given in the Sites Authority Bylaws.

Available Downstream Capacity: Means Downstream Facilities Capacity Interest not utilized by the applicable Participant and made available for temporary use by other Storage Partners (or the Authority for conveyance under the Contracts for the Administration of Public Benefits), such approval not to be unreasonably withheld, conditioned, or delayed.

Base Facilities: Means the Sites Owned Facilities or other facilities available to all Storage Partners including those listed in the Project Specific Information, as modified from time to time.

Base Facilities Capacity Interest: Means the undivided capacity right of each Storage Partner to (i) store, convey and divert Water in each of the Sites Owned Facilities granted by the Sites Authority and owned by the Storage Partners in accordance with Section 3.5, and (ii) ability to utilize Partner Facilities through the Sites Authority to convey and divert Water for the Project, in the pro-rata share set out for each Storage Partner in the Project Specific Information, as modified from time to time and subject to the Sites Water Right, Applicable Law and Governmental Approvals.

Beneficiary Pays Principles: Means the principle for allocating all costs associated with delivering certain Project benefits, including public and non-public benefits, to the party receiving such benefits.

Billing Party(ies): Has the meaning given in Section 6.2.1.

Billing Statement: Has the meaning given in Section 6.3.

Business Day: Means a day other than (i) a Saturday or Sunday, (ii) a day which the Sites Authority offices are officially closed, and/or (iii) a day which banks are required or authorized by law to be closed in the State of California.

Capacity Interests: Means (i) in the case of the Base Facilities, the Base Facilities Capacity Interest; and (ii) in the case of the Downstream Facilities, the Downstream Facilities Capacity Interest, or either of them as the context requires.

Capital Improvement Plan: Has the meaning given in Section 4.15.1.

CEQA: Has the meaning given in Recital D to this Contract.

Colusa County / Sites Authority MOU: Means that certain Memorandum of Understanding between the Sites Authority and Colusa County dated on or about November 22, 2021.

Completion: Means the determination by the Sites Authority Board and the Reservoir Management Board that the Project Facilities are complete for the purposes of providing water service, including water storage, intake, outlet, and conveyance, to Storage Partners.

Construction: Means all work to build or construct, rehabilitate, upgrade, make, form, manufacture, furnish, install, supply, deliver, landscape, equip, test and commission any structure, building, or other improvement to real property included in the Project.

Construction Contract: Means a contract between the Sites Authority and a contractor to perform Construction work for all or a portion of the Project.

Contract: Means this Sites Reservoir Benefits & Obligations Contract, including all Appendices and Exhibits as described in Section 1.1.1, as such Contract may be modified from time to time in accordance with this Contract.

Contracts for the Administration of Public Benefits: Means the agreement between the Sites Authority and DWR; anticipated to be titled Proposition 1 Water Storage Investment Program Contract for Administration Of Public Recreation, Flood Control, and Emergency Response Benefits, and the agreement between the Sites Authority and CDFW anticipated to be titled Proposition 1 Water Storage Investment Program Contract for Administration of Public Ecosystem Benefits, or each of them as the context requires.

Defaulted Interest: Has the meaning given in Section 10.3.1.

Delivery Point: Means with respect to each Participant, the delivery point for Water specified in Section 4.6.2.

DERP: Has the meaning given in Section 4.16.2(a).

Design Documents: Means all drawings (including plans, elevations, sections, details and diagrams), specifications, reports, calculations, records and submittals developed by the applicable designer as necessary for design of each Sites Owned Facility.

Downstream Facilities: Means the Sites-Owned Facilities or other facilities that are utilized by select Storage Partners listed in the Project Specific Information, as modified from time to time.

Downstream Facilities Capacity Interest: Means the undivided capacity right to convey Water in each of the Downstream Facilities granted by the Sites Authority and owned by the Storage Partners in accordance with Section 3.6 and the Partner Agreements, in the pro-rata share set out for each Storage Partner in the Project Specific Information, as modified from time to time and subject to the Sites Water Right, applicable law and governmental approvals**.**

DWR: Means the State of California Department of Water Resources.

Effective Date: Has the meaning given in Section 2.1.2 and specified in the Project Specific Information.

Exchange: Means a voluntary action by a Participant to exchange a specified quantity or quantities of Sites Water or Other Water with another person or entity to produce benefits as a result of the exchanged water. An exchange of Sites Water by the Sites Authority with DWR for the SWP water, as described in Section 8.4 of the Contract, shall have the meaning provided in the Sites-SWP Exchange Agreement. An exchange of Sites Water by the Sites Authority with Reclamation for the CVP water, as described in Section 8.4 of the Contract, shall have the meaning provided in a separate agreement(s) between the Sites Authority and Reclamation.

Final EIR: Has the meaning given in Recital D to this Contract.

Financing Agreements: Means any indenture, trust agreement, loan agreement, installment purchase agreement or other financing document entered into by the Sites Authority in connection with any Project Obligations.

Financing Obligations: Means the obligation of a Financing Participant to pay a percentage of the total Sites Financing Costs in accordance with Section 6.4. The amount of each Participant's Financing Obligations for any Sites Financing will be set out in separate line items in the Project Specific Information, which line items the Sites Authority may update from time to time as needed.

Financing Participant: Means, with respect and to the extent a Participant participates in a Sites Financing, all Participants other than Self-Funding Participants.

Financing Participation Percentage:

Means, with respect to each Sites Financing, the applicable percentage determined in accordance with the following formula:

FPP = [PFPC / TFPC]

Where:

FPP = Applicable Base Financing Participation Percentage or Downstream Financing Participation Percentage

TFPC = Total Fixed Project Costs to be funded with proceeds of a Sites Financing

PFPC = Participant's Fixed Project Costs to be funded with proceeds of a Sites Financing

The amount of each Financing Participant's Base Financing Participation Percentage and Downstream Financing Participation Percentage that is applicable to each Sites Financing will be determined by the Sites Authority Board at the time of such Sites Financing and shall be reflected in the Project Specific Information.

Fiscal Year: Means the period beginning on January 1 of each calendar year and ending on the last day of December of such calendar year, or any other accounting period hereafter selected and designated by the Sites Authority as the Fiscal Year of the Sites Authority.

Fixed O&M Costs: Means (1) all costs, calculated in accordance with Generally Accepted Accounting Principles, incurred by the Sites Authority (i) to administer, operate, maintain, power, repair, replace, and, to the extent that reserves are available, rehabilitate and improve, the Project, (ii) attributable to the conveyance and storage of water in the Sites Owned Facilities excluding pumping costs, carriage costs, and power interference costs; (iii) for the Sites Authority defense or other legal costs, including payment of claims, settlements or judgments (iv) to meet regulatory requirements associated with the Project; including administrative and legal costs of the Sites Authority, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the Sites Authority, or charges required to be paid by it to comply with the terms of the Financing Agreements or this Contract; (v) to replenish operating reserves of the Project; and (2) amounts required for compliance with Sections 3.2 and 3.5 of the Master Resolution or any similar provisions thereof; but excluding in all cases (A) depreciation, replacement and obsolescence charges or reserves for such costs, (B) amortization of intangibles or other bookkeeping entries of a similar nature, (C) costs of capital additions, replacements, betterments, extensions or improvements to the Project, which under Generally Accepted Accounting Principles are chargeable to a capital account or to a reserve for depreciation and (D) Sites Financing Costs, in each case incurred by the Sites Authority with respect to the Project. Fixed O&M Costs are incurred irrespective of the amount of Water diverted, stored or released to the Participants. Fixed O&M Costs include any and all costs and expense that are not Fixed Project Costs, Sites Financing Costs or Variable O&M Costs that may accrue to the Sites Authority after execution of this Contract. Participants shall be required to pay any Fixed O&M Costs not paid or not payable under the State and Federal Contracts and the Proposition 1 Water Storage Investment Program Funding Agreement.

Fixed Project Costs: Means (i) development, design, construction and capital costs of the Project, and (ii) individual repair, replacement, rehabilitation, improvement, or regulatory compliance activities incurred after Completion to the extent not covered by Fixed O&M Costs. Participants shall be required to pay any Fixed Project Costs not paid or not payable under the State and Federal Contracts and the Proposition 1 Water Storage Investment Program Funding Agreement.

Fixed Project Cost Funding Obligation: Means, with respect to each Participant, such Participant's obligation to fund Fixed Project Costs, calculated in accordance with Section 6.5.

Force Majeure: Means events beyond the reasonable control of a Party, including strikes, riots, wars, fire, earthquakes, drought, flood, pandemic, acts of God and/or unusual acts of nature, acts in compliance with any law, regulation or order (whether valid or invalid) by the United States of America or any state thereof or any other domestic or foreign governmental body or instrument thereof having jurisdiction in the matter, in each case which directly, materially and adversely affects a Party's ability to perform its obligations under this Contract.

Generally Accepted Accounting Principles: Means such accepted accounting practice as conforms at the time to generally accepted accounting principles to public agencies in the United States of America, consistently applied.

Good Industry Practice: Means the exercise of the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced designer, engineer, constructor, supplier, manager, operator or maintenance provider, as applicable, operating in the United States under the same or similar circumstances and conditions, seeking in good faith to comply with its contractual obligations, this Contract and all Applicable Law and Governmental Approvals in conformance with applicable professional engineering principles, construction, operations and maintenance practices generally accepted as standards of the industry in the State. In the case of the Partner Facilities, Good Industry Practice shall be the standard of care required of a designer, engineer, constructor, supplier, manager, operator or maintenance provider under the Partner Agreements.

Governmental Approval: Means any permit, license, consent, concession, court order, grant, franchise, authorization, waiver, certification, exemption, filing, lease, registration or ruling, variance or other approval, guidance, protocol, mitigation agreement, settlement agreement, agreement or memorandum of agreement/understanding, and any revision, modification, amendment, supplement, renewal or extension of any of the foregoing, required by or with any Governmental Entity in order to perform the purposes of this Contract.

Governmental Entity: Means any federal, state, local or foreign government and any political subdivision or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or entity other than the Sites Authority.

Inactive Storage Pool: An increment of total storage to be determined in the Operations Plan which is not available for immediate use by the Storage Partners.

Interim Agreements: Means previously executed agreements between the Participants and the Sites Authority under which Participants agreed to pay a pro-rata portion, based on participation percentages, for the operation, maintenance, legal, administrative, improvement, and other costs of developing the Project before execution of this Contract, as listed in the Project Specific Information.

JAMS: Means Judicial Arbitration and Mediation Service, Inc.

JPA Agreement: Means the Fifth Amended and Restated Joint Exercise of Powers Agreement, effective [___], 202[_], by and among the parties set forth on the execution page thereof, as amended and supplemented from time-to-time.

LAIF: Means the Local Agency Investment Fund of the State.

Lease Offer Notice: Has the meaning given in Section 8.1.1(e).

Lease Negotiated Terms: Has the meaning given in Section 8.1.1(a).

Lender: Means any lender, bondholder, noteholder, lessee or other holder of any Project Obligations as applicable, incurred in connection with a Sites Financing of the Project.

Master Resolution: Means the Sites Authority Resolution Providing for the Prioritization of Use for Project Revenues, approved and adopted by the Sites Authority, as supplemented and amended from time to time.

Monitoring and Measurement Plan: Means the Sites Reservoir Monitoring and Measurement Plan, initially dated ___, 2026, as such Sites Reservoir Monitoring and Measurement Plan may be modified and approved from time to time in accordance with the Sites Authority Policies and this Contract.

NEPA: Means the National Environmental Policy Act.

O&M Costs: Means Fixed O&M Costs and Variable O&M Costs, or either of them, as the context requires.

Other Water: Means water other than Sites Water that a Storage Partner may request the Sites Authority to store in and/or convey through Project Facilities consistent with Governmental Approvals and Applicable Law.

Participants: Means the entities listed in the Project Specific Information, including any successor or any assignee of such Participant permitted in accordance with Section 15.9. The California Department of Water Resources, as Acquirer or in its other roles described in Section 1.3 of the Contract, the California Department of Fish and Wildlife, and the U.S. Bureau of Reclamation are not Participants.

Parties: Means each of the Participants, the Sites Authority and the Acquirer that executed this Contract, or any of them, as the context requires.

Partner Agreements: Means any agreement entered into between the Sites Authority and another entity in accordance with which the Sites Authority has the right to divert, release and convey Water to or from the Project, as amended from time to time. The list of Partner Agreements as of the Effective Date is included in the Project Specific Information.

Partner Facilities: Means any facilities used by the Sites Authority to convey Water to, or from, the Sites Owned Facilities in accordance with the Partner Agreements, and as further described in Exhibit 1 to Appendix 2.

Project: Means the entire physical infrastructure and capital improvements to be designed, constructed, commissioned and completed or contracted for use by the Sites Authority, including the Sites Owned Facilities and the Partner Facilities, as reflected in the Project Specific Information, for the purpose of providing storage and conveyance of water for use by Storage Partners, and other benefits, in accordance with their Capacity Interest, as such project may be modified from time to time.

Project Assets: Means all of the tangible and intangible assets relating to the Project, including (i) the Sites Owned Facilities, (ii) all real property determined by the Sites Authority to be required for construction or operation of the Project, (iii) rights over the Project Facilities in the form of license, right-of-way or otherwise, (iv) tangible assets such as foundations, buildings, pavements, works, and equipment, (v) the Sites Water Right, and (vi) all Governmental Approvals. For the avoidance of doubt, the Base Facilities Capacity Interest, Downstream Facilities Capacity Interests and Partner Facilities are not Project Assets.

Project Costs: Means the sum of Fixed O&M Costs, Fixed Project Costs, Variable O&M Costs and Sites Financing Costs payable by the Participants under this Contract, or each of them, as the context requires.

Project Facilities: Means collectively the Sites Owned Facilities and the Partner Facilities, or any of them as the context requires.

Project Obligations: Means any bonds, notes, loans or other evidences of indebtedness issued or incurred by or on behalf of the Sites Authority with respect to the Project.

Project Specific Information: Means Appendix 2 to this Contract, as modified from time to time in accordance with this Contract.

Proposed Sites Financing Incurrence Date: Has the meaning given in Section 5.2.1.

Proposition 1 Water Storage Investment Program Funding Agreement: Means the agreement between the Sites Authority and the State through the California Water Commission anticipated to be titled Funding Agreement Between the State of California (California Water Commission) and the Sites Joint Powers Authority, documenting the maximum funding amount for the Project and anticipated to be dated after the date of this Contract.

Pro-rata Cost Share: Means the proportionate interest based on each Storage Partner's paid Fixed Project Costs prior to and after the Effective Date as calculated in accordance with the Sites Operations Plan.

Reclamation: Means the Bureau of Reclamation, an agency of the United States of America.

Reclamation Partnership Agreement: Means the agreement between the Sites Authority and Reclamation anticipated to be titled Reclamation Partnership Agreement setting out the rights and obligations associate with Reclamation's Capacity Interest and anticipated to be dated on or about the date of this Contract.

Release Request Form: Has the meaning given in Section 4.4.2.

Reservoir Management Board: Means the Reservoir Management Board of the Sites Authority, established by the JPA Agreement, as such Reservoir Management Board may be modified from time to time.

Revenue Fund: Means the fund by that name established by the Sites Authority in accordance with the Master Resolution.

Sacramento River Delivery Point: Has the meaning given in Section 4.6.32.

Sale Offer Notice: Has the meaning given in Section 8.2.1(e).

Sale Negotiated Terms: Has the meaning given in Section 8.2.1(a).

Secondary Delivery Point(s): Means a location designated by a Participant for delivery of Water as described in Section 4.6.

Self-Funding Election Date: Has the meaning given in Section 5.4.

Self-Funding Notice: Has the meaning given in Section 5.4.

Self-Funding Participant: Means a Participant that satisfies all or a portion of its obligation to pay Fixed Project Costs through Self-Funding Participant Cash Payments in accordance with Section 5.4. A Participant is a Self-Funding Participant to the extent that it satisfies its Fixed Project Cost Funding Obligation through Self-Funding Participant Cash Payments, and then only for the term of any payments of Fixed Project Costs using proceeds from Self-Funding Participant Cash Payments made by such Participant.

Self-Funding Participant Cash Payment: Has the meaning given in Section 5.5.2.

Sites Authority: Has the meaning given in Recital A of this Contract.

Sites Authority Bylaws: Means the Phase 3, 4, 5 Bylaws of the Sites Authority, adopted by the Sites Authority Board in connection with its adoption of the JPA Agreement, as amended or supplemented from time to time.

Sites Authority Policies: Means those policies and guidelines adopted by the Sites Authority and listed in the Project Specific Information, as such policies may be modified from time to time.

Sites Authority Records Management Policy: Means the Records Management Policy of the Sites Authority, initially dated [___], [_] as such policy may be modified from time to time.

Sites Financing: Means a financing by the Sites Authority of Fixed Project Costs through the incurrence of Project Obligations on behalf of the Financing Participants participating in the applicable financing.

Sites Financing Costs: Means any and all costs associated with a Sites Financing, including (i) the principal of and interest, including default interest incurred in connection with a Sites Financing, on all Project Obligations, (ii) fees payable to Lenders and others related to the issuance and administration of a Sites Financing, and (iii) reserves required in connection with the incurrence of Project Obligations, if any.

Sites Financing Incurrence Notice: Has the meaning given in Section 5.2.1.

Sites Operations Plan: Means the Sites Reservoir Operations Plan, initially dated ___, 2026, as such Sites Reservoir Operations Plan may be modified and approved from time to time in accordance with the Sites Authority Policies and this Contract. The initial form of the Sites Reservoir Operations Plan approved by the Reservoir Management Board and the Sites Authority (as applicable) in accordance with the Sites Authority Bylaws is included as Appendix 8.

Sites Owned Facilities: Means the physical infrastructure and capital improvements for the Project owned by the Sites Authority, including dams, reservoir(s), pipelines, pump stations, and other facilities necessary or appropriate for providing water supply and storage including the facilities listed in the Project Specific Information, but excluding Partner Facilities and the real property required for the Project, and as further described in Exhibit 1 to Appendix 2.

Sites-SWP Exchange Agreement: Means the Agreement for Exchanges of Water Between the Sites Reservoir Project and the State Water Project, anticipated to be entered into by DWR and the Sites Authority around the same time as this Contract is executed.

Sites Water: Means water that is appropriated under the Sites Water Right.

Sites Water Right: Means the water right obtained and owned by the Sites Authority for the Project.

Sites Water Right Development Period: Means the time allowed by the California State Water Resources Control Board for Sites Authority to construct the Project and put Sites Water to beneficial use. The Sites Water Right identifies this time as XX years (or YY date), which could be extended upon approval by the California State Water Resources Control Board in the future.

State: Means the State of California.

State and Federal Contracts: Means the Public Benefit Agreements and the Reclamation Partnership Agreement, or each of them as the context requires.

State and Federal Operations Agreement: Means the [Sites/DWR/Reclamation Coordinated Operations Agreement], dated ___, [2027], as such State and Federal Operations Agreement may be modified from time to time.

State Water Project or SWP: Means a portion of the State Water Resources Development System as defined in Section 12931 of the California Water Code.

State Water Project Facilities: Means those facilities included in the State Water Project pursuant to the California Water Resources Development Bond Act (California Water Code Section 12930 *et seq*.).

Storage Allocation: Means the maximum actual capacity allocated to a Storage Partner for storing Water in the Project Facilities, measured and determined from time to time in accordance with the Sites Operations Plan.

Storage Opportunity Request Form: Has the meaning given in Section 4.4.2.

Storage Partners: The governmental agencies, water organizations and others who have funded and received a Storage Allocation in Sites Reservoir and the resulting water supply or water supply related benefits from the Project. Storage Partners include Participants, CDFW, and Reclamation.

Stored Water: Means the amount of Water that a Storage Partner has stored in the Project Facilities at any given time, as measured from time to time by the Sites Authority in accordance with the Sites Operations Plan.

SWP Participants: Means those Participants listed in the Project Specific Information which have signed Appendix 9 and elected to have the Acquirer acquire certain capacity rights in the Sites Reservoir Project, including the associated Sites Water, pursuant to such Participants' State Water Project Water Supply Contracts with DWR, as may be amended.

Total Participant Obligation: Means, with respect to a Participant, the sum of (i) such Participant's cash deposit, and (ii) the amount of the Participant Fixed Project Costs to be financed from the proceeds of a proposed Sites Financing, if any, as set forth in such Participant's Notice of Self-Funding Election.

Variable O&M Costs: Means the operation, maintenance, power (including pumping), carriage costs, power interference costs, replacement and other costs, including O&M Costs and costs and expenses, including funding of reserves in accordance with the Sites Authority Policies, to the Sites Authority under this Contract and wheeling costs on a per Acre-foot basis to account for the use of Partner Facilities, and incurred by the Sites Authority in connection with the Project in an amount which is dependent upon and varies with the amount of Sites Water diverted, stored or released from the Project Facilities to the Participants. Participants shall be required to pay any Variable O&M Costs not paid or not payable under the State and Federal Contracts and the Proposition 1 Water Storage Investment Program Funding Agreement.

Water: Means Sites Water or Other Water conveyed through, or stored by, Storage Partners in Project Facilities.

Wind-Up Resolution: Has the meaning given in Section 11.1.1.

Winding-Up Agent: Has the meaning given in Section 11.1.1.

APPENDIX 2

PROJECT SPECIFIC INFORMATION

	Sites Owned Facilities	Federal Facilities	Partner Facilities
Base Facilities	▪ Sites Reservoir ▪ Sites Dam ▪ Golden Gate Dam ▪ Sites saddle dams/dikes ▪ Terminal Regulating Reservoir ▪ Terminal Regulating Reservoir Pumping Generating Plant ▪ Funks Pumping Generating Plant ▪ Power transmission lines ▪ Electrical substations ▪ Sites Lodoga Bridge ▪ Other support facilities • Pipelines (Terminal Regulating Reservoir, Funks) • Maxwell Intertie Pipeline • Inlet/outlet tower • Transition manifold • Maintenance and storage building • Administration and operations building • Recreation areas including day use boat ramp	▪ Portion of Tehama-Colusa Canal from Red Bluff Diversion to Funks Reservoir ▪ Portion of Tehama-Colusa Canal from Funks Reservoir to the terminus of the Tehama-Colusa Canal ▪ Funks Reservoir ▪ Red Bluff Pumping Plant	▪ Portion of Glenn Colusa Irrigation District Main Canal from the Hamilton City Pump Station to the Terminal Regulating Reservoir ▪ Hamilton City Pumping Plant
Downstream Facilities	▪ Dunnigan Pipeline and associated facilities	▪ Portion of Tehama-Colusa Canal from Funks Reservoir to the Dunnigan Pipeline	▪ Wallace Weir ▪ Knights Landing Outfall Gates ▪ Knights Landing Ridge Cut ▪ Colusa Basin Drain south of Balsdon Weir
Partner Agreements	▪ Facility Use Agreement between the Sites Authority and Tehama-Colusa Canal Authority, dated [_].		

	Sites Owned Facilities	Federal Facilities	Partner Facilities
	▪ Facility Use Agreement between the Sites Authority and Glenn-Colusa Irrigation District, dated [_]. ▪ Exchange Agreement between the Sites Authority and DWR, dated [_]. ▪ Conveyance Agreement between Sites Authority and DWR, dated [ ]. ▪ Refuge Water Donation Agreement between Reclamation and Sites Authority, dated [ ]. ▪ Wheeling agreements between Sites Authority, Richvale Irrigation District, and Western Canal Water District dated (20XX) and dated (20XX) respectively. ▪ Wheeling agreement with Glenn-Colusa Irrigation District dated (20XX). ▪ Excess Capacity Contract between the Sites Authority and Reclamation, dated [_].**[Note: All dates to be updated once complete]**		

Effective Date Section 2.1.2	[_] **[Note: To be inserted as of the signature and delivery date of the last executing and delivering Participant under Section 2.1.1]**			
Interim Agreements	▪ Phase 1 Project Agreement dated November 21, 2016 ▪ 2019 Reservoir Project Agreement dated April 1, 2019 ▪ First Amendment to 2019 Reservoir Project Agreement dated January 1, 2020 ▪ Second Amendment to 2019 Reservoir Project Agreement dated July 1, 2020 ▪ Third Amendment to 2019 Reservoir Project Agreement dated January 1, 2022			
Sites Authority Policies Appendix 1	▪ Accounting Policy, dated January 16, 2026 ▪ Accounts Payable Approval Policy, dated January 16, 2026 ▪ Asset Management Policy, dated July 19, 2024 ▪ Budget Policy, dated January 16, 2026 ▪ Construction Workforce Policy, dated June 24, 2026 ▪ Debt Management Policy, dated November 21, 2022 ▪ Funding Policy, dated August 3, 2020 ▪ Investment Policy, dated May 19, 2023 ▪ Procurement and Contract Policy, dated November 15, 2024 ▪ Real Property and Land Management Policy, dated January 16, 2026 ▪ Records Management Policy, dated January 17, 2025 ▪ Reserve Policy, dated January 16, 2026 ▪ Local CEQA Guidelines, dated February 16, 2024			
Non-Participant Parties and Address for Notices Section 15.3	**Party**	**Notice Details**		
	Sites Authority	[INSERT NOTICE DETAILS]		
	DWR / Acquirer	[INSERT NOTICE DETAILS]		
	Participant	**Notice Details**	**Delivery Point**	**Payment Election**

Participants, Address for Notices and Delivery Point Section 15.3	Antelope Valley-East Kern WA	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Appendix 9]
	City of American Canyon	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Rates and Charges]
	Coachella Valley WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Appendix 9]
	Colusa County	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Land Based Charges]
	Colusa County WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Land Based Charges]
	Cortina WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Land Based Charges]
	Davis WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Land Based Charges]
	Desert WA	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Appendix 9]
	Dunnigan WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Land Based Charges]
	Glenn-Colusa ID	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Rates and Charges]
	Irvine Ranch WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Rates and Charges]
	LaGrande WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Land Based Charges]
	Metropolitan Water District of SC	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Rates and Charges]

	Reclamation District 108	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Land Based Charges]
	Rosedale-Rio Bravo WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Rates and Charges]
	San Bernardino Valley Municipal WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Appendix 9]
	San Gorgonio Pass WA	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Appendix 9]
	Santa Clara Valley WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Rates and Charges]
	Santa Clarita Valley WA	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Appendix 9]
	Westside WD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Land Based Charges]
	Wheeler Ridge – Maricopa WSD	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Payment Source Set Forth in Appendix 7C-2]
	Zone 7 WA	[INSERT NOTICE DETAILS]	[TO BE INSERTED]	[Rates and Charges]
SWP Participants Appendix 9	Antelope Valley-East Kern WAC Coachella Valley WD Desert WA San Bernardino Valley Municipal WD San Gorgonio Pass WA Santa Clarita Valley Water Agency			
Sites Authority Payment Information	[_] **[Note: To be inserted]**			

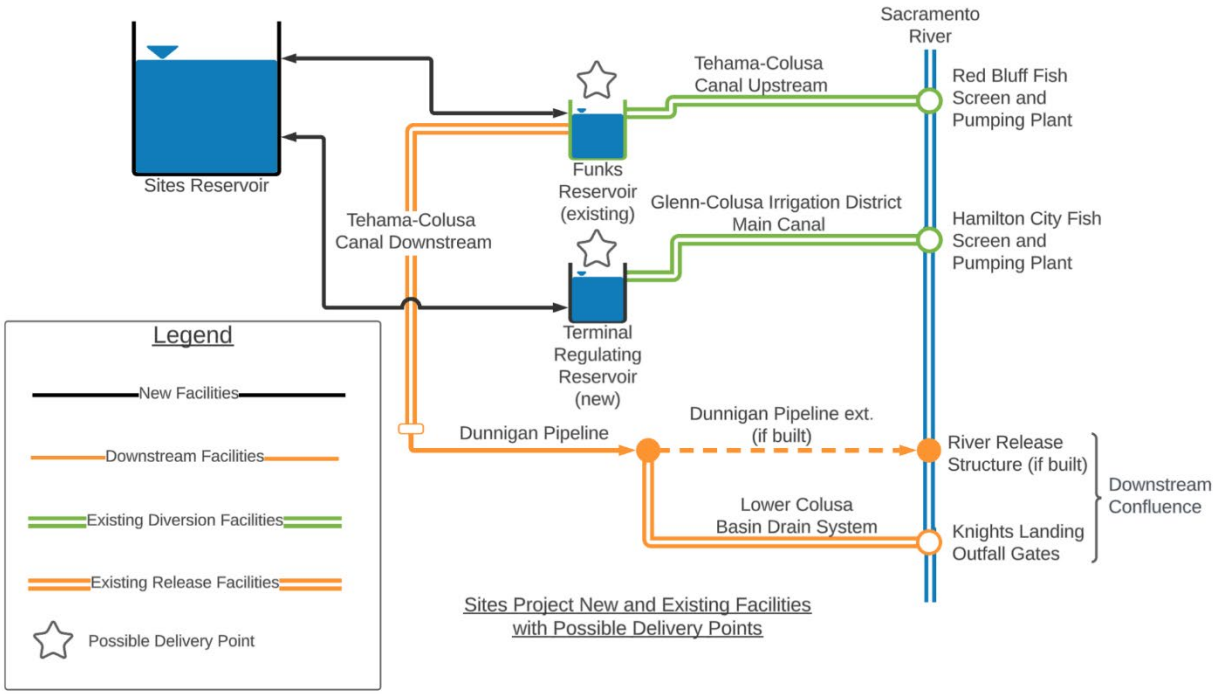
Participant Capacity Interest Appendix 1 **[Note: Percentages to be completed based on the final financial model and commitments by Participants]**	**Participant**	**Base Facilities Capacity Interest**	**Downstream Facilities Capacity Interest**
	City of American Canyon	[INSERT %]	[INSERT %]
	Colusa County	[INSERT %]	[INSERT %]
	Colusa County WD	[INSERT %]	[INSERT %]
	Cortina WD	[INSERT %]	[INSERT %]
	Davis WD	[INSERT %]	[INSERT %]
	Dunnigan WD	[INSERT %]	[INSERT %]
	Glenn-Colusa ID	[INSERT %]	[INSERT %]
	Irvine Ranch WD	[INSERT %]	[INSERT %]
	LaGrande WD	[INSERT %]	[INSERT %]
	Metropolitan Water District of SC	[INSERT %]	[INSERT %]
	Reclamation District 108	[INSERT %]	[INSERT %]
	Rosedale-Rio Bravo WD	[INSERT %]	[INSERT %]
	Santa Clara Valley WD	[INSERT %]	[INSERT %]
	Westside WD	[INSERT %]	[INSERT %]
	Wheeler Ridge – Maricopa WSD	[INSERT %]	[INSERT %]
	Zone 7 WA	[INSERT %]	[INSERT %]
Acquirer's Capacity Interest **Appendix 9**	SWP Participants	[INSERT %]	[INSERT %]
Total		[INSERT %]	[INSERT %]

State and Federal Capacity Interests Appendix 1	**Party**	**Base Facilities Capacity Interest**	**Downstream Facilities Capacity Interest**
	State (CDFW)	[INSERT %]	[INSERT %]
	Reclamation	[INSERT %]	[INSERT %]
Total	Total	[INSERT %]	[INSERT %]
Total with Participant Capacity Interest and State and Federal Capacity Interest		100.00%	100.00%
SWP Participants' Shares of the Acquirer's Capacity Interest	**SWP Participant**	**Base Facilities Capacity Interest**	**Downstream Facilities Capacity Interest**
	Antelope Valley-East Kern WA	[INSERT %]	[INSERT %]
	Coachella Valley WD	[INSERT %]	[INSERT %]
	Desert WA	[INSERT %]	[INSERT %]
	San Bernardino Valley Municipal WD	[INSERT %]	[INSERT %]
	San Gorgonio Pass WA	[INSERT %]	[INSERT %]
	Santa Clarita Valley WA	[INSERT %]	[INSERT %]
Total		[INSERT %]	[INSERT %]
Financing Participation Percentage Appendix 1 **[Note: Financing Participation Percentage to be completed with each Sites Financing.]**	**Participant**	**Base Facilities Financing Participation Percentage**	**Downstream Facilities Financing Participation Percentage**
	[INSERT PARTICIPANT]	[INSERT %]	[INSERT %]
	[INSERT PARTICIPANT]	[INSERT %]	[INSERT %]
	[INSERT PARTICIPANT]	[INSERT %]	[INSERT %]

	[INSERT PARTICIPANT]	[INSERT %]	[INSERT %]
	[INSERT PARTICIPANT]	[INSERT %]	[INSERT %]
	[INSERT PARTICIPANT]	[INSERT %]	[INSERT %]
	[INSERT PARTICIPANT]	[INSERT %]	[INSERT %]

EXHIBIT 1 TO APPENDIX 2

PROJECT FACILITIES MAP



APPENDIX 3

FORM OF SELF-FUNDING NOTICE

SITES PROJECT AUTHORITY

NOTICE OF SELF-FUNDING ELECTION

_____, 20__

_____ (the "**Participant**") is hereby providing the Sites Project Authority (the "Sites Authority"), notice in accordance with Section 5.4 of that certain Benefits & Obligations Contract (the "**Contract**"), dated ____, 20__, by and among the Sites Authority and the participants listed therein, including the Participant, of the Participant's intention to self-fund [all] [a portion] of the obligated portion of the Fixed Project Costs of the Sites Project identified in the Notice of Proposed Sites Financing by the Sites Project Authority, dated ___, [20__] (the "**Incurrence Notice**"), delivered by the Sites Authority to the Participant (the "**Participant Fixed Project Costs**"). Unless the context otherwise requires, all capitalized terms acronyms, abbreviations and terms used in this Appendix have the meanings given in the Contract.

Set forth below is (i) the amount of the cash deposit that the Participant will deposit with the Sites Authority to self-fund Participant Fixed Project Costs and (ii) the amount of the Participant Fixed Project Costs to be financed from the proceeds of the proposed Sites Financing, if any.

A. Participant cash deposit: $_____

B. Participant Fixed Project Costs to be financed from the proposed Sites Financing: $_____

C. Total Participant Obligation: $_____ [sum of A and B]

The Participant acknowledges that the amount specified in clause A above will need to be deposited with the Sites Authority in accordance with a mutually acceptable schedule or by no later than ____ (being the 60th day prior to the [Project Obligation Incurrence Date] [the Business Day prior to the scheduled date on which the offering document relating to the Sites Financing is to be made available to potential investors] set forth in the Incurrence Notice), as required by Section 5.5.2 of the Contract; subject to a grace period of 30 days following such date. If the Participant does not deposit the amount specified in clause A above with the Sites Authority by the expiration of such grace period, the Participant acknowledges that the Participant will then be considered a Financing Participant with respect to the entire portion of the proposed Sites Financing allocable to the Participant and will be obligated to pay the related Sites Financing Costs.

Dated: _____, 20__ [Participant Name]

By: _____
[Title of Officer]

APPENDIX 4

FORM OF SITES FINANCING INCURRENCE NOTICE

SITES PROJECT AUTHORITY

NOTICE OF PROPOSED SITES FINANCING
BY THE SITES PROJECT AUTHORITY

_____, 20__

The Sites Project Authority (the "Sites Authority") is hereby providing the parties to the Benefits & Obligations Contract, dated ____, 20__, with the Sites Authority (the "Contract"), with notice of a proposed Sites Financing by the Sites Authority, as provided for in Section 5.2.1 of the Contract. Unless the context otherwise requires, all acronyms, abbreviations and terms used in this Appendix have the meanings given in the Contract.

A. Type of Project Obligations: _____

B. Aggregate principal amount of Project Obligations: $_____

C. Project components to be financed and/or refinanced: [list components]

D. Proposed Sites Financing Incurrence Date: _____

E. A description of the proposed financing structure, expected method of sale, expected term, pro-forma cash flows and each Participant's estimated share of Fixed Project Costs to be financed or refinanced from the proposed Sites Financing is set forth in Schedule A hereto.

F. Each Participant's estimated annual Sites Financing Costs related to the proposed Sites Financing is set forth in Schedule B hereto.

G. The amount of the cash deposit required to be made by each Participant if the Participant elects to self-fund such Project Costs in accordance with Sections 5.4 and 5.5 of the Contract is set forth in Schedule C hereto.

If a Participant intends for the Sites Authority to finance/refinance the Project components listed in clause C above, the Participant does not need to take any further action.

If a Participant intends to self-fund all or a portion of the applicable Project Costs described in clause E above such Participant must provide the Sites Authority with a Self-Funding Notice on or prior to _____, 20__ (on or before the 90th day prior to the anticipated [Sites Financing Incurrence Date] [the Business Day prior to the scheduled date on which the offering document relating to the Sites Financing is to be made available to potential investors]) all as provided in Section 5.4.2 of the Contract. A form of the Self-Funding

Notice is attached to the Contract as Appendix 3. In addition, such Participant must deposit the amount of such self-funding with the Sites Authority by no later than _____, 20__, in accordance with Section 5.5.2 of the Contract; subject to a grace period of 30 days following such date.

[ADDITIONAL TEXT MAY BE ADDED AS NEEDED]

SITES PROJECT AUTHORITY

By: _____

[Title of Officer]

APPENDIX 5

FORM OF PARTICIPANT OPINION LETTER

[This opinion shall be delivered upon execution of the Sites Reservoir Benefits & Obligations Contract]

[_], 202[_]
Sites Authority
[ADDRESS]

[United States Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460]

Ladies and Gentlemen:

We are acting as [general/special] counsel to ***[PARTICIPANT]*** (the "Participant") in connection with the Sites Reservoir Benefits & Obligations Contract (the "Contract"), between the Sites Authority and Participant, and have acted as general counsel to the Participant in connection with the matters referred to in this opinion letter (this "Opinion"). As such counsel, we have examined and are familiar with (i) documents relating to the existence, organization and operation of the Participant provided to us by the Participant, (ii) certifications by officers of the Participant, (iii) all necessary documentation of the Participant relating to the authorization, execution and delivery of the Contract, and (iv) an executed counterpart of the Contract. Terms used herein and not otherwise defined have the respective meanings set forth in the Contract.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of the Participant, we are of the opinion that:

1. The Participant is a _____, duly created, organized and existing under the laws of the State of California and duly qualified to [furnish water service within its boundaries].

2. The Participant has legal right, power and authority to enter into the Contract and to carry out and consummate all transactions reasonably contemplated in or by the Contract, and the Participant has complied with the provisions of Applicable Law and Governmental Approvals relating to such transactions.

3. The Contract has been duly authorized, executed and delivered by the Participant, is in full force and effect as to the Participant in accordance with its terms and, subject to the qualifications set forth in the second to the last paragraph of this Opinion, and assuming that the Sites Authority has all requisite power and authority, and has taken all necessary action, to authorize, execute and deliver such Contract, the Contract constitutes the valid and binding obligation of the Participant.

4. The obligations of the Participant to make payments under the Contract from the source of payment identified in Appendix 7[A][B][C-1][C-2] of the Contract, dated [__], 2026, executed by the Participant, or other lawfully available funds as provided in the Contract is a valid, legal and binding obligation of the Participant enforceable in accordance with its terms.

5. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Participant of the Contract.

6. The authorization, execution and delivery of the Contract and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Participant, any commitment, agreement or other instrument to which the Participant is a party or by which it or its property is bound or affected, or any ruling, regulation, ordinance, judgment, order or decree to which the Participant (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Participant and its affairs.

7. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting the Participant or any entity affiliated with the Participant or any of its officers in their respective capacities as such, which questions the powers of the Participant referred to in paragraph 2 above or the validity of the proceedings taken by the Participant in connection with the authorization, execution or delivery of the Contract, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Contract, or which would adversely affect the validity or enforceability of the Contract.

[8. The Participant is not entitled to claim governmental immunity under the California Government Claims Act, or under any ordinance, regulation or other legislative action of the Participant in any breach of contract action under the Contract.]

The opinion expressed in paragraph 3 above is qualified to the extent that the enforceability of the Contract may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

Very truly yours,

APPENDIX 6

FORM OF SITES AUTHORITY OPINION LETTER

[This opinion shall be delivered to the Sites Authority upon execution of the Sites Reservoir Benefits & Obligations Contract]

[_], 202[_]

Sites Authority
[ADDRESS]

[United States Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460]

Ladies and Gentlemen:

We are acting as [special/general] counsel to the Sites Authority (the "Sites Authority") in connection with that certain Sites Reservoir Benefits & Obligations Contract, dated as of [_], 202[_] (the "Contract"), between the Sites Authority and each of the Participants identified on Exhibit 1 attached hereto (each a "Participant") in connection with the matters referred to in this opinion letter (this "Opinion"). As such counsel, we have examined and are familiar with (i) documents relating to the existence, organization and operation of the Sites Authority provided to us by the Sites Authority, (ii) certifications by officers of the Sites Authority, (iii) all necessary documentation of the Sites Authority relating to the authorization, execution and delivery of the Contract, and (iv) an executed counterpart of the Contract. Terms used in this Opinion and not otherwise defined have the respective meanings set forth in the Contract.

Based upon the foregoing and such examination of law and such other information, papers and documents as we deem necessary or advisable to enable us to render this Opinion, including the Constitution and laws of the State of California, together with the resolutions, ordinances and public proceedings of the Sites Authority, we are of the opinion that:

1. The Sites Authority is a joint exercise of powers agency, duly created, organized and existing under the laws of the State of California.

2. The Sites Authority has legal right, power and authority to enter into the Contract and to carry out and consummate all transactions contemplated in the Contract, and the Sites Authority has complied with the provisions of Applicable Law and Governmental Approvals relating to such transactions.

3. The Contract has been duly authorized, executed and delivered by the Sites Authority, is in full force and effect as to the Sites Authority in accordance with its terms and subject

to the qualifications set forth in the second to the last paragraph of this Opinion, and assuming that each Participant has all requisite power and authority, and has taken all necessary action, to authorize, execute and deliver such Contract, the Contract constitutes the valid and binding obligation of the Sites Authority.

4. No approval, consent or authorization of any governmental or public agency, authority or person is required for the execution and delivery by the Sites Authority of the Contract.

5. The authorization, execution and delivery of the Contract and compliance with the provisions thereof will not conflict with or constitute a breach of, or default under, any instrument relating to the organization, existence or operation of the Sites Authority, any commitment, agreement or other instrument to which the Sites Authority is a party or by which it or its property is bound or affected, or, to the best of our knowledge, any ruling, regulation, ordinance, judgment, order or decree to which the Sites Authority (or any of its officers in their respective capacities as such) is subject or any provision of the laws of the State of California relating to the Sites Authority and its affairs.

6. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before any court, public board or body, pending or, to our knowledge, threatened against or affecting the Sites Authority or any of its officers in their respective capacities as such, which questions the powers of the Sites Authority referred to in paragraph 2 above or the validity of the proceedings taken by the Sites Authority in connection with the authorization, execution or delivery of the Contract, or wherein any unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Contract or which, in any way, would adversely affect the validity or enforceability of the Contract.

[7. The Sites Authority is not entitled to claim governmental immunity under the California Government Claims Act, or under any regulation or other legislative action of the Sites Authority in any breach of contract action under the Contract.]

The opinion expressed in paragraph 3 above is qualified to the extent that the enforceability of the Contract may be limited by any applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public agencies in the State of California and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

Very truly yours,

EXHIBIT 1 TO APPENDIX 6

Participants

[INSERT PARTICIPANT]

[INSERT PARTICIPANT]

[INSERT PARTICIPANT]

[INSERT PARTICIPANT]

APPENDIX 7
PAYMENT APPENDIX

Appendix 7A Rates and Charges

Appendix 7B Statement of Charges

Appendix 7C Land Based Charges

APPENDIX 7A
RATES AND CHARGES

This Appendix 7A (this "Appendix") to the Benefits and Obligations Contract (the "Contract"), dated as of ___, 2026, by and between the entities listed in Appendix 2 to the Contract and the Sites Project Authority (the "Sites Authority") sets forth the source of payment of the Participant executing this Appendix for amounts due to the Sites Authority in accordance with the Contract and certain other terms supplementary to the Contract.

Unless the context otherwise requires, all acronyms, abbreviations and terms used in this Appendix have the meanings given in the Contract.

A. **Source of Payment**. The Participant shall make payments under the Contract as an operation and maintenance expense of the Participant, as determined in accordance with Generally Accepted Accounting Principles, solely from, and prior to other payments other than operation and maintenance expenses, from the revenues of the Participant's water system. Nothing in the Contract shall be construed as prohibiting the Participant from using any other funds for purposes of satisfying any provisions of this Contract.

B. **Participant Rates and Charges**. To the fullest extent permitted by law, the Participant will fix and prescribe, at the commencement of the fiscal year of the Participant ("**Participant Fiscal Year**"), rates and charges for the Participant's water system which, together with any other lawfully available revenues of the Participant, and, if applicable, taking into account amounts transferred from a rate stabilization fund or other similar fund of the Participant, are reasonably expected to be sufficient to pay the Participant's operation and maintenance expenses for such Participant Fiscal Year, including but not limited to amounts due to the Sites Authority under the Contract.

This Appendix is supplemental to the terms of the Contract, and, in the event of a conflict between the provisions of this Appendix and the provisions of the Contract, the terms of this Appendix shall govern.

Dated: _____, 202_ [PARTICIPANT]

By: _____

APPENDIX 7B
[RESERVED]

APPENDIX 7C
LAND BASED CHARGES

(See attached)

[LAND BASED CHARGES – DISTRICT APPENDIX]

APPENDIX 7C-1

LAND BASED CHARGES (DISTRICT IMPOSED)

This Appendix 7C-1 (this "Appendix") to the Benefits and Obligations Contract (the "Contract"), dated as of ___, 2026, by and between the entities listed therein and the Sites Project Authority (the "Sites Authority") sets forth the source of payment of the Participant executing this Appendix for amounts due to the Sites Authority pursuant to the Contract and certain other terms supplementary to the Contract.

Unless the context otherwise requires, all acronyms, abbreviations and terms used in this Appendix have the meanings given in the Contract.

A. Source of Payment. The Participant shall make payments under the Contract as an operation and maintenance expense of the Participant, as determined in accordance with Generally Accepted Accounting Principles. Such payments shall be paid from the revenues of the Participant's water system, including any land based charges. Nothing in the Contract shall be construed as prohibiting the Participant from using any other funds for purposes of satisfying any provisions of this Contract.

B. Participant Revenues. To the fullest extent permitted by law, the Participant shall fix, prescribe and collect, at the commencement of the fiscal year of the Participant (the "Participant Fiscal Year"), rates and charges for the Participant's water system which, together with any other lawfully available revenues of the Participant, and, if applicable, taking into account amounts transferred from a rate stabilization fund or other similar fund of the Participant, are reasonably expected to be sufficient to pay all amounts owed to the Sites Authority after the application of land based charges described in C below reasonably expected to be collected and applied as described in C below .

C. Participant Land Based Charges. During each Participant Fiscal Year, to the fullest extent permitted by law, the Participant shall levy and collect land based charges in an amount equal to 110% of the amount of the Participant's Financing Obligations payable during such Participant Fiscal Year and shall apply such land based charges to the payment of the Participant's Financing Obligations.

This Appendix is supplemental to the terms of the Contract, and, in the event of a conflict between the provisions of this Appendix and the provisions of the Contract, the terms of this Appendix shall govern.

Dated: _____, 2026 [PARTICIPANT]

By: _____

[LAND BASED CHARGES WRMWD APPENDIX]

APPENDIX 7C-2

LAND BASED CHARGES
(WHEELER RIDGE-MARICOPA WATER
STORAGE DISTRICT IMPOSED)

This Appendix 7C-2 (this "Appendix") to the Benefits and Obligations Contract (the "Contract"), dated as of ___, 2026, by and between the entities listed therein and the Sites Project Authority (the "Sites Authority") sets forth the exclusive source of payment of the Wheeler Ridge-Maricopa Water Storage District ("WRMWSD") and exclusive recourse for amounts due to the Sites Authority pursuant to the Contract and certain other terms supplementary to the Contract.

Unless the context otherwise requires, all acronyms, abbreviations and terms used in this Appendix have the meanings given in the Contract.

A. Source of Payment. WRMWSD shall make payments due under the Contract solely (i) from special benefit assessments or charges in lieu of assessments (the "Assessments") levied by WRMWSD on certain parcels of land within WRMWSD (the "Participating Properties"), the owners of which (the "Participating Landowners") have executed agreements with WRMWSD to participate in the Project (the "Wheeler-Ridge Participating Landowner Benefits and Obligations Contracts"), pursuant to and as authorized by such Wheeler-Ridge Participating Landowner Benefits and Obligations Contracts and applicable law, and (ii) from amounts received by WRMWSD from the Participating Landowners for the provision of water service, water storage and other services with respect to the Project collected under the Wheeler-Ridge Participating Landowner Benefits and Obligations Contracts (collectively, the "Pledged Landowner Revenues"). The Sites Authority shall not have the right of any recourse against the revenues, reserves or other assets of WRMWSD or the Wheeler Ridge-Maricopa Groundwater Sustainability Agency (the "GSA") or any revenues generated by WRMWSD or the GSA from non-Sites related water service or groundwater management activities provided by WRMWSD or the GSA, other than the Pledged Landowner Revenues. The Sites Authority's recourse for the failure of WRMWSD to pay WRMWSD's obligations under the Contract or to comply with the terms of the Contract will only be against the Pledged Landowner Revenues, including amounts received by WRMWSD from WRMWSD's enforcement of the Assessments and the respective Wheeler-Ridge Participating Landowner Benefits and Obligations Contracts.

B. Assessments. During each fiscal year of WRMWSD (the "WRMWSD Fiscal Year"), to the fullest extent permitted by law, WRMWSD shall levy and collect Assessments in an amount equal to 110% of the amount of WRMWSD's Financing Obligations payable during such WRMWSD Fiscal Year and shall apply such Assessments to the payment of WRMWSD's Financing Obligations.

C. Service Revenues. To the fullest extent permitted by law, WRMWSD shall fix, prescribe and collect, during the WRMWSD Fiscal Year, amounts under the Wheeler-Ridge Participating Landowner Benefits and Obligations Contracts, which are reasonably expected to be sufficient to pay amounts coming due under the Contract (net of WRMWSD

Financing Obligations that are reasonably expected to be paid with the proceeds of the Assessments) for such WRMWSD Fiscal Year.

D. Enforcement of Wheeler-Ridge Participating Landowner Benefits and Obligations Contracts. WRMWSD shall at all times have Wheeler-Ridge Participating Benefits and Obligations Contracts in place with each of the Participating Landowners. To the fullest extent permitted by law, WRMWSD covenants and agrees that WRMWSD shall enforce the WRMWSD's rights under each Wheeler-Ridge Participating Landowner Benefits and Obligations Contract against the respective Participating Landowners, collect amounts due in a timely manner and shall take all necessary actions permitted by the respective Wheeler-Ridge Participating Landowner Benefits and Obligations Contracts, including the discontinuance of all Sites water to parcels of land owned by those specific Participating Landowners in default under the respective Wheeler-Ridge Participating Landowner Benefits and Obligations Contracts, and by law to collect in such time and amounts Assessments and amounts payable pursuant to the Wheeler-Ridge Participating Landowner Benefits and Obligations Contracts as shall permit WRMWSD to pay its obligations under the Contract in accordance with the terms of the Contract.

This Appendix is supplemental to the terms of the Contract, and, in the event of a conflict between the provisions of this Appendix and the provisions of the Contract, the terms of this Appendix shall govern.

Dated: _____, 2026

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

By: _____

[LAND BASED CHARGES – CCFCWCD APPENDIX]

APPENDIX 7C-3

LAND BASED CHARGES
(COLUSA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT IMPOSED)

This Appendix 7C-3 (this "Appendix") to the Benefits and Obligations Contract (the "Contract"), dated as of ___, 202_, by and between the entities listed therein and the Sites Project Authority (the "Sites Authority") sets forth the source of payment of the Participant executing this Appendix for amounts due to the Sites Authority pursuant to the Contract and certain other terms supplementary to the Contract.

Unless the context otherwise requires, all acronyms, abbreviations and terms used in this Appendix have the meanings given in the Contract.

A. Source of Payment. The Participant shall make payments due under the Contract from charges levied within the zone of benefit (the "Zone of Benefit") established by the Participant for the provision of water service, water storage and other services from landowners contracting with the Participant for such services (the "Participating Landowners"). Nothing in the Contract shall be construed as prohibiting the Participant from using any other funds for purposes of satisfying any provisions of this Contract.

B. Participant Charges. During each fiscal year of the Participant (the "Participant Fiscal Year"), to the fullest extent permitted by law, the Participant shall levy and collect charges in an amount equal to 110% of the amount of the Participant's Financing Obligations payable during such Participant Fiscal Year, plus all Fixed O&M and Variable O&M costs to be paid to the Sites Authority.

C. Enforcement of Landowner Agreements. The Participant shall at all times have Landowner Agreements in place with each of the Participating Landowners. The Participant covenants and agrees that the Participant shall enforce the Participant's rights under each Landowner Agreement against the respective Participating Landowners, collect amounts due in a timely manner and shall take all necessary actions, including the right to lien properties held by the Landowner, permitted by the Landowner Agreement and by law to collect in such time and amounts charges and amounts payable pursuant to the Landowner Agreements as shall permit the Participant to pay its obligations under the Contract in accordance with the terms of the Contract.

D. Notice to Sites Authority. In the event of a default of a Landowner, Participant will notify Sites Authority of such default and actions taken to remedy or mitigate such default, including the use of reserve funds to pay Sites Authority costs.

This Appendix is supplemental to the terms of the Contract, and, in the event of a conflict between the provisions of this Appendix and the provisions of the Contract, the terms of this Appendix shall govern.

Dated: _____, 2026

COLUSA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By: _____

APPENDIX 8

INITIAL SITES OPERATIONS PLAN

[To be attached]

APPENDIX 9

ADDITIONAL TERMS FOR THE ACQUIRER AND SWP PARTICIPANTS

[Appendix 9 may contain distinct amendment procedures applicable solely to the Acquirer and SWP Participants, subject to final legal review and consistency with the Contract as a whole.]

1. Purpose of Appendix

1.1 Certain Participants are State Water Project contractors ("SWP Contractors") that are parties to State Water Project Water Supply Contracts with DWR (referred to herein plurally as "Water Supply Contracts" or singularly as "Water Supply Contract"). DWR determined that it would (i) acquire certain capacity rights in the Sites Reservoir Project, including the associated water supply, from the Sites Authority, as such acquisition is required and necessary for the purposes of the State Water Resources Development System, and (ii) offer shares in its acquired Capacity Interest and associated water supply to interested SWP Contractors to meet their needs and supplement their existing State Water Project supply. SWP Contractors obtaining shares of DWR's Capacity Interest from DWR are referred to herein as "SWP Participants".

1.2 DWR and the SWP Participants have executed amendments to their respective Water Supply Contracts that address the rights and responsibilities of DWR and the SWP Participants related to DWR's acquisition from the Sites Authority of capacity rights in the Sites Reservoir Project and associated water supply and deliveries of such acquired water supply to the SWP Participants, and requiring the SWP Participants to pay all DWR costs associated with such acquisition and delivery pursuant to the terms of their respective Water Supply Contracts.

1.3 This Appendix sets forth the terms and conditions for DWR's role in the Contract as the Acquirer to meet the needs of the SWP Participants and establishes certain special provisions applicable to the SWP Participants' rights, obligations, and liabilities under the Contract. The SWP Participants are a subset of signatories to the Contract, including specifically this Appendix 9, because SWP Participants have elected to participate in the Sites Reservoir Project by obtaining shares of DWR's Capacity Interest and receiving the associated water supply from DWR pursuant to the terms of their Water Supply Contracts. Upon occurrence of certain conditions set forth in paragraphs 13 and 14 of this Appendix, the SWP Participants may become subject to the uniform contractual provisions applicable to all Participants under the Contract, at the same percentage of total Sites Reservoir Project available capacity committed to herein as a shareholder in DWR's acquired Capacity Interests, as may be modified over time consistent with this Contact

and the SWP Participants' Water Supply Contracts.

1.4 Notwithstanding anything to the contrary in any other provisions of the Contract, this Appendix 9 shall apply to DWR as the Acquirer and each SWP Participant's rights, obligations and liabilities under the Contract, and to the corresponding rights, obligations and liabilities of the Sites Authority. If there is a conflict between the provisions of this Appendix 9 and any other provision of the Contract, this Appendix 9 shall prevail.

1.5 Unless defined differently herein, all acronyms, abbreviations and terms used in this Appendix 9 have the meanings given in the Contract.

1.1 Election to Become a SWP Participant

2.1 By signing below, (i) each SWP Participant elects to have DWR, as the Acquirer, acquire certain capacity rights and associated water supply, as set forth in the Project Specific Information, from the Sites Reservoir Project to meet the needs of that SWP Participant pursuant to that SWP Participant's Water Supply Contract and as set forth in Section 1.3.1 of the Contract and this Appendix 9, (ii) DWR agrees to fulfill the role of the Acquirer under the Contract to meet the needs of each SWP Participant, and (iii) the Sites Authority acknowledges and agrees with the special provisions applicable to the Acquirer and SWP Participants pursuant to this Appendix 9, and further agrees to comply with the State's general terms and conditions set forth in paragraph 18 of this Appendix.

2.2 A SWP Participant shall have the right to withdraw its election to be a SWP Participant by submitting a written notice to the Acquirer and the Sites Authority, specifying the effective date of such withdrawal. Such withdrawal shall be subject to the provisions in paragraph 13 of this Appendix.

2.3 After the Effective Date of the Contract, any other Participant that is a SWP Contractor holding a Water Supply Contract with DWR may elect to become a SWP Participant by signing this Appendix, subject to the Acquirer's and the Sites Authority's written approval, and after the execution of a Water Supply Contract amendment substantially similar to the Water Supply Contract amendments described in paragraph 1.2 of this Appendix.

2.1 Term

This Appendix 9 shall take effect upon the Effective Date of the Contract and shall remain in effect for as long as at least one SWP Participant retains contractual rights to a share of the Acquirer's Capacity Interest and associated water supply pursuant to this Appendix.

2. Applicability of Contract Provisions to SWP Participants

All Contract provisions applicable to a Participant or Participants shall apply to a SWP Participant, unless specifically provided otherwise in this Appendix or unless inconsistent with the provisions in this Appendix.

3. Acquirer's Capacity Interests

5.1 Notwithstanding anything to the contrary in Section 3.5 or any other provision of the Contract, the Sites Authority hereby grants to the Acquirer, and the Acquirer shall hold, in Acquirer's name, a Base Facilities Capacity Interest (referred to herein as "Acquirer's Base Facilities Capacity Interest"), for the benefit of the SWP Participants, as described in the Project Specific Information and otherwise in accordance with this Appendix. The Acquirer hereby designates shares of the Acquirer's Base Facilities Capacity Interest and associated Storage Allocation for the benefit of each SWP Participant in the amounts described in the Project Specific Information.

5.2 Notwithstanding anything to the contrary in Section 3.6 or any other provision of the Contract, the Sites Authority hereby grants to the Acquirer, and the Acquirer shall hold, in Acquirer's name, a Downstream Facilities Capacity Interest (referred to herein as "Acquirer's Downstream Facilities Capacity Interest"), for the benefit of those SWP Participants that desire to participate in funding and use of Downstream Facilities, as described in the Project Specific Information and otherwise in accordance with this Appendix. The Acquirer hereby designates shares of the Acquirer's Downstream Facilities Capacity Interest for the benefit of each SWP Participant in the amounts described in the Project Specific Information.

5.3 As applicable to each SWP Participant, any reference in the Contract, including any Appendices, to (i) a Participant's or Storage Partner's Base Facilities Capacity Interest shall mean that SWP Participant's share of the Acquirer's Base Facilities Capacity Interest, (ii) a Participant's or Storage Partner's Storage Allocation shall mean the Storage Allocation associated with that SWP Participant's share of the Acquirer's Base Facilities Capacity Interest, (iii) a Participant's or Storage Partner's Downstream Facilities Capacity Interest shall mean that SWP Participant's share of the Acquirer's Downstream Facilities Capacity Interest, (iv) a Participant's or Storage Partner's Capacity Interests shall mean that SWP Participant's share of the Acquirer's Capacity Interests, and (v) a Participant's Sites Water means that SWP Participant's share of the Acquirer's Sites Water.

1.1 Leasing, Sale, Purchase, Transfer and Assignment of Capacity Interests

6.1 Subject to Section 8 of the Contract, as modified by Section 1.3 of the Contract, a SWP Participant, in coordination with the Acquirer, may negotiate a lease or sale of that SWP Participant's share of the Acquirer's Base Facilities Capacity Interest and/or Downstream Facilities Capacity Interest to another Storage Partner or non-Storage Partner; provided that where a SWP Participant proposes to lease or sell such Capacity Interest to another entity that is not a SWP Participant, the other SWP Participants shall have a "right of first refusal" with respect to the lease or sale of such Capacity Interest on the terms provided

in the Lease Offer Notice or Sale Offer Notice, as applicable, before other Participants may exercise their "right of first refusal" pursuant to Section 8 of the Contract. In the event that more than one SWP Participant wish to exercise their "right of first refusal" pursuant to this paragraph, the Capacity Interest offered for lease or sale shall be apportioned pro-rata based on these SWP Participants' shares of the Acquirer's Base Facilities Capacity Interest or Downstream Facilities Capacity Interest, as applicable, unless these SWP Participants agree otherwise.

6.2 A SWP Participant, in coordination with the Acquirer, may negotiate a lease or purchase of another Participant's Base Facilities Capacity Interest and/or Downstream Facilities Capacity Interest, pursuant to Section 8 of the Contract. Upon written request from such SWP Participant to DWR and the Sites Authority, such leased or purchased Capacity Interest shall be added to the Acquirer's Base Facilities Capacity Interest and Downstream Facilities Capacity Interest, as applicable, and shall be held by the Acquirer pursuant to the terms of this Appendix for the benefit of the leasing or purchasing SWP Participant.

6.3 Any leasing, sale or purchase of a Capacity Interests, or portions thereof, by a SWP Participant shall be coordinated with the Acquirer and shall be subject to the Acquirer's approval pursuant to the terms and conditions of the SWP Participants' respective Water Supply Contracts. A SWP Participant shall be responsible for coordination with the Acquirer, obtaining any necessary approvals from the Acquirer, and otherwise ensuring compliance with that SWP Participant's Water Supply Contract before entering into any sale, lease or purchase of a Capacity Interest pursuant to the Contract. A SWP Participant shall be responsible for providing required notices of the final lease or sale to the Sites Authority pursuant to Section 8 of the Contract, and the Sites Authority shall update the Project Specific Information accordingly upon receipt of such notice.

6.4 A SWP Participant leasing its share of the Acquirer's Base Facilities Capacity Interest and/or Downstream Facilities Capacity Interest, or a portion thereof, to another entity shall remain liable and responsible for all obligations to the Acquirer associated with such Capacity Interest under the Contract and under that SWP Participant's Water Supply Contract and shall not be relieved of any such obligations as a result of such lease. A SWP Participant selling its share of the Acquirer's Base Facilities Capacity Interest and/or Downstream Facilities Capacity Interest, or a portion thereof, shall remain liable and responsible for all obligations to the Acquirer associated with such Capacity Interests under the Contract and under that SWP Participant's Water Supply Contract and shall not be relieved of any such obligations as a result of such sale until such time as the purchaser of such Capacity Interests assumes any and all payment responsibilities and other obligations associated with such purchased Capacity Interests, as required by the Contract

2.1 <u>Allocation, Storage and Release of Water</u>

7.1 Notwithstanding anything to the contrary in Section 4.4 or any other provision of the Contract, when the Sites Authority allocates Sites Water in Sites Reservoir to Storage Partners pursuant to Section 4.4 of the Contract, the Sites Authority shall allocate to the Acquirer the Sites Water based on the Acquirer's Base Facilities Capacity Interest up to the associated Storage Allocation. The Acquirer shall distribute its allocated Sites Water to the SWP Participants based on each SWP Participant's share of the Acquirer's Base Facilities Capacity Interest and in accordance with each SWP Participant's Water Supply Contract.

7.2 A SWP Participant may use its share of the Acquirer's Capacity Interest for the storage of its share of the Acquirer's allocated Sites Water or for storage of its Other Water pursuant to the terms of the Contract.

7.3 Each SWP Participant shall be responsible for scheduling releases of its share of the Acquirer's Sites Water or Other Water from the Sites Reservoir pursuant to the Contract, in coordination with the Acquirer. The Sites Authority shall maintain accurate records of the amount of Water released on behalf of each SWP Participant. Conveyance of released Sites Water or Other Water to the SWP Participants through the SWP Facilities shall be governed by the SWP Participants' respective Water Supply Contracts and/or other agreements with the Acquirer.

4. Sites Water Sales and Exchanges

A SWP Participant, in coordination with the Acquirer, may sell or Exchange its share of the Acquirer's Sites Water to other Storage Partners or other entities pursuant to Section 8.3 of the Contract. Any such sales or Exchanges of Sites Water by a SWP Participant shall be coordinated with the Acquirer and shall be subject to the Acquirer's approval pursuant to the terms and conditions of the SWP Participants' respective Water Supply Contracts. A SWP Participant shall be responsible for coordination with the Acquirer, obtaining any necessary approvals from the Acquirer, and otherwise ensuring compliance with its Water Supply Contract before entering into any sale or Exchange of Sites Water pursuant to the Contract.

5. Payment of Project Costs

9.1 The Acquirer agrees to pay to the Sites Authority the Project Costs under the Contract on behalf of each SWP Participant, provided that the Acquirer's financial obligations under the Contract shall be limited to and payable solely from the funding the Acquirer receives from the SWP Participants in payment of that portion of their State Water Project annual charges traceable to this Contract, as determined by DWR. Nothing in the Contract shall be interpreted as requiring the Acquirer to spend any money from any other sources in the performance of its obligations under this Contract.

9.2 As applicable to each SWP Participant, where Section 6 or any other provision of the Contract requires a Participant to make a payment of Project Costs to the Sites Authority or describes a Participant's funding obligation under the Contract, the Acquirer shall be responsible for making the payment or providing the funding to the Sites Authority associated with each SWP Participant's share

of the Acquirer's Capacity Interests. The full extent of the Acquirer's financial obligations under the Contract shall be to make such payments to the Sites Authority from the funds received from each SWP Participant pursuant to the terms of each SWP Participant's Water Supply Contract and traceable to this Contract, including this Appendix 9.

9.3 As applicable to each SWP Participant, where Section 6 or any other provision of the Contract requires the Sites Authority to make payments or disburse proceeds to a Participant, the Sites Authority shall make such payments or disburse proceeds to the Acquirer to be credited or otherwise accounted for by the Acquirer pursuant to that SWP Participant's Water Supply Contract.

9.4 When the Sites Authority provides an estimated statement of anticipated Project Costs to the Acquirer pursuant to Section 6.2 of the Contract, such statement shall specify anticipated Project Costs associated with each SWP Participant's share of the Acquirer's Capacity Interests for the following two Fiscal Years, including anticipated Fixed Project Costs, Financing Obligations, Fixed O&M Costs, and Variable O&M Costs. The Sites Authority acknowledges that the Acquirer will be relying on the estimated statements of anticipated Project Costs issued under Section 6.2 of the Contract to collect sufficient funds from the SWP Participants pursuant to the terms of their respective Water Supply Contracts. If the Sites Authority becomes aware of circumstances which may result in the Project Costs exceeding the relevant amounts included in the estimated statement of anticipated Project Costs, the Sites Authority shall notify the Acquirer and the SWP Participants of such exceedance as promptly as reasonably possible.

9.5 When the Sites Authority provides a Billing Statement to the Acquirer pursuant to Section 6.3 of the Contract, such Billing Statement shall identify the relevant Project Costs associated with each SWP Participant's share of the Acquirer's Capacity Interests, including Fixed Project Costs, Financing Obligations, Fixed O&M Costs, and Variable O&M Costs.

9.6 The Sites Authority shall establish individual reserve funds for each SWP Participant in the amounts agreed upon by the Sites Authority and each SWP Participant. The Sites Authority shall include each SWP Participant's agreed upon contributions to the reserve fund in: (i) estimated statements of anticipated Project Costs issued pursuant to Section 6.2 of the Contract, and (ii) Billing Statements issued pursuant to Section 6.3 of the Contract. The Sites Authority shall hold and manage each SWP Participant's reserve fund in accordance with the Sites Authority Policies. All interest and other investment earnings attributable to a SWP Participant's reserve fund shall be credited to that SWP Participant's reserve fund and shall remain available for the purposes described in this Appendix. The Sites Authority shall provide an annual report on the status of each reserve fund to the relevant SWP Participant and the Acquirer. Annual reserve fund reports shall separately identify the beginning balance, participant contributions, investment earnings, expenditures, and ending balance.

9.7 Upon a request from a SWP Participant and after coordination with the Acquirer, the Sites Authority shall apply the affected SWP Participant's reserve

fund held by the Sites Authority pursuant to Paragraph 9.6 of this Appendix to: (i) if needed, cover the difference between the amounts of Project Costs included in a Billing Statement and the relevant amounts included in an estimated statement of anticipated Project Costs issued under Section 6.2 of the Contract for the relevant billing period for the affected SWP Participant, and (ii) cover the amounts included in a supplemental Billing Statement for the affected SWP Participant issued under Section 6.11 of the Contract. If a SWP Participant's reserve fund does not have sufficient funds to cover the relevant payment obligation, the Sites Authority will apply the available reserve fund amounts in the following order: (i) Fixed Project Costs, (ii) Financing Obligations, (iii) Fixed O&M Costs, and (iv) Variable O&M Costs.

9.8 Notwithstanding anything to the contrary in Section 6.11 of the Contract, if the Sites Authority issues a supplemental Billing Statement and the affected SWP Participant's reserve fund under Paragraph 9.6 of this Appendix does not have sufficient funds to cover the total amount due under such supplemental Billing Statement, the amounts not covered by the affected SWP Participant's reserve fund shall be due and payable within 120 days after receipt of the supplemental Billing Statement by the Acquirer.

6. Communications and Sharing of Information

10.1 As applicable to the SWP Participants, where the Contract requires or allows the Sites Authority to provide a Participant with any notices, demands, reports, plans, requests, schedules, updates, forms, documents, or other communications, the Sites Authority shall provide to the Acquirer a copy of any such communication related to that SWP Participant at or around the same time as that communication is provided to the SWP Participant.

10.2 As applicable to the SWP Participants, where the Contract requires or allows a Participant to provide the Sites Authority with any notices, demands, reports, plans, requests, schedules, updates, forms, documents, or other communications, that SWP Participant shall provide to the Acquirer a copy of any such communication at or around the same time as that communication is provided to the Sites Authority.

10.3 As applicable to the SWP Participants, where the Contract provides a Participant with rights to access or inspect the Sites Owned Facilities or any records kept by the Sites Authority, the Acquirer shall have the same access and inspection rights.

7. Sites Reservoir Project Governance

11.1 The SWP Participants shall have a right to participate in the Reservoir Management Board or other Sites Reservoir Project governance to the same extent as other Participants in accordance with the Contract, the JPA Agreement and the Sites Authority Bylaws. The SWP Participants' rights to participate in the Sites Reservoir Project governance shall be based on each SWP Participant's share of the Acquirer's Base Facilities Capacity Interest.

11.2 The Acquirer shall not be a member of the Reservoir Management Board. Nothing in this Appendix shall affect DWR's statutory authority as an ex-officio member of the Sites Authority under California Water Code Section 79759.

8. Delinquency and Default

12.1 If a SWP Participant fails to make a timely payment for Project Costs to the Acquirer pursuant to the terms of that SWP Participant's Water Supply Contract, the Acquirer may offer to the other SWP Participants an opportunity to assume all or a portion of such delinquent SWP Participant's share of the Acquirer's Capacity Interest and related obligations under the Contract, including this Appendix 9, at a price and on the terms mutually agreed between the delinquent SWP Participant and the other SWP Participant(s) willing to assume all or a portion of the delinquent SWP Participant's share of the Acquirer's Capacity Interests, and subject to Section 8.2 of the Contract.

12.2 If the Acquirer fails to make a payment to the Sites Authority when due, as described in Section 10.1.1 of the Contract, and such failure was caused by a failure of a SWP Participant to make a required payment to the Acquirer pursuant to the terms of that SWP Participant's Water Supply Contract, such failure of the Acquirer to make a payment shall not be a liability or Default of the Acquirer, but shall constitute the applicable SWP Participant's Default under Section 10.1.1 of the Contract that may only be cured by a direct payment from such SWP Participant to the Sites Authority. If the Acquirer fails to make a payment to the Sites Authority when due, as described in Section 10.1.1 of the Contract, and such failure was not caused by any action or omission by the SWP Participant, then Acquirer shall take all steps necessary to make the payment at no cost or detriment to the SWP Participant.

12.3 In the event that the Sites Authority apportions a Defaulted Interest of any Participant to the remaining non-defaulting Participants pursuant to Section 10.3.6 of the Contract, a portion of such Defaulted Interest associated with each SWP Participant's share of the Acquirer's Base Facilities Capacity Interest and Downstream Facilities Capacity Interest shall be added to the Acquirer's Capacity Interest held by the Acquirer pursuant to the terms of this Appendix for the benefit of the affected SWP Participant.

1.1 Cessation of Appendix's Applicability to a SWP Participant

13.1 Upon occurrence of any of the following events and subject to the process below, this Appendix shall no longer apply to the affected SWP Participant:

a) A SWP Participant's Water Supply Contract terminates for any reason.

b) A SWP Participant submits a written notice to the Acquirer and the Sites Authority pursuant to paragraph 2.2 of this Appendix withdrawing its election to be a SWP Participant.

c) A SWP Participant fails to provide sufficient funds to the Acquirer to make payments to the Sites Authority for Project Costs under Section 6 of the

Contract, which failure results in a Default under Section 10.1.1 of the Contract.

13.2 Upon occurrence of an event in paragraph 13.1 of this Appendix 9, (i) this Appendix shall no longer apply to the affected SWP Participant, (ii) such affected SWP Participant shall become subject to all provisions of the Contract applicable to Participants that are not SWP Participants, and (iii) any interests, rights or obligations held by the Acquirer for the benefit of the affected SWP Participant pursuant to the Contract, including this Appendix, shall transfer to the affected SWP Participant. The Acquirer shall provide a written notice to the Sites Authority and the SWP Participants specifying the grounds for and effective date of cessation of this Appendix's applicability to the affected SWP Participant, and the Sites Authority shall update the Project Specific Information and any other relevant records accordingly.

13.3 If a SWP Participant sells its entire share of the Acquirer's Capacity Interest to another entity, this Appendix 9 shall no longer apply to the selling SWP Participant. If the purchasing entity is a SWP Participant, the selling SWP Participant's share of the Acquirer's Capacity Interest can be included in the Acquirer's Capacity Interest upon request of such purchasing SWP Participant, as described in paragraph 6.2 of this Appendix. If the purchasing entity is not a SWP Participant, the Acquirer's Capacity Interest shall be reduced accordingly and the Acquirer shall no longer be responsible for any obligations associated with such sold share.

9. Termination of the Acquirer's Participation in the Contract

14.1 The Acquirer shall have the right to terminate its participation in the Contract if the Acquirer reasonably determines that its participation in the Contract causes material adverse impacts to the State Water Project or the State Water Project contractors that are not SWP Participants. Before terminating its participation in the Contract, the Acquirer shall meet with the SWP Participants and the Sites Authority and attempt in good faith to develop measures that would avoid or mitigate the material adverse impacts to the State Water Project or the State Water Project contractors that are not SWP Participants. If there are no reasonable measures that can avoid or mitigate such material adverse impacts, as determined by the Acquirer, the Acquirer shall have the right to fully terminate its participation in the Contract.

14.2 Upon termination of the Acquirer's participation in the Contract, (i) this Appendix 9 shall terminate, (ii) the SWP Participants shall become subject to all provisions of the Contract applicable to Participants that are not SWP Participants, and (iii) any interests, rights or obligations held by the Acquirer for the benefit of the SWP Participants pursuant to the Contract, including this Appendix, shall transfer to these SWP Participants as Participants. The Acquirer shall provide a written notice to the Sites Authority and the SWP Participants specifying the grounds for and effective date of the termination of the Acquirer's participation in the Contract, and the Sites Authority shall update the Project Specific Information and any other relevant records accordingly.

1.1 Liability and Indemnification

Each SWP Participant agrees to defend and hold DWR, and its officers, employees, and agents harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR, and its officers, employees, and agents from all lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR, its officers, employees, and agents incur as a result of DWR's participation in the Contract as the Acquirer, except to the extent resulting from the sole negligence or willful misconduct of DWR. The SWP Participants' liability pursuant to this paragraph shall be joint and several unless the liability arises out of an individual SWP Participant's own action or omission, in which case that SWP Participant will be solely liable.

10. Amendments of Appendix

This Appendix can be amended or modified by a written agreement of the Reservoir Management Board, the Acquirer, and at least two thirds of the SWP Participants. This Appendix may be amended or modified without the need to amend the Contract. Upon an amendment of this Appendix, the Sites Authority shall provide a copy of the amended Appendix to all Participants.

11. Dispute Resolution

Any disputes between the Acquirer and the SWP Participant(s) arising in connection with the Contract or this Appendix, and not involving the Sites Authority or other Participants, shall not be subject to the Dispute Resolution Process under the Contract, but shall be governed by the SWP Participants' respective Water Supply Contracts.

12. State General Terms and Conditions

The Sites Authority will comply with the State of California Standard Clauses set forth below.

18.1 ASSIGNMENT: This Contract is not assignable by the Sites Authority, either in whole or in part, without the consent of DWR in the form of a formal written amendment.

18.2 AUDIT: The Sites Authority agrees that DWR, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Contract. The Sites Authority agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. The Sites Authority agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

18.3 NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, the Sites Authority and its subcontractors shall not deny the Contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression,

age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. The Sites Authority shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. The Sites Authority and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), and the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5). The Sites Authority shall permit access by representatives of the Department of Fair Employment and Housing and DWR upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or DWR shall require to ascertain compliance with this clause. The Sites Authority and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.) The Sites Authority shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Contract.

18.4 CHILD SUPPORT COMPLIANCE ACT: The Sites Authority acknowledges in accordance with Public Contract Code 7110, that:

(a) The Sites Authority recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

(b) The Sites Authority, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

18.5 DRUG-FREE WORKPLACE REQUIREMENTS:

The Sites Authority will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

(a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

(b) Establish a Drug-Free Awareness Program to inform employees about:(i) the dangers of drug abuse in the workplace; (ii) the person's or

organization's policy of maintaining a drug-free workplace; (iii) any available counseling, rehabilitation and employee assistance programs; and, (iv) penalties that may be imposed upon employees for drug abuse violations.

(c) Every employee who works on the Contract will: (i) receive a copy of the drug-free workplace policy statement; and (ii) agree to abide by the terms of the statement as a condition of employment on the Contract.

Failure to comply with these requirements may result in suspension of payments under the Contract or termination of the Contract or both and the Sites Authority may be ineligible for award of any future State agreements if DWR determines that any of the following has occurred: the Sites Authority has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

18.6 CONFLICT OF INTEREST:

The Sites Authority needs to be aware of the following provisions regarding current or former state employees. If the Sites Authority has any questions on the status of any person rendering services or involved with the Contract, DWR must be contacted immediately for clarification.

(a) Current State Employees (Pub. Contract Code §10410):

1. No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2. No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

(b) Former State Employees (Pub. Contract Code §10411):

1. For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2. For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If the Sites Authority violates any provisions of this Section 18.6, such action by the Sites Authority shall render this Contract void. (Pub. Contract Code §10420.) Members of boards and commissions are exempt from this Section 18.6 if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e)).

18.7 LABOR CODE/WORKERS' COMPENSATION: The Sites Authority needs to be aware of the provisions which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions, and the Sites Authority affirms to comply with such provisions before commencing the performance of the work of this Contract. (Labor Code Section 3700)

18.8 AMERICANS WITH DISABILITIES ACT: The Sites Authority assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

18.9 AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Sites Authority shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

18.10 GENERATIVE AI DISCLOSURE OBLIGATIONS:

(a) The following terms are in addition to the defined terms and shall apply to the Contract:

"Generative AI (GenAI)" means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Gov. Code § 11549.64.)

(b) The Sites Authority shall immediately notify DWR in writing if it: (1) intends to provide GenAI as a deliverable under the Contract; or (2) intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term "materially impacts" shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.

(c) Notification shall be provided to the DWR designee identified in this Contract.

(d) At the direction of DWR, the Sites Authority shall discontinue the provision to DWR of any previously unreported GenAI that results in a material

impact to the functionality of a State system, risk to the State, or Contract performance, as determined by DWR.

(e) If the use of previously undisclosed GenAI is approved by DWR, then the Sites Authority will update the deliverable description, and the Parties will amend this paragraph 18.10 accordingly, which may include incorporating the GenAI special provisions, at no additional cost to the State.

(f) DWR, at its sole discretion, may consider the Sites Authority's failure to disclose or discontinue the provision or use of GenAI as described above, to constitute a material breach of Contract when such failure results in a material impact to the functionality of the State system, risk to the State, or Contract performance. DWR is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the Contract.

SITES PROJECT AUTHORITY

By:_____
Name:
Title:
Date:

STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES

By:_____
Name:
Title:
Date:

[INSERT SWP PARTICIPANT]

By:_____
Name:
Title:
Date:

[INSERT SWP PARTICIPANT]

By:_____
Name:
Title:
Date:

[INSERT SWP PARTICIPANT]

By:_____
Name:
Title:
Date:

[INSERT SWP PARTICIPANT]

By:_____
Name:
Title:
Date:

[INSERT SWP PARTICIPANT]

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[INSERT SWP PARTICIPANT]

By:_____
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THIRD AMENDED AND RESTATED BYLAWS OF THE SITES PROJECT AUTHORITY FOR PHASES 3, 4 and 5 OF THE SITES RESERVOIR PROJECT

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[Note: This Draft of the Phase 3-4-5 Bylaws is being provided as a draft, and the terms reflected in this draft remain subject to further revision and negotiation among the parties involved.]

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1 Relationship: Agreement and Bylaws

1.1. Agreement: The Sites Project Authority Joint Powers Agreement (Agreement) is the chartering document that defines, among other things:

- The Authority's members and general limitations on membership in the Authority;
- The Authority's powers relative to the Sites Reservoir Project (the "Project"), as further defined in these Bylaws, the Joint Exercise of Powers Act (Cal. Gov. Code §§ 6500 *et seq*.) and the California Irrigation District Law (Cal. Water Code §§ 20500 *et seq.*);
- The Authority's purpose, which is specific to the Project;
- The Authority Board's officers;
- Minimum meeting and voting requirements;
- The adoption and amendment of these Bylaws.

1.2 Bylaws: These Bylaws are adopted pursuant to the Agreement and consistent with the Benefits & Obligations Contract, which collectively constitute the contract provisions for the sharing of the governance of the Sites Project between the Authority and Reservoir Management Board, provide for the delegation of authority to the Reservoir Management Board (defined below), and provide procedures for administration of the Authority.

1.3. Severability: If one or more clauses, sentences, paragraphs or provisions of these Bylaws are held to be unlawful, invalid or unenforceable, the remainder of these Bylaws shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be reformed in the manner provided for in Section 14 below so as to be lawful, valid, and enforced to the maximum extent possible.

1.4 Amendments of Bylaws: The Bylaws may only be amended as provided at Section 8.2 of the Agreement and Section 12.3.8. .

2 [Reserved]

3 Definitions

3.1. Authority Board: The governing body of the Authority, composed of each Authority Member's delegate (or its respective alternate if the delegate is not present).

3.2. Benefits & Obligations Contract: The contract entered into by and between the Authority and each Project Participant governing each Project Participant's share of the Project's water, storage capacity and conveyance capacity, and related rights, duties and obligations.

3.3. Event of Default: Described in Section 10 of the Benefits & Obligations Contract.

3.4. Material Change: Any change to the Project, including without limitation its governing documents, operations, permits and entitlements, as identified in the Agreement or in Section 12 below.

3.5. Authority Member: An entity that meets the requirements of California Water Code § 79759 (a) or (b) and that is listed in the opening paragraph of the Agreement.

3.6. Partner Agreements: Any agreement entered into between the Authority and another entity in accordance with which the Authority has the right to convey Project water to or from the Project, as amended from time to time.

3.6. Phase: Implementation of the Project is entering its final design, construction and operations phases, sometimes referred to as Phases 3, 4, and 5.

For the Authority to accomplish its mission in an efficient and cost-effective manner, the start of a successor phase may overlap with the completion of the predecessor phase. As provided in these Bylaws, such overlap shall require Reservoir Management Board approval, as it affects annual operating budgets and the respective Project Participant's financial obligations under the Benefits & Obligations Contract.

3.7. Project Participant: An agency, entity or company, that may or may not be an Authority Member, and participates in the Project as a signatory to the Benefits & Obligations Contract. In the case where the California Department of Water Resources (DWR) signs the Benefits & Obligations Contract on behalf of a Project Participant whose Project costs are included on that Project Participant's Statement of Charges, the Project Participant, and not DWR, is considered the signatory for purpose of the Agreement and these Bylaws. These Bylaws and the Benefits & Obligations Contract provide for the rights, duties and obligations of the Project Participants.

3.8. Reservoir Management Board: A committee of the Authority Board composed of representatives of Project Participants. The Reservoir Management Board functions to exercise the "Delegated Authorities" more specifically identified in Section 10 of these Bylaws, which are all such powers to design, construct, operate and maintain the Project, and which are not Reserved Powers defined in the Agreement. These Bylaws constitute the charter for the Reservoir Management Board, including the manner in which it conducts itself and the conditions of membership.

3.9 State and Federal Contracts: Contracts between the Authority and State and Federal agencies concerning Project funding, permitting, and operations, including, without limitation, the Proposition 1 Water Storage Investment Program Contract and the Reclamation Partnership Agreement, or each of them as the context requires, but excluding any agreement the Authority enters into with a federal agency pursuant to the Water Infrastructure Finance and Innovation Act (WIFIA).

4.0 Water Right: The water right obtained and owned by the Authority for the Project.

4 Board of Directors and Officers

In addition to the primary requirements applicable to the Authority Board defined in the Agreement, the following additional requirements shall apply:

4.1. Role of Authority Board: To act as the Project owner and exercise the Reserved Powers (as defined in the Agreement) in a manner consistent with the Agreement and these Bylaws.

4.2. Minimum Qualifications: Each Director shall be a designated representative from his or her respective Authority Member that is in good standing as defined at Section 8.1. Absentee votes shall not be considered. An Authority Member's designated alternate is not eligible to be candidate for an Officer position. If an Officer is the designated representative of an Authority Member that is not in good standing and that Authority Member's voting rights have been suspended as provided at Section 7.3 of the Agreement, then that Officer shall no longer be eligible to serve as an officer of the

Authority Board and the Authority Board shall make an appointment for the remaining duration of that office.

4.3. Officer Term Limits: Board officers shall serve a term that does not exceed one year in duration. A Board officer is not precluded from holding consecutive terms.

4.4 Election of Officers: The Authority Board shall annually elect the Chair and one or more Vice Chairs from among the Directors. The Board shall annually appoint a Secretary and Treasurer and may appoint any other officers or assistant officers as the Board may determine, which officers need not be Directors. Elections shall occur annually, at the regularly scheduled Board meeting in February, or if for any reason the election does not occur, then at the next meeting of the Authority. For each position, the candidate receiving the majority vote from the Authority Members present shall be the successful candidate. Officers shall assume office upon their election and shall serve until their successor is elected.

4.5 Officer Vacancy: Should an officer position become vacant, the Board shall make an appointment for the remaining duration of the vacated position's term.

4.6. Treasurer's Roles and Responsibilities:
The Treasurer shall meet or exceed the requirements of Government Code Section 6505.5 and the Authority shall secure a bond for the position.

The Treasurer shall ensure auditor's reports are filed as required by law, manage the annual budget preparation in accordance with Authority Board and Reservoir Management Board's direction and the Authority Board's and Reservoir Management Board's approval of the budget, and take such other actions or assume such duties as the Authority Board and Reservoir Management Board may reasonably assign from time to time.

4.7. Secretary's Roles and Responsibilities:
Ensure Authority Board and Reservoir Management Board agendas, minutes, and meeting protocol, and preparation of agendas and minutes as may be delegated by the Board to a Board Clerk are prepared in accordance with public agency standard practice.

4.8. Location: The Sites Project Authority's principal place of business and office and mailing addresses are:

Physical Address:	Mailing Address:
122 Old Highway 99 West	P.O. Box 517
Maxwell, CA 95955	Maxwell, CA 95955

4.9 Meeting Locations/Teleconference meetings:

a. Most meetings of the Authority Board and Reservoir Management Board will be jointly held at the principal office in Maxwell; however, because the Authority Board and Reservoir Management Board have members throughout the State, and in accordance with Water Code section 79759(b) includes the Department of Water Resources (DWR) as an Ex Officio Member of the Authority, some meetings of the Authority Board or Reservoir Management Board may be held elsewhere in the State.

b. Meetings of the Authority Board or Reservoir Management Board shall comply with the provisions of the Brown Act governing conduct and location of meetings. For

purposes of providing video or teleconferencing access for meetings of the Authority Board or the Reservoir Management Board, at least a quorum of the Authority Board or the Reservoir Management Board shall participate from within the combined territory of the Authority Members or the Project Participants, as the case may be. Such meetings shall be accessible to the general public either in person or by video or teleconferencing.

5 Reservoir Management Board Leadership and Administrative Process

5.1 Establishment of Reservoir Management Board: Section 3.5 of the Agreement establishes a Reservoir Management Board of the Authority, which is composed of representatives of Project Participants. The Reservoir Management Board functions to exercise the "Delegated Authorities", which are all such powers to design, construct, operate and maintain the Project, and which are not Reserved Powers defined in Section 2.3 of the Agreement, and which are further described in Section 10 of these Bylaws.

5.2 Conditions of Reservoir Management Board Membership: Membership on the Reservoir Management Board shall be conditioned upon a Project Participant entering into the standard form of Benefits & Obligations Contract with the Authority, and remaining in good standing according to the terms and conditions of Section 8.1 of these Bylaws. Except for Authority Members who enter into the Benefits & Obligations Contract, consistent with Section 12.3.12 below, the decision of whether to approve an entity for membership on the Reservoir Management Board requires an affirmative vote of at least seventy-five percent (75%) of the weighted vote of the Reservoir Management Board and at least seventy-five percent (75%) of the Authority Board.

5.3 Appointment of Reservoir Management Board Representatives: Project Participants (including Authority Members that sign the Benefits & Obligations Contract) in good standing shall appoint their respective representative to the Reservoir Management Board who is either an active member of the Project Participant's legislative body or is a duly appointed senior-level staff that has been delegated the authority by resolution or other action of the legislative body of the Project Participant (or if the Project Participant is not a public agency, by notice to the Authority and Reservoir Management Board from the Project Participant's executive leadership) to make decisions on the Project Participant's behalf.

5.4 Reservoir Management Board Leadership: The Reservoir Management Board shall annually elect a Chair and one or more Vice Chairs from among the Project Participants, and may appoint a Secretary and Treasurer and may appoint any other officers or assistant officers as the Reservoir Management Board may determine. The Reservoir Management Board may combine the offices of Secretary and Treasurer. Elections shall occur annually at the regularly scheduled Reservoir Management Board meeting in February, or if for any reason the election does not occur, then at the next meeting of the Reservoir Management Board. For each position, the candidate receiving the majority vote from the Project Participants present shall be the successful candidate. Officers shall assume office upon their election and shall serve until their successor is elected. The Reservoir Management Board Treasurer may be the Authority Treasurer, or if not, shall serve under the general supervision of the Authority Treasurer.

5.5 Officer Term Limits: Officers of the Reservoir Management Board shall serve a term that does not exceed one year in duration. They are not precluded from holding consecutive terms.

5.6 Reservoir Management Board Officer Vacancy: Should a Reservoir Management Board officer position become vacant, the Reservoir Management Board shall make an appointment for the remaining duration of the vacated position's term.

5.7 Quorum and Voting of the Reservoir Management Board: A weighted majority of the Reservoir Management Board representatives representing Project Participants (including Authority Members that have executed the Benefits & Obligations Contract) shall constitute a quorum for the Reservoir Management Board, unless otherwise provided in the Benefits & Obligations Contract. Each Project Participant's voting rights shall be calculated as follows:

a. An equal number of voting shares for each Project Participant, that being one (1) divided by the total number of Project Participants, multiplied by fifty (50); plus

b. An additional number of voting shares for each Project Participant equal to its Base Facilities Capacity Interest (defined in the Benefits & Obligations Contract) divided by the total Base Facilities Capacity Interest of all Project Participants identified in the Benefits & Obligations Contract, multiplied by 50.

The figures calculated pursuant to items (a) and (b) above shall result in a weighted total of all voting shares of 100. Absentee votes shall not be considered. Voting thresholds to approve actions, including routine matters, and Material Change and Shared Decisions Items, shall be as provided in these Bylaws. Voting thresholds shall be based on the Project Participants present at a meeting of the Reservoir Management Board and eligible to vote.

5.8 Election to Withdraw: Should a Project Participant elect to withdraw from its participation in the Project, the conditions of any such withdrawal shall be as set forth in the Benefits & Obligations Contract.

5.9 Termination of a Benefits & Obligations Contract: The Benefits & Obligations Contract may be terminated with respect to any Project Participant under conditions set forth in the Benefits & Obligations Contract.

5.10 Sales and Use Tax Revenues: Any agreement with third parties providing for the acquisition, construction, or management of the Project shall include provisions to provide for allocation of sales and use tax revenues to the County of Colusa or County of Glenn or County of Yolo, as applicable, to the greatest extent provided by law. Such agreements shall be developed in collaboration with the County of Colusa, the County of Glenn, and the County of Yolo.

6 Provisions Common to Authority Board and Reservoir Management Board

6.1. Conflict of Interest Code: Each Director of the Authority Board and their delegated alternate and each Project Participant's representative serving on the Reservoir Management Board or their delegated alternate shall timely file Statements of Economic Interest as required by the Authority' s Conflict of Interest Code.

6.2. Compensation: No compensation shall be granted by the Authority to (a) any Director of the Authority Board or delegated alternate or (b) any Project Participant's representative to the Reservoir Management Board or delegated alternate. When travel has been pre- approved by either the Authority or Reservoir Management Board leadership, respectively, the representative is eligible to recover reasonable travel and related expenses.

6.3. Closed Sessions: The Authority Board or the Reservoir Management Board, as the case may be, may enter into a closed session during a regular, adjourned regular or special meeting to consider matters that may lawfully be considered in such sessions in the manner provided by law. Consistent with the manner in which the Brown Act (Gov. Code § 54950 *et seq.*) has been interpreted and applied, no alternate is to attend closed session in addition to an alternate's Authority Board Director or Reservoir Management Board representative; rather, an alternate may only attend in the place of the alternate's absent Authority Board Director or Reservoir Management Board representative. After a closed session, the Authority Board or Reservoir Management Board will report publicly any action taken in closed session, as well as the vote or abstention of any member or representative present, to the extent required by the Brown Act.

The Authority Board Directors and Reservoir Management Board representatives that attend a closed session may disclose information obtained in a closed session that has direct financial or liability implications for that Authority Member or Project Participant to the following individuals: (a) legal counsel of the Authority Member or Project Participant for purposes of obtaining advice on whether the matter has direct financial or liability implications to it; and (b) members of the legislative body of the Authority Member or Project Participant present in a closed session of that Authority Member or Project Participant.

7 Parties Involved in Project Oversight; State and Federal Partners

7.1. Authority Member:

An Authority Member is an entity that is signatory to the Agreement, that (1) meets the joint powers authority ("JPA") membership requirements of California Water Code § 79759(a) and (b) and, (2) that has the power to exercise the powers that the Authority exercises, as described in the Agreement.

Subject to the terms and conditions of Section 3.3 of the Agreement, the Authority Board retains its sole discretion to offer Authority membership to an eligible entity. Should the Authority Board elect to offer a membership in the Authority to the requesting party, the requesting party shall then be required to execute the Agreement and do all things necessary to remain in good standing as described in Section 8.1 below. Membership in the Authority does not guarantee a new Authority Member's ability to enter into the Benefits & Obligations Contract and, by extension, membership on the Reservoir Management Board.

Authority Membership may be extended in the manner provided for in Section 3.3 of the Agreement to a non-profit mutual water company that complies with the Authority membership requirements.

7.2. Project Participant: An agency, entity or company that is described in Section 3.7.

7.3. State and Federal Partners:

As provided for in Section 3.2 of the Agreement, the Authority may enter into a State or Federal Contract, as applicable, with DWR and/or the Bureau of Reclamation (Reclamation). Pursuant to California Water Code § 79759(b), DWR shall be an Ex Officio Member of the Authority, but shall be non-voting and "shall not control the governance, management, or operation" of the Project. DWR

shall not be a Project Participant.

7.4 Associate Member: Either (1) a public agency that has as its sole or a principal power the supplying of water (and/or power) to other entities or to retail water (and/or power) users that also meets the joints powers authority membership requirements of California Water Code § 79759(a) & (b), but elects to accept an advisory role from the Authority, (2) a non-profit mutual water company that complies with the non-profit JPA membership requirements of California Water Code § 79759(b), but elects to accept an advisory role from the Authority, or (3) a Project Participant that opts to serve on the Authority Board.

Financial Contribution: An annual contribution of $5,000, or as otherwise established from time to time by the Board.

Attributes of an Associate Member:

- Shall be non-voting.
- In a non-voting capacity, may serve on standing committees formed by the Authority Board.
- May serve on ad hoc committees appointed by the Authority Board Chair.
- Upon approval by the Authority Board Chair, may chair a committee.
- May participate in closed session.

8 Authority Member and Project Participant Requirements

8.1. Good Standing: To participate in their respective decision-making functions, each Authority Member and Project Participant is required to comply with the following conditions:

8.1.1. Compliance with, as applicable, the terms and conditions of the Agreement, these Bylaws, the Benefits & Obligations Contract, and any policies or procedures the Authority Board or the Reservoir Management Board may adopt;

8.1.2. Providing timely payment of financial obligations, namely, (i) for Authority Members, general and administrative costs assessed by the Authority Board, and (ii) for Project Participants, payments required under the Benefits & Obligations Contract.

Failure to remain in good standing may subject the Authority Member or Project Participant to disciplinary action that, at the discretion of the Authority Board or Reservoir Management Board, as the case may be, may include suspension of voting rights and/or removal from either the Authority and/or Reservoir Management Board.

The Authority Board shall make determinations of good standing pertaining to the Authority Board and the Reservoir Management Board. The Reservoir Management Board shall make determinations of good standing pertaining to the Reservoir Management Board.

8.2. Representation: An Authority Member's or Project Participant's decision to designate a representative to either the Authority Board or the Reservoir Management Board shall be communicated in writing to the Secretary of the Authority Board and/or Reservoir Management Board, as applicable. The written notification shall include an effective date of the designation.

8.3. Conflict of Interest: The Authority has adopted and may from time to time amend its Conflict of Interest Code adopted pursuant to the Political Reform Act of 1974 (Cal. Gov. Code §§ 87000 *et*

seq.) and regulations adopted by the Fair Political Practices Commission set forth in Title 2, California Code of Regulations. Directors of the Authority Board and Reservoir Management Board representatives shall comply with such Code and Political Reform Act and other laws applicable to conflicts of interest.

8.4. Local Capacity Interest Representation: The Participants may endeavor to maintain Local Capacity Interest representation, understood as representation by Participants from within the Sacramento Valley hydrologic region, at approximately twenty-five percent (25%) of total Capacity Interest. Participants may count the use of water by Reclamation in the Sacramento Valley hydrologic region pursuant to the Reclamation Partnership Agreement toward the percentage goal provided for in this Section 8.4. Efforts to maintain such a percentage are not intended to, and shall not, limit a Participant's discretion to sell or lease its Capacity Interest.

9 Committees

9.1. Common: Each committee of the Authority or the Reservoir Management Board shall have a chartering document approved by the Authority Board or Reservoir Management Board, which will include, among other things, quorum and discussion protocols for conduct of meetings of the committee.

9.2. Committees:

9.2.1. Each committee of the Authority Board shall comprise less than a quorum of the Authority.

9.2.2. Each committee of the Reservoir Management Board shall comprise less than a quorum of the Reservoir Management Board.

9.2.3. Standing Committees: Either Chair may elect to create standing committees as necessary to ensure successful completion of the Authority's mission.

9.2.4. Ad-Hoc Committees: Either Chair may elect to create ad-hoc committees to address specific issues or area of concern to the Authority Board or Reservoir Management Board.

10 Authority Board's Reserved Powers and Delegation of Authorities to Reservoir Management Board

10.1. Reserved Powers: Article 2 of the Agreement sets forth the Authority Board's "Reserved Powers" relative to the Project and the manner in which those powers may be exercised.

10.2. Delegated Authorities: As provided in Section 3.5 of the Agreement, all such powers to design, construct, operate and maintain the Project, and that are not Reserved Powers, are the "Delegated Authorities" of the Reservoir Management Board. Such Delegated Authorities include the following:

10.2.1. Plan, develop and approve annual operating budget for the Project for consideration by the Authority Board, which consideration is subject only to the limitations identified in Section 2.3.9 of the Agreement.

10.2.2. Plan, approve and oversee Project work plans.

10.2.3. Approval of contracts for consulting services, construction contractors, vendors, and other service providers related to Project implementation; provided, however, that notwithstanding any term or condition of these Bylaws to the contrary, if the vote against a Construction Contract referenced in Section 3.2.1 of the Benefits & Obligations Contract that causes the value of all construction contracts to exceed $500 million includes two (2) or more Reservoir Management Board representatives and the disapproving Reservoir Management Board representatives combined represent more than fifteen percent (15%) of the Reservoir Management Board's weighted vote, the Construction Contract shall not be approved.

10.2.4. Oversight, evaluation, and enforcement of consultant contracts, including management of change orders and dispute resolution.

10.2.5. Overall cost management to ensure obligations or commitments remain within each annually approved operating budget.

10.2.6. Management and implementation of all aspects of Project design and construction.

10.2.7. Compliance with auditing and accounting requirements applicable to the Authority.

10.2.8. Ensuring compliance to meet commitments set forth in State and Federal Contracts, and permits.

10.2.9. Policy direction over activities to meet commitments set forth in applicable Federal and State permits, rules and regulations.

10.2.10. Adoption of, implementation of, and amendments to, the Operations Plan identified in the Benefits & Obligations Contract.

10.3. To the extent action of the Authority Board is reasonably necessary to effectuate the Reservoir Management Board's exercise of its Delegated Authorities, the Authority Board shall take such action without condition or delay absent the Authority Board's demonstration that the action would either (1) be contrary to the law, including rules provided for under any Project permit or entitlement, or (2) violate any contract, including, without limitation, the Benefits & Obligations Contract or a State or Federal Contract. Such action includes, without limitation and by way of example only, approval of a notice of award or execution of a consultant's contract for services upon the Reservoir Management Board's selection of a consultant pursuant to Section 10.2.3 above.

10.4. Provided that the Reservoir Management Board's exercise of its Delegated Authorities does not also qualify as a Material Change and Shared Decision defined in Section 12 below, and except as expressly provided in Section 10.2.3 above, such exercise is subject to a weighted majority vote of the Reservoir Management Board.

10.5 In no event shall the Reservoir Management Board's inaction or decision not to undertake the exercise of a Delegated Authority be construed as the Reservoir Management Board's waiver of a Delegated Authority, or as authorization for the Authority Board to exercise a Delegated Authority.

11. Authority Board and Reservoir Management Board Delegations to Authority Executive Director

The Executive Director shall have general operational responsibility relative to the Project, including but not limited to the management and evaluation of Project consultants and contractors, administration of the annual Project budget as approved by the Authority Board and Reservoir

Management Board and implementing the Project in accordance with policy direction given by the Authority Board and/or Reservoir Management Board. The specific authorities of the Executive Director will be set forth in a delegation of authority matrix that the Authority Board and Reservoir Management Board may amend from time to time. The delegation of authority matrix will be a joint document and will describe the authorities for decision-making between each body and the Executive Director and as it relates to shared decision making.

12 Material Changes and Shared Decision Making

12.1. These provisions shall apply to decisions where the Authority Board and the Reservoir Management Board are required to make joint decisions.

12.2. As the Project progresses, what constitutes a Material Change and Shared Decision along with the associated thresholds for a Material Change and Shared Decision may require amendment to these Bylaws.

12.3. The following constitute Material Changes which require Shared Decision making, and require both (i) a seventy-five percent (75%) vote of the Authority Board and (ii) unless otherwise specified below, a seventy-five percent (75%) vote of the Reservoir Management Board, to take a formal action or make a policy decision:

12.3.1. Decisions involving acquisition, use, and disposition of lands owned by the Authority.

12.3.2. Local agreements, including, without limitation, land acquisition agreements, land management agreements and Partner Agreements.

12.3.3. Changes to, and enforcement of, the Sites Water Right.

12.3.4. Changes to the Project that affect the operations of existing shared conveyance facilities owned and/or operated by Authority Members or other entities, and any amendments to Partner Agreements resulting from such operational changes.

12.3.5. Changes to environmental permits and approvals.

12.3.6. Changes in local Capacity Interest representation (see Section 8.4 above) as delineated in the Benefits & Obligations Contract.

12.3.7. Recreation management.

12.3.8. Amendments to these Bylaws; provided that, notwithstanding any term or condition of these Bylaws to the contrary, if the vote against any amendment includes two (2) or more Reservoir Management Board representatives and the disapproving Reservoir Management Board representatives combined represent more than fifteen percent (15%) of the Reservoir Management Board's weighted vote, the amendments shall not be approved.

12.3.9. Amount or terms of debt assumed by the Authority, or other financing instruments secured by the Authority; provided that, notwithstanding any term or condition of these Bylaws to the contrary, if the vote against any such amount or terms includes two (2) or more Reservoir Management Board representatives and the disapproving Reservoir Management Board representatives combined represent more than fifteen percent (15%) of the Reservoir Management Board's weighted vote, the amount or terms shall not be approved.

12.3.10. A decision to terminate the Project.

12.3.11 Formation of a new Joint Powers Authority in the event of termination of the Agreement, as provided for in Section 7.1.1 therein.

12.3.12. Execution of a new Benefits & Obligations Contract.

12.3.13. Establishment of or changes to risk management policies.

12.3.14. Statewide outreach, legislative affairs and public relations

12.3.15. Decisions concerning litigation, including (1) whether to file litigation, (2) legal representation, (3) litigation strategy, and (4) settlement terms; provided that, notwithstanding any term or condition of these Bylaws to the contrary, if the vote against any such litigation decision includes two (2) or more Reservoir Management Board representatives and the disapproving Reservoir Management Board representatives combined represent more than fifteen percent (15%) of the Reservoir Management Board's weighted vote, the litigation decision shall not be approved..

12.3.16. Selection and performance review of Executive Director.

12.3.17. Selection and performance review of General Counsel and all special counsel, with the understanding and acknowledgement that the client of the General Counsel and special counsel is the entire Authority, including the Reservoir Management Board.

12.3.18. Use of Project facilities for "Other Water," as that term is defined in the Benefits & Obligations Contract.

12.4. The foregoing is intended to be an exhaustive list of Material Changes and Shared Decisions.

13 Dispute Resolution

13.1. Any dispute between and among Authority Members shall be addressed in the manner provided for in the Agreement.

13.2. Any disputes between the Authority Board and a Project Participant or group of Project Participants shall be addressed in the manner provided for in the Benefits & Obligations Contract.

13.3. Any dispute between the Authority Board and the Reservoir Management Board (a "Dispute") shall be managed as follows:

13.3.1. A party that has identified a Dispute shall, within fifteen (15) days of the event giving rise to the Dispute, provide the Executive Director a written notice of the Dispute. The Executive Director shall investigate the merits of the Dispute and notify the Reservoir Management Board and Authority Board of the Executive Director's findings as to the merits of the Dispute and any recommended action for resolving the Dispute.

13.3.2. Should the party that has lodged the Dispute disagree with the Executive Director's assessment or proposed resolution, its remedy shall be as follows:

(a) The Chair of the Authority Board and the Chair of Reservoir Management Board shall each designate representatives to undertake Dispute resolution discussions among Authority Board

representatives, Reservoir Management Board representatives, and the Executive Director. Such designation can include the Chairs themselves, and must include less than a quorum of each body.

(b) If said Dispute is not resolved within 30 (thirty) calendar days through informal discussions among the Executive Director and the designated representatives, either the Authority Board or the Reservoir Management Board may, upon approval of seventy-five percent (75%) of its membership, submit the Dispute to formal mediation. The parties shall agree to the choice of mediator, or, if the parties cannot agree upon a mediator, one shall be appointed by the Superior Court of Colusa County upon motion for appointment of a neutral mediator. The cost of mediation shall be split evenly between the Authority Board and the Reservoir Management Board.

(c) If the mediation process does not provide a final resolution to the Dispute raised, either the Authority Board or the Reservoir Management Board may submit the matter to binding arbitration under Section 1280 et seq. of the Code of Civil Procedure.

13.3.3. If necessary to avoid damage or to preserve the status quo prior to the completion of the mediation or arbitration process, either the Authority Board on one hand, or a Project Participant or group of Project Participants on the other, may seek a preliminary injunction or other interlocutory judicial relief in a court of competent jurisdiction. Any such action brought by a Project Participant or Participants shall be brought in the name of such Project Participant or Participants, and not in the name of the Reservoir Management Board.

14 Interpretation

These Bylaws, the Agreement and the Benefits & Obligations Contract are to be interpreted in a manner that attempts to reconcile each with one another, and afford the terms of each the fullest possible effect. In no event shall any such interpretation be predicated upon arbitrary, capricious, or unreasonable opinions or determinations. In the event of a conflict between these Bylaws and the Agreement, these Bylaws shall control. In the event of a conflict between these Bylaws and the Benefits & Obligations Contract, the Benefits & Obligations Contract shall control.

Upon the identification of any conflicting terms in the foregoing, the Authority Board and Reservoir Management Board shall undertake prompt and good faith efforts to eliminate such conflicting terms in a manner consistent with the governance structure provided for in the Agreement and these Bylaws.

Notwithstanding anything in the foregoing to the contrary, in the event of any conflict between the Agreement and either the Bylaws or the Benefits & Obligations Contract, the Agreement shall control as to Section 2.6 of the Agreement, which provides as follows:

> GCID, RD 108 and TCCA Operations: The Authority Members anticipate that the Project will be within or adjacent to GCID, RD 108, and/or TCCA districts with at least a portion of the conveyance of water into the Sites Reservoir to be accomplished by wheeling water through GCID's Main Canal, facilities that currently exist or that might in the future be constructed within the boundaries of RD 108, and/or the Tehama-Colusa Canal. Notwithstanding anything to the contrary in the Bylaws, the Benefits & Obligations Contract, or any other Authority document, record or instrument

concerning Project operations or governance, as the same may now exist or be amended from time to time, in no event shall the Authority have the power, except with the express written consent of GCID, RD 108 and/or TCCA, depending on which facilities are at issue, to enter into any agreements or otherwise take any action that will, directly or indirectly, decrease, restrict, or in any manner alter, modify or limit water rights, water supplies or contractual entitlements to water of GCID, RD 108 and/or TCCA (and, in the case of TCCA, the water agencies it serves) or the operations of their facilities or any facilities they operate under contract.

DRAFT

[Note: This Draft of the Joint Powers Agreement is being provided as a draft, and the terms reflected in this draft remain subject to further revision and negotiation among the parties involved.]

FIFTH AMENDED AND RESTATED SITES PROJECT AUTHORITY JOINT EXERCISE OF POWERS AGREEMENT

This Joint Powers Agreement ("Agreement") is made and entered into by and among Colusa County Water District (CCWD), County of Colusa (Colusa County), County of Glenn (Glenn County), Glenn-Colusa Irrigation District (GCID), Reclamation District 108 (RD 108), Tehama-Colusa Canal Authority (TCCA), Westside Water District (WWD), and Western Canal Water District (WCWD), jointly, Placer County Water Agency and City of Roseville (PCWA/Roseville), jointly, Sacramento County Water Agency and City of Sacramento, each referred to herein individually as an "Authority Member" or collectively as "Authority Members".

RECITALS

The Authority Members are public entities located and operating in the Sacramento Valley, and are formed and operating under the laws of the State of California;

Congress and the State Legislature have declared that the Sacramento-San Joaquin Delta watershed and California's water infrastructure are in crisis and they have encouraged regional and local public agencies to form joint powers authorities to improve the operation of the state's water system;

Sites Reservoir has been identified by the State of California and the federal government as an important component of integrated water management in the Sacramento River watershed that could support the state's co-equal policy to improve water management and restore the ecological health for beneficial uses of the Sacramento-San Joaquin Delta and the Sacramento River watershed;

The principal purpose of this Agreement is to establish an independent special agency, known as the Sites Project Authority ("Authority"), that will have as its mission, to be a proponent and facilitator to design, permit, acquire, construct, manage, govern, maintain and operate Sites Reservoir and related facilities (the "Project");

Each Authority Member is uniquely authorized and situated with respect to the Project and the related facilities to help design, permit, acquire, construct, manage, govern, and operate the Project to provide local, regional, and statewide public benefits and improve the state's water system;

Certain Authority Members executed the Memorandum of Understanding Between the Department of Water Resources, the United States Bureau of Reclamation, the Western Area

Power Administration, the California Department of Fish and Game, the United States Fish and Wildlife Service, the Glenn-Colusa Irrigation District, the Tehama-Colusa Canal Authority, and Other CalFed Agencies and Local Interests Pursuant to the Directive with Respect to Sites Reservoir Contained in the CalFed Bay-Delta program Programmatic Record of Decision, August 28, 2000;

In August 2010, Glenn-Colusa Irrigation District, Reclamation District 108, Tehama-Colusa Canal Authority, Maxwell Irrigation District, County of Glenn, County of Colusa, Yolo County Flood and Water Conservation District entered into an Agreement creating a public entity known as the Sites Project Authority.

In November of 2023, the Sites Project Authority approved for certification the Final EIR and associated Mitigation Monitoring and Reporting Program, which was jointly prepared with the Bureau of Reclamation's Final EIS which culminated in a Record of Decision being issued on XX;

The Authority expects to (i) obtain the Sites Water Right permit and critical state and federal permits covering the construction and operations of the Project, (ii) execute Benefits & Obligations Contracts with governmental entities related to their investment in the Project, and (iii) execute State and Federal Contracts with State and federal agencies for their participation in the Project;

Numerous changes in Authority membership have occurred since 2010, and the current membership of the Authority is reflected in the opening paragraph of this Agreement.

By this Fifth Amended and Restated Agreement, the Authority Members wish to establish the terms and conditions governing the Authority's functions during the final design, construction and operations phases of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Authority Members as follows:

I. DEFINITIONS

As used in this Agreement, the meaning of the terms used hereafter shall be as follows:

1.1. Agreement: This Joint Exercise of Powers Agreement as it currently exists or as it may be amended or revised from time to time.

1.2. Authority: The legal entity defined in this Agreement for the Sites Project Authority as organized by this Agreement.

1.3. Authority Member: An entity that meets the requirements of California Water Code § 79759 (a) or (b) and that is listed in the opening paragraph of this Agreement.

1.4. Benefits & Obligations Contract: The contract entered into by and between the Authority and each Project Participant governing each Project Participant's right to water service and Project water, storage capacity and conveyance capacity, and related rights, duties and obligations.

1.5. Board of Directors or Authority Board: The governing body of the Authority as established in Article IV of this Agreement.

1.6. Bylaws: Additional requirements to those contained in this Agreement related to the implementation of the Project; assigning delegations of authority, decision-making and dispute resolution; roles and responsibilities for Authority Board and Reservoir Management Board; membership types; and cost management.

1.7. Ex-Officio Member: The California Department of Water Resources ("DWR"), subject to the terms and conditions of Section 3.2 of this Agreement.

1.8. Project Participant: An agency, entity or company, that may or may not be an Authority Member and is entitled to a capacity interest in the Project as a signatory to the Benefits & Obligations Contract. In the case where DWR signs the Benefits & Obligations Contract on behalf of a Project Participant whose Project costs are included on that Project Participant's Statement of Charges, the Project Participant is considered the signatory for purposes of this Agreement and the Bylaws. The Bylaws and the Benefits & Obligations Contract provide for the rights, duties and obligations of the Project Participants.

1.9. Reservoir Management Board: The committee formed and existing pursuant to Section 3.5 of this Agreement, composed of representatives of Project Participants.

1.10. State and Federal Contracts: Contracts between the Authority and State and Federal agencies concerning Project funding, permitting, and operations, including, without limitation, the Proposition 1 Water Storage Investment Program Contract and the Reclamation Partnership Agreement, or each of them as the context requires, but excluding any agreement the Authority enters into with a federal agency pursuant to the Water Infrastructure Finance and Innovation Act (WIFIA).

II. PURPOSES AND POWERS

2.1 Creation: Pursuant to the Joint Exercise of Powers Act ("Act"), California Government Code Section 6500 et seq., and this Agreement, the Authority is duly formed and existing, and is a distinct public agency that is separate from its Authority Members.

2.2 Purpose: The purpose of this Agreement is to establish an independent JPA to exercise powers specifically identified herein that are common to the Authority Members to, among other

things, effectively study, promote, develop, permit, design, finance, acquire, construct, manage, and operate the Project. The purposes of pursuing and developing the Project are to: enhance water management flexibility in the Sacramento Valley, increase the reliability of water supplies in California, and provide storage and operational benefits to enhance water supply reliability and improve water quality and ecosystems.

2.3. Reserved Powers: Subject to the terms and conditions of this Agreement and the Bylaws, the Authority Board shall have sole responsibility for the following Project elements, referred to in this Agreement as the "Reserved Powers":

2.3.1. Securing and maintaining the Project's water rights permits and licenses from the State Water Resources Control Board, and ensuring that Project operations comply with the permits and licenses;

2.3.2. Securing and maintaining environmental approvals necessary and appropriate for the Project, including without limitation such approvals and certifications as are required by the California Environmental Quality Act and the National Environmental Protection Act, and ensuring that Project operations comply with such approvals and certifications;

2.3.3. Entering into and administering contracts with federal and state agencies necessary and appropriate for the Project, and ensuring that Project operations comply with such contracts.

2.3.4. Exercising the power of eminent domain to acquire such interests in real property as are necessary and appropriate for the Project, and holding title to such property interests;

2.3.5. Securing such funding as is necessary and appropriate for the Project from any federal, state or local public agency or program, including without limitation from Proposition 1 (California Water Code § 79750 *et seq*.) and WIFIA, and ensuring that Project design, construction, operations and maintenance comply with any applicable financial instruments secured by the Authority in accordance with the Benefits & Obligations Contract;

2.3.7. Retaining and managing all contracts for accounting and auditing services, and ensuring compliance with all accounting and auditing laws, rules and regulations applicable to the Authority and the Project.

2.3.8. Engaging in local community relations.

2.3.9 Approving the budget for the Project as the Reservoir Management Board develops and amends from time to time pursuant to the Bylaws, which approval shall not be withheld, conditioned, or delayed absent the Authority Board's demonstration that the budget would either (1) be contrary to law, including rules provided for under

any Project permit or entitlement, or (2) violate any contract, including without limitation the Benefits & Obligations Contract, a State or Federal Contract, or any financing contract.

2.4. Exercise of Reserved Powers: Subject to the terms and conditions of this Agreement and the Bylaws, the Authority Board shall have the power to undertake the following in its exercise of the Reserved Powers, and in effectuating the Reservoir Management Board's Delegated Authorities as needed:

2.4.1. make and enter into contracts necessary for the full exercise of its Reserved Powers;

2.4.2. perform studies, environmental review, engineering and design, and if appropriate, permitting, construction of water storage, and related conjunctive management;

2.4.3. contract for the services of engineers, attorneys, scientists, planners, financial consultants, and separate and apart therefrom, to employ such persons as it deems necessary;

2.4.4. apply for, accept, and receive permits, licenses, grants, loans, or other funding from any federal, state or local public agency;

2.4.5. issue revenue bonds and other forms of indebtedness to the extent, and on the terms, provided by the Act;

2.4.6. incur debts, liabilities, and obligations;

2.4.7. adopt bylaws, rules, regulations, policies and procedures, governing the operation of the Authority and the Project; and

2.4.8 delegate levels of authority to the Reservoir Management Board and other advisory groups as the Authority Board deems appropriate and consistent with the requirements specified in the Bylaws.

2.5. Manner of Exercise of Powers: To the extent not specifically provided for in this Agreement or the Act, the Authority shall exercise its powers subject to the restrictions upon the manner of exercising the powers under the laws applicable to the Glenn-Colusa Irrigation District.

2.6. GCID, RD 108 and TCCA Operations: The Authority Members anticipate that the Project will be within or adjacent to GCID, RD 108, and/or TCCA districts with at least a portion of the conveyance of water into the Sites Reservoir to be accomplished by wheeling water through GCID's Main Canal, facilities that currently exist or that might in the future be constructed within the boundaries of RD 108, and/or the Tehama-Colusa Canal. Notwithstanding anything to the contrary in the Bylaws, the Benefits & Obligations Contract, or any other Authority document, record or instrument concerning Project operations or governance, as the same may now exist or be amended from time to time, in no event shall the Authority have the power, except with the

express written consent of GCID, RD 108 and/or TCCA, depending on which facilities are at issue, to enter into any agreements or otherwise take any action that will, directly or indirectly, decrease, restrict, or in any manner alter, modify or limit water rights, water supplies or contractual entitlements to water of GCID, RD 108 and/or TCCA (and, in the case of TCCA, the water agencies it serves) or the operations of their facilities or any facilities they operate under contract.

2.7. Maxwell Irrigation District (MID) Operations: The Authority Members anticipate that the Project could affect certain of MID's water rights downstream of Sites Reservoir. With respect to such of MID's rights, the Authority acknowledges and affirms its obligations to MID as identified in that certain *Memorandum of Understanding Regarding Maxwell Irrigation District Water Rights and Sites Reservoir*.

2. 8. Counties' Powers: Nothing in this Agreement shall be construed as the surrender or relinquishment of the land use authorities as provided by law of the County of Colusa, the County of Glenn, or the County of Yolo.

III. AUTHORITY MEMBERSHIP

3.1. Generally: Authority Members comprise the public agencies (as defined in Section 6500 of the Act) that are authorized under the Act and Proposition 1 to be Authority Members and that are signatories to this Agreement.

3.2. DWR and Bureau of Reclamation: The Authority may enter into a State or Federal Contract, as applicable, with the California Department of Water Resources (DWR) and/or the Bureau of Reclamation (Reclamation) to carry out the purposes of this Agreement. Pursuant to Water Code section 79759(b), DWR shall be an Ex-Officio Member of the Authority, but shall be non-voting and "shall not control the governance, management, or operation" of the Project. DWR shall not be a Project Participant.

3.3. Addition of Members: Entities authorized by law to participate in a JPA located within the Sacramento River watershed may subsequently become Authority Members upon an affirmative vote of at least seventy-five percent (75%) of the total number of the governing boards of the Authority Members and the new Authority Member's execution of this Agreement, as it may have been amended. An entity requesting to become an Authority Member shall provide certification of compliance with the membership requirements of this Agreement and the Bylaws. The entity requesting to become an Authority Member may represent a group of other entities. Terms and conditions for new Authority Member's participation in the Authority, if any, shall be set forth in an amendment to this Agreement or in the Bylaws. Such terms and conditions shall be consistent with this Agreement and any contracts, resolutions, or indentures of the Authority then in effect.

3.4. Associate Member: Either (1) a public agency that has as its sole or a principal power the supplying of water (and/or power) to other entities or to retail water (and/or power) users that also meets the joint powers authority membership requirements of California Water Code § 79759 (a) & (b), but elects to accept an advisory role from the Authority, (2) a non-profit mutual water company that complies with the non- profit JPA membership requirements of California Water Code § 79759 (b), but elects to

accept an advisory role from the Authority, or (3) a Project Participant that opts to serve on the Authority Board as a non-voting member, all as further subject to Section 7.4 of the Bylaws.

3.5. Reservoir Management Board: There is hereby formed a Reservoir Management Board composed of representatives of Project Participants. The Reservoir Management Board functions to exercise the "Delegated Authorities", which are all such powers to design, construct, operate and maintain the Project, and which are not Reserved Powers defined in Section 2.3, and which are more particularly described in Section 10 of the Bylaws. The charter for the Reservoir Management Board, including conditions of membership and the manner in which it conducts itself, is set forth in the Bylaws.

IV. GOVERNANCE AND INTERNAL ORGANIZATION

4.1. Board of Directors: The governing body of the Authority shall be the Board of Directors (Authority Board) that will conduct all business on behalf of the Authority consistent with this Agreement, the Bylaws and applicable law. The Authority Board will consist of one representative of each Authority Member. To remain in an active status, each Authority Member having representation on the Authority Board shall be in good standing as defined in the Bylaws.

4.2. Appointment: Each Authority Member shall appoint a Director to the Authority Board. Each Authority Member shall also be entitled to appoint an Alternate Director to the Authority Board. The role of the Alternate Director shall be to assume the duties of an Authority Member's Director in case of the absence or unavailability of such Director.

Should a Director who is an officer of the Authority Board not be in attendance, the Authority Member's Alternate Director shall not assume the duties of the officer. Should the Chair be absent, the Vice-Chair shall assume the Chair's responsibilities until the Chair is present, and if both are absent the Authority Board may appoint a temporary Chair.

Directors and Alternates both serve at the pleasure of the governing body of their respective Authority Member. Authority Members shall communicate their Director and Alternate selections, and any changes thereto, to the Authority in writing. Each Authority Member is entitled to one vote, either by its Director or the Alternate, at a meeting of the Authority Board.

4.3. Meetings: The Authority Board shall hold at least one regular meeting per year, and may hold regular or special meetings at more frequent intervals. All meetings of the Authority Board shall be called, held, noticed, and conducted subject to the provisions of the Ralph M. Brown Act (Government Code section 54950 *et seq*.) and the Bylaws.

4.4. Quorum: A majority of the total number of Directors shall constitute a quorum.

4.5. Voting:

4.5.1. Material Change and Shared Decision Items are those matters specifically identified as such in the Bylaws and require (i) a seventy-five percent (75%) vote of the total number of Directors and (ii) at least seventy-five (75%) of the of the Reservoir Management Board weighted vote, unless otherwise specified in the Bylaws.

4.5.2. Routine Matters or Non-Material Change and Shared Decisions Items Before the Authority: The Authority Board shall take action only upon an affirmative vote of a majority of the total number of Directors.

4.5.3. Material Change Items Before the Authority: Regarding a Material Change before the Authority Board only, the Authority Board shall take action only upon an affirmative vote of a at least seventy-five percent (75%) of the total number of Directors. Such changes are expressly provided for in this Agreement, and include, without limitation, those identified in Sections 3.3, 7.3, and 8.1.

4.6. Officers:

4.6.1. The Authority Board shall select from among the Directors a Chair, who will be the presiding officer for all Authority Board meetings, and a Vice-Chair, who will preside in the absence of the Chair.

4.6.2. The Authority Board shall select a Treasurer, who need not be a Director and who shall be the depository and have custody of all money of the Authority and shall perform the duties specified in Government Code section 6505.5. The Treasurer shall be bonded in accordance with Government Code section 6505.1 and shall pay all demands against the Authority that have been approved by the Authority Board.

4.6.3. The Authority Board shall select a Secretary, who need not be a Director and who shall be responsible for keeping the minutes of all meetings of the Authority Board and all other official records of the Authority. The Authority Board may combine the positions of Secretary and Treasurer.

4.6.4. The Bylaws may further address the duties, responsibilities and administrative requirements for the officers.

4.7. [Reserved]

4.8. Liability of Authority, Officers, and Employees: The Directors, officers, and any employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No Director, officer, employee or agent will be responsible under this Agreement for any act or omission by another Authority Member, Authority Board officer, or Authority contractor or employee. The Authority shall indemnify and hold harmless the Authority Members, Authority Board officers, and Authority employees or consultants, for any action taken lawfully and in good faith pursuant to

this Agreement. Nothing in this section shall be construed to limit the defenses available under the law, to the Authority Members, the Authority, or its Directors, officers, employees or agents.

V. FINANCIAL PROVISIONS

5.1. The terms and conditions of this Article V pertain only to those funds that are generated solely by Authority Members for the administration of the Authority.

5.2. Fiscal Year: The fiscal year shall run concurrent with the calendar year, unless the Authority Board decides otherwise.

5.3. Depository: All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with the funds of any Authority Member, Project Participant, the Reservoir Management Board, or any other person or entity. Regular reports shall be made as directed by the Authority Board, but at least quarterly, to the Authority Board of all receipts and disbursements. The books and records shall be open to inspection by the Authority Board, individual Directors, and Project Participants upon reasonable notice.

5.3. Budgets of the Authority Board: A draft Authority Board budget will be prepared for the Authority Members to review at least 45 days before the beginning of the Authority's next fiscal year. The Authority Board shall approve the budget no later than 15 days before the beginning of the fiscal year. The budget shall include: Project-specific costs, as distinct from general and administrative costs of the Authority, shall be fully described and specified in the Benefits & Obligations Contract or applicable State or Federal Contracts. Consistent with Section 5.1 above, the Authority Board shall ensure that all costs incurred by the Authority directly relating to the Project, if any, will be paid only by the Project Participants in the manner provided for in the Benefits & Obligations Contract or any State or Federal Contract, and will not be paid for by the Authority as general and administrative costs. The Bylaws may include additional requirements and criteria for such costs.

5.4. Recovery of General and Administrative Costs:

5.4.1. The Authority Board may assess each Authority Member for the general and administrative costs to operate the Authority. Payments of public funds may be made to defray the costs incurred in carrying out such purposes, and advances of funds may be made for use in doing so, to be repaid as provided in this Agreement. Personnel, equipment or property of one or more of the Authority Members may be used in lieu of other contributions or advances, upon Authority Board approval, and will be treated as a contribution from that Authority Member.

5.4.2. General and administrative costs incurred by the Authority in carrying out its purposes, as described in Section 5.3, shall be shared by the Authority Members as determined by the Authority Board.

5.4.3. The Authority shall periodically, as necessary, issue an invoice to each Authority Member reflecting the expenses attributable to that Authority Member in accordance with this Agreement.

5.4.4. Upon request of any Authority Member, the Authority shall produce and allow the inspection of all documents relating to the computation of expenses attributable to the Authority Members under this Agreement. If an Authority Member does not agree with the amount listed on the invoice, it must make full payment and provide a cover letter accompanying payment to the Authority specifying the amount in dispute and providing a detailed explanation of the basis for the dispute. The Authority shall advise the disputing Authority Member of the Authority's determination within 30 business days.

5.5. Recovery of Project Operations Costs: The Benefits & Obligations Contract and applicable State and Federal Contracts shall specify the requirements for recovery of costs related to Project operations..

5.6. Auditor: An auditor shall be chosen annually by, and serve at the pleasure of, the Authority Board. The auditor shall make an annual audit of the accounts and records of the Authority. A report shall be filed as a public record with the Auditor of the County where the Authority is domiciled, consistent with Section 6505 of the Act, and with each agency that is an Authority Member or a Project Participant. Such report shall also be filed with the California Secretary of State or State Controller within twelve months of the end of the fiscal year.

5.7. Bonds: The Authority Board may, from time to time, designate the officers or other persons who have charge of, handle, or have access to any property of the Authority and shall require such officers or persons to file an official bond in an amount to be fixed by the Authority Board.

5.8. Authority Members' Limited Liability: As provided by Government Code Section 6508.1, the debts, liabilities, and obligations of the Authority shall be the debts, liabilities, and obligations of the Authority only, and not of the constituent Authority Members.

VI. BENEFITS & OBLIGATIONS CONTRACT

6.1. General: The Authority intends to carry out the purposes of this Agreement in a manner consistent with the joint exercise of powers described herein. Funding and participation in the Project shall be governed by the Benefits & Obligations Contract or applicable State or Federal Contract. Additionally, the Authority may enter into agreements with the State of California, the United States, or any other public or private entity, subject to the approval of the Reservoir Management Board to the extent required by the Bylaws.

6.2. Parties to the Benefits & Obligations Contract: In connection with the Project, the Authority Members and Project Participants electing to participate in the Project shall enter into

the Benefits & Obligations Contract with the Authority. No Authority Member shall be required to enter into the Benefits & Obligations Contract.

6.3. Financial Obligations Under the Benefits & Obligations Contract: Unless otherwise provided for in this Agreement or the Bylaws, all assets, rights, benefits, and obligations attributable to the Project shall be assets, rights, benefits, and obligations of Project Participants. Any debts, liabilities, obligations or indebtedness incurred by the Authority in regard to the Project shall be the debts, liabilities, obligations, and indebtedness of Project Participants and shall not be the debts, liabilities, obligations or indebtedness of the Authority Members that have not executed the Benefits & Obligations Contract, and that are payable under the Benefits & Obligations Contract. The Benefits & Obligations Contract may include signatories that are not Authority Members. The Bylaws may provide additional requirements regarding the implementation of the Project.

VII. TERMINATION, WITHDRAWAL, SUSPENSION, AND DISPUTE RESOLUTION

7.1. Termination:

7.1.1. Mutual Termination. This Agreement may be terminated by the mutual agreement of at least seventy-five percent (75%) of the total number of the governing boards of the Authority Members in writing, provided that in recognition of the requirements of Proposition 1 and the reliance on the Authority by the signatories to the Benefits & Obligations Contract, termination of this Agreement shall not be effective prior to the assignment of all rights, duties and obligations to a separate joint powers authority formed and existing in a manner consistent with the requirements of Proposition 1 for the purposes of owning the Project and exercising the Reserved Powers. The manner of formation of a joint powers authority is a Material Change and Shared Decision subject to the approval of both the Authority Board and the Reservoir Management Board, as provided in Section 12.3.11 of the Bylaws.

7.1.2. Project Termination. In the event the termination of this Agreement becomes necessary or appropriate as a result of the cessation of the Project for reasons beyond the control of the Authority, including a decision by the Authority Board and Reservoir Management Board pursuant to Section 12.3.10 of the Bylaws, then the Authority shall continue to exist for purposes of facilitating by the Project Participants (i) the disposal of all claims, (ii) payment of debt service, (iii) reimbursement owed to financial institutions or other parties advancing funds to the Authority for the Project, (iv) satisfaction of other covenants contained in reimbursement agreements with such institutions and parties, and (v) distribution of assets and all other functions necessary to conclude the affairs of this Authority, as provided for in the Benefits & Obligations Contract.

7.1.3. Removal of an Authority Member by the Authority. Any Authority Member may be removed from the Authority upon the affirmative vote of all Directors except the vote of the Director appointed by the Authority Member then considered for termination. Prior to any vote to remove an Authority Member, written notice of the proposed removal and the reason(s) for such removal shall be presented at a regular Authority Board meeting with opportunity for discussion. The Authority Member subject to possible removal shall have the opportunity at the next regular Authority Board meeting to respond to any reasons and allegations that may be cited as a basis for removal prior to a vote. If an Authority Member is removed, that Authority Member will be responsible for its share of any costs incurred by the Authority up to the date of removal. Nothing in this Section 7.1.3 shall affect membership on the Reservoir Management Board as to a removed Authority Member that has signed the Benefits & Obligations Contract.

7.2. Authority Member Withdrawal from Authority: Any Authority Member may withdraw from the Authority by giving at least 30 days written notice of its election to do so, which notice shall be given to the Authority and each Authority Member to this Agreement; provided that such withdrawal does not in any way impair any contracts or obligations of the Authority then in effect, including, without limitation, the Benefits & Obligations Contract and the State and Federal Contracts. Prior to withdrawal or as soon as an accounting can be completed, the withdrawing Authority Member shall pay its share of general and administrative costs described in Section 5.5; provided, however, the withdrawing Authority Member shall only be liable for expenses incurred under this Agreement through the date of withdrawal. The withdrawing Authority Member shall also be responsible for its share of any claims, demands, damages, or liability arising from this Agreement through the date of withdrawal. As to any Authority Member that is a signatory to the Benefits & Obligations Contract, no withdrawal undertaken pursuant to this Section 7.2 shall affect the withdrawing Authority Member's rights, duties and obligations under the Benefits and Obligations Contract, or the withdrawing Authority Member's membership in the Reservoir Management Board.

7.3. Membership Suspension: Should any Authority Member be deemed by the Authority Board to not be in Good Standing as defined in the Bylaws, an affirmative vote of at least seventy-five percent (75%) of the total number of Directors can suspend the Authority Member's voting rights. Once the Authority Member is deemed by the Authority Board to meet the requirements for being in Good Standing, the Authority Member can petition the Authority Board to have its voting privileges and, if applicable, any Authority Board officer status restored by an affirmative vote of the Authority Board consisting of at least seventy-five percent (75%) of the total number of Directors. During the time the Authority Member has not been in Good Standing, the Authority Member shall remain obligated to comply with all other requirements of this Agreement, the Bylaws and the Benefits & Obligations Contract.

7.4. Disposition of Assets Upon Termination: Upon termination of this Agreement, any surplus money or assets in the possession of the Authority for use under this Agreement, after payment of liabilities, costs, expenses and charges incurred under this Agreement, shall be returned to the then-existing Authority Members in proportion to the contributions made by each. All other

property, works, rights and interests of the Authority shall be assigned to the joint powers authority formed to replace the Sites Project Authority referenced in Section 7.1.1.

7.5. Dispute Resolution. If a dispute arises among any of the Authority Members relating to or arising from an Authority Member's rights, duties, obligations or performance under this Agreement, then the Authority Members that are parties to the dispute will first attempt to resolve their dispute informally, in a timely and cost-effective manner by appointing a knowledgeable, responsible representative to hold meetings and negotiate with the other Authority Members' representatives to resolve any such dispute. If the chosen representatives fail to resolve the dispute, the presiding officer of each board of the Authority Members that are parties to the dispute shall meet together to negotiate to resolve the dispute.

If the Authority Members that are parties to the dispute are unable to resolve the dispute through informal dispute resolution within thirty (30) days, an Authority Member may submit the dispute to formal mediation. The parties to the dispute shall voluntarily agree to the choice of mediator, or, if the parties cannot agree upon a mediator, one shall be appointed by the Superior Court of Colusa County upon motion for appointment of a neutral mediator. The cost of mediation shall be paid in equal proportion among the Authority Members involved in the dispute.

Each involved Authority Member reserves any and all rights and remedies available to it under the Agreement or at law or in equity or otherwise if a dispute is not resolved in the manner provided for above.

In the event of any dispute that is unresolved pursuant to this Agreement, the Authority Member or Members prevailing in such dispute shall be entitled to collect from the other Authority Member or Members that are parties to the dispute all costs incurred in such dispute, including reasonable attorneys' fees.

VIII. MISCELLANEOUS PROVISIONS

8.1. Amendment of Agreement: This Agreement may be amended only by an affirmative vote of at least seventy-five percent (75%) of the governing boards of the Authority Members; provided, however, (i) this Agreement may not be amended to terminate the participation of an Authority Member without the affirmative vote of all governing boards of the Authority Members except the vote of the Director appointed by the Authority Member then considered for termination, (ii) no amendment to this Agreement shall be made that would interfere with the rights of any signatory to the Benefits & Obligations Contract, (iii) no amendment to this Agreement shall be made that would divest the Reservoir Management Board or any Project Participant of any authority they have under the Bylaws, and (iv) no amendment shall be made to Section 2.6 of this Agreement, or to any restatement of this Agreement, except with the express written consent of GCID, RD 108 and TCCA. The Authority shall provide notice to all Authority Members and members of the Reservoir Management Board of amendments to this Agreement, including the effective date of such amendments. To provide non-concurring Authority Members an opportunity to withdraw from the Authority, any amendment to this Agreement shall be binding on all Authority Members thirty (30) days after the required concurrence has been obtained.

8.2. Adoption and Amendment of Bylaws: By operation of the Authority Members' execution of this Agreement, the Authority Board hereby irrevocably adopts the Bylaws. The Bylaws may only be amended in the manner set forth in the Bylaws, which provide that such amendment constitutes a Material Change and Shared Decision Item requiring (i) an affirmative vote of at least seventy-five percent (75%) of the total number of Directors and (ii) that if the vote against the amendments includes two (2) or more Reservoir Management Board representatives and the disapproving Reservoir Management Board representatives combined represent more than fifteen percent (15%) of the Reservoir Management Board's weighted vote, the amendments shall not be approved. The Authority shall provide written notice to all Authority Members of amendments to the Bylaws, which includes the effective date of such amendments.

8.3. Assignment: Except as otherwise expressed in this Agreement or the Bylaws, the rights and duties of the Authority Members may not be assigned or delegated without the advance written consent of all the other Authority Members and, if provided for in the Bylaws, the Reservoir Management Board, and any attempt to assign or delegate such rights or duties in contravention of this section shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Authority Members. This section does not prohibit an Authority Member from entering into an independent agreement with another agency, person or entity regarding the funding or financing of that Authority Member's contributions to the Authority, or the disposition of the proceeds which that Authority Member receives under this Agreement, so long as the independent agreement does not affect or purport to affect the rights and duties of the Authority or the Authority Members under this Agreement.

8.4. Severability: If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Authority Members that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid, and enforced to the maximum extent possible.

8.5. Execution by Counterparts: This Agreement may be executed in any number of counterparts and upon execution by all Authority Members, each executed counterpart shall have the same force and effect as an original instrument and as if all Authority Members had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but have attached to it one or more signature pages.

8.6. Authority Members to be Served Notice: Any notice authorized to be given pursuant to this Agreement shall be validly given if served in writing either personally, by facsimile, by electronic mail (e-mail), by deposit in the United States mail, first-class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (i) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt, and (ii) by mail shall be conclusively deemed given 48 hours after the deposit thereof if the sender returns the receipt. All notices shall be sent to the addresses listed in Exhibit A to this Agreement.

8.7. Filing of Agreement: Pursuant to section 6503.5 of the Act, the Authority shall file or cause to be filed a certified copy of this Agreement with the Secretary of State within 30 (thirty) days following the last signature below.

IN WITNESS WHEREOF, the Authority Members hereto, pursuant to resolutions duly and regularly adopted by their respective governing boards, have caused their names to be affixed by their proper and respective officers on the date shown below:

COLUSA COUNTY WATER DISTRICT

Dated: _____ _____
(Effective mmm dd, yyyy)

By: _____

COUNTY OF COLUSA

Dated: _____ _____
(Effective mmm dd, yyyy)

By: _____

COUNTY OF GLENN

Dated: _____ _____
(Effective mmm dd, yyyy)

By: _____

GLENN-COLUSA IRRIGATION DISTRICT

Dated: _____ _____
(Effective mmm dd, yyyy)

By: _____

PLACER COUNTY WATER AGENCY & CITY OF ROSEVILLE, Jointly

Dated: _____ _____

DRAFT

(Effective mmm dd, yyyy)

By: _____

Dated: _____ _____
(Effective mmm dd, yyyy)

By: _____

RECLAMATION DISTRICT 108

Dated: _____ _____
(Effective mmm dd, yyyy)

By: _____

CITY OF SACRAMENTO & SACRAMENTO COUNTY WATER AGENCY, Jointly

Dated: _____ _____
(Effective mmm dd, yyyy)

By: _____

Dated: _____ _____
(Effective mmm dd, yyyy)

By: _____

TEHAMA-COLUSA CANAL AUTHORITY

Dated: _____ _____
(Effective mmm dd, yyyy)

By: _____

WESTERN CANAL WATER DISTRICT

DRAFT

Dated: _____ _____

(Effective mmm dd, yyyy)

By: _____

WESTSIDE WATER DISTRICT

Dated: _____ _____

(Effective mmm dd, yyyy)

By: _____

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Exhibit A to the Sites Project Authority Joint Exercise of Powers Agreement:

Effective Date: _____

Colusa County Water District
General Manager
P.O. Box 337
Arbuckle, CA 95912

County of Colusa
Chair of the Board of Supervisors
547 Market Street, Suite 108
Colusa, CA 95932

County of Glenn
Chair of the Board of Supervisors
525 West Sycamore Street
Willows, CA 95988

Glenn-Colusa Irrigation District
General Manager
P.O. Box 150
Willows, CA 95988

Placer County Water Agency
PO Box 6570
Auburn CA 95604
& City of Roseville
2005 Hilltop Circle
Roseville, CA 95747

Reclamation District 108
General Manager
P.O. Box 50
Grimes, CA 95950

Sacramento County Water Agency
700 H Street, Suite 7650
Sacramento, CA 95814
& City of Sacramento
915 I Street
Sacramento, CA 95814

Tehama-Colusa Canal Authority
General Manager
P.O. Box 1025
Willows, CA 95988

Western Canal Water District
General Manager
PO Box 190
Richvale, CA 95974

Westside Water District
General Manager
5005 CA-20
Williams, CA 95987

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July 24, 2026 Board Workshop B&O Direction – Comment Response Matrix

Comment No.	Document or Section	Revisions / Comments	Actions	Included in August 11 Revision
1.	General	Participants asked to submit comments by August 3.	Comments received on Governance from MWD and Valley Water. No other comments received as of August 11.	N/A
2.	General	Staff to incorporate feedback from July 24 meeting and comments submitted by participants by August 3.	July 24 workshop-directed revisions and participant comments have been incorporated into the B&O Contract.	Y
3.	General	Authority to provide revised drafts approximately 10 days in advance of August 21 meeting.	Complete.	Y
4.	General	Provide opportunity for board members to review pro rata equations and discuss how they will function. Specific examples to identify loss due to evaporation, allocation of diversion, and others.	Discussion of pro rata concepts being discussed at Aug 12, 2026 O&E Meeting.	N
5.	B&O Contract 4.2.4	Incorporate proposed language for making the pro rata equations part of the Ops Plan in Section 4.2 of the B&O.	Complete and references to Appendix 10 changed throughout to Operations Plan	Y
6.	General	Convene a new ad hoc to discuss North State participation.	The Project Alignment Ad Hoc met on August 6 and August 11. A report out on the progress will be provided to the full Board on August 21. Additional meetings are being scheduled to develop recommended changes to B&O/JPA/Bylaws	N
7.	General	Convene discussion of Governance Ad Hoc for Zone 3 Voting Adjustments.	Governance Ad Hoc met on August 4. Staff Report for B&O Update includes proposed edits to the B&O and Bylaws for consideration.	N

8.	General	Alan to provide Jeff S. with a briefing on the proposed changes related to governance to move provisions from the severability clause (Section 15) to the governance clause (Section 4.12)	Complete.	N
9.	B&O Contract 8.3 and 8.5	Address apparent numbering issue where the section specific to “water sales” was omitted from the July24 draft.	Complete. Sales and Exchanges are now addressed separately.	Y
10.	B&O Contract 4.1.3	For Section 4.1.3, address if Reclamation is part of beneficiary’s paying to enforce water right.	Complete. “Participants” changed to “Storage Partners.”	Y, subject to confirmation in PA on 8.18
11.	General	Perform a thorough consistency review between terms (including definitions) used in the B&O, Bylaws, and JPA. Make all terms as consistent as possible between the three documents.	To be completed in final draft.	N
12.	General	Confirm that Dispute Resolution provisions in Bylaws and B&O are not in conflict. This is a pre-freeze activity.	To be completed in final draft.	N
13.	B&O Contract 15.12.1 and 6.13	Add changes based on Attachment E introduced in Board meeting. Add a new Section 15.12.1(d) to the B&O Contract with provision specifying limited DWR approval rights to B&O amendments. Add a new Section 6.13 to the B&O Contract with provision regarding payments under the State and Federal Contracts.	Complete.	Y
14.	B&O Contract 11.1.1(b)	CWC requests that the WSIP Funding Agreement not be added to the definition of State and Federal Contracts. Doing so creates inconsistencies and it should be referenced separately.	Complete based on request to change Section 11.1.1(b) and definition of Contracts for Administration of Public Benefits, but subject to further consideration of definition of State and Federal Contracts.	Y
15	General	Identify possible discrepancies between the CWC WSIP Funding Agreement and the B&O.	Being discussed with CWC Staff.	N
16.	B&O Contract 4.12	Resolve structural placement of terms related to governance and severability based on comments provided by VW and MWD attorneys.	Complete.	Y

Proposed Voting Rights Associated with the Consolidations of Six Project Agreement Members to the Colusa County Flood Control and Water Conservation District, Zone 3

The following proposal has been reviewed by the Governance Ad Hoc Committee and it is recommended that upon receiving written notice of the commitment to execute the B&O by Zone 3 that these provisions be incorporated into the Bylaws and the B&O as the means to maintain an appropriate and fair voting weight for the affected Project Agreement Members upon their consolidation into the Zone 3's participation structure.

1. The following paragraph would be added to Section 3.7 of the Bylaws as a separate and new paragraph in this Section:

Notwithstanding the foregoing, for purposes of representation and voting on the Reservoir Management Board, Colusa County Flood Control and Water Conservation District, Zone No. 3 ("Zone 3"), upon execution of the Benefits & Obligations Contract providing for the consolidation of the Project participation associated with Colusa County Water District, Cortina Water District, Davis Water District, Dunnigan Water District, LaGrande Water District and Westside Water District, shall be entitled to six (6) Reservoir Management Board voting seats. Each such seat shall be entitled to the equal voting shares that would be attributable to a separate Participant pursuant to Section 5.7(a), and the total number of Participants used in calculating the voting shares pursuant to Section 5.7(a) shall be adjusted accordingly. One (1) such seat, as designated by Zone 3, shall also be entitled to the additional voting shares attributable to Zone 3's Base Facilities Capacity Interest pursuant to Section 5.7(b), and the remaining five (5) seats shall have no voting shares attributable to Base Facilities Capacity Interest. Zone 3 may designate one (1) or more representatives, not to exceed six (6), to exercise the voting rights associated with such seats, including representatives of water districts or landowners participating through Zone 3, provided that each seat and the voting shares associated therewith shall be exercised only by the representative designated by Zone 3 for such seat. For all other purposes under these Bylaws and the Benefits & Obligations Contract, Zone 3 shall constitute a single Project Participant.

2. The following would be added as new Section 4.12.1(i) of the Benefits and Obligations Contract immediately following subsection (h):

(i) notwithstanding anything in this Contract to the contrary, for purposes of representation and voting on the Reservoir Management Board, Zone 3 shall have the representation and voting rights provided for in the Sites Authority Bylaws, including the treatment of Zone 3's Reservoir Management Board seats for purposes of calculating the equal and Base Facilities Capacity Interest components of the weighted vote. Such representation and voting rights shall

also apply to any weighted vote of the Participants conducted pursuant to subsection (h) above. For all other purposes under this Contract, Zone 3 shall constitute a single Participant.

Zone 3 Participation and Potential Impacts to Other Sites Participants

Flow of Rights, Obligations, and Key Risk Points

SITES PROJECT AUTHORITY
(Joint Powers Authority)

Owns, develops, finances, and operates Sites Reservoir Project

BENEFITS & OBLIGATIONS (B&O) CONTRACT

Establishes Capacity Interest, rights to storage & deliver water, governance rights, cost allocation, and default remedies.

COLUSA COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT (Acting through ZONE 3)

Participant in Sites Project on behalf of landowners
Holds Capacity Interest under B&O Contract

ZONE 3 LANDOWNER PARTICIPATION AGREEMENTS

Grants each landowner a Sub-Capacity Interest (share of capacity) and related water rights; imposes payment obligations and default remedies.

DISTRICT AGREEMENTS

- Executed between CCFCWCD (Zone 3) and each Water District
- Obligate districts to deliver water to participating lands
- Require districts to discontinue water service when directed by CCFCWCD upon landowner default

LANDOWNER 1 (Within Zone 3)

Sub-Capacity Interest
(e.g., X% of Zone 3 Capacity)

WATER DISTRICT X

Provides delivery of water to lands within Zone 3.

Default & Other Risks

PAYMENT DEFAULT IMPACT

If CCFCWCD cannot make required payments to Authority → CCFCWCD default under B&O, could trigger remedies that harm all other Sites Participants (e.g., acceleration of debt, increased costs, loss of capacity, delays)

DEFAULT BY A LANDOWNER (Sec. 13 & 15)

- 30-day cure period after notice
- Sites water will not be ordered for landowners who are not in good standing.
- CCFCWCD may:
  - Direct Water Districts to shut off Sites water service through district facilities (15a)
  - Suspend/terminate Sub-Capacity Interest (15b)
  - Terminate landowner water rights (15c)
  - Seek payment and other legal remedies (15d)
  - Request the County place a tax lien in the first position on the landowner's property.

CROSS-DEFAULT PROTECTION (Sec. 13)

- Non-defaulting landowners must increase payments pro rata (up to 25% above pro rata share unless all agree otherwise)
- In return, they receive a pro rata share of the defaulting landowner's capacity and stored water rights
- Prevents CCFCWCD default under B&O, protecting all landowners and other Sites Participants

Rights & Obligations

KEY ZONE 3 FUNCTIONS

- Enters B&O Contract with Authority
- Receives storage capacity & water rights
- Allocates Sub-Capacity Interests to landowners
- Collects payments (assessments + invoices)
- Makes all payments to Authority
- May direct Water Districts to discontinue water service upon default (Sec. 15(a))
- May terminate landowner capacity & water rights upon default (Sec. 15)

LANDOWNER RIGHTS

- Storage capacity & water deliveries
- Right to convey Sites Water
- Right to lease or sell capacity and water (subject to B&O procedures)
- Rights run with the land

PAYMENT OBLIGATIONS FROM LANDOWNERS TO ZONE 3 (CCFCWCD)

- Zone 3 Assessments (annual, based on Sub-Capacity Interest) for fixed costs & debt service
- Additional annual invoices for variable O&M and any cost shortfalls
- Payments secure CCFCWCD's obligations under the B&O Contract

KEY TAKEAWAYS

Zone 3 (CCFCWCD) is the Project Participant with the Authority. Landowners participate indirectly through sub-capacity interests and must fund CCFCWCD's obligations. Strong default and cross-default provisions protect CCFCWCD's ability to perform under the B&O Contract, which in turn protects the financial security and rights of all Sites Project Participants.

Meeting: **Reservoir Committee & Authority Board Agenda Item 7.2** **August 21, 2026**

Subject: **Update on Glenn-Colusa Irrigation District and Tehama-Colusa Canal Authority Facilities Use Agreements**

Requested Action:

Receive a status update on the Facilities Use Agreements with Glenn Colusa Irrigation District (GCID) and Tehama-Colusa Canal Authority (TCCA) and review draft technical memoranda describing operations, maintenance, and replacement activities.

Detailed Description/Background:

Draft Facilities Use Agreements with GCID and TCCA were included in the June 2026 Board packet for Participant reference during review of the updated draft contract documents. The Facilities Use Agreements have been negotiated among staff but have not yet been presented to the GCID and TCCA boards in open session for consideration of approval. This affords the opportunity to further consider the capacity and maintenance concerns that some Participants have asked to be reviewed and to identify any remaining issues or concerns of Participants to be addressed before both agreements are finalized.

Capacity and Maintenance Concerns

The Sites Authority has worked with GCID and TCCA to cooperatively develop technical memoranda (TM) describing the operations, maintenance, and replacement (OM&R) activities associated with the major components of each water delivery system and to document the conveyance capacities of each system. The attached documents (Attachment A: Draft GCID OM&R Technical Memorandum and Attachment B: Draft TCCA OM&R Technical Memorandum) are intended to provide an overview of current OM&R and conveyance capacities. Developed in collaboration with GCID and TCCA staff, these memoranda are not intended to direct the OM&R practices for the existing facilities. Instead, these OM&R TMs are intended to describe current conditions and how the Sites Project can be accommodated within the existing practices.

The OM&R TMs also document that hydraulic capacity is available in the GCID and TCCA systems for conveyance of Sites water. For the TCCA system, the modeled hydraulic capacity of the system shows that there is availability for Sites diversions and releases in all months of planned Sites operations. For the GCID system, the modeled hydraulic capacity is available for diversions until GCID irrigation begins to increase in late April through June. Additional coordination is still needed between the Sites Authority and the GCID and TCCA around maintenance shutdown windows

and the coordination of shoulder season diversions when irrigation operations are beginning to ramp up.

Staff believe a workable approach for integrating the TMs with the FUAs is to follow a similar approach to that which was successfully used with the "White Paper" in the Sites-DWR-Reclamation Agreement to Coordinate the Operations of Sites Reservoir. In that case, the "White Paper" describes the Parties mutual understanding at the time of the Agreement how current operating conditions would be examined if Sites was in place today. This is very similar to the information provided in the TMs. The "white paper" serves to inform future collaboration as things change. The TMs could serve the same purpose. The Agreement itself is adhered to at all times; same for the FUAs; and a re-examination of then current circumstances would occur at the time of initiating operations for the "white paper" and the TMs. This approach gives all parties i) near-term assurances that the current circumstances are manageable and ii) that future changes affecting the operations will be navigated cooperatively and be evaluated with all the parties at the table at a starting place of like-mind.

Affirmation of Board negotiating parameters

The Board established negotiating parameters for these agreements in December 2020 and reaffirmed those parameters during a November 2022 update. In February 2023, the Sites Authority executed a Cooperative Agreement with GCID and TCCA that established both a framework for the future use of partner facilities and a process for negotiating the Facilities Use Agreements. To support those negotiations, the Sites Authority retained Water Resources Economics to work collaboratively with Sites Authority, GCID, and TCCA staff to evaluate wheeling rates and develop a recommended methodology for determining compensation for the use of shared conveyance facilities. This effort was completed in December 2024.

At this meeting, staff will summarize how the negotiating parameters have been addressed in the current drafts of the Facilities Use Agreements. Staff will also seek direction on any remaining principles or provisions that should be considered before the agreements are brought back for approval next month.

Prior Action:

June 2026 – Receive a status update on the Facilities Use Agreements with Glenn Colusa Irrigation District (GCID) and Tehama-Colusa Canal Authority (TCCA).

Fiscal Impact/Funding Source:

Negotiation of both Facilities Use Agreements is to be conducted within the budgeted funds currently authorized by the Board.

There is an attachment in both agreements that describes the methodology previously determined for setting rates and charges by the non-Federal Operating Entity. While the exact amounts have not yet been determined, current estimates

that have been discussed are in the range of $10-30/af (2026 dollars), which is consistent with prior versions of the Plan of Finance. The rates would be set such that diversions and releases constitute an independent proportionate share of the existing O&M for the reaches of Canal in use.

Staff Contact:

JP Robinette

Primary Service Provider:

Nossaman / Brown and Caldwell

Attachments:

Attachment A – Draft GCID OM&R Technical Memorandum

Attachment B – Draft TCCA OM&R Technical Memorandum

Glenn-Colusa Irrigation District Facility Operations, Maintenance, and Replacement

Draft Technical Memorandum

To:	Sites Project Authority
CC:	Rob Natoli, P.E./Sites
Date:	August 6, 2026
From:	Brad Memeo, P.E./Jacobs
Quality Review:	Peter Rude, P.E./Jacobs
GCID Review:	Jeff Sutton, Brad Mattson, Ed Henderson, Chris Cesa
Authority Agent Review:	Reviewer
Subject:	GCID OM&R

Executive Summary

The purpose of this technical memorandum (TM) is to describe the inspection, operation, maintenance, and replacement (OM&R) activities associated with the major components of the Glenn-Colusa Irrigation District (GCID) water delivery system. This TM is intended to provide an overview of existing OM&R practices and activities and is not intended to serve as a detailed OM&R manual for the existing facilities.

The Sites Project Authority is currently developing the proposed off-stream storage reservoir known as Sites Reservoir, located approximately 10 miles west of Maxwell, California, near the community of Sites. The reservoir would be filled primarily through diversions of winter floodwaters from the Sacramento River. The capacity of existing conveyance facilities, including the GCID water delivery system to safely convey these winter flows, is an important component. Figure 1 shows the complete process flow diagram for the Sites Project with the GCID facilities highlighted.

The GCID system includes the Hamilton City Pumping Plant and Fish Screen, approximately 65 miles of Main Canal and an extensive network of canals, laterals, and drains that deliver water to agricultural users and wildlife refuges throughout the region. The Sites Reservoir Project would use portions of this existing infrastructure to divert Sacramento River water during winter high-flow periods, conveying water through the Main Canal to the proposed Terminal Regulating Reservoir near canal Mile Post 41.3.

The GCID Main Canal is typically dewatered and taken out of service for approximately 6 weeks each year, generally from early January through late February, to facilitate routine inspection, maintenance, and repair activities. As operations of the Sites Project are initiated, GCID will strive to shorten this inspection/maintenance window for the facilities used by the Sites Project to 3 weeks and to prioritize such work, when feasible, to periods when Sites is not able to divert. Use of the Sites fund for expediting

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winter maintenance of Partner Facilities will be relied upon to achieve this goal when circumstances merit.

GCID commits to make best efforts regarding planning for such inspection/maintenance shutdown periods and the timing thereof to maximize opportunities for diversions and conveyance of water to Sites. However, GCID will be sole arbiter of the timing and duration of necessary inspection/maintenance periods, which will be determined by GCID based on the amount, nature, and duration of work necessary; the windows of opportunity to conduct such work; and other relevant details that will define the circumstance. GCID commits to make best efforts to coordinate such needs and activities with the Sites Project Joint Powers Authority. Under no circumstance will GCID be held responsible or liable in any manner for reductions in water quantity or foregone diversion opportunities for Sites deliveries associated with GCID's determination regarding the need, timing, or duration of such inspection/maintenance shutdown periods.

The Sites Project team extends its appreciation to GCID for its valuable collaboration in the preparation of this document, including providing and reviewing the information contained herein and verifying that the compiled information is reasonable and accurate.

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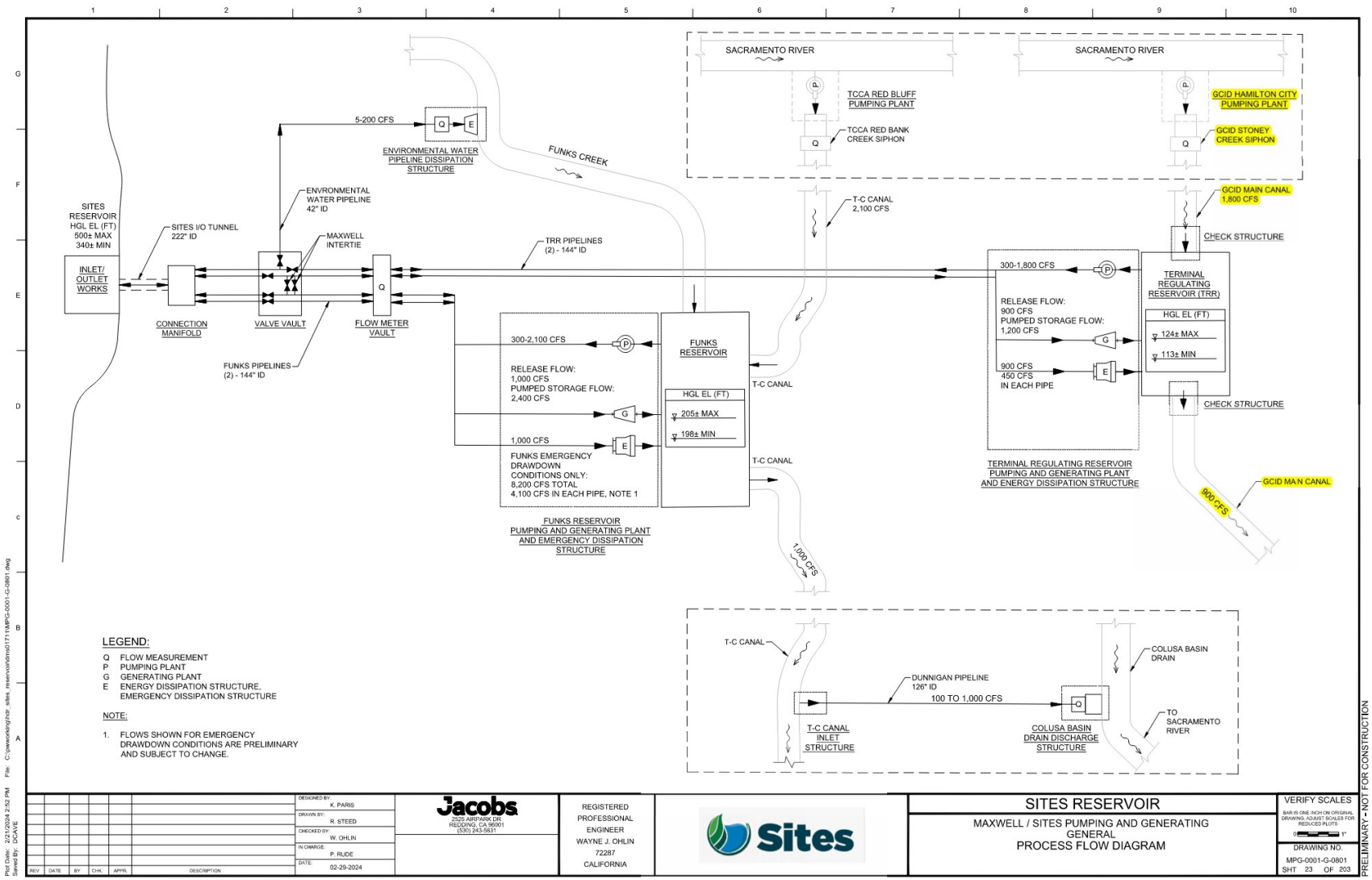

Figure 1. GCID and Sites Project Facilities Process Flow Diagram (Jacobs 2026)

1.0 Brief Description of GCID System

The Glenn-Colusa Irrigation District (GCID) is the largest irrigation district in California's Sacramento Valley, serving approximately 175,000 acres in Glenn and Colusa Counties. Organized in 1920, the GCID holds some of the oldest and largest water rights on the Sacramento River, with origins dating to 1883. GCID diverts water from the Sacramento River at its Hamilton City Pumping Plant (HCPP) and delivers it through a 65-mile Main Canal and an extensive network of canals, laterals, and drains that support a diverse agricultural economy, including rice, orchards, tomatoes, and other crops. GCID is also responsible for supplying water to three wildlife refuges that provide habitat for waterfowl, shorebirds, and numerous threatened and endangered species.

The HCPP is located on an oxbow of the Sacramento River at River Mile 206, approximately 100 miles north of Sacramento, California. The oxbow is a natural feature of the river that has been maintained by the GCID as part of its water diversion and conveyance operations.

A River Gradient Facility was constructed across the main stem of the Sacramento River at the upstream end of Montgomery Island to confirm that the fish-screening facility would operate as designed throughout the life of the project. The gradient facility is configured to provide (1) sufficient hydraulic head and flow through the oxbow, and (2) adequate water depth at the fish screens. An adjustable water-control weir located downstream of the fish screens allows for regulation of open-channel bypass flows and maintenance of the required screen submergence levels.

The facilities are designed to enable the HCPP to divert up to 3,000 cubic feet per second (cfs) from the Sacramento River when upstream river flows are as low as 7,000 cfs at the entrance to the oxbow.

Figure 2 shows the primary river diversion facilities. General descriptions of each facility are provided in the following subsections.

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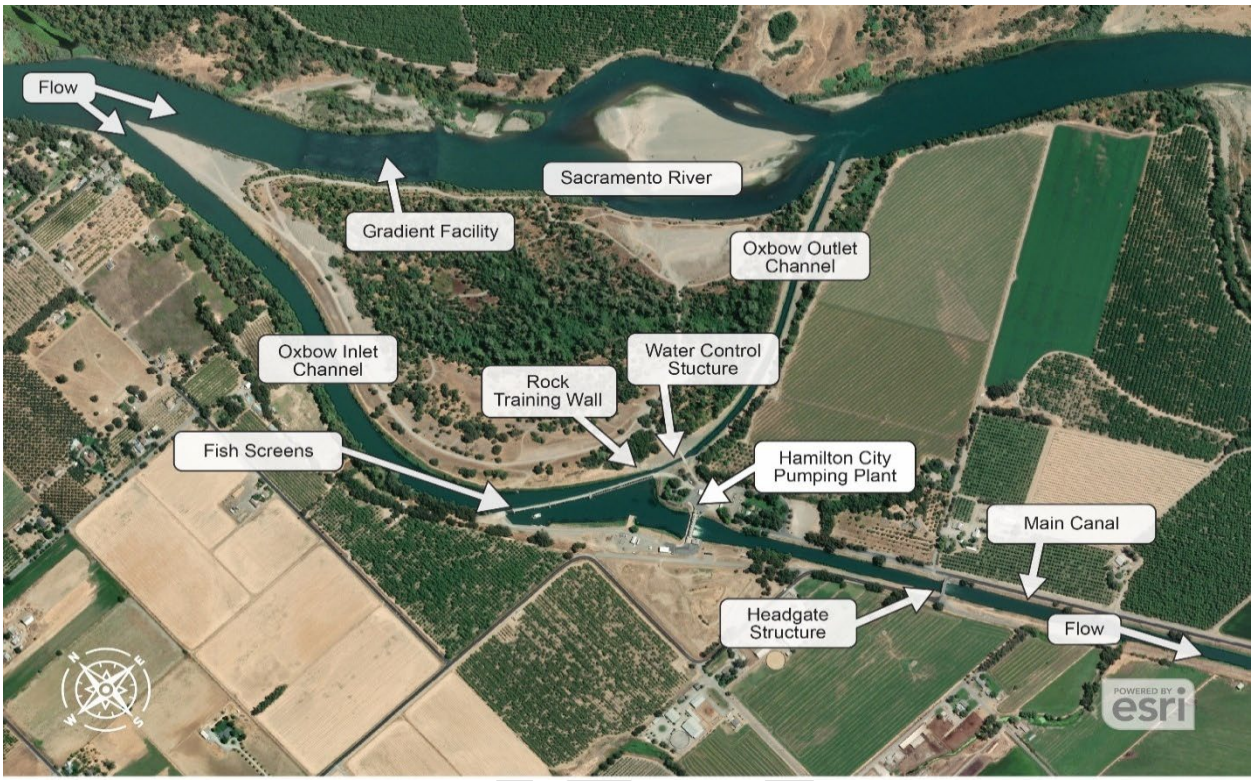

Figure 2. GCID HCPP Diversion Facility

1.1 GCID Oxbow, Fish Screen, Forebay, and Pumping Plant

The oxbow consists of four primary components:

- The upstream oxbow channel, which conveys flow from the Sacramento River
- A training wall, which directs and controls flow within the oxbow
- The water-control structure, which regulates water surface elevations and flow conditions
- The bypass channel, which conveys bypass flows downstream and provides a route for fish passage around the screening facility

The fish screen structure was designed to divert 3,000 cfs while meeting the maximum approach velocity criterion for salmonid fry in streams and rivers of 0.33 foot per second. The facility includes three bypass bays that are no longer operational according to an agreement with state and federal fishery agencies—one within the original screen structure and two within the extended screen structure—as well as a dedicated passage bay for dredging equipment.

The deck elevation of the extended fish screen structure was set to match the deck elevation of the existing screen structure. Both decks are subject to overtopping during Sacramento River flows exceeding approximately 110,000 cfs. Such high-flow events, when they occur, are most likely during the winter season with a duration of a few hours to a few days.

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The fish screens are cleaned by eight mechanical screen sweeps, with four sweeps serving the original fish screen structure and four serving the extended fish screen structure. Currently, the fish screen cleaner cannot be operated in high flows exceeding 20,000 cfs.

The Forebay, located downstream of the fish screen structure, functions as a sediment settling area and provides uniform flow conditions to the HCPP. The Forebay encompasses approximately 5.5 acres and accumulates sediment transported from the Sacramento River.

The HCPP consists of 10 medium-voltage synchronous motors operating at 2,300 volts; these motors power vertical axial-flow pumps with a combined design pumping capacity of 3,000 cfs. The horsepower rating and flow capacity of each pumping unit are summarized in Table 1. The HCPP motors have been in service for approximately 42 years. To maintain long-term reliability and operational performance, GCID has implemented a motor rehabilitation program that includes rewinding the existing motors. Since 2016, all 10 motors have been refurbished as part of this effort. In addition, infrared inspection ports have been installed on each motor terminal box.

Table 1. Pump Unit Performance Characteristics

Pump Unit	Horsepower	Flow Capacity (cfs)
1 and 2	250	150
3 through 8	600	400
9	300	200
10	150	100

The HCPP motors are equipped with factory-installed anti-backspin clutches to prevent reverse rotation of the pumps during gravity-flow operations. During gravity flows, the pump shafts spin in their normal clockwise direction. Gravity-flow operation is dependent on high river levels and is constrained by operational limitations of the existing Main Canal Headgate Structure. Historically, gravity-flow operation has not been a common operating mode and will require further evaluation for the Sites Project.

1.2 Main Canal Reach from HCPP to Funks Check

The Main Canal conveys water diverted from the Sacramento River at the HCPP to agricultural and other water users throughout the GCID service area. Extending from its diversion point approximately 5 miles northwest of Hamilton City to a location southeast of the City of Williams, the canal is an unlined earthen channel approximately 65 miles long. Canal capacity gradually decreases along its length, from about 3,000 cfs at the upstream end to approximately 300 cfs at its southern terminus, where flows are discharged into the Colusa Basin Drain.

The Main Canal reach between the HCPP and Funks Check structure, which is located immediately upstream of Funks Creek Siphon, extends approximately 41.3 miles. The principal features located along this 41.3-mile reach of the canal are summarized in Table 2.

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Table 2. Main Canal Infrastructure (HCPP to Funks Creek Siphon)

Feature	Quantity
Field Turnouts	168
Check Structures	10
Bridges	27
Siphons	6
Drain Siphons[a]	36
Tehama-Colusa Canal Authority Wasteway	1

[a]Drain siphons cross beneath the Main Canal and therefore do not obstruct or affect canal flows.

A map showing all infrastructure located on or crossing the GCID Main Canal upstream of Funks Creek is provided in Attachment 1.

1.3 Operational Timing for Sites Water Conveyance

The Conveyance Capacity TM (Jacobs 2026) indicates that the GCID Main Canal can convey up to 1,800 cfs of Sites diversion flows from the Sacramento River to the proposed Terminal Regulating Reservoir (TRR) (Mile Post [MP] 41.3), provided the canal bank improvements identified in the Sites Project 10% design drawings are implemented.

During the Sites diversion season (November 1 through June 30), daily coordination between GCID and Sites will be required to verify that GCID water delivery demands are met while maximizing diversion opportunities for Sites. Coordination will be particularly important during the following periods:

- **January and February**, when the canal is typically taken out of service to accommodate annual maintenance activities
- **Mid-April through June**, when GCID irrigation demands are at their peak due to rice field flood–up operations and when Sites may have opportunities to divert Sacramento River flows during outlier years in which flood flows are available

1.4 GCID Facility Considerations and Potential Improvements

This section identifies facility-specific considerations associated with operations and maintenance (O&M) of the GCID water delivery system; and identifies potential improvements that may be required to support reliable system performance. Considerations include hydraulic capacity; freeboard requirements; maintenance access; mechanical and electrical equipment condition; and the ability of existing facilities to accommodate future operational demands associated with the Sites Project. Potential improvements may include modifications to conveyance facilities, control structures, mechanical and electrical systems, and pumping equipment to enhance system reliability, operational flexibility, efficiency, and safety.

Necessary improvements include replacement of the GCID Main Canal Headgates Structure, as well as improvements to several miles of canal roads to restore required freeboard, as identified through the hydraulic modeling completed in 2023 (Jacobs 2026) and included in the Sites Project 10% design and cost estimate. In addition, portions of the canal roads between the HCPP and TRR (MP 41.3) will require

improvements, such as aggregate base surfacing, to provide reliable all-weather access for O&M activities. Select canal embankment reaches will also require slope stabilization or armoring to protect against erosion and maintain embankment stability.

Other necessary improvements include replacement of the fish screen-cleaning system and pumping plant flap gate valves, which were included in the Sites Project as contingency items but were not specifically identified or quantified in the 30% design construction cost estimate.

An evaluation of pump performance at higher river stages, relative to historical operating conditions, will be required to confirm that pump operation remains within the allowable operating range and/or can be safely operated under gravity-flow conditions.

1.5 Current and Future Maintenance Window

The GCID Main Canal is typically taken out of service for approximately 6 weeks each year, generally from January 7, marking the end of water delivery season, through February 22. This annual shutdown period allows the GCID to perform routine maintenance, inspections, repairs, and construction activities on the canal and its associated facilities before the start of the next irrigation season.

Annual substation and associated medium-voltage electrical testing and maintenance at the HCPP must be scheduled several months in advance and is performed each year at the end of January. Depending on the equipment scheduled for service, this work requires the removal of utility power for approximately 3 to 5 days. Historically, electrical testing and maintenance activities have been conducted on a 3-year rotation. Due to the advance planning and coordination required, it is not feasible to reschedule maintenance during the outage period if Sites diversion requests are received.

As operations of the Sites Project are initiated, GCID will strive to shorten this inspection/maintenance window for the facilities used by the Sites Project to 3 weeks and to prioritize such work, when feasible, to periods when Sites is not able to divert. Use of the Sites fund for expediting winter maintenance of Partner Facilities will be relied upon to achieve this goal when circumstances merit.

GCID commits to make best efforts regarding planning for such inspection/maintenance shutdown periods and the timing thereof to maximize opportunities for diversions and conveyance of water to Sites. However, GCID will be sole arbiter of the timing and duration of necessary inspection/maintenance periods, which will be determined by GCID based on the amount, nature, and duration of work necessary, the windows of opportunity to conduct such work, and other relevant details that will define the circumstance. GCID commits to make best efforts to coordinate such needs and activities with the Sites Project Joint Powers Authority. Under no circumstance will GCID be held responsible or liable in any manner for reductions in water quantity or foregone diversion opportunities for Sites deliveries associated with GCID's determination regarding the need, timing, or duration of such inspection/maintenance shutdown periods.

1.6 Current Instrumentation and Controls and SCADA System

GCID modernized its Main Canal by equipping 17 check structures with locally controlled programmable logic controllers integrated through a district-wide supervisory control and data acquisition (SCADA) network. The system enables real-time monitoring and remote control of canal operations, improving water level regulation, delivery efficiency, and operational responsiveness across the entire Main Canal.

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Based on documentation from the Irrigation Training & Research Center (ITRC) for the GCID Main Canal Modernization and Automation Program (ITRC 2023), the SCADA system associated with the 17 automated check structures provides the following key operational capabilities:

- Automated upstream water level control
- Remote manual gate control
- Remote monitoring of canal levels and gate positions
- Remote selection of control and monitoring sensors
- Remote adjustment of controller setpoints
- Remotely switching between automatic and manual operating modes

The SCADA systems associated with eight of the major check structures upstream of Funks Creek are described in the following sections.

1.6.1 Jacinto Check

Jacinto Check is the first major check structure on the Main Canal. The facility consists of three automated radial gates that regulate canal operations by maintaining an upstream water surface elevation setpoint established by GCID supervisory staff. The structure includes the following:

- Two level sensors upstream and two level sensors downstream (ultrasonic sensor and pressure transducer on each side) for redundant water level measurement
- Two gate position sensors per gate (Celesco string potentiometer and inclinometer) for redundant gate position monitoring
- Gate travel limit switches to prevent operation beyond physical limits

Control and data acquisition are provided by a SCADAPack 32 remote terminal unit (RTU) programmed by ITRC in 2010. Data are transmitted through GCID's 5.8-gigahertz (GHz) radio network to the primary SCADAPack 470 RTU at the Willows office and then to the Ignition human-machine interface (HMI) system.

1.6.2 Willard, Walker, Willows, Spooner, and Norman Checks

Willard Check, Walker Check, Willows Check, Spooner Check, and Norman Check are configured similarly to Jacinto Check. Each structure consists of three automated radial gates controlled to maintain an upstream water level setpoint established by GCID supervisory staff. Each site includes the following:

- Four redundant water level sensors (two upstream and two downstream)
- Six gate position sensors (two per gate)
- Gate travel limit switches
- SCADAPack 32 RTUs with automation programs developed by ITRC in 2010
- Communications through GCID's 5.8-GHz radio network to the primary SCADAPack 470 RTU and Ignition HMI system

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1.6.3 Tuttle Check

Tuttle Check is the third major check structure on the Main Canal and was constructed in 2021. Unlike the older radial-gate facilities, Tuttle Check uses three Langemann gates. The site includes the following:

- Two gate position sensors per gate (rotary encoder and Celesco string potentiometer)
- Redundant upstream and downstream level measurement using Senix ultrasonic sensors and pressure transducers
- A SCADAPack 474 RTU programmed by ITRC
- Communications through GCID's 5.8-GHz radio network to the primary RTU and Ignition HMI system

1.6.4 Funks Check

Funks Check is the eighth major check structure and the first Main Canal check containing two gates rather than three. Although the gates are capable of automated upstream-level control, the structure is typically operated manually. The site includes the following:

- Four redundant water level sensors (two upstream and two downstream)
- Two gate position sensors per gate (Celesco string potentiometer and inclinometer)
- Gate travel limit switches
- A SCADAPack 32 RTU with an ITRC-developed automation program
- Communications through GCID's 5.8-GHz radio network to the primary SCADAPack 470 RTU and Ignition HMI system

1.7 Current Water Measurement System

The GCID Stoney Creek Siphon is a key flow-measurement location on the GCID Main Canal. Flow is measured using three SonTek SL1500 sensors recessed into the downstream side of the siphon. The sensors are owned, operated, and maintained by the Bureau of Reclamation (Reclamation). Data are collected through a SCADAPack RTU and transmitted via GCID's 5.8-GHz radio network to the Ignition HMI system for monitoring and reporting.

Key facts in the ITRC Paper Number P 2002-006 (Perkins et al. 2002) about water measurement at the Stoney Creek Siphon are as follows:

- The siphon consists of three rectangular tubes, each approximately 12 feet by 14 feet and more than 200 feet long. The facility was designed to convey up to about 3,200 cfs.
- Because flow is divided among the three barrels, three acoustic doppler flowmeters were installed, one in each tube, to measure water velocity and calculate discharge.

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- The sensors were installed near the downstream end of the siphon where they remain continuously submerged, improving measurement reliability.

- Flow data were connected to a SCADA system, allowing both GCID and Reclamation to monitor flows remotely in near real-time.

2.0 Oxbow OM&R

The following sections describe existing operation, maintenance, and replacement (OM&R) practices and potential changes associated with implementation of the Sites Project.

2.1 Existing OM&R

Operation of the water-control structure can be adjusted as necessary to maintain at least the minimum required bypass flow while verifying that adequate water surface elevations are maintained at the fish screens to support proper facility operation and fish protection criteria.

Annual maintenance of the oxbow (also known as the intake channel) consists of removing accumulated silt, sand, gravel, cobble, washed-in vegetation, and human-made debris using heavy equipment. Significant sediment deposition is anticipated in the upstream channel area during winter flow events. The downstream bypass channel should also be dredged as necessary; however, substantial sediment accumulation is not expected due to the higher flow velocities typically present in the bypass channel. Changes in river morphology resulting from erosion or sediment deposition should be documented and monitored.

Riprap should be inspected regularly for evidence of displacement, settlement, erosion, or sloughing, particularly following high-flow events. Any damaged or displaced riprap should be repaired or replaced promptly to prevent further deterioration; protect adjacent slopes and structures from erosion; and maintain the effectiveness of the erosion protection system.

The oxbow should be inspected routinely for obstructions that could impede flow or fish passage, including snags, fallen trees, and other debris. Any such obstructions should be removed as necessary to maintain the hydraulic capacity and operational effectiveness of the channel. Following significant flow events, additional inspections should be conducted to identify and address newly deposited debris or other conditions that may affect channel performance.

Channel dredging activities are conducted annually between March 1 and July 1 under a California Department of Fish and Wildlife Lake and Streambed Alteration Agreement and an Incidental Take Permit.

2.2 OM&R with Sites Project

With implementation of the Sites Project, channel dredging requirements may increase due to additional winter operations and the potential for increased sediment deposition during diversion events. Continued monitoring of sediment accumulation should be performed to evaluate whether modifications to existing dredging frequency, disposal practices, or sediment-management procedures are warranted.

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3.0 Water-Control Structure OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

3.1 Existing OM&R

The water-control structure is an integral component of the fish screen and plays a critical role in the hydraulic performance of the overall system (which includes the river gradient facility, the internal bypass system, the intake and bypass channels, and the bypass outfall). The structure is located immediately downstream of the fish screen facility and consists of an upstream transition, a central throat section, and a downstream transition. The throat section is designed to accommodate precast concrete bulkhead panels and slabs that can be installed to adjust flow conditions.

The crest elevation of the water-control structure is adjustable through the addition or removal of precast concrete blocks, in 1-foot increments. The water-control structure regulates the distribution of flow to the bypass channel in response to varying river stages and pumping plant operating conditions. This integrated control system helps maintain appropriate hydraulic conditions at the fish screen while providing the required bypass flows for fish passage and facility operation.

Operational activities are minimal; however, the facility is monitored and maintained continuously throughout the year, with heightened oversight during diversion operations.

3.2 OM&R with Sites Project

No substantial modifications to current facility operations or maintenance practices are anticipated in connection with Sites Project diversions through the facility.

4.0 Fish Screen OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

4.1 Existing OM&R

Operation of the fish screen facility includes the following items:

- An adjustable water-control weir located downstream of the fish screens allows for regulation of open-channel bypass flows and maintenance of the required screen submergence levels
- Adjusting baffles to maintain a uniform flow through the fish screen structure
- Mechanical screen-cleaning systems

Maintenance of the fish screen facility includes the following:

- Inspection and maintenance activities for mechanical equipment include inspecting and cleaning the fish screens; inspecting and maintaining adjustable baffles; and inspecting, maintaining, and repairing screen-cleaning systems, the high-pressure service water pipeline, barrier panels, trash

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racks, bulkheads at the bypass bays, bulkheads at the bypass outlet and water-control structure, and dredge bay panels.

- Inspection and maintenance activities for electrical equipment include inspecting, testing, and maintaining motors associated with the screen cleaner systems, facility lighting systems, water surface elevation monitoring equipment, and related electrical controls and instrumentation.

- Inspection and maintenance activities for structural and civil components include inspecting and maintaining all concrete structures associated with the facility, including precast concrete beams, the removable deck at the dredge passage bay, the bridge to Montgomery Island, the bypass outlet structure, and the water-control structure.

- Inspection and maintenance activities include identifying and monitoring scour holes and maintaining riprap protection alongside slopes and within the intake and bypass channels to prevent erosion and maintain the structural integrity and hydraulic performance of the facility.

Replacement of fish screen facility components is primarily condition-based. Fish screen panels, solid panels, screen cleaner brushes, and other mechanical appurtenances are repaired or replaced when inspections identify damage, excessive wear, corrosion, or operational deficiencies that could affect facility performance.

The fish screen facility is monitored and maintained year-round, on a continuous basis, with increased oversight during diversion operations. Major maintenance and replacement activities are generally performed at the end of the water delivery season during the annual maintenance window.

4.2 OM&R with Sites Project

With implementation of the Sites Project, the fish screen facility would likely experience increased wintertime operations compared to its current irrigation-focused seasonal use. Because Sacramento River flows during winter storm events are typically more turbid and contain higher suspended sediment concentrations, screen-cleaning frequencies may increase to prevent excessive debris and fine sediment accumulation on screen panels. Additional inspections of screens, screen-cleaning equipment, baffles, and related mechanical systems may be warranted following high-flow diversion events. Over the long term, increased operating hours and exposure to abrasive sediment loads could accelerate wear of screen panels, brushes, cables, and drives, potentially shortening replacement intervals for these assets.

5.0 Forebay OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

5.1 Existing OM&R

Forebay dredging operations are conducted on an as-needed basis to maintain adequate water depths, preserve hydraulic performance, and verify reliable operation of the fish screen facility and HCPP. Dredging is typically performed using a hydraulic dredge capable of removing accumulated sediment from the Forebay. Dredged material is conveyed through a dredge pipeline to designated spoil disposal or sediment storage areas for drying and management. Dredging activities are generally coordinated

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with seasonal maintenance schedules and operational requirements to minimize disruptions to water deliveries and facility operations.

The Forebay is currently dredged on a recurring cycle of approximately every 3 to 5 years. Dredging is performed by renting a dredge for 5 weeks, typically during the months of July and August.

Replacement of Forebay O&M equipment is primarily condition-based. Dredging equipment, slurry pipelines, valves, and other sediment-management components are repaired or replaced, as needed, based on inspection findings and operational condition.

5.2 OM&R with Sites Project

With implementation of the Sites Project, Forebay dredging requirements may increase due to additional winter operations and the potential for increased sediment deposition during diversion events. Continued monitoring of Forebay sediment accumulation should be performed to evaluate whether modifications to existing dredging frequency, disposal practices, or sediment-management procedures are warranted.

6.0 Pumping Plant OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

6.1 Existing OM&R

Typical OM&R activities for the constant-speed vertical axial-flow pumps include routine inspection of pump and motor performance; lubrication of bearings; inspection and replacement of packing and seals; vibration monitoring; cleaning of trash racks; removal of accumulated debris and sediment; and periodic overhaul of impellers, bearings, shafts, and motors as required to maintain reliable operation.

The pumping plant facility is monitored and maintained year-round, on a continuous basis, with increased oversight during diversion operations. Major maintenance and replacement activities are generally performed at the end of the water delivery season during the annual maintenance window.

6.2 OM&R with Sites Project

With implementation of the Sites Project, the HCPP would likely experience increased operating hours due to additional winter diversions. In addition, higher sediment concentrations associated with more turbid Sacramento River water could increase wear on pumps, impellers, valves, and other hydraulic components. As a result, inspections, preventive maintenance, and replacement of wear-related components may be required more frequently to maintain pumping efficiency and reliable operation.

7.0 Main Canal OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

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7.1 Existing OM&R

The Main Canal is operated and maintained to provide reliable water delivery while maintaining the structural integrity and hydraulic capacity of the conveyance system.

Typical operational activities include the following:

- Monitoring and adjusting canal flows and water levels
- Operating check structures and turnouts
- Coordinating water deliveries with agricultural demand and other water users
- Monitoring canal freeboard and hydraulic conditions during normal and high-flow operations
- Inspecting canal facilities to verify safe and reliable operation
- Operating measurement and telemetry systems used to track flows and water levels

Routine maintenance activities typically include the following:

- Removal of sediment deposits that reduce canal capacity
- Aquatic vegetation control within the canal prism and adjacent facilities
- Removal of debris, trash, and other material from canal structures
- Mowing and vegetation management along canal banks and right-of-way
- Inspection and repair of canal structures, embankments, access roads, and erosion protection features
- Cleaning and maintenance of culverts, siphons, gates, and turnout structures
- Lubrication, adjustment, and minor repair of mechanical and electrical equipment

The Main Canal is monitored and maintained year-round, on a continuous basis, with increased oversight during diversion operations. Major maintenance and replacement activities are generally performed at the end of the water delivery season during the annual maintenance window.

7.2 OM&R with Sites Project

With implementation of the Sites Project, O&M requirements for the Main Canal are anticipated to increase due to both the timing and volume of water deliveries. Unlike traditional irrigation deliveries that occur primarily during the summer, Sites water would be conveyed largely during the winter and non-irrigation season, requiring more year-round operation of canal facilities, gates, and measurement structures. This could reduce opportunities for maintenance outages and increase inspection and staffing needs.

In addition, Sites water diverted from the Sacramento River during high-flow periods may contain higher sediment concentrations than typical irrigation deliveries. Increased sediment loads could lead to greater accumulation of silt in canal reaches, turnouts, siphons, check structures, and measurement facilities, requiring more frequent sediment removal and cleaning. Higher sediment levels could also accelerate wear on gates, seals, and flow-measurement equipment, potentially increasing long-term repair and replacement requirements. Overall, the addition of Sites water would likely shift canal

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operations toward a more continuous, year-round maintenance program with greater emphasis on sediment management and hydraulic structure upkeep.

8.0 Conveyance Capacity for Sites

The GCID Main Canal has an upstream channel capacity of approximately 3,000 cfs during the dry summer irrigation season. Because the Sites Project is diverting water during the winter season and extending into the early summer, it was decided to use 2,850 cfs as the upstream channel capacity. This allows GCID to maintain adequate freeboard for the safe conveyance of flows during potential wet weather conditions. The channel capacity decreases to approximately 2,150 cfs near the TRR.

Under current conditions, the Main Canal can convey up to approximately 1,800 cfs of Sites Project flows to the TRR. The primary constraints are operational rather than hydraulic. GCID and Sites will be working together in the fall of 2026 to verify that there is adequate capacity near the Railroad Siphon and the Willows Check to convey the 1,800 cfs to the TRR and up to 350 cfs of expected GCID deliveries during the same operational window.

Canal capacity availability is generally favorable during the winter diversion season but becomes limited in Mid-April through June when irrigation demands increase. While these months can coincide with conditions when the Sites Project is able to divert, Sites Project diversions are not expected during peak irrigation demand periods, reflecting the priority of GCID deliveries. Additional constraints include short maintenance outages, typically occurring in early January through late February. Accordingly, the GCID canal represents a viable conveyance pathway, provided that daily coordination with GCID operations is maintained to balance Sites Project diversions with agricultural demands.

Tables 3, 4, and 5 present the results of the GCID Main Canal capacity analysis for the Sites diversion period (November 1 through June 30) for 3 recent water years. Additional information regarding the capacity analysis is provided in the HC Conveyance Capacity TM (Jacobs 2026).

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Table 3. GCID Main Canal Capacity Analysis for November 2022 through June 2023 (Wet Year)

Sites Diversion Operation Window: November 1 through June 30

Month	Flow Statistic	GCID Diversion at SCS (cfs)[a]	Available Capacity at SCS (cfs)	GCID Diversion at Willows Check (cfs)[a]	Available Capacity at Willows Check (cfs)	Sites CalSim 2 Top Speed Scenario Maximum Diversion (cfs)	Available Capacity for Sites Diversion (%)
Column #	*[1]*	*[2]*	*[3]*	*[4]*	*[5]*	*[6]*	*[7]*
November 1 to 30	Minimum	25	2,825	51	2,099	850	100
	Midpoint	189	2,662	127	2,024		100
	Maximum	352	2,498	202	1,948		100
December 1 to 15	Minimum	84	2,766	39	2,111	1,400	100
	Midpoint	314	2,536	197	1,954		100
	Maximum	544	2,306	354	1,796		100
December 16 to 31	Minimum	0	2,850	97	2,053	1,400	100
	Midpoint	296	2,554	222	1,928		100
	Maximum	592	2,258	347	1,803		100
January 1 to 7	Minimum	30	2,820	84	2,066	1,550	100
	Midpoint	149	2,701	92	2,059		100
	Maximum	268	2,582	99	2,051		100
January 8 to 31	Minimum	0	2,850	0	2,150	1,100	100
	Midpoint	0	2,850	0	2,150		100
	Maximum	0	2,850	0	2,150		100
February 1 to 22	Minimum	0	2,850	0	2,150	1,200	100
	Midpoint	173	2,678	0	2,150		100
	Maximum	345	2,505	0	2,150		100
February 23 to 28	Minimum	100	2,750	0	2,150	1,750	100
	Midpoint	175	2,675	11	2,140		100
	Maximum	250	2,600	21	2,129		100
March	Minimum	0	2,850	0	2,150	1,550	100
	Midpoint	150	2,700	40	2,110		100
	Maximum	300	2,550	80	2,070		100

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Month	Flow Statistic	GCID Diversion at SCS (cfs)[a]	Available Capacity at SCS (cfs)	GCID Diversion at Willows Check (cfs)[a]	Available Capacity at Willows Check (cfs)	Sites CalSim 2 Top Speed Scenario Maximum Diversion (cfs)	Available Capacity for Sites Diversion (%)
Column #	*[1]*	*[2]*	*[3]*	*[4]*	*[5]*	*[6]*	*[7]*
April 1 to 15	Minimum	0	2,850	24	2,126	1,800	100
	Midpoint	111	2,739	83	2,067		100
	Maximum	222	2,628	142	2,008		100
April 16 to 30	Minimum	208	2,642	116	2,034	1,800	100
	Midpoint	946	1,905	512	1,638		**91**
	Maximum	1,683	1,167	908	1,242		**65**
May	Minimum	2,055	795	1,072	1,078	1,000	**80**
	Midpoint	2,435	416	1,451	699		**42**
	Maximum	2,814	36	1,830	320		**4**
June	Minimum	2,031	819	1,214	936	450	100
	Midpoint	2,335	516	1,448	703		100
	Maximum	2,638	212	1,681	469		**47**

Column Notes:

1. [2] SCS operational capacity for Sites analysis: 2,850 cfs.
2. [2] There are no irrigation deliveries along the Main Canal between the HCPP and the SCS.
3. [2] Currently, the Main Canal is taken out of service annually for maintenance between January 7 and February 22.
4. [4] Willows Check modeled capacity: 2,150 cfs.
5. [7] Values shown in bold font indicate that the available capacity for Sites diversions is less than 100%.

Notes:

Water Year 2022 was a drought year, and GCID's diversion was limited to 25% of its water right allocation. Therefore, only diversions from November and December 2022, after drought-related restrictions were lifted, were used in the analysis.

Water Years 2023, 2024, and 2025 were years in which GCID received its full water allocation, and Sacramento River flows were sufficient to allow Sites Reservoir diversions.

[a]Daily flow data from GCID at the SCS and Willows Check were used for the period November 2022 through June 2023.

CalSim = California Simulation Model

SCS = Stoney Creek Siphon

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Table 4. GCID Main Canal Capacity Analysis for November 2023 through June 2024 (Above Normal Year)

Sites Diversion Operation Window: November 1 through June 30

Month	Flow Statistic	GCID Diversion at SCS (cfs)[a]	Available Capacity at SCS (cfs)	GCID Diversion at Willows Check (cfs)[a]	Available Capacity at Willows Check (cfs)	Sites CalSim 2 Top Speed Scenario Maximum Diversion (cfs)	Available Capacity for Sites Diversion (%)
Column #	*[1]*	*[2]*	*[3]*	*[4]*	*[5]*	*[6]*	*[7]*
November 1 to 30	Minimum	1,090	1,760	753	1,397	850	100
	Midpoint	1,274	1,577	840	1,310		100
	Maximum	1,457	1,393	927	1,223		100
December 1 to 15	Minimum	1,002	1,848	547	1,603	1,400	100
	Midpoint	1,124	1,726	674	1,476		100
	Maximum	1,246	1,604	801	1,349		**96**
December 16 to 31	Minimum	912	1,938	473	1,677	1,400	100
	Midpoint	1,031	1,819	603	1,547		100
	Maximum	1,150	1,700	733	1,417		100
January 1 to 7	Minimum	607	2,243	196	1,954	1,550	100
	Midpoint	737	2,113	346	1,805		100
	Maximum	867	1,983	495	1,655		100%
January 8 to 31	Minimum	0	2,850	0	2,150	1,100	100
	Midpoint	290	2,561	132	2,018		100
	Maximum	579	2,271	264	1,886		100
February 1 to 22	Minimum	0	2,850	0	2,150	1,200	100
	Midpoint	0	2,850	42	2,108		100
	Maximum	0	2,850	84	2,066		100
February 23 to 28	Minimum	0	2,850	0	2,150	1,750	100
	Midpoint	0	2,850	0	2,150		100
	Maximum	0	2,850	0	2,150		100
March	Minimum	50	2,800	0	2,150	1,550	100
	Midpoint	129	2,722	38	2,112		100
	Maximum	207	2,643	76	2,074		100
April 1 to 15	Minimum	183	2,667	0	2,150	1,800	100
	Midpoint	214	2,636	96	2,055		100
	Maximum	245	2,605	191	1,959		100

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Month	Flow Statistic	GCID Diversion at SCS (cfs)[a]	Available Capacity at SCS (cfs)	GCID Diversion at Willows Check (cfs)[a]	Available Capacity at Willows Check (cfs)	Sites CalSim 2 Top Speed Scenario Maximum Diversion (cfs)	Available Capacity for Sites Diversion (%)
Column #	*[1]*	*[2]*	*[3]*	*[4]*	*[5]*	*[6]*	*[7]*
April 16 to 30	Minimum	183	2,667	6	2,144	1,800	100
	Midpoint	801	2,050	310	1,841		100
	Maximum	1,418	1,432	613	1,537		**80**
May	Minimum	1,670	1,180	345	1,805	1,000	100
	Midpoint	2,282	568	986	1,165		**57**
	Maximum	**2,894**	0	1,626	524		**0**
June	Minimum	2,221	629	1,074	1,076	450	100
	Midpoint	2,559	291	1,327	823		**65**
	Maximum	**2,897**	0	1,580	570		**0**

Column Notes:

[2] SCS operational capacity for Sites analysis: 2,850 cfs. Values shown in bold font indicate that the SCS operational capacity was exceeded.

[2] There are no irrigation deliveries along the Main Canal between the HCPP and the SCS.

[2] Currently, the Main Canal is taken out of service annually for maintenance between January 7 and February 22.

[4] Willows Check modeled capacity: 2,150 cfs

[7] Values shown in bold font indicate that the available capacity for Sites diversions is less than 100%.

Notes:

Water Years 2023, 2024, and 2025 were years in which GCID received its full water allocation, and Sacramento River flows were sufficient to allow Sites Reservoir diversions.

[a]Daily flow data from GCID at the SCS and Willows Check were used for the period November 2023 through June 2024.

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Table 5. GCID Main Canal Capacity Analysis for November 2024 through June 2025 (Above Normal Year)

Sites Diversion Operation Window: November 1 through June 30

Month	Flow Statistic	GCID Diversion at SCS (cfs)[a]	Available Capacity at SCS (cfs)	GCID Diversion at Willows Check (cfs)[a]	Available Capacity at Willows Check (cfs)	Sites CalSim 2 Top Speed Scenario Maximum Diversion (cfs)	Available Capacity for Sites Diversion (%)
Column #	*[1]*	*[2]*	*[3]*	*[4]*	*[5]*	*[6]*	*[7]*
November 1 to 30	Minimum	98	2,752	0	2,150	850	100
	Midpoint	887	1,963	450	1,700		100
	Maximum	1,676	1,174	900	1,250		100
December 1 to 15	Minimum	244	2,606	128	2,022	1,400	100
	Midpoint	669	2,182	340	1,810		100
	Maximum	1,093	1,757	552	1,598		100
December 16 to 31	Minimum	57	2,793	55	2,095	1,400	100
	Midpoint	476	2,375	217	1,933		100
	Maximum	894	1,956	379	1,771		100
January 1 to 7	Minimum	576	2,274	109	2,041	1,550	100
	Midpoint	656	2,194	223	1,927		100
	Maximum	736	2,114	337	1,813		100
January 8 to 31	Minimum	0	2,850	0	2,150	1,100	100
	Midpoint	370	2,481	155	1,995		100
	Maximum	739	2,111	310	1,840		100
February 1 to 22	Minimum	0	2,850	0	2,150	1,200	100
	Midpoint	261	2,589	0	2,150		100
	Maximum	522	2,328	0	2,150		100
February 23 to 28	Minimum	0	2,850	0	2,150	1,750	100
	Midpoint	172	2,679	40	2,111		100
	Maximum	343	2,507	79	2,071		100
March	Minimum	98	2,752	0	2,150	1,550	100
	Midpoint	163	2,688	70	2,081		100
	Maximum	227	2,623	139	2,011		100

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Month	Flow Statistic	GCID Diversion at SCS (cfs)[a]	Available Capacity at SCS (cfs)	GCID Diversion at Willows Check (cfs)[a]	Available Capacity at Willows Check (cfs)	Sites CalSim 2 Top Speed Scenario Maximum Diversion (cfs)	Available Capacity for Sites Diversion (%)
Column #	*[1]*	*[2]*	*[3]*	*[4]*	*[5]*	*[6]*	*[7]*
April 1 to 15	Minimum	142	2,708	52	2,098	1,800	100
	Midpoint	259	2,591	130	2,021		100
	Maximum	376	2,474	207	1,943		100
April 16 to 30	Minimum	347	2,503	146	2,004	1,800	100
	Midpoint	1,215	1,635	635	1,516		**84**
	Maximum	2,083	767	1,123	1,027		**43**
May	Minimum	2,088	762	944	1,206	1,000	**76**
	Midpoint	2,449	402	1,462	689		**40**
	Maximum	2,809	41	1,979	171		**4**
June	Minimum	1,957	893	1,325	825	450	100
	Midpoint	2,412	438	1,517	634		**97**
	Maximum	**2,867**	0	1,708	442		**0**

Column Notes:

[2] SCS operational capacity for Sites analysis: 2,850 cfs. Values shown in bold font indicate that the SCS operational capacity was exceeded.

[2] There are no irrigation deliveries along the Main Canal between the HCPP and the SCS.

[2] Currently, the Main Canal is taken out of service annually for maintenance between January 7 and February 22.

[4] Willows Check modeled capacity: 2,150 cfs

[7] Values shown in bold font indicate that the available capacity for Sites diversions is less than 100%.

Notes:

Water Years 2023, 2024, and 2025 were years in which GCID received its full water allocation, and Sacramento River flows were sufficient to allow Sites Reservoir diversions.

[a]Daily flow data from GCID at the SCS and Willows Check were used for the period November 2024 through June 2025.

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9.0 References

Irrigation Training & Resource Center, at California Polytechnic State University – San Luis Obispo (ITRC). 2023. Glenn-Colusa Irrigation District - Modernization Projects with US Bureau of Reclamation. https://itrc.org/projects/GCID.htm.

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Perkins, Dennis, Stuart W. Styles, and Marcus Y. Yasutake (Perkins et al.). 2002. *Glenn-Colusa Irrigation District Flow Monitoring Program*. ITRC Cal Poly. Paper No. P 2002-006. July 9. Digital Commons at Cal Poly, Bioresource and Agricultural Engineering. https://digitalcommons.calpoly.edu/bae_fac/24.

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Attachment 1
GCID Main Canal Infrastructure

GCID Pump Station

Main Canal Headgates
Mile Post: 1.73

Tuttle Check
Mile Post: 21.75

Match Line

Walker Check
Mile Post: 24.00

Willow Creek Siphon 2
Mile Post: 24.68

Walker Creek Siphon 1
Mile Post: 24.48

Willows Check
Mile Post: 26.21

Willows Rail Road Siphon
Mile Post: 26.60

Stony Cr. Headgates
Mile Post: 7.23

Stony Creek Siphon
Mile Post: 7.23

Jacinto Check
Mile Post: 13.75

Spooner Check
Mile Post: 31.71

Baker Creek Siphon
Mile Post: 34.04

Norman Check
Mile Post: 35.63

Bondurant Check
Mile Post: 17.68

Funks Check
Mile Post: 41.30

Funks Creek Siphon
Mile Post: 41.34

Match Line

Funks Creek

Feature	Total Counts
Turnouts	168
Main Canal Checks	10
Main Canal Bridges	27
Drain Siphons	37
Main Canal Siphons	6

Legend
- Turnouts (68)
- Main Canal Checks (4)
- Main Canal Bridges (12)
- Main Canal Siphon (1)
- Main Canal Drain Siphon (16)
- Main Canal

All Structures on/across the Main Canal - Pump Station to Funks Creek (North)

0 0.25 0.5 1 Miles

Author: Kevin Berry
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community, Esri, NASA, NGA, USGS

GCID GLENN-COLUSA IRRIGATION DISTRICT

Feature	Total Counts
Turnouts	168
Main Canal Checks	10
Main Canal Bridges	27
Drain Siphons	37
Main Canal Siphons	6

Legend
- Turnouts (100)
- Main Canal Checks (6)
- Main Canal Bridges (15)
- Main Canal Siphon (5)
- Main Canal Drain Siphon (20)
- Main Canal
- Tehema-Colusa Canal Authority Wasteway

All Structures on/across the Main Canal - Pump Station to Funks Creek (South)

0 0.25 0.5 1 Miles

Author: Kevin Berry
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community, Esri, NASA, NGA, USGS

GCID GLENN-COLUSA IRRIGATION DISTRICT

Tehama-Colusa Canal Authority Facility Operations, Maintenance, and Replacement Draft Technical Memorandum

To:	Sites Project Authority
CC:	Rob Natoli, P.E./Sites
Date:	August 11, 2026
From:	Jessie Hekl, P.E./Jacobs, Megan Campbell, P.E./Jacobs
Quality Review:	Peter Rude, P.E./Jacobs
TCCA Review:	William Vanderwaal, Aaron Hall, Don Babb
Authority Agent Review:	Reviewer
Subject:	TCCA Operation, Maintenance, and Replacement

Executive Summary

This Technical Memorandum documents the existing operation, maintenance, and replacement (OM&R) practices for Tehama-Colusa Canal Authority (TCCA) facilities that are proposed to support operation of the Sites Reservoir Project and identifies potential changes to those practices resulting from future project operations. The evaluation focuses on the Red Bluff Pumping Plant (RBPP) and Fish Screen (FS), Tehama-Colusa Canal (TCC), Funks Reservoir and Dam, and associated control, measurement, and delivery facilities.

The TCCA system includes the RBPP and FS, approximately 137 miles of canal (including 26 miles of the Corning Canal and 111 miles of the TCC), Funks Reservoir and Dam, and numerous check structures and turnouts that deliver water to agricultural users throughout the region. The Sites Reservoir Project would use portions of this existing infrastructure to divert Sacramento River water during winter high–flow periods, convey water through the TCC to Funks Reservoir for storage in Sites Reservoir, and release water back through the TCC for delivery through the proposed Dunnigan Pipeline.

Hydraulic evaluations indicate that Sites Project operations are generally planned within the available conveyance capacity of the TCC. Diversions to Sites Reservoir are expected to occur primarily between November and June, while releases from Sites Reservoir are expected to occur primarily between April and November. Because agricultural demands increase during irrigation season, coordination between TCCA and Sites operators will be important to manage available conveyance capacity and operational priorities.

The Sites Reservoir Project will affect existing OM&R practices by increasing facility use during winter months and reducing the duration of traditional maintenance outages. Increased conveyance of Sacramento River water during winter storm events will also result in greater sediment loads within the FS Facility, Forebay, settling basins, Funks Reservoir, and portions of the canal system. As a result, sediment management, inspections, cleaning, and maintenance activities will need to occur more frequently than under current operations. Increased operating hours will also contribute to additional

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wear on pumps, gates, seals, flow-measurement equipment, FS components, and other mechanical and hydraulic assets.

In summary, this memorandum documents existing OM&R practices for TCCA facilities and identifies areas where operation of the Sites Reservoir Project will influence future OM&R requirements. Potential changes include increased winter operations, reduced maintenance windows, additional sediment management, greater inspection and monitoring needs, and increased use of mechanical and hydraulic equipment. These considerations provide a basis for future coordination, operational planning, and refinement of maintenance and asset management practices as the Sites Reservoir Project advances.

The Sites Project team extends its appreciation to TCCA for its valuable collaboration in the preparation of this document, including providing and reviewing the information contained herein and verifying that the compiled information is reasonable and accurate at the time of writing. TCCA is required to operate and maintain the TCC to the standards included in the Operations, Maintenance, Repair and Replacement Contract it has with the Bureau of Reclamation (Reclamation). TCCA supports the Sites Reservoir Project and is committed to see its success including maximizing the diversions and delivery of Sites Reservoir Project water to its investors within the parameters allowed by the Operations, Maintenance, Repair and Replacement Contract with Reclamation and other controlling laws and regulations.

1.0 Introduction

This document provides an overview of the existing Tehama-Colusa Canal Authority (TCCA) facilities that are proposed to support operation of the Sites Reservoir Project and describes the current operation, maintenance, and replacement (OM&R) practices associated with those facilities. The document also identifies potential changes to facility operations, maintenance activities, inspection requirements, and asset replacement considerations that will result from integration with and use by the Sites Reservoir Project. The intent is to establish a baseline understanding of existing OM&R responsibilities while evaluating how Project-related operational needs will affect future facility management and long-term reliability.

2.0 Brief Description of TCCA System and Sites Facility Use

The TCCA is a Joint Powers Authority that operates and maintains the Tehama-Colusa Canal (TCC) irrigation water supply system (TCCA n.d.). The system starts in the north with the Red Bluff Pumping Plant (RBPP) and Fish Screen (FS). It was constructed in 2010 to 2012, became operational in 2012, and is designed to divert water at a rate of up to 2,500 cubic feet per second (cfs) from the Sacramento River into the TCC. The FS has a current capacity of 2,500 cfs, and the RBPP has a current pumping capacity of 2,000 cfs.

The TCC is a concrete-lined channel that was completed in 1980 by the Bureau of Reclamation (Reclamation), and it extends approximately 111 miles from the RBPP in Tehama County to south of Dunnigan in Yolo County, and serves more than 139,000 acres of irrigated agriculture. The TCC has 26 automated check structures and approximately 75 turnouts. The TCC has a capacity of 2,530 cfs at its headworks, reducing to 2,100 cfs by the time it gets to Funks Reservoir that sits between Check 16 and Check 17. Funks Reservoir is located approximately 66 miles downstream and south of the RBPP, and its initial storage capacity was 2,250 acre-feet (ac-ft). However, this volume has been reduced to approximately 1,100 ac-ft since its construction in 1976 due to sediment deposition (primarily from

natural flows from Funks Creek). Downstream of Funks Reservoir, the TCC has a capacity of 2,100 cfs and then reduces to 1,700 cfs at Check 23 until its terminus at Check 26.

The Sites Project Joint Powers Authority is currently developing the off-stream storage reservoir, known as the Sites Reservoir, located approximately 10 miles west of Maxwell, California, near the community of Sites. The proposed reservoir would be filled primarily through diversions from the Sacramento River during winter flooding events, thereby requiring evaluation of the ability of existing conveyance infrastructure, including the TCC, to accommodate the Sites diversion flows within the limits of the designed freeboard requirements.

The TCCA maintenance period is typically from December 1 through February 15, approximately 10 weeks. In recent years the TCCA has facilitated groundwater recharge projects in this period with intermittent operation of the canal, but has reserved the ability to completely shut down as needed to do maintenance. In the more distant past, the TCCA maintenance coincided with the Funks Reservoir Standard Operating Procedure (SOP) that dictated November 15 through April 1.

With the Sites Project, the TCCA will modify the maintenance period to enable adequate facility maintenance to comply with the OM&R Agreement with Reclamation and allow for Sites Project diversions during periodic winter flood events on the Sacramento River. The Sites Project will also include the construction of the Dunnigan Pipeline between Checks 25 and 26 on the TCC to take Sites Project Water to the Colusa Basin Drain. Figure 1 shows the complete process flow diagram for Sites Project with the TCCA facilities highlighted.

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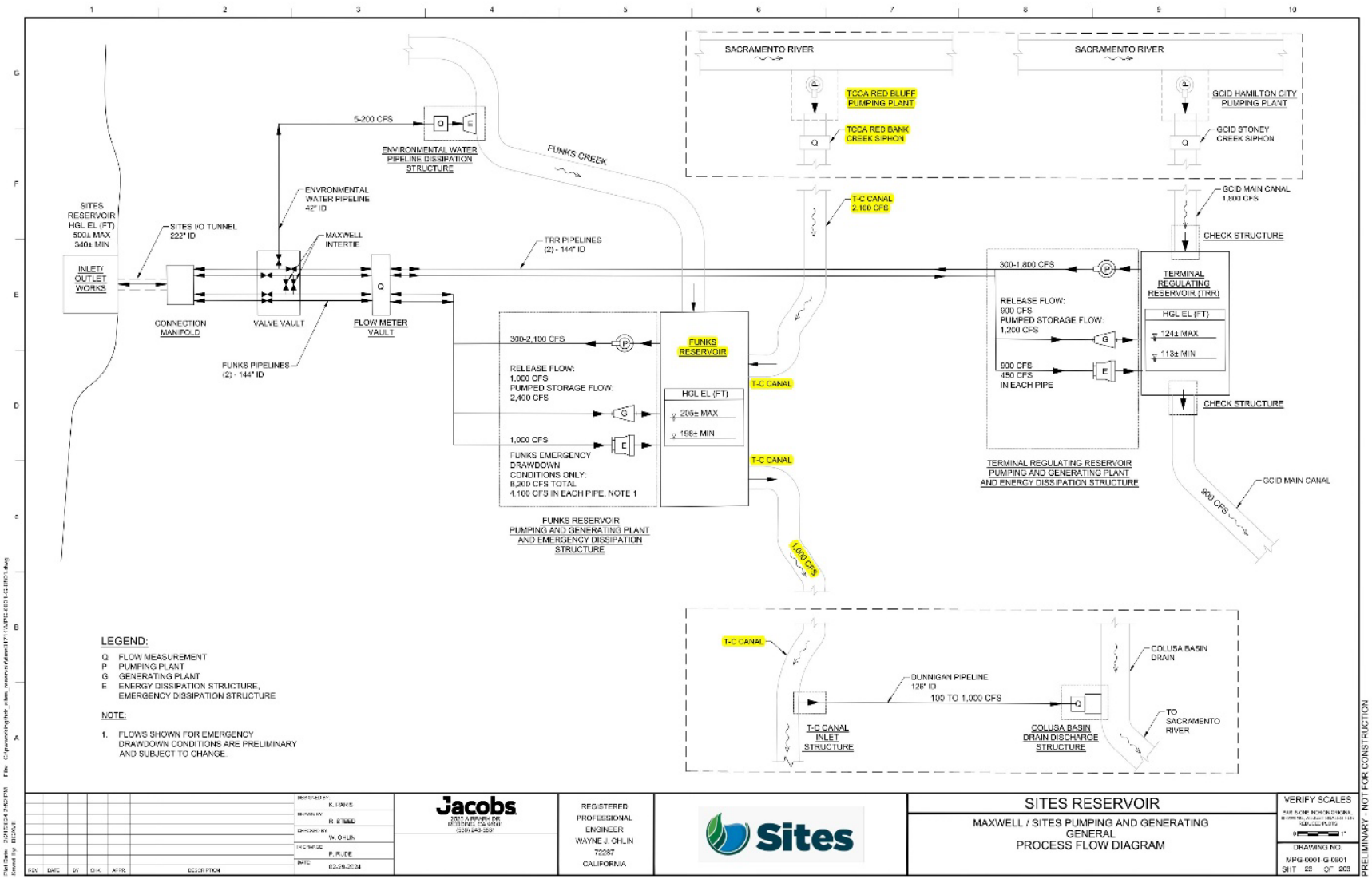

Figure 1. TCCA and Sites Project Facilities Process Flow Diagram (Jacobs, 2026a)

2.1 Red Bluff Fish Screen, Forebay, and Pumping Plant

The water diversion off the Sacramento River begins upstream of the Red Bluff Diversion Dam. Water enters the diversion facility through the 1,180-foot-long FS intake structure into the Forebay, which provides a uniform flow pattern for the RBPP. The Forebay is approximately 3.4 acres and accumulates sediment deposited by the FS bays. The water is then pumped using single-stage vertical axial-flow pumps in the RBPP into the Afterbay. The Afterbay leads into an upstream canal, siphon under Red Bank Creek, and downstream canal before connecting to the settling basin. The canals use ASTM A572 compliant Grade 50 hot-rolled steel sheet piles for the walls and a concrete structural slab for the bottom. The siphon consists of three 10-foot-wide by 9-foot-high barrels made from a reinforced concrete structure. From the settling basin, the water either enters the TCC using gravity or is pumped into the Corning Canal. Figure 2 shows an aerial photograph of the RBPP facilities.

Figure 2. Aerial Photograph of the RBPP Facilities (CH2M 2013)

The RBPP has a current capacity of 2,000 cfs and is being expanded to its full design capacity of 2,500 cfs using funds from the 2025 Reconciliation Bill (OB3) passed by the U.S. Congress. The OB3 funded project will expand the RBPP to its maximum capacity by adding two 250-cfs pumps. Two additional pump bays were designed and constructed during the original 2010 to 2012 RBPP & FS project. Each bay will accommodate a new 250 cfs pump and associated 600-horsepower (hp) motor. The FS system including the flat plate FS, cleaning system, and debris boom were designed to pass up to 2,500 cfs. To convey the maximum flow, all slide gates for the siphon must be fully open.

2.2 Main Canal from Check 1 to Check 16

The TCC was designed and constructed in reaches, with standard cross sections defined for each reach. The canal is concrete-lined and was built in a standard cross section shape, with the bottom width, side slopes, and canal depth varying slightly through the canal. Reaches 1 to 5 include 146 structures, 16 of which are check structures 1 through 16 (Jacobs 2026b). This section of reaches is the upstream segment of the TCC that conveys water from the RBPP to the Funks Reservoir. Check 1 is located at the point where the settling basin of the RBPP connects to the TCC. The TCC runs south between Interstate 5 (I-5) and the Sacramento River. Between Checks 10 and 11, the TCC crosses I-5 west. The TCC continues south until it connects to the Funks Reservoir just below Check 16. Figure 3 shows the location of the check structures and Funks Reservoir along the TCC.

This segment of the TCC runs through Tehama, Glenn, and Colusa counties. A maximum of 2,100 cfs of Sites Project water is expected to flow through the upstream segment of the TCC at any given time (Jacobs 2026b).

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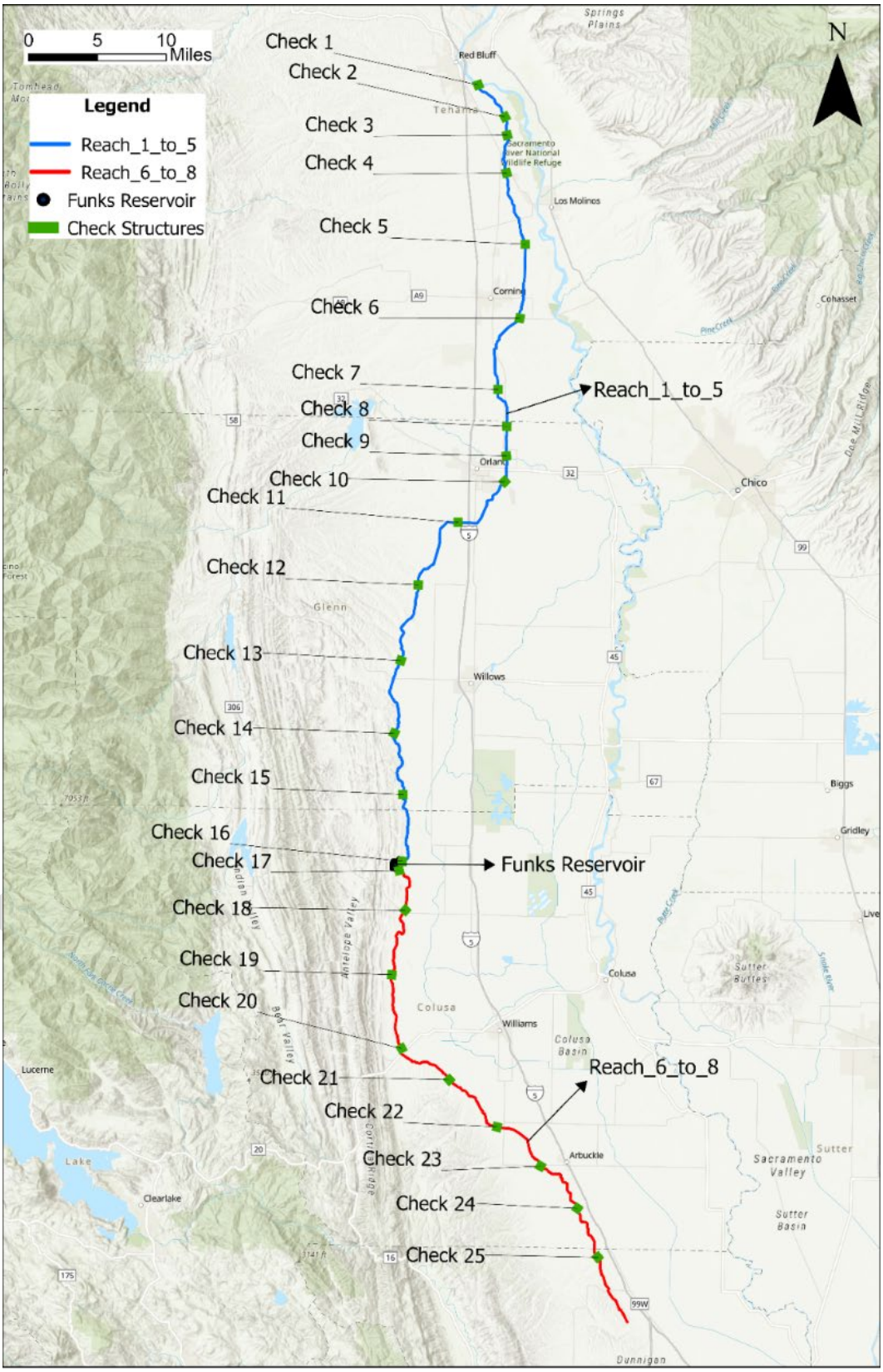

Figure 3. Check Structure Locations along TCC (Jacobs 2026b)

2.3 Funks Reservoir

The Funks Reservoir was constructed in the mid-1970s by Reclamation to provide operation flexibility for the TCC. It is located on the TCC at milepost (MP) 66.50 northwest of Maxwell, California, in Colusa County. Figure 4 shows the TCC in relationship to the Funks Reservoir area.

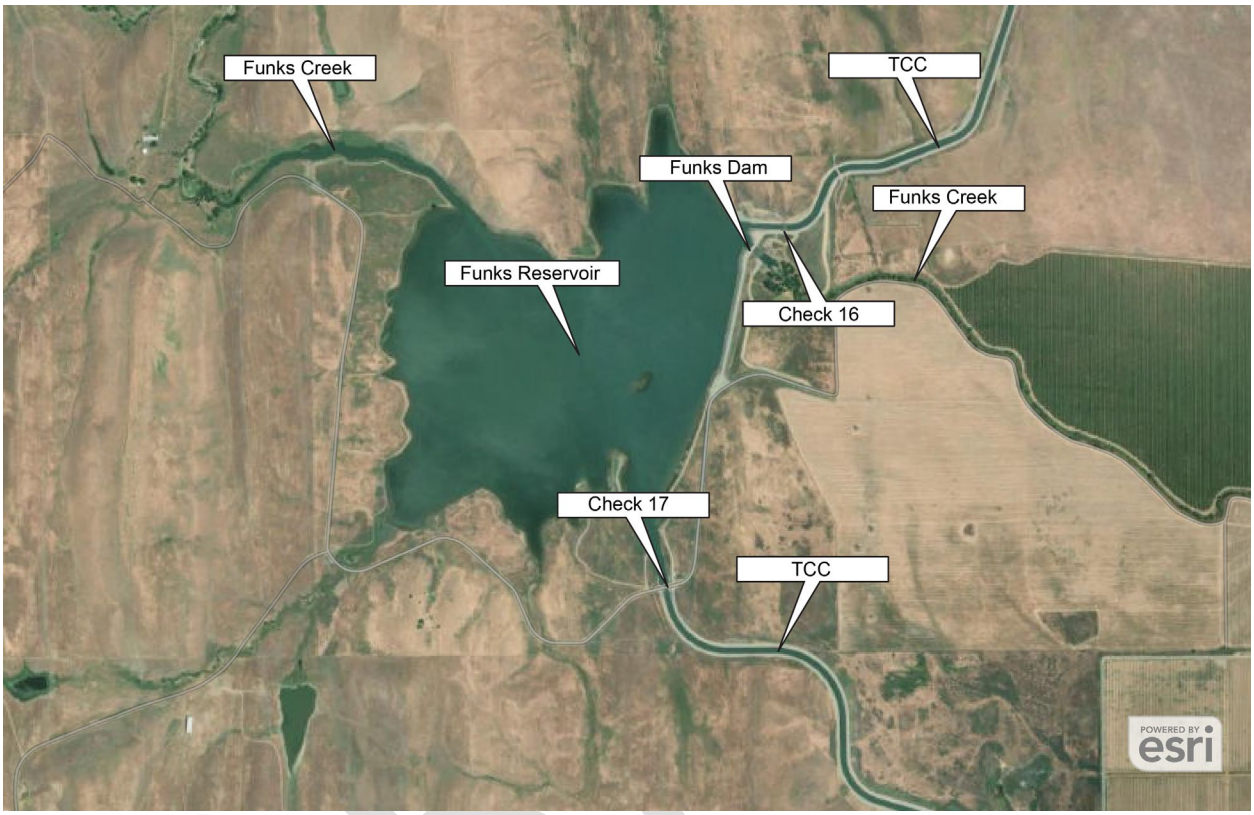

Figure 4. Funks Reservoir Area

The reservoir is operated by TCCA and is inspected and monitored at frequencies specified in the SOP and as needed to evaluate the facility conditions (Reclamation 2007). The reservoir water surface elevation (WSE) is regulated by Check 16 at the TCC inlet to Funks Reservoir and Check 17 at the outlet to the TCC. The reservoir WSE typically ranges from 200 to 205 feet, with a preferred operating range of 202 to 204 feet. The minimum WSE in the reservoir is 198 feet so that water can flow south in the TCC while providing the head required for downstream turnouts (Jacobs 2024).

At the time of construction, the reservoir had a usable capacity of 1,170 acre-feet between the operating levels of 199.5 feet and 205.2 feet elevation, and 1,080 acre-feet of inactive storage below elevation 199.5 feet, for a total capacity of 2,250 acre-feet; however, the addition of sediment from Funks Creek and TCC have reduced the total storage volume to approximately 1,100 acre-feet. The Sites Project will remove accumulated sediment to restore the original capacity of the reservoir. Excavation will occur at an elevation of approximately 197 feet in the reservoir to 165 feet for the proposed Funk Pumping and Generating Plant for the Sites Project (Jacobs 2024).

The Funks Reservoir will be used as a source of water to pump to and receive discharged water from Sites Reservoir. The Funks pumping generating plant (PGP) will pump water from Funks Reservoir to Sites Reservoir and will generate electricity using hydroelectric turbines when flow is released from Sites

Reservoir to Funks Reservoir for passage down the TCC. The pumping plant will be designed for 2,100 cfs while the generating plant will be for 1,000 cfs. An emergency dissipation structure will be included in the PGP to allow releases back to Funks Reservoir as a backup to the generating plant and to diffuse Sites Reservoir emergency drawdown flows (Jacobs 2024). Refer to Figure 1 for how the Funks Reservoir will operate with the Sites Project.

2.4 Main Canal from Check 17 to 26 (Dunnigan Pipeline)

The TCC below Funks Reservoir has nine check structures, numbered 17 through 25 (Jacobs 2026b). Check 26 marks the end of the TCC. This section of reaches is the downstream segment of the TCC that conveys water from the Funks Reservoir. Check 17 is located at the point where the Funks Reservoir flows into the TCC. The TCC continues south, crossing State Route 20 before turning southeast. It then parallels I-5 until terminating at Check 26. Refer to Figure 3 for the check structure locations. This segment of the TCC passes through Colusa and Yolo counties.

As part of the Sites Project, the Dunnigan Pipeline will connect to the TCC between Checks 25 and 26 using the TCC Inlet Structure. This structure will be placed along the east bank of the canal and conform to the existing slope of the canal. A maximum of 1,000 cfs of Sites Project water is expected to flow through the downstream segment of the TCC (Jacobs 2026b).

2.5 Operational Timing and Conveyance Capacity for Sites Project Water

The TCC is currently operated daily. This is important because water levels need to be maintained to provide adequate deliveries to existing users who are heavily affected by water levels in the canal. There will be daily peaks that will restrict what can be diverted to Sites Reservoir in certain circumstances.

Generally, the TCC has hydraulic capacity to convey most of Sites Project flows from RBPP to Funks Reservoir and all of Sites Project flows from Funks Reservoir to the Dunnigan Pipeline inlet. The following sections discuss the specifics of the flow into and out of Sites Reservoir.

2.5.1 Sacramento River Diversions to Funks Reservoir

The Sites Project will divert floodwaters off the Sacramento River at the RBPP between October and June, convey the water down the TCC into the Funks Reservoir, and then pump the water into the Sites Reservoir. The TCC capacity between RBPP and Funks Reservoir, by month is provided in Table 1 and uses 2025 data. Agricultural flow for 2025 was selected as a year when TCCA received its full allotment of water and it's a year when Sites could have diverted water off the river. Based on hydraulic modeling, the capacity of the TCC between Check #1 and Funks Reservoir is 2,400 cfs (Jacobs 2026a). The maximum Sites Project diversion is 2,120 cfs but varies by month and is based on the CalSim 3 "Top Speed" Scenario. The TCC frost water and future groundwater recharge is estimated between 100 and 200 cfs, but for this effort 200 cfs was assumed.

Table 1 indicates that in October and November the TCC has plenty of capacity for Sites water. Then in December through May the TCC is at or near capacity with Sites water and in June there is plenty of capacity for Sites water. This analysis is based on monthly average flows. In recent years the TCC has had peak daily flows more than 1,450 cfs for short periods in May and more sustained daily peaks more than 1,100 cfs in June and July. What this indicates is that there will need to be daily coordination between Sites and TCCA during river diversions for Sites water and there may be days when Sites gets less than their full diversion capacity.

Table 1. Red Bluff Pumping Plant from Check #1 to Check #16 into Funks Reservoir

Sites Diversion Operation Window: October 1 through June 30

Month	TCC Design Capacity (cfs)	TCC Modeled Capacity with 2-feet concrete freeboard (cfs)	Monthly Average TCC Agricultural Flows (cfs)	TCC Frost Water and Future Groundwater Recharge (cfs)	Sites CalSim 3 Top Speed Scenario Diversion Maximum Flow (cfs)	Combined Flows (cfs) [3+4+5]	TCC Extra Design Capacity (cfs) [1-6]	TCC Extra Modeled Capacity (cfs) [2-6]
Column #	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
January	2,100	2,400	0	200	2,120	2,320	-220	80
February	2,100	2,400	0	200	2,120	2,320	-220	80
March	2,100	2,400	1	200	2,120	2,321	-221	79
April	2,100	2,400	0	200	2,120	2,320	-220	80
May	2,100	2,400	823	0	1,375	2,198	-98	202
June	2,100	2,400	757	0	820	1,577	523	823
July	2,100	2,400	795	0	0	795	1,305	1,605
August	2,100	2,400	546	0	0	546	1,554	1,854
September	2,100	2,400	332	0	0	332	1,768	2,068
October	2,100	2,400	167	0	200	367	1,733	2,033
November	2,100	2,400	71	200	1,475	1,746	354	654
December	2,100	2,400	42	200	2,120	2,362	-262	38

Notes:

TCC Design Capacity Check #1 to Check #2 is 2,530 cfs, Check #2 through Check #4 is 2,300 cfs and from Check #5 through Check #16 is 2,100 cfs.

TCC Average Winter Flows (November 1 to April 30) vary between 100 cfs and 200 cfs for groundwater recharge and frost water upstream of Funks Reservoir.

TCC Average Summer Flows (April 1 through November 31) are taken from 2025 data per TCCA.

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2.5.2 Sites Reservoir Water Releases to Dunnigan Pipeline

Releasing Sites Project flows from Sites Reservoir to Funks Reservoir to the TCC to the Dunnigan Pipeline will occur between April 1 and November 31. The TCC capacity between Funks Reservoir and the Dunnigan pipeline inlet upstream of Check 26 is provided by month in Table 2 and uses 2025 data. Agricultural flow for 2025 was selected as a year when TCCA received its full allotment of water and it's a year when Sites could have diverted water off the river. Based on hydraulic modeling, the capacity of the TCC downstream of the Funks Reservoir is 1,900 cfs (Jacobs 2026a). The maximum Sites Reservoir release is 1,000 cfs with a potential of 1,300 cfs for very short periods of time. The TCC frost water and future groundwater recharge downstream of Funks Reservoir is estimated between 50 and 150 cfs, but for this effort 150 cfs was assumed.

Table 2 indicates that in April the TCC has plenty of capacity for Sites water. Then in May through August the TCC is near its capacity for Sites water, but there is a 250 to 450 cfs buffer. In September through November the TCC has plenty of capacity for Sites water. In recent years the TCC agricultural flows downstream of Funks Reservoir have rarely exceeded peak daily flows of 600 cfs, still providing adequate capacity in the TCC for Sites water.

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Table 2. From Funks Reservoir at Check #17 to end of TCC near Dunnigan Pipeline Inlet just Upstream of Check #26

Sites Releases Operation Window: April 1 through November 31

Month	TCC Design Capacity (cfs)	TCC Modeled Capacity with 1.5- to 3.5-feet concrete freeboard (cfs)	Monthly Average TCC Agricultural Flows (cfs)	TCC Frost Water and Future Groundwater Recharge (cfs)	Sites Reservoir Releases Maximum Flow (cfs)	Combined Flows (cfs) [3+4+5]	TCC Extra Design Capacity (cfs) [1-6]	TCC Extra Modeled Capacity (cfs) [2-6]
Column #	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
January	1,700	1,900	0	150	0	150	1,550	1,750
February	1,700	1,900	0	150	0	150	1,550	1,750
March	1,700	1,900	0	150	0	150	1,550	1,750
April	1,700	1,900	0	150	1,000	1,150	550	750
May	1,700	1,900	435	0	1,000	1,435	265	465
June	1,700	1,900	418	0	1,000	1,418	282	482
July	1,700	1,900	419	0	1,000	1,419	281	481
August	1,700	1,900	308	0	1,000	1,308	392	592
September	1,700	1,900	192	0	1,000	1,192	508	708
October	1,700	1,900	145	0	1,000	1,145	555	755
November	1,700	1,900	68	150	1,000	1,218	482	682
December	1,700	1,900	42	150	0	192	1,508	1,708

Notes:

TCC Design Capacity Check #17 through Check #22 is 2,100 cfs and from Check #23 to #26 is 1,700 cfs.

TCC Average Winter Flows (November 1 to April 30) vary between 50 and 150 cfs for groundwater recharge and frost water downstream of Funks Reservoir.

TCC Average Summer Flows (April 1 through November 31) are taken from 2025 data per TCCA.

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2.6 Current and Future Maintenance Window

Major maintenance activities for the TCCA RBPP and FS facilities are generally performed during planned outage periods when diversion demands allow equipment to be removed from service. The SOP specifies annual, semiannual, monthly, and condition-based maintenance activities for the FSs, pumping plant, Forebay dredging system, and sediment ponds but does not identify a specific seasonal maintenance window; however, the conditions that enable maintenance to be completed are typically found during periods of low or no flow (Reclamation 2012; CH2M 2013).

The SOP does not identify a specific annual maintenance season for the Funks Reservoir and Dam; however, certain activities can only be performed during dewatered conditions, and inspection and testing requirements are specified on annual and semiannual frequencies for selected facilities. Maintenance timing is therefore tied primarily to operational conditions which occur during the period of November 15 through April 1 as dictated by the SOP (Reclamation 2007).

Maintenance for the TCC usually occurs between December 1 and February 15, when the Funks Reservoir is dewatered (Jacobs 2024). The TCC typically shuts down for about 10 weeks from December 1st through February 15 for maintenance. The TCC is not routinely dewatered as part of normal operations. However, certain repairs will require localized isolation or outages. With the Sites Project, this maintenance window will be more flexible to enable adequate facility maintenance and allow Sites Project diversions during periodic winter flood events.

Generally, the TCC will be inspected for voids behind the canal lining and fill voids before the rainy season begins, generally November 1 (Reclamation 1988). The TCCA will clear TCC pipe crossings and bridge piers that are within the TCC prism before the rainy season, typically November 1 to March 1, to prepare for runoff (Reclamation 1988).

2.7 Current SCADA and Instrument and Control System

The RBPP facilities can be operated through a supervisory control and data acquisition (SCADA) system (CH2M 2013). This system includes the fish screens, pumping plant pumps, settling basin, TCC flowmeter, and Corning Pumping Plant. The FS section includes the sediment jetting system and FS cleaner system. The sediment jetting valves and pumps along with the FS cleaner motor can be operated from the SCADA system. The system also manually operates the initial nine pumps and valves within the RBPP. The canal and basin flow level section provides monitoring information for the flowmeter in the upstream pumping plant canal and settling basin level instrument upstream of Check 1. Unlike the rest of the Sites Project elevations, these levels are reported in National Geodetic Vertical Datum of 1929 (NGVD29). It also manually adjusts the siphon motor-operated slide gates at the inlet of the siphon. Refer to Section 2.8 for more information on water measurements systems. Finally, the SCADA system can remotely monitor the status of the pumping plant. The system can be accessed and used locally and remotely.

The RBPP and FS Designers' Operating Criteria (DOC) describes the instrument and control (I&C) system used in the RBPP facilities (Reclamation 2012). The system uses programmable logic controllers (PLCs), remote input/output, and variable frequency drives to remotely monitor and control key areas of the RBPP. Data such as river levels and FS differential level measurements, Forebay levels, FS diversion flow limit, canal flow and level, and settling basin level are all transmitted to the RBPP control system. With this information, the system can manually or automatically control parts of the FS cleaning equipment,

sediment jetting system, and Forebay pumps. More information on the I&C of the RBPP is located in the RBPP DOC.

TCC and Corning Canal check structures are monitored and remotely controlled through the same SCADA system that controls the RBPP facilities. Each of the 26 check structures on the TCC communicates via 450-megahertz licensed ultra high frequency radio telemetry to the RBPP facilities and other check structures. A repeater at Grapevine Pass northwest of Sites, California provides radio communications between locations. Each check structure includes a PLC and is in constant communication with upstream and downstream check structures to modulate gates and control pool level. Operators can adjust setpoints for RBPP facilities and check structures from the Red Bluff and Willows offices and other remote locations over virtual private network connection where internet access is available.

2.8 Current Water Measurement System

To measure flow within the RBPP, an ultrasonic flowmeter is located in the Upstream Canal approximately 125 feet upstream of the Siphon Inlet Structure to measure volumetric flow rate in the canal from the pumping plant. The meter is an Argonaut-SL1500 model, manufactured by Sontek/YSI. The following signals are read from the canal flowmeter:

- Water Flow
- Water Level
- Water Temperature
- Water Velocity (across and through the canal section)

Throughout the TCC, each check structure is a measuring station through SCADA by gate opening and WSE (head); there are 25 measuring stations. The canal is operated automatically from SCADA using data from each of the check structure PLCs to remotely monitor WSEs and adjust check gate openings to maintain target water levels and delivery requirements. The canal can be operated manually using fixed gate controls during power outages, communications failures, or control system failures.

Water is delivered through slide-gate turnouts that serve irrigation districts and other authorized users. These turnout structures range in size from approximately 8 to 72 inches in diameter, and there are about 102 turnout gates along the TCC. Operators adjust these gates to meet delivery demands while maintaining target water levels throughout the canal system.

The Performance Work Statement identifies propeller, Venturi, and ultrasonic meters as flow-measurement devices maintained within the canal system. It also requires the use of current-meter measurements, pitot measurements, and head tests to verify flows and calibrate measurement equipment used for water accounting and delivery operations (Reclamation 1988).

Many delivery locations are equipped with acre-foot totalizers that record the cumulative volume of water delivered. Some sites also maintain daily flow records in cubic feet per second, allowing operators to compare instantaneous flow rates with cumulative delivery volumes for water accounting and reporting purposes (Reclamation 1988).

3.0 Fish Screen OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

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3.1 Existing OM&R

The FS Facility OM&R practices are described in the *Red Bluff Pumping Plant and Fish Screen Designers' Operating Criteria* (Reclamation 2012) and the RBPP and FS SOPs (CH2M 2013). These documents describe operation of the FS bays, screen-cleaning system, sediment jetting system, and associated maintenance activities necessary to maintain fish protection and diversion functions.

The FS structure is designed to meet National Marine Fisheries Service and California Department of Fish and Game criteria for diversion flows ranging from 2,500 cfs down to as low as 80 cfs. To meet these requirements, screen bays are blocked off in numerical order from Bay 1 through Bay 58, upstream to downstream, based on the assumption that Bays 59 and 60 would remain available to accommodate the minimum diversion flow of 80 cfs.

Monthly diversion forecasts are used to determine how many bays must remain open. Operators verify the anticipated peak diversion for the upcoming month and then maintain at least 120% of that forecasted flow capacity by adjusting the number of active bays. Each bay contains a FS panel, a lower solid panel, and an upper solid panel. Spare screen panels are stored in the back slots of Bays 1–3, and spare solid panels in Bays 4–58, while Bays 59 and 60 do not store any spare panels.

During startup, the tuning baffle system was set to establish the initial porosity gradient across the screen array. Bay 1 is adjusted to approximately 4% porosity, Bay 60 to approximately 98%, and all intermediate bays are set to evenly distributed values between these endpoints. This configuration promotes uniform flow distribution and supports effective fish guidance across the full screen face.

Periodic structural inspections shall be performed to identify cracking or deterioration. Any cracks larger than hairline width must be reported promptly to Reclamation, Technical Service Center – Denver, Plant Structures Group (Attn: 86-68120), with photographs and marked prints showing their locations. Annual inspections shall also verify the condition of exterior wall penetrations and attachments, ensuring fasteners are secure and any corrosion is addressed through cleaning, recoating, or replacement. Anchor bolts and nuts shall be checked to confirm they remain fully tightened.

Each equipment module shall be inspected and maintained in accordance with the manufacturer's operations and maintenance manual, which supplements the structural inspection requirements described above.

Replacement of FS Facility components is primarily condition-based. FS panels, solid panels, screen cleaner brushes, sediment jetting equipment, and other mechanical appurtenances are repaired or replaced when inspections identify damage, excessive wear, corrosion, or operational deficiencies that will affect facility performance. Spare screen and solid panels are maintained on-site to support replacement activities and minimize operational downtime (Reclamation 2012, CH2M 2013).

3.2 OM&R with Sites Project

With the inclusion of Sites Reservoir diversions, the FS Facility would likely experience increased wintertime operations compared to its current irrigation-focused seasonal use. Because Sacramento River flows during winter storm events are typically more turbid and contain higher suspended sediment concentrations, screen-cleaning frequencies will increase to prevent excessive debris and fine sediment accumulation on screen panels. Sediment jetting systems will need to operate more frequently and for longer durations to maintain acceptable hydraulic conditions and FS performance criteria. Additional inspections of screens, screen-cleaning equipment, baffles, and related mechanical systems will be

warranted following high-flow diversion events. Over the long term, increased operating hours and exposure to abrasive sediment loads will accelerate wear of screen panels, brushes, chains, drives, and jetting system components, potentially shortening replacement intervals for these assets.

The debris boom functions to prevent large floating debris and logs from damaging the fish screens, but increased operations during high-flow runoff events will create higher likelihood of damage due to semi-submerged debris damaging the FS panels.

Under current operations, FS bays not required to meet diversion demands are blocked off using solid panels to reduce debris damage and sediment accumulation. Operation of Sites Reservoir will increase the number of bays required to remain open during winter months, potentially reducing opportunities to place bays in a blocked-off configuration and increasing screen cleaning, sediment jetting, inspection, and maintenance requirements.

4.0 Forebay OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

4.1 Existing OM&R

The Forebay is constructed downstream of the FS structure to serve as a conduit to provide uniform flow pattern and convey screened river water to the pumping plant (Figure 5). The Forebay OM&R practices are described in the *Red Bluff Pumping Plant and Fish Screen Designers' Operating Criteria* (Reclamation 2012) and the *Red Bluff Pumping Plant and Fish Screen Standard Operating Procedures* (CH2M 2013). These documents describe sediment management, dredging operations, dredge system maintenance, and long-term upkeep required to maintain reliable pumping plant operations.

Figure 5. Aerial Photograph of the RBPP Forebay (CH2M 2013)

Sediment that is deposited in the FS bays will be pushed by the sediment jetting system into the Forebay where it can be removed with the Project hydraulic dredge. Considering historical diversion rates, installed pumping capacity, and recommended operating protocols, the annual sediment deposition volume is assumed to be 2,000 to 3,400 cubic yards (0.3 to 0.5 foot thick).

Whenever more than 2 feet of sediment has deposited in the Forebay, dredging must occur to maintain the hydraulic capacity of the Forebay. Since installation, dredging has been occurring every 3 to 5 years. Dredging operations within the Forebay are influenced by the Sacramento River stage and the resulting WSE inside the Forebay. For planning and design purposes, dredging is assumed to occur at or below elevation 246.0 feet (NAVD88). Historical data show that the Sacramento River is below elevation 246.0 feet approximately 65% to 100% of the year, and during winter months, when irrigation demand is low, the river typically remains below this elevation approximately 75% of the time annually. The Forebay should be dredged to approximately elevation 234.5.

To minimize sediment deposition, the upstream most screen bays should be sequentially opened to meet projected monthly peak irrigation demand, with peak demand determined at the beginning of each month, and solid panels installed or removed to provide 120% of the predicted peak demand (CH2M 2013).

Replacement of Forebay facilities is primarily condition-based. Dredging equipment, slurry pipelines, valves, and other sediment-management components are repaired or replaced as needed based on inspection findings and operational condition.

4.2 OM&R with Sites Project

With implementation of the Sites Reservoir Project, the Forebay would likely experience increased sediment accumulation due to the diversion of more turbid Sacramento River water during winter periods. Higher sediment loads will increase the frequency of sediment monitoring and dredging beyond current operating assumptions, resulting in greater use of the hydraulic dredge system and associated slurry pipelines and appurtenances. Consequently, maintenance and replacement of sediment-management equipment and appurtenances will be required more frequently to maintain Forebay capacity and reliable operation of the pumping plant.

5.0 Settling Basins OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

5.1 Existing OM&R

The Settling Basins and Sediment Ponds OM&R practices are described in the *Red Bluff Pumping Plant and Fish Screen Designers' Operating Criteria* (Reclamation 2012) and the RBPP and FS SOPs (CH2M 2013). These documents describe operation of the sediment-management system, sediment storage facilities, water-control structures, and associated maintenance and replacement requirements.

The sediment ponds receive dredged slurry from the Forebay and provide settling capacity for suspended sediment prior to returning decanted water to the canal system. Operations include routing dredged slurry through the pond system to maximize detention time and settling efficiency using culverts, discharge structures, and sluice gates. Maintenance activities include annual inspection of

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discharge structures, semiannual cleaning and repair of sluice gates, and periodic removal of accumulated sediment to preserve available storage capacity.

Replacement is condition-based and includes repair or replacement of gates, culvert appurtenances, discharge-control structures, and other sediment-management facilities when deterioration, corrosion, leakage, or operational deficiencies are identified (CH2M 2013).

5.2 OM&R with Sites Project

With implementation of the Sites Reservoir Project, the settling basins and sediment ponds would likely receive greater sediment loads due to winter diversions of more turbid Sacramento River water. Increased sediment accumulation will require more frequent sediment removal to maintain available storage capacity and settling performance. Higher use of sluice gates, culverts, transfer pipes, and discharge structures will also increase maintenance needs and accelerate replacement of sediment-management components over time.

6.0 Pumping Plant OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

6.1 Existing OM&R

The pumping plant includes nine single-stage, vertical axial-flow pumps manufactured by Moving Water Industries Corporation and two more pumps being installed by the OB3 funded project (each with a capacity of 262 cfs). Of the nine existing pumps, seven are 84-inch model 84NWC units, each with a nominal capacity of 262 cfs, and two are 60-inch model 60NWC units rated at 131 cfs. All pumps are designed for approximately 12.5 feet of total dynamic head and discharge into the Afterbay. The pumps were selected to operate as follows:

- Over a total dynamic head range of 7.0 to 17.0 feet
- Between the pump Intake Low Water Locket-level elevation 242.0 feet and sump High Emergency Off-level elevation of 266.0 feet (normal pump operation occurs between sump WSEs of 242.0 and 250.0 feet)
- Between Afterbay WSEs of 253.0 feet and 265.7 feet, where slide gates control the flow to the Settling Basin to meet irrigation water delivery requirements throughout the season
- Over the full operating head ranges of both the Afterbay and the Sacramento River

Table 3 describes the maintenance requirements for the pumps.

Table 3. Red Bluff Pumping Plant Maintenance Schedule

Maintenance Item	Maintenance Action	Time Interval
Pump Installation Operations and Maintenance Manual		
Pump	Lubricate	Every 6 months during operation
Pump	Minor inspection	Every 6 months during operation

Maintenance Item	Maintenance Action	Time Interval
Pump	Major inspection	Once per year
Driver	Inspect	Every 6 months
Packing	Check for leakage	Once per month
Drip-oil system	Check line shaft bearing	Once per month
Impeller	Check clearance	Once per year
Pump	Check for accumulated grease, dirt, and worn, broken, or loose parts	Every 6 months

Source: CH2M 2013.

Table 4 lists maintenance requirements for the pump motors.

Table 4. Red Bluff Pumping Plant Variable Frequency Drives Motor Maintenance Schedule

Maintenance Item	Maintenance Action	Time Interval
US Motors		
Oil	Inspect	Once every month
Oil	Replace	1 year or as needed
Shaft	Rotate	Once every month
Winding insulation	Clean and dry	1 year or as needed

Source: CH2M 2013.

Pumping plant replacement activities are driven by equipment condition and performance. Major components, including pumps, impellers, bearings, valves, actuators, and gates, are rehabilitated or replaced as needed to maintain reliable and efficient operations (Reclamation 2012, CH2M 2013).

6.2 OM&R with Sites Project

With implementation of the Sites Reservoir Project, the pumping plant will experience increased operating hours due to additional winter diversions. In addition, higher sediment concentrations associated with more turbid Sacramento River water will increase wear on pumps, impellers, valves, and other hydraulic components. As a result, inspections, preventive maintenance, and replacement of wear-related components will be required more frequently for pumping facilities to maintain pumping efficiency and reliable operation.

7.0 Funks Dam and Reservoir OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

7.1 Existing OM&R

OM&R activities for Funks Dam and Reservoir are described in the SOP (Reclamation 2007) and are intended to support the continued safe and reliable operation of the dam, reservoir, spillway, outlet

works, gates, valves, and other appurtenant facilities. The SOP identifies the responsibilities of operating personnel and establishes requirements for routine inspections, maintenance activities, operational testing, monitoring, and documentation necessary to maintain facility functionality and operational readiness (Reclamation 2007).

Funks Dam is a zoned earthfill embankment. The structure height is approximately 80 feet with a crest width of 20 feet at an elevation of 214 feet and a crest length of approximately 1,500 feet.

Outlet works include a 14-inch diameter steel pipe with a 14-inch flowmeter and 12-inch motor-operated butterfly valve. This pipe facilitates small discharges into Funks Creek. The 14-inch flowmeter and two differential-pressure transmitters are installed to indicate, record, and totalize the flow of water through the outlet works on Funks Dam. Operation, servicing, and maintenance of the flow-metering equipment shall be performed in accordance with the manufacturer's instructions from Badger Meter, Inc. (Tulsa, Oklahoma) and from Kent Taylor for the differential-pressure cells.

The spillway is a left-abutment structure featuring a 75-foot gated overflow crest at elevation 186 feet, an 83-foot-wide chute, and an 83-foot-wide stilling basin. It uses three radial gates, each 25 feet by 20.22 feet, operated by hydraulic cylinders. The spillway also includes the previously mentioned 14-inch outlet pipe for small downstream releases. A 15-inch-diameter cast iron slide gate is installed in the spillway structure to control flow of the water through the 14-inch flowmeter. This is manually operated by a handwheel on a pedestal lift. Four turns of the handwheel will move the gate 1 inch.

Reservoir levels will rise without restriction up to elevation 186 feet; however, between 186 feet and 205.2 feet, the filling rate must be limited to 2 feet per day, ideally performed in the morning to allow daylight monitoring of embankment and structural response. During normal operations, drawdown between 205.2 feet and 186 feet should also be limited to 2 feet per day, while in emergency conditions no drawdown rate limit applies.

During the irrigation season (April 1 to November 15), the spillway gates stay closed, and the reservoir is filled with TCC water, with Funks Creek inflow normally routed through the outlet works. During the flood or high-water season (November 15 to April 1), the spillway gates are normally fully open; however, the gates can be operated to allow for deliveries downstream of Funks. This practice has been more aggressively pursued with the advent of the *Sustainable Groundwater Management Act* and the recharge projects downstream of Funks Reservoir.

During the high stream runoff season (November to early April), the reservoir must be isolated from the canal system by closing the gates at Checks 16 and 17 in TCC Reaches 5 and 6. The reservoir should be lowered to elevation 186 feet with the spillway gates fully open. However, to pass water through the reservoir to downstream deliveries, stoplogs may be added and the gates operated to maintain the water surface at elevation 197 feet (Reclamation 2004).

7.2 OM&R with Sites Project

With implementation of the Sites Reservoir Project, OM&R activities at Funks Dam and Reservoir will need to be adjusted to accommodate increased winter operations and the conveyance of more turbid water diverted from the Sacramento River. Higher sediment loads will increase inspection, cleaning, and maintenance requirements for gates, valves, outlet works, and flow-measurement equipment, while also contributing to greater wear on seals and other wetted components. As a result, maintenance frequencies, replacement intervals, and operational procedures will require updates to address sediment accumulation, equipment wear, and the shift toward more frequent wintertime operations.

Funks Creek will be dammed off by Sites Reservoir and therefore, Funks Reservoir will be able to be full during the high stream runoff season (November through April) when diversions off the Sacramento River are occurring to fill Sites Reservoir if the State Water Resources Control Board Permit enables retention of Funks Creek water. If Funks Creek water retention is not allowed by the diversion permit, Funks operations will need to be reviewed and the SOP updated further.

8.0 Main Canal and Appurtenances OM&R

The following sections describe existing OM&R practices and potential changes associated with implementation of the Sites Project.

8.1 Existing OM&R

The TCCA is responsible for operating, maintaining, and repairing the canal and associated facilities to ensure safe and reliable water deliveries. Canal operators perform daily inspections during the irrigation season to identify seepage, cracking, debris, and other operational issues, while additional inspections are conducted weekly, annually, or seasonally depending on the facility. These OM&R practices are described in the *Performance Work Statement for the Operation and Maintenance of the Tehama-Colusa and Corning Canals* (Reclamation 1988).

The canal includes approximately 102 slide-gate turnouts used to deliver water to irrigation districts. These turnouts must be kept in operable condition through annual cleaning and lubrication, adjustment of gates and operators, removal of trash and sediment, repair or replacement of damaged components, and corrosion prevention. Radial gates at check and control structures also require regular lubrication, annual inspections, and periodic replacement of seals and other wear components.

Canal maintenance includes removal of floating debris, sediment, and other obstructions that will affect operations. Concrete-lined reaches are inspected weekly for cracks, broken sections, and voids, with repairs completed as needed. Annual inspections are also required to identify and repair voids behind the lining before the rainy season. Although the TCC is generally not dewatered, maintenance activities will require localized isolation of facilities to perform repairs, sediment removal, or structure maintenance.

Siphons, drainage crossings, inlet drains, flap valves, measuring structures, and related facilities must be routinely inspected and repaired or replaced, as necessary. Drainage channels and crossings are cleaned and repaired before the rainy season and inspected during storms to maintain capacity and protect canal infrastructure. Overall, the maintenance program emphasizes preventive maintenance through daily operational inspections, weekly canal inspections, annual facility maintenance, and seasonal preparation activities, with emergency repairs receiving the highest priority.

8.2 OM&R with Sites Project

With the addition of Sites Reservoir Project water, operation and maintenance requirements for the TCC will increase due to both the timing and quality of deliveries. Unlike traditional irrigation deliveries that occur primarily during the summer, Sites water would be conveyed largely during the winter and non-irrigation season, requiring more year-round operation of canal facilities, gates, and measurement structures. This will reduce opportunities for maintenance outages and increase inspection and staffing needs.

In addition, Sites water diverted from the Sacramento River during high-flow periods will contain higher sediment concentrations than typical canal deliveries. Increased sediment loads will lead to greater accumulation of silt in canal reaches, turnouts, siphons, check structures, and measurement facilities, requiring more frequent sediment removal and cleaning. Higher sediment levels will also accelerate wear on gates, seals, and flow-measurement equipment, potentially increasing long-term repair and replacement requirements. Overall, the addition of Sites water will shift canal operations toward a more continuous, year-round maintenance program with greater emphasis on sediment management and hydraulic structure upkeep.

9.0 References

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Meeting: **Reservoir Committee & Authority Board Agenda Item 7.3** **August 21, 2026**

Subject: **Update on Reclamation District 108 Operations Agreement**

Requested Action:

Receive a status update on the Operations Agreement with Reclamation District 108 (RD 108) and provide feedback on any specific areas of concern.

Detailed Description/Background:

The Sites Reservoir Project (Project) requires the use of the Lower Colusa Basin Drain (CBD) and Knights Landing Outfall Gates (KLOG) system to deliver project benefits. RD 108 operates existing infrastructure within the Lower CBD and is a key strategic partner to assist in performing O&M services necessary to support Sites Project operations through the Lower CBD. Staff have been working with RD 108 to develop a draft Operations Agreement that seeks to secure a long-term relationship with RD108 as the Sites Project contract operator for these designated parts of the Sites project operations. The Operations Agreement would focus on defining scope, service performance expectations, and compensation mechanisms for RD 108's role.

RD 108 and Sites are actively working through operations agreement comments. RD 108 comments were provided to staff in early August and staff is currently reviewing the comments provided. Authority Board comments from the June board meeting on the compensation framework are also being incorporated into the agreement.

The scope of services to be performed by RD 108 will continue to be refined through coordination with the District in Phase 3 and 4 and will ultimately be incorporated as an attachment to the Operations Agreement. A draft scope of services outline is provided as Attachment A and includes feedback from the Authority Board that was provided in the June board meeting.

Implementation of an Operations Agreement with RD 108 will require addressing both jurisdictional and financial considerations. Within the Lower CBD system, multiple entities currently possess differing statutory authorities and operational responsibilities. There are currently no coordinated O&M activities in the drainage canal, and there is not yet a unified consensus on which entity should perform ongoing O&M. As part of the agreement development process, these jurisdictional issues must be clarified to ensure effective and reliable service delivery. These jurisdictional considerations will also extend into Phase 3 and Phase 4 of the Project.

The RD 108 Operations Agreement will be provided for approval in September to support the Offer of Capacity Interest.

PREPARER: Natoli MANAGER: Robinette APPROVER: Brown

Prior Action:

June 2026 –Board provided feedback on the Authority's key terms of an Operations Agreement with Reclamation District 108 (RD 108) for the Lower Colusa Basin Drain (CBD) system.

Fiscal Impact/Funding Source:

There are sufficient funds in the Amendment 3 work plan to pay the costs related to this effort. It is expected that the expenditure of funds will run through the end of the Amendment 3 Work Plan, December 31, 2026. Operations and Maintenance scope finalization are expected to be further refined as modeling, design and analysis advances in Phase 3 and 4 of the Project.

Staff Contact:

JP Robinette
Rob Natoli

Primary Service Provider:

Brown and Caldwell/HDR

Attachments:

Attachment A – Draft Scope of Services Outline

RD-108 Operations Agreement – Draft Scope of Services Outline Attachment

The following scope of services outline summarizes the discussions to date with RD-108. It is not yet a confirmed or complete list of activities. This draft scope of services outline will be developed into an Operations Agreement Scope of Services attachment in Phase 3 and 4 of the project with continued coordination with other Lower CBD agencies and stakeholders to gain authority for performance of these services and to develop processes to execute certain services.

Draft Scope of Services Outline

1) **Agency and Stakeholder Coordination**
    a) Provide oversight, coordination, and management support of Colusa Basin Drain operations and maintenance in conjunction with Sites project
        i) Attend and coordinate Lower CBD operations planning meetings, interval TBD
        ii) Coordination with local stakeholders, attend meetings as needed
    b) Coordinate Sites Lower CBD operations and maintenance with DWR KLOG O&M
    c) Coordinate Sites Lower CBD operations with RD-108 Wallace Weir O&M
    d) Act as first responder to local stakeholder issues
2) **Lower CBD Canal Maintenance Activities:**
    a) Vegetation Monitoring, Control, and Abatement
    b) Dredging, removal of debris from drain
    c) Execution of minor improvement projects, as needed
3) **Lower CBD Facility Operations**
    a) Dunnigan Pipeline Lower CBD Discharge Structure (TBD if this will be operated by RD-108 or a different party).
        i) Respond to alarm notifications

ii) Ensure operational functionality, report issues and coordinate with Sites for Repairs above threshold

iii) Troubleshoot operational challenges

iv) Maintain operations and alarm logs

4) Lower CBD Data Monitoring and Reporting Support

a) Read flow meters, check installation of pumps / flow meters for diverters from Balsdon Weir to KLOG, report concerns and findings to the Sites

b) Reporting, operating, and maintaining stage, flow, and water quality measurements and monitoring for Sites operations in Lower CBD

c) Host additional flow and stage monitoring for Sites related O&M on cdec

Scope of Operations Agreement Consideration/Coordination Items:

a) TCCA has expressed interest in operating the Dunnigan pipeline. The extent of RD-108 vs. TCCA operations still needs to be coordinated. Although, it should be noted that due to the influence of the Sites turnout flows on the TC Canal check structure operations there is a significant need for close coordination, at a minimum, with the TC Canal operators.

b) Sites flow measurement and crediting needs coordination with the operations plan. As the operations, measurement and monitoring and other plans are developed, the detailed scope of operations services will be further defined and detailed out.